Independent Auditor's Report

To the Members of **Sona BLW Precision Forgings Limited**

Report on the Audit of the Standalone Financial Statements

OPINION

1. We have audited the accompanying standalone financial statements of Sona BLW Precision Forgings Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31st March 2025 the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Impairment of goodwill and brands having indefinite useful life (together 'intangibles') As detailed in Note 46 to the standalone financial statements, the Company carries goodwill amounting to INR 1,582.24 million and brands amounting to INR 687.40 million in its standalone balance sheet as at 31st March 2025. The goodwill (related to Comstar) was recorded pursuant to scheme of amalgamation being approved by the Hon'ble National Company Law Tribunal vide its order dated 7th January 2022 post which the Company and its wholly owned subsidiary Comstar Automotive Technologies Private Limited were merged. The brands were recognised pursuant to Company acquiring SONA Intellectual property rights and all intellectual property rights thereto from SONA Management Services Limited. In terms with Indian Accounting Standard 36, Impairment of Assets, Goodwill and indefinite lived assets are tested for impairment annually by the management at the CGU level, whereby the carrying amount of the CGU (including goodwill) is compared with the recoverable amount of the CGU. Impairment assessment requires significant estimations and judgement with respect to inputs used and assumptions made to prepare the forecasted financial information, used to determine the recoverable amount, using discounted cash flow model ('Model').	Our audit procedures included, but were not limited to the following: a) Obtained an understanding from the management with respect to its impairment assessment process, assumptions used and estimates made by the management; b) Evaluated the design and tested the operating effectiveness of controls related to aforementioned process of impairment testing; c) Obtained the impairment analysis carried out by the management and tested its mathematical accuracy. Understood and evaluated the basis of identification of CGUs to which goodwill is allocated for impairment assessment; d) Traced the cash flows considered in future projections to approved business plans and compared past projections with actual results to evaluate efficacy of the business projections process; e) Evaluated the inputs and assumptions used by the management in future projections with respect to revenue and cost growth trends for reasonableness thereof, basis our understanding of the business and market trends;

Key audit matters	How our audit addressed the key audit matter
Key assumptions used in management's assessment of the carrying amount of goodwill and indefinite life intangible assets includes the expected growth rates, estimates of future financial performance, market conditions and discount rates, amongst others. The management has concluded that the recoverable amount of the CGU is higher than its carrying amount and accordingly, no impairment provision has been recorded as at 31st March 2025. Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved in the estimates and assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such intangibles as a key audit matter for the current year audit.	f) Engaged auditor's valuation experts to assess appropriateness of the valuation methodology applied and the reasonableness of the assumptions used including discount rate and long-term growth rates, basis comparison to economic and industry forecasts where appropriate; g) Performed sensitivity analysis on these key assumptions to assess the degree of estimation uncertainty involved in the estimates and h) Assessed the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements in accordance with the accounting standards.
Impairment assessment of investment in a subsidiary company. As described in Note 46 to the standalone financial statements, the Company has completed the acquisition of 54% share capital and voting rights in Novelic d.o.o. Beograd on 6th September 2023, as per terms of the definitive documents executed in this regard. The subsidiary's net worth is lower than the carrying value of the investment and thus, the management has performed a detailed impairment investment in accordance with the requirements of Ind AS 36, Impairment of Assets. The management has determined the recoverable value of the investment through fair valuation using discounted cash flow method, which requires the management to make significant estimates and judgements with respect to detailed cash flow projections based on underlying business plans of the subsidiary company, expected growth rates in the business and other market related factors. The management has concluded that the recoverable amount of the Investment is higher than its carrying amount and accordingly, no impairment provision has been recorded as at 31st March 2025. Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such investment as a key audit matter for current year audit.	Our audit procedures included, but were not limited to, the following: a) Obtained an understanding from the management with respect to its impairment assessment process, assumptions used and estimates made by management. b) Evaluated the design and tested the operating effectiveness of controls related to aforementioned annual impairment. c) Obtained the impairment analysis carried out by the management and tested its mathematical accuracy. d) Traced the cash flows considered in future projections to approved business plans of the investee company and compared past projections with actual results to evaluate efficacy of the business projections process; e) Evaluated the inputs and assumptions used by the management in future projections with respect to revenue and cost growth trends for reasonableness thereof, basis our understanding of the business and market trends; f) Engaged auditor's valuation experts to assess appropriateness of the valuation methodology applied and the reasonableness of the assumptions used including discount rate and long-term growth rates, basis comparison to economic and industry forecasts where appropriate; g) Performed sensitivity analysis on these key assumptions to assess the degree of estimation uncertainty involved in the estimates; h) Assessed the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements in accordance with the accounting standards.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure I, as required by Section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) Except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164(2) of the Act;

    f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated, paragraph 17(b) above on reporting under Section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31st March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company, as detailed in note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2025;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2025;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2025;

   iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 49 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

   b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 49 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

   v. The interim dividend declared and paid by the Company during the year ended 31st March 2025 and until the date of this audit report is in compliance with Section 123 of the Act. The final dividend paid by the Company during the year ended 31st March 2025 in respect of such dividend declared for the previous year is in accordance with

Section 123 of the Act to the extent it applies to payment of dividend. As stated in note 34 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31st March 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 1st April 2024, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Arun Tandon

Partner

Membership No.: 517273

UDIN: 25517273BMICZR6458

Place: New Delhi

Date: 30th April 2025

Annexure I

referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Sona BLW Precision Forgings Limited on the standalone financial statements for the year ended 31st March 2025

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment,capital work-in-progress, and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 3 to the standalone financial statements, are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Gurugram and Pune with gross carrying values of INR 13.10 millions and INR 13.20 millions as at 31st March 2025, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

(d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) As disclosed in Note 52 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of INR 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.

(iii) The Company has not provided any security or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in, provided guarantee to companies and granted unsecured loans to other parties during the year, in respect of which:

(a) The Company has provided loans, or guarantee to subsidiaries/ others during the year as per details given below:

(INR in millions)

Particulars	Guarantees	Loans
Aggregate amount provided/ granted during the year (INR):		
- Subsidiaries	667.76	-
- Others (Employees)	-	11.46
Balance outstanding as at balance sheet date (INR):		
- Subsidiaries	710.26	-
- Others (Employees)	-	11.87

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided any security, advance in nature of loans.

(c) In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal are regular. Further, no interest is receivable on such loans.

(d) There is no overdue amount in respect of loans granted to other parties. The Company has not granted any loans to companies, firms or LLPs.

(e) The Company has not granted any loan or advance in the nature of loans which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.

(f) The Company has not granted any loan or advance in the nature of loan, which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments made and guarantees provided by it, as applicable. There are no loans or securities given by the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of Section 148 of the Act only in respect of specified products of the Company. For such products, we have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under the aforesaid section, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (INR million)	Amount paid under Protest (INR million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax Demand	2.12	2.12	Assessment Year (AY) 2013-14	Transfer pricing officer
Income Tax Act,1961	Income Tax Demand	2.98	-	Assessment Year (AY) 2016-17	Transfer pricing officer
Income Tax Act,1961	Income Tax Demand	97.66	14.17	Assessment Year (AY) 2017-18	Commissioner of Income tax (Appeals)
Income Tax Act,1961	Income Tax Demand	8.07	1.18	Assessment Year (AY) 2018-19	Commissioner of Income tax (Appeals) / Assessing officer
CGST Act, 2017	CGST Demand	281.97	-	Financial Year 2018-19 to 2019-20	Madras high court
Finance Act,1994	Service Tax Demand	0.47	-	Financial Year 2005-06 to 2007-08	Commissioner of Central excise (Appeals)

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short-term basis have, prima facie, not been utilised for long-term purposes.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has made private placement of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of Section 42 and Section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised were used for the purposes for which the funds were raised, though idle funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of Section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of Section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act.(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Arun Tandon

Partner

Membership No.: 517273

UDIN: 25517273BMICZR6458

Place: New Delhi

Date: 30th April 2025

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Sona BLW Precision Forgings Limited ('the Company') as at and for the year ended 31st March 2025 we have audited the internal financial controls with reference to financial statements of the Company as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31st March 2025 based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Arun Tandon

Partner

Membership No.: 517273

UDIN: 25517273BMICZR6458

Place: New Delhi

Date: 30th April 2025

Standalone Balance Sheet

as at 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	Note No.	As at 31st March 2025	As at 31st March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,040.09	8,986.92
Right-of-use assets	3	2,037.75	2,169.94
Capital work-in-progress	3	1,073.57	945.23
Goodwill	4	1,582.24	1,582.24
Other intangible assets	4	2,916.25	3,232.88
Intangible assets under development	4	627.11	453.29
Financial assets			
(i) Investments	5	5,587.43	5,141.50
(ii) Other financial assets	6	497.77	88.63
Income tax assets (net)	7	26.16	254.55
Other non-current assets	8	688.35	953.29
Total non-current assets		**26,076.72**	**23,808.47**
Current assets			
Inventories	9	3,076.51	3,115.91
Financial assets			
(i) Investments	5	7,839.15	271.15
(ii) Trade receivables	10	6,281.64	5,821.36
(iii) Cash and cash equivalents	11	9,586.93	246.01
(iv) Bank balances other than (iii) above	12	2,525.69	1,731.84
(v) Other financial assets	6	5,096.69	24.83
Other current assets	8	1,056.93	833.31
Total current assets		**35,463.54**	**12,044.41**
Total assets		**61,540.26**	**35,852.88**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13(A)	6,217.18	5,864.48
Other equity	14	47,734.10	19,875.84
Total equity		**53,951.28**	**25,740.32**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15 (i)	-	292.05
(ii) Lease liabilities	43	1,435.82	1,496.06
(iii) Other financial liabilities	16	2.24	688.59
Provisions	17	251.82	247.69
Deferred tax liabilities (net)	18	728.12	710.25
Total non-current liabilities		**2,418.00**	**3,434.64**
Current liabilities			
Financial liabilities			
(i) Borrowings	15 (ii)	-	2,038.54
(ii) Lease liabilities	43	60.56	51.45
(iii) Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		453.28	519.87
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,481.44	2,174.60
(iv) Other financial liabilities	16	1,680.09	1,438.96
Other current liabilities	20	344.51	293.02
Provisions	17	88.86	72.23
Current tax liabilities (net)	21	62.24	89.26
Total current liabilities		**5,170.98**	**6,677.92**
Total liabilities		**7,588.98**	**10,112.56**
Total equity and liabilities		**61,540.26**	**35,852.88**
The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements.	1 to 54		

This is the standalone balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Arun Tandon
Partner
Membership No.: 517273

For and on behalf of the Board of Directors of
Sona Blw Precision Forgings Limited

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Rohit Nanda
Group Chief Financial Officer

Ajay Pratap Singh
Company Secretary
Membership No.: FCS 5253

Place: New Delhi
Date: 30th April 2025

Place: Gurugram
Date: 30th April 2025

Standalone Statement of Profit and Loss

for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	Note No.	For the year ended 31st March 2025	For the year ended 31st March 2024
Income			
Revenue from operations	22	32,262.98	28,918.26
Foreign exchange gain (net)		65.00	12.83
Other income	23	1,407.78	401.71
Total income		**33,735.76**	**29,332.80**
Expenses			
Cost of materials consumed	24 (a)	13,878.60	12,663.62
Changes in inventories of finished goods and work-in-progress	24 (b)	186.11	(367.10)
Employee benefits expense	25	2,453.26	2,111.54
Finance costs	26	279.08	253.87
Depreciation and amortisation expense	27	2,326.61	2,025.87
Other expenses	28	6,704.08	6,265.72
Total expenses		**25,827.74**	**22,953.52**
Profit before exceptional items and tax		**7,908.02**	**6,379.28**
Exceptional item	29	192.85	87.16
Profit before tax		**7,715.17**	**6,292.12**
Tax expense	30		
- Current tax		1,885.95	1,452.51
- Tax related to previous years		(7.62)	(28.68)
- Deferred tax charge		39.96	23.49
Total tax expense		**1,918.29**	**1,447.32**
Profit for the year		**5,796.88**	**4,844.80**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements (losses)/gains on defined benefit plans		(11.18)	(23.18)
Income tax relating to above mentioned items		2.82	5.84
Items that will be reclassified to profit or loss			
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (refer note 48)		19.29	11.75
Income tax relating to above mentioned items		(4.85)	(2.96)
Other comprehensive income/(loss) for the year		**6.08**	**(8.55)**
Total comprehensive income for the year		**5,802.96**	**4,836.25**
Earnings per equity share of face value of INR 10 each			
Earnings per share (Basic) (in INR)	37	9.57	8.27
Earnings per share (Diluted) (in INR)	37	9.57	8.27
The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements.	1 to 54		

This is the standalone statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Sona Blw Precision Forgings Limited

Arun Tandon
Partner
Membership No.: 517273

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Rohit Nanda
Group Chief Financial Officer

Ajay Pratap Singh
Company Secretary
Membership No.: FCS 5253

Place: New Delhi
Date: 30th April 2025

Place: Gurugram
Date: 30th April 2025

Standalone Cash Flow Statement
for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

		For the year ended 31st March 2025	For the year ended 31st March 2024
A.	**Cash flows from operating activities**		
	Profit before income tax	7,715.16	6,292.12
	Adjustments for:		
	Depreciation and amortisation expense	2,326.61	2,025.87
	Loss on sale of property plant and equipment (net)	1.30	2.00
	(Reversal)/Allowance for doubtful receivables	-	(46.19)
	Share-based payments	287.64	158.57
	Unwinding of discount on fair valuation of security deposits	(1.52)	(1.35)
	Provision for slow moving inventory	21.82	6.24
	Fair value loss/(gain) on derivatives	25.63	(11.68)
	Profit on sale of investments	(405.95)	-
	Dividend income	(198.24)	(203.88)
	Provision for warranty	26.90	45.14
	Unwinding of discount on deferred payment liabilities	33.45	27.74
	Finance costs	240.64	250.77
	Interest income	(788.25)	(196.43)
	Unrealised foreign exchange loss/(gain) (net)	17.17	6.05
	Operating profit before working capital changes	**9,302.36**	**8,354.97**
	Changes in working capital		
	Movement in inventories	17.59	(438.49)
	Movement in trade receivables	(459.75)	74.50
	Movement in financial assets	13.97	(25.16)
	Movement in other assets	(172.02)	(706.96)
	Movement in trade payables	240.86	384.27
	Movement in financial liabilities	(25.05)	104.96
	Movement in provisions	(17.31)	25.28
	Movement in other liabilities	51.47	56.22
	Cash generated from operations	**8,952.12**	**7,829.59**
	Direct taxes paid	(1,626.49)	(1,436.24)
	Net cash flow generated from operating activities - Total (A)	**7,325.63**	**6,393.35**
B.	**Cash flows from investing activities**		
	Payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances/payables (refer note 43)	(3,766.00)	(3,140.09)
	Proceeds from sale of property, plant and equipment	14.76	4.07
	Fixed deposits created during the year	(28,611.26)	(4,858.54)
	Fixed deposits matured during the year	22,516.89	3,383.98
	(Purchase)/Sale of current investment (net)	(7,162.05)	1,861.96
	Purchase of non-current investment	(1,154.93)	(2,176.78)
	Dividend received	198.24	203.88
	Interest received	595.94	196.43
	Net cash (used) in investment activities - Total (B)	**(17,368.41)**	**(4,525.09)**

