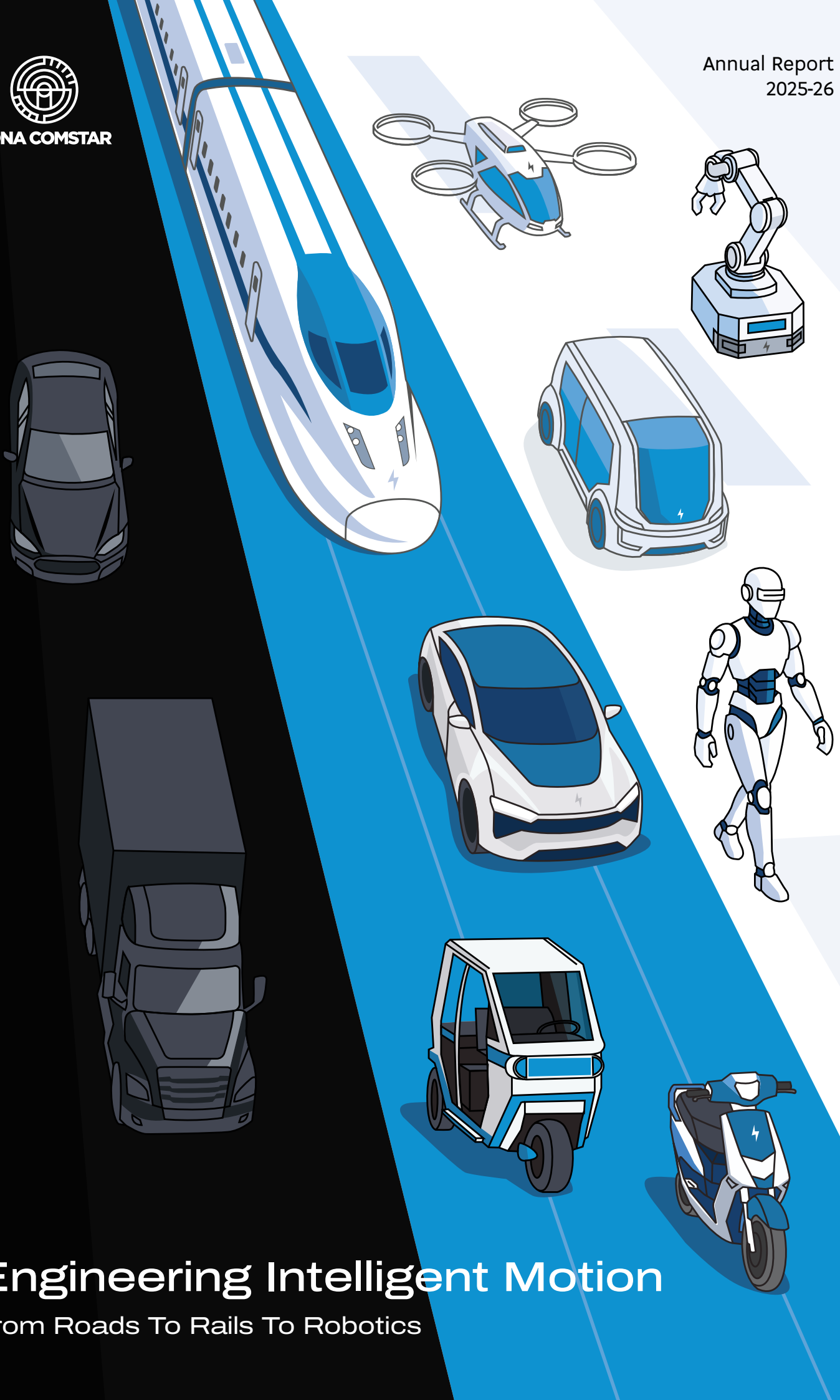




Engineering Intelligent Motion

From Roads To Rails To Robotics

Corporate overview

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ENGINEERING INTELLIGENT MOTION

From Roads to Rails to Robotics

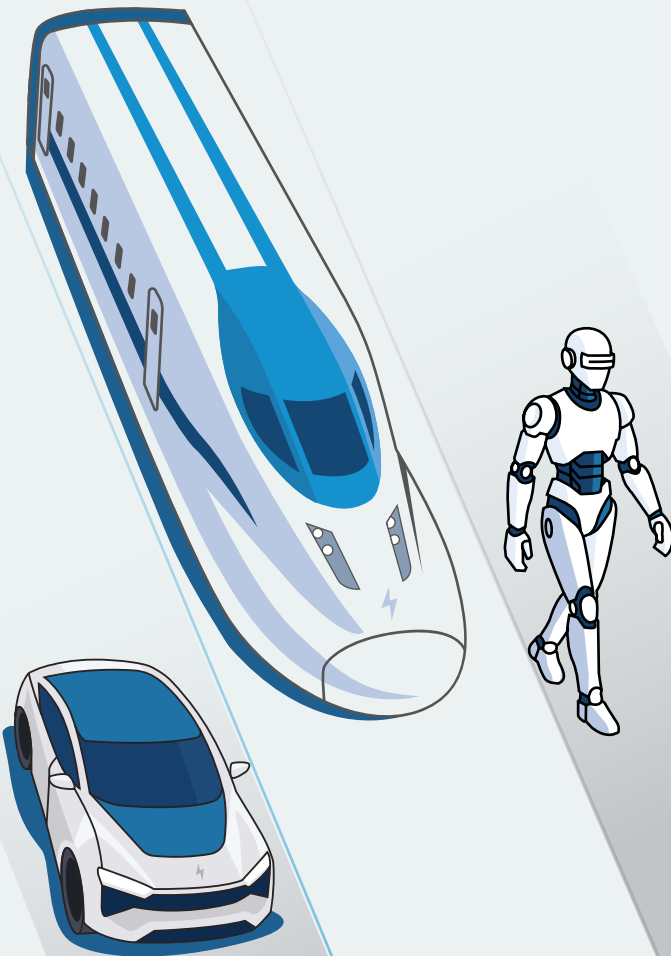
Mobility is entering a new phase, Shaped electrification, intelligence, connectivity and software-led innovation. For Sona Comstar, this shift is not new. We identified these transitions early and steadily built capabilities that take us beyond our origins in precision-engineered automotive components.

Our journey now extends across roads, railways and emerging mobility platforms. We have developed capabilities in electrification, railway systems and radar sensing, while pursuing opportunities in urban air mobility, industrial applications and robotics-enabled systems. This reflects our evolution from manufacturing standalone components to engineering intelligent systems that enable cleaner, safer and smarter movement.

As mobility evolves from mechanical systems to intelligent motion, its underlying building blocks are beginning to converge. The core technologies like motors, actuators, gear systems, sensors, power electronics and onboard computing are increasingly common across different mobility form factors. This convergence expands our addressable opportunity and allows us to apply our

transferable engineering capabilities across larger and adjacent markets.

As the world moves towards electrification, automation and intelligent motion, Sona Comstar is building technologies that will power this transition. Our ambition is to engineer intelligent motion across roads, rails and the mobility platforms of the future.



FY 2025-26 HIGHLIGHTS

INR 44,751 mn
REVENUE

↑
26%

INR 11,069 mn
EBITDA

↑
13%

INR 6,703 mn
PROFIT AFTER TAX*

↑
11%

INR 11,542 mn
BEV REVENUE

35%
AUTOMOTIVE REVENUE
SHARE FROM BEV

*Adjusted PAT is after adjusting the one-time impact of INR 301 million due to the new labour code. ↑ y-o-y

WE ARE SONA COMSTAR

ENGINEERING MOBILITY BEYOND BOUNDARIES

Sona BLW Precision Forgings Limited (Sona Comstar) is one of the world’s leading mobility technology companies, specialising in highly engineered, mission-critical systems and components for global mobility OEMs. We have established a strong global presence through our manufacturing and assembly facilities, R&D centres, and engineering capability centres.

Our journey began with building strong expertise in engineering advanced components for the automotive sector. Today, we are a leading supplier of driveline solutions for the global auto market and traction motor solutions for the Indian electric vehicle (EV) market, while also expanding our presence in railways through advanced brake systems, couplers, and suspension systems.

Backed by strong capabilities in precision forging, mechanical and electrical systems, radar sensors, and software development, we continue to engineer intelligent, connected, and future-ready mobility solutions.

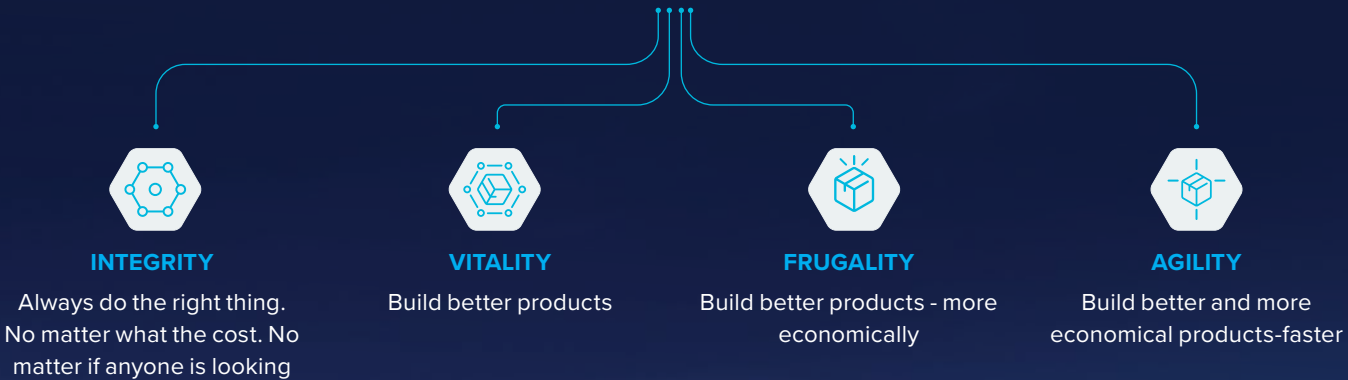
OUR MISSION OUR VISION

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

To become one of the world's most respected and valuable mobility technology companies for our customers, employees, and shareholders.

OUR VALUES

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

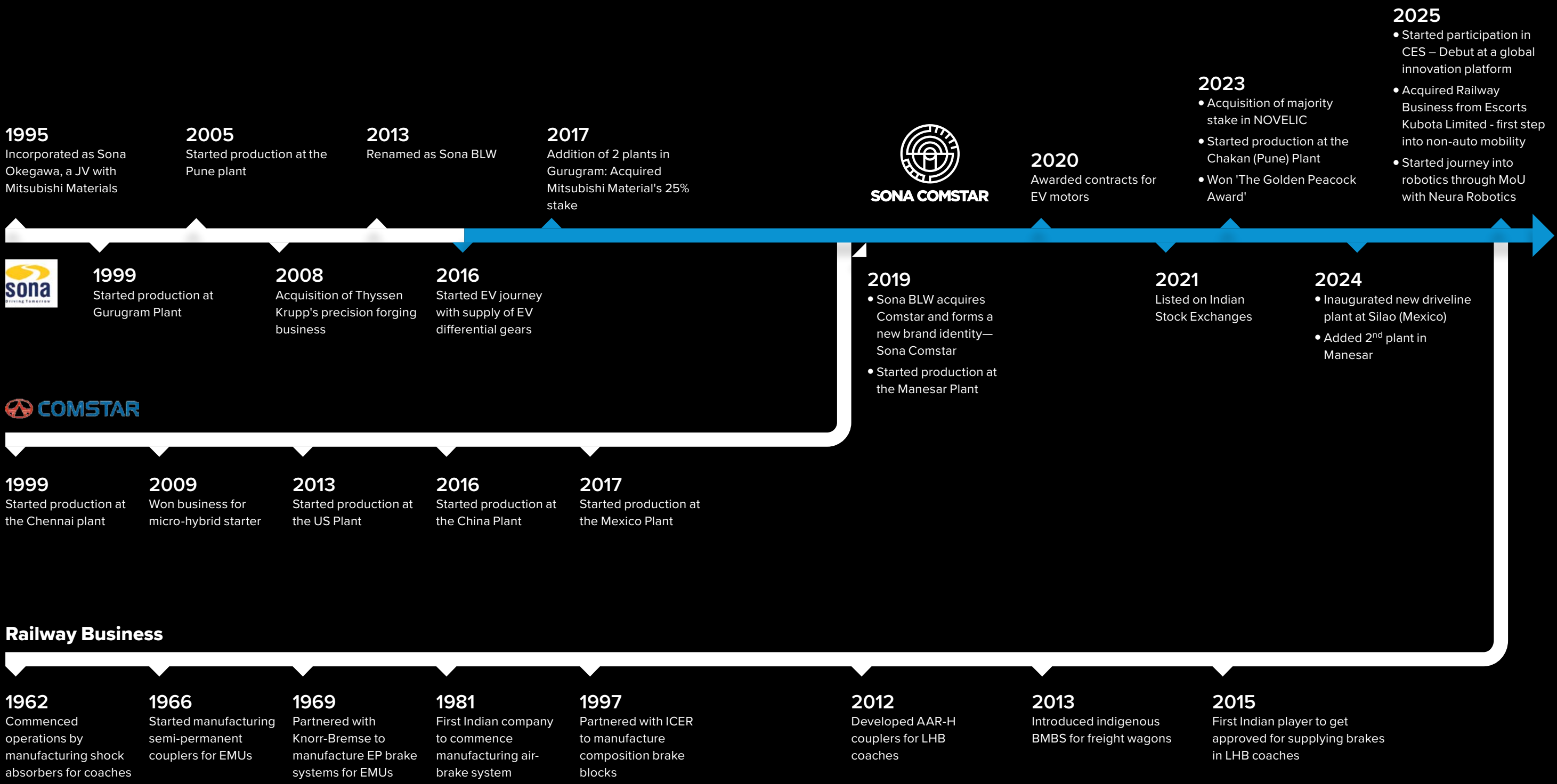


CORPORATE

MILESTONES

26 YEARS

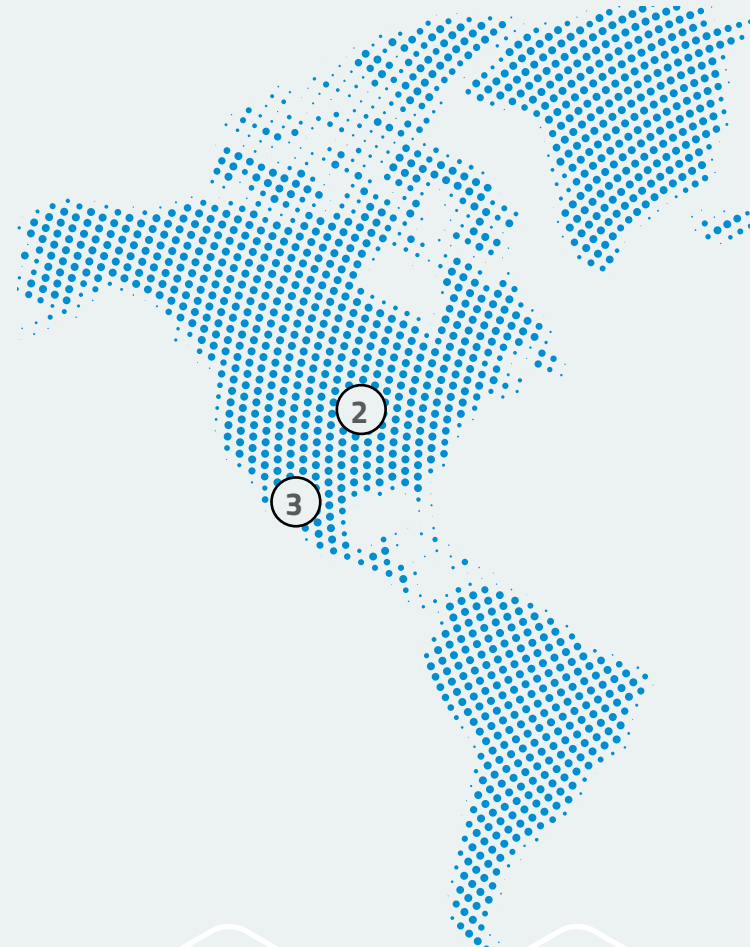
OF MOTION



GLOBAL NETWORK

ENGINEERING EXCELLENCE ACROSS BORDERS

From an Indian brand to a globally recognised mobility solutions provider, our journey has been driven by innovation, advanced manufacturing capabilities, and a relentless focus on future-ready technologies. We believe engineering excellence knows no boundaries, we have built a strong global footprint that enables us to access world-class talent, resources, and technologies.



12

Manufacturing
facilities

5

R&D
centres

3

Engineering
capability centres

1

Tool &
Die Shop

8

Warehouses

1 INDIA

Gurugram

3

Manufacturing
plant

- R&D centre -1
- Tool & Die Shop -1
- Differential Gears

Pune

1

Manufacturing
plant

- Warehouse – 1
- Differential Gears
- Differential Assemblies

Chennai

1

Manufacturing
plant

- R&D centre -2
- Starter motors
- Traction motors & controllers

Manesar

2

Manufacturing
plant

- Differential assemblies

Faridabad

1

Manufacturing
plant

- R&D centre -1
- Brake systems
- Suspension system
- Couplers

Hosur

1

Warehouse

Rudrapur

1

Warehouse

Mehsana

1

Warehouse

Sanand

1

Warehouse

2 USA

Tecumseh, MI

1

Manufacturing
plant

- Starter motors

Hamtramck, MI

1

Warehouse

3 MEXICO

Irapuato

1

Manufacturing
plant

- Starter motors

Silao

1

Manufacturing
plant

- Differential assemblies

4 BELGIUM

Genk

1

Warehouse

5 GERMANY

Cologne

1

Warehouse

6 SERBIA

Belgrade

1

- Engineering Capability Centre
- R&D Center

Novi Sad

1

Engineering
Capability
Centre

Nis

1

Engineering
Capability
Centre

7 CHINA

Hangzhou

1

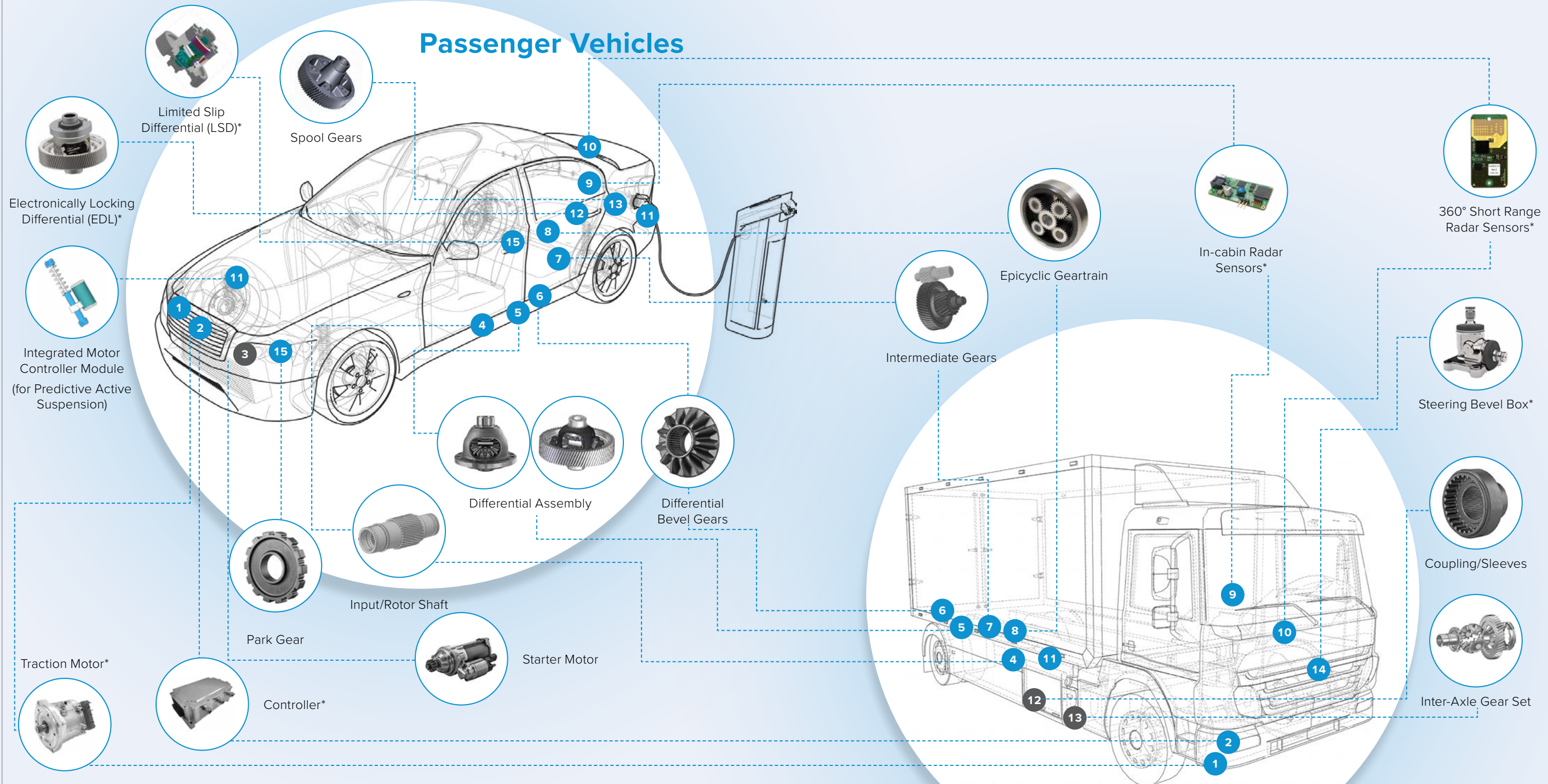
- Manufacturing plant
- Suspension motors

Sona Comstar
is headquartered
in India

Map not to scale

PRECISION COMPONENTS FOR TOMORROW

Passenger Vehicles

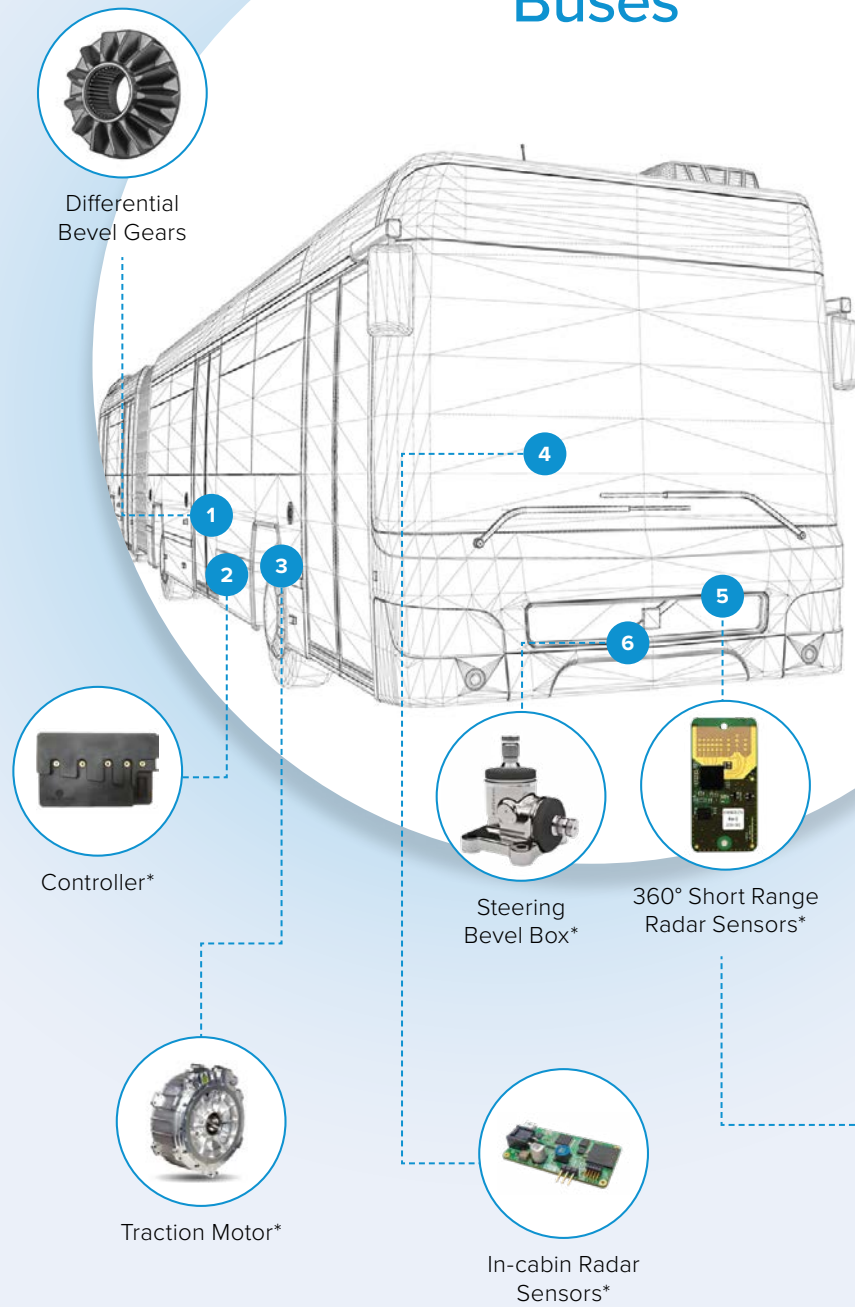


Commercial Vehicles

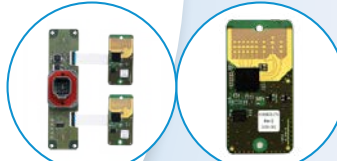
*Product under development

MOBILITY SOLUTIONS

Buses



In-cabin Radar Sensors*



360° Short Range Radar Sensors*



Steering Bevel Box*



360° Short Range Radar Sensors*

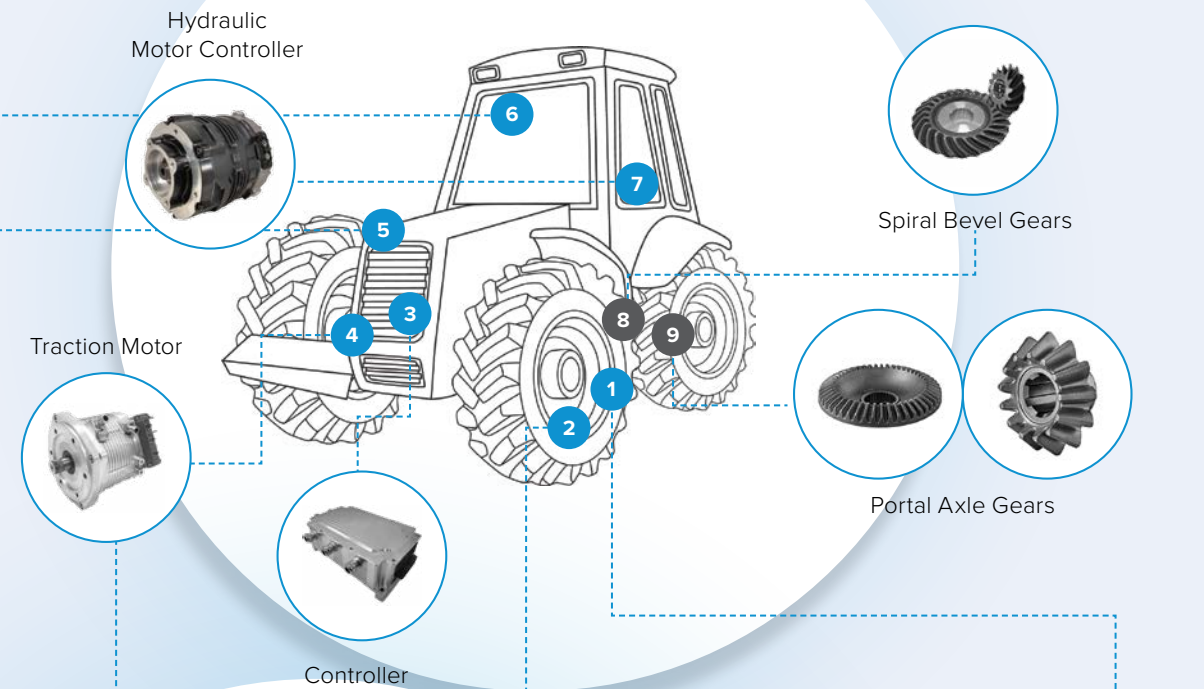


In-cabin Radar Sensors*



Starter Motor

Off Highway Vehicles



Hydraulic Motor Controller



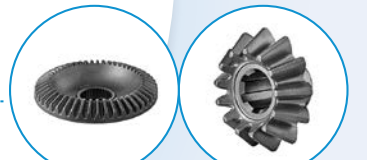
Traction Motor



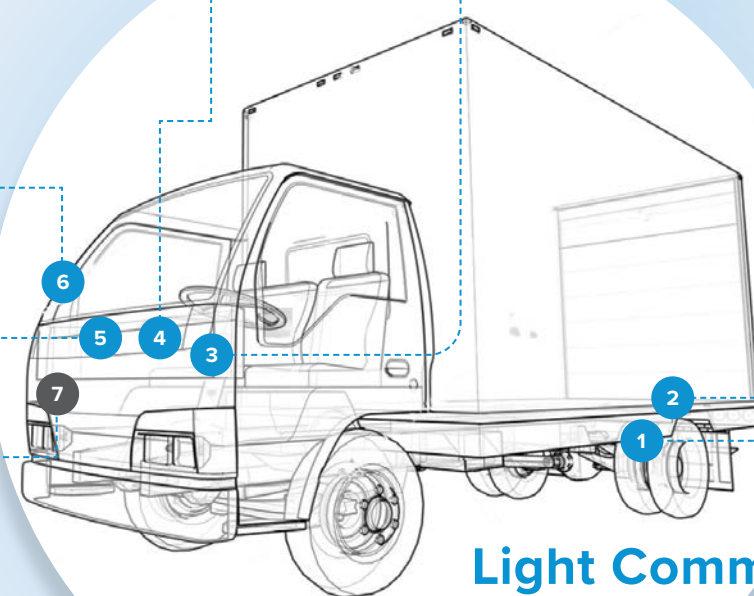
Controller



Spiral Bevel Gears



Portal Axle Gears



Differential Assembly



Differential Assembly



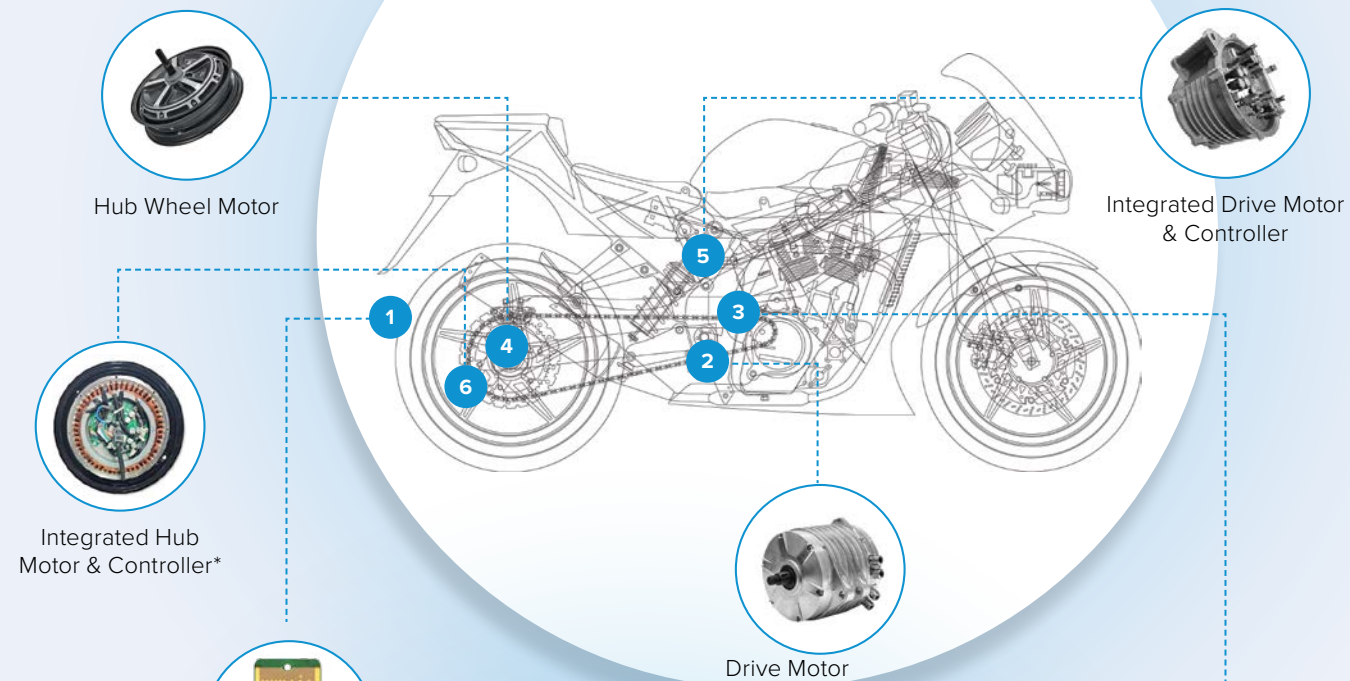
Differential Bevel Gears

Light Commercial Vehicles/ 3-Wheeler (Cargo)

*Product under development

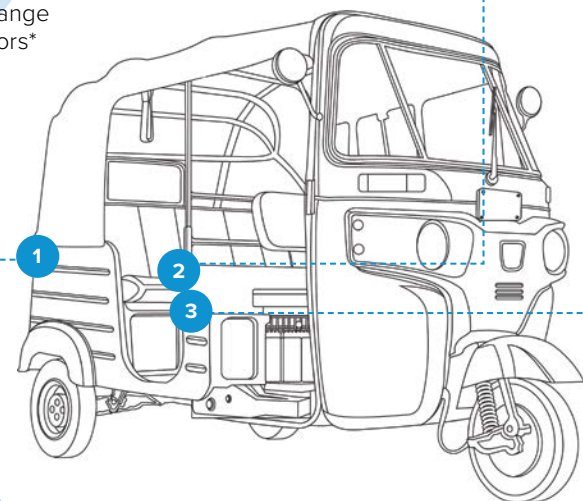
MOBILITY SOLUTIONS

Electric 2-Wheelers

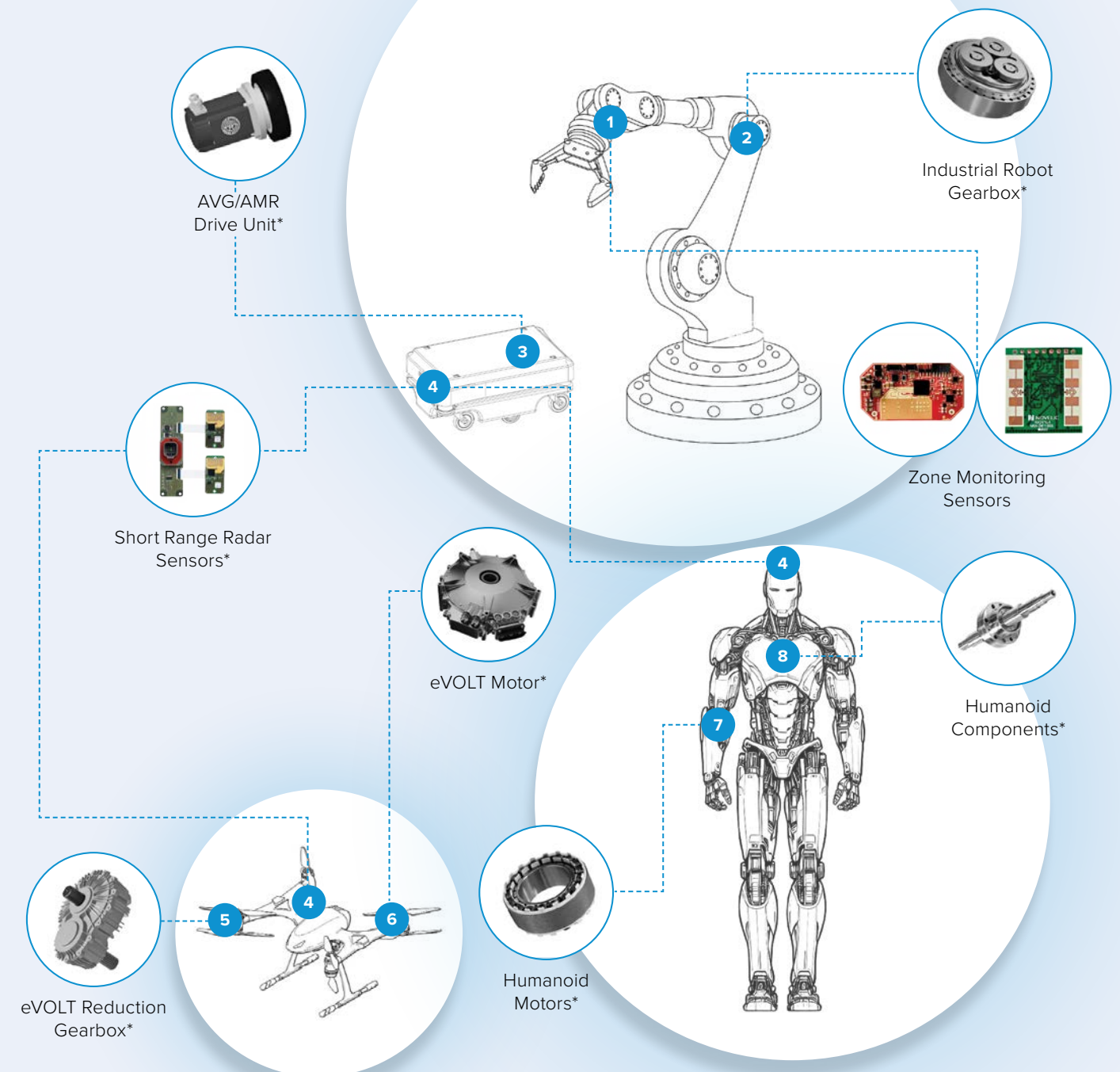


Electric 3-Wheelers

360° Short Range Radar Sensors*

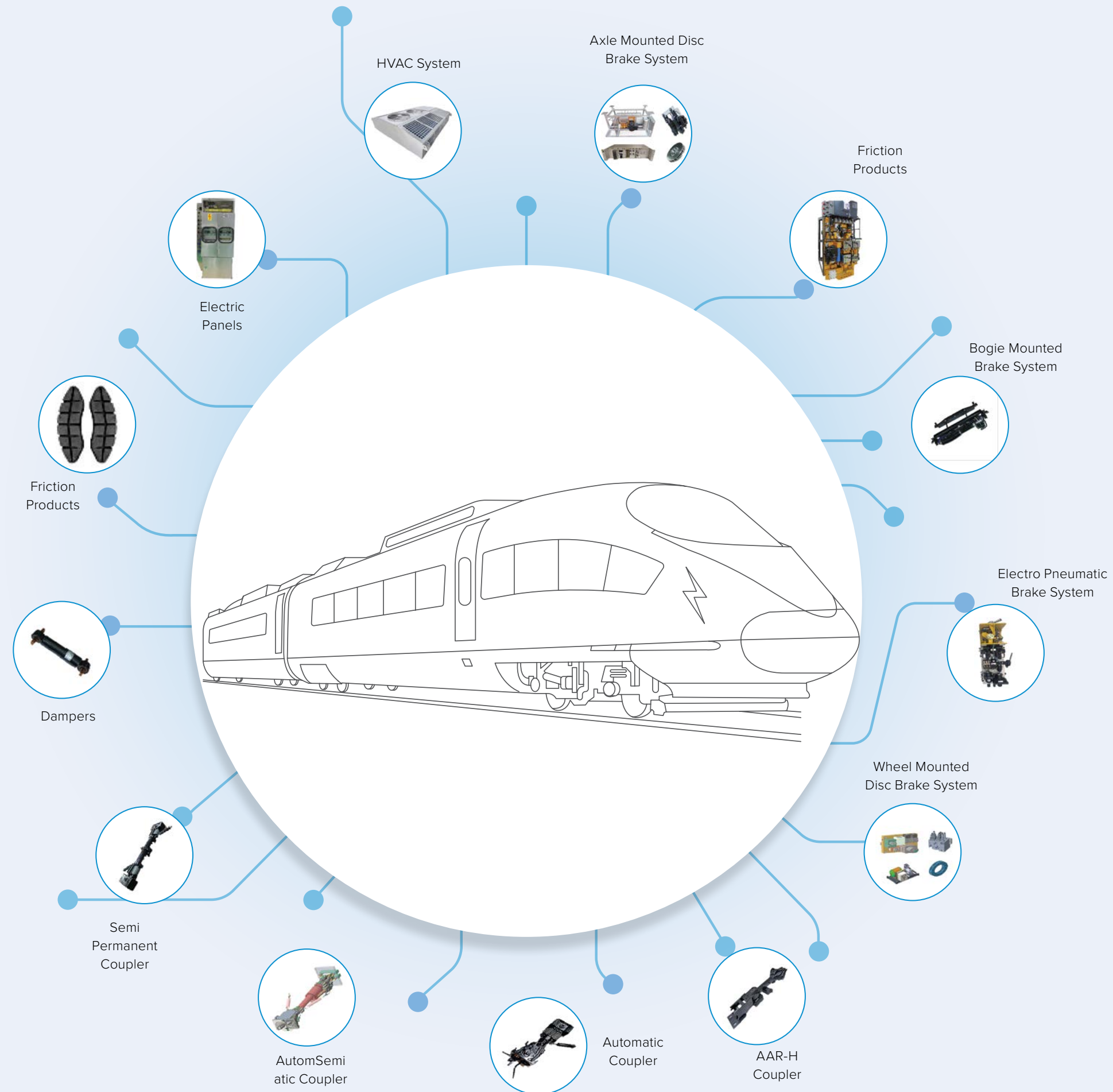


Non-automotive



*Product under development

MOBILITY SOLUTIONS



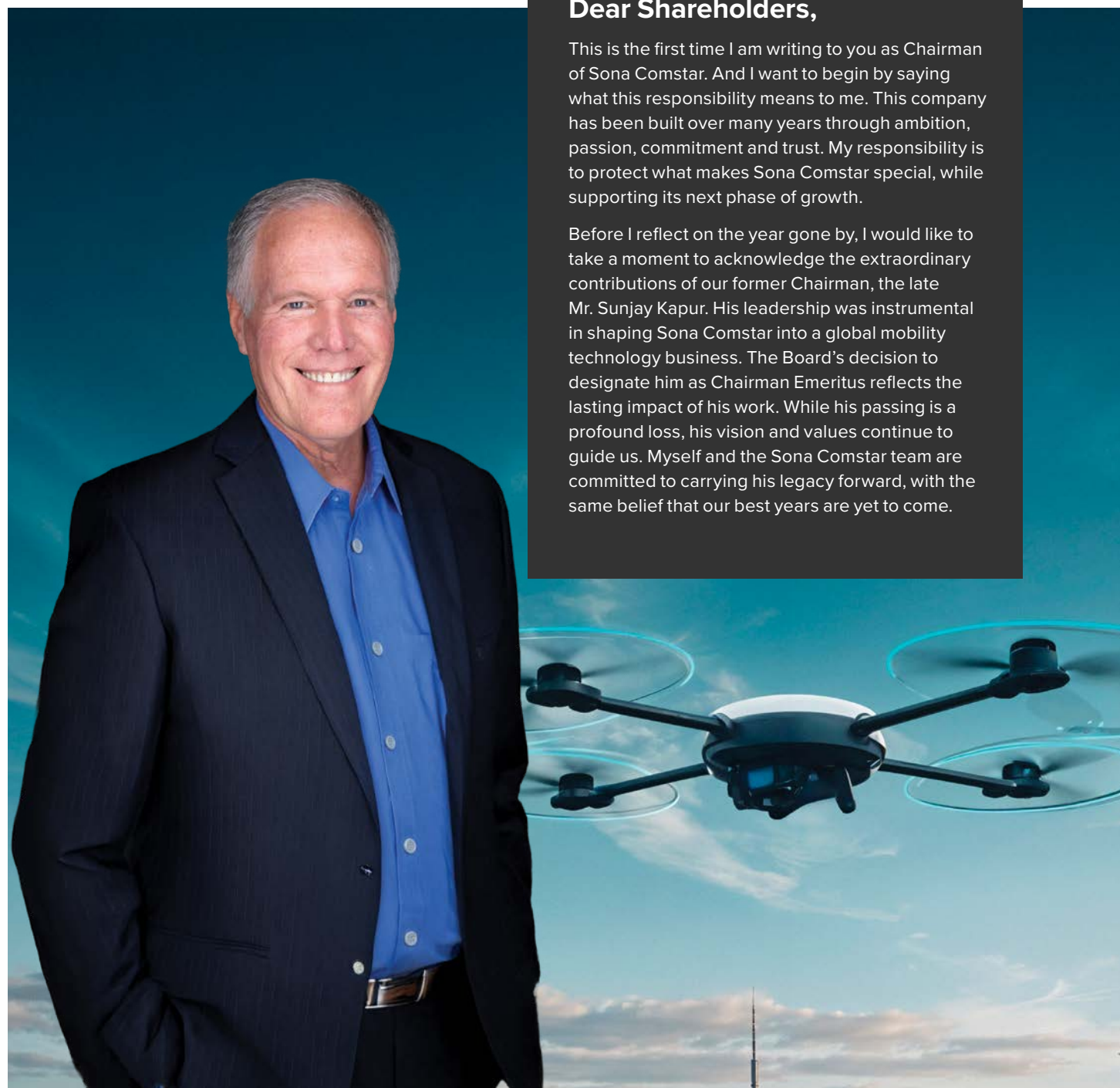
MESSAGE FROM THE CHAIRMAN

CARRYING FORWARD A LEGACY

Dear Shareholders,

This is the first time I am writing to you as Chairman of Sona Comstar. And I want to begin by saying what this responsibility means to me. This company has been built over many years through ambition, passion, commitment and trust. My responsibility is to protect what makes Sona Comstar special, while supporting its next phase of growth.