Standalone Cash Flow Statement

for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

		For the year ended 31st March 2025	For the year ended 31st March 2024
C.	**Cash flows from financing activities**		
	(Repayment)/Proceeds from short-term borrowings (net)	(1,843.84)	256.66
	Repayment of long-term borrowings	(3,442.99)	(100.76)
	Proceeds from long-term borrowings	2,956.25	-
	Repayment of deferred payment liabilities	(33.45)	(27.74)
	Repayment of principal amount of lease liabilities	(51.13)	(30.50)
	Interest paid on lease liabilities	(143.03)	(77.85)
	Dividend paid	(1,892.03)	(1,792.94)
	Proceeds from issue of equity shares [including securities premium, (net)]	23,931.53	40.00
	Interest paid	(97.61)	(172.92)
	Net cash flow from/(used) in financing activities - Total (C)	**19,383.70**	**(1,906.05)**
D.	**Net increase in cash and cash equivalents (A)+(B)+(C)**	**9,340.92**	**(37.79)**
E.	Cash and cash equivalents at the beginning of the year	246.01	283.80
F.	**Cash and cash equivalents at the end of the year (D)+(E)**	**9,586.93**	**246.01**
	Reconciliation of cash and cash equivalents as per the cash flow statement (refer note 11)		
	Cash and cash equivalents as per above comprise of the following		
	Balances in current accounts	166.41	243.62
	Cash on hand	0.06	0.10
	Cheque on hand	-	2.29
	Bank deposits with original maturity of less than three months	9,420.46	-
	Balances per statement of cash flows	**9,586.93**	**246.01**

Note: The above statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements. 1 to 54

This is the standalone statement of cash flows referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Sona Blw Precision Forgings Limited

Arun Tandon
Partner
Membership No.: 517273

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Rohit Nanda
Group Chief Financial Officer

Ajay Pratap Singh
Company Secretary
Membership No.: FCS 5253

Place: New Delhi
Date: 30th April 2025

Place: Gurugram
Date: 30th April 2025

Standalone Statement of Changes in Equity

for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

A. EQUITY SHARE CAPITAL

	Amount
Balance as at 1st April 2023	**5,854.05**
Equity share issued during the year (refer note 13)	10.43
Balance as at 31st March 2024	**5,864.48**
Equity share issued during the year (refer note 13)	352.70
Balance as at 31st March 2025	**6,217.18**

B. OTHER EQUITY

	Reserve and Surplus					Equity instruments through other comprehensive income	Cash Flow Hedge Reserve	Cash Flow Hedge Reserve	Total
	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Employee's stock options reserve				
Balance as at 1st April 2023	**120.00**	**5,601.48**	**25.93**	**10,428.95**	**46.03**	**(328.28)**	**12.78**	**737.23**	**16,644.12**
Net profit for the year	-	-	-	4,844.80	-	-	-	-	4,844.80
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (net of tax) (refer note 48)	-	-	-	-	-	-	8.79	-	8.79
Remeasurement of defined benefit obligations (net of tax)	-	-	-	(17.34)	-	-	-	-	(17.34)
Dividend paid (refer note 34)	-	-	-	(1,792.94)	-	-	-	-	(1,792.94)
Employee stock option reserve created during the year	-	-	-	-	158.86	-	-	-	158.86
Impact on exercise of ESOPs grants (Refer Note 45)	-	49.78	-	-	(49.78)	-	-	-	-
Premium on ESOPs issue	-	29.55	-	-	-	-	-	-	29.55
Balance as at 31st March 2024	**120.00**	**5,680.81**	**25.93**	**13,463.47**	**155.11**	**(328.28)**	**21.57**	**737.23**	**19,875.84**

Standalone Statement of Changes in Equity

for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	Reserve and Surplus					Equity instruments through other comprehensive income	Cash Flow Hedge Reserve	Cash Flow Hedge Reserve	Total
	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Employee's stock options reserve				
Net profit for the year	-	-	-	5,796.88	-	-	-	-	5,796.88
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (net of tax) (refer note 48)	-	-	-	-	-	-	14.44	-	14.44
Remeasurement of defined benefit obligations (net of tax)	-	-	-	(8.36)	-	-	-	-	(8.36)
Dividend paid (refer note 34)	-	-	-	(1,892.04)	-	-	-	-	(1,892.04)
Premium on fresh issue of equity shares	-	23,652.17	-	-	-	-	-	-	23,652.17
Premium used for expenses related to fund raising	-	(230.42)	-	-	-	-	-	-	(230.42)
Employee stock option reserve created during the year (Refer note 45)	-	-	-	-	293.93	-	-	-	293.93
Impact on exercise of ESOPs grants (Refer note 45)	-	39.18	-	-	(39.18)	-	-	-	-
Premium on ESOPs issue	-	231.66	-	-	-	-	-	-	231.66
Balance as at 31st March 2025	**120.00**	**29,373.40**	**25.93**	**17,359.95**	**409.86**	**(328.28)**	**36.01**	**737.23**	**47,734.10**

This is the standalone statement of changes in equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Sona Blw Precision Forgings Limited

Arun Tandon
Partner
Membership No.: 517273

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Rohit Nanda
Group Chief Financial Officer

Ajay Pratap Singh
Company Secretary
Membership No.: FCS 5253

Place: New Delhi
Date: 30th April 2025

Place: Gurugram
Date: 30th April 2025

1. COMPANY OVERVIEW

Sona BLW Precision Forgings Limited ("the Company") is a public limited company incorporated and domiciled in India and having its registered office at Sona Enclave, Village Begumpur, Khatola, Sector 35, Gurugram. It was incorporated on 27th October 1995 and began commercial production in November 1998. The Company is engaged in the manufacturing of precision forged bevel gears and differential case assemblies, conventional and micro-hybrid starter motors, EV traction motors etc., for automotive and other applications.

2. BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation and measurement

i) Statement of compliance

The standalone financial statements have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 (the "Act") (as amended from time to time) and guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable. The Company's equity shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE).

The standalone financial statements were approved for issue by the Company's Board of Directors on 30th April 2025.

ii) Historical cost convention

The standalone financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value; and
- defined benefit plans – plan assets measured at fair value

iii) Business combination and goodwill

The Company applies the acquisition method in accounting for business combinations. The cost of acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date. Acquisition costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognised.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

2.2 Summary of material accounting policy information

a) Property, plant and equipment and capital work-in-progress

Freehold land is carried at cost. All other items of property, plant and equipment and capital work-in-progress are stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The cost of an item of property, plant and equipment is the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the property, plant and equipment is capitalised at discounted value. The difference between the discounted value and the total payment is recognised as interest over the period of credit.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) as prescribed in Schedule II of the Act: -

Asset category	Useful life (in years)
Buildings	3 to 30
Plant and equipment	1 to 25
Furniture and fixtures	3 to 10
Computers and IT equipment	3
Vehicles	4 to 8
Office equipment	1 to 5
Leasehold improvements	Over the effective term of lease

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Expenditure on the research phase of projects is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Company can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation methods and periods.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Asset class	Useful life (in years)
Computer software	1 to 6
Technical knowhow	6
Brand	Indefinite
Customer Relationship	15
Goodwill	Indefinite
Technology development expenditure	5

The remaining amortisation period for material individual intangible assets is 0-14 years.

The amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortisation expense.

Derecognition

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

c) Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses). Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing on the date of transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

d) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

a) Revenue from sale of goods:

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of discounts. Revenue is disclosed exclusive of goods and services tax.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

b) Other Income:

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Dividend is recognised as and when the right of the Company to receive payment is established.

Export benefit entitlements/any other incentive under various schemes notified by the government are recognised in the statement of profit and loss when the right to receive credit as per terms of the scheme is established in respect of the exports made/conditions met and no significant uncertainties exist as to the amount of consideration and its ultimate collection.

c) Revenue from contract with customers

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process:

1 Identifying the contract with customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations
5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers for products sold and service provided is recognised when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 30-90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

These activity-specific revenue recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

Consideration for revenue contracts

This includes amounts paid, or expected to be paid, by the Company to the customer. The amount, if not for a payment for a distinct goods or service from the customer, is accounted for as a reduction of the transaction price. The Company recognises the reduction of revenue when (or as) the later of either of the following events occurs: (a) the Company recognises revenue for the transfer of the related goods or services to the customer; and (b) the entity pays or promises to pay the consideration (even if the payment is conditional on a future event).

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

e) **Income taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f) **Leases**

The Company lease asset classes primarily consist of leases for land, buildings and plant and machinery. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the right to extend the lease. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

g) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

a) at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.

b) in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below:

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i) Financial assets at amortised cost – a financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii) Financial assets at fair value

- Investments in equity instruments (other than subsidiaries) – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Investment in equity instrument of subsidiaries are stated at cost using the exemption as per Ind AS 27 ‘Separate financial statements’.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using effective interest method. Amortised cost is calculated after considering any discount or premium on acquisition and fees or costs that

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments

Initial and subsequent measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Hedge accounting

The Company designates certain hedging instruments mainly derivatives, in respect of foreign currency risk, as cash flow hedges to mitigate foreign currency exchange risk arising from certain highly probable sales transactions denominated in foreign currency.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss, and is included in the 'Other income'/ 'Other expense' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non -financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h) Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets. In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost. ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach required by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The Company uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables. Life time expected credit losses are assessed and accounted based on company's historical collection experience for customers and forecast of macroeconomic factors.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

i) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Companied at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's of assets (cash-generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of asset over its remaining useful life.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

j) Fair value measurement

The Company measures certain financial instruments, such as, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Refer note 32 for fair value hierarchy.

k) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on the basis of weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

business less the estimated costs of completion and the estimated costs necessary to make the sale.

l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit accounts, margin deposit money and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities in the balance sheet. The statement of cashflow is prepared using indirect method.

m) Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

b) Post-Employment Benefits

Defined Contribution Plan: A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separately entity. The Company has defined contribution plans for provident fund and employees' state insurance scheme. The Company's contribution in the above plans is recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service.

Defined Benefit Plans: The Company has defined benefit plan namely Gratuity for employees. The liability in respect of gratuity plans is calculated annually by independent actuary using the projected unit credit method. The Company recognises the following changes in the net defined benefit obligation under Employee benefits expense in statement of profit and loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailment and non-routine settlements
- Net Interest expense

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

Other long-term employee benefits

Compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of the year. Actuarial gains/losses are immediately recognised to the Statement of Profit and Loss.

Termination benefits are recognised as an expense immediately.

n) Employee share-based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date. All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

o) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Dilute earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

p) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the balance sheet date.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Expected future operating losses are not provided for.

Contingencies

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Eligible transaction/ ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

r) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

s) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on the current/non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current financial assets. The Company classifies all other assets as non-current.

A liability is treated current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Current liabilities include current portion of non-current financial liabilities. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current/ non-current classification of assets and liabilities.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements includes:

a) Provisions

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

b) **Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractual and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

c) **Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

d) **Useful lives of tangible/intangible assets**

The Company reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

e) **Defined benefit obligation**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f) **Impairment of non-financial assets and goodwill**

In assessing impairment, Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

g) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

h) **Measurement of share-based payments;**

The fair value of employee stock options is measured using the Black-Scholes model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds)

i) **Capitalisation of internally developed intangible assets**

The Company applies judgement in determining at what point the recognition criteria under Ind AS 38 is satisfied with respect to technology development expenditure being incurred.

2.4 Application of new and revised Indian Accounting Standard (Ind AS)

For the year ended 31st March 2025, MCA has not notified any new standards applicable to the Company.

Recent Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs vide notification dated 31st March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1st April 2024:

1. Amendments to Ind AS 116 - Lease liability in a sale and leaseback
2. Introduction of Ind AS 117
3. The amendments to Ind AS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have a significant impact on the Company's Standalone Financial Statements.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

3 PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS (CWIP) AND RIGHT-OF-USE ASSET (ROU)

Property, plant and equipment	Freehold land	Buildings (Refer note i)	Plant and equipment (Refer note ii)	Furniture and fixtures	Office Equipment	Computers	Vehicles	Leasehold improvement	Total	Capital work-in-progress	Right-of-use assets		
											Leasehold land	Building	Total
Gross carrying amount as at 1st April 2023	**26.12**	**1,179.70**	**9,129.04**	**98.75**	**158.69**	**220.11**	**203.20**	**141.29**	**11,156.90**	**693.24**	**845.55**	**816.20**	**1,661.75**
Additions	-	93.94	2,117.44	25.40	31.53	41.27	84.45	1.07	2,395.10	2,626.49	-	839.00	839.00
Transfer on capitalisation#	-	-	-	-	-	-	-	-	-	(2,374.50)	-	-	-
Disposals	-	-	(20.37)	-	(0.03)	(2.61)	(30.61)	-	(53.62)	-	-	-	-
Gross block as at 31st March 2024	**26.12**	**1,273.63**	**11,226.11**	**124.15**	**190.20**	**258.76**	**257.04**	**142.36**	**13,498.38**	**945.23**	**845.55**	**1,655.20**	**2,500.75**
Accumulated depreciation as at 1st April 2023	**-**	**181.31**	**2,487.96**	**43.74**	**92.86**	**142.72**	**73.51**	**60.98**	**3,083.08**	**-**	**44.69**	**209.09**	**253.78**
Depreciation charge during the year	-	50.16	1,294.59	13.53	15.69	45.91	38.32	13.94	1,472.15	-	2.64	74.39	77.03
Disposals	-	-	(17.87)	-	(0.03)	(2.61)	(23.26)	-	(43.77)	-	-	-	-
Closing accumulated depreciation	**-**	**231.47**	**3,764.68**	**57.27**	**108.52**	**186.02**	**88.57**	**74.92**	**4,511.45**	**-**	**47.33**	**283.48**	**330.81**
Net carrying amount as at 31st March 2024	**26.12**	**1,042.16**	**7,461.43**	**66.88**	**81.68**	**72.75**	**168.47**	**67.45**	**8,986.92**	**945.23**	**798.22**	**1,371.71**	**2,169.94**
Gross carrying amount as at 1st April 2024	**26.12**	**1,273.63**	**11,226.11**	**124.15**	**190.20**	**258.76**	**257.04**	**142.36**	**13,498.38**	**945.23**	**845.55**	**1,655.20**	**2,500.75**
Additions	-	139.06	3,435.50	38.66	25.58	45.80	72.66	26.77	3,784.02	3,906.25	-	-	-
Transfer on capitalisation#	-	-	-	-	-	-	-	-	-	(3,777.91)	-	-	-
Disposals	-	-	(7.48)	-	-	(12.40)	(27.97)	-	(47.85)	-	-	-	-
Gross block as at 31st March 2025	**26.12**	**1,412.69**	**14,654.13**	**162.81**	**215.78**	**292.16**	**301.73**	**169.13**	**17,234.55**	**1,073.57**	**845.55**	**1,655.20**	**2,500.75**
Accumulated depreciation as at 1st April 2024	**-**	**231.47**	**3,764.68**	**57.27**	**108.52**	**186.02**	**88.57**	**74.92**	**4,511.45**	**-**	**47.33**	**283.48**	**330.81**
Depreciation charge during the year	-	52.36	1,516.16	14.71	19.08	47.40	48.59	16.50	1,714.80	-	2.64	129.55	132.19
Disposals	-	-	(4.84)	-	-	(12.30)	(14.65)	-	(31.79)	-	-	-	-
Closing accumulated depreciation	**-**	**283.83**	**5,276.00**	**71.98**	**127.60**	**221.12**	**122.51**	**91.42**	**6,194.46**	**-**	**49.96**	**413.03**	**463.00**
Net carrying amount as at 31st March 2025	**26.12**	**1,128.86**	**9,378.13**	**90.83**	**88.18**	**71.04**	**179.22**	**77.71**	**11,040.09**	**1,073.57**	**795.59**	**1,242.16**	**2,037.75**

Transfer on capitalisation also includes amount transferred to intangible assets.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

CWIP aging schedule as at 31st March 2025

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress *	992.37	59.96	21.24	-	1,073.57

*There were no projects that were suspended at the end of reporting period accordingly disclosure on expected date of completion of suspended project has not been given. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan otherthan stated in point (vi) below.

CWIP aging schedule as at 31st March 2024

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress *	907.40	37.83	-	-	945.23

*There were no projects that were suspended at the end of reporting period accordingly disclosure on expected date of completion of suspended project has not been given. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan otherthan stated in point (vi) below.

Notes:

(i) Building (gross block) amounting INR 1,213.69 million (31st March 2024: INR 1,102.27 million), net block INR 896.82 million (31st March 2024: INR 824.55 million) is constructed on leasehold land.

(ii) Refer note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Refer note 15 for information on property, plant and equipment pledged as security by the company.

(iv) Property, plant and equipment, Capital work-in-progress include gross assets amounting to INR 648.15 million (31st March 2024: INR 425.44 million) relating to development.

(v) Property, plant and equipment (net carrying amount) of INR 148.10 million (31st March 2024: INR 134.94 million) and capital work-in-progress of INR 24.63 million (31st March 2024: INR 26.29 million) is lying with job workers.

(vi) Capital work-in-progress includes amount of INR 22.83 million (31st March 2024: INR 22.05 million) pertaining to projects in progress which have crossed the budgeted period.

4 INTANGIBLE ASSETS, INTANGIBLE ASSETS UNDER DEVELOPMENT AND GOODWILL

Intangible assets	Computer software	Technical knowhow	Technology development expenditure	Brand #	Customer Relationships	Goodwill (Including Assembled workforce and future customer)#	Total	Intangible assets under development#	Total
Gross carrying amount as at 1st April 2023	**415.34**	**31.23**	**992.90**	**687.40**	**2,929.00**	**1,582.24**	**6,638.10**	**217.79**	**217.79**
Additions	46.20	-	-	-	-	-	46.20	278.72	278.72
Transfer to intangible assets	-	-	-	-	-	-	-	(43.22)	(43.22)
Gross block as at 31st March 2024	**461.55**	**31.23**	**992.90**	**687.40**	**2,929.00**	**1,582.24**	**6,684.31**	**453.29**	**453.29**
Accumulated amortisation as at 1st April 2023"	**206.12**	**26.95**	**429.19**	**-**	**730.24**	**-**	**1,392.50**	**-**	**-**
Amortisation charge for the year	81.29	1.67	198.60	-	195.12	-	476.69	-	-
Closing accumulated amortisation as at 31st March 2024	**287.41**	**28.63**	**627.80**	**-**	**925.36**	**-**	**1,869.19**	**-**	**-**
Net carrying amount as at 31st March 2024	**174.14**	**2.60**	**365.10**	**687.40**	**2,003.64**	**1,582.24**	**4,815.12**	**453.29**	**453.29**

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Intangible assets	Computer software	Technical knowhow	Technology development expenditure	Brand #	Customer Relationships	Goodwill (Including Assembled workforce and future customer)#	Total	Intangible assets under development#	Total
Gross carrying amount as at 1st April 2024	**461.55**	**31.23**	**992.90**	**687.40**	**2,929.00**	**1,582.24**	**6,684.31**	**453.29**	**453.29**
Additions	87.68	-	75.33	-	-	-	163.01	361.66	361.66
Disposal	(0.76)	-	-	-	-	-	(0.76)	(27.06)	(27.06)
Transfer to intangible assets	-	-	-	-	-	-	-	(160.78)	(160.78)
Gross block as at 31st March 2025	**548.47**	**31.23**	**1,068.23**	**687.40**	**2,929.00**	**1,582.24**	**6,846.56**	**627.11**	**627.11**
Accumulated amortisation as at 1st April 2024	**287.41**	**28.63**	**627.80**	**-**	**925.36**	**-**	**1,869.19**	**-**	**-**
Amortisation charge for the year	63.10	0.54	220.33	-	195.66	-	479.63	-	-
Disposals	(0.76)	-	-	-	-	-	(0.76)	-	-
Closing accumulated amortisation as at 31st March 2025	**349.75**	**29.17**	**848.13**	**-**	**1,121.02**	**-**	**2,348.06**	**-**	**-**
Net carrying amount as at 31st March 2025	**198.72**	**2.06**	**220.10**	**687.40**	**1,807.98**	**1,582.24**	**4,498.49**	**627.11**	**627.11**

Refer note 46

Intangible assets under development aging schedule for the year ended 31st March 2025

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress *	284.02	187.12	129.09	26.88	627.11

*There were no projects that were suspended at the end of reporting period accordingly disclosure on expected date of completion of suspended project has not been given. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Intangible assets under development aging schedule for the year ended 31st March 2024

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress *	249.97	172.29	31.03	-	453.29

*There were no projects that were suspended at the end of reporting period accordingly disclosure on expected date of completion of suspended project has not been given. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

5 INVESTMENTS

	As at 31st March 2025	As at 31st March 2024
At Cost, Unquoted investments, Investment in equity shares of subsidiary companies		
1,878,801 (31st March 2024: 1,878,801) equity shares of USD 1 each in Comstar Automotive Hong Kong Ltd.	229.45	229.45
1,500,000 (31st March 2024: 1,500,000) equity shares of INR 10 each in Sona Comstar eDrive Private Limited	15.00	15.00
130,000 (31st March 2024:1,29,990 equity shares of INR 10 each and 10 equity of INR 10 each jointly with Mr. Sat Mohan Gupta) equity shares of INR 10 each in Comstar Automotive Technology Services Private Limited	73.80	73.80
250,000 (31st March 2024: 250,000) equity shares of USD 10 each in Comstar Automotive USA LLC	1,248.90	1,248.90
54% voting rights (31st March 2024: 54% voting rights) in Novelic d.o.o. Beograd (refer note 46 (b))	3,506.37	3,506.37
99,940,474 (31st March 2024: 2,615,974) equity shares of 1 peso each in Sona BLW Edrive Mexicana, S.A.P.I DE C.V.*	438.42	12.74
Deemed Investment (refer note 36)	6.54	0.29
1 (31st March 2024: 1) equity share of USD 1 each in Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V **	-	-
At Cost, Unquoted investments, Investment in equity shares of other than subsidiary companies		
9,553 (31st March 2024: 9,553) equity shares of Euro 500 each in Sona Holding B.V. The Netherlands	211.66	211.66
Less: Provision for impairment	(211.66)	(211.66)
	-	-
At Cost, Unquoted investments, Investment in Preference shares of other than subsidiary companies		
392,647 (31st March 2024: 392,647) equity share of Euro 5 each in Sona Holding B.V. The Netherlands	116.62	116.62
Less: Provision for impairment	(116.62)	(116.62)
	-	-
Fair value through profit and loss account, Unquoted investments, Investment in equity shares of other than subsidiary companies (non-current)		
42,716 (31st March 2024: 42,716) equity shares of INR 10 each in Clean Max Calypso Private Limited	54.94	54.94
17,805 (31st March 2024: Nil) equity shares of INR 10 each in Clean Max Nova Private Limited	14.00	-
	5,587.43	**5,141.50**
Aggregate amount of unquoted non-current investments	5,587.43	5,141.50
Aggregate amount of unquoted investments at market value	68.94	54.94
Aggregate amount of impairment of unquoted investments	328.28	328.28

* Incorporated during the previous year.

** the amount is less than INR 10,000.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	As at 31st March 2025	As at 31st March 2024
Investment (current)		
At fair value through profit and loss - Quoted Investment		
Nil (31st March 2024: 76,312.99) of HDFC Overnight Fund - Regular	-	271.15
185,396 (31st March 2024: Nil) of Axis Overnight Fund - Regular	250.50	-
18,833 (31st March 2024: Nil) of SBI Overnight Fund - Regular	78.22	-
84,150,909 (31st March 2024: Nil) Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund	1,013.28	-
79,098,779 (31st March 2024: Nil) HDFC Nifty G-sec Dec 2026 Index Fund	943.58	-
85,811,549 (31st March 2024: Nil) SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund	1,034.01	-
36,336,507 (31st March 2024: Nil) SBI CRISIL IBX Gilt Index April 2029 Fund	445.57	-
59,272,114 (31st March 2024: Nil) Aditya Birla Sun Life CRISIL IBX 60:40 SDL plus AAA PSU - Apr 2027 Index Fund	709.56	-
85,216,025 (31st March 2024: Nil) Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund	1,034.97	-
27,937,956 (31st March 2024: Nil) Aditya Birla Sun Life Nifty SDL Apr 2027 Index Fund	339.49	-
80,638,565 (31st March 2024: Nil) Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund	963.69	-
85,328,745 (31st March 2024: Nil) Axis CRISIL IBX SDL May 2027 Index Fund - Direct	1,026.28	-
	7,839.15	**271.15**
Aggregate amount of quoted investments at market value	7,839.15	271.15

6 OTHER FINANCIAL ASSETS

	As at 31st March 2025	As at 31st March 2024
Unsecured, considered good		
Non-current		
Security deposits	97.28	88.63
Fixed deposits with banks with maturity period of more than 12 months	400.49	-
Total other financial assets- Non-current	**497.77**	**88.63**
Current		
Forward contract receivables (refer note 33 and 48)	4.35	18.10
Other financial assets	-	6.73
Fixed deposits with original maturity more than 12 months and remaining as at reporting date is less than 12 months	5,092.34	-
Total other financial assets- current	**5,096.69**	**24.83**

7 INCOME TAX ASSETS (NET)

	As at 31st March 2025	As at 31st March 2024
Non-current		
Prepaid taxes*	26.16	254.55
	26.16	**254.55**

*Amount paid under protest of INR 17.47 million (31st March 2024: INR 17.47 million).

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

8 OTHER ASSETS

	As at 31st March 2025	As at 31st March 2024
Non-current		
Prepaid expenses	6.91	18.37
Un-adjusted consideration for revenue contract	11.21	22.18
Capital advances	241.21	454.56
Other assets	429.02	458.18
Total other assets - non-current	**688.35**	**953.29**
Current		
Prepaid expenses	124.64	124.78
Loans and advances to employees	11.87	4.90
Advance to suppliers for goods and services	214.23	181.57
Balance with government authorities	568.41	398.27
Un-adjusted consideration for revenue contract	11.21	11.21
Other assets	146.95	132.96
Less: Allowance for doubtful advances	(20.38)	(20.38)
Total other assets - current	**1,056.93**	**833.31**

9 INVENTORIES

	As at 31st March 2025	As at 31st March 2024
Raw materials and components *	842.80	735.13
Work-in-progress**	372.37	405.19
Finished goods***	1,439.05	1,592.34
Stores and spares	155.10	129.22
Loose tools	44.94	45.38
Dies, jigs and fixtures	212.11	193.69
Scrap	10.14	14.96
Total #	**3,076.51**	**3,115.91**

Total inventory is net of provision for obsolete and slow moving inventory amounting to INR 93.88 million (31st March 2024: INR 72.06 million)

* Includes raw materials and components in transit amounting INR 87.10 million (31st March 2024: INR 89.56 million)

* Includes raw materials and components with the vendors sent for job work INR 11.01 million (31st March 2024: INR 12.65 million)

** Includes inventory with the vendors sent for job work INR 111.66 million (31st March 2024: INR 153.63 million)

*** Includes goods in transit INR 535.46 million (31st March 2024: INR 656.82 million)

The cost of inventories recognised as an expense during the year are disclosed in Note 24 & 28.

10 TRADE RECEIVABLES

	As at 31st March 2025	As at 31st March 2024
Unsecured		
Trade receivables considered good	6,281.64	5,821.36
Trade receivables - credit impaired	5.07	5.07
Less: Allowances for expected credit loss	(5.07)	(5.07)
Total trade receivables	**6,281.64**	**5,821.36**

Notes:

(i) Refer note 36 for receivable balance from related parties

(ii) Refer note 33 - Financial instruments for assessment of expected credit losses

(iii) There are no disputed dues from customers

(iv) General credit period is 30 to 90 days.

(v) There is no significant financing component in receivables except mentioned in note 15(ii).

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Trade receivables ageing schedule as at 31st March 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Trade receivables - considered good	5,332.28	924.24	22.79	1.67	0.66	-	6,281.64
(ii) Trade receivables - credit impaired	-	-	-	-	0.25	4.82	5.07

Trade receivables ageing schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Trade receivables - considered good	4,893.66	891.59	23.57	12.54	-	-	5,821.36
(ii) Trade receivables - credit impaired	-	-	-	0.24	0.26	4.57	5.07

11 CASH AND CASH EQUIVALENTS

	As at 31st March 2025	As at 31st March 2024
Balance with banks		
- in current accounts*	166.41	243.62
Cash on hand	0.06	0.10
Cheque on hand	-	2.29
Bank deposits with original maturity of less than three months	9,420.46	-
Total cash and cash equivalents	**9,586.93**	**246.01**

* Includes INR 7.97 million (31st March 2024: INR 0.30 million) for amount earmarked for corporate social responsibility.

12 OTHER BANK BALANCES

	As at 31st March 2025	As at 31st March 2024
Bank deposits with original maturity of more than three months but residual maturity of less than twelve months	2,525.69	1,731.84
Total other bank balances	**2,525.69**	**1,731.84**

13 (A) EQUITY SHARE CAPITAL

	As at 31st March 2025	As at 31st March 2024
Authorised share capital		
1,148,500,000 (31st March 2024: 1,148,500,000) equity shares of INR 10 each	11,485.00	11,485.00
Issued, subscribed and paid up share capital		
621,717,975 (31st March 2024: 586,447,778) equity shares of INR 10 each fully paid up	6,217.18	5,864.48

i) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31st March 2025	As at 31st March 2024
Equity shares outstanding at the beginning of the year	586,447,778	585,404,582
Add: Issue of shares (refer note 45 and 47)	35,270,197	1,043,196
Equity shares outstanding at the end of the year	**621,717,975**	**586,447,778**

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Amount	As at 31st March 2025	As at 31st March 2024
Equity shares outstanding at the beginning of the year	5,864.48	5,854.05
Add: Issue of shares	352.70	10.43
Equity shares outstanding at the end of the year	**6,217.18**	**5,864.48**

ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

iii) Details of shareholders holding more than 5% of the total number of equity shares in the Company

Number of shares	As at 31st March 2025	As at 31st March 2024
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	174,208,904	174,208,904
Axis Mutual Fund	18,185,809	39,675,502
Government Of Singapore	42,535,803	38,283,615
Sbi Mutual Fund	53,564,349	34,400,633

Percentage	As at 31st March 2025	As at 31st March 2024
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	28.02%	29.71%
Axis Mutual Fund	2.93%	6.77%
Government Of Singapore	6.84%	6.53%
Sbi Mutual Fund	8.62%	5.87%

iv) The Board of Directors of the Company had approved the following: issuance of 11 (Eleven) bonus shares of face value INR 10 (Rupees Ten) each for every 1 (One) existing fully paid up equity share of face value INR 10 (Rupees Ten) each (including the equity shares issued upon conversion of the Compulsorily Convertible Preference Shares (CCPS) and accordingly 525,232,180 bonus shares were issued, which were allotted on 10th February 2020. Other than this, the Company has not issued any shares pursuant to contracts without payment being received in cash, or allotted as fully paid up by way of bonus shares during the year ended 31st March 2025 and five years immediately preceding the year ended 31st March 2025.

v) Promoters shareholding

Shareholding of promoters as on 31st March 2025

Promoter name	Number of shares	% of total shares	% change during the year
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	174,208,904	28.02	(1.69)
*Rani Kapur- RK Family Trust	72	**	-
*Ashok Sachdev	151	**	-
*Jasbir Sachdev	361	**	-
*Charu Sachdev	423	**	-
*Raghuvanshi Investment Private Limited	744	**	-
Total	**174,210,655**	**28.02**	**(1.69)**

(Figures in Million INR, except per share data, unless stated otherwise)

Shareholding of promoters as on 31st March 2024

Promoter name	Number of shares	% of total shares	% change during the year
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	174,208,904	29.71	(3.29)
*Rani Kapur- RK Family Trust	72	**	-
*Ashok Sachdev	151	**	-
*Jasbir Sachdev	361	**	-
*Charu Sachdev	423	**	-
*Raghuvanshi Investment Private Limited	744	**	-
Total	**174,210,655**	**29.71**	**(3.29)**

* Promoter Group

** Percentage is negligible

13 (B) PREFERENCE SHARE CAPITAL

	As at 31st March 2025	As at 31st March 2024
Authorised share capital		
1,500,000 (31st March 2024: 1,500,000) preference shares of INR 10 each	15.00	15.00
Issued, subscribed and paid up share capital		
Nil (31st March 2024: Nil) Compulsorily convertible preference shares of INR 10 each fully paid up	-	-