Before I reflect on the year gone by, I would like to take a moment to acknowledge the extraordinary contributions of our former Chairman, the late Mr. Sunjay Kapur. His leadership was instrumental in shaping Sona Comstar into a global mobility technology business. The Board's decision to designate him as Chairman Emeritus reflects the lasting impact of his work. While his passing is a profound loss, his vision and values continue to guide us. Myself and the Sona Comstar team are committed to carrying his legacy forward, with the same belief that our best years are yet to come.



“THE ORGANISATION STAYED FOCUSED DESPITE THE UNCERTAINTY. IT CONTINUED TO EXECUTE WELL AND STRENGTHEN ITS CAPABILITIES WITH THE LONG-TERM FOCUS IN MIND. MOST IMPORTANTLY, IT CONTINUED TO EARN THE TRUST OF CUSTOMERS WHO WERE THEMSELVES DEALING WITH UNCERTAINTIES.”

THE YEAR IN CONTEXT

FY 2025-26 was my first full year of working closely with the Sona Comstar leadership team, in my role as Chairman. It was a year that presented many challenging opportunities for us to successfully navigate through. Trade policies shifted, tariff uncertainty increased, and geopolitical developments forced companies across the world to rethink supply chains. But what stayed with me through the year was the way the organisation conducted itself. The organisation stayed focused despite the uncertainty. It continued to execute well and strengthen its capabilities with the long-term focus in mind. Most importantly, it continued to earn the trust of customers who were themselves dealing with uncertainties. I end the year feeling more confident about the Company, not because of what it delivered, but because of how it delivered.

During the year, we continued to broaden the company's focus beyond its traditional automotive base. The integration of the railway business was an important step in this direction. It added a large and relevant mobility segment to our portfolio and helped us expand our product offering. At the same time, our efforts in emerging areas of mobility are progressing. Taken together, these efforts are helping us shape a more diversified company for long-term growth.

THE STRENGTH OF OUR PEOPLE

None of what I have described above would have been possible without the people of Sona Comstar. This was a demanding year. Customers were dealing with their own uncertainties. Supply chains were not easy. We were integrating a new railway business. There were operational challenges across the system. But across our plants and functions, people kept showing up

with responsibility, focus and calmness. We stayed focused on the things we can control, driving operational excellence across our enterprise. That showed me the kind of people this company has.

This year also tested the organisation in ways that went beyond business. The loss of Mr. Sunjay Kapur was deeply personal for many across Sona Comstar, yet the team responded with maturity, resilience and a strong sense of responsibility. What stood out through the year was the collective strength of the organisation — teams stepping up, taking ownership, solving problems and supporting one another through uncertainty. Organisations are ultimately built by people, and FY 2025-26 reaffirmed that Sona Comstar's people remain its strongest foundation.

INDIA — A MOMENT WORTH NAMING

For many years, India's manufacturing story was spoken about as potential. Today, it is turning into real capability. Global companies are reassessing supply chains, but India's opportunity is not only about being an alternative to another country. It is about the capability Indian companies have built over time in quality and engineering.

We saw this in our own business during FY 2025-26. Even in a year marked by trade uncertainty, we won orders to supply driveline components for EV and hybrid programmes to four large traditional global OEMs. That is an important signal. Global customers are increasingly looking at Indian companies not just as low-cost manufacturers, but as reliable and capable long-term partners.

India is expected to remain the world's fastest-growing major economy, with GDP growth projected in the range of 6.5% to 6.6% in FY 2026-27 (as per world bank estimates).

MESSAGE FROM THE CHAIRMAN

We believe India is well placed to grow strongly over the coming decade, supported by domestic demand, manufacturing investments and the continued reset of global supply chains. Sona Comstar will be an active participant in India's exciting future growth journey.

INNOVATION WITH PURPOSE

Innovation has always been central to our growth story. FY 2025-26 was a volatile year for us and globally, but we did not step back from our Research and Development agenda. During the year, we commercialised three new products. We also made good progress in the railway business acquired this year. Within a short period of the acquisition, we added one new product to its roadmap and commercialised two new railway products during the year.

For us, innovation is not about chasing every new idea. It is about building capabilities that matter to customers and can create long-term value for the Company. This approach was recognised during the year when Sona Comstar was named among the Top 100 Innovative Companies and received the CII Industrial Innovation Award at the CII Global Summit. With five Research and Development centres and nearly 500 Research and Development engineers, we are steadily

AT SONA COMSTAR, WE ARE ADVANCING OUR ROADMAP TO INTEGRATE AI AND MACHINE LEARNING ACROSS OPERATIONS, SUPPORTED BY AUTOMATED DATA PIPELINES AND SCALABLE CLOUD-BASED SYSTEMS. THESE INITIATIVES ARE INTENDED TO MAKE OUR OPERATIONS MORE EFFICIENT, SCALABLE AND DATA-DRIVEN OVER TIME.

building from India for the world. Our focus will remain on areas where technology, engineering and manufacturing excellence come together to create real differentiation.

INTELLIGENCE IN MOTION

Artificial intelligence (AI) is expected to reshape not only the vehicles of the future, but also the way they are designed, developed and manufactured. For automotive suppliers, the first meaningful impact of AI is likely to be inside the factory — through smarter quality inspection, predictive maintenance, better demand forecasting, faster product development and more adaptive production systems. At Sona Comstar, we are advancing our roadmap to integrate AI and machine learning across operations, supported by automated data pipelines and scalable cloud-based systems. These initiatives are intended to make our operations more efficient, scalable and data-driven over time.

AI is also changing what the world will need to build. As intelligence moves from software into the physical world, new forms of mobility — autonomous vehicles, urban air mobility and robotics — will require many of the same core building blocks that advanced vehicles need: motors, actuators, gearboxes, sensors, power electronics and control systems. Sona Comstar's work in these areas is a step in that direction. We believe the next phase of mobility will be defined not only by electrification, but also by intelligence, and we intend to participate in that transition with purpose and discipline.

RESPONSIBILITY BEYOND BUSINESS

At Sona Comstar, we remain deeply committed to responsible growth. We recognise that our environmental obligations are not separate from our business obligations, but central to them. During FY 2025-26, we improved our emissions intensity by 17%, improved our water consumption intensity by 25%, and increased the share of renewable energy in our operations to 4%.

I WILL CARRY THIS RESPONSIBILITY WITH HUMILITY, TRANSPARENCY, AND A LONG-TERM VIEW OF WHAT IS RIGHT FOR ALL OUR STAKEHOLDERS —CUSTOMERS, EMPLOYEES AND SHAREHOLDERS. SONA COMSTAR HAS ALREADY BUILT A STRONG FOUNDATION, AND I BELIEVE ITS MOST IMPORTANT CHAPTERS ARE STILL AHEAD.

During the year, we also extended Sona Comstar's people-first culture to the Railway business by aligning employee policies and practices with the values that define our organisation. It was encouraging to see teams embrace these changes with greater motivation and ownership. We believe organisations grow stronger when growth and success are shared. Beyond the business, our Corporate Social Responsibility programmes remained focused on education, livelihoods, and environmental sustainability in the communities around our operations.

LOOKING AHEAD

The mobility landscape is undergoing a fundamental transformation. It is no longer only about automobiles, but about enabling the efficient movement of people and goods across roads, railways, air, and newer forms of mobility. As global energy markets remain volatile, and countries work to reduce dependence on fossil fuels, railways and electrification are becoming increasingly important to the future of mobility. This aligns closely with the direction in which we are building Sona Comstar.

The theme of this year's Annual Report — *From Road to Rail to Robotics* — reflects how we see the evolution of our business. Roads remain our foundation, and automotive will continue to be central to Sona Comstar. Railways are becoming an important new pillar, while Robotics and other emerging applications represent the longer-term extension of our engineering capabilities.

I began this letter by acknowledging Mr. Sunjay Kapur, the person whose chair I now occupy. I would like to end with a simple commitment. I will carry this responsibility with humility, transparency, and a long-term view of what is right for all our stakeholders —customers, employees and shareholders. Sona Comstar has already built a strong foundation, and I believe its most important chapters are still ahead.

Thank you for your continued trust and support.

Warm regards,
Jeffrey Mark Overly
Chairman

FROM THE DESK OF THE MD & GCEO

THE THINGS WE CARRY

Dear Shareholders,

There are injuries that leave permanent scars. You never fully return to who you were physically or mentally. It could be the loss of a loved one, the full or partial loss of a limb, or one of the million other ways the world breaks us.

When it does, there are three things to remember. One, you will never fully heal, there will always be scar tissue, physical or mental. Two, in time, you will learn to live with it. The pain becomes background noise: always there but noticed only when it rises above the baseline. Three, if you are lucky, you will be stronger in all the broken places and may even become proud of your scars. Perfection looks the same on everyone—the perfect skin, the perfect strategy, the perfect year. Our imperfections alone are what we truly and fully own; the unique ways in which we were broken and remade. And in time, they become the badges of honour we carry.



“FY 2025-26 TESTED ME MORE THAN ANY YEAR I CAN REMEMBER. IT WAS, WITHOUT EXAGGERATION, THE MOST DIFFICULT STRETCH OF MY CAREER — AND YET, WE ENDED THE YEAR WITH 26% REVENUE GROWTH, 13.5% EBITDA GROWTH, AND AN ORDER BOOK OF INR 237 BILLION.”

That is what last year was for me. We may have had better years in the past, and we will certainly have much better years in the future. But this year will remain special, because of all that we carried, and because of the scars we will wear going forward.

Leadership is performance. Not in the dishonest sense, but in the theatrical one. You walk into a room. You project certainty. The room of customers, or the room of shareholders, takes its cues from you and steadies. What these rooms don't see is what lies underneath the surface; the pressure, the doubts, and the exhaustion.

FY 2025-26 tested me more than any year I can remember. It was, without exaggeration, the most difficult stretch of my career — and I have seen difficult before. In 2015 and 2016, we faced something close to an existential crisis: debt-laden, cash-bleeding, and fighting for survival. That was a different kind of hard. The enemy was visible. You could fight it directly. This year was different. It was a hydra. Cut one head and two grow back. By the time we had named all the problems, three more had arrived.

And yet, we ended FY 2025-26 with 26% revenue growth, 13.5% EBITDA growth, and an order book of INR 237 billion. I am still not entirely sure how.

I need to begin where the year began. First came the shocking announcement of US Tariffs. Then soon after came the rare earth magnet ban by China. And then came the unkindest cut. Not a regulatory change. Not a market event. It was a phone call, in the middle of the night, in Tokyo, when I learned that Sunjay had passed away due to cardiac arrest.

Sunjay was my friend more than he was our Chairman. In a role like mine, where almost every relationship carries an agenda, where honesty is measured, where you must always be the most confident person in the room — genuine friendship is extraordinarily rare. Sunjay was that for me.

Ours was an unlikely friendship. He was a sportsman; I am a nerd. He was sophisticated and charming in the way that fills a room; I am, plainly, not. He was born into privilege; I am from a village in one of India's poorest regions. He was an eternal optimist who chose to see the best in everyone; I remain a realistic cynic or cynical realist, depending on the situation. In every way possible, we were different.

And yet, over a decade of rebuilding this company brick by brick, we became friends.

In 2016, when this company was fighting for survival, he put his faith in an untested thirty-five-year-old and asked me to stand beside him and rebuild. Three years later, after Blackstone became our majority shareholder and appointed me to take the wheel of this magnificent ship, his faith is what gave me confidence. He believed in me more than I ever believed in myself. That is a gift most people never receive. I received it from him, consistently and without condition, for a decade.

He left suddenly. Without warning. Without preparation. Without proper goodbye. In the days and weeks and months that followed, I found myself in board meetings, investor calls and customer negotiations, doing what the role requires — projecting confidence, making decisions, moving forward. Somewhere underneath that polished surface was a grief that had no place on any agenda. Just silence. A silence the world moved far more quickly than I could. A loss that felt, and still feels, like a piece of me has been cut away, in a way no one else can see. Sunjay, after a decade of walking with me, you left me to walk alone. I made you a promise then. I intend to keep it.

Then, of course, I had to deal with everything else.

A near-40% revenue collapse from our largest driveline customer — the underperformance of a new model where we held 100% share of wallet — a INR 300 crore revenue hole almost

THE TRUE MEASURE OF A LEADERSHIP TEAM IS NOT WHAT THEY DO IN THE GOOD YEARS. IT IS WHAT THEY CARRY TOGETHER IN THE YEARS THAT ASK TOO MUCH. BY THAT MEASURE, THIS TEAM HAS EARNED SOMETHING THAT NO FINANCIAL STATEMENT CAN CAPTURE

overnight that no operational excellence could fill. Our newly acquired railway business saw its CEO depart shortly after deal closing. The ban on exports of heavy rare earth magnets caused significant production losses before our engineering teams could respond. US tariffs slowed order book additions from what had been our largest market. And through all of it, our deletion from the MSCI index triggered nearly USD 180 million of forced outflows, sending our stock to levels that bore no relationship to the underlying business. After a decade of building, that was perhaps the hardest part: watching the market marks us down for reasons that had nothing to do with the fundamentals of the business we had built.

And if that was not enough, in the last few months of the fiscal, the war in Iran has driven inflation to new heights. The cost of all major commodities, energy, freight, plastics and frankly anything made of petrochemicals has shot up at exactly the wrong moment.

That is the list. I have written it plainly, because plain truth is what this year deserves. No sugar-coating. No hiding challenges in footnotes. FY 2025-26 was not peacetime. It was wartime. And we acted accordingly.

Vikram. Sat. Rohit. Praveen. Amit.

What I witnessed in this leadership team this year was not the fluff of executive resilience you read about in business school case studies. It was quieter, and more human. People doing hard things without acknowledgment, in the middle of their own grief and their own pressures, simply because that is what the company needed from them. Not because it was easy. Because it was necessary.

The Railway business, written off by many observers before we even started, became our comeback story. Vikram and Amit steadied a leaderless but fantastic organisation, rebuilt confidence from the inside, and delivered healthy double-digit growth with a clear improvement in profitability. Sat’s motor team navigated the rare earth magnet ban, re-engineered the entire product line to light rare earth alternatives without missing a single customer commitment, and turned traction motors into our fastest-growing segment. Rohit kept the financial engine steady through cash demands, commodity shocks, and inventory fluctuations, without losing composure and helped us end the fiscal with the strongest balance sheet we have ever had. Praveen’s technology team kept building when most organisations would have slowed down, adding three new products to the pipeline. Our business development teams, through all this turbulence, went out and won 31 new programs, added 3 new customers, and brought INR 57 billion of new orders into the book. That is not crisis management. That is strength. That is ambition. To borrow from one of my favourite poems, Invictus, we are proud that under the bludgeoning of chance, our heads were bloody but unbowed. And the evidence is visible in the numbers. We crossed 500 million differential gears and 10 million differential assemblies manufactured since inception. We now hold 67 EV programs across 35 customers in four geographies — up from 15 just five years ago. Global market share in differential gears stands at 8.7% in CY 2025, up from 4.5% in 2019. India now constitutes 51% of our revenue, sharp shift from the North America concentration that once defined us. We have diversified and pivoted at scale and have done so without sacrificing

growth or margins. We remain the “masters of our fate and the captains of our souls”.

Now let me speak directly to our shareholders.

I have been asked many times what kind of company Sona Comstar is. My answer is always the same: we are building an Indian product engineering company, that the world can be proud of. That clarity of purpose is how we have achieved whatever little we have achieved in this world. But while we had absolute clarity on “what we are building”, the difficult months of FY 2025-26 kept bringing me back to one question: “who am I really building for?”. For a public company CEO, shareholders can easily become an abstraction. But over the last five years, I have learned that ours are not. I know who you are.

You are the retail investors in Pune, Jamshedpur, Coimbatore — who sent notes of encouragement when the share price was at INR 400 and went out of your way to vote for our shareholder resolutions. You are the employees who chose not to sell their ESOPs even when it would have been economically rational to do so. You are the early institutional investors who saw, before most people, that an Indian auto-components company could build technology that the world’s best OEMs would trust with mission-critical systems. You are the families who set aside savings and invested because you believed in the mission.

And then there are our largest shareholders. Our top 25 non-promoter shareholders hold nearly 60% of our equity. Many of you think like promoters, with deep alignment with what we are trying to build. During the hardest months of this year, I spoke with several of you. I came away feeling something I did not expect — less lonely. You encouraged us to think long term and stay true to our strategy. I am deeply grateful for that. If you are reading this and own above 0.01% of our company, be assured that I know your name. And it is more likely than not that I have met you, and know you personally. There is absolutely nothing abstract in our relationship.

When we do well, I feel your joy. When we do not, I feel your disappointment, and I carry the weight of it. You trusted us with something real. Not just capital, but faith. We do not take that lightly. Nor will we ever.

When I look at my team and our business at the time of writing this, I see a company strengthened — in its resolve, in its diversification, in its business development pipeline, in the progress on its technology roadmap, — precisely because of what it was asked to endure.

I thought several times about writing this section of the annual report this way. Annual reports are on strategy, numbers, governance and outlook. Investors are entitled to all of that, and it follows in the pages ahead. But the people who trust us with their capital, and the people who give us their working hours, deserve more than a curated performative version of leadership. You deserve the real and raw one. That is what I have tried to do. And it comes from a simple belief: the true measure of a leadership team is not what they do in the good years. It is what they carry together in the years that ask too much. By that measure, this team has earned something that no financial statement can capture.

But regardless of how this or any year goes, our strategic priorities remain our true north. And I hold myself accountable to them. What follows is my honest scorecard — written not because the format demands it, but because you deserve to know exactly where we delivered, where we fell short, and why.

WE CROSSED 500 MILLION DIFFERENTIAL GEARS AND 10 MILLION DIFFERENTIAL ASSEMBLIES MANUFACTURED SINCE INCEPTION. WE NOW HOLD 67 EV PROGRAMS ACROSS 35 CUSTOMERS IN FOUR GEOGRAPHIES — UP FROM 15 JUST FIVE YEARS AGO

FROM THE DESK OF THE

MD & GCEO

FINANCIAL PERFORMANCE

Given everything I have described above, the financials feel almost improbable. Revenue, EBITDA and Adjusted PAT grew by 26%, 13.5% and 11% year-on-year, respectively, with performance improving sequentially from the difficult lows of Q1 to our strongest-ever quarter in Q4. Revenue growth was driven by new products, customer wins, and railway consolidation. Despite cost-headwinds, EBITDA margin remained resilient at 24.7% for FY 2025-26. We also ended the year with our strongest ever balance sheet, with INR 12.7 billion in cash and equivalents, providing us the optionality to invest in organic and inorganic growth opportunities.

Note: Adjusted FY 2025-26 PAT excludes a one-time impact of INR 301 mn due to new labour code.

ELECTRIFICATION

Electrification is our central strategic bet, and this year it was tested hard. FY 2025-26 began with weak EV performance due to multiple factors, including weakness in a specific customer model, rare-earth magnet restrictions, a change in supply terms with one European customer, and tariff-related uncertainty. However, BEV revenue recovered after Q1, with Q4 being our best-ever quarter and BEV share reaching a record high of 39%. For the full year, BEV mix was 35% of automotive revenue (vs 36% in FY 2024-25). Despite weakness in our anchor EV customer and a 16% decline in US BEV sales, our BEV revenues fell only by 5.6% year-on-year, reflecting greater diversification across customers, programs, products and geographies. During the year, we won 9 new EV programs and added 3 new EV customers, including important wins across Europe, North America and India, taking the total number of EV programs to 67 across 35 customers.

GLOBAL MARKET SIGNIFICANCE

Global market significance is how we measure whether we are genuinely building a world-class business, or just an Indian one. Our global market shares broadly held steady at 8.7% in differential gears for CY 2025 (vs 8.8% last year) and 4.2% in starter motors (vs 4.4% last year). The marginal movement in global market share was mix-driven, with incremental light-vehicle growth disproportionately led by China. Excluding China, we gained market share in differential gears in CY 2025. During the year, we secured orders

worth INR 57 billion, taking our net order book to INR 237 billion, with 70% from EV programmes.

We also crossed two significant production milestones — 500 million differential gears and 10 million differential assemblies in FY 2025-26. These achievements reinforce our position as one of the world’s most trusted and scaled suppliers of precision driveline systems.

DIVERSIFICATION

Concentration risk is what nearly broke us in FY 2025-26. Diversification is what saved us. Geographically, India became our largest end market at 51% of revenue (vs 29% in FY 2024-25), while Eastern markets contribution rose to 56% of revenues (vs 35% last year). For the first time since listing, Eastern markets accounted for the majority of our revenue. When I wrote about our ‘Look East’ strategy in the previous Annual Report, it was not merely a theme. In FY 2025-26, it showed up in the numbers.

Diversification was not limited to geography. Our product revenue base has also become broader. Last year, our top four products contributed 86% of revenue. This year, the same 86% was spread across our top eight products — effectively doubling the number of meaningful revenue contributors.

On the market segment front, Non-automotive segment revenue increased from 9% in FY 2024-25 to 31% in FY 2025-26, driven by the railway acquisition and off-highway growth. Taken together, these developments show that our revenue base is becoming broader and less dependent on any single geography, product, customer, or end market. We are becoming anti-fragile.

TECHNOLOGY

Technology is not a department at Sona Comstar, it is the reason we exist, with new product development at the core of our growth.

Over the past five years, our product portfolio has almost tripled — from 10 products to 29. The railway acquisition expanded our offering from 22 to 26 products, and during FY 2025-26, we added three more: hydraulic motor controller, HVAC and electric panels. This expansion reflects both our continued investment in R&D and our ability to scale new growth platforms.

During the year, we continued to make progress across our existing and new technology

roadmaps. In the motor business, we responded to rare-earth constraints by shifting to alternative designs and developing rare-earth-free solutions.

In the railway business, we re-engineered the R&D roadmap, strengthened the team, and embedded Sona’s R&D-first culture. We added air springs and automatic doors to the roadmap and received approvals to supply HVAC and electric panels in FY 2025-26. This significantly expands our addressable market in rolling stock in India. Our offering has expanded beyond safety-critical brake systems and couplers to include passenger comfort products.

We also collaborated with Neura Robotics to jointly develop advanced components, focused on industrialising robots, cobots and humanoids in India and other markets. As I have written before, our ambition is to expand from automotive to the broader mobility space. All mobility — whether cars, trains, drones, robots, eVTOLs, AGVs or humanoids — depends fundamentally on motion, actuation, control and power transmission, where Sona Comstar has patiently built capabilities over many years.

THE WAY FORWARD

FY 2025-26 was not a victory lap. In a year when we closed a sizable acquisition, we should have grown more. I know it. The team knows it. And yet — if you saw where we stood at the end of Q1 and where we ended the year, you would understand why I am proud. We have fought better and more valiantly in this defeat than in several of our victories. Because this year, we did not fight a competitor or a market. We fought the wind itself.

The world ahead does not look simpler. Tariffs, trade barriers, commodity inflation, energy insecurity and geopolitical volatility may not recede quickly. Margin pressure may continue. The global order is being rearranged, and every company must decide whether it wants to protect the past or build for the future. We intend to do both where necessary. But our instinct will remain to build. That is who we are.

At the same time, I am genuinely optimistic — electrification has returned to focus with real urgency, and the very geopolitical forces creating today’s turbulence are accelerating the energy transition in ways policy alone never could. And we have spent years building exactly for this moment, for this specific tailwind.

IN THE RAILWAY BUSINESS, WE RE-ENGINEERED THE R&D ROADMAP, STRENGTHENED THE TEAM, AND EMBEDDED SONA’S R&D-FIRST CULTURE. WE ADDED AIR SPRINGS AND AUTOMATIC DOORS TO THE ROADMAP AND RECEIVED APPROVALS TO SUPPLY HVAC AND ELECTRIC PANELS IN FY 2025-26

We will maintain war-time discipline on cost, cash and execution — while continuing to invest in the technologies and businesses that will define our next decade. We do not get to choose whether the environment is difficult. We only get to choose how we respond. We are a growth company, but we are not a ‘grow at any cost’ company. That distinction matters, especially in an uncertain environment. Revenue growth can always be bought — by compromising margins, deploying capital with weak return threshold, or non-strategic expansion. That is not the kind of growth we seek. Every opportunity must answer a simple question: does it create sustainable value for our customers, our people and our shareholders? If not, we must have the discipline to walk away. For us, true growth is not measured by topline or geographic footprint, but by the respect we earn and the value we create.

We have walked through the fire this year. We did not look for shade. We did not turn back. We are stronger in every broken place. And we remain committed to the only purpose that has ever mattered to us: to build an Indian engineering company that the world can be proud of.

The work is hard. The opportunity size is real and massive. And the best for Sona Comstar is yet to come.

Warm regards,

Vivek Vikram Singh
Managing Director & Group CEO

INVESTING FOR TOMORROW

Dear Shareholders,

Global trade underwent an upheaval during the last year, on a magnitude not witnessed in decades. If that was not enough, the world is now facing its worst oil supply crisis since the 1970s oil embargo, triggered by the closure of the Strait of Hormuz. While the oil prices have risen sharply from last year's lows, they have been relatively well behaved so far, perhaps reflecting the expectations of an early resolution to the problem. As is the case with any large disruption, the ability to absorb the economic pain is inversely correlated with the duration of the crisis and a prolonged one is likely to impact disposable income and spending adversely.

REFLECTING BACK AT THE FINANCIAL YEAR 2026

The past year was one of mixed emotions for us. We acquired the Railway business with effect from 1st June 2025 and successfully integrated it with the Company. At the evaluation stage we had anticipated operational challenges during the initial transition period, particularly because the transfer of product approvals from RDSO was expected to be a time-consuming process. However, thanks to the efforts of the Railway business team we got these approvals ahead of our estimated timelines and also managed to transition the business in a smooth and uninterrupted manner. Not only was the first-year performance better than our estimation, its assessed potential has also been highly encouraging.

The year was also marked by profound sorrow due to the sudden and untimely demise of our Chairman Sunjay Kapur shortly after the completion of the Railway Business acquisition. His loss was deeply felt across the organisation and remains the saddest moment of the year for all of us.

FINANCIAL SUMMARY

During the year under review, our revenue grew by 26% to INR 4,475 crore, supported by ten months numbers for the newly acquired Railway Business. Earnings before interest, tax, depreciation and amortisations (EBITDA) grew by 13% to INR 1,107 crore. While Profit After Tax for

the year grew by 6.5% to INR 640 crore, it had a one-time impact due to introduction of Labour Code. Adjusted for this one-time impact, Profit After Tax would have grown by 11% to INR 670 crore. We generated free cash flow of INR 290 crore, during the year, after incurring capital expenditure of INR 369 crore.

As of the end of FY 2025-26, we had a net cash position of INR 1,026 crore (net of short-term borrowings) which was mostly deployed in short-term investments. We expect FY 2026-27 to be net cash accretive, further strengthening our Balance sheet.

We are dutybound to deploy this capital in the most productive and prudent manner to support sustainable long-term growth of the Company. For the existing and prospective investors 'The Technology Roadmap' which we publish in our quarterly earnings presentation should be viewed as a leading guide to the products that we intend to invest in. So, besides capex required for executing our existing orderbook, expect us to allocate capital towards R&D and capability building to develop these products organically with or without technology partnership(s). Capital will also be allocated towards strategic initiatives which help us commercialise our target products faster to the market. Finally, capital will also be deployed to add to our growth through inorganic route by doing acquisition(s) which offer us new products and/or new capabilities in the mobility space or accelerate our progress in the technology or products of our interest. We would continue to pursue opportunities which offer us the above attributes at an attractive price.

ENHANCING THE QUALITY OF FUTURE GROWTH

We feel that in the last five years since our listing in 2021, our strategy to consciously reduce concentration across customers, products, geographies and end markets has laid a solid foundation for sustainable long-term growth and value creation for the Company's shareholders. The integration of the Railway Business has further strengthened this effort by expanding our presence beyond automotive applications into other forms of mobility. In parallel, our investments in electric mobility, software, sensors and adjacent technologies have created multiple avenues for future growth. As a result, our revenue base today is more diversified, balanced and resilient than five years ago. In FY 2020-21, we were largely dependent on four product categories, which contributed 96% to our revenue. By FY 2025-26, our portfolio has expanded to eight product categories, with the top four now contributing 66% to our revenue, though these four categories are also not the same as they were in FY 2020-21. Similarly, the number of products we could manufacture has increased from 10 in FY 2020-21 to 29 in FY 2025-26 while the Indian market contributed 25% of revenue back then, it accounts for 51% of the revenue now.

SUSTAINABILITY

The integration of Railway business has also helped us achieve one of our most important sustainability goals. Nearly all our supplies from Railway Business go towards electrified part of the Indian rail network, thus, together with the revenue from supply of auto components and systems for EVs, more than 45% of our FY 2025-26 revenue came from supplies for Low Carbon Mobility exceeding our target to reach 45% revenue share from Low Carbon Mobility by 2026. In addition to this, we continue to improve the environmental efficiency of our operations during the year. On an equalised revenue unit basis (per rupee of revenue basis), our energy consumption intensity improved by 13%, water consumption intensity by 25%, waste generation intensity by 19%, and emissions (Scope 1 and 2) intensity by 17% over the previous year.

OUTLOOK FOR FY 2026-27

The near-term macroeconomic outlook remains uncertain. Inflationary pressures are likely to remain a key risk, particularly if input prices stay elevated. This could delay monetary easing and keep interest rates higher for longer across major economies. In this uncertain environment, tariffs, trade barriers and volatile energy markets are creating cost pressures across industries and this could put pressure on margins in the near term.

At the same time, periods of disruption also tend to accelerate structural changes. The case for electrification has become stronger due to higher oil and gas prices. As countries look to improve energy security and reduce dependence on fossil fuels, electric mobility and railways are likely to become more important parts of the mobility landscape. This is consistent with the areas where we have invested over the last few years. Our order book remains healthy at INR 237 billion, with a 70% share linked to electric mobility. We expect order book execution to be the key driver of growth in the short term.

For our medium to long term growth outlook, one should also look at the products on our technology roadmap in the white circles. These include components meant for industrial and advanced robotic applications, high-voltage traction motors and inverters, and railway products which are under development. We have identified these products to help us propel our long-term growth and we will be allocating capital prudently towards making these products happen. This technology roadmap is dynamic and evolving as we keep reviewing and adding new products to this list from time to time. These products are mission critical and require advanced engineering capabilities to develop and manufacture. We believe that the intersection of these two qualitative attributes lends a solid foundation for a sustainable growth business to create value for our shareholders.

Warm regards,

Rohit Nanda
President and Group Chief Financial Officer

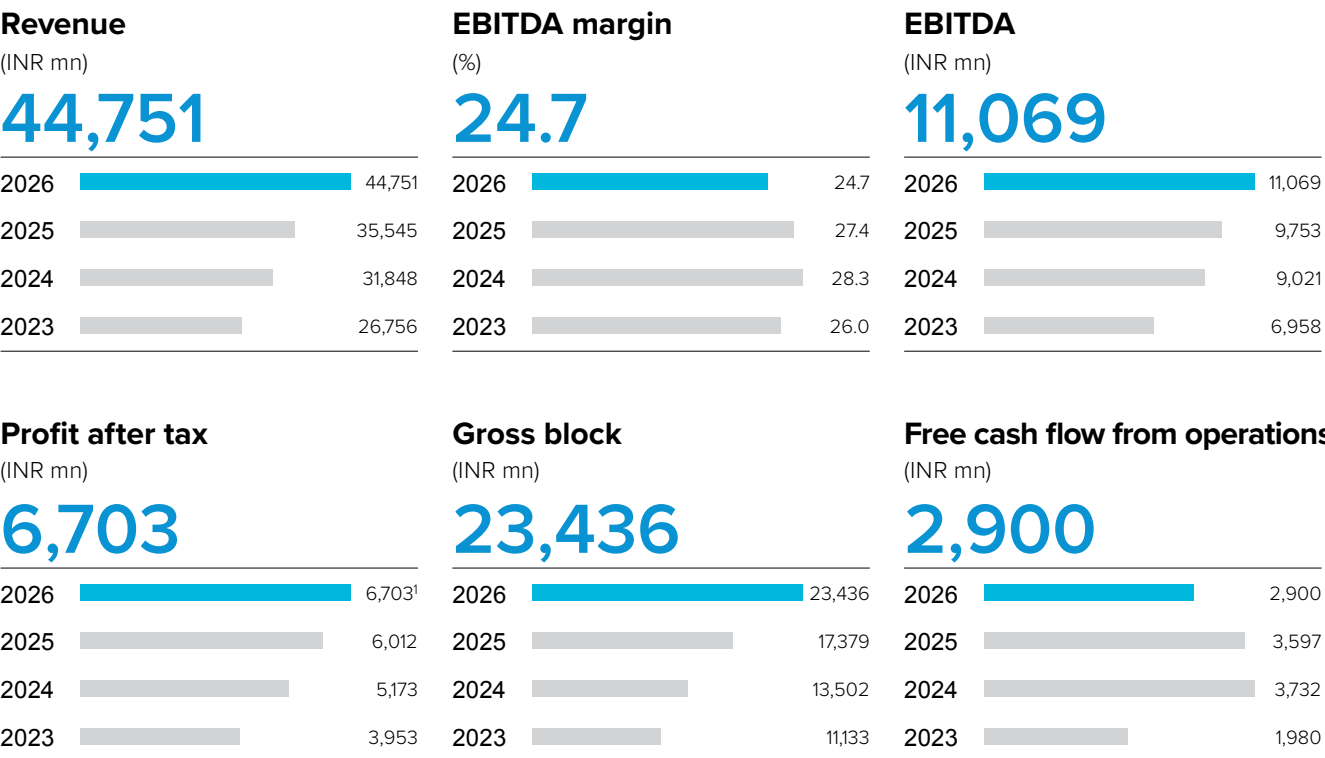
OUR STORY OF
CONTINUOUS
PROGRESS

Quarter-wise highlights



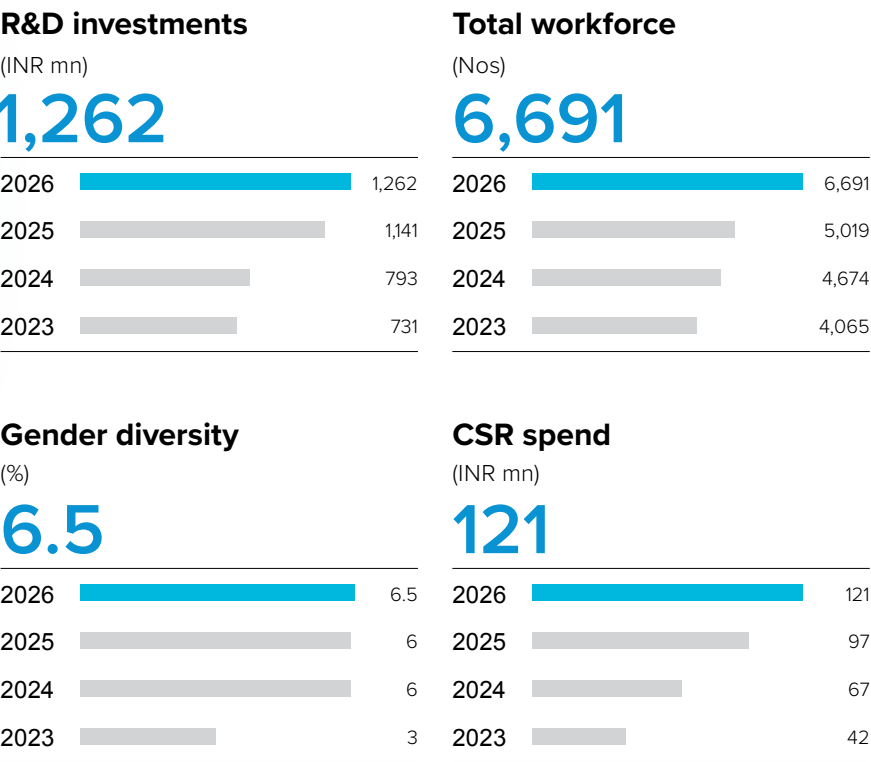
Performance trends

FINANCIAL



¹Adjusted PAT is after adjusting the one-time impact of INR 301 mn due to the new labour code

OPERATIONAL



BUSINESS MODEL

FOUNDATIONS
POWERING
OUR GROWTH

Inputs

- 

GLOBAL MANUFACTURING PRESENCE
 Our 12 strategically located manufacturing facilities across key global markets strengthen our ability to serve customers efficiently while supporting scalable and agile operations worldwide.
- 

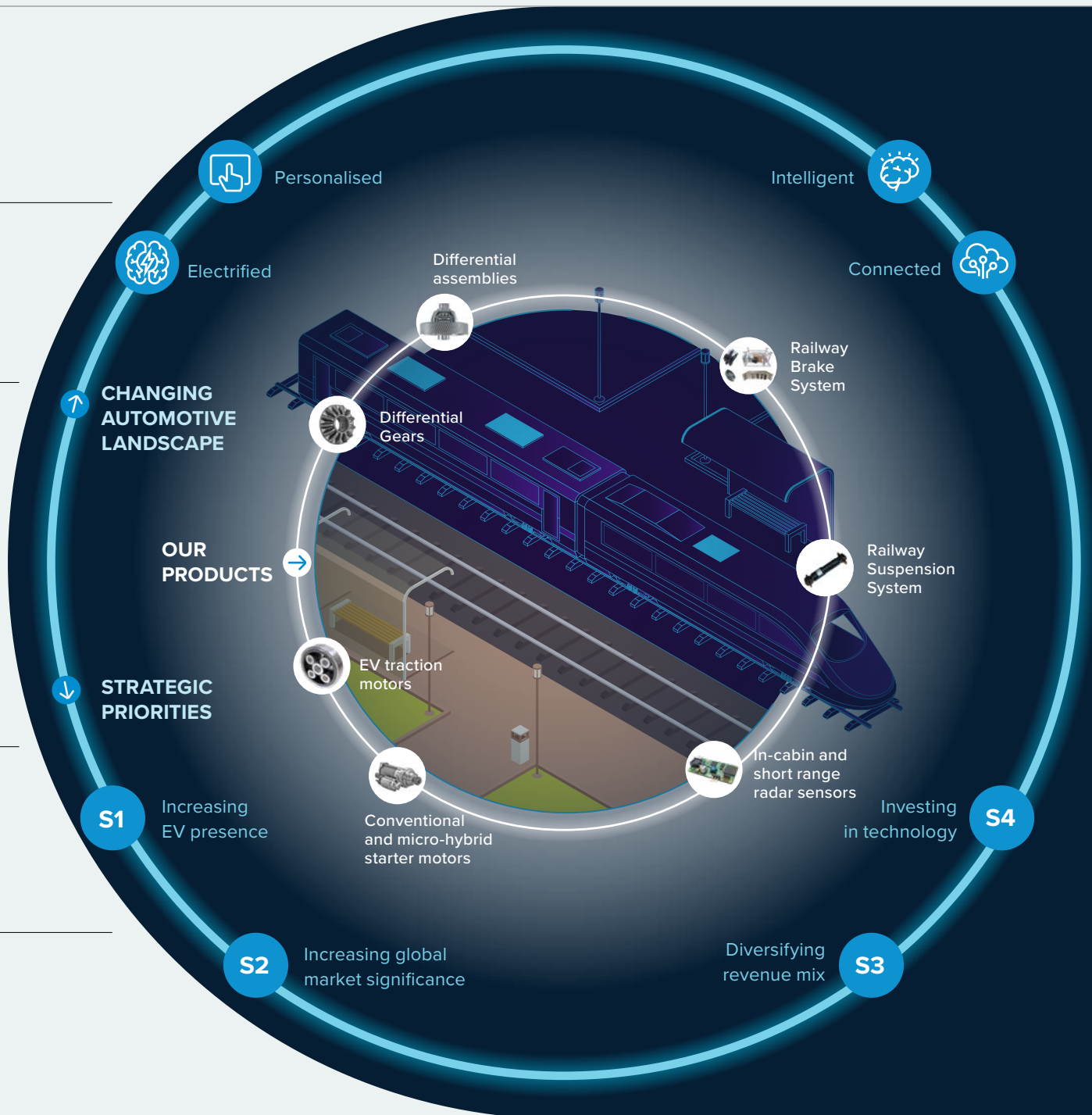
EXPERIENCED INDUSTRY LEADERSHIP
 Our leadership team brings decades of industry expertise, enabling informed decision-making, strategic vision, and deep understanding of the evolving mobility ecosystem.
- 

AGILE OPERATIONAL EXCELLENCE
 Our flexible and responsive operating model enables us to adapt quickly to changing market dynamics, efficiency, and sustained business performance.
- 

INNOVATION AND R&D STRENGTH
 Innovation remains central to our growth journey, supported by focused R&D investments, and development of future-ready technologies and mobility solutions.
- 

STRONG GOVERNANCE FRAMEWORK
 A robust governance structure, guided by transparency, accountability, and ethical business practices, supports long-term value creation and sustainable growth.
- 

SUSTAINABILITY AND RESPONSIBILITY
 We remain committed to responsible business practices by promoting environmental sustainability, employee wellbeing, and positive community impact.



Outcomes

- INR 44,751 mn**
 Revenue
- INR 11,069 mn**
 EBITDA
- INR 6,703 mn¹**
 PAT
- INR 10.30**
 EPS
- 8.7%**
 Global market share in differential gears (CY25)
- 4.2%**
 Global market share in starter motors
- INR 237 bn**
 Order book as on 31st March, 2026
- TOP 100**
 Innovating Companies CII Industrial Innovation Award
- 9,000+**
 Students were benefited, combining all our CSR education programmes

¹Adjusted PAT is after adjusting the one-time impact of INR 301 mn due to the new labour code.

EXPANDING SMARTER ACROSS NEW FRONTIERS

FY 2025-26 marked a shift in how we approached growth at Sona Comstar. While continuing to strengthen our automotive business, we also began building new mobility platforms that can create long-term value beyond our traditional core.

A key step in this journey came in June 2025 with the completion of acquisition of Railway Business from Escorts Kubota. More than an entry into a new segment, the acquisition created a new growth engine for us. We integrated the business quickly into our systems and operating model, enabling us to move from acquisition to execution within a short period.

From there, our focus moved to expanding capability and widening applications. Today, our railway business caters to passenger coaches, freight wagons, locomotives and EMUs/DMUs/MEMUs. Our offerings now include advanced braking technologies, heavy-duty hydraulic dampers, and coupling systems. We are also developing systems enabled with intelligent micro-processor-controlled systems for high-speed trains such as Amrit Bharat, Vande Bharat and Metro.

Moving beyond the safety systems, we are also working towards improving the passenger comfort and within a

short span of time, we were able to achieve approvals to supply electric control panels and HVAC systems. We have also added Railways air spring in our product roadmap this year, which provide enhanced passenger comfort and ride quality through superior cushioning. This demonstrates our strong capability in design, development, and commercialising complex electronics, electromechanical, and electropneumatic systems. As the newly added Railway Business was consolidated and began to scale up, the impact became visible in our revenue mix. Non-automotive revenue contribution increased from 10% in FY 2024-25 to 31% of total revenue in FY 2025-26, reflecting the increasing role of these new platforms within our business.

We expanded into new frontiers by carrying forward our engineering strengths into newer industries, technologies and mobility solutions.

• OUR KEY PRODUCTS AND OFFERINGS •

Brake System

Axle mounted disc brake

Wheel mounted disc brake

Electro pneumatic brake

Microprocessor controller brake

Bogie mounted brake

Couplers

Suspension systems

Friction and rubber products

HVAC systems

Electrical control panels

Air springs

Vacuum evacuation systems

Automatic plug doors

EVOLVING LANDSCAPE

DRIVING THE NEXT ERA OF MOBILITY

The global technology landscape is evolving rapidly, driven by sustainability, intelligent systems, connectivity and changing customer expectations. As industries adapt, innovation and customer-centricity are becoming key drivers of growth. At Sona Comstar, we are shaping this transition through our EPIC philosophy: Electric, Personalised, Intelligent and Connected, by developing advanced mobility technologies and sustainable solutions that enhance efficiency, performance and user experience.

E

ELECTRIC

The shift toward EVs continues to expand and represents a fundamental change in the automotive industry. With increasing concerns around energy security and environmental sustainability there is a growing emphasis on the development and adoption of EVs. We have made significant progress in this quadrant with an early start. Our product offerings encompass both electric and hybrid powertrains such as BEVs, PHEVs and micro-hybrids. We supply differential gears, differential assemblies, traction motors and motor controllers, and micro-hybrid starter motors to various customers and with our commitment and focus toward ESG, we plan to increase the EV share of our revenue. Having been awarded various EV programmes from multiple customers, we plan to further increase the EV share of our revenue.

P

PERSONALISED

Personalisation of vehicles has become one of the primary demands of automotive consumers. Consumers expect tailored experiences and customised services catering to their preferences and needs. The user experience in connected cars may include basic personalisation features as well as predictive and customisable experiences driven by artificial intelligence. This evolution extends beyond the driver to encompass all occupants, offering tailored controls, infotainment, and digital services. We marked our entry into this domain with our product, the Integrated Motor Controller Module ('IMCM'), which we developed for a predictive active suspension system. We plan to develop more such solutions to expand further in this domain.

I

INTELLIGENT

The integration of intelligent technologies is revolutionising the automotive industry. From advanced driver systems to autonomous driving capabilities, vehicles are becoming increasingly intelligent and autonomous. We believe in order to deliver products with higher levels of automation, automakers and new-age mobility manufacturers will require sufficient sensors and computing power. We made entry to this domain with software development for our motor controllers. In FY 2023-24, we acquired a majority stake in NOVELIC, a Serbia-based company, which had capabilities in mmWave radar technology. With this acquisition, we are developing in-cabin and exterior radar systems aligned with upcoming ADAS regulations for commercial vehicles in India. We plan to grow this vertical further to expand into the domain of intelligent mobility. Vehicle performance long after the car leaves the forecourt.

C

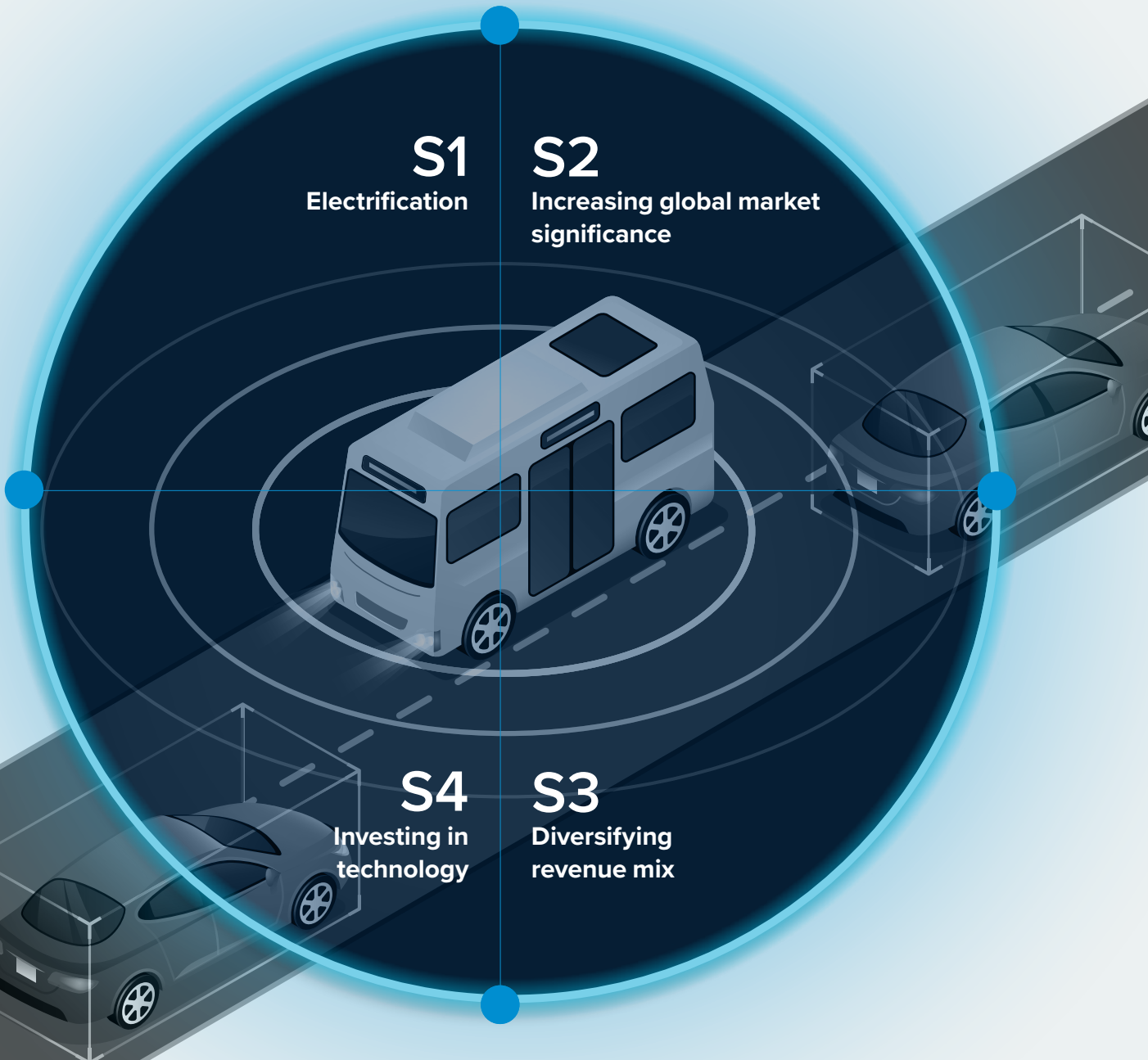
CONNECTED

Connectivity is the backbone of the modern intelligent transportation ecosystem, driven by the commercialisation of 5G-powered Cellular Vehicle-to-Everything (C-V2X) communication. By allowing vehicles to talk seamlessly with traffic signals, pedestrians, and the cloud, connectivity moves the industry from reactive safety to predictive, data-driven mobility. We believe connected cars offer a wide range of features and services that enhance the driving experience. Moreover, connectivity enables automakers to collect and analyse data from vehicles, enabling predictive maintenance, remote diagnostics and other value-added services. We do not have any significant feat in the connected domain yet. However, this being one of the key domains of E.P.I.C. mobility, we plan to increase our presence in this vertical.

OUR STRATEGY

BUILDING THE EPIC SHIFT

Our strategic priorities



S1 Electrification

With sustainability becoming a global priority, the automotive industry is transitioning toward electrification. Recognising this shift early, we are strategically invested in the electrification segment and aligned our roadmap with the future of mobility. This approach has positioned the Company as a key player in the electric mobility ecosystem, enabling it to stay ahead of industry trends and build long-term business.

The global automotive industry is witnessing a shift toward electrification, driven by environmental awareness, supportive government policies, and the growing demand for sustainable transportation solutions. Consumers across the world are becoming more conscious of sustainability, accelerating the adoption of electric vehicles (EVs). At the same time, declining battery costs, from nearly USD 180–190 per kWh in the early 2010s to below USD 100 per kWh today, have significantly improved the affordability and accessibility of EVs.

At Sona Comstar, we identified the electrification opportunity ten years ago and strategically aligned our business with the future of mobility. This enabled us to build strong capabilities in the EV ecosystem and stay ahead of industry trends. In FY 2025-26, 35% of our revenue is derived from the BEV segment, with BEV revenue reaching INR 11,542 million during the year. With 70% contribution in our order book, EVs remains a central pillar of our long-term growth strategy.

70%

Share of EV in orderbook

INR 166 bn

Value of EV in orderbook

67

Cumulative no. of EV programmes awarded

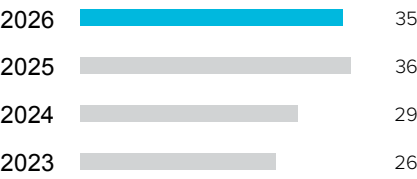
35

EV Customers



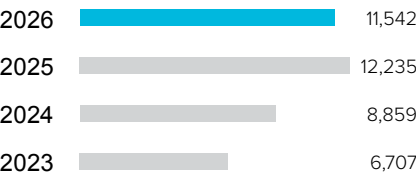
Revenue from BEV (%)

35



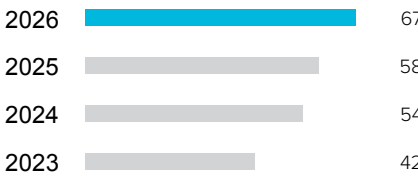
BEV Revenue (INR mn)

11,542



EV Programmes (%)

67



OUR STRATEGY

S2 Increasing global market significance

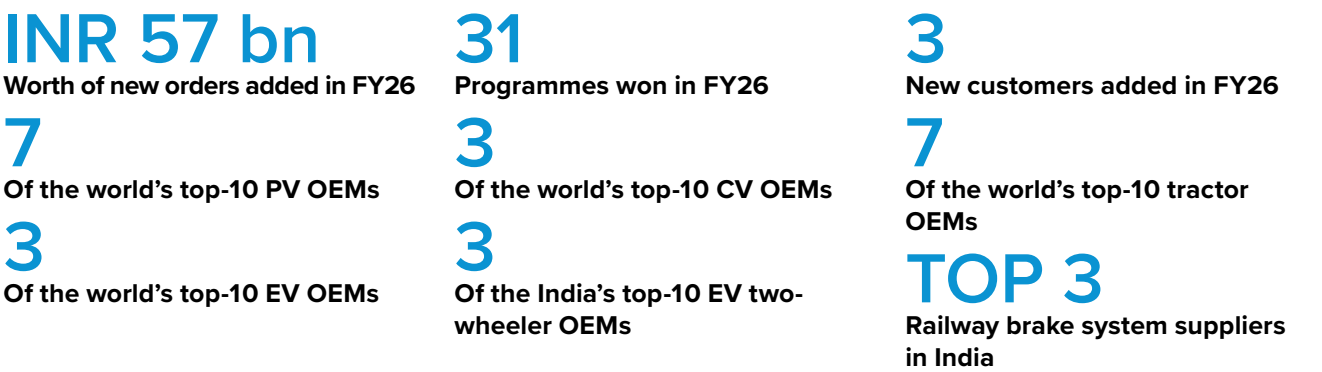
Since inception, our focus has been on delivering innovative and reliable solutions that address the evolving needs of customers. From starting our journey as an Indian brand, we have transformed into a globally recognised mobility technology company. Guided by customer-centricity, technological excellence, and innovation, we have consistently expanded our reach and strengthened our position across key markets.

We have been successfully created our footprint globally. We have our presence in India, China, the USA, Mexico and Europe. We have been able to satisfy the global customers and various OEMs. Our R&D and manufacturing facilities has been located strategically so that we can capture the global market and satisfy our clients through our future-ready products.

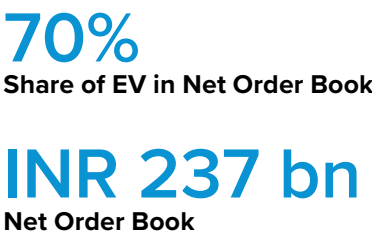
We have maintained global leadership in differential gears and starter motors and expanded our presence in differential assemblies, EV transmission gears, and traction motors. Our market share continues to remain strong as we deepen customer relationships and deliver differentiated, high-value solutions.

Our INR 237 billion order book reflects the growing trust of over 60 OEMs and Tier-1 suppliers worldwide across segments as diverse as PVs, 2W/3Ws, CVs, OHVs, and now, railways. We are also getting ourselves ready for the future of mobility through other Physical AI segments like robotics, humanoids, AMRs and eVTOLs.

SUPPLIER TO MAJOR GLOBAL OEMS



OUR ORDERBOOK



Global market share of differential gears (%)



Global market share of starter motors (%)



OUR STRATEGY

S3 Diversifying revenue mix

Diversification has been a key pillar of our strategy, enabling us to strengthen business stability, enhance anti-fragility, and drive sustainable growth. Over the years, we have expanded our presence across geographies, customer segments, platforms, and product categories, creating a well-balanced and future-ready business portfolio. This approach has helped us mitigate risks, reduce dependency on specific markets or segments, and unlock new growth opportunities.

FY 2025-26 marked a decisive shift in our geographic mix. India became our largest market, contributing 51% of revenue versus 29% in FY 2024-25. Eastern markets also became the majority contributor for the first time since listing, with their share rising to 56% from 35% last year. This reflects the increasing importance of India and Asia in our growth journey.

Our diversification strategy is designed to balance near-term stability with long-term growth opportunities. While our foundation was built on driveline components and starter motors, we have expanded our capabilities into electric powertrains, embedded software, and broader mobility segments including railways.

The acquisition of the railway business reflects our commitment to diversification and sustainable value creation. Through this expansion, we established our presence in rail mobility solutions.

We are exploring opportunities in Physical AI and preparing ourselves for the next phase of diversification in mobility and intelligent systems. As the mobility sector increasingly converges with AI-driven technologies, we are strengthening our capabilities to address the emerging requirements of future mobility segments.

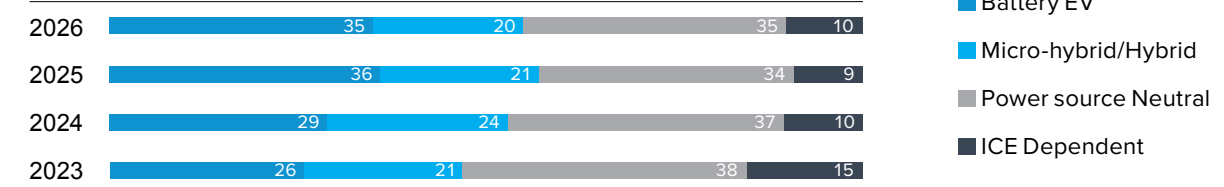
We have strategically diversified our global footprint. While North America and Europe remain important markets, we are deepening our presence across India, China, and other Asian regions to better support global OEMs with greater regional agility and responsiveness.



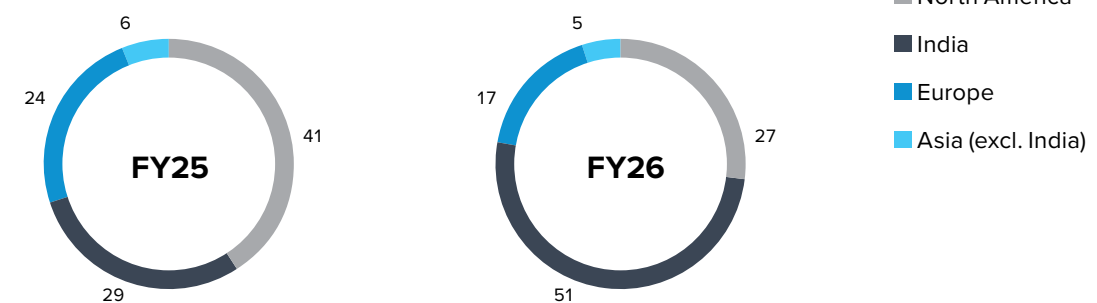
PORTFOLIO BUILT FOR THE FUTURE

Product revenue mix by powertrain

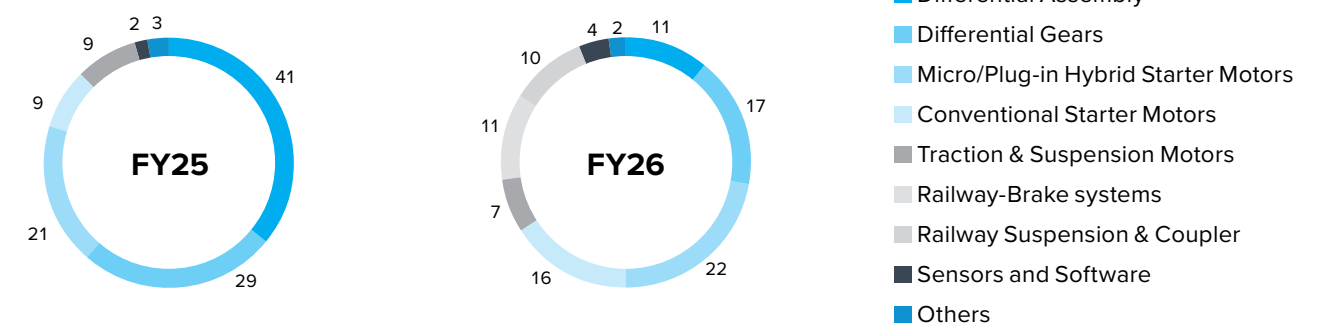
(%)



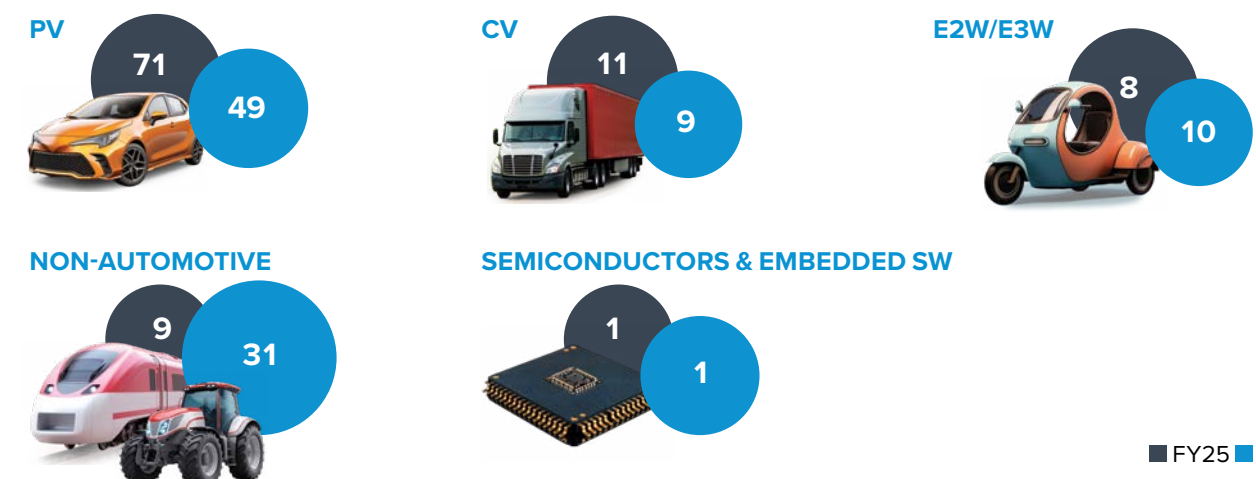
Revenue mix by geography%



Revenue mix by product%



Revenue mix by market segment (%)



■ FY25 ■ FY26

GROUP CTO MESSAGE

TRANSFORMATION AND ROAD AHEAD



Dear Stakeholders,

The global mobility landscape is evolving at an unprecedented pace—driven by electrification, autonomy, and intelligent systems. Technologies once considered futuristic—ADAS, SDVs, eVTOLs, drones, advanced robotics, and humanoids—are now reshaping how the world moves. Supply-chain fragility (semiconductors, rare earths), geopolitics, and sustainability mandates remain material risks. Technology convergence is compressing innovation cycles and intensifying competition.

At Sona Comstar, we are pivoting from an automotive components company to a global mobility technology provider, while expanding into adjacencies including railways, aerospace (drones and eVTOLs), robotics, and AMRs.

In CY 2025, we signed an MOU with ePlane Company to develop components and systems for eVTOLs, marking our foray into air taxis and air ambulances for India and global markets. We also signed an MOU with Neura Robotics, a global pioneer in cognitive robotics. With rapid advances in physical AI, robots are increasingly able to interact with real-world environments in real time, enabling deployment in workspaces previously considered unsafe. Our goal is to partner with pioneering companies not only to develop components and sub-systems, but also to support the integration and deployment of robots and humanoids.

“AT SONA COMSTAR, A GROWTH MINDSET SITS AT THE CENTRE OF OUR STRATEGY—ACROSS BUSINESS, TECHNOLOGY, AND PRODUCTS. GROWTH BRINGS OUT THE BEST IN US AND ALIGNS WITH OUR LONG-TERM VISION; WHEN GROWTH IS PURSUED WITH AGILITY, CUSTOMERS BENEFIT.”

With growth in e-commerce and rapid adoption of automation technologies in the manufacturing sector, warehouse and factory automation—especially automated material handling—is gaining traction. Recognising this trend, we have made significant inroads in building capability in robotics. Our first demonstrator AMR was successfully tested and showcased at CES 2026. This is a vital step in our journey to make a meaningful contribution to this sector and serves as a precursor to a pipeline of products that will establish Robotics as a new vertical for Sona Comstar.

The addition of the Railways Business as a vertical has opened opportunities to grow alongside Indian Railways. The expansion of dedicated freight corridors, metro rail networks, and programmes such as Vande Bharat and Amrit Bharat offers growth not only in legacy product lines like suspension, braking, and coupling systems, but also in areas such as control panels, HVAC, and electronic braking and suspension systems.

India is rapidly building capability and capacity in semiconductors, data centres, and charging and energy infrastructure. These shifts are opening opportunities for players like Sona Comstar in areas where we have no legacy. As we pursue new inorganic growth opportunities, we remain receptive to developments across these transformative technology spaces.

These shifts also bring new challenges, including the need to manage emerging technologies, rising product complexity, capability building, and stronger processes. To navigate this transition, we have instituted an innovation framework built on structured Technology Readiness Level (TRL) methodology and digital engineering tools, covering systems engineering, virtual validation, and software development, including CI/CD pipelines with integrated testing.

AI has become a central theme in our technology-led organisational transformation. Physical AI is moving from experimentation to real-world deployment. To capitalise on this shift, we

have defined a long-term AI implementation roadmap covering operational use cases such as forecasting and optimisation, the use of agentic AI and analytics to solve day-to-day problems, and the augmentation of design capabilities through digital twins and design optimisation. A strong policy on the use of AI tools—supported by data governance, privacy protection, data security, and oversight—forms the foundation of AI implementation at Sona Comstar, enabling transparent, safe, and sustainable enterprise-wide deployment.

As we look to the coming year, we recognise that no amount of scenario planning or future-proofing can fully insulate us from external volatility. The tectonic shifts and resets are unfolding even as I write this report.

In this context, our choices matter: do we pause and wait for the dust to settle, or do we continue to execute with discipline and urgency? To quote a famous line, “...The powerful play goes on, and you might contribute a verse. What will your verse be?”

If the unfolding global situation teaches us anything, it is this: trust our strengths. Believe in our core competencies and values, and in the enduring value we bring to customers. At Sona Comstar, a growth mindset sits at the centre of our strategy—across business, technology, and products. Growth brings out the best in us and aligns with our long-term vision; when growth is pursued with agility, customers benefit. Agility, therefore, is not just a capability—it is our competitive advantage.

As we traverse this journey to become one of the world’s most respected and valuable mobility technology companies, Agility—along with Integrity, Vitality, and Frugality—completes the quartet of Sona Comstar’s core values.

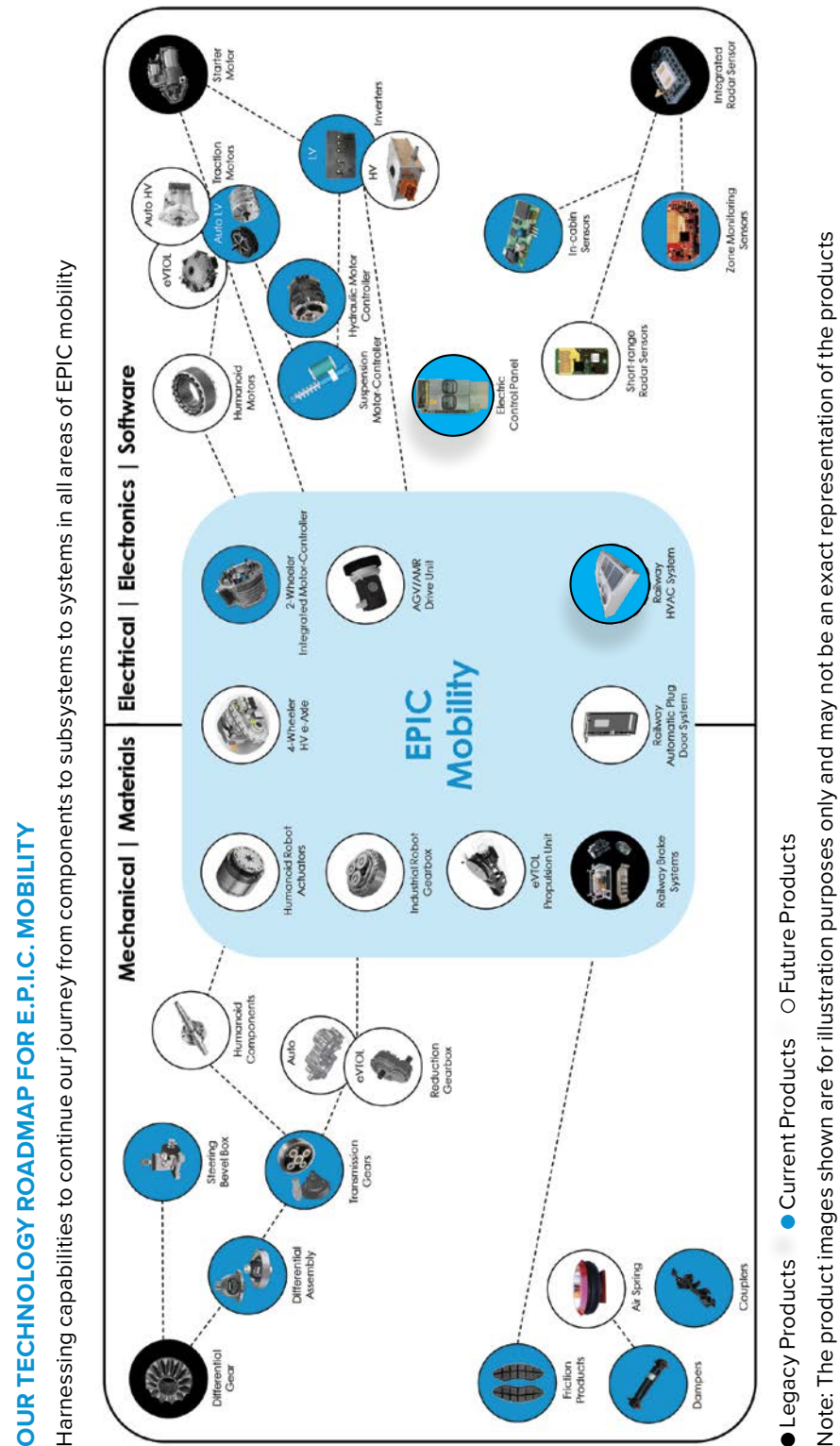
Warm regards,

Praveen Chakrapani Rao
Group Chief Technology Officer

OUR STRATEGY

S4 Investing in Technology

Technology and innovation have always been at the core of our growth strategy, enabling us to develop sustainable solutions and create long-term value for customers and stakeholders. FY 2025-26 was marked by significant advancements in technology, research, and product development as we strengthened our capabilities across the mobility ecosystem. As a technology-driven company, we remain focused on developing innovative products and intelligent solutions that enhance the performance, efficiency, and value of mobility components.



FROM INNOVATION LABS TO MARKET IMPACT

In FY 2025-26, we promoted our E.P.I.C. (Electric, Personalised, Intelligent and Connected) mobility portfolio by converting advanced R&D into commercially viable solutions. We continue to strengthen our position as a diversified mobility technology company by expanding from components to advanced mobility systems.

In the beginning of the year, we integrated Railway Business products in our technology roadmap. In the railway segment, we hold a leadership position in railway braking systems in India and are among the leading suppliers of couplers, dampers and friction products.

During the year, we commercialised three new products, Hydraulic Motor Controller, Railway Electric Control Panel and HVAC System, further expanding our technology-driven mobility solutions portfolio.

Hydraulic Motor Controller

The integrated hydraulic motor controller is a compact electromechanical solution designed for farm equipment applications. Combining integrated electronics with hydraulic functionality, the system supports lifting operations, steering, braking and auxiliary functions. The product strengthens our presence in the agricultural mobility segment.

Railway Electric Control Panel

The railway electric control panel reflects our growing capabilities in railway electronics and control systems. Developed for locomotives and with further expansion into metro and modern trainsets, the system supports efficient power distribution, monitoring and operational control, enhancing reliability and safety across auxiliary operations.

Railway HVAC System

Our HVAC system is designed to deliver efficient climate control and passenger comfort for locomotives, metro and semi-high-speed trains. The system demonstrates our expertise in developing complex electromechanical solutions aligned with the evolving needs of modern railway infrastructure.

INNOVATION HIGHLIGHTS

Expanding beyond our core offerings, we are developing next-generation railway technologies and air springs for modern coaches, strengthening our position in premium and high-speed rail platforms. Our expansion into emerging mobility domains was confirmed through an MoU with Neura Robotics, Germany, opening new opportunities in cognitive robotics, Autonomous Mobile Robots (AMRs) and humanoid technologies. Our focus on intelligent mobility is also accelerating through Advanced Driver Assistance Systems (ADAS) technologies. Through NOVELIC, we are developing in-cabin and exterior radar systems aligned with upcoming ADAS regulations for commercial vehicles in India. Our advanced 180-degree field-of-view radar technology helps to simplify hardware architecture while improving safety, sensing and driver assistance capabilities. We have also participated in CES 2026 and highlighted our current and next generation products to technologically driven clients and industry peers.

- Portfolio of total 135 patents (42 granted, 93 applied)
- Strengthening our intellectual property to reinforce our technology-first position
- Each innovation advancing our EPIC vision of Electric, Intelligent, and Sustainable mobility

110+

Software engineers in R&D

490+

R&D manpower

135

Patents (Granted: 42, Applied: 93)

3%

Revenue spent on R&D on an average in last 3 years

BUILDING THE FUTURE WITH INTELLIGENT SYSTEMS

As the mobility ecosystem evolves, technology is becoming the force behind the next generation of intelligent and connected systems. Vehicles are no longer just mechanical machines; they are transforming into software-driven, data-enabled platforms capable of delivering safer, smarter, and more efficient mobility experiences. We are building capabilities that align with this shift by integrating sensing technologies, precision engineering, and electrified systems into our product portfolio.



SONA COMSTAR

We are focused on developing future-ready technologies across intelligent mobility and advanced motion systems. Some of our innovations we showcased at CES 2026 included an advanced gearbox for electric Vertical Take-Off and Landing (eVTOL) aircraft, developed following our MoU with the ePlane Company, alongside an intelligent suspension motor and an advanced In-Cabin Monitoring System integrating radar and camera technologies.

As industries increasingly move towards automation and AI-enabled

physical systems, we are enhancing our presence in robotics and autonomous mobility solutions. At CES 2026, we demonstrated our Autonomous Mobile Robot (AMR) platform, highlighting our integrated capabilities in sensors and drive units. We are working towards future-ready technology portfolio for robotics, through in-house R&D efforts and our partnership with Neura Robotics for participating in emerging opportunities across humanoids, collaborative robots and intelligent autonomous systems.

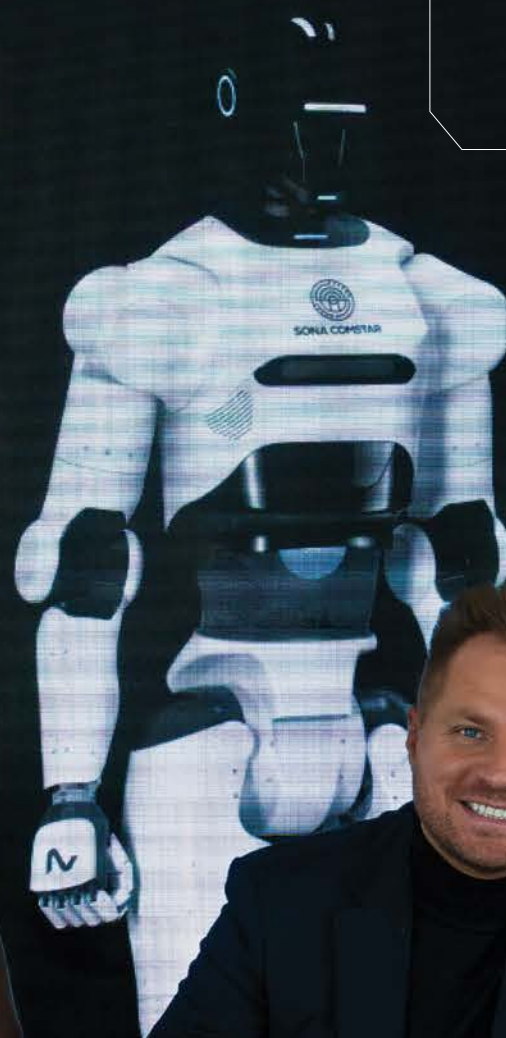
• CES 2026 PRODUCT HIGHLIGHTS •

AMR platform:

Demonstrated advanced capabilities in sensors and integrated drive units.

eVTOL gearbox:

Debuted specialised gearbox technology developed with the ePlane company.



NEURA

ROBOTICS



APPROACH TO ESG

SUSTAINABILITY AT EVERY STEP

ESG is integrated into our strategy and operations, guiding how we deliver resilient growth while managing environmental and social impact. Through a strong ESG governance framework, we remain focused on reducing our environmental footprint through lower emissions, renewable energy adoption and sustainable practices. At the same time, we continue to drive inclusive community development through initiatives aligned with our CSR philosophy, national priorities and the UN Sustainable Development Goals. Our efforts are aimed at delivering measurable outcomes that strengthen communities, enhance employability and support a more resilient and sustainable future.



ENVIRONMENTAL STEWARDSHIP



SOCIAL PEOPLE



SOCIAL COMMUNITIES



GOVERNANCE



ENVIRONMENTAL STEWARDSHIP

EMBEDDING SUSTAINABILITY INTO EVERYTHING WE DO



Guided by the ISO 14001:2015 Environmental Management System, the organisation integrates environmental responsibility into its core operations. Our approach focuses on actively managing energy, water, and waste through efficient utilisation and conservation of resources and improvement toward a more sustainable future.



ENERGY MANAGEMENT

Our energy strategy centres around optimising consumption via innovative projects, such as increasing the share of renewable energy. By implementing the ISO 50001:2018 Energy Management System (EnMS) across all manufacturing sites, we have successfully lowered our energy intensity relative to turnover. Our onsite rooftop solar arrays generated 16,847 GJ in FY 2025-26, covering roughly 4% of our total consumption. Beyond our immediate footprint, we have secured partnerships with CleanMax for captive solar projects in Haryana (14.85 MWp) and Maharashtra (4.00 MWp), while also progressing with the setup 2.5 MWp group captive facility at our Chennai plant with CleanTech.

4%

Energy consumption through
renewable energy sources

13%

Reduction in energy intensity

EMISSION MANAGEMENT

Reducing greenhouse gas emissions remains central to our broader sustainability commitments. Since grid electricity consumption represents 73% of our total energy mix, Scope 2 emissions constitute our primary environmental impact. We mitigate this by systematically improving energy efficiency and increasing renewable energy mix. Guided by innovative technologies and rigorous monitoring, we are actively reducing our carbon footprint to support global climate action.

In FY 2025-26, we secured an additional 17% reduction in emissions intensity, demonstrating our success in decoupling environmental impact from ongoing operational growth.

17%

Reduction in emission intensity



ENVIRONMENT

STEWARDSHIP

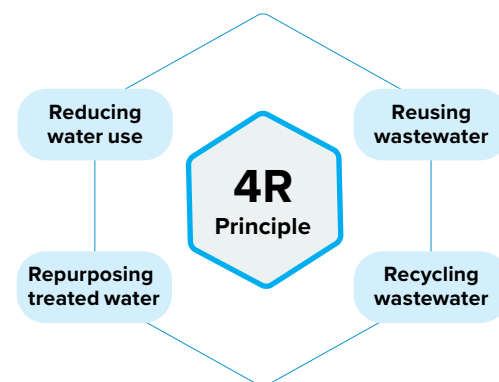
WATER MANAGEMENT

We are committed to responsible water stewardship, with a focus on conservation and circularity across our operations. To improve recycling rates and reduce freshwater dependence, we have deployed advanced treatment technologies across our sites, including Effluent Treatment Plants (ETPs) and Zero Liquid Discharge (ZLD) infrastructure. A key milestone was our investment in a 70,000-litre-per-day ZLD plant, which reclaims manufacturing wastewater for reuse in production while ensuring minimal environmental discharge.

While absolute water consumption rose during this fiscal year, reflecting the scale up of manufacturing output, these robust efficiency measures support our long-term progress towards sustainable water resource management.

25%

Reduction in water intensity



WASTE MANAGEMENT

Guided by our Environmental Management Policy, we are committed to embedding sustainable waste practices across our operations which includes prioritising reduction, recycling, and responsible disposal. We manage both hazardous and non-hazardous waste streams through robust initiatives such as recycling of waste oil, reuse of ETP sludge and partnering exclusively with certified vendors for safe disposal.

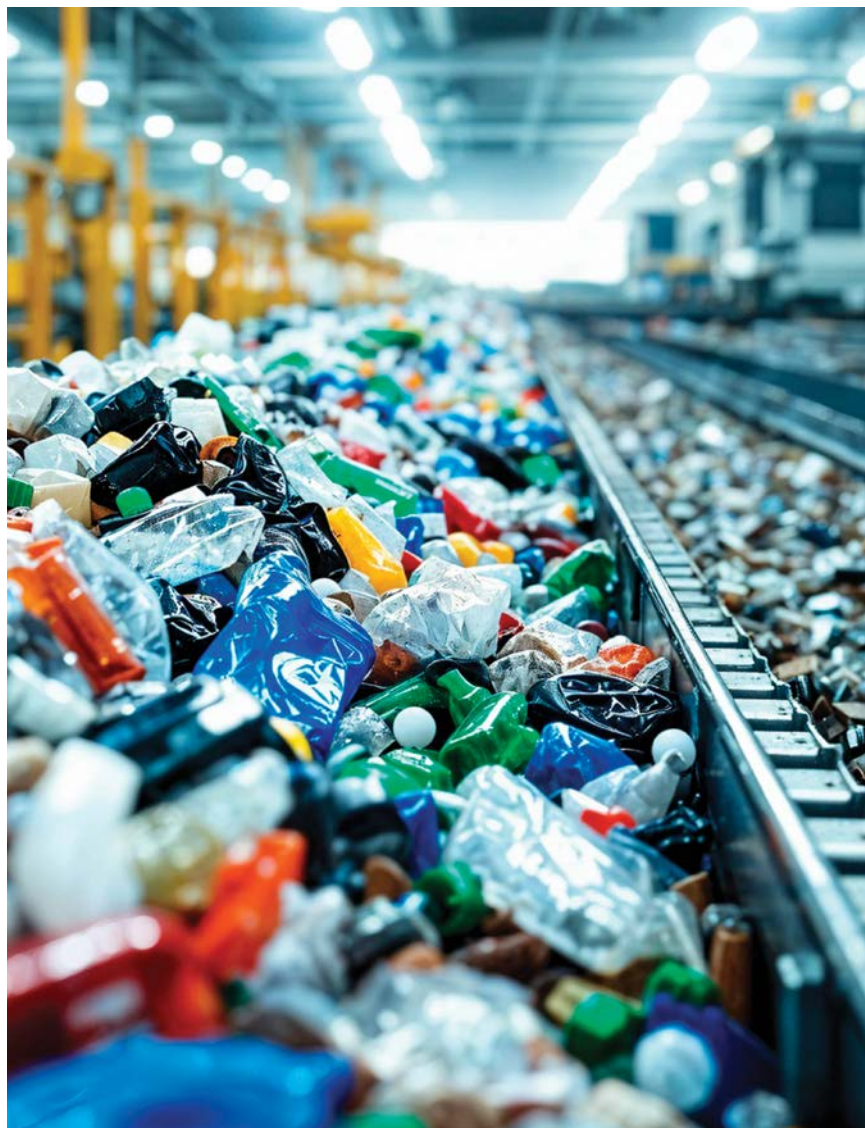
Through these systematic efforts, we lowered our waste intensity and enhance resource recovery across all manufacturing sites. In FY 2025-26, we successfully recycled or reused 21,413 metric tonnes of waste, significantly reducing landfill diversion and advancing our commitment to a circular economy. This strategy is reinforced by employee training, ensuring our workforce actively supports waste reduction at every facility.

97%

Of waste is recycled/reused

19%

Reduction in waste generation intensity



SUSTAINABLE SUPPLY CHAIN

We embed environmental sustainability and ethical integrity across our supply network. Guided by our Green Procurement Guideline, our purchasing strategy seamlessly balances cost, quality, and delivery with responsible sourcing practices.

To maintain strict alignment with our core values, supplier evaluations include various ESG metrics within a comprehensive multi-factor framework. Vendors must achieve a minimum qualification score of 75%, ensuring compliance with our stringent standards on human rights,

labour practices, and business ethics. Through structured audits, risk assessments, and tiered evaluation systems, we drive continuous improvement and supply chain transparency. We host regular capacity-building sessions and sustainability workshops to uplift partner performance, while prioritising local vendors to support community resilience and regional economic development.

SOCIAL PEOPLE

EMPOWERING OUR PEOPLE, SECURING A SUSTAINABLE FUTURE

Our strategy is built on a foundational respect for human rights, diversity, and equity. By embedding targeted skill development, transparent performance architecture, and holistic employee well-being into our daily operations, we are not only shaping a future-ready workforce but also reinforcing the structural resilience of our entire business ecosystem.

CONTINUITY AND STRATEGIC WORKFORCE RESILIENCE

Our long-term growth is intrinsically linked to the agility and capabilities of our people. We mitigate operational risks and secure future growth through data-driven human resource practices, robust succession planning, and proactive talent development. By fostering open communication and aligning our human capital strategy with evolving socio-economic and technological needs, we maintain a resilient workforce equipped to navigate a dynamic business landscape.

FOSTERING WORKPLACE EQUITY

We view diversity and inclusion not only as the right thing to do, but also as a strength that improves decision-making and business performance. By embedding equity across gender, religion, ethnicity, and backgrounds within our Code of Conduct, Sona Comstar fosters an environment where diverse perspectives are respected and encouraged. Our corporate strategy actively supports gender parity across all operational levels and leadership pipelines. This is reinforced by transparent, merit-based remuneration practices designed to attract, retain, and motivate talent over the long term.

6.5%

Women participation in total workforce

UPSKILLING OUR WORKFORCE

Continuous learning is central to our culture and supports both individual development and long-term business performance. We deliver structured training to address role-specific technical, behavioural, and compliance needs. By prioritising targeted capacity-building programmes across all levels, including the board and key executives, we enhance operational productivity while reinforcing a strong culture of compliance.

ALIGNING MERIT WITH GOVERNANCE

Our robust appraisal framework supports good governance by aligning employee development with long-term business performance. Annual reviews are conducted through a structured framework applied across all levels (including executive leadership) and directly guide salary progression and incentives under the oversight of the Nomination and Remuneration Committee. Performance-driven variable pay is tied directly to individual KRAs, corporate milestones, and established collective bargaining frameworks. By coupling this merit-based compensation architecture with elite leadership initiatives like the Visionary Leadership for Manufacturing (VLFM) programme, we mitigate talent risks and secure a highly capable executive pipeline.

HOLISTIC HEALTH AND ENGAGEMENT

Prioritising the health and engagement of our workforce is central to organisational resilience and productivity. Our comprehensive well-being ecosystem delivers essential preventive healthcare and medical screenings through strategic partnerships with established medical providers. We also promote wellness through fitness initiatives, stress-management workshops, and cultural engagement programmes. These efforts are complemented by merit-based recognition programmes that celebrate tenure and strong performance, helping strengthen team cohesion, morale, and a culture of shared ownership.

A SAFE WORKPLACE FOR EVERY WORKER

We protect our workforce and mitigate operational risks by embedding technology, strong governance, and rigorous compliance into our safety practices. Governed by the ISO 45001 standard, our operations combine senior leadership oversight with robust safety protocols such as HIRA, LOTO, and regular facility audits. Our pursuit of a zero-harm workplace is supported by real-time IoT monitoring and smart camera surveillance to identify and reduce physical hazards on the shop floor. This is reinforced by mandatory DOJO safety training for operational teams and ongoing awareness programmes on statutory policies such as POSH and whistleblower frameworks. Our safety-first approach strengthened operational resilience, as demonstrated by a zero Lost Time Injury Frequency Rate (LTIFR) in FY 2025-26.

WORKPLACE ETHICS & HUMAN RIGHTS

Our culture is built on respect for human rights, diversity, and legal compliance. As an equal opportunity employer, we use mandatory training and clear codes of conduct to prevent discrimination and harassment. We also support employees' rights to freedom of association and collective bargaining, helping maintain open workplace dialogue. This is reinforced by training modules on child labour, forced labour, and business ethics, along with whistleblower protections and regular safety audits.

SOCIAL COMMUNITIES

BUILDING A
BETTER BHARAT

INR 121 mn

Amount spent and committed towards CSR initiatives during FY 2025-26

EXEMPLARY RATING

Awarded by Bluesky Sustainable Business



At Sona Comstar, our CSR philosophy is rooted in the belief that sustainable business growth must go hand in hand with meaningful social progress. Through focused initiatives across environment, women empowerment, health, sanitation, employability, and social equity, we are committed to creating long-term impact in the communities we serve. Guided by our vision of building a stronger, safer, and inclusive Bharat, our CSR programmes are designed to empower lives, strengthen livelihoods, and contribute towards a more sustainable future.

CSR INTERVENTION AREAS

Sona Comstar's CSR interventions consist of six pillars aimed to strengthen and reinforce the nation and the society:

- Sona Comstar-Samridh Bharat (Innovation, enterprise and economic growth)
- Sona Comstar-Saksham Bharat (Education, skill development and employability/livelihood)
- Sona Comstar-Stree Shakti Bharat (Women empowerment)
- Sona Comstar-Swasth Bharat (Health and nutrition)
- Sona Comstar-Swachh Bharat (Environment, sanitation and hygiene)
- Sona Comstar-Surakshit Bharat (Safety and social equity)

SONA COMSTAR-SAMRIDH BHARAT (INNOVATION, ENTERPRISE AND ECONOMIC GROWTH)

Focused on environment, sustainability, and innovation-led economic growth, the Samridh Bharat programme support deep-tech startups and emerging technologies in clean mobility, EVs, energy storage, hydrogen, and advanced manufacturing. Through strategic partnerships with leading institutions, the initiative enables incubation, funding, mentorship, and commercialisation support for high-impact startups.

SONA COMSTAR-STREE SHAKTI BHARAT (WOMEN EMPOWERMENT)

Focused on women's empowerment through education, the Stree Shakti Bharat programme supports meritorious women students from financially constrained backgrounds by providing access to quality higher education opportunities. Through partnerships with leading institutions, the initiative aims to remove financial barriers, encourage academic excellence, and enable long-term socio-economic mobility. The programme empowers young women with the confidence, exposure, and skills required to become future leaders and changemakers.

Case study

Empowering aspirations through education



We partnered with Ashoka University to support meritorious women students from financially constrained backgrounds through scholarship assistance. The initiative was designed to remove financial barriers that often prevent talented young women from accessing world-class higher education and career opportunities.

The programme supports a cohort of 5 (five) women scholars every year with 80-100% financial aid, enabling them to pursue interdisciplinary undergraduate education at Ashoka University. The initiative provided access to academic exposure, internships, and holistic learning experiences that expanded students' confidence, aspirations, and career pathways. By enabling access to quality education and empowering women to build independent futures, the programme is contributing towards greater gender equality, social mobility, and inclusive development.

Driving India's clean mobility innovation

To accelerate India's transition towards sustainable mobility, Sona Comstar partnered with FITT - IIT Delhi under the Innovation in Mobility Programme. The programme has evolved into a strong innovation ecosystem that combines funding, incubation, technical mentorship, and market access for early-stage startups facing high capital requirements and long development cycles. Backed by INR 8 crore in CSR funding, the initiative has supported 16 startups. Startups supported under the programmes have developed market-ready technologies including high-efficiency motors, sodium-ion batteries, hydrogen solutions, and EV charging systems. The initiative has also contributed to job creation, indigenous innovation, reduced carbon emissions, and stronger collaboration between industry and academia.

SOCIAL COMMUNITIES

**SONA COMSTAR-SWACHH
BHARAT (ENVIRONMENT,
SANITATION AND HYGIENE)**

Focused on environmental sustainability, water conservation, and sanitation, the Swachh Bharat programme drives initiatives that promote ecological restoration, climate resilience, and improved community well-being. Through projects including afforestation, water body restoration, and school sanitation infrastructure, the programme aims to create cleaner, greener, and healthier communities. By combining environmental stewardship with community participation, the initiative contributes towards sustainable resource management, biodiversity conservation, and improved quality of life across underserved regions.