14 OTHER EQUITY

	As at 31st March 2025	As at 31st March 2024
Retained earnings	17,359.95	13,463.47
General reserve	120.00	120.00
Securities premium (net)	29,373.40	5,680.81
Capital redemption reserve	25.93	25.93
Equity instruments through other comprehensive income	(328.28)	(328.28)
Employee's stock options reserve	409.86	155.11
Cash flow hedge reserve (net of tax) (refer note 48)	36.01	21.57
Merger Reserve	737.23	737.23
Total reserves and surplus	**47,734.10**	**19,875.84**

a) Retained earnings

	As at 31st March 2025	As at 31st March 2024
Opening balance	13,463.47	10,428.95
Net profit for the year	5,796.88	4,844.80
Remeasurement of defined benefit obligations, net of tax	(8.36)	(17.34)
Less:-Dividend paid	(1,892.04)	(1,792.94)
Closing balance	**17,359.95**	**13,463.47**

Retained earnings are created from the profits of the Company, as adjusted for distribution to owners, transfer to other reserve, remeasurement of defined benefit plan, etc.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

b) General reserve

	As at 31st March 2025	As at 31st March 2024
Opening balance	120.00	120.00
Closing balance	**120.00**	**120.00**

In earlier years, the Company transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. This reserve is available for distribution to shareholders in accordance with provisions of Companies Act, 2013.

c) Securities premium

	As at 31st March 2025	As at 31st March 2024
Opening balance	**5,680.81**	**5,601.48**
Premium on ESOPs issue	231.66	29.55
Add: Premium on fresh issue of equity shares (refer note 47)	23,652.17	-
Add: Impact on ESOP shares issuance	39.18	49.78
Less: Expense related to capital raising	(230.42)	-
Closing balance	**29,373.40**	**5,680.81**

(i) Securities premium represents premium received on issuance of shares. The balance is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) During the year, the Company incurred INR 305 million as expenses in connection with funds raised through Qualified Institutional Placement (QIP) aggregating to INR 24,000.00 million. In accordance with the provisions of Section 52 of the Companies Act, 2013 and the treatment provided under Ind AS 32 (Financial Instruments: Presentation) as well as Ind AS 12 (Income Taxes), as sum of INR 230.42 million (after reducing Income taxes of INR 74.58 million) has been adjusted against the Securities Premium.

d) Capital redemption reserve

	As at 31st March 2025	As at 31st March 2024
Opening balance	**25.93**	**25.93**
Transferred from retained earnings	-	-
Closing balance	**25.93**	**25.93**

Companies Act, 2013 requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the buyback of shares in earlier years.

e) Merger Reserve

	As at 31st March 2025	As at 31st March 2024
Opening balance	**737.23**	**737.23**
Movement during the year	-	-
Closing balance	**737.23**	**737.23**

Merger Reserve was created pursuant to merger of Sona BLW Precision Forgings Limited and Comstar Automotive Technology Private Limited.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

f) Equity instruments through other comprehensive income

	As at 31st March 2025	As at 31st March 2024
Opening balance	(328.28)	(328.28)
Add: Net changes in fair values of equity instruments carried at fair value through other comprehensive income	-	-
Closing balance	**(328.28)**	**(328.28)**

This represents the changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity.

g) Employee's stock options outstanding reserve

	As at 31st March 2025	As at 31st March 2024
Opening balance	155.11	46.03
Add: Created during the year (refer note 45)	293.93	158.86
Less: Utilised during the year	(39.18)	(49.78)
Closing balance	**409.86**	**155.11**

This reserve represents the shared based compensation expense recorded with respect to options granted to employees as and when the related grant conditions are met and is adjusted on exercise/ forfeiture of options.

h) Cash flow hedge reserve

	As at 31st March 2025	As at 31st March 2024
Opening balance	**21.57**	**12.78**
Add: Changes in fair value of hedge instruments	45.87	(23.60)
Less: Amount reclassified to statement of profit and loss	(26.58)	35.35
Less: Deferred tax relating to above	(4.85)	(2.96)
Closing balance	**36.01**	**21.57**

Cumulative changes in the fair value of financial instruments designated as effective hedge are recognised in this reserve through OCI (net of taxes). Amounts recognised in the hedging reserve are reclassified to the statement of profit and loss when the underlying transaction occurs.

15 BORROWINGS

(i) Non-current borrowings

	As at 31st March 2025	As at 31st March 2024
Secured		
Term loans from banks		
Indian rupee loans	-	486.75
	-	**486.75**
Less: Amount disclosed under current borrowings (refer note 15 (ii) below)	-	(194.70)
Total non-current borrowings	**-**	**292.05**

Notes:

i) Above term loans is secured by first pari passu charge on the entire moveable fixed assets, present and future, of the company and immovable fixed assets situated at Gurgaon only. Second pari passu charge on entire current assets of the Company.

ii) Repayment schedule and Interest rates for the above Term Loans are as follows:

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

a) Term loan from HDFC bank as on 31st March 2024 was amounting to INR 333.33 million was repayable in 12 quarterly instalments w.e.f. October 2023.

b) Term loan from Citi bank as on 31st March 2024 was amounting to INR 62.50 million was repayable in 16 quarterly instalments w.e.f. December 2022.

c) Term loan from Citi bank as on 31st March 2024 was amounting to INR 90.92 million was repayable in 11 quarterly instalments w.e.f. March 2024.

The interest rate for the above term loans from banks as at 31st March 2024 was a floating interest rate linked with T-bill current effective rate in the range of 8.09%-8.87% p.a.

All the loans were repaid during the year.

(ii) Current borrowings

	As at 31st March 2025	As at 31st March 2024
Secured		
Indian Rupee loans repayable on demand from banks (refer note (a) below)	-	1,737.95
Indian Rupee loans repayable on demand from NBFC (refer note (b) below)	-	105.89
Current Maturities of non-current borrowings (refer note 15(i))	-	194.70
Total current borrowings	**-**	**2,038.54**

Notes:

a) Indian Rupee loans repayable on demand from banks

Above working capital loan is secured by first pari passu charge on entire current assets of the Company and second pari passu charge on the entire moveable fixed assets, present and future, of the company and immovable fixed assets situated at Gurgaon only.

Repayment and rate of interest:

i) Cash credit as on 31st March 2024 was amounting to INR 9.23 million was repayable on demand carries interest @ floating rate linked with T-bill current year effective rate was 9.15 % p.a.

ii) EPC as on 31st March 2024 was amounting to 1,728.72 million was repayable on demand carries interest @ floating rate linked with T-bill current year effective rate was the range of 5.18% - 5.54% p.a.

b) Indian Rupee loans repayable on demand from NBFC

The Company enters into factoring arrangements with recourse for its trade receivables with Tata Capital Financial Services Limited. As at 31 March 2024 the Company had factoring facilities in place for trade receivables amounting to INR 105.89 million were realised by using these facilities against which the monies were yet to be collected by the financial institution from the Company's customer. The Company does not derecognise the receivables from its books since, it does not transfer substantially all the risks and rewards of ownership of the financial asset (i.e. receivables) and a corresponding liability towards the banks is recognised in respect of aforementioned amounts so realised by the Company from the banks but yet to be collected by the financial institution from the Company's customers.

All the loans were repaid during the year.

(Figures in Million INR, except per share data, unless stated otherwise)

(iii) Reconciliation of liabilities arising from financing activities (as per requirements of Ind AS 7 'Statement of cash flows')

The changes of the Company's liabilities arising from financing activities can be classified as follows:

	Long-term borrowings	Short-term borrowings	Leases	Total
Balance as at 1st April 2023	587.50	1,587.18	738.95	2,913.64
Cash Flows:				
Repayment of non-current borrowings	(100.76)	-	-	(100.76)
Proceeds from current borrowings (net)	-	256.66	-	256.66
Repayment of lease liabilities	-	-	(108.35)	(108.35)
Non-cash changes				
Creation of lease liabilities	-	-	839.05	839.05
Interest expense on lease liabilities	-	-	77.85	77.85
Balance As at 31st March 2024	**486.75**	**1,843.84**	**1,547.50**	**3,878.09**
Cash Flows:				
Repayment of non-current borrowings	(3,442.99)	-	-	(3,442.99)
Proceeds from non-current borrowings	2,956.25	-	-	2,956.25
Repayment of current borrowings (net)	-	(1,843.84)	-	(1,843.84)
Repayment of lease liabilities	-	-	(194.16)	(194.16)
Non-cash changes				
Interest expense on lease liabilities	-	-	143.03	143.03
Balance As at 31st March 2025	**-**	**-**	**1,496.37**	**1,496.37**

16 OTHER FINANCIAL LIABILITIES

	As at 31st March 2025	As at 31st March 2024
Non-current		
Security deposits	2.24	1.74
Payable to founders of Novelic d.o.o. (refer note 46(b))	-	506.97
Payable to Novelic d.o.o. (refer note 36 and 46 (b))	-	179.88
Total other financial liabilities - non-current	**2.24**	**688.59**
Current		
Interest accrued but not due on borrowings	-	2.79
Security deposits	3.33	3.38
Employee benefits payable	281.91	311.62
Capital creditors*	654.40	394.05
Payable to founders of Novelic d.o.o. (refer note 46(b))	537.33	262.29
Payable to Novelic d.o.o. (refer note 36 and 46(b))	191.11	448.43
Other payables	12.01	16.40
Total other financial liabilities - current	**1,680.09**	**1,438.96**

* includes MSME balance of INR 162.54 million (31st March 2024: INR 58.42 million).

17 PROVISIONS

	As at 31st March 2025	As at 31st March 2024
Non-current		
Provision for compensated absences (refer below and note 38)	132.15	115.01
Provision for defined benefit plans (refer note 38)	78.66	69.96
Provision for warranty (refer below)	41.01	62.72
Total provisions - non-current	**251.82**	**247.69**
Current		
Provision for compensated absences (refer below and note 38)	61.54	48.29
Provision for warranty (refer below)	27.32	23.94
Total provisions - current	**88.86**	**72.23**

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

The reconciliation of the carrying amount of provision from beginning of the year to end of the year is provided below:

	31st March 2025	31st March 2024
Provision for Compensated absences		
Opening balance	163.30	137.55
Additions	81.67	90.98
Amounts utilised	(51.28)	(65.23)
Closing balance	**193.69**	**163.30**
Provision for Warranty		
Opening balance	86.66	48.27
Additions	26.90	45.14
Amounts utilised	(45.23)	(6.75)
Closing balance	**68.33**	**86.66**

18 DEFERRED TAX LIABILITIES (NET)

Movement in deferred tax assets/liabilities

31st March 2025

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in other comprehensive income	Recognised in other equity	Closing Balance
Property, plant and equipment and intangible assets	694.15	(75.04)	-	-	619.11
Provision for employee benefits obligation	(64.25)	(9.15)	-	-	(73.40)
Others	80.35	124.15	-	(22.09)	182.41
Total	**710.25**	**39.96**	**-**	**(22.09)**	**728.12**

31st March 2024

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment and intangible assets	726.57	(32.42)	-	694.15
Provision for employee benefits obligation	(72.14)	13.73	(5.84)	(64.25)
Others	35.21	42.18	2.96	80.35
Total	**689.64**	**23.49**	**(2.88)**	**710.25**

Deferred tax assets amounting to INR 82.62 million (31st March 2024: INR 82.62 million) on fair value adjustment recognised in respect of investments held in Sona Holding B.V. The Netherlands has not been recognised due to uncertainty regarding the allowability of such loss.

19 TRADE PAYABLES

	As at 31st March 2025	As at 31st March 2024
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 41)	453.28	519.87
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,481.44	2,174.60
Total Trade payables	**2,934.72**	**2,694.47**

Notes:

(i) Refer note 36 for balance payable to related parties.

(ii) There is no disputed dues.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Trade payables aging schedule as at 31st March 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	6.47	428.14	18.23	0.30	0.14	-	453.28
(ii) Others	479.77	1,378.99	606.79	3.66	1.32	10.91	2,481.44
Total	**486.24**	**1,807.13**	**625.02**	**3.96**	**1.46**	**10.91**	**2,934.72**

Trade payables aging schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	5.20	506.53	5.91	2.19	0.05	-	519.87
(ii) Others	219.32	1,454.98	482.29	4.67	11.57	1.77	2,174.60
Total	**224.52**	**1,961.51**	**488.20**	**6.86**	**11.62**	**1.77**	**2,694.47**

20 OTHER CURRENT LIABILITIES

	As at 31st March 2025	As at 31st March 2024
Statutory dues payable	73.78	83.09
Revenue received in advance (refer note 44)	257.45	198.78
Other current liabilities	13.28	11.15
Total current liabilities	**344.51**	**293.02**

21 CURRENT TAX LIABILITIES

	As at 31st March 2025	As at 31st March 2024
Income tax liabilities (net)(Net of advance tax INR 1,804.47 million (31st March 2024: INR 1,395.92 million))	62.24	89.26
Total current tax liabilities	**62.24**	**89.26**

22 REVENUE FROM OPERATIONS

	For the year ended 31st March 2025	For the year ended 31st March 2024
Sale of goods*	30,928.47	27,887.78
Other operating revenue		
Scrap sales	683.16	684.66
Export/other incentive	640.45	294.55
Royalty income	0.62	1.46
Provision for doubtful debts written back	0.23	46.19
Others	10.05	3.62
Total revenue from operations	**32,262.98**	**28,918.26**

* Refer note 44.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

23 OTHER INCOME

	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest on financial assets carried at amortised cost	743.03	98.45
Interest income from income tax refunds	45.22	-
Profit on sale of investments	405.95	97.98
Dividend income from subsidiary (refer note 36)	198.24	203.88
Others	15.34	1.40
Total other income	**1,407.78**	**401.71**

24 (A) COST OF MATERIALS CONSUMED

	For the year ended 31st March 2025	For the year ended 31st March 2024
Raw material at the beginning of the year	735.13	671.79
Add: Purchases during the year	13,986.27	12,726.96
Less: Raw material at the end of year	842.80	735.13
Cost of material consumed	**13,878.60**	**12,663.62**

24 (B) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended 31st March 2025	For the year ended 31st March 2024
Inventories at the beginning of the year		
Work-in-progress	405.19	324.89
Finished goods	1,592.34	1,305.54
	1,997.53	**1,630.43**
Inventories at the end of the year		
Work-in-progress	372.37	405.19
Finished goods	1,439.05	1,592.34
	1,811.42	**1,997.53**
Changes in inventories	**186.11**	**(367.10)**

25 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st March 2025	For the year ended 31st March 2024
Salaries, wages and allowances	1,758.21	1,602.08
Contribution to provident and other funds	132.67	116.71
Staff welfare expenses	293.11	245.73
Share-based payment to employees (refer note 45)	269.27	147.01
Total employee benefits expense	**2,453.26**	**2,111.54**

26 FINANCE COSTS

	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest on loans	88.12	136.39
Other borrowing costs	33.45	27.74
Other finance charges	14.48	11.89
Interest on lease liabilities (refer note 43)	143.03	77.85
Total finance costs	**279.08**	**253.87**

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

27 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended 31st March 2025	For the year ended 31st March 2024
Depreciation of property, plant and equipment (refer note 3)	1,714.79	1,472.15
Amortisation of intangible assets (refer note 4)	479.63	476.69
Amortisation of right-of-use assets (refer note 3)	132.19	77.03
Total depreciation and amortisation expense	**2,326.61**	**2,025.87**

28 OTHER EXPENSES

	For the year ended 31st March 2025	For the year ended 31st March 2024
Consumption of stores, spares and tool	1,499.62	1,391.86
Power and fuel	882.57	812.62
Freight, clearing and forwarding charges	489.07	440.31
Packing material	480.94	411.68
Sub-contracting cost	992.74	984.27
Rent (refer note 43)	63.38	44.89
Repairs and maintenance - plant and machinery	338.96	305.47
Repair and maintenance - buildings	18.29	26.90
Repair and maintenance - others	178.76	164.95
Manpower hiring on contract	698.56	622.42
Legal and professional charges (refer note (a) below)	236.55	246.09
Testing and designing charges	125.56	110.69
Software Charges	84.98	62.79
Rates and taxes	15.57	19.30
Insurance	87.15	68.24
Travelling, conveyance and vehicle expenses	217.26	192.76
Communication and stationery expenses	23.03	23.74
Security charges	35.38	29.32
Corporate social responsibility expense (refer note (b) below)	97.14	63.60
Business promotion	25.44	30.34
Directors sitting fees and commision (refer note 36)	57.02	51.36
Loss on sale of property, plant and equipments (net)	1.30	2.00
Provision for warranty	26.90	45.14
Miscellaneous expenses	27.91	114.98
Total other expenses	**6,704.08**	**6,265.72**

a) Details of payment to auditors*

	For the year ended 31st March 2025	For the year ended 31st March 2024
Payments to the statutory auditor:		
(a) For Statutory Audit	12.20	12.50
(b) For other services*	3.53	1.98
(c) For reimbursement of expenses	1.27	0.99
Total expenses	**17.00**	**15.47**

* Excluding applicable taxes and fees paid for services related to QIP (refer note 47).