Case study

**Restoring green
cover through
Miyawaki
afforestation**

Under the Swachh Bharat Programme, Sona Comstar partnered with CATCH Foundation to plant trees in Manesar using the Miyawaki afforestation technique. The initiative involved the plantation of over 23,000 native and bamboo saplings supported by soil restoration, drip irrigation, and long-term maintenance systems. Designed to improve biodiversity, restore ecological balance, and strengthen climate resilience, the project has already begun converting barren land into a thriving green space with visible improvements in vegetation cover and early signs of ecological recovery.

**SONA COMSTAR-SAKSHAM
BHARAT (EDUCATION,
SKILL DEVELOPMENT AND
EMPLOYABILITY)**

Saksham Bharat is Sona Comstar's flagship CSR pillar focused on strengthening education, employability, and livelihood opportunities for underserved communities. Through investments in school infrastructure, vocational skilling, digital enablement, and industry-aligned training, the programme empowers students and youth with the resources, skills, and confidence needed to build sustainable futures. Saksham Bharat aims to create long-term socio-economic mobility and nurture a more skilled, self-reliant, and future-ready workforce.

Case study

**Enabling
better learning
environments**

In the aspirational district of Nuh, Haryana, inadequate school infrastructure had become a major barrier to quality education. Under the Saksham Bharat programme, Sona Comstar partnered with the Hindu Shiksha Samiti to strengthen infrastructure across two schools, Hindu Vidya Niketan with around 860 students and Hindi Senior Secondary School with around 790 students. It introduced RO drinking water systems, solar-powered electricity infrastructure with UPS backup, fully equipped science laboratories, and digital connectivity support. Within a short period, the schools saw improvements in learning conditions, with access to safe drinking water, uninterrupted electricity, and practical science laboratories.

Apart from the above, the Company has also supported 666 students through remedial education, and 100 students were facilitated re-entry through NIOS pathways.

10 (Ten) government schools covering 6,670 students in Tamil Nadu, particularly in semi-urban and rural educational ecosystems were maintained and infrastructure in one such school was constructed.

**SONA COMSTAR-SWASTH
BHARAT (HEALTH AND
NUTRITION)**

Swasth Bharat focuses on improving access to quality healthcare and nutrition to enhance overall well-being and build healthier communities. The programme works toward strengthening healthcare services, promoting preventive health awareness, and supporting better nutritional outcomes among underserved populations. The initiative aims to encourage healthier lifestyles, improve healthcare accessibility, and contribute to a more resilient and prosperous society.

We have planned to conduct need-based health camps in areas surrounding our plant locations, aimed at improving access to essential healthcare services and addressing the specific health needs of local communities.

**SONA COMSTAR-SURAKSHIT
BHARAT (SAFETY AND
SOCIAL EQUITY)**

At Sona Comstar, safety is a core organisational value. Our products are widely regarded for their high safety standards and reliability, and this commitment extends beyond our operations into our CSR initiatives. We actively promote a culture of safety at every level, reinforcing practices that safeguard lives, enhance well-being, and contribute to building a more secure and equitable society. Our ongoing programmes such as remedial education, scholarships for women candidates, and support for sanitation infrastructure like toilets-are designed to ensure that all sections of society can participate, benefit, and progress together.

GOVERNING WITH PURPOSE

Our commitment to strong corporate governance is central to how we protect and grow stakeholder value. At Sona Comstar, business integrity is operationalised through rigorous compliance management, uncompromising data privacy standards, and effective risk-mitigation strategies. We do not view governance merely as a regulatory requirement, but as a foundation for transparency, accountability, and ethical conduct. By anchoring our leadership in these principles, we safeguard our reputation and build long-term trust with our business partners and shareholders.

KEY HIGHLIGHTS FY 2025-26

6 out of 9

Directors are Independent
Directors

4 out of 5

Statutory Committees are chaired
by Independent Director

67%

Independent Directors

33%

Women Independent Directors

92%

Board meeting attendance

95%

Board Committee's meeting
attendance

GOVERNANCE GOALS ALIGNED WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

- Sensitising the employees of the Company by conducting regular and periodic training and awareness sessions
 - On ethical issues including prevention of Conflict of Interest, Anti-Bribery and Corruption, Anti-Money Laundering, Anti-Trust Issues, Prevention of Insider Trading and Sexual Harassment
 - For the promotion of Human Rights, Diversity & Inclusion, Fair Labour Practices, Freedom to Associate & Collective Bargaining, Data Privacy and other Corporate Social Responsibility issues
 - Encouraging the Company's supply chain partners to promote Human Rights and the ethical issues mentioned in points (a) and (b) above
- Developing a culture of compliance and ensuring adherence to all applicable laws and regulations within the organisation, while also encouraging the Company's supply chain partners to build a similar culture of compliance
- Implementing of data privacy framework across the group and conducting awareness sessions on data privacy compliance.
- Improving Corporate Governance practices by benchmarking against the best-governed companies

GOVERNANCE STRUCTURE

At Sona Comstar, governance is centred on strengthening standards of transparency, accountability and equitable management across both financial and non-financial performance metrics. We view corporate governance not merely as a matter of statutory compliance, but as an integral part of our decision-making processes, enabling us to uphold our values, manage risks effectively and deliver consistent long-term performance.

SHAREHOLDERS



BOARD OF DIRECTORS



MR. VIVEK VIKRAM SINGH

Managing Director and Group CEO

MR. VIKRAM VERMA
VADAPALLI

Whole Time Director &
Chief Executive Officer –
Driveline Business

MR. ROHIT NANDA

President and Group Chief
Financial Officer

MR. SAT MOHAN
GUPTA

Chief Executive Officer –
Motor Business

MR. PRAVEEN
CHAKRAPANI RAO

Group Chief
Technology Officer

MR. PRATIK SACHAN

Head- Strategy and M&A

MR. AMIT MISHRA

Senior Vice President, Head
of Railway Business and
Group CSR Head

MR. AJAY PRATAP SINGH*

Senior Vice President-Group General Counsel, Company
Secretary and Compliance Officer

* Mr. Ajay Pratap Singh, Senior Vice President - Group General Counsel, Company Secretary and Compliance Officer of the Company resigned effective from the close of business hours on 15th April, 2026. In the interim, the Board, based on the recommendation of the NRC Committee, appointed Ms. Suman Poddar as Company Secretary and Mr. Arjun Singh as Compliance Officer of the Company, both effective from 16th April 2026. Ms. Suman Poddar and Mr. Arjun Singh resigned effective from 16th June, 2026.

The Board in its meeting held on 16th June, 2026, based on the recommendation of NRC appointed Mr. Pankaj Gupta as Senior Vice President (Legal), Company Secretary and Compliance Officer of the Company effective from 17th June, 2026.

GOVERNANCE

BOARD SKILLS

Name of Directors	Strategic Thinking, Planning and Management	Entrepreneurial and Leadership skills	Accounting, Legal and Financial Management expertise	Global Exposure	Automotive Technology	Regulatory Compliance and Stakeholder Management	Information Technology/Cyber Security	Corporate Governance, Sustainability, and ESG	Risk Management
Mr. Jeffrey Mark Overly	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vivek Vikram Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vikram Verma Vadapalli	✓	✓	✓	✓	✓	✓	-	✓	✓
Mrs. Priya Sachdev Kapur	✓	✓	✓	✓	-	✓	-	-	-
Mrs. Shradha Suri	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Manisha Girotra	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Pradip Manilal Kanakia	✓	✓	✓	✓	-	✓	✓	✓	✓
Mr. Karamendra Daulet-Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vineet Mittal	✓	✓	✓	✓	-	✓	✓	✓	✓

BOARD COMMITTEES AND MEETING ATTENDANCE



● Meetings held ● Attendance rate (%)

ETHICAL POLICIES AND GOVERNANCE FRAMEWORK

To enhance transparency and accountability, Sona Comstar has established a rigorously monitored Whistleblower Mechanism alongside a comprehensive Code of Conduct for Vendors, extending our ethical policy framework across all value chain partners. We ensure adherence to these standards through regular, mandatory training sessions led by internationally reputed law firms

and legal counsels, covering critical compliance mandates such as Anti-Bribery and Corruption, Anti-Money Laundering, Anti-Trust, and Trade Sanctions. This educational framework is further supported by mandatory e-modules training for employees, focusing on the Code of Conduct, Prevention of Sexual Harassment (POSH), Prohibition of Insider Trading, Competition Law, and Health &

Safety. Demonstrating our structural adaptability, we have successfully replicated this robust ethical and compliance framework within our newly acquired Railway Business, prioritising localised awareness sessions to embed a cohesive, regulatory-compliant culture across our entire expanded operations.

Anti-Bribery and Corruption Policy

Data Protection and Privacy Policy

Whistle Blower Policy

Policy on Prevention of Sexual Harassment at Workplace

Health and Safety Policy

Code of Conduct and Business Ethics

Code of Conduct for Prohibition of Insider Trading

Fair Work Practices Guidelines

MANDATORY ASSESSMENT TEST

Passing Score 80%

CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

Our corporate governance framework is anchored by a strict Code of Conduct for the Board and Senior Management that champions ethical governance and responsible stewardship. The Code requires our Directors and Senior Management to safeguard stakeholder interests and adhere to all regulatory mandates in both letter and spirit. Through clear operational principles, it ensures that our business affairs are conducted with complete fairness, transparency, and accountability, cementing trust at the highest levels of our organisation. The Code of Conduct has been designed to:

- Enhance the governance standards
- Serve the interests of all stakeholders
- Instil pride in association with the Company

DATA GOVERNANCE AND COMPLIANCE

Backed by global ISO 27001 certification, our enterprise-wide Cybersecurity and Data Protection Framework guarantee elite defence systems across all business locations. We treat the Personal Sensitive Information (PSI) of our workforce, leadership, and supply chain with maximum confidentiality. Furthermore, our privacy protocols are rigorously updated to meet the stringent compliance demands of the DPDP Act 2023 and GDPR, establishing a uniform culture of data integrity and digital trust across our entire corporate network.

SUCCESSION PLANNING AND CONTINUITY

We recognise that robust succession planning for Board members and Senior Management is critical to building a resilient future for the business. The Nomination and Remuneration Committee (NRC) plays a pivotal role in identifying future leaders, dedicating substantial time to working alongside the Managing Director & Group CEO on talent pipelines. This collaborative planning process ensures that our leadership continuity strategy is directly aligned with the long-term operational needs and overarching vision of the Company.

GOVERNANCE

BOARD OF DIRECTORS

As on 31st March 2026, the Board comprises of nine (9) directors, including six (6) independent directors out of which two (2) women independent directors, two (2) executive directors, and one (1) woman non-executive and non-independent director.

The Board comprises a diverse mix of experience, perspectives, skill sets, gender, industry backgrounds, and domain expertise, enabling constructive discussions and well-informed, effective decision-making.



Jeffrey Mark Overly
Chairperson and Independent Director

5 6 7 1 2 4



Vivek Vikram Singh
Managing Director & Group CEO

4 5 6 7 8



Vikram Verma Vadapalli
Whole Time Director and CEO of Driveline Business

7



Shradha Suri
Independent Director

2 3



Manisha Girotra
Independent Director

2 3 5 8



Pradip Manilal Kanakia
Independent Director

1 3



Karamendra Daulet Singh
Independent Director

2 4 1



Vineet Mittal
Independent Director

6



Priya Sachdev Kapur[®]
Non-Executive Director

3 6

Board Committees

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

● Chairperson

● Member

All of the above Committees' positions are as on 31st March, 2026

OUR MANAGEMENT



Vivek Vikram Singh
Managing Director & Group CEO



Sat Mohan Gupta
CEO, Motor Business



Vikram Verma Vadapalli
Whole Time Director and CEO of
Driveline Business



Praveen Chakrapani Rao
Group CTO



Rohit Nanda
President and Group CFO

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Management Discussion and Analysis

INDUSTRY OVERVIEW

In calendar year (CY) 2025, global automobile sales continued with the upward trajectory, with year-on-year growth rate accelerating from the last year. According to S&P Global Mobility, total global light vehicle sales reached approximately 91.94 million units in CY 2025, reflecting a 3.7% increase over the previous year.

This growth was driven by broad-base recovery across major markets after several years of disruptions. CY 2025 was also the first year in which global light vehicle sales exceeded the pre-pandemic CY 2019 level of 89.9 million units, marking a complete recovery from the COVID-era downturns and subsequent supply-chain disruptions. However, the recovery remained uneven across regions. Growth was supported by policy measures, new models and improved vehicle availability, but continued to be moderated by affordability pressures, geopolitical uncertainty, elevated interest rates, trade and tariff uncertainty, and the varied adoption of EVs across markets.

Despite persistent global headwinds, including geopolitical uncertainty, elevated borrowing costs and affordability pressures, According to S&P Global Mobility, North America and Europe recorded positive sales growth, although the pace of growth moderated in both the regions. In North America, light vehicle sales in the US are estimated to have reached around 16.37 million units in CY 2025, reflecting a modest growth of 2.1% year-on-year, supported by resilient demand despite higher vehicle prices, elevated interest rates and tariff-related uncertainty. Europe also recorded limited growth, with new car registrations increasing by 0.5% to 18.76 million units due to challenging macroeconomic environment, weak consumer sentiment and high interest rate, while the region's powertrain mix continued to shift towards hybrids and electric vehicles. Asia remained the strongest growth driver, led by China, where light vehicle sales rose 5.1% to 27.75 million units. Growth was supported by pre-buying due to trade-in incentives, rapid new energy vehicle adoption, increased competition and new model launch by local OEMs.

The global push for electrification continued in CY 2025, with electric car sales rising by more than 20% year-on-year to around 21 million units, accounting for nearly one in four cars sold globally, according to the International Energy Agency (IEA). China remained the clear leader in the transition, with NEV penetration rising to around 54% of passenger vehicle sales, supported by attractive pricing, wider model availability and continued policy support. Europe was the fastest growing EV market, with sales rising more than 30% and reaching 28% of total car sales in CY 2025, supported by tighter EU CO₂ standards. In the US, EV penetration remained relatively

stable at just under 10%, with sales momentum weakening towards the end of the year following the expiry of EV tax credits. Encouragingly, electrification trend expanded beyond the largest markets also. Overall, more than 100 countries recorded growth in electric car sales in 2025, highlighting that the transition is becoming increasingly global, even though the pace of adoption remains uneven across regions.

In India, the passenger vehicle market achieved a historic milestone in domestic sales. According to the Society of Indian Automobile Manufacturers (SIAM), domestic passenger vehicle sales reached an all-time high of 4.64 million units in FY 2025-26, registering a year-on-year growth of 7.9%. This growth was supported by improved affordability following the GST rate reduction, enhanced consumer purchasing power from personal income-tax relief, and lower financing costs due to successive repo-rate cuts by the Reserve Bank of India. Commercial vehicles also recorded strong growth, with domestic sales increasing to 1.08 million units in FY 2025-26, up 12.6% year-on-year, according to SIAM. Growth was aided by improved freight rates and the GST rate reduction, which improved vehicle affordability and supported replacement demand. Tractor demand also strengthened significantly, with domestic industry volumes crossing the one-million-unit mark for the first time, aided by GST-led affordability benefits, favourable monsoon conditions and improved rural sentiment.

Overall, the global light vehicle industry showed resilience in CY 2025, supported by strong NEV growth in China, resilient consumer demand in the US, continued powertrain transition in Europe, and a policy-led demand revival in India. However, the outlook for CY 2026 remains cautious, as affordability pressures, tariff uncertainty and US-Iran tensions around the Strait of Hormuz could weigh on demand and cost stability.

COMPANY OVERVIEW

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

It was incorporated in 1995 as Sona Okegawa Precision Forgings, a joint venture (JV) between Sona Group and Mitsubishi Materials. It pioneered the technology of precision-formed bevel gears in the Indian automotive market. Later, the Company acquired ThyssenKrupp's precision forging business, BLW, which was the inventor of this technology. In 2019, the Company acquired Comstar Automotive, which enhanced its motor capabilities and established a new brand identity: Sona Comstar. In 2023, it purchased a majority

stake in NOVELIC, adding expertise in radar sensing and perception. In 2025, Sona Comstar took another important step in broadening its focus beyond automotive by completing the acquisition of the Railway Business from Escorts Kubota Limited, marking its entry into the railway sector.

Headquartered in Gurugram, India, Sona Comstar is a leading supplier for the fast growing global EV market, with 35% of its automotive revenues from the EV market. It is also a global supplier with 12 manufacturing and assembly facilities across India, US, Mexico, and China, and 49% of its sales are for international markets. The Company has a diversified revenue base across geographies, products, vehicle segments, and customers.

With a robust emphasis on research and development across its five R&D centres, Sona Comstar develops advanced drivetrain systems and high-performance motors for electric mobility, mmWave (Millimeter-wave) radar sensors and perception solutions for autonomous and connected applications, and safety-critical solutions for railway applications. It aims to be at the forefront of shaping the next generation of mobility technology and providing sustainable solutions for customer's evolving needs. It aspires to become one of the world's most respected and valuable mobility technology companies for its customers, employees and shareholders.

BUSINESS PERFORMANCE

In FY 2025-26, the Company delivered a strong performance despite a volatile operating environment marked by tariff uncertainty, geopolitical developments, supply-chain challenges and changing customer demand patterns. Revenue grew 26% year-on-year, supported by the consolidation of the railway business, ramp-up of existing and new programmes, and growth in key product categories, including EV traction and suspension motors. EBITDA and PAT grew by 13% and 10% year-on-year respectively, reflecting disciplined execution despite inflationary and operating headwinds.

This consistent growth trajectory is a result of the Company's disciplined execution of its four strategic priorities: electrification, global market significance, diversification, and technology.

Electrification

FY 2025-26 was a challenging but resilient year for the Company's electrification business. BEV revenues were impacted in the first quarter by customer-specific demand weakness, China's rare-earth magnet export controls, supply-incoterm changes and tariff uncertainty. However, performance recovered steadily, with the fourth quarter becoming the Company's best-ever quarter for BEV revenue and BEV revenue share. For the full year, BEV revenue share stood at 35% of automotive product revenue, nearly similar to 36% in FY 2024-25.

During the year, the Company won nine EV programmes and added three customers, taking the total number of EV programmes to 67 across 35 customers. Among our most notable programme wins were an INR 15.5 billion order to supply differential assemblies with final drive gear for a new electric passenger vehicle platform of a traditional North American OEM, and two nominations worth INR 8.2 billion for integrated motor controller modules for active suspension systems from an Asian EV OEM and a European luxury performance OEM.

The other programme wins were spread across diverse customers, geographies and applications, including traction motors for an Indian electric three-wheeler, the first order for the Company's Mexico driveline plant for a North American recreational off-highway vehicle OEM, differential gears and assemblies for European OEMs across BEV platforms, and EV differential assemblies for Indian and European OEMs. The Company also secured a programme for a hybrid platform, reinforcing its view that hybrid vehicles also represent an opportunity for its product portfolio.

Global market significance

The Company continued to maintain its position as one of the world's leading suppliers of precision driveline systems, with global market share largely stable at 8.7% in differential gears and 4.2% in starter motors in CY 2025 compared to the previous calendar year. The marginal movement in market share was largely mix-driven, as incremental light vehicle production growth was disproportionately led by China; excluding China, the Company gained market share in differential gears. During FY 2025-26, it secured orders worth INR 57 billion, taking its net order book to INR 237 billion or approximately USD 2.5 billion, with around 70% contribution from EV programmes, reflecting its continued relevance in the global powertrain transition. (Net order book means the aggregate revenue from awarded programmes, which are either yet to start production or fully ramp up in the next 10 years, after adjusting for the negative impact of all programmes expected to reach the end of life or be phased out. We have also applied a discount to accommodate any unforeseen delays or changes in programme launches that may happen in the future. Net order book includes Railway business order book, which is based on the purchase orders received from the customers to be executed largely within next 12 months)

Diversification

Diversification remained a core pillar of the Company's strategy, and FY 2025-26 marked tangible progress across geographies, products and market segments. In terms of geography, India became the largest end market, contributing 51% of revenue compared with 29% in FY 2024-25, while Eastern markets such as India and China put together contributed 56% of revenue compared to 35% last year. For

the first-time since listing, Eastern markets accounted for the majority of the revenue, reflecting progress under our ‘Look East’ strategy. In terms of products also, we were able to achieve significant diversification. In the previous year, the top four products contributed 86% of revenue, whereas in FY 2025-26, the same revenue share was spread across the top eight products, effectively doubling the number of meaningful revenue contributors. In terms of market segments, the share of non-automotive revenue also increased from 9% to 31%, supported by the railway business acquisition and growth in off-highway applications. In terms of powertrain, our automotive revenue mix remained largely similar to that of the previous year. Together, these developments show that the Company’s revenue base is becoming broader, more balanced and less dependent on any single geography, product, customer or end market.

Technology

Technology and new product development remained central to the Company’s growth strategy. During the year, the acquisition of the Railway Business expanded the Company’s product portfolio to include railway brake systems, dampers, couplers and friction products.

Further during the year, the Company also commercialised three products: hydraulic motor controller, railway HVAC systems and railway electric panels. Hydraulic motor controller was developed leveraging our strengths in motors and controllers to develop the solution for a new application outside the current product portfolio.

Building further on the product portfolio of the Railway Business, it received approvals to supply HVAC systems and electric panels in FY 2025-26. These developments expanded the Company’s railway product offering beyond safety-critical brake systems and couplers to include products that enhance passenger comfort.

The Company also expanded its technology roadmap into emerging mobility applications. During the year, it collaborated with Neura Robotics to jointly develop advanced components and technologies for robots, cobots and humanoids in India and other markets. This is aligned with the Company’s ambition to evolve from automotive technology to mobility technology. Across cars, trains, drones, robots, eVTOLs, AGVs and humanoids, the underlying engineering requirements remain motion, actuation, control and power transmission — areas where Sona Comstar has built deep capabilities over many years. This roadmap reflects the Company’s evolution from components to sub-systems and systems, enabling it to deliver greater value to customers across the evolving E.P.I.C. mobility ecosystem.

OPPORTUNITIES

As Sona Comstar continues its journey to enable E.P.I.C. mobility through innovative products and technologies, the Company remains focussed on identifying and capitalising on emerging growth opportunities by leveraging its core strengths in precision engineering, drivetrain systems, motors, sensors, controllers and embedded technologies.

Over the past decade, the Company’s growth has been primarily driven by the introduction of new product verticals in the automotive sector, particularly in the electrification domain, such as final drive differential assemblies, traction motors and suspension motors, as well as by expanding its footprint in key Western markets, including North America and Europe.

Looking ahead, the Company sees significant opportunity in three key areas: adding intelligent and connected solutions to the product portfolio, expanding into new mobility segments, and broadening its global presence across both Western and Eastern markets. The objective is to build a more diversified, technology-led and resilient mobility business.

New product verticals in mobility

Technological advancements and evolving consumer preferences are reshaping the mobility landscape. While the global light vehicle market has recovered from the sharp decline seen during the pandemic, it is yet to recover to its historical peak of 95 million annual vehicle sales recorded in CY 2017. While the market has shown signs of recovery since the sharp decline in the pandemic year (CY 2020), long-term growth remains constrained by shifting consumer attitudes towards vehicle ownership and a global emphasis on sustainable transportation. In response, Sona Comstar has adopted a strategy focussed on increasing value per vehicle by expanding its focused portfolio and addressing more systems across the mobility value chain.

The Company has continued to develop and commercialise products such as final drive differential assemblies, EV transmission gears, traction motors, motor controllers, suspension motors and in-cabin sensing solutions. It is also expanding its technology roadmap into products and systems that can serve both automotive and non-automotive mobility applications.

Beyond the automotive sector, the Company sees attractive long-term opportunities in railways, drones, electric vertical take-off and landing aircraft (eVTOLs), automated guided vehicles (AGV), autonomous mobile robots (AMRs), industrial robots and humanoid robots. Most of the emerging segments are aligned with Sona Comstar’s existing capabilities in gears, motors, controllers, sensors, embedded hardware and software.

Railways represent one of the cleanest and most efficient modes of mass transportation. During the year, Sona Comstar entered the railway segment through the acquisition of the railway business from Escorts Kubota Limited. This acquisition provides the Company with a platform to participate in a large and growing mobility segment, while also expanding its product portfolio beyond automotive. The Indian Railway is the third largest railway system globally. As per Invest India, the railway sector in India is projected to experience a 29% increase in passenger traffic from CY 2021 to CY 2031 and a 25% rise in rolling stock demand between CY 2026 and CY 2031.

The acquired railway business gives Sona Comstar a strong starting position in railway braking systems in India. There are still ample opportunities to expand across rolling stock categories where the Company does not have a strong presence, including locomotives and high-speed platforms like Amrit Bharat, Vande Bharat and Metro. The Company also intends to expand into new railway product verticals such as HVAC systems, electric control panels, air springs and automatic plug door systems. These opportunities provide a long-term growth runway and support the Company’s strategy of diversifying into mobility segments going beyond traditional automotive.

The eVTOL market has gained considerable momentum in recent years. Bain & Company projects that by 2035, small eVTOL aircraft will be used for passenger and cargo transport across urban and remote regions, with the global fleet expected to reach 12,000 units by 2035 and 45,000 by 2040 [Source: Advanced Air Mobility: What Electric Air Taxis Need to Take Off – Bain & Company, 2024]. Sona Comstar has an MoU with The ePlane Company to collaborate on the development of powertrain for eVTOL and drones and is actively working on the development of some of the components.

The advancement in industrial automation is driving global demand for different forms of robotics such as industrial robotics, AGVs, AMRs, and humanoid robots. According to World Robotics 2025 Report of International Federation of Robotics (IFR), 542,000 industrial robots were installed in CY 2024, more than double the number 10 years ago and topped 500,000 units for the fourth year in a row. IFR expects annual installations of industrial robots to exceed the 700,000 units mark by CY 2028.

According to CNMRA, AGV and AMR markets have grown at 26.4% compound annual growth rate between CY 2020 and CY 2025 and are anticipated to post compound annual growth rates of 20.3% till CY 2030. Sona Comstar has commenced technology development initiatives to address these emerging segments. Humanoid robots also present a compelling opportunity, driven by advancements in artificial intelligence, 3D perception, and control technologies. As per Counterpoint research, global humanoid installations reach 16,000 units in 2025. According to Bank of America, the humanoid robot market is expected to reach annual sales of 10 million units by

CY 2035 [Source: Who Makes the Humanoid Robot? – BofA Global Research, 2025].

With its robust capabilities in gears, motors, controllers, and embedded hardware and software, Sona Comstar is well-positioned to target all these robotics segments.

Geographical diversification and supply chain realignment

The global mobility supply chain is seeing signs of structural realignment. Geopolitical uncertainty, tariff actions and concentration risks are encouraging OEMs and Tier-1 suppliers to build more resilient and diversified supply chains. India is increasingly emerging as a credible manufacturing and export hub for precision-engineered products, supported by its engineering talent, cost-competitiveness and improving supplier ecosystem. For Sona Comstar, this creates an opportunity to further strengthen its position as a reliable, globally competitive supplier to customers across Western markets such as North America and Europe.

At the same time, Eastern markets such as India and the rest of Asia are becoming increasingly relevant for vehicle production, electrification and mobility innovation. In addition to EVs, Eastern markets also hold significant positions in other mobility domains, including railways, industrial robots, and humanoid robots. For instance, a Morgan Stanley report indicates that 77% of humanoid robot integrators are based in Asia [Source: The Humanoid 100: Mapping the Humanoid Robot Value Chain – Morgan Stanley, 2025]. While continuing to strengthen its market share in Western regions, Sona Comstar is intensifying its focus on Eastern markets to tap into both automotive and non-automotive mobility opportunities.

The opportunity ahead is to participate in global supply chain realignment while also deepening the Company’s presence in higher growth Eastern markets.

Emerging mobility trends – Electric, intelligent and connected

Despite near-term uncertainties in the global automotive industry, the long-term direction of mobility continues to move towards electrification, intelligence and connectivity. According to the IEA’s Global EV Outlook 2026, global electric car sales, including battery electric vehicles and plug-in hybrid electric vehicles, exceeded 20 million units in CY 2025, an increase of more than 20% over the previous year. The share of electric cars in total vehicle sales increased from 20% in CY 2024 to 25% in CY 2025. China led the market with a 63% share, followed by Europe and the US. Under the IEA’s Stated Policies Scenario (STEPS), electric vehicles are projected to constitute 53% of global car sales by CY 2035.

Sona Comstar has aligned its product and technology roadmap with this transition over the past decade. The Company’s portfolio in differential assemblies, EV transmission gears, traction motors, and motor controllers is well aligned with the increasing electrification of powertrains. As electrification continues to expand across vehicle segments and

geographies, the Company believes there will be increasing opportunities to grow content per vehicle and participate in new programmes across global customers.

At the same time, mobility is becoming more intelligent. Vehicle architectures are evolving from distributed electronic control units towards more centralised CPUs and software-defined platforms. This is increasing the role of sensors, controllers, embedded software and advanced electronics in the vehicle. Assisted and autonomous driving technologies are also expected to increase the sensing and computing content in future vehicles. According to Goldman Sachs, by 2030, Level 3 autonomous vehicles, capable of hands-free, eyes-off driving in specific conditions, could account for up to 10% of global new car sales, while Level 4 and above fully autonomous vehicles may represent 2.5% of total sales [Source: Partially autonomous cars forecast to comprise 10% of new vehicle sales by 2030 – Goldman Sachs, 2024].

This transition is closely aligned with Sona Comstar’s expanding technology roadmap. Through NOVELIC’s sensing and perception technologies, the Company is building capabilities in in-cabin and short range radar sensors. These technologies can support OEMs in meeting evolving safety and ADAS requirements, including those emerging for commercial vehicles in India.

Connectivity is another important pillar of next-generation mobility. Vehicles are increasingly expected to communicate with users, infrastructure, networks and other vehicles. Vehicle-to-Everything (V2X) communication, including Vehicle-to-Customer (V2C), Vehicle-to-Vehicle (V2V), and Vehicle-to-Infrastructure (V2I), is expected to enhance safety, diagnostics, and efficiency, paving the way for smart cities. A McKinsey mobility survey found that 69% of respondents wanted more connectivity services in their next vehicle, highlighting the growing importance of connected features in mobility [Source: Spotlight on Mobility Trends – McKinsey, 2024], while BCG projects that by 2035, connectivity will be embedded in 100% of new vehicle sales [Source: What Will AI Do for Mobility? – BCG, 2024].

THREATS, CONCERNS, AND RISKS

Sona Comstar has a robust framework for anticipating, monitoring, and mitigating risks. The Company’s systems, processes, standards, code of conduct, organisational structure and review mechanisms enable it to operate with resilience and agility in an increasingly uncertain external environment.

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

Geopolitical uncertainty

The Company’s performance is closely linked to the global automotive sector, including key markets such as North America, Europe, India, and Asia (excluding India). With operations spanning multiple countries, the Company is exposed to changes in legal, regulatory, tariff and trade environments. Geopolitical tensions, tariff actions or other protectionist policies, logistics disruptions or changes in cross-border trade rules could adversely affect customer demand, supply chains, costs and overall business performance.

Supply chain changes and material availability

The automotive and mobility supply chain remains vulnerable to disruptions arising from geopolitical actions, logistics bottlenecks and sudden changes in demand. Availability of critical inputs, including energy supplies, rare-earth materials, electronic components and specialised raw materials, can affect production schedules and customer deliveries. While the Company continues to strengthen supplier diversification, improve inventory planning, and increase localisation of critical components, prolonged supply disruptions could impact operations.

Volatility in raw material prices

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

Pandemic and similar disruptions

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

Change in regulations and industry trends

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

Risk Mitigation and Internal Controls

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

Resilience

FY 2025-26 tested the resilience of Sona Comstar. The Company faced rare-earth magnet supply disruptions, tariff and trade uncertainty, customer-specific volatility, inflationary pressures on raw materials and continued stress across global supply chains. These challenges affected demand visibility, production planning and customer behaviour across markets.

The rare-earth magnet supply disruption was one of the defining challenges of the year. Export control on heavy rare earth magnets by China created uncertainty across the EV supply chain and had the potential to affect traction motor production. Sona Comstar responded with agility. Its engineering and operations teams worked closely with customers and suppliers to redesign motor architectures within four weeks and ensured customer schedules were not impacted.

At the same time, tariff and trade tensions created stress across the world. OEMs and Tier-1 suppliers became more cautious on sourcing and regional exposure. However, this uncertainty also highlighted the need for reliable and globally competitive supply partners. During the year, Sona Comstar secured large orders from North America and multiple orders from traditional European OEMs, reflecting continued customer confidence even in a volatile environment.

The Company’s performance through the year mirrored this adaptability. After one of the most difficult first quarters since listing, Sona Comstar recovered sharply and exited the year with its best-ever quarter. FY 2025-26, therefore, showed not only resilience, but anti-fragility — the ability to adapt, respond and emerge stronger from disruption. It reinforced the importance of diversification across customers, products, geographies and technologies, and reaffirmed the strength of the Company’s engineering-led culture.

OUTLOOK

FY 2025-26 was a year of steady growth and strategic realignment for the global automotive industry. Vehicle demand remained broadly resilient, but growth was modest and varied significantly across regions. The industry continued to navigate affordability pressures, elevated interest rates, tariff and trade-related uncertainty, and geopolitical tensions across key markets. Supply chains continued to face pressure from critical material availability, including rare earths and electronic components. At the same time, the industry continued to move towards electrification, software-defined

vehicles, and connectivity and advanced driver assistance systems, reinforcing a long-term shift towards electric, intelligent and connected mobility.

According to S&P Global Mobility, global light vehicle sales are expected to decline 1.6% year-on-year in CY 2026. The moderation is expected to be driven by tariff-related cost pressures, high interest rates, affordability challenges, softer consumer sentiment, and subsidy cuts in the key markets of China and the US. Geopolitical tensions, including the West Asia conflict, could further weigh on the outlook by adding pressure on energy prices, logistics networks and global supply chains. As a result, the global automotive industry is expected to operate in a more challenging volume environment.

Growth across key markets is, however, expected to remain uneven. As per S&P Global Mobility, the two largest markets, China and the US, are expected to face near-term pressure, driven by the expiry of trade-in incentives in China and vehicle price inflation, along with the phase-out of EV subsidies in the US. In contrast, the next five largest light vehicle markets — India, Japan, Germany, Brazil and the UK — are expected to record growth. Among the top 25 light vehicle markets globally, India is expected to be the fastest-growing market.

Despite this more challenging outlook for global volumes, electrification is expected to continue gaining share within the global automotive industry. According to the IEA, global electric car sales are expected to grow 10% year-on-year to reach 23 million units in CY 2026, representing 28% of total car sales. Higher oil prices, lower running costs for EVs and continued policy support across several markets are expected to support EV adoption, even as policy changes in China and the US create near-term moderation. Europe is expected to see the strongest growth among major markets, with one in three cars sold projected to be electric, while China’s EV share is expected to approach 60% of total car sales. Growth is also expected to remain strong in Asia Pacific markets outside China and in Latin America, reinforcing the long-term shift towards electrification.

India’s railway sector is expected to see sustained growth across both freight wagons and passenger coaches. Freight wagon demand will be supported by continued infrastructure investments, including dedicated freight corridors, network electrification, port and industrial connectivity, and the government’s focus on increasing the share of rail in freight movement. Passenger coach demand is expected to grow with rapid urbanisation, rising income levels and improving affordability of train travel. In addition, the modernisation of passenger trains is expanding the market for safer, faster and more comfortable rail mobility. Together, these trends create a favourable long-term opportunity for suppliers of railway systems and components, including wagons, coaches, brake systems, couplers, dampers and other critical railway products. The outlook for the sector remains positive for the coming year, supported by continued government investment.

The Union Budget 2026-27 allocated a record capital expenditure of INR 2,930 billion for the Indian Railways, an increase of 10.5% over the revised estimate for FY 2025-26. This reinforces the government's focus on strengthening the railway ecosystem in India. Sona Comstar has diversified its product portfolio to align with the long-term shift towards electric, intelligent and connected mobility. Its capabilities across differential assemblies, reduction gears, traction motors, motor controllers, suspension motors, sensors and embedded technologies position the Company to participate in both automotive and mobility opportunities.

In the EV sector, the long-term direction remains positive despite near-term regional variations. During 2025, OEMs and suppliers continued to focus on improving EV affordability, reducing system costs and developing more efficient component solutions. The Company is well-positioned to capatilise on this megatrend, supported by its robust capabilities in EV technologies.

The rise of autonomous vehicles is also driving demand for diverse sensor technologies and advanced perception software. These developments, along with increasing digitalisation and connectivity, are expected to deliver safer, cleaner, and more personalised mobility experiences. The Company is also building capabilities aligned with the

increasing intelligence and connectivity of vehicles. Through NOVELIC's sensing and perception capabilities, Sona Comstar is strengthening its position in in-cabin sensing and short-range radar applications, which are relevant for evolving safety and ADAS requirements.

The modernisation of the railways is also opening up opportunities for railway systems suppliers. As trains become faster, safer and more comfortable, the component and system content per coach is increasing meaningfully. This is creating demand for advanced brakes, suspension systems, high-performance couplers, air springs, HVAC systems, electric panels, automatic doors and vacuum evacuation systems. This transition is expanding the addressable market for suppliers.

To support these opportunities, the Company continues to invest in research and development, engineering capability and technology partnerships. Its growth strategy remains anchored in four priorities: electrification, global market significance, diversification and technology.

Looking ahead, Sona Comstar will continue to build a more diversified and technology-led mobility business. The Company believes this focus will help it navigate industry volatility and create long-term value for stakeholders.

FINANCIAL OVERVIEW

Consolidated income statement summary

Particulars (in INR million)	FY 2025-26	FY 2024-25	YoY Change (%)
Net Revenue from Operations ¹	44,495	35,460	25%
Total Expenditure	36,795	28,638	28%
EBITDA	11,069	9,753	13%
Other Income	970	1,269	-24%
Finance Cost	235	302	-22%
Depreciation	2,877	2,544	13%
Adjusted PBT ²	8,926	8,176	9%
PBT	8,416	7,983	5%
Tax	2,124	1,986	7%
PAT	6,402	6,012	6%
EPS (Diluted)	10.30	9.92	4%

¹Includes Foreign Exchange Gain (net).
²Adjusted PBT is PBT plus exceptional expense or minus exceptional income.

Revenue from Operations:

The consolidated revenue in FY 2025-26 grew 26% over FY 2024-25. The growth in consolidated revenues was primarily driven by ramp-up of sales volume for electric vehicle (EV) programmes in European and Indian markets along with consolidation of the railway business. Despite weakness in our anchor EV customer and a 16% decline in US BEV industry sales for FY 2025-26, our BEV revenues fell only by 5.6% year-on-year, reflecting greater diversification across customers, programmes, products and geographies.

Expenditure

The total expenditure registered a year-on-year increase of 28% at INR 36,795 million in FY 2025-26 compared to 28,638 million during FY 2024-25.

Expenditure breakup (INR million)	FY 2025-26	% of Total Income	FY 2024-25	% of Total Income	YoY Change (%)
Material Cost ¹	20,968	47%	15,447	43%	36%
Employee Cost	4,342	10%	3,150	9%	38%
Finance Cost	235	1%	302	1%	-22%
Depreciation	2,877	6%	2,544	7%	13%
Other Expenses	8,373	19%	7,195	20%	16%
Total Expenses	36,795	82%	28,638	81%	28%

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

Material cost

The cost of materials consumed primarily includes the cost of raw materials, such as special steel alloy bars, iron castings, steel blanks and bolts, for the manufacturing of differential gears, differential assemblies and steel forgings. It includes cost of copper enamelled wires, machined aluminium pressure die castings, bearings, magnets, plastic moulded components and other proprietary parts for manufacturing starter motors and traction motors. For railways business, the cost of raw materials includes iron castings, aluminium castings, cables, elastomeric pads, reservoirs, anti-skid device, speed sensors and other proprietary parts for manufacturing braking system, couplers, suspension products, friction products and heating elements. Material cost accounted for 47% and 43% of the total income for FY 2025-26 and FY 2024-25, respectively. Material cost increased as a percent of total income primarily due to change in product mix.

Employee benefit expenses

Employee benefit expenses primarily include salaries, wages, bonus paid to employees and employee welfare expenses. It increased by 38% to INR 4,342 million in FY 2025-26 from INR 3,150 million in FY 2024-25, mainly due to the consolidation of the railways business, higher employee count to support the increased scale of operations, and annual salary increments.

Finance costs

Finance costs decreased by 22% to INR 235 million in FY 2025-26 from INR 302 million in FY 2024-25. The decline is primarily because of certain loans availed during the middle of FY 2024-25.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by 13% to INR 2,877 million in FY 2025-26 from INR 2,544 million in FY 2024-25. The increase was primarily due to the consolidation of the railways business, amortisation of intangible assets recognised pursuant to the acquisition, and additions to property, plant and equipment during the year. This increase was partly offset by a reduction of INR 329

million in depreciation charge during the year, arising from the reassessment of useful lives of certain assets.

Other expenses

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

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

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

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

Other expenses decreased to 19% of the total income in FY 2025-26 from 20% of the total income in FY 2024-25. This decrease was primarily due to a change in product mix and operational efficiency gains.

Exceptional items

Exceptional items increased to INR 510 million in FY 2025-26, compared to INR 193 million in FY 2024-25. This was mainly due to a one-time impact of INR 401 million arising from the new labour code. The remaining amount primarily represents costs incurred in relation to various acquisition opportunities.

Tax expense

Our tax expense was INR 2,124 million (ETR 25.2%) in FY 2025-26, compared to INR 1,986 million (ETR 24.9%) in FY 2024-25.

EBITDA, PBT and PAT

As a result, EBITDA for FY 2025-26 increased to INR 11,069 million from INR 9,753 million in FY 2024-25 and Adjusted PBT for FY 2025-26 increased to INR 8,926 million from INR 8,176

million in FY 2024-25. PAT for FY 2025-26 increased to INR 6,412 million from INR 6,012 million in FY 2024-25.

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

Description – Borrowings (INR million)	As on Mar 2026	As on Mar 2025
Long-term Borrowing	84	80
Short-term Borrowing	2,343	55
Total Debt	2,427	135
Cash & Cash Equivalent and Other Bank Balances	3,484	13,016
Current Investment	4,999	8,185
Fixed Deposits (part of other financial assets)	3,806.43	5,525
Net Debt/(Cash)	-10,262	-26,591

Net Cash decreased due to acquisition of Railway Equipment Division from Escorts Kubota Limited for INR 16,426.32 million during the year.

Key financial ratios:

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

Key Financial Ratios	FY 2025-26	FY 2024-25
Operating Profit/EBITDA Margin (%)	24.7%	27.4%
Net Profit/PAT Margin (%)	14.1%	16.9%
Net Debt to Equity ¹	-17.2%	-48.4%
Net Debt to EBITDA ¹	-92.7%	-272.6%
Return on Equity (%) ¹	13.2%	17.7%
Return on Capital Employed (%) ¹	15.4%	18.4%
Working Capital Turnover	3.8	5.0
Current Ratio ¹	3.4	6.9
Receivables Turnover	4.8	5.2
Inventory Turnover	9.2	10.2
Interest Coverage Ratio	36.8	27.5

Basis of calculation of the ratios

- Net Debt to Equity is calculated as short-term and long-term debt less cash, bank balances and mutual fund investments / Equity
- Net Debt to EBITDA is calculated as short-term and long-term debt less Cash and bank balances and mutual fund investments/ EBITDA
- ROE (%) is calculated as PAT/ Average tangible net worth
- ROCE (%) is calculated as EBIT/ Average tangible capital employed
- Working Capital Turnover calculated as Revenue / Average net working capital
- Current Ratio is calculated as Current Asset / Current Liabilities
- Receivables Turnover is calculated as Revenue from Operations / Average Receivables
- Inventory Turnover is calculated as Revenue from Operations / Average Inventory

- Interest Coverage Ratio is calculated as EBIT / Interest Expense

SUSTAINABILITY

Sona Comstar remains deeply committed to sustainable practices, strong corporate governance, and social responsibility. In FY 2025-26, the Company published its fourth sustainability report, outlining ambitious environmental, social, and governance (ESG) targets. These targets span energy and emissions management, water conservation, waste reduction, air quality improvement, afforestation, employee health and safety, women’s empowerment, community development, and governance excellence.

The Company recognises the importance of addressing climate change and is actively working to reduce its environmental footprint. Its commitment to diversity, equity, and inclusion is unwavering, and it continues to uphold the highest standards of governance. Sona Comstar has been rated in the Strong category by CRISIL ESG Ratings, with an ESG score of 62. CRISIL’s framework assesses companies on a 0–100 scale, using more than 500 ESG indicators across environmental, social and governance parameters. The score

places Sona Comstar among the leading ESG performers in India’s automotive ecosystem. The Company ranked 2nd among 56 listed auto component companies assessed by CRISIL and 6th among 69 listed companies across the broader auto and auto component sector. Sona Comstar has also been place in the category of 'Very Good' with an overall ESG score of 79 out of 100, by CFC Finlease Private Limited, an ESG rating provider. This reflects Sona Comstar’s continued focus on responsible growth, strong governance and environmental stewardship.

Environmental stewardship

A key pillar of the Company’s environmental strategy is the development of advanced products for electric mobility, with a target of achieving 45% of revenue from EV-focused products. In FY 2025-26, the Company achieved strong results by improving its energy intensity by 14%, emission intensity by 15% and water intensity by strongly 25% as compared to the previous year. Our onsite rooftop solar arrays generated 16,847 GJ in FY 2025-26, covering roughly 4% of our total consumption. Beyond our immediate footprint, we have secured partnerships with CleanMax for captive solar projects in Haryana (14.85 MWp) and Maharashtra (4.00 MWp), while also progressing with the setup of 2.5 MWp group captive facility at our Chennai plant with CleanTech.

During the year, Sona Comstar continued its partnership with CATCH Foundation under the Swachh Bharat Programme to restore green cover through the Miyawaki afforestation technique. The initiative involved planting over 23,000 native and bamboo saplings in Manesar, supported by soil restoration, drip irrigation and long-term maintenance systems. Designed to improve biodiversity, restore ecological balance and strengthen climate resilience, the project has begun transforming barren land into a thriving green space, with visible improvement in vegetation cover and early signs of ecological recovery.

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

Social impact

The Company places its people at the centre of its success. It fosters a safe, inclusive, and empowering workplace where employees can realise their full potential.

The Company promotes workforce diversity across gender, age, region, and background. As of the end of FY 2025-26, it employed over 6,000 individuals, with more than 6% representation of women. Continuous learning is a core value, for which, the Company continuously trains its employees to enhance their technical, compliance, and behavioural competencies.

Beyond its workforce, Sona Comstar is committed to uplifting communities through its CSR initiatives. In partnership with FITT, IIT Delhi, the Company committed INR 80 million to support 17 early-stage mobility-tech startups, helping develop market-ready solutions across motors, batteries, hydrogen, and EV charging.To strengthen better learning environment, in Nuh, the Company upgraded two schools serving around 1,500 students with RO water systems, solar power with UPS backup, science labs, and digital connectivity. The Company also supported 666 students through remedial education, enabled 100 students to re-enter education through NIOS pathways, and maintained 10 government schools covering 6,670 students in Tamil Nadu. Additionally, we supported women's education through a scholarship program with Ashoka University where we supported women scholars from financially constrained backgrounds with 80–100% financial aid.

Governance excellence

Sona Comstar is committed to maintaining the highest standards of corporate governance, which it views as the foundation of a sustainable and resilient organisation. The Company has also set its Governance Goals with the United Nation Sustainable Development Goals (UN SDGs). The Company has also conducted training and orientation sessions for its employees and directors on ethical issues e.g. anti-bribery and corruption, anti-money laundering and trade sanctions by domestic and international reputed law firms/ counsels. During the year the Company has implemented mandatory e-module training on the Code of Conduct and Prevention of Sexual Harassment, Prohibition of Insider Trading, Competition/Anti-Trust Law and Health & Safety, for the employees of the Company followed by an assessment test. The detailed Corporate Governance Report is attached to this Board Report as Annexure-A.

Board's Report

Dear Shareholders,

The Board of Directors is delighted to present the 30th (Thirtieth) Annual Report on the business and operations of Sona BLW Precision Forgings Limited (“Company” or “Sona Comstar”), together with the audited standalone and consolidated financial statements for the financial year ended on 31st March, 2026, highlighting the Company’s performance and progress during the Financial Year 2025-26.

1. FINANCIAL AND OPERATIONS HIGHLIGHTS

(INR in million)

Financial Year	Standalone		Consolidated	
	2025-26	2024-2025	2025-26	2024-2025
Revenue from Operations	41,550.71	32,327.98	44,751.48	35,545.35
Other Income	1,146.78	1,407.78	969.65	1,269.16
Total Income	42,697.49	33,735.76	45,721.13	36,814.51
Total expenses	33,617.06	25,827.74	36,795.14	28,638.31
Profit before exceptional items and tax	9,080.43	7,908.02	8,925.99	8,176.20
Less: Exceptional Items	507.91	192.85	509.81	192.85
Profit before tax	8,572.52	7,715.17	8,416.18	7,983.35
Less Total Tax Expenses	2,108.37	1,918.29	2,124.28	1,986.47
Profit for the period/year	6,464.15	5,796.88	6,291.9	5,996.88
Other comprehensive (loss)/ income for the period/ year	(2,63.69)	6.08	319.07	42.58
Total comprehensive income for the period/ year	6,200.46	5,802.96	6,610.97	6,039.46
Earnings per share (Basic) (in INR)	10.40	9.57	10.30	9.92
Earnings per share (Diluted) (in INR)	10.40	9.57	10.30	9.92

Standalone

The standalone revenue (revenue from operations plus foreign exchange (net)) increased by 28.52% to INR 41,550.71 million for Financial Year 2025-26 from INR 32,327.98 million for Financial Year 2024-25, primarily driven by ramp-up of sales volume for electric vehicle (EV) programs in European and Indian market along with consolidation of railway business. Profit before exceptional items and tax in Financial Year 2025-26 was INR 9,080.43 million as compared to INR 7,908.02 million in Financial Year 2024-25, reflecting an increase of 14.82% from the previous year. Profit after tax (PAT) in the Financial Year 2025-26 was INR 6,464.15 million as compared to INR 5,796.88 million in Financial Year 2024-25, reflecting an increase of 11.51% from the previous year.

Consolidated

The consolidated revenue (revenue from operations plus foreign exchange (net)) increased by 25.90% to INR 44,751.48 million for Financial Year 2025-26 from INR 35,545.35 million for Financial Year 2024-25, primarily driven by ramp-up of sales volume for electric vehicle (EV) programs in European and Indian market along with consolidation of railway business. Profit before exceptional items and tax in Financial Year 2025-26 was INR 8,925.99 million as compared to INR 8,176.20 million in Financial Year 2024-25, reflecting an increase of 9.17% from the previous year. Profit after tax (PAT) in the Financial Year 2025-26 was INR 6,291.9 million

as compared to INR 5,996.88 million in Financial Year 2024-25, reflecting an increase of 4.92% from the previous year.

2. PERFORMANCE OF THE COMPANY AND INDUSTRY OVERVIEW

In Financial Year 2025-26, your Company delivered a strong performance despite a volatile operating environment marked by tariff uncertainty, geopolitical developments, supply-chain challenges, rare-earth magnet availability issues and changing customer demand patterns. Consolidated revenue grew by 26% year-on-year, supported by the consolidation of the railway business, ramp-up of existing and new programmes, and growth in key product categories including EV traction and suspension motors. EBITDA and PAT grew by 13% and 10%, respectively, reflecting disciplined execution despite inflationary and operating headwinds.

The Company showcased resilience and agility during the year. The first quarter was affected by customer-specific demand weakness, China’s rare-earth magnet export controls and tariff uncertainty. However, performance recovered steadily through the year, and the fourth quarter became the Company’s best-ever quarter across several key metrics, including revenue, EBITDA, PAT, BEV revenue and BEV revenue share. For the full year, BEV revenue share stood at 35% of automotive product revenue, broadly similar to the previous year, demonstrating the continued relevance

of the Company’s EV portfolio despite near-term volatility in global EV markets.

The global automotive industry continued to recover in CY2025, with S&P Global Mobility estimating global light vehicle sales at approximately 91.94 million units, up 3.7% year-on-year. This was also the first year in which global light vehicle sales exceeded the pre-pandemic CY2019 level of 89.9 million units, marking a full recovery from the COVID-era and supply-chain disruptions. However, the recovery remained uneven across regions, supported by policy measures, new model launches and improved vehicle availability, but moderated by affordability pressures, elevated interest rates, geopolitical uncertainty, and trade and tariff-related developments. Electrification also continued to gain share, with global electric car sales rising by more than 20% to around 21 million units, accounting for nearly one in four cars sold globally.

In addition to sustaining growth through a challenging year, your Company advanced its business development efforts and secured orders worth INR 57 billion during FY 2025-26. This took the Company’s net order book to INR 237 billion, with around 70% contribution from EV programmes. During the year, the Company won nine new EV programmes and added three new EV customers, taking the total number of EV programmes to 67 across 35 customers. These order wins were spread across customers, geographies and applications, reinforcing the strength of the Company’s diversified EV business.

Diversification remained a key strategic priority during the year. India became the Company’s largest end market, contributing 51% of revenue compared with 29% in the previous year. Eastern markets, including India and China, contributed 56% of revenue compared with 35% last year. For the first time since listing, Eastern markets accounted for the majority of the Company’s revenue, reflecting progress under its “Look East” strategy. Product diversification also improved meaningfully. In the previous year, the top four products contributed 86% of revenue; in FY 2025-26, the same share was spread across the top eight products, indicating a broader and more balanced revenue base.

During the year, your Company also took an important step in broadening its focus beyond automotive by completing the acquisition of the Railway Business from Escorts Kubota Limited. This acquisition marked the Company’s entry into the railway sector and expanded its product portfolio to include brake systems, dampers, couplers and friction products. Railways represent one of the cleanest and most efficient modes of mass transportation and align well with the Company’s focus on sustainable mobility. The acquired business gives your Company a strong platform to participate in the modernisation of Indian Railways and expand into adjacent products such as HVAC systems, electric panels, air springs and automatic plug door systems.

Technology and innovation remained central to the Company’s growth strategy. During the year, your Company commercialised three new products: hydraulic motor controller, railway HVAC systems and railway electric panels. The hydraulic motor controller was developed by leveraging the Company’s existing strengths in motors and controllers for a new application outside its current product portfolio. The approval and commercialisation of railway HVAC systems and electric panels expanded the railway product offering beyond safety-critical brake systems and couplers to include products that enhance passenger comfort.

Your Company also continued to build capabilities aligned with the future of mobility. Through NOVELIC’s sensing and perception technologies, the Company is strengthening its position in in-cabin sensing and short-range radar applications.

During the year, it also collaborated with Neura Robotics to jointly develop advanced components and technologies for robots, cobots and humanoids. These initiatives are aligned with the Company’s ambition to evolve from automotive technology to broader mobility technology.

The Company has reinforced its commitment to ESG by publishing its fourth annual sustainability report this year. Furthermore, the introduction of a threestage air purification system in the Tool & Die shop has resulted in a 98% reduction in carbon monoxide levels, substantially enhancing worker health and safety.

Looking ahead, the global automotive industry is expected to face a more challenging volume environment in CY 2026. According to S&P Global Mobility, global light vehicle sales are expected to decline by 1.6% year-on-year, driven by tariff-related cost pressures, affordability challenges, elevated interest rates, softer consumer sentiment and subsidy changes in key markets. However, electrification is expected to continue gaining share. According to the IEA, global electric car sales are expected to reach 23 million units in CY 2026, representing 28% of total car sales.

Sona Comstar remains focused on building a more diversified, technology-led and resilient mobility business. The Company will continue to invest in research and development, engineering capability and technology partnerships, while remaining anchored in its four strategic priorities: electrification, global market significance, diversification and technology.

3. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of your Company’s performance is discussed in the Management Discussion and Analysis Report for the Financial Year 2025-26, pursuant to the provisions of Regulation 34(2)(e) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), forming an integral part of this Annual Report.

4. ACQUISITIONS, INVESTMENTS AND OTHER CORPORATE DEVELOPMENTS

4.1 Acquisition of Escorts Kubota Limited’s Railway Business

During the Financial Year 2025-26, your Company has completed the acquisition of Railway Business of Escorts Kubota Limited (Escorts), as a going concern, on slump sale basis with effect from 1st June, 2025, in terms of the Business Transfer Agreement dated 23rd October, 2024 read with the Amended and Restated Business Transfer Agreement dated 10th February, 2025 executed with Escorts.

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

4.2 Investment in SONA BLW eDrive Mexicana S.A.P.I. De C.V., a wholly owned subsidiary of the Company in Mexico

During the Financial Year 2025-26, your Company has invested USD 5 million in the share capital of SONA BLW eDrive Mexicana S.A.P.I. De C.V. (“Sona BLW Mexico”), a wholly owned subsidiary of the Company in Mexico.

Sona BLW Mexico specialises in manufacturing and assembly of bevel gears, differential assemblies and/ or any other activities ancillary and incidental thereto in Mexico and meeting the growing demand for high quality driveline solutions in North America.

4.3 MOU with NEURA Robotics for Joint Development of Advanced Technologies, and Industrialisation of Robots and Humanoids in India and Other Markets

During the Financial Year 2025–26, your Company has signed a memorandum of understanding (MOU) with NEURA Robotics GmbH (‘NEURA Robotics’) at Metzingen, Germany.

The MOU serves as a basis for establishing shared objectives between the Company and NEURA Robotics regarding a strategic collaboration to jointly develop advanced technologies, components and sub-assemblies, as well as the industrialisation of robots and humanoids in the Indian and other mutually agreed-upon markets.

The collaboration between the Company and NEURA Robotics will play a crucial role in providing advanced automation solutions across various industries and creating products that are truly Made in India.

4.4 Certification under Production-Linked Incentive Scheme

During the Financial Year 2025–26, your Company has received certification for 3 (three) more products viz.

2 (two) certifications for Traction Motors for electric three wheelers and 1 (one) certification for Traction Motor for electric two wheeler under the Production-Linked Incentive (“PLI”) Scheme for Automobile and Auto Component Industry in India (“PLI-Auto”) from the Ministry of Heavy Industries for availing the benefits/ incentive under the PLI Scheme.

4.5 Incorporation of Step-Down Subsidiary

During the Financial Year 2025–26, NOVELIC d.o.o. Beograd-Zvezdara, one of the subsidiaries of your Company, incorporated its wholly owned subsidiary in India under the name of “Novelic India Private Limited” (“Novelic India”) on 28th November 2025. Accordingly, Novelic India has become a step-down subsidiary of the Company. Novelic India operates in the mobility ancillary sector, including radars, sensors and software.

4.6 Update on Joint Venture in China

During the Financial Year 2025–26, your Company had signed a binding term sheet with Jinnaite Machinery Co., Ltd. for the formation of a joint venture (JV) in China to manufacture and supply driveline systems and components to automotive OEMs in China and globally.

Pursuant to the binding term sheet, the parties were engaged in discussions for finalisation of definitive documents. However, the parties have mutually agreed to keep the proposed JV in abeyance and the term sheet executed on 20th July 2025 stands rescinded. The parties have, however, expressed their willingness to cooperate with each other on select foundry products and remain open for collaboration in the future.

5. SUBSIDIARIES AND ASSOCIATES

As on 31st March, 2026, the Company has 6 (six) directly held subsidiaries, 10 (ten) step-down subsidiaries and 2 (two) associate companies, the details of which are enumerated in Annual Return (Form MGT-7), which is available on the website of the Company at <https://sonacomstar.com/files/documents/draft-annual-return-document-HD9YhE.pdf>. During the financial year under review, Novelic India became the step-down subsidiary of the Company. Apart from this, no company became or ceased to become a subsidiary, joint venture or associate of the Company.

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

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

Your Company does not have any material subsidiary as of 31st March, 2026.

The policy for determining material subsidiaries framed in accordance with the provisions of the applicable laws and amendments thereof, as approved by the Board, is uploaded on the Company’s website and can be accessed at <https://sonacomstar.com/files/policy/policy-for-determining-material-subsiidiaries-policy-f3dEtf.pdf>

6. TRANSFER TO RESERVES

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

7. DIVIDEND

The Board of Directors in its meeting held on 30th April, 2026 have recommended to the Shareholders for payment of INR 1.80 (Indian rupees one and eighty paisa only) per equity share of Company having face value of INR 10/- (Indian rupees ten only) each as final dividend for the Financial Year ended on 31st March, 2026. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

During the year under review, the Board of Directors of the Company at its meeting held on 23rd January, 2026 has declared an interim dividend of INR 1.60 (Indian rupee one and sixty paisa only) per equity share of the Company having face value of INR 10/- (Indian rupees ten only) each. The interim dividend was paid to the shareholders on 12th February, 2026.

The total dividend for the Financial Year 2025-26, including the proposed final dividend, amounts to INR 3.40 (Indian rupees three and forty paisa only) per equity share having face value of INR 10/- (Indian rupees ten only) each of the Company and the tabular representation of the dividend recommended / declared for the financial year under review and the previous financial year are as follows:

Particulars	For the financial year ended on 31 st March, 2026	For the financial year ended on 31 st March, 2025
	Dividend per Equity Shares (INR)	Dividend per Equity Shares (INR)
Interim dividend	1.60	1.60
Final dividend	1.80*	1.60
Total dividend	3.40	3.20

*The Board has recommended final dividend of INR 1.80 (Indian rupees one and eighty paisa only) for Financial Year 2025-26 to the shareholders of the Company for their approval in the ensuing AGM of the Company.

Pursuant to provisions of the Income tax Act, 2025 (“IT Act”) dividend Income is taxable in the hands of shareholders and the Company is required to deduct Tax at Source (“TDS”) at the time of making the payment or distribution of dividend to the shareholders at the prescribed rates. The Company, accordingly, makes the payment of the final dividend after deduction of tax at source, as applicable.

The abovesaid dividend declared is in accordance with the Dividend Distribution Policy of the Company.

The Dividend Distribution Policy is formulated as per the requirements specified under the Regulation 43A of the Listing Regulations and the Policy is available on the Company’s website at <https://sonacomstar.com/files/policy/dividend-distribution-policy-policy-oW38wX.pdf>

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

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

9. CHANGE IN SHARE CAPITAL OF THE COMPANY

During the financial year, there was no change in share capital of the Company except due to allotment of equity shares pursuant to exercise of options vested under the Sona Employee Stock Option Plan 2023 and Sona Performance Share Plan 2025, the details of which has been elaborated in Para 20 of this Report.

Consequently, as on 31st March, 2026, the paid-up share capital of the Company is INR 6,218,468,900 (Indian rupees six billion two hundred eighteen million four hundred sixty-eight thousand nine hundred only) consisting of 621,846,890 (Six hundred twenty-one million eight hundred forty-six thousand eight hundred and ninety only) equity shares having face value of INR 10/- each.

10. CHANGE IN NATURE OF BUSINESS

There was no change in the nature of Company’s business during the financial year under review’.

11. CORPORATE GOVERNANCE

Your Company is committed to maintaining high standards of corporate governance and ethical conduct. The Company’s corporate governance framework is founded on the principles of transparency, accountability, responsibility, and equitable treatment of all stakeholders, and is fully aligned with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors, supported by its Committees, provides effective strategic oversight and supervision to management, risk management, internal control systems, and compliance across the Company and its material subsidiaries. The governance practices and policies of the Company are periodically reviewed and benchmarked against industry peers and evolving best practices adopted by leading listed companies in India to ensure continued robustness, regulatory compliance, and long term stakeholder value creation.

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

The Certificate on Corporate Governance of the Company obtained from PI & Associates, firm of Practicing Company Secretaries, as required under the Listing Regulation is annexed with Corporate Governance Report.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

12.1 Board Diversity

The Company believes that diversity on the Board is essential for effective functioning, sound decision making and strong corporate governance. An appropriately diverse Board brings together varied perspectives, experience and expertise, which enhances the quality of discussions and strategic oversight. In determining the composition of the Board, due consideration is given to a range of factors including professional background, skills, experience, independence and gender, while ensuring an effective balance between executive and non executive directors. The Company remains committed to maintaining a Board composition that reflects diversity of thought and supports the long term interests of the Company and its stakeholders.

The Policy to Promote Diversity on the Board of Directors (Board Diversity Policy) adopted by the Board, in compliance with Regulation 19(4) read with Part D of the Schedule II of the Listing Regulations, sets out its approach to diversity.

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

12.2 Board of Directors

As on 31st March, 2026, the Board comprised of 9 (nine) directors, including 6 (six) independent directors (out of which 2 (two) women independent directors), 2 (two) executive directors, and 1 (one) woman non-executive director. The brief profile of each director is available on the website of the Company at <https://sonacomstar.com/board-of-directors>

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

12.3 Appointment of Directors

During the financial year under review, the composition of the Board of Directors of your Company changes to strengthen its governance framework, diversity, expertise and enhance its strategic oversight capabilities. The restructuring of the Board was undertaken in compliance with the provisions of

the Act, the Listing Regulations, and based on the recommendations of the Nomination and Remuneration Committee (NRC) and consequent approval of the Board thereon, the details of the same are specified below:

12.3.1 Re-appointment of Mrs. Shradha Suri (DIN: 00176902) as Independent Director

The shareholders at the 29th AGM approved re-appointment of Mrs. Shradha Suri (DIN: 00176902) as an Independent Director of the Company for a second consecutive term of five (5) years commencing from 5th August, 2025 up to 4th August, 2030 (both days inclusive).

12.3.2 Re-appointment of Mr. Jeffrey Mark Overly (DIN: 09041143) as Independent Director

The shareholders at the 29th AGM approved the re-appointment of Mr. Jeffrey Mark Overly (DIN: 09041143) as an Independent Director of the Company for a second consecutive term of five (5) years commencing from 12th February, 2026 up to 11th February, 2031 (both days inclusive).

12.3.3 Appointment of Mr. Jeffrey Mark Overly (DIN: 09041143), an Independent Director, as Chairman of the Company

The Board of Directors of the Company appointed Mr. Jeffrey Mark Overly, (DIN:09041143), Independent Director as the Chairman of the Board of Directors of the Company w.e.f. 23rd June, 2025 after untimely demise of the erstwhile Chairman Mr. Sunjay Kapur on 12th June, 2025.

12.3.4 Appointment of Mrs. Priya Sachdev Kapur (DIN: 02406685), as Non-Executive and Non-Independent Director of the Company

The Board of Directors, based on the recommendation of the NRC, recommended to the shareholders for appointment of Mrs. Priya Sachdev Kapur (DIN: 02406685), as a Non-Executive and Non-Independent Director of the Company w.e.f. 23rd June, 2025 and she was also appointed as Chairperson of CSR Committee. The shareholders subsequently approved her appointment in the 29th Annual General Meeting held on 25th July, 2025.

12.4 Retirement/Resignation of Directors

During the financial year under review, there was no retirement/resignation of any of the directors of the Company.

12.5 Retirement by rotation and subsequent re-appointment

Mr. Vikram Verma Vadapalli (DIN: 03631259), Whole Time Director of the Company liable, to retire by rotation at the ensuing AGM and being eligible has offered his candidature for re-appointment. As per the provisions of the Act, the Independent Directors are not liable to retire by rotation.

Brief resume, nature of expertise, and disclosures as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

12.6 Key Managerial Personnel

As on 31st March, 2026, the Key Managerial Personnel (“KMP”) of the Company as per Section 2(51) and Section 203 of the Act are as follows:

Name of the KMP	Designation
Mr. Vivek Vikram Singh	Managing Director and Group Chief Executive Officer
Mr. Vikram Verma Vadapalli	Whole Time Director
Mr. Rohit Nanda	President and Group Chief Financial Officer (“CFO”)
Mr. Ajay Pratap Singh*	Senior Vice President - Group General Counsel, Company Secretary and Compliance Officer

* Mr. Ajay Pratap Singh, Senior Vice President - Group General Counsel, Company Secretary and Compliance Officer of the Company resigned effective from the close of business hours on 15th April 2026.

In the interim until the new Company Secretary and the Compliance Officer joins the Company, the Board, based on the recommendation of the NRC Committee, has appointed Ms. Suman Poddar as Company Secretary and Mr. Arjun Singh as Compliance Officer of the Company, both effective from 16th April 2026. Ms. Suman Poddar and Mr. Arjun Singh resigned effective from 16th June, 2026.

The Board in its meeting held on 16th June, 2026, based on the recommendation of NRC appointed Mr. Pankaj Gupta as Senior Vice President (Legal), Company Secretary and Compliance Officer of the Company effective from 17th June, 2026.

13. DECLARATION BY INDEPENDENT DIRECTORS

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

- meet the criteria of independence as prescribed under the Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 16(1)(b) of the Listing Regulations and that there has been no change in the circumstances affecting their status as Independent Directors of the Company
- have complied with the Code of Conduct for Board of Directors and Senior Management Personnel (“Code”) of the Company during the Financial Year 2025-26.

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

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

The Independent Directors are also required to undertake an online proficiency self-assessment test conducted by IICA within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption.

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

For the financial year under review, the Company has received a certificate from PI & Associates, a firm of Company Secretaries in Practice certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. The Certificate is attached as appendix to this Corporate Governance Report.

Lead Independent Director

Mr. Jeffrey Mark Overly, Independent Director, Chairman of the Board and Chairman of Risk Management Committee, Capex Committee and Environment, Social and Governance Committee was designated as the Lead Independent Director by the Board of the Company effective from 5th July, 2024. The roles and responsibilities of the Lead Independent Director are provided in the Corporate Governance Report forming part of this Board Report.

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

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

The Managing Director & Group CEO and the Whole Time Director of the Company have not received any remuneration or commission from any of the subsidiary companies. The Company does not have any holding company as of 31st March, 2026.

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

None of the promoters directors of the Company, having significant influence, is beneficiary of the ERI Plan. The Board of Directors and Shareholders of the Company had approved the ERI Plan, in their respective meeting held on 6th August, 2021 and 9th September, 2021, respectively, in compliance with regulation 26(6) of the Listing Regulations. Accordingly, during the Financial Year 2025-26, Singapore Topco paid part of cash rewards to the identified employees (including the Whole Time Director, Managing Director and Group CEO) of the Company. The intimation for the same was also filed with the stock exchanges and website of the Company.

The Nomination and Remuneration Policy of the Company is available on the website of the Company at <https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-2ORHuA.pdf>

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

The percentage increase in remuneration, ratio of remuneration of each director and key managerial personnel (“KMP”) to the median of employees’ remuneration, as required to be disclosed under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure - B1** which is forming part of this Board Report.

The statement containing the names of top 10 (ten) employees in terms of remuneration drawn and the particulars of employees as required under section 197(12) of the Act read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **Annexure- B2**, forming part of this Board Report.

16. BOARD EVALUATION

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

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

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

17. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

The familiarisation programme, inter alia, includes briefing on:

- role, responsibilities, duties and obligations as a member of the Board, particularly as an Independent Director.
- corporate presentation explaining the business and business model of the Company.
- technology roadmap.
- matters relating to governance.

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

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

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

The details of the training and familiarisation program are provided in the Corporate Governance Report and is also available on the website of the Company at <https://sonacomstar.com/files/policy/familiarisation-programme-policy-4ZowK5.pdf>.

Further, at the time of appointment as an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities as enumerated under various provisions of applicable laws. The draft format of the letter of appointment is available on our website, at <https://sonacomstar.com/files/documents/terms-of-appointment-re-appointment-of-independent-directors-document-Pd816e.pdf>

18. DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended on 31st March, 2026, the applicable accounting standards were followed, and there were no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2026 and of the profits of the Company for the financial year ended on 31st March, 2026;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- the annual accounts for the financial year ended 31st March, 2026, have been prepared on a going concern basis;
- proper internal financial controls, as laid down by the Directors, were followed and that such internal financial controls are adequate and operating effectively; and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

The Nomination and Remuneration Policy (NRC Policy) of the Company has been adopted by the Board based on the recommendation of the Nomination & Remuneration Committee (NRC). The NRC Policy sets out detailed procedure of appointment along with the criteria to pay equitable remuneration to the Directors, KMP and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.

During the financial year under review, the Board amended the NRC Policy as per the recommendation of the NRC and the NRC Policy relating to the remuneration of the directors, key managerial personnel and other employee, the Board has provided that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration of the directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

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

- The NRC shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP and accordingly recommend to the Board his/her appointment to the Board.
- The NRC shall consider qualifications and appointment for Independent Directors as per the provisions of the Act.
- The Company shall ensure that the person appointed as Director/ Independent Director is not disqualified under the Companies Act, 2013, and rules made thereunder.
- The Director/ Independent Director/ KMP/SMP shall be appointed as per the procedure laid down under the provisions of the Act, and rule made there under, or any other enactment for the time being in force.
- The remuneration of the Managing Director/ Executive Director/CEO is broadly divided into fixed component, variable component and commission and may include stock options/share grants, if any, performance-related bonus and such other benefits/components as may be decided by the Board based on the recommendation of the NRC.
- The term/ tenure of the Directors shall be governed as per provisions of the Act and the Rules made thereunder, the SEBI Regulations and such other applicable laws, as may be amended, replaced, substituted, re-enacted from time to time.
- In case of re-appointment of Director(s), the Board shall take into consideration, the performance evaluation of director, engagement of the director and contribution in the deliberations of the Board.

This Policy is available on the website of the Company at <https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-2ORHuA.pdf>

20. EMPLOYEES BENEFITS SCHEMES

20.1 Sona BLW Precision Forgings Limited-Sona Employee Stock Option Plan-2023 (“ESOP- 2023”).

The shareholders of the Company had approved the ESOP 2023 in their 27th Annual General Meeting held on 19th July, 2023 and have authorised Nomination & Remuneration Committee (“NRC”) of the Board of the

Company for administration, implementation and grant of ESOPs under the ESOP- 2023.

Grant of Options under the ESOP- 2023

During the financial year under review, the Nomination and Remuneration Committee at its meeting held on 27th October, 2025, granted 6,30,000 (Six Lakhs and Thirty Thousand only) Stock Options to the Eligible Employees of the Company under the ESOP-2023. The exercise price of the said options is the Fair Market Value as on the Grant Date, i.e., INR 478.70 (Indian Rupees Four Hundred Seventy-Eight and Seventy Paise).

In accordance with the provisions of regulation 46 of the Listing Regulations, the requisite disclosure pertaining to ESOP -2023 has been available on the website of the Company at <https://sonacomstar.com/files/documents/esop-plan-2023-document-GQPB5.pdf>

Allotment pursuant to exercise of Vested Options under ESOP 2023.

During the financial year under review, your Company has allotted 3,000 (Three thousand only) equity shares of the Company having face value of INR 10 /- (Indian rupees ten only) each fully paid up to the eligible employee of the Company upon exercise of vested options, as granted to them under the ESOP Scheme-2023.

20.2 Sona Performance Share Plan 2025 (“PSP-2025” or “Plan”)

The shareholders of the Company had approved the Sona – Performance Share Plan 2025 (“PSP-2025”) by way of Special Resolution through Postal Ballot on 19th December 2025 and had authorised the Nomination & Remuneration Committee (“NRC”) of the Board of the Company for administration, implementation and operation of the PSP-2025. In terms of SEBI (SBEB) Regulations, the NRC has been designated as the Compensation Committee under the PSP-2025.

Allotment of Equity Shares under the PSP 2025

During the financial year under review, the NRC offered 1,25,915 (One lakh twenty-five thousand nine hundred and fifteen only) equity shares of the Company to Mr. Vivek Vikram Singh, MD & Group CEO of the Company based on the Consolidated EBITDA growth of the previous financial year (i.e. Financial Year 2024-25) of the Company. Pursuant to acceptance of the offer by Mr. Vivek Vikram Singh, MD & Group CEO of the Company, the NRC approved the allotment of 1,25,915 (One lakh twenty-five thousand nine hundred and fifteen only) equity shares of the Company having face value of INR 10/- (Indian Rupees Ten only) each fully paid-up. The equity shares so allotted to Mr. Singh shall rank pari passu with the existing equity shares of the Company in all respects and are subject to a lock-in period of one year from the date of allotment.

Pursuant to amendments in Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the PSP-2025 is available on the

website of the Company at <https://sonacomstar.com/files/documents/psp-2025-document-gO8no3.pdf>

During the year under review, your Company has not issued any sweat equity shares or equity shares with differential rights as to dividend, voting or otherwise.

The required disclosures under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”) with regard to the ESOP-2023 and PSP 2025 are available on the Company’s website at <https://sonacomstar.com/files/documents/details-of-esop-espp-document-F1O3cG.pdf>

The Company has received a certificate from PI & Associates, Secretarial Auditors of the Company, as required to be obtained under Regulation 13 of the SEBI (SBEB) Regulations, confirming the implementation of ESOP -2023 in accordance with the applicable Regulations. The Certificate is available for inspection during the AGM of the Company.

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

Pursuant to Section 186 of the Act, disclosure on particulars relating to loans, advances, guarantees and investments forms part of the standalone financial statements provided in Note No. 42 to the standalone financial statements of the Company.

22. DIVIDEND DISTRIBUTION POLICY

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

23. SUCCESSION PLANNING

The Company has implemented a well-structured succession planning for the Board members, Key Managerial Personnel and Senior Management and key employees of the Company. The Nomination and Remuneration Committee plays a pivotal role in identifying successors to the members of the Senior Management and invests substantial time with the Managing Director & Group CEO on succession planning.

During the financial year under review, the Board of the Company met with Mr. Vivek Vikram Singh and CEOs of all Business of the Company on the succession planning on 26th October, 2025, wherein the Board reviewed the succession planning for CEO and all employees directly reporting to the CEO. The Board has expressed its comfort with management's recommendations for the replacements of the CEOs and their direct reports.

The Company has a succession planning policy (‘Succession Policy’) in place which intends to achieve the following:

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

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

24. DEPOSITS

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

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

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year 2025-26 and the date of this Report.

26. RELATED PARTY TRANSACTIONS

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

During the financial year under review, the Audit Committee had reviewed and accorded its approval on the related party transactions to be entered in the Financial Year 2025-26 in line with the requirements of SEBI circulars on Industry Standards on Minimum information to be provided for review of the audit committee.

The Policy on Related Party Transactions is available on the website of the Company at <https://sonacomstar.com/files/policy/policy-on-related-party-transactions-policy-rQXZb0.pdf>

All contracts/arrangements/transactions entered into by the Company during the financial year under review with related parties were in the ordinary course of business and on arm’s length basis in terms of provisions of the Act.

The details of the related party transactions, as per the requirements of Indian Accounting Standards (IND AS) – 24, are set out in Note No. 36 to the standalone financial statements of the Company.

The Company, in terms of Regulation 23(9) of the Listing Regulations, have disclosed the statement of related party transactions on a consolidated basis for the half year ended on 30th September, 2025 and 31st March, 2026, to the Stock Exchanges and website of the Company at <https://sonacomstar.com/investor/financial-information>

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

Further, there were no material related party transactions in terms of the Listing Regulations requiring approval of the Members during the financial year under review.

27. NUMBER OF MEETINGS OF THE BOARD

During the year under review, 8 (eight) meetings of the Board of Directors were held. The details of the meetings of the Board of Directors held and attended by the Board of Directors during the Financial Year 2025- 26 has been provided in the Corporate Governance Report which forms part of this Board Report.

28. AUDITORS AND AUDIT REPORT

a. Secretarial Auditors

Pursuant to the provisions of Regulation 24A of the Listing Regulations and Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, at its meeting held on 30th April, 2025, based on the recommendation of the Audit Committee, had recommend to the shareholders the appointment of PI & Associates (Firm Registration No. P2014UP035400), a peer reviewed firm of Company Secretaries in Practice, as the Secretarial Auditors of the Company for a first term of 5 (five) consecutive financial years from Financial Year 2025–26 to Financial Year 2029–30. The said appointment was duly approved by the Members at the 29th Annual General Meeting of the Company held on 25th July 2025.

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

The Secretarial Auditors’ Report for the Financial Year 2025-26 does not contain any qualification, reservation

or adverse remark and is annexed to this Board Report as **Annexure- C**.

Annual Secretarial Compliance Report

As per Regulation 24A(2) of the Listing Regulations, the Secretarial Auditors of the Company has provided the report on the applicable compliances of the Company for the Financial Year 2025-26. The Annual Secretarial Compliance Report obtained from the Secretarial Auditor of the Company has been submitted to the Stock Exchanges and is available on the website of the Company at https://sonacomstar.com/files/documents/annual-secretarial-compliance-report-for-the-year-ended-31st-march-2026-document-QMAp1R.pdf.

Secretarial Audit of Material Unlisted Indian Subsidiary

There was no material unlisted Indian subsidiary of the Company as on 31st March, 2026 and as such the requirement under Regulation 24A of the Listing Regulations regarding the secretarial audit of material unlisted Indian subsidiary is not applicable to the Company for the Financial Year 2025-26.

b. Statutory Auditors

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

The Statutory Auditor’s Report on annual standalone and consolidated Financial Statement for Financial Year 2025-26, does not contain any qualification, reservation, adverse remarks or observation and the same forms part of this Annual Report.

c. Cost Auditors

As per the Section 148 of the Act and Cost (Records and Audit) Rules 2014, the Company is required to maintain cost audit records and undertake the cost audit. Therefore, the Board of Directors of the Company, based on the recommendation of the Audit Committee at its meeting held on 30th April, 2025 appointed Jayaram & Associates, Cost Accountants (Firm Registration No. 101077), as the Cost Auditors of the Company for the Financial Year 2025-26 and the shareholders of the Company ratified the fees of the Cost Auditor in 29th Annual General Meeting of the Company held on 25th July, 2025.

During the Financial Year, the Cost Auditors of the Company provided the Cost Audit report for the Financial Year 2024-25 in Form CRA-3 and the Company has filed the Cost Audit Report with the Ministry of Corporate Affairs in Form CRA-4 within the prescribed time.

The Cost Audit Report for the Financial Year 2024-25 does not contain any qualification, reservation or adverse remark.

Further, based on the recommendation of the Audit Committee at its meeting held on 30th April, 2026, the Board of Directors appointed Jayaram & Associates as the Cost Auditors of the Company for the Financial Year 2026–27 under Section 148 of the Companies Act, 2013. Jayaram & Associates, Cost Accountants (Firm Registration No. 101077), being eligible, have consented to act as the Cost Auditors of the Company.

The remuneration proposed to be paid to the Cost Auditors for the Financial Year 2026–27, is subject to ratification by the Members at the ensuing 30th Annual General Meeting.

d. Internal Auditors

The Board of Directors had in their meeting held on 30th April, 2026 have appointed BDO India Services Private Limited [Formerly BDO India LLP (Firm Registration No. MCA: AAB-7880), as Internal Auditors of the Company for the Financial Year 2026-27.

29. INTERNAL CONTROL SYSTEM

The Company has in place an internal control system, which is commensurate with its size, scale and complexities of its operations. BDO India Services Private Limited Formerly BDO India LLP (Firm Registration No. MCA: AAB-7880), was appointed as Internal Auditors of the Company for the Financial Year 2025-26. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

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

30. REPORTING OF FRAUD

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

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

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

32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company remains deeply committed to conducting its business in a socially responsible, sustainable and ethical manner. The CSR activities of the Company are guided by its CSR Policy, approved by the Board, which lays down the governance framework, focus areas, implementation mechanism and monitoring process in accordance with the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Oversight of CSR implementation is provided by the CSR Committee of the Board, which periodically reviews progress of ongoing projects and ensures that CSR philosophy is integrated with the Company’s core values.

During the financial year under review, the Company continued to focus its CSR interventions on key thematic areas including supporting startups in developing innovative solutions for sustainable development by providing mentorship and financial resources through accredited technology incubators (‘Sona Comstar Samridh Bharat Programme’); providing access to quality education and vocational training for all, especially women and marginalised groups, to improve employability, promote entrepreneurship and strengthen livelihoods (‘Sona Comstar Saksham Bharat Programme’) and (‘Sona Comstar Stree Shakti Bharat Programme’); protecting and restoring natural habitats and urban ecosystems through initiatives such as afforestation, freshwater conservation, and the use of clean energy (‘Sona Comstar Swachh Bharat Programme’).

Consistent with its positioning as a leading global supplier of technology driven automotive systems, the Company places special emphasis on technical education, vocational training, employability enhancement and capacity building initiatives, particularly for youth from underprivileged backgrounds.

CSR projects are implemented either directly by the Company or through eligible implementing partners, with due diligence and monitoring mechanisms in place to ensure transparency, accountability and effective utilisation of funds.

The Company affirms that the CSR activities undertaken during the year were in compliance with the CSR Policy and applicable statutory requirements. Detailed disclosures regarding Committee after CSR composition, prescribed and actual expenditure, ongoing projects and other particulars as required under the Act and Rules are provided in **Annexure - E** to this Report.

The detailed terms of reference of the CSR Committee, attendance at its meetings and other details have been provided in the Corporate Governance Report.

Through its CSR initiatives, Sona Comstar endeavours to contribute to nation building while reinforcing its commitment to responsible growth, stakeholder well being and sustainable value creation.

Voluntary Impact assessment is undertaken by the Company to evaluate outcomes and enable continuous

improvement in programme design and execution. Your Company has engaged InGovern Research Services Private Limited and Bluesky Sustainable Business LLP, an Independent Agency, on voluntarily basis to conduct the impact assessment of the CSR initiatives undertaken for the Financial Year 2025-26. The impact assessment report is attached along with CSR report.

Further, the Group Chief Financial Officer of the Company has certified that CSR spent of the Company for Financial Year 2025-26 has been utilised for the purpose and in the manner approved by the Board of Directors of the Company.

During the year under review, the Company has voluntarily engaged BDO India Services Private Limited for conducting audit of CSR expenditure made by the Company in the Financial Year 2025-26. The audit report was presented before the CSR Committee in its meeting held on 16th June, 2026.

33. AWARDS AND RECOGNITIONS

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

S. No.	Award Category	Awarded By
1	8 th HR Excellence Award in Change Management & Cultural Building Initiatives	PNGI NCR Delhi Chapter
2	8 th HR Excellence Award in CSR	PNGI NCR Delhi Chapter
3	Winner of 16 th Edition of the CII Inter_Industry Kaizen Competition 2026 - Quality Enhancement	CII - Northern Region
4	39 th National Convention of Quality Concepts	QCFI - National Level
5	Winner of Kaizen Competition for Non Manufacturing Personnels	ABK-AOTS DOSOKAI
6	Best Supplier for Quality Performance	Indian Tier-1 Supplier for CVs
7	Best working conditions – Large Scale Factory	Haryana State Safety, Health & Welfare
8	Best Performer	Japanese OEM of OHVs
9	Supplier of the year	Indian OEM of OHVs

34. RISK MANAGEMENT

Pursuant to Section 134(3)(n) of the Act and Regulation 17(9) of Listing Regulations, the Company has formulated and adopted a Risk Management policy with an objective of identification and categorisation of potential risks, its assessment and mitigation and to monitor these risks.

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

The details of the RMC along with its charter are set out in the Corporate Governance Report, forming part of this Board Report. The Company has designated Mr. Rohit Nanda, President and Group CFO, as the Chief Risk Officer of the Company.

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

In addition to this, the Enterprise Risk Management (ERM) Framework is also available of the website of the Company at <https://sonacomstar.com/files/policy/erm-framework-policy-CZEnft.pdf>

35. VIGIL MECHANISM

The Company has a Vigil Mechanism in place through its Whistle Blower Policy, enabling directors, employees and other stakeholders, who partner with us in our organisational objectives, to report genuine concerns relating to unethical behaviour, misconduct, actual or suspected fraud, or violation of the Company's Code of Conduct and policies. The Vigil Mechanism provides for a secure and confidential reporting framework and adequate safeguards against victimisation of individuals who avail the mechanism in good faith.

The Audit Committee oversees the implementation and effectiveness of the Vigil Mechanism and reviews complaints received, if any, and appropriate actions taken thereon. The Whistle Blower Policy is available on the Company's website at <https://sonacomstar.com/files/policy/whistle-blower-policy-policy-MUwqe2.pdf>

The Company continues to uphold high standards of ethics, integrity and transparency through effective implementation of the Vigil Mechanism. The Company has in place e-learning modules on the Code of Conduct and Business Ethics, Prohibition of Insider Trading, POSH and Anti-Trust Compliance, which also includes training on Whistle Blower mechanism of the Company. The details of the training programmes are provided in the BRSR Report. The Company has also designated an email id that is speakup.sbpl@sonacomstar.com, where the whistle blower can report the concerns or wrong doings. The mechanism under the policy has been appropriately communicated within the Company across all levels. A quarterly report on the whistle-blower complaints, as received, is placed before the Audit Committee for its review.

During the financial year under review, certain anonymous complaints of unethical conduct in railway business, for the period prior to closing of the acquisition, were received. These Complaints were duly investigated by the Company through an independent investigator, and the investigation report was submitted before the Audit Committee. The Company has implemented all the actions suggested by the audit committee, basis the investigation report.

Your Company discourages bribery and corruption in any form and has adopted an Anti-Bribery and

Corruption Policy, which is available on the website at <https://sonacomstar.com/files/policy/anti-bribery-and-corruption-policy-policy-8i68Y7.pdf>

36. CYBER SECURITY AND DATA PRIVACY

36.1 Cyber Security

The company has significantly strengthened its cybersecurity posture during the year, with CISO-level ownership and structured Board-level reporting now driving governance cadence and enterprise risk visibility. Key certifications and compliance programmes including TISAX readiness and ISO 27001 alignment were advanced to meet automotive industry security standards. OT cybersecurity risks across manufacturing environments were identified and mitigated in collaboration with operations teams, with security now embedded into OT data protocols, machine procurement checklists, and governance forums. A robust cyber governance framework has been institutionalised to enforce patching rigour across IT and OT assets, manage network ports and firewall rules through periodic reviews, and conduct monthly Security Operations Centre (SOC) reviews with actionable outcomes — ensuring that vulnerabilities are identified, prioritised, and remediated within defined SLAs.

On the employee awareness front, multiple OT Security Awareness training sessions were conducted across plants in partnership with EY, covering employees including operations, maintenance, quality, and engineering teams. Phishing simulation campaigns were deployed company-wide using Microsoft's Attack Simulation Training platform, with customised landing pages, caution tagging, and manager-level reporting to measure and improve employee resilience against cyber threats. A dedicated "Cyber SAFE Hub" was launched on SharePoint as a centralised resource for cyber awareness — publishing guidelines on safe laptop usage, USB device security, application security, and regular "Cyber for All" awareness articles. These measures collectively reflect a shift from reactive audit responses to a preventive, control-driven cybersecurity culture across the organisation.

36.2Data Privacy

The Company is committed to protecting the privacy and confidentiality of personal and sensitive data entrusted to it by employees, vendors, customers and other stakeholders. It adheres to applicable data protection laws and regulations and has established comprehensive policies and procedures governing the collection, storage, processing, and sharing of data. Access to sensitive information is restricted on a need-to-know basis, supported by strong authentication and authorisation mechanisms to prevent unauthorised access or misuse.

In addition, data protection awareness programmes are conducted to sensitise employees on privacy obligations and responsible data handling practices. The Company continues to strengthen its data governance

framework by adopting best practices and emerging standards, thereby reinforcing trust and transparency in its operations.

The Company also updated its Data Privacy Policies in alignment with the requirements of the Digital Personal Data Protection Rules, ensuring that its data handling practices remain compliant with the evolving regulatory framework. These policies strengthen the Company's approach to collection, processing, storage, and protection of personal data, while enhancing transparency and accountability. These updates also reinforce the Company's commitment to safeguarding stakeholder information and adopting best practices in data privacy and governance.

39. EXTERNAL AUDIT OF COMPLIANCE SYSTEM

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

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

In response to the observations outlined in the audit report, the Company has taken the appropriate corrective steps. These steps aim to reflect the improvements required for a more robust compliance structure and to align the policies with best practices as identified through the audit process.