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

b) Corporate social responsibility expenditure

Details of CSR Expenditure:

	For the year ended 31st March 2025	For the year ended 31st March 2024
a) Gross amount required to be spent by the Company during the year*	97.14	63.60
b) Amount spent during year is as below		
(i) Construction/ acquisition of assets	-	-
(ii) On Purpose other than above	64.59	49.56
Total Amount Spent	**64.59**	**49.56**
Amount yet to be spent	**32.55**	**14.04**

Ongoing Projects and others (31st March 2025)	In case of Section 135(6) (Ongoing Project)	In case of Section. 135(5) (Other than ongoing Project)
Opening Balance		
With Company	-	-
In Separate CSR Unspent A/c	14.36	-
Add: Amount required to be spent during the year	97.14	-
Less: Amount spent during the year		
From Company's bank A/c (from the CSR obligation of financial year 2024-2025)	64.59	-
From Separate CSR Unspent A/c (from the CSR obligation of financial year 2022-2023 & 2023-24)	6.37	-
Closing Balance	**40.54**	**-**
With Company	-	-
In Separate CSR Unspent A/c	7.97	-

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company has transferred INR 32.55 million the unspent amount relating to ongoing project for CSR for FY 2024-25 in a 'Unspent Corporate Social Responsibility Account- Sona BLW Precision Forgings Limited- 2025' on 28th April 2025.

* Excluding CSR expense of INR Nil (31st March 2024: INR 3.35 million) earmarked as administrative overhead adjusted towards salary of CSR team.

Ongoing Projects and others (31st March 2024)	In case of Section 135(6) (Ongoing Project)	In case of Section. 135(5) (Other than ongoing Project)
Opening Balance		
With Company	-	-
In Separate CSR Unspent A/c	15.60	-
Add: Amount required to be spent during the year	55.48	8.15
Less: Amount spent during the year		
From Company's bank A/c (from the CSR obligation of financial year 2023-2024)	41.42	8.15
From Separate CSR Unspent A/c (from the CSR obligation of financial year 2021-2022 & 2022-23)	15.30	-
Closing Balance	**14.36**	**-**
With Company	-	-
In Separate CSR Unspent A/c	0.30	-

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company has transferred INR 14.04 million the unspent amount relating to ongoing project for CSR for FY 2023-24 in a 'Unspent Corporate Social Responsibility Account- Sona BLW Precision Forgings Limited- 2024' on 16th April 2024.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

29 EXCEPTIONAL ITEM

	For the year ended 31st March 2025	For the year ended 31st March 2024
Costs incurred in relation to various acquisition opportunities (refer note 50)	192.85	87.16
	192.85	**87.16**

30 INCOME TAX EXPENSE

	For the year ended 31st March 2025	For the year ended 31st March 2024
Current tax	1,885.95	1,452.51
Tax related to previous years	(7.62)	(28.68)
Deferred tax charge/(credit)	39.96	23.49
Total Income Tax expense	**1,918.29**	**1,447.32**

a) The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	For the year ended 31st March 2025	For the year ended 31st March 2024
Profit before income tax expense	7,715.17	6,292.12
Income tax as per statement of profit and loss	1,918.29	1,447.32
Tax at the Indian tax rate of 25.17% (31st March 2024: 25.17%)	**1,941.68**	**1,583.54**
Effect of non-deductible expenses	24.45	16.00
Tax effect on Dividend from foreign subsidiary claimed as deduction	(49.87)	(51.31)
Tax effect of ESOP exercised	5.06	(119.91)
Others	(3.03)	19.00
Income tax expense (as per statement of profit and loss)	**1,918.29**	**1,447.32**

31 RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended 31st March 2025	For the year ended 31st March 2024
Revenue expenditure charged to statement of profit and loss		
- Revenue and development expenditure charged to statement of profit and loss	378.72	369.75
- Capital expenditure (refer note 3 and 4)*	566.78	337.91
Total research and development expenses	**945.50**	**707.66**

* This includes development expenditure incurred on CWIP/intangible under development amounting to INR 322.74 million (31st March 2024: INR 83.36 million).

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

32 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

	As at 31st March 2025			As at 31st March 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	6,281.64	-	-	5,821.36
Cash and bank balances	-	-	12,112.61	-	-	1,977.85
Other financial assets	-	-	5,590.11	-	-	95.36
Derivative financial assets	4.35	-	-	18.10	-	-
Non-current investments	68.94	-	-	54.94	-	-
Current Investments	7,839.15	-	-	271.15	-	-
Total financial assets	**7,912.45**	**-**	**23,984.36**	**344.20**	**-**	**7,894.57**
Financial liabilities						
Borrowings	-	-	-	-	-	2,333.37
Trade payables	-	-	2,934.72	-	-	2,694.47
Other financial liabilities	-	-	1,682.33	-	-	2,124.76
Lease liabilities	-	-	1,496.38	-	-	1,547.50
Derivative financial liabilities	-	-	-	-	-	-
Total financial liabilities	**-**	**-**	**6,113.43**	**-**	**-**	**8,700.11**

Valuation technique to determine fair value

Cash and cash equivalents, other bank balances, trade receivables, current investment, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For valuation techniqe to determine fair value of derivative financial assets refer note 48.

(b) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial assets/liabilities into the three levels prescribed under the accounting standard. An explanation of each level follows underneath.

i) Assets and liabilities measured at fair value - recurring fair value measurements

	Level 1	Level 2	Level 3
As at 31st March 2025			
Foreign exchange forward contracts-assets	-	4.35	-
Non-current investments- asset	-	-	68.94
Current investments- asset	7,839.15	-	-
Total financial assest	**7,839.15**	**4.35**	**68.94**
As at 31st March 2024			
Foreign exchange forward contracts-assets	-	18.10	-
Non-current investments - asset	-	-	54.94
Current investments - asset	271.15	-	-
Total financial assets	**271.15**	**18.10**	**54.94**

(Figures in Million INR, except per share data, unless stated otherwise)

ii) Fair value of instruments measured at amortised cost

	As at 31st March 2025	As at 31st March 2024
Financial assets		
Trade receivables	6,281.64	5,821.36
Cash and bank balances	12,112.61	1,977.85
Other financial assets	5,590.11	95.36
Total financial assets	**23,984.36**	**7,894.57**
Financial liabilities		
Borrowings	-	2,333.37
Lease liabilities	1,496.38	1,547.50
Trade payable	2,934.72	2,694.47
Other financial liability	1,682.33	2,124.76
Total financial liabilities	**6,113.43**	**8,700.11**

All assets and liabilities measured at amortised cost have been classified as level 3, as prescribed under the accounting standard. An explanation of each level is given above.

There are no transfers amongst levels during the year

Level 1: It includes financial instruments measured using quoted prices in active markets for identical assets or liabilities.

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs other than Level 1 inputs; and

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

33 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to provide finance to the Company to support its operations. The Company's principal financial assets include loans, trade and other receivables; cash and bank balances etc. that derive directly from its operations.

The Company's activities expose it to the financial risk of market risk, credit risk and liquidity risk . The Company enters into a certain derivative financial instrument to manage its exposure to foreign currency. There have been no major changes to the Company's exposure to market risk or the manner in which it manages and measures the risk in recent past. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(A) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- Cash and cash equivalents

- Trade receivables

- Loans carried at amortised cost, and

- Other financial assets

- Derivative financial assets

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

(a) Credit Risk Management

(i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

a) Low credit risk

b) Moderate credit risk

c) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

The Company provides for expected credit loss based on the following:

Asset group	Categorisation of items	Provision for expenses credit loss
Low credit risk	Cash and cash balances, loans, other financial assets and derivative financial assets	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Trade receivables	Other financial assets-12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at lifetime expected credit loss.
High credit risk	Other financial assets	Other financial assets-lifetime expected credit loss (when there is a significant deterioration), or specific provision, whichever is higher.

In respect of trade receivables that result from contracts with customers, loss allowance is always measured at lifetime expected credit losses.

Financial assets that expose the entity to credit risk –

Credit rating	Particulars	As at 31st March 2025	As at 31st March 2024
Low credit risk	Cash and bank balances	12,112.61	1,977.85
	Other financial assets	5,590.11	95.36
	Investment	7,839.15	271.15
	Derivative financial assets	4.35	18.10
Moderate credit risk	Trade receivables*	6,281.64	5,821.36

*This represent carrying values after deduction for doubtful debt provisions.

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country. In respect of derivative assets, the credit risk is considered negligible as counterparties are banks.

Trade receivables

To mitigate the credit risk related to trade receivables, the Company closely monitors the credit-worthiness of the trade receivables through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due.

(Figures in Million INR, except per share data, unless stated otherwise)

(b) Expected credit losses for financial assets (other than trade receivables)

i) Financial assets (other than trade receivables)

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

For other financial assets - Credit risk is evaluated based on Company knowledge of the Credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets.

ii) Expected credit loss for trade receivables under simplified approach

The Company recognises lifetime expected credit losses on trade receivables using a simplified approach. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance of trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, historical experience for customers etc. However, the allowance for lifetime expected credit loss on customer balances for the year ended 31st March 2025, and for the year ended 31st March 2024 is insignificant. Considering the nature of trade receivables, and entity's history of credit with those receivables, entity has rebutted the presumption of having significant increases in credit risk since initial recognition for financial assets which are more than 30 days past due.

Reconciliation of loss allowance

	31st March 2025	31st March 2024
At the beginning of year	5.07	51.26
Movement during the year	0.00	(46.19)
Total expected credit loss allowance*	**5.07**	**5.07**

This amount of expected credit loss allowance has been created on trade receivables aged more than 90 days as on reporting date.

(B) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and maintains adequate source of financing through the use of short term bank deposits, demand loans and cash credit facility. Processes and policies related to such risks are overseen by senior management.

(i) Maturities of financial liabilities

The table below provides details regarding the non-derivative financial liabilities have contractual undiscounted maturities as summarised below:

Contractual maturities of financial liabilities:

	Less than 1 year	1 to 5 years	More than 5 years	Total
31st March 2025				
Borrowings	-	-	-	-
Trade payables	2,934.72	-	-	2,934.72
Other financial liabilities	1,680.09	2.24	-	1,682.33
Lease liabilities	197.90	808.67	1,554.00	2,560.57
Total	**4,812.71**	**810.91**	**1,554.00**	**7,177.62**

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	Less than 1 year	1 to 5 years	More than 5 years	Total
31st March 2024				
Borrowings	2,038.54	292.04	-	2,330.58
Trade payables	2,694.47	-	-	2,694.47
Other financial liabilities	1,438.96	688.59	-	2,127.55
Derivative financial liabilities	-	-	-	-
Lease liabilities	194.30	810.20	1,750.05	2,754.55
Total	**6,366.27**	**1,790.83**	**1,750.05**	**9,907.15**

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to risk of changes in borrowing rates. The Board continuously monitors the prevailing interest rates in the market.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31st March 2025	31st March 2024
Variable rate borrowings	-	2,330.59
Total borrowings	**-**	**2,330.59**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Impact on profit after tax/other components of Equity	31st March 2025	31st March 2024
Interest rate increase by 1.00% (31st March 2024: 1.00%)*	8.72	16.86
Interest rate decrease by 1.00% (31st March 2024: 1.00%)*	(8.72)	(16.86)

* Holding other variables constant, net of tax.

(ii) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the trade receivables and payables. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR) also refer note 48.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

The Company's exposure to foreign currency risk at the end of the reporting period expressed as follows

Foreign currency	31st March 2025	31st March 2024
Trade receivables and others		
United States Dollar (USD)	37.77	41.89
Euro (EUR)	7.28	3.69
Others	2.09	0.59
Trade/other payables		
United States Dollar (USD)	2.72	2.25
Euro (EUR)	7.37	9.31
Japanese Yen (JPY)	157.93	264.79
Canadian Dollar (CAD)^	-	0.00
Swiss Franc (CHF)	0.03	0.01
Serbian Dinar (RSD)	246.19	839.36
Others	0.04	0.03

^Rounded off to Nil

Indian Rupee (INR)	31st March 2025	31st March 2024
Trade receivables and others		
United States Dollar (USD)	3,228.57	3,493.64
Euro (EUR)	670.04	331.97
Others	24.94	6.77
Trade/other payables		
United States Dollar (USD)	232.86	187.58
Euro (EUR)	678.43	836.82
Japanese Yen (JPY)	89.64	145.82
Canadian Dollar (CAD)^	-	0.13
Swiss Franc (CHF)	2.81	1.27
Serbian Dinar (RSD)	193.88	643.54
Others	0.92	2.93

^Rounded off to Nil

	31st March 2025	31st March 2024
Outstanding forward contracts as at the reporting date (Million USD) - Receivable	109.55	132.65
Outstanding forward contracts as at the reporting date (Million EURO) - Receivable	20.81	20.91
Outstanding forward contracts as at the reporting date (Million JPY) - Payable	97.37	244.58
Outstanding forward contracts as at the reporting date (Million EUR) - Payable	8.00	15.96
Outstanding forward contracts as at the reporting date (INR in million) - Receivable	9,451.55	11,150.42
Outstanding forward contracts as at the reporting date (INR in million) - Receivable	1,969.65	1,937.05
Outstanding forward contracts as at the reporting date (INR in million) - Payable	57.79	144.01
Outstanding forward contracts as at the reporting date (INR in million) - Payable	761.71	1,493.08

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:-

Impact on profit after tax/Equity	For the year ended 31st March 2025	For the year ended 31st March 2024
Net currency receivables/(payables)		
USD sensitivity		
INR /USD - increase by 1.00% (31st March 2024: 1.00%)*	22.42	24.74
INR /USD - decrease by 1.00% (31st March 2024: 1.00%)*	(22.42)	(24.74)
EUR sensitivity		
INR /EURO - increase by 1.00% (31st March 2024: 1.00%)*	(0.06)	(3.78)
INR /EURO - decrease by 1.00% (31st March 2024: 1.00%)*	0.06	3.78
JPY sensitivity		
INR /JPY - increase by 1.00% (31st March 2024: 1.00%)*	(0.67)	(1.09)
INR /JPY - decrease by 1.00% (31st March 2024: 1.00%)*	0.67	1.09
CAD sensitivity		
INR /CAD - increase by 1.00% (31st March 2024: 1.00%)*	-	(0.00)
INR /CAD - decrease by 1.00% (31st March 2024: 1.00%)*	-	0.00
CHF sensitivity		
INR /CHF - increase by 1.00% (31st March 2024: 1.00%)*	(0.02)	(0.01)
INR /CHF - decrease by 1.00% (31st March 2024: 1.00%)*	0.02	0.01
RSD sensitivity		
INR /RSD - increase by 1.00% (31st March 2024: 1.00%)*	(1.45)	(4.82)
INR /RSD - decrease by 1.00% (31st March 2024: 1.00%)*	1.45	4.82

* Holding other variables constant, net of tax.