40. ANNUAL RETURN

In accordance with the provisions of Section 92(3) read with Section 134(3)(a) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company, for the Financial Year 2025-26, in the Form MGT-7 is available at: <https://sonacomstar.com/files/documents/draft-annual-return-document-HD9YhE.pdf>

41. COMPLIANCE WITH SECRETARIAL STANDARDS

During the Financial Year under review, the Company have complied with all the applicable provisions of mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

42. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE

GOING CONCERN STATUS AND COMPANY'S OPERATIONS

During the financial year under review, no significant and material order was passed by any regulator or court or tribunal, which may impact the 'going concern' status and Company's operations in future.

43. HUMAN RESOURCES

During the financial year under review, your Company focused on building a resilient, future-ready workforce aligned with our long term vision of being a respected player in the mobility technology ecosystem. Human Resources continues to remain a strategic enabler—strengthening organisational capability, nurturing innovation and ensuring the safety, well being and growth for employees.

We recognise the imperative to remain agile, creative and collaborate in a VUCA world. Inclusivity and Respect for People continue to remain embedded across the human Resource lifecycle, enabling us to leverage varied perspectives and experiences while we build an employee ecosystem where individuals feel empowered to contribute, innovate and grow.

We continue promoting collaboration, accountability and continuous improvement, through our performance management and rewards frameworks. By aligning individual aspirations with organisational priorities, we aim to create a culture built on premise of fairness and mutual respect.

Capability development also remains a key focus area as we invest in strengthening technical, digital and leadership competencies. During the Financial Year 2025-26, we are further enhancing our blended learning ecosystem through structured training pathways, mentoring and experiential learning. Our digital learning platforms and content repositories enable scalable, on demand access to learning—supporting a self driven, pull based approach to skill development across functions and locations. This ensures continuity, knowledge retention and readiness for future technology transitions.

Employee engagement continues to be a core pillar of our people's strategy. We focus on initiatives such as Quality Control Circles (QCC), Kaizens, suggestion schemes and cross functional problem solving teams, enabling employees to actively contribute to operational excellence and innovation. Engagement is further strengthened through sports, wellness, cultural and community building initiatives that promote collaboration, inclusion and organisational pride.

At Sona Comstar, quality and safety remain foundational to our operations. We continue to embed Total Quality Management (TQM) principles and a 'Safety First' mindset across all locations. Through regular audits, focused training programmes , and proactive risk assessments, we maintain a strong safety culture with a zero tolerance approach to unsafe practices, ensuring the wellbeing of our workforce.

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

The Company is committed to providing a safe, inclusive and respectful work environment for all its employees, associates, contract workers, probationers, temporary employees, trainees, apprentices of the Company and any person visiting the Company at its office.

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act'), the Company has formulated a comprehensive gender-neutral Policy for Prevention of Sexual Harassment at Workplace ('POSH Policy') which can be accessed at the link <https://sonacomstar.com/files/policy/posh-policy-policy-s7HMW2.pdf>

Internal Committees ("IC") have been constituted to redress complaints of sexual harassment, of respective locations of the Company, and the Company has complied with the provisions relating to the constitution of IC under the Act. While maintaining the highest governance norms, IC are constituted for various locations. More than half of the total members of the IC are women. The external members with requisite experience in handling such matters are also part of the IC. The IC is presided over by a senior woman employee in each case. Inquiries are conducted and recommendations are made by the IC at the respective locations. The IC is updated on judicial trends and trained regularly on the nuances of the POSH Act. During the financial year under review, a new IC was constituted for the Railway Business, w.e.f. 1st June, 2025.

This POSH Policy aims to provide protection to not just women employees against sexual harassment at workplace, but it also includes employees of all genders and provide them a mechanism for the prevention and redressal of complaints of sexual harassment.

The Company affirms that it has complied with the provisions relating to the constitution of Internal Committees under the POSH Act and has in place adequate mechanisms to ensure a safe, secure and inclusive workplace for all employees.

All complaints are handled with due sensitivity, confidentiality, and within prescribed timelines.

During the financial year under review, the Company has continued organising sensitisation and awareness programmes , inductions for new joiners, through e-learning modules for all employees, trainees, creating standees and posters to promote awareness of the POSH policy and to reinforce zero tolerance towards sexual harassment. In compliance with the POSH Act and the guidelines issued by the Ministry of Women and Child Development, the Company has ensured registration of all its manufacturing units and offices on the Sexual Harassment Electronic Box (SHE Box) portal. SHE Box provides a centralised platform for

online submission and monitoring of complaints related to sexual harassment at the workplace. The Company has designated Nodal Officers for each location and uploaded the requisite details on the SHE Box portal, enabling employees to access a transparent and secure grievance redressal mechanism.

Details of Complaints received and redressed during the Financial Year 2025-26:

- (a) number of complaints of sexual harassment received in the year: **3 (including one complaint pertaining to a wholly owned subsidiary in the USA)**
- (b) number of complaints disposed of during the year: **2 (including one complaint pertaining to a wholly owned subsidiary in the USA)**
- (c) *number of cases pending for more than ninety days: **Nil.**

*One complaint remained pending as of 31st March 2026; however, the same was not pending for more than ninety days.

The procedure prescribed for filing of complaint under POSH Policy can be accessed at <https://sonacomstar.com/files/policy/procedure-prescribed-for-filing-of-complaint-under-posh-policy-YJNZce.pdf>

45. COMPLIANCE WITH MATERNITY BENEFIT ACT, 1961

During the financial year under review, the Company has ensured compliance with the provisions of the Maternity Benefit Act 1961.

46. SUSPENSION OF SECURITIES OF THE COMPANY

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

47. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

A detailed Business Responsibility & Sustainability Report ("BRSR"), prepared in terms of the provisions of Regulation 34 of the Listing Regulations, along with the assurance report obtained from Grant Thornton Bharat LLP, forming part of the Annual Report.

Sustainability Report

During the period under review, your Company released its fourth Sustainability Report for the fiscal year 2024-25. This report underwent an external assurance process conducted by Grant Thornton Bharat LLP, ensuring its accuracy and compliance with established standards. Furthermore, the report was prepared in strict accordance with the Global Reporting Initiative (GRI) Standards, which are internationally recognised guidelines for sustainability reporting. This adherence to GRI Standards reflects the organisation's commitment to transparency, accountability, and responsible reporting on its sustainability performance.

48. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

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

49. INVESTOR RELATIONS

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

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

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

Further, during the financial year under review, as part of our stakeholder-centric approach, the Board of Directors initiated a focused effort to strengthen relationships with institutional investors. The Board held a structured meeting with the Company's top active institutional investors to gain direct insight into their perspectives and gather constructive feedback on the Company's performance, governance practices, and overall strategy. This initiative reinforced the Company's commitment to

stakeholder engagement and provided valuable input for the Board's strategic decision-making.

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

50. CAUTIONARY STATEMENTS

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

51. APPRECIATION

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

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

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

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

Place: Florida, USA
Date: 16th June, 2026

Jeffrey Mark Overly
Chairman
DIN: 09041143

Corporate Governance Report

Annexure - A

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Sona BLW Precision Forgings Limited ("Sona Comstar" or "Company") continue to remain committed to strengthening its corporate governance framework in alignment with its core values, vision, and mission. The Company endeavors to uphold the highest standards of integrity, transparency, accountability, ensuring responsible management and disclosure of all financial and non-financial performance metrics to create long-term value for all its stakeholders.

At Sona Comstar, corporate governance goes beyond compliance, shaping decisions to reflect our values, enhance risk management, and maintain high performance standards. It shapes the Company's strategic direction while reinforcing consistency and accountability across its operations. As a value-driven organisation, the Company places high importance on building and sustaining trust with its stakeholders.

The Company has adopted ethical policies including the Code of Conduct and Business Ethics, Anti-bribery and Anti Corruption' with the words 'Anti Corruption Policy, Anti Money Laundering, Anti-Trust, Data Protection and Privacy Policy, Policy on Prevention of Sexual Harassment at Workplace and Fair Work Practices Guidelines, which focusses on ethical compliances in the Company. The Company has also implemented a Whistle Blower Mechanism. In addition, the Company has implemented a Code of Conduct for Vendors and Ethical Policy Framework for its value chain partners, pursuant to which regular training and awareness sessions

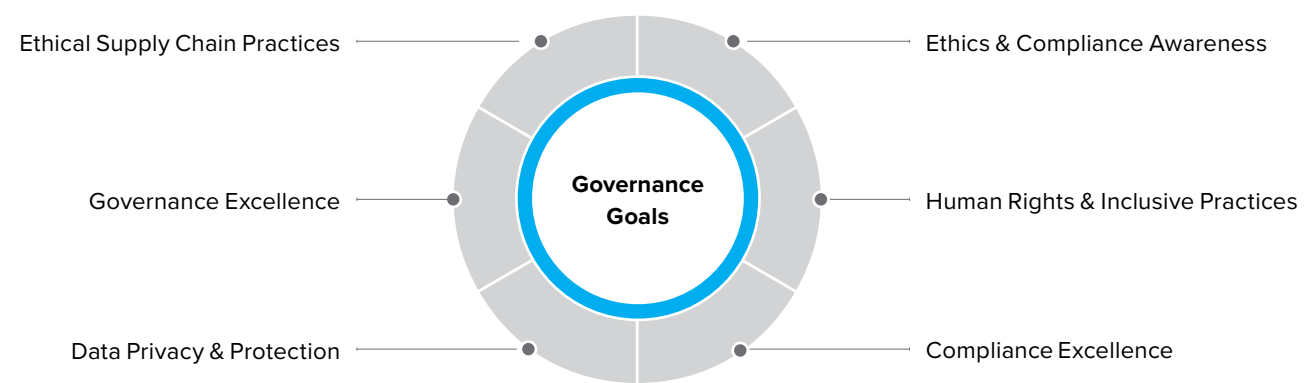
with employees, workers and value chain partners of the Company are conducted . These policies of the Company can be accessed from the website of the Company at <https://sonacomstar.com/policies-and-codes>

The Company has established appropriate and adequate systems and procedures to ensure that its Board of Directors ("Board") is well-informed and well- equipped to fulfil its overall responsibilities and to provide the management with the strategic direction needed to create long-term stakeholder's value. The Company's value creation is based on equitable, inclusive, transparent, and collaborative stakeholder's practices. The Company promotes a safe and healthy workplace for all of its employees.

The Company has also set the medium and long-term ESG goals aligned with United Nation Sustainable Developments Goals (SDGs) and has published its Sustainability Report for the Financial Year 2024-25 in line with the Global Reporting Initiative (GRI) Standards, for providing non-financial and ESG related information to the stakeholders of the Company. Further, the Company's CSR initiatives are aligned with identified SDGs, ensuring focused and measurable impact. The Sustainability Report is available on the website of the Company at <https://sonacomstar.com/files/documents/sustainability-report-for-fy2024-25-document-ADM1yq.pdf>.

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

THE GOVERNANCE GOALS OF THE COMPANY ARE AS FOLLOWS:



1. Sensitising employees of the Company by conducting regular and periodic training and awareness sessions:

a) on ethical issues including prevention of Conflict of Interest, Anti-Bribery and Corruption, Anti Money Laundering, Anti- Trust Issues, Prevention of Insider Trading, Sexual Harassment.

b) for promotion of Human Rights, Diversity & Inclusion, Fair Labour Practices, Freedom to Associate & Collective Bargaining, Data Privacy and other Corporate Social Responsibility Issues.
- c) to encourage the supply chain partners of the Company for promotion of Human Rights and ethical issues as mentioned in above point (a) and (b).
2. To inculcate the culture of compliance and ensure compliance with all the applicable laws and regulations within the organisation and also encourage the supply chain partners of the Company to do so.
3. Implementation of Data Privacy Framework across the group and create awareness sessions on data privacy compliance.

4. Improvise Corporate Governance Practices by benchmarking with best governed Companies both India and globally.

Accolades for Corporate Governance

The Company continues to strengthen its corporate governance framework as a core driver of sustainable growth and long-term value creation. The Company was previously honoured with the prestigious "Certificate of Appreciation for Excellence in Corporate Governance" from the Institute of Company Secretaries of India (ICSI), in recognition of its adherence to high standards of transparency, ethical conduct, and compliance with statutory and regulatory requirements. This acknowledgment reflects the effectiveness of the Company's robust governance framework and its focus on accountability and stakeholder trust.

In addition, the Company was also conferred with the esteemed "Golden Peacock Award for Excellence in Corporate Governance" by the Institute of Directors (IOD), Delhi, for the Financial Year 2022–23. This accolade recognises the Company's consistent efforts in strengthening governance practices, enhancing board effectiveness and aligning its policies and processes with globally accepted standards.

While these recognitions affirm the strength of the Company's governance foundations, its focus remains on continuously evolving its practices in line with emerging regulatory expectations and global benchmarks. The Company remains committed to periodic review and enhancement of its governance framework, ensuring integrity, accountability and responsible business conduct across all levels of the organisation.

GOVERNANCE POLICIES AND CODES

Code of Conduct for Board, Senior Management

The Company has adopted the Code of Conduct for Board and Senior Management (**Code**). The Code set forth guidance and principals for the Board of Directors and Senior Management Personnel to manage the affairs of the Company in a fair and transparent manner. The Code is available on the website of the Company at <https://sonacomstar.com/files/policy/code-of-conduct-board-and-senior-management-policy-DISxoZ.pdf>.

Pursuant to Regulation 26(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), all members of the Senior Management confirmed that there were no material, financial or commercial transactions wherein they had a personal interest that could have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of

the Company as on 31st March, 2026 have affirmed compliance with the Code .

A declaration signed by the Managing Director and Group Chief Executive Officer of the Company, stating that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code is annexed as **Annexure – I** of this report.

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

E-modules on Ethical Compliances

In pursuit of better governance practices and upon the recommendation of the Audit Committee, the Company has implemented mandatory e-module training on the Code of Conduct, Anti Bribery & Corruption, Whistle Blower and Anti Money Laundering, Anti of Sexual Harassment, Competition Law Compliance Programme, Prohibition of Insider Trading, Training on Data Protection Laws and Health & Safety for the employees of the Company followed by an assessment test with a passing score of at least 80%.

The Company has also replicated the aforesaid training e-modules in its newly acquired Railway Business and during the financial year under review all the eligible employees completed these training.

Data Privacy Framework

The Company is maintaining with utmost confidentiality of the Personal Information (PI) including Personal Sensitive Information (PSI) of its employees, directors, vendors, customers and other stakeholders and during the financial year under review, the Company has further strengthened its Data Privacy Framework in the Company and its subsidiaries in compliance with the Digital Personal Data Protection Act, 2023 (DPDP) and the General Data Protection Regulation (GDPR) across all its locations.

The Company is committed to maintaining the confidentiality and security of the PI of its employees, directors, vendors, customers and other stakeholders.

During the financial year, the Digital Personal Data Protection (DPDP) Rules, 2025 were notified and implemented in a phased manner. In response, the Company has amended its policies and procedures to ensure compliance with these regulatory changes. It has also established and enforced appropriate Data Privacy frameworks to ensure the lawful

collection, processing, and handling of PI. These measures include obtaining explicit consent from relevant individuals and entities, thereby ensuring that all personal data is managed in accordance with applicable legal and regulatory requirements.

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

Code of Conduct for Prohibition of Insider Trading

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

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

During the Financial Year 2025-26, the Company has conducted multiple training sessions, awareness programmes, and taken requisite initiatives aimed at equipping Designated Persons (DPs) with a comprehensive understanding of their compliance obligations and responsibilities under the PIT Regulations and the PIT Code. Regular communications,

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

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

Training E-module for Prohibition of Insider Trading:

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

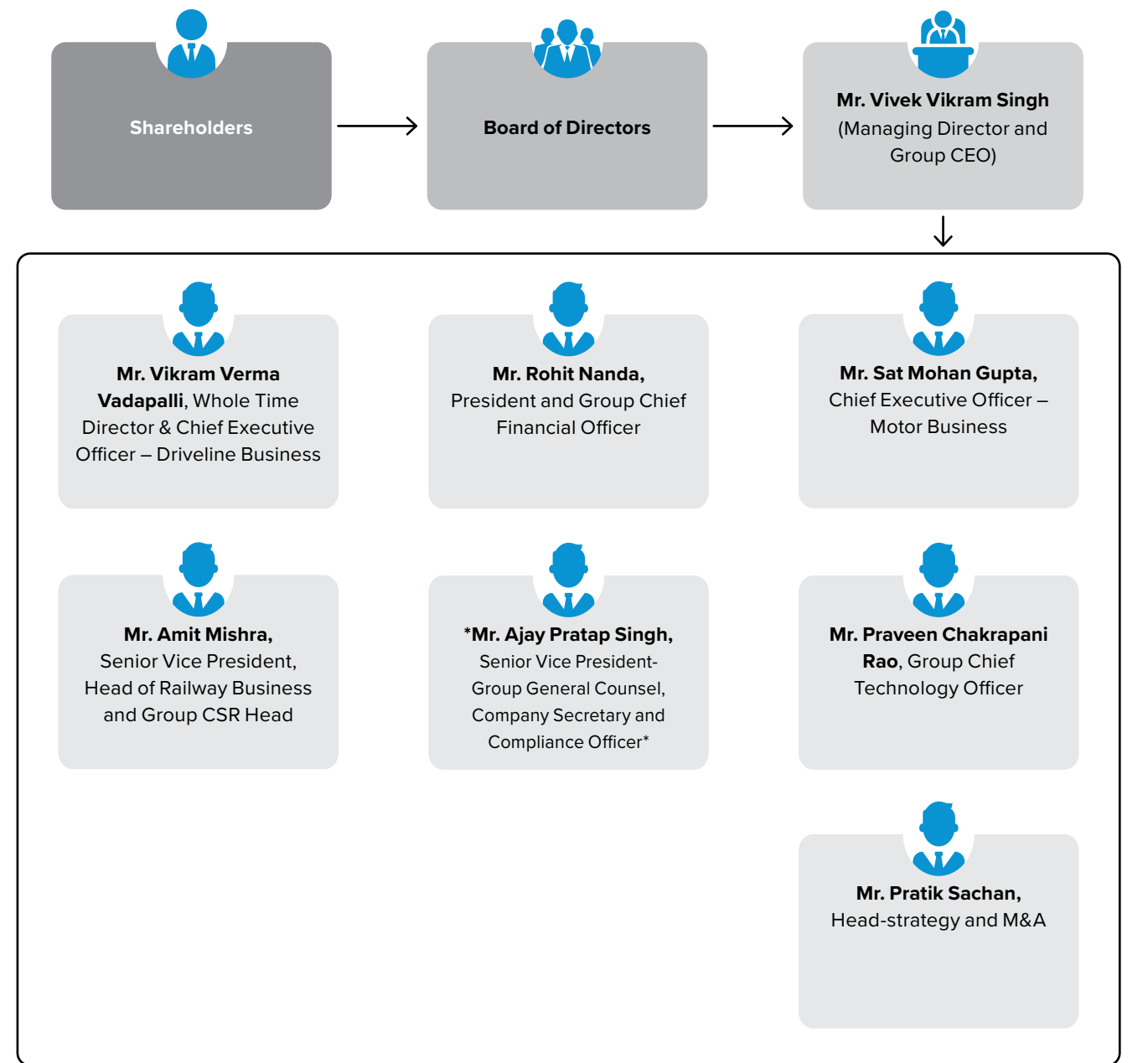
Tool for Compliance under PIT Regulations

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

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

GOVERNANCE STRUCTURE AND DEFINED ROLES AND RESPONSIBILITIES

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



* Mr. Ajay Pratap Singh, Senior Vice President - Group General Counsel, Company Secretary and Compliance Officer of the Company resigned effective from the close of business hours on 15th April, 2026. In the interim, the Board, based on the recommendation of the NRC Committee, appointed Ms. Suman Poddar as Company Secretary and Mr. Arjun Singh as Compliance Officer of the Company, both effective from 16th April, 2026. Ms. Suman Poddar and Mr. Arjun Singh resigned effective from 16th June, 2026.

The Board in its meeting held on 16th June, 2026, based on the recommendation of NRC appointed Mr. Pankaj Gupta as Senior Vice President (Legal), Company Secretary and Compliance Officer of the Company effective from 17th June, 2026.

BOARD OF DIRECTORS

The Board of Directors of the Company serves as the cornerstone of the Company’s corporate governance framework and plays an instrumental role in steering the growth of the Company and long-term value creation for all its stakeholders. The Board of Directors have the fiduciary responsibility of ensuring overall business strategy is aligned with sustainable growth, value creation, for all its stakeholders, assessing risk management practices and monitoring the effectiveness of the Company’s Corporate Governance practices . The Managing Director & Group CEO reports to the Board and is in charge of the management of the affairs of

the Company and ensure Company’s vision and mission are translated into actionable goals.

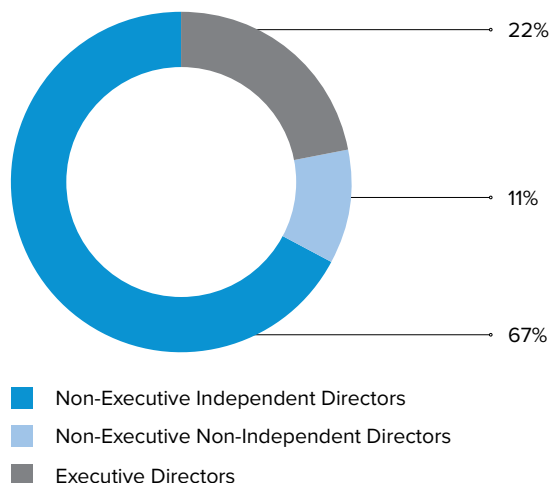
The Company recognises that an effective, independent, and diverse Board is fundamental to strong corporate governance and the long-term success of the Company. This understanding is reflected in the composition of the Board of the Company, which is structured to bring together an appropriate mix of experience, expertise, and independence. The Board of the Company is constituted in accordance with provisions of the Listing Regulations and the Companies Act, 2013 (**Act**), with an optimal mix of Executive, Non- Executive and Independent Directors, wherein Non-Executive Independent Directors represents 2/3 (two-thirds) of the total Board strength.

COMPOSITION OF THE BOARD

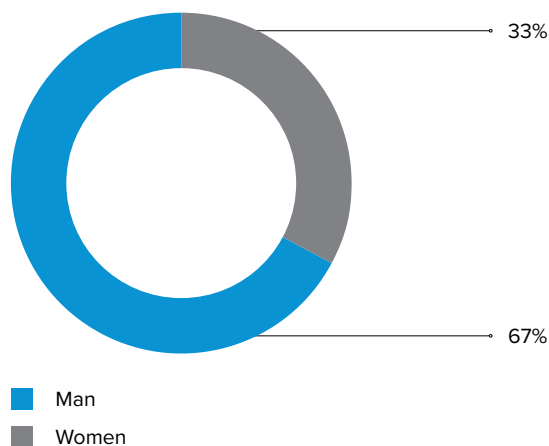
Your Company believes in having a diverse Board, with diversity of experience, thoughts, perspective, skill sets, gender, industry and expertise ensuring constructive deliberations and effective decision-making at the Board.

As on 31st March, 2026, the Board comprises of 9 (nine) directors, which includes 6 (six) independent directors, consisting of 2 (two) women independent directors, 2 (two) executive directors, and 1 (one) woman non-executive and non-independent director.

Composition of the Board



Gender Diversity



The Composition of the Board as on 31st March, 2026 is as follows:

Sl. No.	Name of Director	Category
1	Jeffrey Mark Overly	Chairman, Non-Executive - Independent Director
2	Vivek Vikram Singh	Managing Director & Group CEO
3	Vikram Verma Vadapalli	Whole time Executive Director
4	Shradha Suri	Non-Executive - Independent Director

Sl. No.	Name of Director	Category
5	Manisha Girotra	Non-Executive - Independent Director
6	Pradip Manilal Kanakia	Non-Executive - Independent Director
7	Karamendra Daulet Singh	Non-Executive - Independent Director
8	Vineet Mittal	Non-Executive - Independent Director
9	Priya Sachdev Kapur	Non-Executive - Non-Independent Director

Note: Mr. Sunjay Kapur (DIN: 00145529) ceased to be a director of the company due to his unfortunate demise on 12th June, 2025. In recognition of his unparalleled contributions and enduring impact, he was designated as Chairman Emeritus of the Company, posthumously.

All the Directors of the Company are doyen of the industry with diverse skill sets and industry specific expertise. The Company has ensured that the role of the Chairman and Managing Director of the Company are separate, and both are not related with each other, as part of its governance practices.

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

SENIOR MANAGEMENT

The Senior Management Personnel (SMP) of the Company were identified and appointed / designated as such in compliance with the criteria laid out under Section 178 of the Act read with Regulation 16(1)(d) of the Listing Regulations. As on 31st March, 2026, following were the SMP of the Company:

Sl. No.	Name of SMP	Designation
1	Sat Mohan Gupta	Chief Executive Officer-Motor Business
2	Rohit Nanda	President and Group Chief Financial Officer
3	Ajay Pratap Singh*	Group General Counsel, Company Secretary & Compliance Officer
4	Amit Mishra	Senior Vice President and Group Head-CSR
5	Praveen Chakrapani Rao	Group Chief Technology Officer
6	Ranganathan Balaji	President & Chief Operating Officer-Operations
7	Rakesh Rajagopal	President & Chief Operating Officer -North America
8	Anand Seth	Vice President-Marketing
9	Pratik Sachan	Head-Strategy and M & A

* Mr. Ajay Pratap Singh resigned effective from 15th April, 2026.

Profile of each Director of the Company is available at <https://sonacomstar.com/board-of-directors>. Further, none of the directors are related to each other or any of the KMP or SMP of the Company. The number of directorships/committee memberships held by Executive and Non-Executive Independent Directors are within the permissible limits under the Listing Regulations and the Act. The profile of the Management Team of the Company is also available on the website of the Company at (<https://sonacomstar.com/about-team>) .

BOARD MEETINGS, ATTENDANCE OF DIRECTORS AND, DIRECTORSHIP AND COMMITTEE POSITION HELD

The directors strive to attend each board meeting and committee meetings of which they are members, unless there are exceptional reasons preventing them from participating. Only members of the committees are entitled to attend Committee meetings. Directors other than the directors who are members and invitees may also attend the Committee meetings as invitee at the Chairperson's discretion.

During the financial year under review, the Board of Directors have met 8 (eight) times to discuss and deliberate on various matters. The Board meetings were held on 30th April, 2025, 23rd June, 2025, 20th July, 2025, 04th August, 2025, 27th October, 2025, 17th November, 2025, 23rd January, 2026 and 20th March, 2026. The Board met quarterly and the gap

intervening between two consecutive meetings was within the time prescribed under the Act and Listing Regulations. For the ease and convenience of all the directors and management team, the annual calendar of meetings of the Board of Directors is fixed at the beginning of the year.

67%

Independent Directors

3

Women Non-Executive Directors

8

Board Meetings held during Financial Year 2025-26

92%

Attendance

The details of the Director's attendance in the Board meeting and AGM of the Company held during the Financial Year along with the directorship and committee positions held by them in other Companies, as on 31st March, 2026 are tabled below:

Name of the director	Category of directorship	Number of board meeting attended (Total 8 board meeting held)	% of attendance in Board meeting	Attendance at the AGM held on 25th July, 2025	Number of Directorship [*]		Committee positions held ^{**}		Name of the other listed entities	
					Public	Private	Chairman	Member	In which he/she is a director	Category of Directorship
Late Mr. Sunjay Kapur*	Chairman & Non-Executive Director	1	100	NA	NA	NA	NA	NA	NA	NA
Mr. Jeffrey Mark Overly (DIN: 09041143)	Chairman and Independent Director	8	100	Yes	1	Nil	Nil	2	Nil	Nil
Mr. Vivek Vikram Singh (DIN: 07698495)	Managing Director and Group CEO	7	87.5	Yes	2	Nil	Nil	1	Nil	Nil
Mr. Vikram Verma Vadapalli (DIN:03631259)	Whole- Time Director	8	100	Yes	1	1	Nil	Nil	Nil	Nil
Mrs. Priya Sachdev Kapur (DIN: 02406685)	Non – Executive Non – Independent Director	5	83.33**	Yes	1	1	Nil	Nil	Nil	Nil
Mrs. Shradha Suri (DIN: 00176902)	Independent Director	6	75	Yes	3	3	Nil	1	Subros Limited	Chairperson and Managing Director
Mrs. Manisha Girotra (DIN: 00774574)	Independent Director	7	87.5	Yes	2	2	Nil	Nil	Nil	Nil
Mr. Pradip Manilal Kanakia (DIN: 00770347)	Independent Director	8	100	Yes	8	0	4	7	1 JM Financial Limited 2 Healthcare Global Enterprises Limited 3 Britannia Industries Limited 4 ICRA Limited 5 Camlin Fine Sciences Limited	Independent Director
Mr. Karamendra Daulet Singh (DIN:00110827)	Independent Director	8	100	Yes	2	1	1	2	Sundrop Brands Limited	Independent Director
Mr. Vineet Mittal (DIN:00058552)	Independent Director	7	87.5	Yes	2	3	-	2	-	-

* Late Mr. Sunjay Kapur, Chairman Emeritus, ceased to be a director of the company due to his unfortunate demise on 12th June, 2025.

^{*} Including directorship held in Sona BLW Precision Forgings Limited

^{**} Including Committee Positions held in Sona BLW. for the purpose of calculating the membership and chairmanship of a committee, the membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered including the membership and chairmanship of committees held in Sona Comstar.

^{**} Mrs. Priya Sachdev Kapur (DIN: 02406685) was appointed as Non- Executive and Non-Independent in the Board Meeting held on 23rd June, 2025 w.e.f. 23rd June, 2025, hence she was eligible to attend only 6 (Six)) Board meetings.

Independent Directors

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

As per regulation 25(8) of the Listing Regulations and Section 149(6) of the Act and the rules framed thereunder, all Independent Directors of the Company had confirmed that they meet the independence criteria as specified in the Act read with the Listing Regulations and they are independent of the management. The Independent Directors have stated that they are not aware of any circumstance or situation, which exists or may reasonably be anticipated, that could impair or impact their ability to discharge their duties with an independent judgement and without any external influence.

The maximum tenure of Independent Directors is in compliance with the Act and the Listing Regulations. Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act read with the Listing Regulations and they are independent of the Management.

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

Board meetings - Functioning and Procedure

Calendar	The annual calendar of the Board meetings and AGM is decided and circulated to the directors in the beginning of every calendar year.
Frequency	The Board meets at least once a quarter to review the quarterly financial results and other items of the agenda. Whenever necessary, additional meetings are held. Only in case of business exigencies or urgency of matters, resolutions are passed by circulation.
Location	The mode of attending the Board meetings is informed to all the Directors, through the calendar of the meetings. Each Director is expected to attend the Board meetings.
Matters	All businesses / departments of the Company are advised to schedule their work plans in advance, particularly with regard to matters requiring discussions / approval / decision of the Board and / or its Committee(s). All such matters are communicated to the Company Secretary in advance so that the same can be included in the agenda for the Board / Committee meeting notice meetings in consultation with the chairperson of the Board and its committees.
Board and agenda	Meetings are governed by the structured agenda. The notice and agenda for each Board meeting is circulated well in advance to the Board members. Each agenda items are backed by the comprehensive agenda notes.
Presentations by management	The Board is given presentations covering finance, revenue, performance, technology updates on major business segments, updates on the operations of the Company / subsidiaries, global business environment including business opportunities, business strategy, ESG framework , update on mergers and amalgamations and the risk management practices, changes in applicable law.
Access to employees	The directors are provided free access to communicate with the officers and employees of the Company. Management is encouraged to invite the Company personnel to any Board / Committee meeting at which their presence and expertise would help in full understanding of the subject matters.
Availability of information to the Board members	The Board inter-alia periodically reviews annual operating plans and budgets including operating and capital expenditure budgets technological updates, quarterly financial results of the Company both consolidated and standalone basis, financials of each of the subsidiaries and investments made by the subsidiaries, risk assessment and minimisation procedures, update on the state of the market for the business as well as on the strategy, minutes of subsidiaries, minutes of all the Board Committees, details of the treasury investments, details of foreign exchange exposure, update on statutory and secretarial compliance reports and reports of non-compliances, if any.

Lead Independent Director

Mr. Jeffrey Mark Overly has been appointed as the Lead Independent Director and entrusted, inter-alia, with the following roles and responsibilities:

- i. Lead exclusive meetings of the Independent Directors and provide feedback to the Board of Directors after such meetings;
- ii. Provide leadership to the Independent Directors and serve as liaison between the Board and the Independent Directors;
- iii. Take the lead role, along with Chairman of Nomination and Remuneration Committee, in assessing the performance evaluation of the Board and that of Individual Director;
- iv. Identify critical issues for the Board to deal with and assist the Board in achieving consensus on important issues.

Meeting of Independent Directors

During the Financial year under review and in terms of Clause VII of the Schedule IV of the Act read with Regulation 25(3) of the Listing Regulations, a separate meeting of Independent Directors of the Company, without the presence of Non-Independent Directors, was held on 30th April, 2025. Independent Directors in the said meeting has reviewed and evaluated the performance of the Non-Independent Directors, Board as a whole and Chairman of the Company after taking views of executive and non-executive Directors of the Company and assessed the quality, quantity and timeliness of flow of information between the Company’s management and the Board that is necessary for the Board to perform its duties both effectively and reasonably. All the Independent Directors of the Company complies with the criteria’s pertaining to the maximum number of directorships as per Regulation 17A of Listing Regulations.

Post meeting follow-up mechanism	The important decisions and suggestions taken at the Board / Committee meetings are promptly communicated to the concerned departments / divisions. Any update on the action taken on the decisions of the previous Committee meeting(s) is placed at the subsequent respective meeting of the Board/Committee.
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DETAILS OF EQUITY SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2026

As on 31st March, 2026, none of the Non-Executive Directors of the Company, except as stated below, was holding any equity shares or convertible instruments in the Company.

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

DETAILS OF EQUITY SHARES AND CONVERTIBLE INSTRUMENTS HELD BY KEY MANAGERIAL PERSONNEL OF THE COMPANY AS ON 31ST MARCH, 2026

S. No	Name of Key Managerial Personnel	No. of Equity Shares*	Percentage of Shareholding	No. of Convertible Instruments
1.	Vivek Vikram Singh (Managing Director and Group Chief Executive Director)	3,38,465	0.054%	Nil
2.	Vikram Verma Vadapalli (Whole Time Director)	3,11,042	0.05%	Nil
3	Ajay Pratap Singh** (Senior Vice President- Group General Counsel, Company Secretary and Compliance Officer)	21,768	0.003%	Nil

*All the equity shares allotted to them by the Company pursuant to exercise of their options under the ESOP Schemes or shares allotted to Mr. Vivek Vikram singh under the PSP Scheme 2025 of the Company.

**Mr. Ajay Pratap Singh, Senior Vice President-Group General Counsel, Company Secretary and Compliance Officer has resigned w.e.f. 15th April, 2026.

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

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

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

The exhaustive induction for Independent Directors enables them to be familiarised with the Company, its history, values and purpose. The Managing Director and Group CEO also makes presentations in every quarterly meeting of the Board of Directors, in order to facilitate clear understanding of the business of the Company and the environment in which the Company operates.

The Company operate into Mobility components, systems and sub-systems with focus on technological advancement in the mobility. In Board meetings, discussions are focused on business strategy, update on mergers and acquisitions, cyber

security, governance, compliances, ESG related matters, technological updates and operational and functional matters which provide good insights on the businesses carried on by the Company to the Independent Directors. To make meetings more productive, all the documents related to the Company’s operations, businesses and the industry as a whole, are provided at least 3 days’ in advance of the meetings.

Further, monthly updates are shared with the directors containing an update on the material amendments in the regulatory and compliance framework applicable on the Company and its impact on the Company and insights about the relevant renowned judgments/orders of the learned Courts or Tribunals and Adjudicating bodies. The directors also visit the Company’s Plants, which helps them to get first-hand understanding of the business and operations .

The details of such familiarisation programmes for Independent Directors are put up on the website of the Company and can be accessed at <https://sonacomstar.com/files/policy/familiarisation-programme-policy-4ZowK5.pdf>

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

As on 31st March, 2026, the Board comprised of experienced members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee Meetings.

The matrix below summarises a mix of skills, expertise and competencies expected to be possessed by our individual Directors, which are key to corporate governance and Board effectiveness:

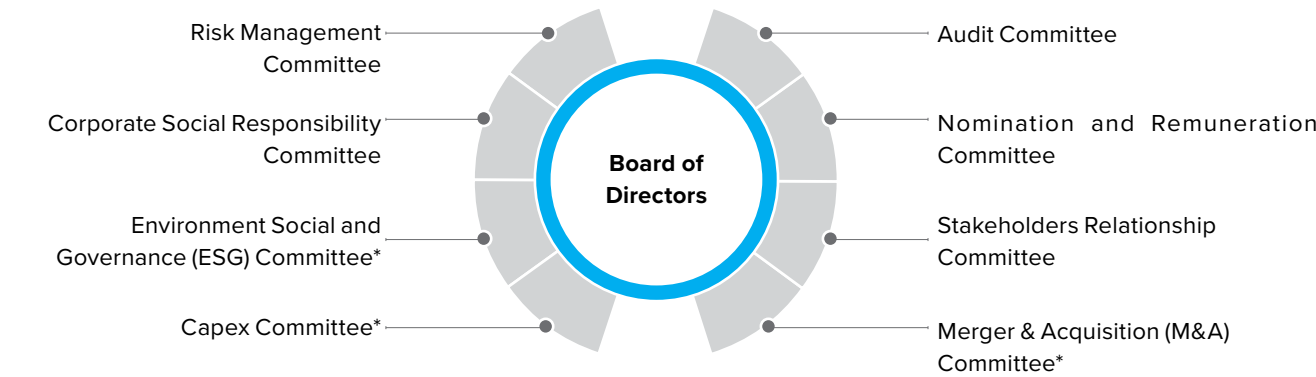
Name of Directors	Strategic Thinking, Planning and Management	Entrepreneurial and Leadership skills	Accounting, Legal and Financial Management expertise	Global Exposure	Automotive Technology	Regulatory Compliance and Stakeholder Management	Information Technology/ Cyber Security	Corporate Governance, Sustainability, and ESG	Risk Management
Mr. Jeffrey Mark Overly	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vivek Vikram Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vikram Verma Vadapalli	✓	✓	✓	✓	✓	✓	-	✓	✓
Mrs. Priya Sachdev Kapur	✓	✓	✓	✓	-	✓	-	-	-
Mrs. Shradha Suri	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Manisha Girotra	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Pradip Manilal Kanakia	✓	✓	✓	✓	-	✓	✓	✓	✓
Mr. Karamendra Daulet-Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vineet Mittal	✓	✓	✓	✓	-	✓	✓	✓	✓

DIRECTOR AND OFFICER LIABILITY INSURANCE (D&O)

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy. The Directors and Officers Liability Insurance has been taken by the Company on behalf of all Directors including Independent Directors and Officers of the Company for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company. These Committees assist the Board in discharging its responsibilities as required under the the Act and the Listing Regulations.



*Voluntary Committees

The Company Secretary of the Company acts as the Secretary to all the committees of the Board.

During the Financial Year 2025-26, there was no recommendation of any committee which was not accepted by the Board of the Company.

All Committee decisions are taken, either at the meetings of the Committee or by passing of circular resolutions. The agenda for each committee meetings are finalised in consultation with the

The Board, in compliance with the statutory requirements, has constituted the following 5 (five) statutory committee's viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholder Relationship Committee and Risk Management Committee . The terms of reference of these Committees, as approved by the Board, set out their respective scope of work and responsibilities, and are also available on the website of the Company at <https://sonacomstar.com/files/policy/terms-of-reference-of-the-committees-policy-iAA7NT.pdf>. In addition to above, the Board has constituted 3 (three) non-statutory committees namely, Environment, Social and Governance (ESG) Committee, Capex Committee and Merger and Acquisition (M&A) Committee. The term of reference of these committees of the Board has been approved by the Board, and their relevance is reviewed from time to time.

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

1. Audit Committee

The Audit Committee of the Board comprises of 3 (three) members, who are Independent Directors and they are financially literate and have relevant experience in financial management. Members of the Senior Management, external firms working on compliance audit, cyber security and other projects of the Company and its subsidiaries are also invited to make presentations before the Audit Committee as and when required by the Committee.

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

As a matter of good corporate governance practices, the Committee meets with Auditors, without the presence of management of the Company to discuss the audit process

The Composition of the Audit Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2025-26 is detailed below:

Name of Directors	Category	Audit Committee meetings dates							Eligible to attend the Meeting	Attended	% of attendance
		30 th April 2025	23 rd Jun 2025	4 th August 2025	27 th October 2025	17 th Nov 2025	23 rd January 2026	20 th March, 2026			
Mr. Pradip Manilal Kanakia	Chairperson	✓	✓	✓	✓	✓	✓	✓	7	7	100
Mr. Jeffrey Mark Overly	Member	✓	✓	✓	✓	✓	✓	✓	7	7	100
Mr. Karamendra Daulet Singh	Member	✓	✓	✓	✓	✓	✓	✓	7	7	100

The Company Secretary of the Company acts as the Secretary to the Committee.

Audit Integrity

The Company has appointed independent auditors to conduct statutory audit, internal audit and secretarial audit.

The Audit Committee has the following Terms of Reference/Charter:

The Terms of Reference of the Audit Committee, as laid out below, has been formulated in accordance with the role of audit committee specified under Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the Listing Regulations.

1. Roles and Responsibilities:

The Committee shall have the following authority, roles and responsibilities:

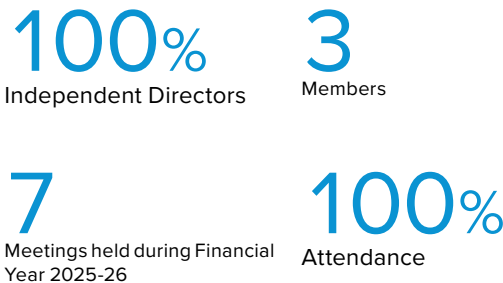
A. Related to Financial Statements:

- Reviewing and examine, with the management, the annual financial statements, quarterly audited/unaudited financial statements/results and auditor’s report thereon before submission to the board for approval, with particular reference to:

and flow of information from respective departments, at least once in a financial year.

Further, the Board in its meeting held on 30th April 2026, has designated the Audit Committee as “Those Charged With Governance” on behalf of the Company, in consonance with the requirements of the circulars issued by National Financial Reporting Authority.

Composition and Attendance (in brief):



- Matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Modified opinion(s) in the draft audit report.
- Review the financial statement, in particular, the investment made by unlisted Subsidiary;
- Evaluating internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Overseeing our Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Review the management discussion and analysis of financial condition and results of operations.

B. Related to Auditors of the Company:

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

In case the auditors propose to resign before completion of their term, the Committee shall examine the reason for such resignation including concerns raised by the auditor such as non-availability of information / non- cooperation by the management / any other apprehensions hampering the audit process and deliberate on them in the immediate next Audit Committee meeting.

- Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Committee;
- Reviewing and monitoring the statutory auditor’s independence and performance, and effectiveness of audit process;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Reviewing the internal audit reports relating to internal control weaknesses;
- Discussing with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our board;
- Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

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

- Review of compliance with the Company’s Code of Conduct and Business Ethics, Whistle

Blower Policy, Policy for Prevention of Sexual Harassment at Workplace, Anti-Bribery & Corruption Policy and such other policies of the Company as approved by its Board;

- Reviewing the functioning of the whistle blower mechanism/vigil mechanism to report genuine concerns or grievances;
- Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
- Approval of all related party transactions or any subsequent modifications (including material modifications) thereto;
- The Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed under the applicable Act.
- Review the details of Related Party Transactions entered pursuant to omnibus approval given, at least on quarterly basis;
- To define material modification in the Related Party Transactions
- Review the statement of significant related party transactions (as defined by the audit committee), submitted by management.

D. Relating to mergers/acquisitions and investments:

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

E. Other responsibilities:

- Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- To recommend amendment to the Policy on Related Party Transactions, if so required to ensure compliances with new regulatory requirements.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of

proceeds of a public or rights issue, or preferential issue or qualified institutions placement and making appropriate recommendations to our board to take up steps in this matter;

- Reviewing the statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).
 - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulations.
- Approving the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other functions as mentioned in this Charter and any other terms of reference as may be decided by the Board and/or specified /provided under the Companies Act, the Listing Regulation or by any other regulatory authority(ies);
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

2. Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal and other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary;
- To secure attendance of the auditors, and the head of finance and occasionally the Committee members may meet without the presence of the executives of the Company.

3. Composition

- All members of Committee are financially literate with accounting or related financial management expertise.

- The Committee comprises of three Independent Directors.
- The chairperson of the Committee is an independent director and is present at Annual general meeting to answer shareholder queries.
- The members of the Committee are elected by the Board.
- The Company Secretary acts as the secretary to the audit committee.

4. Meetings

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

2. Nomination and Remuneration Committee

As on 31st March, 2026, the Nomination and Remuneration Committee (NRC) of the Board comprises of all 4(four) Independent Directors.

The Chairperson of the Committee virtually attended the 29th Annual General Meeting of the Company held on 25th July, 2025.

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

Composition and Attendance (in brief):

100%
Independent Directors

4
Members

5
Meetings

80%
Attendance

The Composition of the NRC of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2025-26 is detailed below:

Name of Directors	Category	Nomination and Remuneration Committee meeting dates					Eligible to attend the Meeting	Attended	% of attendance
		30 th April 2025	23 rd Jun 2025	27 th October 2025	17 th Nov 2025	20 th March 2026			
Mr. Karamendra Daullet Singh*	Chairperson	✓	✓	✓	✓	✓	5	5	100
Mr. Sunjay Kapur^	Member	✓	-	-	-	-	1	1	100
Mr. Jeffrey Mark Overly	Member	✓	✓	✓	✓	✓	5	5	100
Mrs. Shradha Suri	Member	X	✓	X	X	✓	5	2	40
Mrs. Manisha Girotra	Member	✓	✓	✓	X	X	5	3	60

*Mr. Karamendra Daullet Singh, Independent Director of the Company was designated as the Chairperson of the Committee w.e.f. 16th July, 2025.
^Late Mr. Sunjay Kapur, Chairman Emeritus, ceased to be a director of the company due to his unfortunate demise on 12th June, 2025.

The Company Secretary of the Company acts as the Secretary to the Committee.

The NRC Committee has the following terms of reference:

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

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

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

Succession Planning

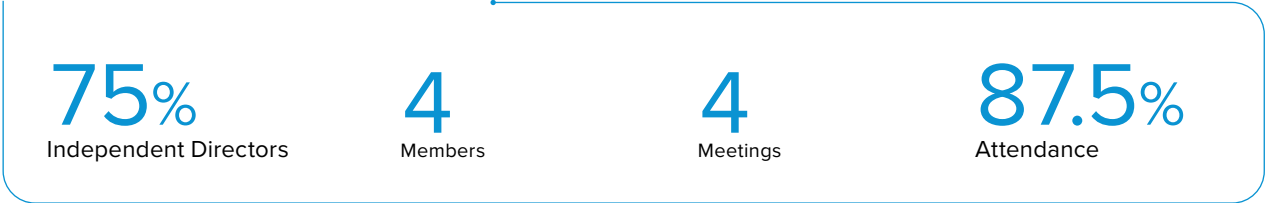
The Company believes that sound succession plans for the Board Members and Senior Management are very important for creating a robust future for the Company and the NRC of the Company plays a pivotal role in identifying successors to the members of the Senior Management and invests substantial time with the Managing Director & Group CEO on succession planning. The succession plan is closely aligned with the strategy and long-term needs of the Company. The Company has adopted the Succession Planning Policy in terms of regulations of the Listing Regulations and the Succession Planning Policy of the Company is available on the website of the Company at <https://sonacomstar.com/files/policy/succession-planning-policy-policy-SYOpD5.pdf>.

The Board of the Company met with Mr. Vivek Vikram Singh and CEOs of all Business of the Company on the succession planning on 26th October, 2025, to review the succession planning for CEO and all direct reports to the CEO.

3. Corporate Social Responsibility Committee

As on 31st March, 2026, the CSR Committee comprises of 4 (four) non-executive directors, of whom 3 (three) members are independent directors and the Chairperson of the Committee is Non-Executive and Non-Independent director. The composition and role of the Corporate Social Responsibility Committee is as per the requirement of Section 135 of the Act and rules made thereunder.

Composition and Attendance (in brief):



The composition of the Corporate Social Responsibility Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2025-26 is detailed below:

Name of Directors	Category	Corporate Social Responsibility Committee Dates				Eligible to attend the meeting	Attended	% of attendance
		23 rd June 2025	27 th October 2025	23 rd January 2026	20 th March 2026			
Mrs. Priya Sachdev Kapur*	Chairperson	✓	✓	✓	✓	4	4	100
Mrs. Shradha Suri	Member	✓	X	✓	✓	4	3	75
Mrs. Manisha Girotra	Member	✓	✓	✓	X	4	3	75
Mr. Pradip Manilal Kanakia ^	Member	✓	✓	✓	✓	4	4	100

*Mrs. Priya Sachdev Kapur, Non-Executive Director of the Company was appointed as the member and Chairperson of the Committee w.e.f. 23rd June 2025.
^Mr. Pradip Manilal Kanakia, Independent Director of the Company was appointed as the member of the Committee w.e.f. 23rd June 2025.

The Company Secretary of the Company acts as the Secretary to the Committee.

The CSR Committee has the following terms of reference:

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

4. Stakeholders Relationship Committee

As on 31st March, 2026, the Stakeholders Relationship Committee (SRC) comprises of 3 (three) directors and out of them 2 (two) including the chairperson are non-executive independent directors and one is executive director. The Composition and role of the SRC is as per the requirement of Section 178 of the Companies Act, 2013 and rules made thereunder and the Listing Regulations.

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

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

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

Composition and Attendance (in brief):

66.66%

Independent Directors

3

Members

4

Meetings

100%

Attendance

The composition along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2025-26 is as below:

Name of Directors	Category	SRC meeting dates				Eligible to attend the Meeting	Attended	% of attendance
		30 th April 2025	4 th August 2025	27 th October 2025	23 rd January 2026			
Mr. Karamendra Daulet Singh	Chairperson	✓	✓	✓	✓	4	4	100
Mr. Jeffrey Mark Overly	Member	✓	✓	✓	✓	4	4	100
Mr. Vivek Vikram Singh	Member	✓	✓	✓	✓	4	4	100

The Company Secretary of the Company acts as the Secretary to the Committee.

The SRC Committee has the following terms of reference:

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

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

Details of Shareholders'/Investors' Complaints:

During the Financial Year ended on 31st March, 2026, only 1 (one) complaint was received from the shareholders of the Company which was pertaining to the claim of unclaimed dividend by a shareholder whose bank account details were not updated with the depository. This complaint was duly resolved by the Company in co-ordination with its RTA to the satisfaction of the Shareholder.

As on date, no complaint is pending regarding the share transfers pertaining to the year under review. The details relating to the number of complaints received and redressed during the Financial Year 2025-26 are as under:

No. of Investor/Shareholders complaints pending at the beginning of the Financial Year 2025-26	No. of Investor/Shareholders complaints received during the Financial Year 2025-26	No. of Investor complaints not solved to the satisfaction of shareholders during the Financial Year 2025-26	No. of Investor complaints pending at the end of the Financial Year 2025-26
Nil	1	Nil	Nil

5. Risk Management Committee (RMC)

As on 31st March, 2026, the Risk Management Committee (RMC) comprises of 3 (three) directors, out of which 2 (two) are non-executive independent directors including the Chairperson of the Committee and 1 (one) is executive director. The Composition and role of the Risk Management Committee is as per the requirement of the Listing Regulations.

Composition and Attendance (in brief):

66.66%

Independent Directors

3

Members

2

Meetings

100%

Attendance

The composition of the Risk Management Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2025-26 is detailed below:

Name of Directors	Category	RMC meeting dates		Eligible to attend the Meeting	Attended	% of attendance
		4 th August 2025	23 rd January 2026			
Mr. Jeffrey Mark Overly	Chairperson	✓	✓	2	2	100
Mr. Vivek Vikram Singh	Member	✓	✓	2	2	100
Mrs. Manisha Girotra	Member	✓	✓	2	2	100

The Company Secretary of the Company acts as the Secretary to the Committee.

The Risk Management Committee has the following terms of reference:

- Formulate a detailed risk management policy which shall include:
 - framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined;
 - measures for risk mitigation including systems and processes for internal control of identified risks;
 - Business continuity plan.
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of our Company;
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.

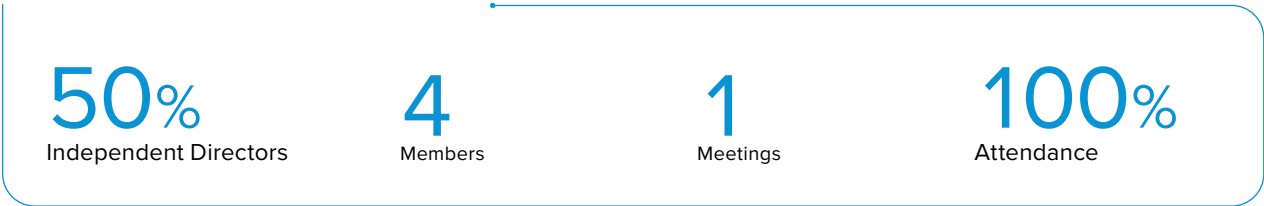
- Seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions.

6. Environment, Social and Governance Committee

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

The Board of Directors of the Company has constituted an Environment, Social and Governance (ESG) Committee for implementation of Environment, Social and Governance framework across all operations in India. As on 31st March, 2026, the Environment, Social and Governance (ESG) Committee comprises of 4(Four) directors, of whom 2 (two) members including the Chairperson of the Committee are independent directors, and 1 (one) executive director and 1 (one) non-executive director. The Company has set the ESG medium and long-term goals and mapped them with the United Nation Sustainable Developments Goals (SDGs).

Composition and Attendance (in brief):



The composition of the ESG Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2025-26 is detailed below:

Name of Directors	Category	ESG Committee meeting dates			
		23 rd January 2026	Eligible to attend the Meeting	Attended	% of attendance
Mr. Jeffrey Mark Overly	Chairperson	✓	1	1	100
Mr. Vivek Vikram Singh	Member	✓	1	1	100
Mr. Vineet Mittal	Member	✓	1	1	100
Mrs. Priya Sachdev Kapur*	Member	✓	1	1	100

*Mrs. Priya Sachdev Kapur, Non-Executive and Non-Independent Director of the Company was appointed as the member of the Committee w.e.f. 23rd June 2025.

7. Capex Committee

Allocation of the Capital decisively is an important task for the Company, , therefore the Board has constituted the Capex Committee which review and recommends the Annual capital expenditure budgets to the Board for its approval and after Board’s approval the Committee also reviews the status of expenditure on quarterly basis.

As on 31st March 2026, the Capex Committee comprises of 3(three) directors of whom 1(one) Non-Executive Independent Director, who is also the chairperson and 2(two) executive directors. The role of the Committee is to approve new capex and shall also monitor the cash out flow granularly in an effective manner.

The composition of the Capex Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2025-26 is detailed below:

Name of Directors	Category	Capex Committee meeting dates			Eligible to attend the Meeting	Attended	% Attendance
		4 th August 2025	24 th October 2025	20 th March 2026			
Mr. Jeffrey Mark Overly*	Chairperson	✓	✓	✓	3	3	100
Mr. Vivek Vikram Singh	Member	✓	✓	✓	3	3	100
Mr. Vikram Verma Vadapalli	Member	✓	✓	✓	3	3	100

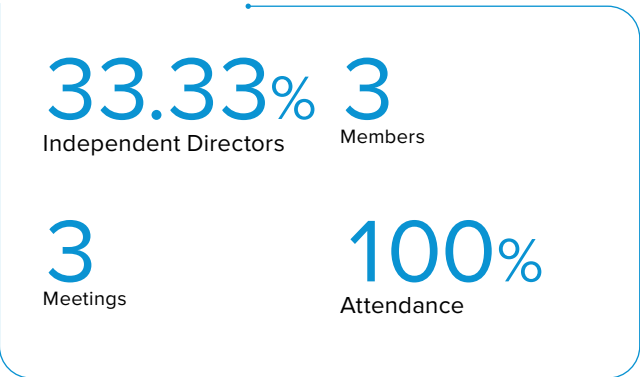
* Mr. Jeffrey Mark Overly, Independent Director of the Company was designated as the Chairperson of the Committee w.e.f. 23rd June 2025.

8. Mergers & Acquisition Committee (M&A Committee)

The Board of Directors in its meeting held on 30th April, 2024, has constituted Mergers and Acquisition Committee (M&A Committee) of the Board of Directors with the objective of assessing the vitality of each of the target Company and for detailed deliberation and discussion of each project, which will save lot of time of the Board. The role of the M&A Committee shall include:

- To review, evaluate, scrutinise and consider all proposals for making investments (including

Composition and Attendance (in brief):



acquisition), divestments, strategic alliances/ technological tie ups, Foreign Collaborations by the Company or by its subsidiaries and making appropriate recommendations to the Board of the Company.

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

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

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

GENERAL BODY MEETINGS

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

The empowerment of the Shareholders is of utmost priority to the Company. Since its listing, the Company has endeavoured to conduct its Annual General Meeting at the earliest, within four months from the from the closing of its financial year.

Year	Location	Date & Time	Whether any Special Resolutions Passed	Special Resolution Passed in the AGM by Shareholders	Web link for webcast/ transcripts	Percentage of Voting (%)
2025	Video Conferencing/ other audio-visual means	25 th July, 2025 at 01:00 PM (IST)	Yes	1. Re-appointment of Mrs. Shradha Suri (DIN:00176902), as an Independent Director of the Company.	https://sonacomstar.com/investor/meetings	88.98
				2. Re-appointment of Mr. Jeffrey Mark Overly (DIN:09041143), as an Independent Director of the Company.		98.96
				3. Alteration of the Object Clause of the Memorandum of Association of the Company.		99.99
2024	Video Conferencing/ other audio-visual means	28 th June, 2024 at 12:00 PM (IST)	No	No special resolution passed by the shareholders in this AGM.	https://sonacomstar.com/investor/meetings	-
2023	Video Conferencing/ other audio-visual means	19 th July, 2023 at 12:00 noon (IST)	Yes	1. To approve the Sona Employee Stock Option Plan 2023 ("Plan" or "ESOP 2023") and grant of stock options to the Eligible Employees of the Company under the ESOP 2023.	https://sonacomstar.com/investor/meetings	98.85
				2. To approve the grant of stock options to the Eligible Employees of the Company's subsidiary or its associate Company, in India or outside India under the Sona Employee Stock Option Plan 2023		93.46

b) Whether any special resolution passed last year through postal ballot – details of voting pattern.

Yes, during the financial year under review, the following resolutions were passed by the shareholders of the Company by e-voting through Postal Ballot process:

Sl. No.	Resolution	Ordinary/ Special	No. of votes polled	No. and % of Votes in Favour of the resolution	No. and % of Votes Against the resolution
1.	To consider and approve Sona BLW Precision Forgings Limited Performance Share Plan – 2025.	Special	547,334,761	475,813,830 (86.93%)	71,520,931 (13.07%)

c) Person who conducted the postal ballot exercise.

Mr. Nitesh Latwal, Partner of PI & Associates, Practicing Company Secretaries, was appointed by the Board of the Company as the scrutiniser ("Scrutiniser") for conducting the Postal Ballot / e-voting process in a fair and transparent manner.

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

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

e) Procedure for postal ballot.

In compliance with Regulation 44 of the Listing Regulations, Section 108, 110 and other applicable provisions of the Act read with the Rules issued thereunder and the General Circulars issued in this regard by the Ministry of Corporate Affairs ("MCA"), the Company provided electronic voting facility to all its members.

The Company had engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing electronic voting facility to all its members.

The Board of Directors of the Company had appointed Mr. Nitesh Latwal (Membership No. – ACS 32109, CP No. 16276) and failing him Mr. Ajay Khandelwal (Membership No. – FCS 12387; CP No. 18606), Partners of PI & Associates, Practicing Company Secretaries as the scrutiniser for carrying out the aforesaid Postal Ballot voting process through electronic means in a fair and transparent manner.

The Postal Ballot Notice was sent to the members in electronic form at their email addresses registered with the depositories/Kfin Technologies Limited, the Company’s Registrar and Share Transfer Agent (“RTA”). The Company has also published notice in the newspapers declaring the details of completion of dispatch, e-voting details and other requirements in terms of the Act read with the Rules issued thereunder and the Secretarial Standards issued by ICSI. Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date. All the Postal Ballot notices are available on the Company’s website at <https://sonacomstar.com/investor/postal-ballot>

The Scrutiniser submitted his report post the completion of scrutiny, to the Chairman of the Company within the statutory timelines prescribed under the applicable laws and thereafter the said report along with the consolidated results of the voting by Postal Ballot were then placed on the Company’s website at <https://sonacomstar.com/files/documents/scrutinizer-report-document-b18sla.pdf> and on the website of the Stock Exchanges and NSDL in accordance with Regulation 44(3) of the Listing Regulations and Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014. The details of the previous postal ballots are available on the Company’s website at <https://sonacomstar.com/files/documents/postal-ballot-notice-document-tHDGuo.pdf>.

PERFORMANCE EVALUATION

Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board engagement and effectiveness. Based on the recommendation of the Nomination and Remuneration Committee (“NRC”), your Company has adopted a Policy for evaluation of the Performance of the Board of Directors, which was duly approved by the Board of Directors and has been published on the website of the Company at <https://sonacomstar.com/files/policy/policy-on-evaluation-of-performance-of-board-of-directors-policy-6W0NEP.pdf>.

In addition, in terms of the requirements of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its committees as well as the performance of all the directors individually. The Board formally assesses its own performance with the aim of improving the effectiveness of the Board and its Committees.

The criteria of evaluation of Board are based on “Guidance note on Performance Evaluation” issued by

the SEBI on 5th January 2017, and in compliance with provisions of the Act and the Listing Regulations.

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

A structured questionnaire covering above aspects related to the functioning of Board were circulated to all the directors.

Evaluation of Committees

The performance evaluation of Committees was carried out by the Board on the basis of the criteria such as structure and composition of committees, fulfilment of the functions assigned to committees by the Board and applicable regulatory framework, frequency of meetings, adequacy of time allocated at the committee meetings, adequacy and timeliness of the agenda and minutes circulated, effectiveness of the Committee’s recommendation for the decision of the Board etc. The feedback from members and the action suggested by the NRC and Board are discussed at the respective meetings of the Committees of the Board of Directors for taking necessary action.

Evaluation by Independent Directors

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairperson of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Directors and Non-Executive Directors. Additionally, they also assessed the quality, quantity and timeliness of flow of information between the Management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Criteria for Individual Director

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

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

Criteria for Chairman

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

Evaluation of Independent Directors

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

Feedback

The summary of the performance evaluation on consolidated and anonymous basis was circulated to:

- Each director, specifying his individual rating and feedback received from other directors.
- Chairperson of the Board, specifying the rating and feedback received for Board as a whole, Committees and Individual Directors.
- Chairperson of the NRC specifying the rating and feedback received for Individual Directors and Chairperson of Board.
- Lead Independent Director specifying the consolidated report of the outcome for (a) Board as a whole (b) Chairman; and (c) Non-Independent Director by Independent Directors (IDs) of the Company.

The Chairperson of the NRC Committee and Chairperson of the Board also conducted one-to-one interaction with all the directors of the Company. The individual rating and feedback received from other directors on consolidated and anonymous basis, was shared with the individual directors.

The outcome was shared with NRC, and Board of Directors and at a separate meeting of the Independent Directors held on 30th April, 2026.

Results of Evaluation

Based on the feedback received from the individual directors and the recommendations made by them, the actionable areas have been identified. The summary of the action points will be placed before the Board and respective committee meetings in the upcoming respective meetings. Broadly, the Directors have expressed their satisfaction with the evaluation process and the outcome. The overall feedback was positive.

Details of remuneration paid to Directors during the Financial Year 2025-26:

1. Remuneration paid to Managing Director and Group Chief Executive Officer and the Key Managerial Personnel (KMP’s) for the financial year ended on 31st March, 2026.

Remuneration of the Managing Director & Group Chief Executive Officer, Whole Time Director and KMP’s of the Company is reviewed & recommended by the NRC and approved by the Board of the Company.

The table below gives the remuneration paid to the Managing Director and Group Chief Executive Officer, Whole Time Director and the KMP’s during the financial year ended on 31st March, 2026:

Name of Managing Director/ KMP’s	Vivek Vikram Singh (Managing Director & Group CEO)#		Vikram Verma Vadapalli (Whole- Time Director)^		Rohit Nanda (President and Group CFO)@		Ajay Pratap Singh (Sr. Vice President- Group General Counsel, Company Secretary & Compliance Officer)*	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Salary (including perquisites)	25.25	21.87	25.42	4.33	26.39	21.43	10.40	7.04
Variable Pay	9.30	9.85	10.33	7.87	9.59	8.69	3.76	2.96

Other Corporate Policies

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

The Company has published all Ethical Compliance policies on its website, which can be accessed at <https://sonacomstar.com/policies-and-codes> and the Company (reviewed them) from time to time and updated them as a good corporate governance practises.

NOMINATION AND REMUNERATION POLICY AND REMUNERATION PAID TO DIRECTORS

The Company has a well-defined Nomination and Remuneration Policy in place.

During the financial year under review, the Nomination and Remuneration Policy of the Company has been updated based on the remuneration of the Nomination and Remuneration Committee (NRC) and approval of the Board of Directors , which is available on our website, at <https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-2ORHuA.pdf>.

The Nomination and Remuneration Committee determines and recommends to the Board, the compensation payable to the Directors, Key Managerial Personnel (KMP) and Senior Management. The compensation of directors is within the limit approved by the shareholders of the Company. Remuneration for the Executive Directors and Senior Management comprises fixed component and variable component including stock options/share grants, which is governed by the ESOP Scheme (by whatever name called) of the Company, as approved by the shareholders of the Company.

The NRC makes a periodic appraisal of the performance of Executive Directors, KMP and Senior Management. The Non-Executive Directors are paid remuneration in the form of sitting fees for attending the meetings of the Board of Directors or any Committee thereof and annual commission as approved by the Board of Directors .

Name of Managing Director/ KMP's	Vivek Vikram Singh (Managing Director & Group CEO)#		Vikram Verma Vadapalli (Whole- Time Director)^		Rohit Nanda (President and Group CFO)@		Ajay Pratap Singh (Sr. Vice President- Group General Counsel, Company Secretary & Compliance Officer)*	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Financial Year	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
ESOP/PSP Perquisite Value	54.89	2.37	-	-	-	-	-	2.96
Annual Commission	60.12	-	-	-	-	-	-	-
Total	149.56	34.09	35.75	12.20	35.98	30.13	14.16	12.96

During the financial year, 15,00,000 shares were approved to be offered under Sona Performance based Share Plan (PSP -2025) by the shareholders on 19th December, 2025 over a period of 5 (five) years based on the performance criteria specified thereunder and out of which 1,25,915 shares were allotted in Financial Year 2025-26 to Mr. Vivek Vikram Singh. He was earlier granted 1,103,400 options under the ESOP – 2023 and during the financial year he did not exercise any options under the ESOP – 2023. There is an increase of 15 % in his remuneration and addition of annual commission i.e. 1% of consolidated PAT and his total remuneration capped at 5% of the net profit of the Company.

^ Mr. Vikram Verma Vadapalli was granted 7,02,000 options under the ESOP - 2023. During the financial year, he did not exercise any options under the ESOP – 2023. Mr. Verma was appointed as whole time Director on 24th January, 2025.

@ Mr. Rohit Nanda was granted 562,000 options under the ESOP - 2023. During the financial year, he did not exercise any options under the ESOP – 2023.

* Mr. Ajay Pratap Singh was granted 2,14,800 options under the ESOP - 2023. During the financial year, Mr. Ajay has exercised 3,000 options under the ESOP – 2023 and there is no perquisite value of it.

2. Remuneration paid to the Non-Executive Directors for the Financial Year ended on 31st March, 2026

The Shareholders of the Company at the AGM held on 9th September, 2021, have approved the payment of remuneration to be paid to the Non-Executive Directors (including independent directors) not exceeding 3% of the net profits of the Company, calculated in accordance with Section 198 of the Act, in a manner as decided by the Board of Directors subject to upper limit of INR 70,000,000 (Indian rupees seventy million) for each financial year for a period of 5 financial year upto Financial Year 2025-26.

The Company understands and acknowledges the importance of remunerating well to its Independent Directors and Non-Executive and Non-independent Directors of the Company to get optimum benefit of their wisdom, experience and expertise for the benefit of all the stakeholders of the Company.

Considering the growth in the Net Profit of the Company, as calculated under section 198 of the Companies Act, 2013, over the period of time since 2021, the Board of

Directors in its meeting held on 20th March, 2026 and subject to approval of shareholders in the ensuing Annual General Meeting of the Company, has approved and revised the total limit of commission i.e. upto 1% Net Profit of the Company calculated in terms of section 198 of the Companies Act, 2013 and with an overall upper cap of INR 70,000,000 (Indian rupees seventy million) for each financial year starting from 2026-27 for five financial years, to be payable to all the Non-Executive Directors (including Independent Directors and Non-Independent Directors) of the Company.

The Board also considered that since a reasonable time has been elapsed and considering the dynamic regulatory landscape, ever rising bar of Corporate Governance and increasing responsibilities demanding more and more involvement of non-executive directors and in particular the role being played by the Chairperson of the Board and Audit Committee, it is reasonable to revise the commission payable to Independent Directors and Non-Executive and Non-Independent Director of the Company.

The Board of Directors in its meeting held on 20th March, 2026 also approved the revision in the commission payable to Independent Directors and Non-Executive and Non- Independent Director of the Company, effective from Financial Year 2026-27 for a period of 5 (five) financial years subject to overall cap of INR 70,000,000 (Indian rupees seventy million) as follows:

Name of the Director	Designation	Existing amount of Commission (Excluding Sitting fees)	Proposed amount of Commission (Excluding Sitting fees)
Mr. Jeffrey Mark Overly	Non-Executive Independent Director	USD 100,000	USD 120,000
Mr. Pradip M Kanakia	Non-Executive Independent Director	INR 5,500,000	INR 9,500,000
Mr. Karam Daulet-Singh	Non-Executive Independent Director	INR 5,500,000	INR 7,000,000
Mr. Vineet Mittal	Non-Executive Independent Director	INR 5,500,000	INR 7,000,000
Mrs. Manisha Girotra	Non-Executive Independent Director	INR 5,500,000	INR 7,000,000
Mrs. Shradha Suri	Non-Executive Independent Director	INR 5,500,000	INR 7,000,000
Mrs. Priya Sachdev Kapur	Non-Executive and Non- Independent Director	INR 5,500,000	INR 7,000,000

In addition to above commission, the Independent Directors and Non-Executive and Non-Independent Director are also entitled for sitting fees for attending each Board Meeting and Committee meetings, which are as follows: a) INR 25,000 for attending each meeting of our Board; (b) INR 10,000 for attending each meeting of other Committees of the Board of the Company.

Details of the remuneration paid to the Non-Executive Directors for the services rendered during the Financial Year 2025-26, are as follows:

Directors	(Amount in Actuals)	
	Sitting Fees	Commission
Mr. Sunjay Kapur*	NA	INR 4,800,000
Mr. Jeffrey Mark Overly	INR 420,000	INR 94,75,000
Mrs. Priya Sachdev Kapur^	INR 200,000	INR 4,249,315
Mrs. Shradha Suri	INR 200,000	INR 5,500,000
Mrs. Manisha Girotra	INR 255,000	INR 5,500,000
Mr. Pradip Manilal Kanakia	INR 310,000	INR 5,500,000
Mr. Karamendra Daulet Singh	INR 360,000	INR 5,500,000
Mr. Vineet Mittal	INR 185,000	INR 5,500,000

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

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

During the year under review, the Company did not grant any loans to any of its directors. Further, except as stated above, there are no pecuniary relationships or transactions between the Independent Directors and the Company, other than the sitting fees and commission paid to the Non-Executive and Independent Directors. Further, the criteria for making payment to non-executive Directors has been disclosed on the website of the Company at <https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-2ORHuA.pdf>.

Further, no notice period and severance fee are payable to directors of the Company as on 31st March, 2026. The Company has not granted any stock option to its Non-Executive Directors.

ROLE OF COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company

Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advice the Board in conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings and to carry out such other functions as may be prescribed in different Acts, Rules and Regulations. He act as an interface between the management and regulatory authorities for governance matters.

CEO & CFO CERTIFICATION

The Managing Director & Group CEO and the Group Chief Financial Officer of the Company are required to provide a compliance certificate to the board of directors in terms of Regulation 17(8) of Listing Regulations, copy of which was placed before the Board of Directors in their meeting held on 30th April, 2026 and is annexed as **Annexure – III** of this Report.

MEANS OF COMMUNICATION

The Company recognises the importance of communication with Shareholders and promptly discloses information on material corporate developments and other events as required under the Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company.

Publication of Financials Results	Quarterly, half-yearly and annual financial results are published in 'Business Standard' in English language (all editions) and in Hindi language (Delhi edition) along with the QR code of link of the full financial results along with the auditor report uploaded on the website of the Company. Further, the Company as a good corporate governance practice sends out the financial results of every quarter to its shareholders, whose email-Ids are registered with their Depository Participant/ Registrar and Share Transfer Agent (RTA) of the Company. During the financial year, the unaudited quarterly results were announced within the required time of 45 (forty-five) days of the closure of each quarter. The audited annual results were announced within 30 days from the end of the financial year against the requirement to announced within 60 (sixty) days from the end of the financial year as required under the Listing Regulations. The aforesaid financial results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meeting(s) at which the results are considered and approved.
Website	The Company's website www.sonacomstar.com contains a dedicated segment called 'Investors' where all information needed by members is available. Further, as per the requirement of National Stock Exchange of India Limited and BSE Limited, the Company has a separate sub tab under Investor i.e. "Disclosure under Regulations 46 of Listing Regulations", where the Company have disclosed information required under Regulations 46 of the Listing Regulations.

	The website, inter-alia, also displays information regarding schedule of analyst or institutional investor meet, presentation made to media/ analysts/ institutional investors, transcript & recording of Earnings Calls, press releases, Investors Manual which includes Investor's Charter and FAQs, shareholder's satisfaction survey, Sustainability Report, CSR details, stock information, shareholding patterns, quarterly corporate governance reports, details of unclaimed dividend, etc.
Press Release	The Company has released the press release for each of the quarterly financial results of the Company and all other corporate developments and uploaded the same on the website of stock exchanges and on its website at https://sonacomstar.com/investor/investor-presentations .
BSE Listing Centre & NEAPS (NSE Electronic Application Processing System)	All disclosures and communications to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically through BSE Listing Centre and NEAPS.
Annual Report and AGM Notices	In our endeavour to protect the environment, the Company had sent the Annual Report and AGM notices for the year 2024-2025 through e-mails to those members who had registered their e-mail ids with either the Company or with depository. The Company also sent the letter providing the web-link, including the exact path, where complete details of the Annual Report and AGM Notice are available to those shareholder(s), who have not so registered their email Id with the Company or with depository. The Company also sends the Hard copy of the full annual report to those shareholders, who request for the same at the email id investor@sonacomstar.com.
Exclusive e-mail id's for investors	Following e-mail ids have been exclusively dedicated for the investors' queries: investor@sonacomstar.com and einward.ris@kfintech.com
Investor's Charter and FAQs for the Shareholders	The Investor Relations page of the Company's website provides Investors Manual which contains both Investor's Charter specifying the rights of the investors under various applicable laws and protection of minority shareholders from oppression and mis-management and Frequently Asked Questions on various topics related to transfers, transmissions and transportation of shares, dematerialisation/ rematerialisation, KYC updation, nomination, change of address, loss of share certificates. In addition, various downloadable forms required to be executed by the Shareholders have also been provided on the website of the Company viz. https://sonacomstar.com/investor-relations .
Shareholders Satisfaction Survey	The Company voluntarily placed shareholders survey page on its website to facilitate the engagement of Shareholders and is an endeavour to improve shareholders services which can be assessed at https://sonacomstar.com/shareholders-survey .
Reminder emails	Quaterly reminders are, inter alia, sent to shareholders for registering their PAN, KYC & nomination detail, bank details and unclaimed dividend thereto.
Investor Presentation	The presentations on performance of the Company are placed on the Company's website before investor call/meeting, for all the stakeholders. During the financial year under review, the Company conducted quarterly earnings calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company and on an average the company spent approx. 60 minutes per call. The Company also uploads the audio recordings and transcript of such calls on the website of the Company at https://sonacomstar.com/investor/investor-presentations.
Green Initiative	All agenda papers for the Board and Committee meetings are disseminated electronically through e-mail to the directors and invitees.

GENERAL SHAREHODLER'S INFORMATION

1. Date, time and venue of the Annual General Meeting	Wednesday, 15 th July, 2026 at 12:00 Noon (IST) through video conferencing (VC) / other audio-visual means (OAVM).
2. Financial Year	1 st April, 2025 to 31 st March, 2026.
3. Dividend payment	Interim Dividend: The Board of Directors in their meeting held on 23rd January, 2026 had declared an interim dividend of INR 1.60 (One rupee and sixty paisa only) per equity share of the Company having face value of INR 10 (Indian rupees ten only) each to only those shareholders whose names appear in the register of members / beneficial owners on 30th January, 2026 and the dividend was paid on 12th February, 2026 directly to their bank accounts. Final Dividend: The Board of Directors at their meeting held on 30th April, 2026 has recommended payment of INR 1.80 (One Indian Rupee and eighty paisa) per Equity Share of the Company having face value of INR 10/- (Indian rupees ten only) each as the final dividend for the Financial Year ended 31st March, 2026 to the shareholders of the Company. The final dividend will be paid only to those shareholders whose names appear in the register of members/beneficial owners on Friday, 26th June, 2026. The payment of final dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.
4. Listing of Equity Shares at Stock Exchanges and Payment of Listing Fees	The Equity Shares of the Company are listed on the following exchanges: - BSE Limited (BSE) Floor 25, P. J. Towers, Dalal Street, Mumbai – 400 001 - National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 Further, the Company has paid the Annual listing fees to both above mentioned Stock Exchanges for FY 2026-27.

9. In case the securities of the Company are suspended from trading, the reasons thereof

Not Applicable

10. Registrar & Share Transfer Agent

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

11. Share Transfer System

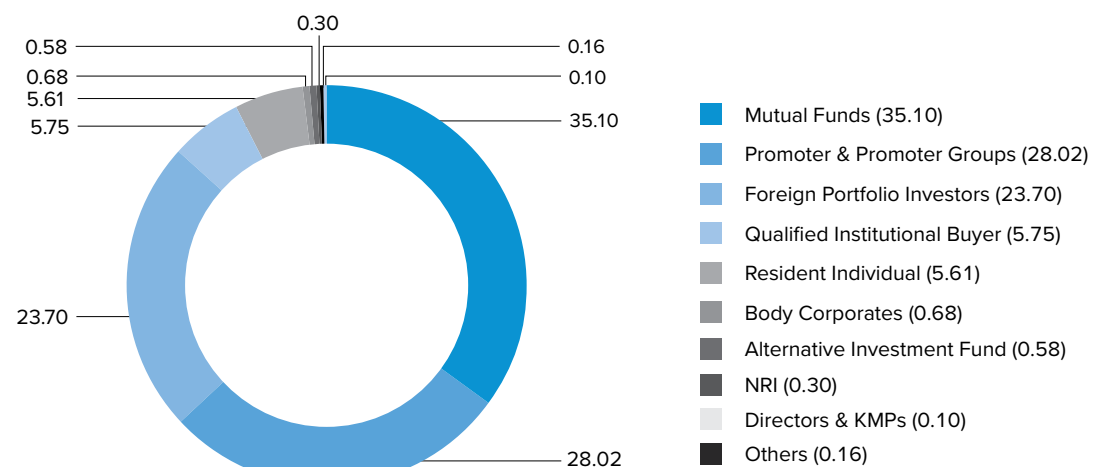
As mandated by SEBI, the securities of listed companies can only be transferred in dematerialised form and the shares can be transferred by shareholders only through their Depository Participant.

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

12. Category of shareholding as on 31st March, 2026 are as follows:

S. No.	Shareholders Category	No. of Shareholders	Total Shares	% (percentage of holding)
1.	Mutual Funds	32	21,82,72,033	35.10
2.	Promoter & Promoter Groups	6	17,42,10,655	28.02
3.	Foreign Portfolio Investors	243	14,73,79,240	23.70
4.	Qualified Institutional Buyer (Insurance Companies & Provident Funds/ Pension Funds)	17	3,57,45,732	5.75
5.	Resident Individual	3,66,029	3,48,55,499	5.61
6.	Body Corporates	831	42,38,611	0.68
7.	Alternative Investment Fund	16	36,07,922	0.58
8.	NRI	6,878	18,81,177	0.30
9.	Directors & KMPs	3	6,71,275	0.10
10.	Others (Banks, Trusts, HUFs, NBFCs and Clearing Members)	4,599	10,28,667	0.16
Total		3,78,653	62,18,46,890	100

Shareholders Category



13. Details of top 10 public shareholders of the Company as on 31st March, 2026

S. No.	Name of the shareholder	No. of shares	% (percentage of holding)
1.	SBI QUALITY FUND	59,234,424	9.53
2.	ICICI PRUDENTIAL LARGE & MID CAP FUND	49,757,690	8.00
3.	GOVERNMENT OF SINGAPORE	40,680,686	6.54
4.	AXIS MUTUAL FUND TRUSTEE LIMITED	22,237,627	3.58
5.	HDFC MUTUAL FUND	20,836,285	3.35
6.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED	18,398,119	2.96
7.	MIRAE ASSET FOCUSED FUND	1,570,7910	2.53
8.	HDFC LIFE INSURANCE COMPANY LIMITED	9,852,844	1.58
9.	MONETARY AUTHORITY OF SINGAPORE	9,694,931	1.56
10.	LIFE INSURANCE CORPORATION OF INDIA	9,488,833	1.53
Total		255,889,349	41.16

14. Dematerialisation of Shares and Liquidity

As on 31st March, 2026, all the equity shares of the Company including the shareholding of Promotor and Promotor Group are in demat form, held with both the Depositories viz., the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') and the break-up is as follows:

Description	As on 31 st March, 2026		
	No of Holders	No. of Shares	% to Total Shares
NSDL	106,783	591,913,088	95.19
CDSL	279,459	29,933,802	4.81
Total	386,242	621,846,890	100

The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and the Company’s equity shares are frequently traded on both the stock exchanges.

As on 31st March, 2026, 1,25,915 (One lakh twenty five thousand nine hundred and fifteen only) equity shares are in Lock-in, which were allotted to Mr. Vivek Vikram Singh, Managing Director and Group CEO of the Company under the Sona Performance Shares Plan -2025 (PSP-2025). As per the PSP -2025, these equity share shall be lock-in for a period of one year from the date of allotment i.e. from 22nd January, 2026 till 21st January, 2027.

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

Not Applicable

16. Disclosure on foreign exchange risk and hedging activities.

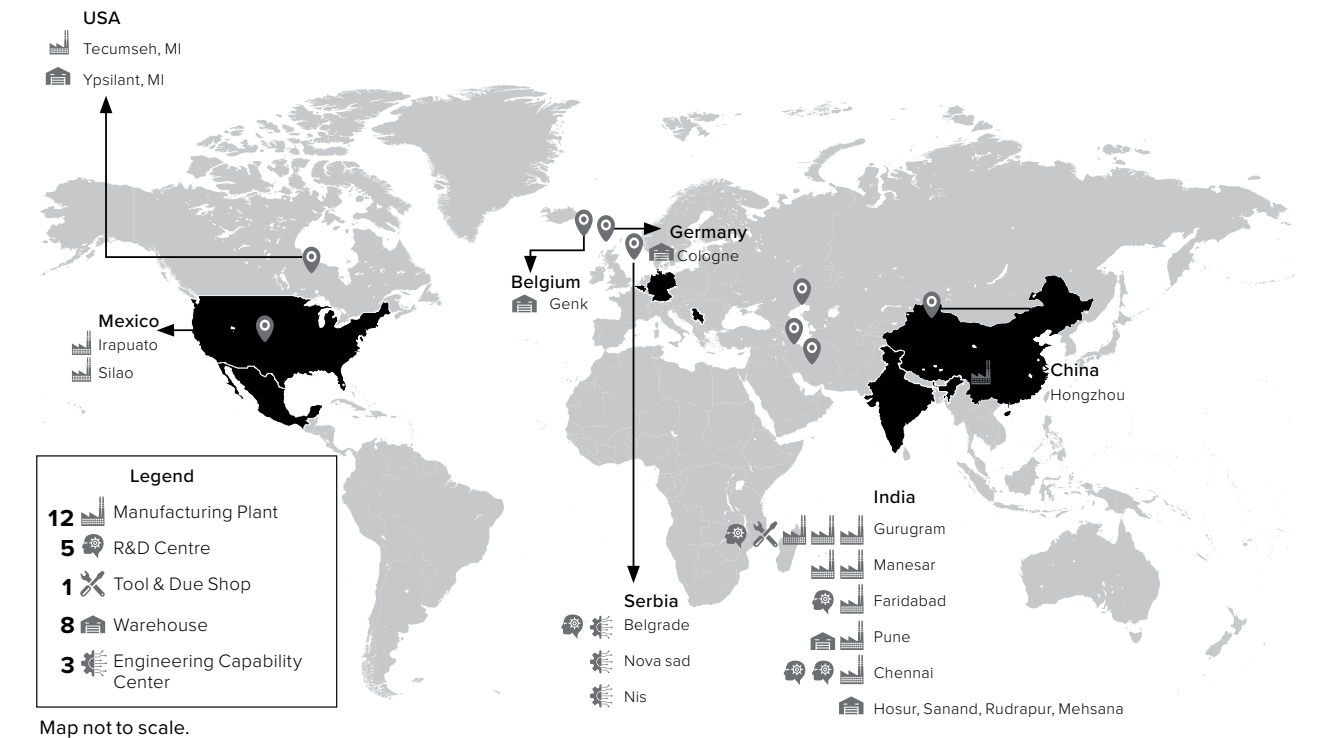
Your Company operates internationally, and a large portion of the business is transacted in international

currencies primarily in US\$ and EUR. Consequently, we are exposed to foreign exchange risk through our sales and services in the USA, Europe, China and other countries across the world, and purchases from overseas suppliers in various foreign currencies. The Company carries out currency hedging based upon a Board approved hedging policy which primarily employs forward contracts as a medium of hedging its currency risk.

17. Plant Locations

As on 31st March, 2026, your Company along with its subsidiaries has 12 (twelve) manufacturing and assembly plants in India, China, Mexico and USA out of which 8 (eight) are located in India.

Your Company’s manufacturing facilities (manufacturing and assembly plant) are located at Gurugram, Manesar, Faridabad, Pune, Chennai, China, Mexico and USA. The following map shows the locations of our manufacturing and assembly plants, R&D centers, engineering capability centers, warehouses, tool and die shop to the date of this report.



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

Gurugram Plants (Unit I, II and III)

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

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

Manesar Plant - I

Plot No -13, Sector 2, IMT Manesar Gurugram (Haryana) – 122 051, India

Manesar Plant -II

Sector 2A, Industrial Estate, IMT Manesar, Gurugram, Haryana, 122050, India

Pune Plant

A-78/2, MIDC, Chakan Industrial Phase II Vill. Wasuli, Pune – 410 501, India

Faridabad Plant

Plot No. 114 & 115, Sector 24, Faridabad 121 005 Haryana, India

Chennai Plant

Keelakaranai Village, Malrosapuram Post Maraimalai Nagar Chengalpattu – 603 204 Tamilnadu, India

USA

Comstar Automotive USA LLC

900 Industrial Drive, Tecumseh, MI – 49286, USA

Mexico

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

Logistica Integral del Bajio Bodega 1 and 3 of Irapuato No. 204, cornet with Salamanca Fraccionamiento Ciudad Industrial C.P. 36541, Irapuato, Guanajuato, Mexico

b. Sona BLW Edrive Mexicana, S.A.P.I. De C.V.

Sona Comstar Building, Fipasi Industrial Park, (2nd Phase), Silao de la Victoria, Guanajuato, Mexico

China

Comstar Automotive (Hangzhou) Co., Ltd.

No: 557-1, Gaotang Road, Guali Xiaoshan, Hangzhou PRC, 311243 CHINA.

18. Address for correspondence

Shareholders may correspond with the Registrar and Transfer Agents at:

Kfin Technologies Limited
Selenium, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad -500 032
Tel: 040-2342 0818, 6716 2222
WhatsApp Number: (91) 910 009 4099
Fax: 040-2342 0814, 2300 1153
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Toll Free No.: 1800 3454 001

Your Company has also designated investor@sonacomstar.com an exclusive email ID for Investors for the purpose of registering complaints and the same has been displayed on the Company’s website.

For all investor related matters, the grievances can be sent at:

Sona BLW Precision Forgings Limited
Sona Enclave Village, Begumpur Khatola, Sector 35,
Gurugram, Haryana – 122004, India
E-mail: Investor@sonacomstar.com
Telephone: +91 0124 476 8200;

Further, the Institutional Investor(s) can contact for any grievances at:

Mr. Ankit Agrawal, Vice President - Investor Relationship

Sona BLW Precision Forgings Limited
Sona Enclave Village, Begumpur Khatola, Sector 35,
Gurugram, Haryana – 122004, India
E-mail: ankit.agrawal@sonacomstar.com
Telephone: +91 0124 476 8200

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

19. List of all credit ratings obtained by the Company along with any revisions thereto, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilisation of funds, whether in India or abroad

The credit rating of the Company can be accessed at <https://sonacomstar.com/investor/credit-rating>.

Other Disclosures

The Company has complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

Related Party Transaction

All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations, as amended, during the year under review undertaken an arm's length pricing ('ALP') and basis and in the ordinary course of business ('OCB'). These have been approved by the Audit Committee. Certain transactions which were repetitive in nature were approved by way of omnibus approval by the Audit Committee.

The Audit Committee takes into consideration the management representation and an Independent Consultant's Report, wherever required, whilst scrutinising and approving the related party transactions, from the perspective of fulfilling the criteria of meeting arm's length basis and OCB.

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

The Company did not enter into any material related party transactions during the Financial Year 2025-26. The details of the related party transactions are set out in the note no. 36 to standalone financial statements forming part of this Annual Report. Further, the related party transactions undertaken by the Company were in

compliance with the provisions set out in the Act and the Listing Regulations.

During the year, no materially significant transaction was entered into by the Company with its related parties that may have a potential conflict with the interest of the Company.

In addition to the above and as required under the Listing Regulations, the Company is in compliance with the Accounting Standards on related party disclosures and submitting disclosures of related party transactions to the Stock Exchanges in the prescribed format on half yearly basis and also publishing the same on its website at <https://sonacomstar.com/investor/financial-information>.

During the financial year under review, there was no transaction of a material nature with any of the related parties, which was in conflict with the interests of the Company.

During the year under review, the Policy on Related Party Transactions was amended to affect the amendments brought in the Listing Regulations, by SEBI vide its notification dated November 18, 2025. The Policy is disclosed on the Company's website at <https://sonacomstar.com/files/policy/policy-on-related-party-transactions-policy-rQXZb0.pdf>.

Details of Non-Compliance

No penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market, during the last three years, except as follows:

The National Stock Exchange of India Limited and BSE Limited levied a penalty of INR 46,000/- plus gst each on the Company for non- compliance of Regulation 19(1)/19(2) of the Listing Regulations, i.e. Chairperson of the Nomination and Remuneration Committee (NRC) was appointed as Chairperson of the Board w.e.f. 23rd June, 2025 after the sudden demise of Late Mr. Sunjay Kapur, Former Chairman and Non-Executive Director and the same was rectified on 16th July, 2025 by appointing Mr. Karamendra Daulet Singh, as Chairperson of NRC. The respective fine amounts were paid to both National Stock Exchange of India Limited and BSE Limited.

Your Company has complied with requirements of regulatory authorities.