34 CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements.

The Company monitors capital using net debt to equity ratio, which is net debt (as reduced by cash and cash equivalent) divided by total equity.

	31st March 2025	31st March 2024
Long-term borrowings including current maturities (refer note 15)	-	486.75
Short-term borrowings (refer note 15)	-	1,843.84
Less: Cash and cash equivalents (refer note 11)	(9,586.93)	(246.01)
Net debts *	(9,586.93)	**2,084.59**
Equity share capital (refer note 13)	6,217.18	5,864.48
Other equity (refer note 14)	47,734.10	19,875.84
Total equity	53,951.28	**25,740.32**
Net Gearing ratio	(17.77%)	**8.10%**

* Excluding lease liabilities.

(Figures in Million INR, except per share data, unless stated otherwise)

Dividends	For the year ended 31st March 2025	For the year ended 31st March 2024
Equity share		
Final dividend of INR 1.53 per each 586,460,546 equity share	897.28	-
Interim dividend of INR 1.60 per each 621,717,975 equity share	994.76	-
Final dividend of INR 1.53 per each 585,415,582 equity share	-	895.68
Interim dividend of INR 1.53 per each 586,441,810 equity share	-	897.26
	1,892.04	**1,792.94**

The Board of Directors of the Company in its meeting held on 30th April 2025 has recommended final dividend of INR 1.60/- i.e. (16.00%) per equity share of the Company having face value of INR 10/- each for the financial year 2024-2025, subject to approval from shareholders.

35 SEGMENT INFORMATION

The Company's operating business is organised and managed according to a single primary reportable business segment namely "Automotive Components". The Company has opted to provide segment information in its consolidated Ind AS financial statements in accordance with para 4 of Ind AS 108 - Operating Segments.

36 RELATED PARTY DISCLOSURES

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related parties, related party relationships, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

(a) Names of related parties and nature of relationship

(i) The entity having substantial interest in the Company

Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)

(ii) Key Management Personnel

Name	Designation
Mr. Vivek Vikram Singh	Managing Director & Group CEO
Mr. Vadapalli Vikram Verma	Whole Time Director and Chief Executive Officer (Driveline Business) (w.e.f. 24th January 2025)
Mr. Sat Mohan Gupta	Chief Executive Officer (Motor business)
Mr. Rohit Nanda	Group Chief Financial Officer
Mr. Ajay Pratap Singh	Senior Vice President (Legal) & Company Secretary
Non-Executive Directors	
Mr. Sunjay Kapur	Chairman and Non-Executive Director
Mr. Prasan Abhaykumar Firodia	Independent director (till 23rd October 2024)
Mr Subbu Venkata Rama Behara	Independent director (till 4th July 2024)
Mr. Amit Dixit	Director (till 11th December 2024)
Mr. Ganesh Mani	Director(till 19th July 2023)
Mrs Shradha Suri	Independent director
Mr. Jeffrey Mark Overly	Independent Director
Mrs. Manisha Girotra	Independent Director (w.e.f. 1st January 2024)
Mr. Pradip M Kanakia	Independent Director (w.e.f. 1st July 2024)
Mr. Karamendra Daulet Singh	Independent Director (w.e.f. 24th October 2024)
Mr. Vineet Mittal	Independent Director (w.e.f. 24th January 2025)
Relative of KMP	
Mr. Tanay Gupta	Son of Mr. Sat Mohan Gupta

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

(iii) Subsidiary companies

Comstar Automotive Hongkong Limited

Comstar Automotive USA LLC

Comstar Automotive Technology Services Private Limited

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

Comstar Automotive (Hangzhou) Co., Ltd.

Comstar Hong Kong Mexico No. 1, LLC

Comestel Automotive Technologies Mexicana Ltd.

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

Sona Comstar eDrive Private Limited

Sona BLW Edrive Mexicana, S.A.P.I DE C.V. (w.e.f. 22nd September 2023)

NOVELIC d.o.o. Beograd (w.e.f. 6th September 2023)

NOVELIC SRL (w.e.f. 6th September 2023)

NOVELIC ESC DOOEL SKOPJE (w.e.f. 6th September 2023)

NIRSEN D.O.O (w.e.f. 6th September 2023)

Novelic GMBH (w.e.f. 20th June 2024)

(iv) Promoter Group

Rani Kapur - RK Family Trust

Raghuvanshi Investment Private Limited

Charu Sachdev

Jasbir Sachdev

Ashok Sachdev

(i) Entity having substantial interest

Transactions	For the year ended 31st March 2025	For the year ended 31st March 2024
Dividend paid		
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	545.27	533.08

(ii) Key Management Personnel *

Transactions	For the year ended 31st March 2025	For the year ended 31st March 2024
Managerial remuneration		
Mr. Vivek Vikram Singh	32.44	36.36
Mr. Vadapalli Vikram Verma	29.37	37.28
Mr. Rohit Nanda	30.89	30.20
Mr. Sat Mohan Gupta	22.85	24.83
Mr. Ajay Pratap Singh	10.75	10.06
Remuneration to relative of KMP		
Mr. Tanay Gupta	-	1.32
Issue of equity shares under ESOP Scheme		
Mr. Vivek Vikram Singh	140.39	8.46
Mr. Vadapalli Vikram Verma	50.90	6.10
Mr. Rohit Nanda	-	4.57
Mr. Ajay Pratap Singh	4.19	1.83
Mr. Sat Mohan Gupta	-	6.10

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Transactions	For the year ended 31st March 2025	For the year ended 31st March 2024
Share-based payment charged in profit and loss account		
Mr. Vivek Vikram Singh	60.83	25.07
Mr. Vadapalli Vikram Verma	38.70	16.09
Mr. Rohit Nanda	30.98	12.82
Mr. Sat Mohan Gupta	38.70	16.09
Mr. Ajay Pratap Singh	11.84	4.85
Director Sitting Fee		
Mr. Prasan Abhaykumar Firodia	0.12	0.36
Mr. B.V.R. Subbu	0.07	0.28
Mrs. Manisha Girotra	0.15	0.07
Mr. Jeffrey Mark Overly	0.48	0.38
Mrs. Shradha Suri	0.21	0.20
Mr. Pradip Manilal Kanakia	0.21	-
Mr. Vineet Mittal	0.04	-
Mr. Karamendra Daulet Singh	0.14	-
Commission		
Mr. Sunjay Kapur	24.00	24.00
Mr. Jeffrey Mark Overly	8.56	8.20
Mrs. Manisha Girotra	5.50	1.38
Mr. B.V.R. Subbu	1.43	5.50
Mrs. Shradha Suri	5.50	5.50
Mr. Pradip Manilal Kanakia	4.13	-
Mr. Karamendra Daulet Singh	2.40	-
Mr. Vineet Mittal	1.01	-
Mr. Prasan Abhaykumar Firodia	3.10	5.50
Dividend paid		
Mr. Vadapalli Vikram Verma	1.02	0.95
Mr. Vivek Vikram Singh	0.90	0.59
Mr. Ajay Pratap Singh	0.05	0.03
Mr. Sat Mohan Gupta	0.69	0.66
Mrs. Shradha Suri	#	#
Rani Kapur - RK Family Trust	#	#
Raghuvanshi Investment Private Limited	#	#
Charu Sachdev	#	#
Jasbir Sachdev	#	#
Ashok Sachdev	#	#
Sale of Vehicle		
Mr. Rohit Nanda	0.20	-
Mr. Vadapalli Vikram Verma	-	0.31
Mr. Kiran Manohar Deshmukh	-	0.57
Sat Mohan Gupta	-	1.01

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

** Break- up of Key management personnel remuneration*

	For the year ended 31st March 2025	For the year ended 31st March 2024
Short-term employee benefits	126.31	140.05

* Including provident fund and any other benefit.

* Gratuity and leave encashment amounts attributable to key management personnel cannot be separately determined and hence not included in transactions above.

* The shareholders, in the Annual General Meeting (AGM) held on 9th September 2021 had approved the Exit Return Incentive (ERI) Plan for payment of awards by Singapore VII Topco III PTE. Ltd. (Singapore VII) erstwhile shareholder, to certain identified employees of the Company pursuant to which Singapore VII made payment of awards to such identified employees between 5th April 2024 and 22nd April 2024. The Company has not made any such payment and hence there is no impact on the Company.

Note 1: The Company holds more than 20% in Clean Max Calypso Private Limited and Clean Max NOVA Private Limited. However, the Company does not exercise significant influence or control on decisions of the investees. Hence, not being construed as associate company. These investment is included in "Note 5: Investments" under Investment measured at fair value through Profit & Loss account in the financial statements.

Note 2: The Company has reimbursed INR 6.70 million (March 31st 2024: INR 7.45 million) to its directors during the year.

Number less than INR 50,000

(iii) Subsidiary companies

Transactions	For the year ended 31st March 2025	For the year ended 31st March 2024
Dividend Received		
Comstar Automotive USA LLC	198.24	203.88
Rent Received		
Sona Comstar Edrive Pvt Ltd.	0.05	0.05
Corporate Guarantee fee received		
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	0.48	0.08
Comstar Automotive (Hangzhou) Co., Ltd.	1.69	-
Service rendered		
Comstar Automotive Technology Services Private Limited	-	2.42
Reimbursement of expenses		
Comstar Automotive USA LLC	7.52	-
Comstar Automotive Technology Services Private Limited	2.66	-
Investment in the shares		
NOVELIC d o o Beograd	-	675.84
Sona Blw Edrive Mexicana, S.A.P.I. De C.V	425.68	12.45
Deemed investment in Sona Blw Edrive Mexicana, S.A.P.I. De C.V	6.24	0.29
Sale of goods		
Comstar Automotive USA LLC	993.30	778.12
Comestel Automotive Technologies Mexicana Limited	320.99	239.54
Comstar Automotive Hangzhou Co. Ltd.	39.35	0.06
Purchase of goods		
Comstar Automotive Hangzhou Co. Ltd.	-	17.64

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

(c) Details of balances with related parties at year end

(i) Key Management Personnel

Balances as at year end	As at 31st March 2025	As at 31st March 2024
Payables		
Mr. Vivek Vikram Singh	9.85	15.98
Mr. Rohit Nanda	8.69	10.50
Mr. Vadapalli Vikram Verma	7.87	15.13
Mr. Ajay Pratap Singh	2.96	3.49
Mr. Sat Mohan Gupta	4.01	7.49
Mr. Tanay Gupta	-	0.18

(ii) Subsidiary companies

Balances as at year end	As at 31st March 2025	As at 31st March 2024
Receivable		
Comstar Automotive USA LLC	80.33	63.57
Comstar Automotive Hangzhou Co. Ltd.	41.28	0.06
Comestel Automotive Technologies Mexicana Ltd.	53.19	45.22
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	0.48	0.08
Comstar Automotive Technology Services Private Limited	0.26	2.62
Sona Comstar eDrive Private Limited	0.02	-
Payable		
NOVELIC d.o.o.	191.11	628.31
Comestel Automotive Technologies Mexicana Ltd.	-	0.14
Comstar Automotive Hangzhou Co. Ltd.	-	7.65
Comstar Automotive USA LLC	7.52	-

Terms and conditions

All the transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured.

(i) Corporate guarantee given on behalf of Sona BLW Edrive Mexicana, S.A.P.I DE C.V. is INR 470.93 million (31st March 2024: 42.50).

(ii) Corporate guarantee given on behalf of Comstar Automotive Hangzhou Co. Ltd. is INR 239.33 million (31st March 2024: Nil).

37 EARNINGS PER SHARE

	For the year ended 31st March 2025	For the year ended 31st March 2024
Total profit attributable to the equity holders of the Company used for basic and diluted earnings per share (A)	5,796.88	4,844.80
Total number of equity shares at the beginning of the year	586,447,778	585,404,582
Issue of shares	35,270,197	1,043,196
Total number of equity shares at the end of the year	**621,717,975**	**586,447,778**
Effect of exercise of share options (refer note 45)	17,381	60,718
Total number of equity shares (including options) at the end of the year	**621,735,356**	**586,508,496**
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	606,025,908	585,855,017

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	For the year ended 31st March 2025	For the year ended 31st March 2024
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (B)	**606,025,908**	**585,855,017**
Effect of exercise of share options	17,381	60,718
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share (C)	**606,043,289**	**585,915,735**
Nominal Value per share (in INR **)**	10.00	10.00
(a) Basic earnings per share (in INR)	9.57	8.27
(b) Diluted earnings per share (in INR)	9.57	8.27

38 EMPLOYEE BENEFITS

A Defined contribution plans:

	For the year ended 31st March 2025	For the year ended 31st March 2024
a) Provident fund	149.08	127.36
b) Employees state insurance corporation	0.18	0.36
c) Labour welfare fund	0.43	0.39
d) Super annuation	2.05	1.89
e) National Pension Scheme	20.37	15.72
	172.11	**145.72**

B Defined benefit plans:

(i) Gratuity

The Company operates post retirement defined benefit plan for retirement gratuity, which is funded. The Company through the gratuity trust has taken Company gratuity policy of Life Insurance Corporation of India Gratuity Scheme.

Details of changes and obligation under the defined benefit plan is given as below:-

I Expense recognised in the statement of profit and loss

	For the year ended 31st March 2025	For the year ended 31st March 2024
(i) Current service cost	31.22	26.70
(ii) Interest cost	23.45	20.80
(iii) Expected return on plan assets	(19.21)	(18.28)
Net expense recognised in the statement of profit and loss	**35.46**	**29.22**

II Remeasurement (gain)/loss recognised in other comprehensive income

	For the year ended 31st March 2025	For the year ended 31st March 2024
(i) Actuarial changes arising from changes in demographic assumptions	1.28	4.16
(ii) Actuarial changes arising from changes in financial assumptions	0.81	4.37
(iii) Actuarial changes arising from changes in experience adjustments	10.16	14.95
(iv) Return on plan assets greater than discount rate	(1.07)	(0.29)
Net expense recognised in other comprehensive income	**11.18**	**23.18**

(Figures in Million INR, except per share data, unless stated otherwise)

III Changes in obligation

		For the year ended 31st March 2025	For the year ended 31st March 2024
(i)	Opening balance	360.38	296.02
(ii)	Current service cost	31.22	26.70
(iii)	Interest cost	23.45	20.80
(iv)	Actuarial (gain)/loss	12.25	23.48
(v)	Benefit payments from plan assets	(10.20)	(6.61)
(vi)	Transfer of employees from erstwhile related party	0.35	-
	Present value of obligation as at year end	**417.45**	**360.38**

IV Changes in plan assets

		For the year ended 31st March 2025	For the year ended 31st March 2024
(i)	Fair value of plan assets as at the beginning of the period	290.41	255.54
(ii)	Interest income	19.21	18.28
(iii)	Contributions by employer	37.05	22.92
(iv)	Benefit payments from plan assets	(9.31)	(6.61)
(v)	Actuarial gain/(loss) on plan assets	1.07	0.29
(vi)	Transfer of employees from erstwhile related party	0.35	-
	Fair value of plan assets	**338.78**	**290.41**

V Net assets / liabilities

		For the year ended 31st March 2025	For the year ended 31st March 2024
(i)	Present value of obligation at the end of the year	417.45	360.38
(ii)	Fair value of plan assets at the end of the year	338.78	290.41
(iii)	Net liabilities recognised in the balance sheet		
	- Non-current	78.67	69.97
	- Current	-	-

VI Experience adjustment

	For the year ended 31st March 2025	For the year ended 31st March 2024
Experience adjustment loss on plan liabilities	3.88	6.11

VII Investment details

The Company has invested in gratuity funds which is administered through Life Insurance Corporation of India. The detail of investment maintained by Life Insurance Corporation are not made available to the Company and have therefore not been disclosed.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

VIII Principal actuarial assumptions (Gratuity and Compensated absence)

	For the year ended 31st March 2025	For the year ended 31st March 2024
Discount rate (per annum)	6.40%-6.70%	7.15%-7.30%
Expected increase in salary costs (per annum)	8.00-10.00%	8.00-10.00%
Attrition rate	15.00-16.00%	15.00-16.00%
Mortality	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Retirement age	58 and 60 years	58 and 60 years

IX Quantitative sensitivity analysis for significant assumptions is as below:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

	Impact on defined benefit obligation	
	For the year ended 31st March 2025	For the year ended 31st March 2024
Delta effect of +1% change in rate of discounting	(15.05)	(12.68)
Delta effect of -1% change in rate of discounting	16.24	13.67
Delta effect of +1% change in rate of salary increase	15.86	13.38
Delta effect of -1% change in rate of salary increase	(14.93)	(12.60)

X Maturity profile of defined benefit obligation (undiscounted)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Within the next 12 months (next annual reporting period)	48.67	59.60
Between 2 and 5 years	133.74	189.96
Between 6 and 10 years	112.24	160.42
Total expected payments	**294.65**	**409.98**

XI The average duration of the defined benefit plan obligation at the end of the reporting period is 5-6.20 years (31st March 2024: 5-6.23 years)

XII The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The expected contribution to the plan is expected to be similar to that of current year.

XIII Plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employement. The level of benefit provided depends on the member's length of service and salary at the time of retirement/ termination age.

(Figures in Million INR, except per share data, unless stated otherwise)

39 CONTINGENT LIABILITIES

		As at 31st March 2025	As at 31st March 2024
a)	Claims against the Company not acknowledged as debts		
i)	Service tax		
	Cases pending before Appellate authorities in respect of which the Company has filed appeals. (FY 2005-06 to 2007-08)	0.47	0.47
ii)	Income Tax *		
	Cases pending before Transfer pricing officer (AY-2013-14)	2.12	2.12
	Cases pending before Transfer pricing officer (AY-2016-17)	2.98	2.74
	Cases pending before CIT in respect of which the Company has filed appeal (AY-2017-18)**	97.66	90.85
	Cases pending before CIT and Assessing officer in respect of which the Company has filed appeal (AY-2018-19)	8.07	7.15
iii)	Central Excise Act, 1944		
	Case pending before Directorate General of Goods And Service Tax Intelligence in respect of which the Compay has filed appeals. (FY 2014-15 to FY 2017-18)	-	0.61
iv)	Goods and Services tax Act		
	Writ petition filed before high court***	281.97	281.97

*Amount paid under protest of INR 17.47 million (31st March 2024: INR 17.47 million).

** Total disputed amount of the case is INR 106.29 million(31st March 2024:INR 99.48 million) (including interest liability) out of which INR 8.63 million (31st March 2024:INR 8.63 million) (including interest liability) has been provided as a provision and balance amount is being disclosed as a contingent liability.

*** Writ Petition challenging vires of Rule 96(10) of CGST Rules 2017, Based on professional advice, the Company believes that the case will be decided in their favour and hence no provision has been considered.

As hearing date has not yet been set and therefore it is not practicable to state the timing of the payment, if any.

b) There are labour cases pending before High Court and Labour Commissioner/Officer. The Company has been legally advised that the cases filed by the employees are not sustainable in law and accordingly no provision has been made therefore. Moreover no monetary claim was filed or is pending.

c) Duty paid and related export obligation status with respect to EPCG licenses which is six times of the duty saved, obtained by the Company are as under:

	As at 31st March 2025	As at 31st March 2024
Export obligation pending	1,580.30	2,684.22

d) The company has given letter of undertaking to its subsidiary company namely "Comstar Automotive Hongkong Limited" to provide finanial support if any required by the subsidiary company, for the year from 1st April 2025 to 31st March 2026 to allow it to continue as a going concern.

40 CAPITAL COMMITMENTS

	As at 31st March 2025	As at 31st March 2024
Estimated amount of contracts to be executed on capital account not provided for (net of advances)	700.08	1,597.56

The Board of the Company in its meeting held on 10th February 2025 has approved execution of an agreement for purchase of plot of land measuring 33,423 (thirty three thousand four hundred twenty three) square yards equivalent to 27,945.89 (twenty seven thousand nine hundred forty five point eight eight five) square meters forming part of the industrial plot bearing no. 115 and half of plot no. 114 located in Sector 24, Faridabad, Haryana from Escort Kubota, adjacent to the land of Railway Equipment Division ("RED") business of Escorts Kubota, for total consideration of INR 1100 million, which may help in its future expansion plans.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

41 DUES TO MICRO AND SMALL ENTERPRISES

		As at 31st March 2025	As at 31st March 2024
a)	Principal amount due to suppliers registered under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED) and remaining unpaid as at year end	446.53	572.71
b)	the amount of interest paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
d)	the amount of interest accrued and remaining unpaid at the end of each accounting year;	6.75	6.20
e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	6.75	6.20

42 INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013 AND REGULATION 34 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015

	As at 31st March 2025	Maximum amount outstanding during the year	As at 31st March 2024	Maximum amount outstanding during the year
Details of investment made in Comstar Automotive USA LLC	1,248.90	1,248.90	1,248.90	1,248.90
Details of investment made in Comstar Automotive Technology Services Private Limited	73.80	73.80	73.80	73.80
Details of investment made in Comstar Automotive Hong Kong Limited	229.45	229.45	229.45	229.45
Details of investment made in Sona Comstar eDrive Private Limited	15.00	15.00	15.00	15.00
Details of investment made in NOVELIC d o o Beograd	3,506.37	3,506.37	3,506.37	3,506.37
Details of investment made in Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	438.42	438.42	13.03	13.03
Details of corporate guarantee given on behalf of Sona BLW Edrive Mexicana, S.A.P.I DE C.V.*	470.93	470.93	42.50	42.50
Details of corporate guarantee given on behalf of Sona Automotive (Hangzhou) Co. Limited*	239.33	239.33	-	-

* Corporate guarantee given to a vendor / lessor / Bank.

43 LEASES

i) The Company has entered into lease arrangements for land, building and plant and machinery that are renewable on a periodic basis with approval of both lessor and lessee.

ii) The Company does not have any lease commitments towards variable rent as per the contract.

iii) Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over land and building the Company must keep those properties in a good state of repair and return the properties in their original condition, except for normal wear and tear, at the end of the lease. Further, the Company shall insure items owned by it and incur maintenance fees on such items in accordance with the lease contracts.

iv) Lease liabilities are presented in the statement of financial position as follows:

Particulars	As at 31st March 2025	As at 31st March 2024
Current	60.56	51.44
Non-current	1,435.82	1,496.06
	1,496.38	**1,547.50**

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

v) Future minimum lease payments are as follows:

Particulars	As at 31st March 2025		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	197.90	137.34	60.56
1-5 years	808.67	477.49	331.18
More than 5 years	1,554.00	449.36	1,104.64
Total	**2,560.57**	**1,064.19**	**1,496.38**

Particulars	As at 31st March 2024		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	194.30	142.86	51.44
1-5 years	810.20	508.29	301.91
More than 5 years	1,750.05	555.90	1,194.15
Total	**2,754.55**	**1,207.05**	**1,547.50**

vi) The following are amounts recognised in profit or loss:

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Depreciation expense of right-of-use assets	132.19	77.03
Interest expense on lease liabilities	143.03	77.85
Rent expense (relating to short-term leases on which lease liability is not recognised)	63.38	44.89
Total	**338.60**	**199.77**

vii) Total cash outflow pertaining to leases

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Total cash outflow pertaining to leases during the year ended	194.16	108.35

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) and for leases of low value assets.

The Company determines the leases term as either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Company will extend the term, or a lease period in which it is reasonably certain that the Company will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

44 REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Revenue from operations	For the year ended 31st March 2025	For the year ended 31st March 2024
Revenue by geography		
Domestic	13,142.90	11,797.43
Export	17,785.57	16,090.35
Total	**30,928.47**	**27,887.78**

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Revenue from operations	For the year ended 31st March 2025	For the year ended 31st March 2024
Revenue (timing)		
Revenue recognised at point in time	30,928.47	27,646.46
Revenue recognised over a period	-	241.32
Total	**30,928.47**	**27,887.78**

(b) Liabilities related to contracts with customers*

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance	198.78	170.87
Income recognised from advance	(159.23)	(334.93)
Advance received from customers during the year	217.90	362.84
Advance from customers (refer note 20)	**257.45**	**198.78**

(c) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

There are insginificant discounts offered by the Company to its customers for the year ended 31st March 2025 INR 0.85 million (31st March 2024: INR 0.76 million).

(d) Contract assets*

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance	33.40	44.61
Adjusted during the year	10.97	11.21
Closing balance (refer note 8)	**22.43**	**33.40**

* Performance obligations pertaining to balance of contract assests and contract liabilities will get satisfied with in next 12 months.

45

a) Share-based payments

Employee Stock Option Scheme Sona BLW Precision Forging Limited- 2020 ('Sona BLW ESOP Plan-2020') was approved by the shareholders of the Sona BLW Precision Forgings Limited on 30th September 2020. The maximum number of Options granted under the Sona BLW ESOP Plan-2020 shall be 3,342,672 Options which shall upon exercise convert into maximum 3,342,672 Shares. The Sona BLW ESOP Plan entitles employees of the Company to excercise shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share-based payment arrangement of the Company is given below:

Particulars	Sona BLW Precision Forging Limited Employee Stock Option Plan
Exercise Price	INR 38.34
Grant date	1st October 2020
Vesting schedule	1,087,740 options 12 months after the grant date ('First vesting')
	1,087,740 options 24 months after the grant date ('Second vesting')
	1,087,740 options 36 months after the grant date ('Third vesting')
Exercise period	Stock options can be exercised within a period of 3 years from vesting date.
Number of share options granted	3,263,220
	The total pool of Options that can be granted under the ESOP Plan is 3,342,672 (Thirty three lakhs forty two thousand six hundred seventy two) Options out of which 3,263,220 (Thirty two lakhs sixty three thousand two hundred twenty) options were granted to the employees.
Method of settlement	Equity

(Figures in Million INR, except per share data, unless stated otherwise)

Stock options will be settled by issue of equity shares of the Company. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of INR 38.34 per option which against the fair market value of INR 79.17 per share determined on the date of grant, i.e. 1st October 2020.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term. Total Company share-based payment to employees amounting INR Nil for the year ended 31st March 2025 (INR 8.70 million for the year ended 31st March 2024) is recognised in the statement of profit and loss of the Companny pertaining to options issued to employees of the Company . The following principal assumptions were used in the valuation: Expected volatility was determined by comparison with peer companies, as the Company's shares were not publicly traded at that time. The expected option life and average expected period to exercise, is assumed to be equal to the contractual maturity of the option. Dividend yield is taken as 1.6% based on the the expected dividend payout by the management. The risk-free rate is the rate associated with a risk-free security with the same maturity as the option. At each balance sheet date, the Company reviewed its estimates of the number of options that are expected to vest. The Company recognises the impact of the revision to original estimates, if any, in the profit or loss in statement of comprehensive income, with a corresponding adjustment to 'retained earnings' in equity. The fair value of option using Black Scholes model and the inputs used for the valuation for options that have been granted during the reporting period are summarised as follows:

Particulars	First vesting	Second vesting	Third vesting
Grant date	1st October 2020	1st October 2020	1st October 2020
Vesting date	1st October 2021	1st October 2022	1st October 2023
Expiry date	1st October 2024	1st October 2025	1st October 2026
Fair value of option at grant date using Black Scholes model	44.38	46.28	47.72
Exercise price	38.34	38.34	38.34
Expected volatility of returns	46.19%	46.63%	46.51%
Term to expiry	2.5 years	3.5 years	4.5 years
Expected dividend yield	1.60%	1.60%	1.60%
Risk free interest rate	4.64%	5.04%	5.23%

During the year ended 31 March 2021, the Board of Directors of the Company has approved the issuance of 11 (Eleven) bonus shares of face value INR 10 (Rupees Ten) each for every 1 (One) existing fully paid up equity share of face value INR 10 (Rupees Ten) each. Accordingly number of options has been increased to twelve times of original options and fair value and exercise price of options has been reduced to one twelth from previous values.

The total outstanding and exercisable share options and weighted average exercise prices for the various categories of option holders during the reporting periods are as follows:

Particulars	31-03-2025	31-03-2024
Options outstanding at the beginning of the period	62,488	1,130,548
Number of employees to whom options were granted	62	62
Options vested	-	1,056,900
Options exercised (including option exercised from previous Vesting)	24,704	1,043,196
Options forfeited/ lapsed/ cancelled	18,892	24,864
Option expired during the year	Nil	Nil
Options outstanding (Vested)	18,892	62,488
Options outstanding (Unvested)	-	-
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options including exercised during the year)	24,704	1,043,196

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Particulars	31-03-2025	31-03-2024
Money realised by exercise of options (in INR)	947,151	39,996,135
Options outstanding at the period end (Vested)	-	-
Options exercisable at the period end (Unvested)	18,892	62,488
Total number of options in force (excluding options not granted)	-	0
Weighted average remaining contractual life of outstanding options (in years)	1.50	2.50

Method used for accounting of share-based payment plans	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Sona BLW ESOP Plan. The employee compensation cost as per fair value method for the year ended 31st March 2025 is INR 269.27 million (excluding INR 18.42 million capitalised) (31st March 2024: INR 138.31 million (excluding INR 11.57 million capitalised))
Nature and extent of employee share-based payment plans that existed during the period including the general terms and conditions of each plan	Each Option entitles the holder thereof to apply for and be allotted one Ordinary Shares of the Company upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from vesting date.
Employee wise details of options granted to	
(i) Key Managerial Personnel	Mr. Vivek Vikram Singh
	Mr. Rohit Nanda
	Mr. Ajay Pratap Singh
	Mr. Vadapalli Vikram Verma
	Mr. Sat Mohan Gupta
	Share-based payment to Key Managerial Personnel for the year ended 31st March 2025 is Nil (31st March 2024 was INR 5.55 million)
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	None
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	No options were granted to any identified employees during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.

(b) Share-based payments

Employee Stock Option Scheme Sona BLW Precision Forging Limited- 2023 ('Sona BLW ESOP Plan-2023') was approved by the shareholders of the Sona BLW Precision Forgings Limited on 19th July 2023. The maximum number of Options to be granted under the Sona BLW ESOP Plan-2023 shall be 7,610,402 Options which shall upon exercise shall convert into maximum 7,610,402 Shares. The Sona BLW ESOP Plan - 2023 entitles employees of the Company to excercise shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the Share-based payment arrangement of the Company is given below:

Particulars	Sona BLW Precision Forging Limited Employee Stock Option Plan -2023		
Grant date	25th October 2023	15th March 2024	
Exercise Price	INR 508.95	INR 641.60	
Vesting schedule	1,706,650 options	25,000 options	12 months after the grant date ('First vesting')
	1,706,650 options	25,000 options	24 months after the grant date ('Second vesting')
	1,706,650 options	25,000 options	36 months after the grant date ('Third vesting')
	1,706,650 options	25,000 options	48 months after the grant date ('Fourth vesting')
Number of share options granted	6,826,600	100,000	

(Figures in Million INR, except per share data, unless stated otherwise)

Particulars	Sona BLW Precision Forging Limited Employee Stock Option Plan -2023	
Grant date	**25th October 2023**	**15th March 2024**
Exercise period	Stock options can be exercised within a period of 3 years from vesting date.	
	The total pool of Options that can be granted under the ESOP Plan is 7,610,402 (Seven million six hundred ten thousand four hundred two only) Options out of which 6,926,600 (Six million nine hundred twenty-six thousand six hundred only) options were granted to the employees.	
Method of settlement	Equity	

Stock options will be settled by issue of equity shares of the Company. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of INR 508.95/ INR 641.60 per option against the fair market value of INR 508.95/INR 641.60 per share determined on the date of grant, i.e. 25th October 2023 and 15th March 2024 respectively.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term. Total Company share-based payment to employees amounting INR 269.27 million (excluding INR 18.42 million capitalised) for the year ended 31st March 2025 (31st March 2024 INR 138.31 million (excluding INR 11.57 million capitalised)) is recognised in the statement of profit and loss of the Companny pertaining to options issued to employees of the Company . The following principal assumptions were used in the valuation: Expected volatility was determined basis 50% weight to Sona BLW Precision Forgings Limited and a balance of 50% weight equally to the other comparable companies. The expected option life and average expected period to exercise, is assumed to be equal to the contractual maturity of the option. Dividend yield is taken as 0.55% and 0.48% based on the the expected dividend payout by the management. The risk-free rate is the rate associated with a risk-free security with the same maturity as the option. At each balance sheet date, the Company reviewed its estimates of the number of options that are expected to vest. The Company recognises the impact of the revision to original estimates, if any, in the profit or loss in statement of comprehensive income, with a corresponding adjustment to 'retained earnings' in equity. The fair value of option using Black Scholes model and the inputs used for the valuation for options that have been granted during the reporting period are summarised as follows:

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Grant Date 25th October 2023				
Vesting date	25th October 2024	25th October 2025	25th October 2026	25th October 2027
Expiry date	25th October 2027	25th October 2028	25th October 2029	25th October 2030
Fair value of option at grant date using Black Scholes model	82.10	132.40	169.70	199.40
Exercise price	508.95	508.95	508.95	508.95
Expected volatility of returns	29.95%	35.37%	37.33%	38.20%
Term to expiry (Years)	1.17	2.17	3.17	4.17
Expected dividend yield	0.55%	0.55%	0.55%	0.55%
Risk free interest rate	6.82%	6.94%	7.01%	7.05%

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Grant Date 15th March 2024				
Vesting date	15th March 2025	15th March 2026	15th March 2027	15th March 2028
Expiry date	15th March 2028	15th March 2029	15th March 2030	15th March 2031
Fair value of option at grant date using Black Scholes model	107.30	160.30	209.90	248.80
Exercise price	641.60	641.60	641.60	641.60
Expected volatility of returns	31.54%	33.56%	36.56%	37.87%
Term to expiry (Years)	1.17	2.17	3.17	4.17
Expected dividend yield	0.48%	0.48%	0.48%	0.48%
Risk free interest rate	6.66%	6.70%	6.73%	6.75%

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

The total outstanding and exercisable share options and weighted average exercise prices for the various categories of option holders during the reporting periods are as follows:

Particulars	31-03-2025	31-03-2024
Options outstanding at the beginning of the period	6,926,600	-
Number of employees to whom options were granted	91	91
Options vested	1,731,650	-
Options exercised	462,885	-
Options forfeited/ lapsed/ cancelled	-	-
Option expired during the year	-	-
Options outstanding (Vested)	1,268,765	-
Options outstanding (Unvested)	5,194,950	6,926,600
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options including exercised during the year)	1,731,650	-
Money realised by exercise of options (in INR)	235,585,321	-
Options outstanding at the period end (Vested)	5,194,950	-
Options exercisable at the period end (Unvested)	1,268,765	-
Total number of options in force (excluding options not granted)	6,463,715	6,926,600
Weighted average remaining contractual life of outstanding options (in years)	1.67	2.67

Method used for accounting of share-based payment plans	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Sona BLW ESOP Plan. The employee compensation cost as per fair value method for the year ended 31st March 2025 is INR 269.27 million (excluding INR 18.42 million capitalised) (31st March 2024: INR 138.31 million (excluding INR 11.57 million capitalised))
Nature and extent of employee share-based payment plans that existed during the period including the general terms and conditions of each plan	Each Option entitles the holder thereof to apply for and be allotted one Ordinary Shares of the Company upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from vesting date.
Employee wise details of options granted to	
(i) Key Managerial Personnel	Mr. Vivek Vikram Singh
	Mr. Rohit Nanda
	Mr. Ajay Pratap Singh
	Mr. Vadapalli Vikram Verma
	Mr. Sat Mohan Gupta
	Share-based payment to Key Managerial Personnel for the year ended 31st March 2025 is INR 181.05 (31st March 2024 was INR 69.38 million)
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	None
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	No options were granted to any identified employees during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.

(Figures in Million INR, except per share data, unless stated otherwise)

46 (a) Intangible assets impairment testing

Goodwill

As per note no. 4 , Company has recognised an amount of INR 1,582.24 million as Goodwill including assembled workforce and future customers. Annual test for impairment of goodwill was carried out as at 31st March 2025 and 31st March 2024, details of which are outlined below. The outcome of the test indicated that the value in use of business was higher than its carrying value in those CGU's (Cash generating unit). Accordingly, no impairment charge has been recognised in the standalone statement of profit and loss.

The recoverable amount of each CGU was determined based on value-in-use calculations using a discount rate ranging between 13.00%-14.50% reflecting current market assessments of the time value of money and risks specific to the business, covering a detailed five-year forecast , followed by an extrapolation of expected cash flows using a terminal growth rate of approximately 3.5% - 4.5% as determined by the management.

Brand

On 1st August 2018, the Company acquired SONA Intellectual property rights (""Sona IP"") and all rights thereto from SONA Management Services Limited (""SMSL"") having indefinite useful lives, pursuant to which the company had recognised brand amounting to INR 687.40 million. This was due to the expectation of permanent use of acquired brand. The Company tests on an annual basis whether the brand is impaired based on the value-in-use concept of the entity basis certain inputs outlined below. In March 2025 and March 2024, there was no impairment identified for the brand.

The recoverable amount of the entity was determined on the basis of value in use based on the present value of the expected future cash flows. This calculation uses cash flow projections based on the financial planning covering a five-year period in total. The management believes that any reasonable possible changes in the key assumptions would not cause the Brand's carrying amount to exceed its recoverable amount.

The recoverable amount of the brand was determined based on value-in-use calculations for the company using a discount rate ranging between 13%-14% reflecting current market assessments of the time value of money and risks specific to the business as at the respective dates, covering a detailed five-year forecast , followed by an extrapolation of expected cash flows using a terminal growth rate ranging between 4%-5% as determined by the management.

Intangible assets under development

In accordance with IND AS 36 - "Impairment of Assets", the Company has carried out commercial feasibility assessment of intangibles under development ('IAUD') amounting to INR 627.11 million (March 31st 2024: INR 453.29 million) and has not identified any impairment which is required to be recorded in the financial statements. (refer note 5)

Growth rates

The growth rates used are in line with the growth rate of the industry and the countries in which the entities operates and are consistent with the internal/external sources of information.

Discount rates

The discount rates take into the consideration market risk and specific risk factors of the entity. The cash flow projections are based on the forecasts made by the management.

Terminal growth rate

The terminal growth rate is the constant rate at which an entity is expected to grow at the end of the last forecasted cash flow period in a discounted cash flow model and goes into perpetuity.

Sensitivity

The management believes that any reasonable possible changes in the key assumptions would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

(b) Investment in Novelic d.o.o. Beograd Zvezdara

During the previous year, the Company had acquired 54% stake (representing 54% voting interest) of Novelic d.o.o., world's leading self-sustaining provider of mmWave radar sensors, perception solutions, and full stack embedded systems on 6th September 2023 for its unique & patented mmWave radar technology which is the best solution for in-cabin sensing.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

As on 31st March 2025 amount of INR 728.44 million (31st March 2024: INR 1397.56 million) payable under a deferred payment mechanism to founders of Novelic d.o.o. and Novelic d.o.o., as per the Share purchase agreement and shareholder agreement.

(c) Impairment of Investment in Novelic d.o.o. Beograd Zvezdara

As mentioned in the note no. 5, the Company has invested an amount of INR 3,506.37 million (March 31st 2024: INR 3,506.37 million) (for acquisition of 54% voting rights of Novelic d.o.o. Beograd Zvezdara. Test for impairment of this investment was carried out as at 31st March 2025, details of which are outlined below. The outcome of the test indicated that the value in use of investment was higher than its carrying value as at 31st March 2025 and 31st March 2024. Accordingly, no impairment charge has been recognised in the standalone statement of profit and loss.

The recoverable amount of this investment was determined based on value-in-use calculations using a discount rate ranging between 22.00%-25.00% reflecting current market assessments of the time value of money and risks specific to the business, covering a detailed ten-year forecast , followed by an extrapolation of expected cash flows using a terminal growth rate of approximately 3.00% - 4.00% as determined by the management.

47 During the year, the Company raised funds through Qualified Institutional Placement (QIP) of 34,782,608 Equity Shares of the face value of INR 10 each at a premium of INR 680.00 per share aggregating to INR 24,000.00 million (INR 23,695.00 million net of issue expenses) for certain specific purposes as stated in the Placement Document. Out of the above QIP proceeds, INR 14,502.94 million has been utilised for the repayment of borrowings, purchase of fixed assets and general corporate purposes and the balance INR 9,192.06 million has been temporarily invested in approved financial instruments, pending utilisation as on 31st March 2025. The equity shares issued as a result of QIP have been considered in calculating earnings per share (EPS) for the relevant periods.

48 HEDGE ACCOUNTING:

(i) Disclosures of effects of hedge accounting on balance sheet:

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Strike price range	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
As on 31st March 2025								
Foreign currency risk								
(i) Foreign exchange forward contracts*	11,421.20	15.38	-	April 2025 to March 2026	1:1	USD: 84.47 to 89.33 EUR: 90.47 to 98.73	(20.49)	20.49
As on 31st March 2024								
Foreign currency risk								
(i) Foreign exchange forward contracts*	13,087.47	35.88	-	April 2024 to January 2026	1:1	USD: 83.04 to 84.86 EUR: 89.57 to 95.90	47.42	(47.42)

(Figures in Million INR, except per share data, unless stated otherwise)

(ii) Disclosures of effects of hedge accounting on statement of profit and loss:

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
For the year ended 31st March 2025				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts*	45.87	(0.65)	(50.04)	Loss on foreign exchange
		-	77.27	Reclassify to revenue
For the year ended 31st March 2024				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts*	(23.60)	(0.78)	22.21	Gain on foreign exchange
		-	(56.77)	Reclassify to revenue

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. highly probable forecast sales. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of highly probable forecast sales.

In hedges of foreign currency forcast sales, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arised in the hedges have been disclosed in above table.

* Refer note 6 and 16 for forward contract closing balance.

(iii) Movements in cash flow hedging reserve

Particulars	As at 31st March 2025	As at 31st March 2024
Opening	21.57	12.78
Add: Changes in fair value of forward contracts	45.87	(23.60)
Less: Amount reclassified to profit or loss	(26.58)	35.35
Less: Deferred tax relating to above (net)	(4.85)	(2.96)
Closing	36.01	21.57

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

49 OTHER STATUTORY INFORMATION

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with struck off companies during the current and previous year.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

50 EXCEPTIONAL ITEM

(a) The Company has signed a Business Transfer Agreement (BTA) dated 23rd October 2024 with Escorts Kubota Limited (EKL) to acquire its Railway Equipment Division (RED) which is a leading supplier of critical components like brakes and suspension systems to Indian Railways, as a going concern on slump sale basis, for a consideration of INR 16,000.00 million, subject to the terms of the said agreement. On 10th February 2025 the agreement was amended, amongst others, to revise the timeline for transfer of certain business related registrations and conditions related therewith in order to bring forward the expected date of completion of sale/transfer of RED Business from end of September 2025 to 1st May 2025 or such other date as mutually agreed by the Parties. Parties have subsequently mutually agreed to extend the closing date to 1st June 2025 or such other date as mutually agreed by the Parties. Since all the conditions necessary for closing the transaction have not been met, no effect has been given in the financial statements with respect to this business acquisition.

The exceptional item is related to costs incurred in relation to various acquisition opportunities.

(b) During previous financial year, the Company had completed the acquisition of 54% voting rights in Novelic d.o.o. on 6th September 2023, through acquisition of 51% voting rights from the existing shareholders and 3% voting rights as a result of capital infusion in Novelic d.o.o., as per the Share purchase agreement and shareholder agreement. The exceptional item is related to diligence work and other expenses incurred on for the said acquisition.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

51 RATIOS

Particulars	Numerator (refer notes below)	Denominator (refer notes below)	As at 31st March 2025	As at 31st March 2024	Reason for more than 25 % Change
a) Current Ratio	Current Assets (CA)	Current Liabilities (CL)	6.86	1.80	Due to fund raised from QIP
b) Debt-Equity Ratio	Debt	Equity	-	0.09	Due to repayment of borrowings
c) Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	2.17	15.49	Due to repayment of borrowings
d) Return on Equity Ratio/ Return on investment	Profit after tax	Average Shareholder Equity	16.73%	25.83%	Due to fund raised from QIP
e) Inventory turnover ratio	Revenue from Operation	Average Inventory	10.42	9.97	NA
f) Trade Receivables turnover ratio	Revenue from Operation	Average Receivables	5.33	4.95	NA
g) Trade payables turnover ratio	Revenue from Operation	Average Payables	11.46	11.56	NA
h) Net capital turnover ratio	Revenue from Operation	Average Working Capital	5.09	4.63	NA
i) Net profit ratio	Profit after tax	Revenue from Operation	17.97%	16.75%	NA
j) Return on Capital employed	Earning before interest and tax	Average Capital employed	21.28%	30.14%	Due to fund raised from QIP

i) Debt = Long-term Borrowing + Short-term Borrowing

ii) Equity = Share Capital + other Equity

iii) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Finance Cost

iv) Debt Service = Interest + Lease payments + Principal repayments

v) Average Shareholder Equity = Equity - Goodwill - Intangible Assets - Intangible asset under development

vi) Average Inventory = (Opening Inventory + Closing Inventory) / 2

vii) Average Receivable = (Opening Receivable + Closing Receivable) / 2

viii) Average Payables = (Opening Payables + Closing Payables) / 2

ix) Average Working Capital = ((Opening Inventory + Opening Receivables - Opening Payables) + (Closing Inventory + Closing Receivables - Closing Payables)) / 2

x) Average Capital employed = Total Asset -Goodwill - Intangible Asset - Intangible Asset under development - Current Liabilities

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

52 RECONCILIATION OF QUARTERLY BANK RETURN

Quarter	Particulars	FY 2024-25		FY 2023-24	
		Amount as per books of account	Amount as reportedin the quarterly return/ statement	Amount as per books of account	Amount as reportedin the quarterly return/ statement
Quarter 1	Trade Receivable	5,775.14	5,775.14	5,514.54	5,514.54
Quarter 1	Inventory	3,208.61	3,208.61	2,750.30	2,750.30
Quarter 1	Trade Payables	2,915.39	2,915.39	2,278.21	2,278.21
Quarter 2	Trade Receivable	6,131.29	6,131.29	6,177.09	6,177.09
Quarter 2	Inventory	3,124.35	3,124.35	2,954.49	2,954.49
Quarter 2	Trade Payables	3,151.24	3,151.24	2,736.04	2,736.04
Quarter 3	Trade Receivable	6,400.04	6,400.04	5,308.07	5,308.07
Quarter 3	Inventory	3,199.14	3,199.14	3,137.84	3,137.84
Quarter 3	Trade Payables	2,692.76	2,692.76	2,340.23	2,340.23
Quarter 4	Trade Receivable	6,281.64	6,281.64	5,821.37	5,821.37
Quarter 4	Inventory	3,076.51	3,076.51	3,115.91	3,115.91
Quarter 4	Trade Payables	2,934.72	2,934.72	2,693.79	2,693.80

Notes:-

i) HDFC,SBI, CITI and Yes Banks are represented as Working capital lenders.

* Above information is given as per the norms of working capital lenders.

53 Previous year's figures has been regrouped and/ or reclassed wherever necessary to confirm to the current year's groupings and classifications. The impact of such reclassification/regrouping is not material to the financial statements.

54 Authorisation of Standalone financial statements

The Standalone financial Statements for the year ended 31st March 2025 were approved by the Board of Directors on 30th April 2025.

This is the summary of material accounting policy information and other explanatory information form an integral part of these Standalone financial statements.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Sona Blw Precision Forgings Limited

Arun Tandon
Partner
Membership No.: 517273

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Rohit Nanda
Group Chief Financial Officer

Ajay Pratap Singh
Company Secretary
Membership No.: FCS 5253

Place: New Delhi
Date: 30th April 2025

Place: Gurugram
Date: 30th April 2025