Vigil Mechanism/Whistle Blower Policy

In accordance with the provisions of the Act and Regulation 22 of the Listing Regulations, the Company has in place a Vigil Mechanism and a Whistle-Blower Policy duly approved by the Audit Committee which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

The Company has a well-defined Whistle Blower Policy and the same is also covered in the Code of Conduct and Business Ethics and are fully implemented by the management, particulars of which have been explained in greater detail as part of the Board's Report.

During the year, no personnel has been denied access to the Audit Committee.

The Whistle Blower Policy of the Company is available on the website of the Company and can be access at <https://sonacomstar.com/files/policy/whistle-blower-policy-policy-MUwqe2.pdf>. The details about the vigil mechanism form part of the Board's Report.

Board Diversity

Your Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, race and gender, which will ensure that the Company retains its competitive advantage. Your Company further believes that a diverse Board will contribute towards driving business results, make corporate governance more effective, enhance quality and responsible decision- making capability, ensure sustainable development and enhance the reputation of the Company.

The NRC has framed a Policy for Board Diversity which lays down the criteria for appointment of Directors on the Board of your Company and guides organisation's approach to Board Diversity.

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

The Board of Directors review the policy from time to time. The policy on Board Diversity has been placed on the Company's website at <https://sonacomstar.com/files/policy/policy-on-board-diversity-policy-sKCWRQ.pdf>.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

All the mandatory requirements of the Listing Regulations relating to Corporate Governance has been duly complied by the Company in its true letter and spirit including certain discretionary disclosure requirements specified under Regulation 27(1) read with Part E of Schedule II of the Listing Regulations, as also listed below:

a) Separate posts of Chairman and CEO

The roles of Chairman and Chief Executive Officer are held by different individuals. Mr. Jeffrey Mark Overly, Non-Executive Independent Director, is also the Chairman of the Company and Mr. Vivek Vikram Singh, Managing Director holds the position of Group CEO of the Company. The Chairman is not related to the Managing Director and CEO of the Company.

b) Unmodified Audit Opinion

There is no audit qualification in your Company's consolidated and standalone financial statements for the Financial Year 2025-26. Your Company continues to adopt best practices to ensure regime of financial statements with unmodified audit opinions.

c) Reporting of Internal Auditor

The Internal Auditors of the Company reports directly to Audit Committee after obtaining management input on the audit findings.

d) Shareholder Rights

As a matter of Good Corporate Governance practice, the quarterly Financial Results of the Company are being sent to those shareholders who have registered their email-ids with their respective Depository Participants (DP) and, the Company also took the following voluntary initiatives for protecting the rights of its shareholders:

- For the ease of shareholders, the Company simplified the Frequently Asked Questions (FAQs) in Investor's Charter, which is published on the website of the Company by removing the irrelevant/unnecessary content and aligning it with the changes notified in this regard in various circulars of SEBI.
- Formation and publication of Investor Grievance Redressal Policy on the website of the Company which can be accessed at <https://sonacomstar.com/files/policy/investor-grievance-redressal-policy-policy-hCONqg.pdf>.
- Formulation and publication of Investor's Charter specifying the rights of the investors under various applicable laws and protection of minority shareholders from oppression and mis-management and Frequently Asked Questions (FAQs) which can be assessed at https://sonacomstar.com/files/shareholders_manual.pdf.

e) Independent Directors Meetings

During the financial year under review, the Independent Directors met on 30th April, 2025 without the presence of non-Independent Directors and members of the management of the Company.

CORPORATE GOVERNANCE INITIATIVES:

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

- Focus on ethical issues, human rights, diversity & inclusion, fair work practices, sustainability across and its value chain partners.

2. Third party audit on the Compliance Tool.

3. Voluntary conduct of audit of the tax compliances of the overseas entities, by their Statutory Auditors.

3. Strengthening the framework on Risk Management, Cyber Security and Data Privacy framework.

4. Quarterly Secretarial Audit Report is placed before the Audit Committee and the Board.

5. Quarterly Compliance certificates from all the department heads, giving the status of the compliances, are placed before the Audit Committee and the Board.

6. The Chairperson of all the Statutory Committee of the Board of the Company is Independent Director, except for Chairperson of CSR Committee who is a Non-Executive Non - Independent Director.

8. Voluntary finance audit of CSR Projects undertaken by the Company, by an independent third party.

9. Voluntary need assessment and impact assessment of CSR projects of the Company.

10. Taking inputs from the Chairperson of the respective Committees and Board on the minutes of the respective meeting, before circulating to the larger group of members.

11. During the financial year, The Company has implemented ethical compliance polices and effective compliance system for subsidiary companies.

12. Implementation of various tools for monitoring the compliances status, as follows:

a) **Compliance Management Tool:** The Company has mapped all the applicable compliances under this tool and this tool provide a bird's eye view of the statutory compliance framework of the Company and status in real time. The compliance status report obtained from the tool is placed before the Audit Committee on quarterly basis.

b) **Prohibition of Insider Trading Tool:** To update any information required under the SEBI (PIT) Regulations and for providing rapid, accurate, and timely information related to designated persons and their trading details and this tool also maintained the Structural Digital Database (SDD) as per the requirements of SEBI (PIT) Regulations.

c) **Training Tool:** The Company has been implemented this training tool to provide training and education to the Company's employees on ethical, compliance and statutory policies, as well as the Company's code of conduct, which includes training on POSH, the Whistle Blower Policy, Prohibition of Insider Trading, Data Privacy & Cyber Security and Health & Safety practices.

12. Review and updation of the policies and codes from time to time for best corporate governance practices and conducting training with the employees, customers and vendors.

13. The Company engages renowned international law firms for conducting training and orientation sessions for the employees, senior management and directors, in order to appraise them about the policies and Code of Conducts of the Company on Anti-Corruption & Bribery, Competition Laws, Anti Money laundering, Code of Conduct and Trade embargo.

14. Trainings and awareness sessions and updates through flyers for its designated persons to prohibit insider trading and familiarising them with the requirement of the SEBI (PIT) Regulations.

15. The Company has strengthened mechanisms to ensure anonymity and protection under the Whistle Blower Policy.

16. Confidential Board evaluation process where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board and the Board as a whole.

17. Benchmarking the Company's Corporate Governance Practices with the best governed companies in India and globally.

18. The Company diligently documents the 'Action Taken Report' following each board or committee meeting, ensuring transparency, accountability, and a clear record of decisions made, as part of its ongoing commitment to uphold best practices in corporate governance and foster stakeholder trust.

19. The Company has successfully implemented Cloud Service Providers (CSP) in its operations, leveraging advanced AI tools to enhance productivity, ensure data integrity, and support informed decision-making, all of which contribute to promoting transparency, efficiency, and strong corporate governance practices.

20. The Company has implemented e-modules for training and awareness of its employees, each designed to enhance skills sets and knowledge, followed by a test at the end to assess learning outcomes with a scorecard of 80% and ensure a thorough understanding of key topics i.e. Code of Conduct of the Company, Prohibition of Insider Trading, POSH, Anti-Trust, Data Protection and Privacy and Health and Safety.

21. Omnibus approval for the related party transactions proposed to be entered into by the Company or its subsidiaries is taken in the in the last meeting of the previous financial year from the Audit committee, with the information the information specified in "Industry Standards on Minimum information to be provided for review of the audit committee.

Artificial Intelligence (AI)/Machine Learning (ML) and Operational Technology (OT) Analytics

Over the past year, the Company has made significant strides in building its AI/ML and OT analytics capabilities with a clear focus on operational value and scalability. A key milestone was the successful completion of an OT data lake pilot, establishing a secure and structured foundation for predictive and prescriptive analytics
- across manufacturing operations. Multiple AI/ML solutions — including energy forecasting models, OCR-based automation, self-service analytics dashboards, and LLM-powered utilities — were developed and deployed enterprise-wide using low-code and open-source tools, delivering measurable outcomes with minimal incremental cost.
- Standardisation of OT data flows in collaboration with manufacturing teams, along with the revival of operational dashboards, has strengthened data quality and decision-making at both the shop floor and management levels. In addition to project-specific solutions, the team is also building internal self-service exploratory data analytics tools — designed as no-code, low-code platforms — to empower business users across functions to independently analyse data, generate insights, and make informed decisions. This initiative goes beyond delivering projects; it is aimed at spreading analytics literacy and proficiency across the organisation, enabling a culture where data-driven decision-making becomes an everyday capability rather than a specialised skill.
- To accelerate the next phase of growth, a scalable, secure, cloud-based AI infrastructure has been established to empower cross-functional teams to build and deploy Generative AI and Machine Learning tools at scale — enabling rapid experimentation, faster time-to-value, and reduced dependency on external vendors for AI development. Additionally, a formal Enterprise AI Usage Policy (aligned with ISO/IEC 42001 and NIST AI RMF) was established, covering AI governance, risk assessment, lifecycle management, and responsible
- The details of subsidiaries of the Company are given below:
- | S. No. | Name of the Subsidiaries | Place/ of Incorporation | Date of Incorporation | Statutory Auditor |
|--------|---|--------------------------|-----------------------|---|
| 1 | Comstar Automotive Technologies Services Private Limited | India | 12.11.2012 | Walker ChandioK & Co LLP |
| 2 | Sona Comstar eDrive Private Limited | India | 12.11.2020 | Walker ChandioK & Co LLP |
| 3 | Comstar Automotive USA LLC | Unites States of America | 09.10.2012 | Moss, Krusick And Associates, LLC |
| 4 | Comstar Automotive Hongkong Limited | Hong Kong | 21.05.2015 | Grant Thornton Hong Kong Limited |
| 5 | Comestel Automotive Technologies Mexicana Ltd. | Hong Kong | 09.10.2017 | Grant Thornton Hong Kong Limited |
| 6 | Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V | Mexico | 17.01.2017 | Salles, Sainz – Grant Thornton, S.C. |
| 7 | Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V; | Mexico | 17.01.2017 | Salles, Sainz – Grant Thornton, S.C. |
| 8 | Comstar Automotive (Hangzhou) Co. Ltd. | China | 27.08.2015 | Grant Thornton Zhitong Certified Public Accountants LLP |
| 9 | Comstar Hong Kong Mexico No. 1, LLC (dormant) | USA | 01.12.2016 | NA |
| 10 | Sona BLW Edrive Mexicana, S.A.P.I. De C.V. | Mexico | 23.06.2023 | NA |
| 11 | NOVELIC d.o.o. Beograd – Zvezdara | Serbia | 19.11.2012 | Grant Thornton d.o.o Beograd |
| 12 | Novelic SRL | Romania | 29.03.2023 | - |
| 13 | Novelic ESC DOOEL Skopje | North Macedonia | 24.03.2023 | - |
| 14 | Nirsen d.o.o. Beograd-Zvezdara | Belgrade Serbia | 01.02.2021 | - |
| 15. | Novelic GmbH ("Novelic GmbH") | Munich, Germany | 20.06.2024 | - |
| 16. | Novelic India Private Limited | India | 28.11.2025 | Walker ChandioK & Co LLP |
- use — positioning the company for safe, scalable, and responsible AI adoption across business units.
- Disclosure of Commodity Price Risk and Commodity Hedging Activities**
- The Company consumes alloy steel, steel, aluminium and copper as some of the major commodities directly or through procured components for manufacturing its products. Majority of this commodity price risk is a passthrough with some time lag depending upon customer contracts, therefore your Company doesn't specifically undertake commodity hedging separately.
- Details of Subsidiaries of the Sona Comstar**
- As on 31st March, 2026, the Company does not have any material subsidiary company in terms of Regulation 16 of the Listing Regulations. The policy for determining material subsidiaries is available on the Company's website <https://sonacomstar.com/files/policy/policy-for-determining-material-subsidiaries-policy-f3dEtf.pdf>.
- The Audit Committee reviews, on a periodic basis, the financial statements of the subsidiaries and particularly the investments made by such subsidiaries, the statement of all significant transactions and arrangements entered into by subsidiaries and the compliances of each materially significant subsidiary on a periodic basis. The Audit Committee also reviews the utilisation of loans/ advances/ investments given by the Company to its subsidiaries. The minutes of Board meetings of the subsidiary companies are placed before the Board for review.
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Details of Utilisation of Funds of Preferential Allotment/ QIP

During the Financial Year 2024-25, your Company made a Qualified Institutions Placement (QIP) of INR 24,000 million by issuing 34,782,608 equity shares to Qualified Institutional Buyers (QIBs) at an issue price of INR 690 (Indian rupees six hundred and ninety) per equity share, including a premium of INR 680 (Indian rupees six hundred and eighty) per equity share, in compliance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR Regulations), the Companies Act, 2013 and other applications laws.

The net proceeds from the QIP were proposed to use for the following objects of the Company and these were stated in the placement document and notice seeking shareholder’s approval:

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

Details of utilisation of funds of QIP

Pursuant to the provisions of Regulation 32 of the Listing Regulations, the Company obtained monitoring agency report on the utilisation of the net proceeds of the QIP on quarterly basis and placed before the Audit Committee and Board of Directors in their meetings. The monitoring agency report and statement of deviation report are filed with the stock exchanges and uploaded on the website of the Company on quarterly basis at <https://sonacomstar.com/investor/statement-of-deviation-or-variation>.

The Company hereby confirms that during the financial year under review, the entire net proceeds of the QIP have been fully utilised for the purposes for which they were raised, and there are no unutilised amounts pending as on the date of this Report.

Certificate from Company Secretary in Practice regarding Non-Debarment and Non-Disqualification of Directors

A certificate from PI & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified

from being appointed or continuing as Directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority, is attached as **Annexure – IV** to this report.

Fees paid to Statutory Auditors

Total fees paid by the Company and its Subsidiaries on a consolidated basis for the Financial year ended 31st March, 2026, to the Statutory Auditor viz. Walker ChandioK & Co LLP, Chartered Accountants Firm’s Registration No.: 001076N/N500013 and all entities in the network firm/ network entity of which the Statutory Auditors is a part, are as follows:

Sl. No.	Particulars	Amount (INR Million)
(a)	For Statutory Audit	15.25
(b)	For other services	4.00
(c)	For reimbursement of expenses	1.07
Total		20.32

Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place a policy on Prevention of Sexual Harassment at the workplace along with the procedure for filing of complaint under POSH and the same is placed on the website of the Company at <https://sonacomstar.com/files/policy/posh-policy-policy-s7HMW2.pdf>.

During the financial year 2025-26, the Company received 3 (three) complaints of sexual harassment (including one pertaining to a wholly owned subsidiary in USA), of which 2 (two) (including one complaint pertaining to wholly owned subsidiary in USA) have been suitably resolved in accordance with the Company’s established processes. One complaint received towards the end of February 2026 is currently under investigation.

To ensure comprehensive coverage, the Company organises awareness workshops across various locations, for blue-collar employees and new joiners. To enable uniform understanding and wider reach, the Company has extensively utilised a video-based awareness module. Additionally, an e-module trainings on Prevention of Sexual Harassment (POSH) awareness and POSH scenario-based assessments are mandatory for all new white-collar employees.

Disclosure of ‘Loans and advances by the Company and its subsidiaries to the firms/companies in which directors are interested by name and amount.

During the Financial Year 2025-26, there was no loans/advances provided by the Company and its subsidiaries to the firms/ companies in which directors of the Company or its subsidiaries are interested except the following corporate guarantees/ Comfort letter provided by the Company to its subsidiary:

Name of the Giving entity	Name of Receiving Entity	Amount	Loans/Advance/ Guarantee	Date
Sona BLW Precision Forgings Limited	Comstar Automotive (Hangzhou) Co. Ltd.	USD 88,00,000	Corporate Guarantee	18.02.2026

Non-compliance of any requirement of corporate governance report with reasons thereof;

All the requirements of Corporate Governance Report, as specified under sub-paras (2) to (10) Para C of Schedule V of Listing Regulations, have been duly complied by the Company.

Compliance certificate from PI & Associates, practicing company secretaries regarding compliance of conditions of corporate governance

The Compliance certificate from PI & Associates, Practicing Company Secretaries regarding compliance of conditions of corporate governance is annexed as **Annexure-V** to this report.

Disclosures with respect to demat suspense account/ unclaimed suspense account

As on 31st March, 2026, no equity share of the Company was in the demat suspense account/ unclaimed suspense account of the Company.

Details of Unclaimed Dividend

The Company has published the procedure for claiming of unclaimed dividend for the shareholders and has also provided the unclaimed dividend details on its website at <https://sonacomstar.com/unclaimed-dividend>. Shareholders can check their unclaimed dividend amount by mentioning their DP-Id and client-id or folio no. and claim the same by following the procedure for claiming of unclaimed dividend.

The Company, as a good corporate governance practice, has been sending the financial results of every quarter

to the shareholders of the Company, whose email id are registered with the Company/Depository Participants (DPs) and also ask them to update their contact and bank details with their DPs, for timely receipt of dividend amount and communications form the Company.

Disclosure of certain types of agreements binding listed entities

During the Financial Year 2025-26, the Company has not entered into any agreement, which is covered under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

Detail of Nodal Officer – IEPF

During the Financial Year 2025-26, Mr. Ajay Pratap Singh, Senior Vice President- Group General Counsel, Company Secretary and Compliance Officer of the Company acted as the Nodal Officer- IEPF.

Disclosure of Accounting Treatment

In the preparation of the financial statements for the Financial Year 2025-26, the Company has followed the Accounting Standards issued by Institute of Chartered Accountants of India. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts. Business risk evaluation and management is an ongoing process within the Organisation. The Company has adequate systems of internal control to ensure reliability of financial and operational information and compliance with all statutory /regulatory compliances.

DECLARATION

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

I, Vivek Vikram Singh, Managing Director & Group CEO of the Company, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2025-26.

For **SONA BLW Precision Forgings Limited**

Vivek Vikram Singh
Managing Director & Group CEO
DIN: 07698495

Date: 15.04.2026
Place: Gurugram

CORPORATE GOVERNANCE POLICIES

In accordance with Company’s philosophy of adhering to the highest standards of ethical business and corporate governance and to ensure fairness, accountability, responsibility and transparency to all stakeholders, your Company has formulated various policies, as mentioned below, in accordance with the requirements of the Companies Act, 2013 (Act), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), SEBI (Prohibition of Insider Trading) Regulations, 2015 (SEBI (PIT) Regulations) and other applicable laws.

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

The Company review these policies from time to time and update them in accordance with the amendments to the statutory and regulatory requirements and as per the Industry’s best Corporate Governance practises.

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

SL.	Name of the Policy	Website Link
1.	Risk Management Policy	https://sonacomstar.com/files/policy/risk-management-policy-policy-NTCFLh.pdf
2.	Policy on Preservation of Documents	https://sonacomstar.com/files/policy/policy-on-prevention-of-documents-policy-tPw29X.pdf
3.	Familiarisation Programme	https://sonacomstar.com/files/policy/familiarisation-programme-policy-4ZowK5.pdf
4.	Policy on evaluation of performance of board of directors	https://sonacomstar.com/files/policy/policy-on-evaluation-of-performance-of-board-of-directors-policy-6WONEP.pdf
5.	Policy on Preservation and Utilisation of Stationery, Blank Security Certificates and Warrants	https://sonacomstar.com/files/policy/policy-on-preservation-and-utilization-of-stationery-blank-security-certificates-and-warrants-policy-wi5JWH.pdf
6.	Cookie Policy	https://sonacomstar.com/files/policy/cookie-policy-policy-7F83Ag.pdf
7.	Privacy Notice	https://sonacomstar.com/files/policy/Privacy_Notice.pdf
8.	Prevention of Sexual Harassment Policy	https://sonacomstar.com/files/policy/posh-policy-policy-s7Hmw2.pdf
9.	Code of Conduct for Prevention of Insider Trading	https://sonacomstar.com/files/policy/code-of-conduct-for-prevention-of-insider-trading-policy-x046Ln.pdf
10.	Corporate Social Responsibility Policy	https://sonacomstar.com/files/policy/corporate-social-responsibility-policy-policy-K6JBXy.pdf
11.	Whistle Blower Policy	https://sonacomstar.com/files/policy/whistle-blower-policy-policy-MUwqe2.pdf
12.	Succession Planning Policy	https://sonacomstar.com/files/policy/succession-planning-policy-policy-SYOpD5.pdf
13.	Policy on Related Party Transactions	https://sonacomstar.com/files/policy/policy-on-related-party-transactions-policy-rQXZb0.pdf
14.	Policy on Board Diversity	https://sonacomstar.com/files/policy/policy-on-board-diversity-policy-sKCWRQ.pdf
15.	Policy for determining Material Subsidiaries	https://sonacomstar.com/files/policy/policy-for-determining-material-subsidiaries-policy-f3dEtf.pdf
16.	Policy for determining Materiality	https://sonacomstar.com/files/policy/policy-for-determining-materiality-policy-x9GHRZ.pdf
17.	Nomination and Remuneration Policy	https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-2ORHuA.pdf
18.	Fair Disclosure of Unpublished Price Sensitive Information	https://sonacomstar.com/files/policy/fair-disclosure-of-upsi-policy-yzFKhp.pdf
19.	Dividend Distribution Policy	https://sonacomstar.com/files/policy/dividend-distribution-policy-policy-oW38wX.pdf
20.	Code of Conduct Board and Senior Management	https://sonacomstar.com/files/policy/code-of-conduct-board-and-senior-management-policy-DISxoZ.pdf
21.	SEBI Circular on Online Dispute Resolution	https://www.sebi.gov.in/legal/master-circulars/aug-2023/online-resolution-of-disputes-in-the-indian-securities-market_75220.html
22.	Archival Policy	https://sonacomstar.com/files/policy/archival-policy-policy-d5uF7K.pdf

B. Policies as part of Governance & Ethical Compliance Framework:

SL.	Name of the Policy	Website Link
1.	Code of Conduct and Business Ethics	https://sonacomstar.com/files/policy/code-of-conduct-and-business-ethics-policy-yEZCTh.pdf
2.	Code of conduct for Vendors/ Suppliers	https://sonacomstar.com/files/policy/code-of-conduct-for-vendor-policy-IFuiLR.pdf
3.	Anti-Bribery and Corruption Compliance Policy	https://sonacomstar.com/files/policy/anti-bribery-and-corruption-policy-policy-8i68Y7.pdf
4.	Investor Grievance Redressal Policy	https://sonacomstar.com/files/policy/investor-grievance-redressal-policy-policy-hCONgg.pdf

SL.	Name of the Policy	Website Link
5.	Shareholder's Manual	https://sonacomstar.com/files/shareholders_manual.pdf
6.	Link of Online Dispute Resolution	https://sonacomstar.com/investor-relations
7.	Responsibilities and Duties of Board of Directors	https://sonacomstar.com/files/policy/responsibilities-and-duties-of-board-of-directors-policy-Adosl4.pdf
8.	Enterprise Risk Management -Framework	https://sonacomstar.com/files/policy/erm-framework-policy-CZEnft.pdf
9.	Management Policy on Quality, Environment, Occupational health and safety	https://sonacomstar.com/files/policy/quality-environment-occupational-health-and-safety-policy-policy-uCJgYJ.pdf
10.	Tax Policy	https://sonacomstar.com/files/policy/tax-policy-policy-ttSq8c.pdf
11.	Fair work practice guidelines	https://sonacomstar.com/files/policy/fair-work-practice-guidelines-policy-aetlfx.pdf
12.	Terms of Reference of the Committees of the Board	https://sonacomstar.com/files/policy/terms-of-reference-of-the-committees-policy-iAA7NT.pdf
13.	Procedure prescribed for filing of complaint under POSH	https://sonacomstar.com/files/policy/procedure-prescribed-for-filing-of-complaint-under-posh-policy-YJNZce.pdf

C. Changes made in the Policies during the year

During the financial year under review, the Company has amended the following policies/codes in accordance with the requirements of the applicable laws. The gist of the changes made in the policies are as follows:

S. No.	Name of the Policies	Description of the Policy	Summary of key changes made to the Policies during the Financial Year
1.	Nomination & Remuneration Policy	The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.	Clause 7.3 of the policy pertaining to the remuneration of Managing Director/Executive Director/CEO has been revised to broadening its scope.
2.	Policy on Related Party Transactions	This policy has been framed with an intent to regulate all Related Party Transactions in the Company.	- The definition of 'Material Related Party Transaction' and 'Retail Purchases' has been amended in accordance with the amendment in the Listing Regulations. - The thresholds for transactions where subsidiary is a party, but the Company is not a party and which requires approval of Audit Committee of the Company, has been amended in line with the amended provisions of the Listing Regulations. - A clause related to validity of the omnibus approval granted by shareholders in AGM has been duly added.
3.	Code of Conduct for Prohibition of Insider Trading	The Code is adopted to regulate, monitor and report trading by designated persons and their immediate relatives and thereby putting in place a framework for prohibition of insider trading.	- The existing definition of Unpublished Price Sensitive Information/UPSI has been amended in accordance with the amendment in the SEBI (PIT) Regulation 2015, pertaining to the definition of UPSI. - For ensuring alignment with amended provisions of the SEBI PIT Regulations, proviso(s) were inserted specifying timeline for making entry in SDD and requirement of trading window closure in case of UPSI not emanating within the Company.

COMPLIANCE CERTIFICATE

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

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

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

- We have reviewed the Financial Statements and the Cash Flow Statement of Sona BLW Precision Forgings Limited for the Financial Year ended March 31, 2026 and to the best of our knowledge and belief, we state that:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- We have indicated to the Auditors and the Audit Committee:
 - significant changes, if any, in the internal control over financial reporting during the year;
 - significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours Sincerely,

Rohit Nanda
President and Group Chief Financial Officer

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

Date: 30th April, 2026
Place: Gurugram

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Sona BLW Precision Forgings Limited
Sona Enclave Village Begumpur Khatola,
Sector 35, Gurugram, Haryana – 122004

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sona BLW Precision Forgings Limited having CIN: L27300HR1995PLC083037 and having registered office at Sona Enclave Village Begumpur Khatola, Sector 35, Gurugram, Haryana - 122004 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	DIN	Name of Director	Date of Appointment in Current Term
1.	07698495	VIVEK VIKRAM SINGH	05/07/2022
2.	09041143	JEFFREY MARK OVERLY	12/02/2026
3.	00176902	SHRADHA SURI	05/08/2025
4.	03631259	VIKRAM VERMA VADAPALLI	24/01/2025
5.	00058552	VINEET MITTAL	24/01/2025
6.	00770347	PRADIP MANILAL KANAKIA	01/07/2024
7.	00110827	KARAMENDRA DAULET SINGH	24/10/2024
8.	00774574	MANISHA GIOTRA	01/01/2024
9.	02406685	PRIYA SACHDEV KAPUR	23/06/2025

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

For PI & Associates,
Company Secretaries

Nitesh Latwal
Partner
ACS No.: A32109
CP No.: 16276
Peer Review No.: 1498/2021
UDIN: A032109H000246466

Date: 30th April 2026
Place: New Delhi

CERTIFICATE ON CORPORATE GOVERNANCE OF SONA BLW PRECISION FORGINGS LIMITED FOR FINANCIAL YEAR ENDED MARCH 31, 2026

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

To,
The Members
Sona BLW Precision Forgings Limited
Sona Enclave Village Begumpur Khatola,
Sector 35, Gurugram, Haryana - 122004

- We have examined the compliance of the conditions of Corporate Governance by Sona BLW Precision Forgings Limited (“the Company”), for the financial year ended on March 31, 2026, as stipulated under Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation 2 of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”).
- The compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, and the declarations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended on March 31, 2026.
- We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For PI & Associates,
Company Secretaries

Nitesh Latwal
Partner
ACS No.: A32109
CP No.: 16276
Peer Review No.: 1498/2021
UDIN: A032109H000246488

Date: 30th April 2026
Place: New Delhi

Annexure - B1

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director and Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the Financial Year 2025-26:

S. No.	Name of the Directors and KMPs	Designation	Remuneration (including sitting fees paid to independent directors) (INR million)	Ratio of Remuneration of Directors to the Median Remuneration of employees	(%) increase of remuneration in financial year 2025-26
1.	Mr. Sunjay Kapur*	Chairman and Non-Executive Nominee Director	4.80	4.62	-
2.	Mr. Jeffrey Mark Overly**	Chairman and Independent Director	9.90	9.52	-
3.	Mr. Pradip Manilal Kanakia	Independent Director	5.81	5.59	-
4.	Mrs. Shradha Suri	Independent Director	5.70	5.48	-
5.	Ms. Manisha Girotra	Independent Director	5.75	5.53	-
6.	Mr. Karamendra Daulet Singh&	Independent Director	5.86	5.63	-
7.	Mr. Vineet Mittal	Independent Director	5.69	5.47	-
8.	Mrs. Priya Kapur Sachdev#	Non-Executive and Non-Independent Director	4.45	4.28	-
9.	Mr. Vivek Vikram Singh^	Managing Director & Group Chief Executive Officer	149.56	143.81	15
10.	Mr. Vikram Verma Vadapalli	Whole Time Director	35.75	34.38	20
11.	Rohit Nanda	President, Group CFO & Chief Risk Officer	35.98	34.60	35
12.	Ajay Pratap Singh^^	Sr. Vice President- (Legal), Group General Counsel, Company Secretary and Compliance Officer	14.16	13.62	49.1

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

** Mr. Jeffrey Mark Overly was appointed as Chairman effective from 23rd June, 2025.

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

^ includes perquisite value of INR 60.12 million on allotment of 1,25,915 equity shares to him under the Sona Performance based Share Plan (PSP -2025) approved by the shareholders on 19th December, 2025 and also included annual commission INR 54.89 million i.e. 1% of consolidated PAT of previous FY, as approved by the Board based on recommendation of NRC and his total remuneration capped at 5% of the net profit of the Company. % increase in remuneration doesn't include Perquisite value for allotment of equity shares under the PSP 2025 and annual commission.

^^ Mr. Ajay Pratap Singh, Senior Vice President - Group General Counsel, Company Secretary and Compliance Officer of the Company resigned effective from the close of business hours on 15th April, 2026.

2. The percentage increase in the median remuneration of employees in the Financial Year 2025-26:

Median remuneration of previous year 2024-25 (INR million)	Median remuneration of current year 2025-26 (INR million)	% increase #
0.97	1.04	7.21%

While calculating the percentage increase in remuneration, the perquisites value of ESOP, if any, is not considered.

3. The number of permanent employees on the rolls of the Company as on 31st March 2026: 2,008

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

S. No.	Particulars	Average % increase
1.	Increase in salary of Key Managerial Personnel*	29.78%
2.	Increase in salary of employees (other than Key Managerial Personnel)	12.25%

*This average increase in remuneration does not include the perquisite value of ESOP, and only consists of increase in salary.

The average annual increase in the salaries of employees is based on Key Performance Indicators (KPI's) set at the beginning of the year and the variable pay is based on the KPI's achieved and performance rating given during the year.

Variable pay is calculated on a combination of individual performance based on defined KPI's and Company's performance.

5. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

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

Jeffrey Mark Overly
Chairman
DIN: 09041143

Date: 16th June, 2026

Place: Florida, USA

B. INFORMATION PURSUANT TO SECTION 197(12) READ WITH RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2026.

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

S. No.	Name	Designation	Remuneration Received (INR in million)	Nature of Employment (Contractual or otherwise)	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held by the employee before joining the Company	Percentage (%) of equity shares held by the employee in the Company
1.	Mr. Vivek Vikram Singh	Managing Director & Group Chief Executive Officer	149.56*	Permanent	Bachelor's degree in technology (computer science and engineering) from HBTI, Kanpur and a post graduate diploma in Management from the Indian Institute of Management, Ahmedabad	21	46	1 st July, 2016	JTEKT India Ltd.	0.08
2.	Mr. Rohit Nanda	President, Group Chief Financial Officer & Group Chief Risk Officer	35.98	Permanent	B.Com and Chartered Accountant	30	53	11 th April, 2019	Usha Martin Ltd.	Nil
3.	Mr. Vikram Verma Vadapalli	Whole Time Director and Chief Executive Officer- Driveline Business	35.75	Permanent	Bachelor's degree of technology in Mechanical Engineering- Karnataka Regional Engineering College, Surathkal	44	66	1 st April, 2007	JTEKT India Ltd.	0.05
4.	Mr. Sat Mohan Gupta	Chief Executive Officer- Motor Business	26.97	Permanent	M.com and member of ICMA	42	64	10 th November, 1997	Daewoo Motor India Ltd.	0.026
5.	Mr. Ranganathan Balaji	President & Chief Operating Officer (Operations)-Driveline Business	17.38	Permanent	B. Tech & Post Graduate Diploma in International Business from IIFT.	37	57	1 st April, 2017	JTEKT India Ltd.	0.014
6.	Mr. Amit Mishra	Senior Vice President- Head of Railway Business and CSR Head	17.33	Permanent	BE in Mechanical & Finance PGDM (MBA)	20	43	8 th December 2021	Antique Stock Broking	Nil
7.	Mr. Ajay Pratap Singh#	Sr. Vice President- Group General Counsel, Company Secretary & Compliance Officer	14.16	Permanent	LLB-University of Delhi, Company Secretary and Certificate in Competition Law from IICA, New Delhi	27	51	24 th February, 2020	Hindustan Construction Company Limited, Mumbai	0.003
8.	Mr. Praveen Chakrapani Rao	Group CTO	13.18	Permanent	BE and MS	34	56	8 th February, 1998	Taco Visteon	Nil

S. No.	Name	Designation	Remuneration Received (INR in million)	Nature of Employment (Contractual or otherwise)	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held by the employee before joining the Company	Percentage (%) of equity shares held by the employee in the Company
9.	Mr. Vaithiyanathan M	President & Chief Operating Officer (Operations)- Motor Business	11.61	Permanent	B.Tech, MBA, PGDMM	35	59	20 th November, 2007	Lucas TVS Ltd.	Nil
10.	Mr. Narender	Sr. Vice President	8.17	Permanent	B.Teh(Mech.), PGDBA	23	44	1 st September, 2003	First Employment	Nil

*Includes perquisite value of shares allotted under the PSP 2025 and payment of annual commission.
Mr. Ajay Pratap Singh, resigned w.e.f. 15th April, 2026.

II. Employee(s) employed for a part of the Financial Year, in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month: During the financial year 2025-26, the Company acquired Railway Business from Escorts Kubota Limited (Escorts Kubota) effective from 1st June 2025. Therefore, the details of remuneration of employees transferred from Escorts Kubota to the Company and employed part of the year since 1st June, 2025, are as follows:

S. No.	Name	Designation	Remuneration Received (INR in million)	Nature of Employment (Contractual or otherwise)	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held by the employee before joining the Company	Percentage (%) of equity shares held by the employee in the Company
1.	Mr. Ravi Adlakha	Chief General Manager	12.02	Permanent	MBA	27	52	1 st June, 2025	Escorts Kubota Limited	Nil
2.	Mr. Harender Singh Keena	Associate Vice President	11.27	Permanent	M. Tech. (Machine Design)	30	52	1 st June, 2025	Escorts Kubota Limited	Nil
3.	Mr. Ashok Kumar Sharma	Associate Vice President	10.81	Permanent	MBA	27	55	1 st June, 2025	Escorts Kubota Limited	Negligible

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

Date: 16th June, 2026
Place: Florida, USA

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

Jeffrey Mark Overly
Chairman
DIN: 09041143

Annexure - C

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Sona BLW Precision Forgings Limited
L27300HR1995PLC083037

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sona BLW Precision Forgings Limited (hereinafter referred to as “the Company”). The Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing our opinion thereon for the financial year ended on March 31, 2026 (“Audit Period”). The Company operate in Mobility components, systems and sub-systems. The Company is listed on both National Stock Exchange of India Limited and BSE Limited.

Limitation of the Auditors

- (i)

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder; and
- (ii)

Based on the management representation, confirmation and explanation wherever required by us, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors Responsibility

- (i)

Our responsibility is to express the opinion on compliance with the applicable laws and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit (“Guidance Note”) and Auditing Standards issued by the Institute of Company Secretaries of India (“ICSI”). The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and also that we plan and perform the audit so as to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
- (ii)

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

- (iii)

Our audit involves performing procedures to obtain audit evidence about the adequacy of compliance mechanism exist in the Company to assess any material weakness and testing and evaluating the design and operating effectiveness of compliance mechanism based upon the assessed risk. The procedures selected depend upon the auditor’s judgement, including assessment of the risk of material non-compliance whether due to error or fraud.
- (iv)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Board processes and compliance mechanism.

We have examined the books, papers, minute books, forms and returns filed, and other records made available to us and maintained by the Company during the Audit Period, according to the provisions of:

- (i)

The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- (ii)

The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii)

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not applicable during the Audit Period)
- (iv)

Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v)

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -

a.

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b.

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c.

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the Audit Period)

d.

The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e.

The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable during the Audit Period)

f.

The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)
- Regulations, 1993 regarding the Companies Act and dealing with client;

g.

The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable during the Audit Period)

h.

The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; (Not applicable during the Audit Period)

i.

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘Listing Regulations’) and
- It is further reported that with respect to the compliance of other applicable laws, we have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances under general laws (including Labour Laws, Tax Laws, etc.) and as informed to us, there are no laws which are specifically applicable to the Company.
- We have also examined compliance with the applicable clauses of the following:
- (i)

Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General Meeting.

(ii)

The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited and Listing Regulations.
- During the Audit Period, the Company complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned hereinabove.
- We further report that:
- i.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors during the Audit Period. There were the following changes in the composition of the Board of Directors of the Company during the Audit Period:

a.

Demise of Late Mr. Sunjay Kapur, Chaiman and Non-Executive Director of the Company on June 12, 2025.

b.

Mrs. Shradha Suri (DIN: 00176902), was re-appointed as an Independent Director of the Company for a second term for a period of five years at the 29th Annual General Meeting (AGM) held on 25th July 2025, effective from August 05, 2025.

c.

Mr. Jeffrey Mark Overly (DIN: 09041143), was re-appointed as an Independent Director of the Company for a second term for a period of five years effective from 12th February, 2026. Besides, Mr. Overly has also been designated as Chairman of the Company.
- Disclaimer
- This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.
- d.

Mrs. Priya Sachdev Kapur (DIN: 02406685) was appointed as an Additional Director in the capacity of Non- Executive Director of the Company vide Board Meeting dated June 23, 2025. Subsequently, her appointment was regularized at the 29th AGM of the Company held on 25th July 2025.

ii.

Further, the composition of all statutory committee(s) was also in compliance with the Act and applicable Rules and Regulations throughout the Audit Period except for a limited period wherein Mr. Jeffrey Mark Overly, while serving as the Chairperson of the Nomination and Remuneration Committee (NRC), was appointed as the Chairperson of the Board on June 23, 2025. However, the Company had changed the Chairman of the NRC by appointing Mr. Karamendra Daulet Singh w.e.f. July 16, 2025, in compliance of the Act and Listing Regulations. As a result, for the period beginning from June 23, 2025, to July 16, 2025, Mr. Jeffrey Mark Overly, concurrently held the position of Chairperson of the Board and Chairperson of the NRC, which was not in compliance with Section 178(1) of the Act and Regulation 19(2) of the Listing Regulations. Consequently, both National Stock Exchange of India Limited and BSE Limited levied a penalty of INR 46,000/- plus gst each on the Company which has been paid by the Company.

iii.

Adequate notices were given to all Directors to schedule the Board Meetings, Statutory Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except where meeting(s) was held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

iv.

The majority of decisions were carried out and there were no instances where any director expressed any dissenting views.
- We further report that** in our opinion the Company has, in all material respects, adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. In this regard, the Company has in place an IT based Legal Risk Management System tool and Lawrbit for managing compliances with applicable laws.
- We further report that** during the Audit Period, no event has occurred in the Company having major bearing on its affairs.
- For PI & Associates,
Company Secretaries
- Nitesh Latwal**
(Partner)
ACS No.: A32109
CP No.: 16276
Peer Review No.: 1498/2021
UDIN: A032109H000246400
- Date:** 30th April, 2026
Place: New Delhi
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To,
The Members,
Sona BLW Precision Forgings Limited

Our Secretarial Audit Report of even date is to be read along with this letter:

- (i)

Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
- (ii)

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a sampling basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (iii)

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (iv)

Wherever required, we have obtained the management’s representation about the compliance of laws, rules and regulation and happening of events etc.
- (v)

The compliance of the provisions of corporate and other sector specific laws as applicable on the Company, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on sampling basis.
- (vi)

The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PI & Associates,
Company Secretaries**

Nitesh Latwal
(Partner)
ACS No.: A32109
CP No.: 16276
Peer Review No.: 1498/2021
UDIN: A032109H000246400

Date: 30th April, 2026
Place: New Delhi

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A- CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy;

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

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

1.

Heating Furnace Efficiency Improvement: Applied high emissivity coatings and did improvement in furnace insulation to minimise heat loss. Optimised furnace cycle time. Utilised waste heat from furnace flue gases for preheating applications.
2.

Reduction of Idle Energy Consumption in Shot Blasting Machines: Installed automatic shut-off systems and programmed motors to stop after 10 minutes of idle condition
3.

Replacement of Electrical Heating with Solar Heating in Phosphating Process: Installed of solar water heating system to replace electrical immersion heaters, reducing the dependency on grid electricity
4.

Implementation of Energy Saving Control in Equipment: Implemented auto idle shutdown logic for activation of energy-saving modes in various forging and CNC line equipment, shot pinning and shot blasting machines.
5.

Optimisation of Air Compressor Uses in machine shop: Enhanced energy efficiency by reduction in compressor unloading pressure, air flow optimisation, installation of solenoid valve for idle condition control and automatic drain valve in air receiver tank
6.

Design change in Presses: changed of hydraulic design and introduction of lower capacity motors in 100 ton and 600 ton presses for energy consumption reduction
7.

Installation of Energy Efficient HVAC Systems: Replaced conventional cooler fans with energy efficient HVLS fans, installed energy efficient VRV ACs.
8.

Smart Air Compression/Cooling tower motor Systems: The adoption of variable frequency drive (VFD)-based air compressors/cooling tower motor allows for optimised performance, adjusting to demand rather than running at a constant load.

9. Leakage Identification & Air Compression Efficiency:

A company-wide drive was launched to detect and eliminate compressed air leakages, significantly improving the overall efficiency of air compressors.

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

For utilisation of alternate source of power, we harnessed 16,847 GJ from our roof top solar installations which is approx. 4% of our total energy consumption during the financial year 2025-26.

During the financial year, the Company has executed definitive documents with CSE Development (India) Private Limited, Cleantech group entity for setting up of 2.5 MWp group captive power generating facility at Chennai, Tamil Nadu. The Company earlier executed definitive documents with CleanMax Enviro Energy Solutions Private Limited (CleanMax) for setting up captive power generating facility in the state of Haryana and Maharashtra having solar capacity of 14.85 MWp and 4.00 MWp respectively.

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

During the Financial Year 2025-26, the Company invested on the following energy saving initiatives:

S. No.	Details	Amount (INR in lakhs)
1	Replacement of conventional fans to HVLS fans	10.33
2	Energy efficient IE3 motors installation & capacity reduction	3.25
3	Conversion of Pneumatic operated Toggle press to Hydropneumatics press	7.50
4	Installation of energy saving lights	8.58
5	Installation of Energy efficient VRV ACs	7.15
6	Design change in Presses for energy consumption reduction	18.46
7	Installation of Solar Water Heating System	3.75
8	Puff Panel, Electrical & Ducting Work At Welding & Grinding Section	152.00
9	Air handling unit work at washing area	85.54
10	Condition based monitoring on 400T press	42.51
11	Active Harmonic Filter	6.00
Total		345.07

B- TECHNOLOGY ABSORPTION

1. Efforts in brief towards Technology Absorption, Adoption and Innovation.

1.

The Company has know-how of designing and manufacturing bevel gears through precision warm forging, and differential assembly and aggregates and validation with respect to the electric & non-electric vehicle requirement.
2.

The Company has developed in-house capabilities in followings:

a.

Die Design

b.

Die Manufacturing

c.

Gear Design

d.

Bevel Gear Manufacturing

e.

Differential Assembly design & manufacturing

f.

Laser welding

g.

Gear Skiving

h.

Helical Gear Grinding

i.

Simulation techniques

j.

Testing techniques

k.

Spiral bevel gear

l.

Bevel Gear box

m.

Cold Forging

n.

Clutch tooth forming for various automotive market

o.

Gearbox testing

3.

The Company has worked on various technological innovations:

a.

Innovation in motor technology to eliminate/ reduce the heavy rare earth magnets.

b.

Develop magnet free motor technologies.

c.

Adapt the integrated motor controller concept in Hub motors.

d.

Enhance the control HIL capability to power HIL capability.

e.

High Voltage and EMC test capability to enhance the deliverables.

f.

Improve the efficiency of the Inverter using SiC MOSFET technology.

g.

Calliper shim washer was made with RM grade ₹80 instead of RM grade ₹100 for localised sourcing

2. Benefits derived as a result of above efforts e.g. Product Improvement, Cost Reduction,

- Product Development, and Import Substitution etc.
1.

Developed magnets with Cerium to replace the heavy rare earth elements.
2.

Developed ERSM and SRM motor samples.
3.

2 kw Hub Motor integrated with controller.

4.

Commisioned PHIL to emulate e-motor and qualify the Inverter at power level.
5.

More tests planned at EMC pre-complinace inhouse.
6.

Improved inhouse first HV Inverter efficiency using SiC MOSFETs.
7.

Cost Reduction and Reduction in “Time to Market”.
8.

Complete indigenisation of tooling.
9.

Superior gears & differential assembly compared to competition.

3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year.

The Company has not imported technology during the last three years and therefore details including the details of technology imported, the year of import, whether the technology been fully absorbed and if not fully absorbed, areas where absorption has not taken place, and the reasons thereof are not applicable.

4. The expenditure incurred on Research and Development:

S. No.	Particulars	Amount (INR million)
1.	Revenue expenditure	629.98
2.	Capital expenditure	385.91
Total		1,015.89

C- FOREIGN EXCHANGE EARNED AND OUTGO

S. No.	Particulars	Amount (INR million)
1.	Foreign Exchange earned in terms of actual inflows during the financial year.	15,643
2.	Foreign Exchange outgo during the financial year in terms of actual outflows.	5,005

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

Jeffrey Mark Overly
Chairman
DIN: 09041143

Place: Florida, USA
Date: 16th June, 2026

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2025-26

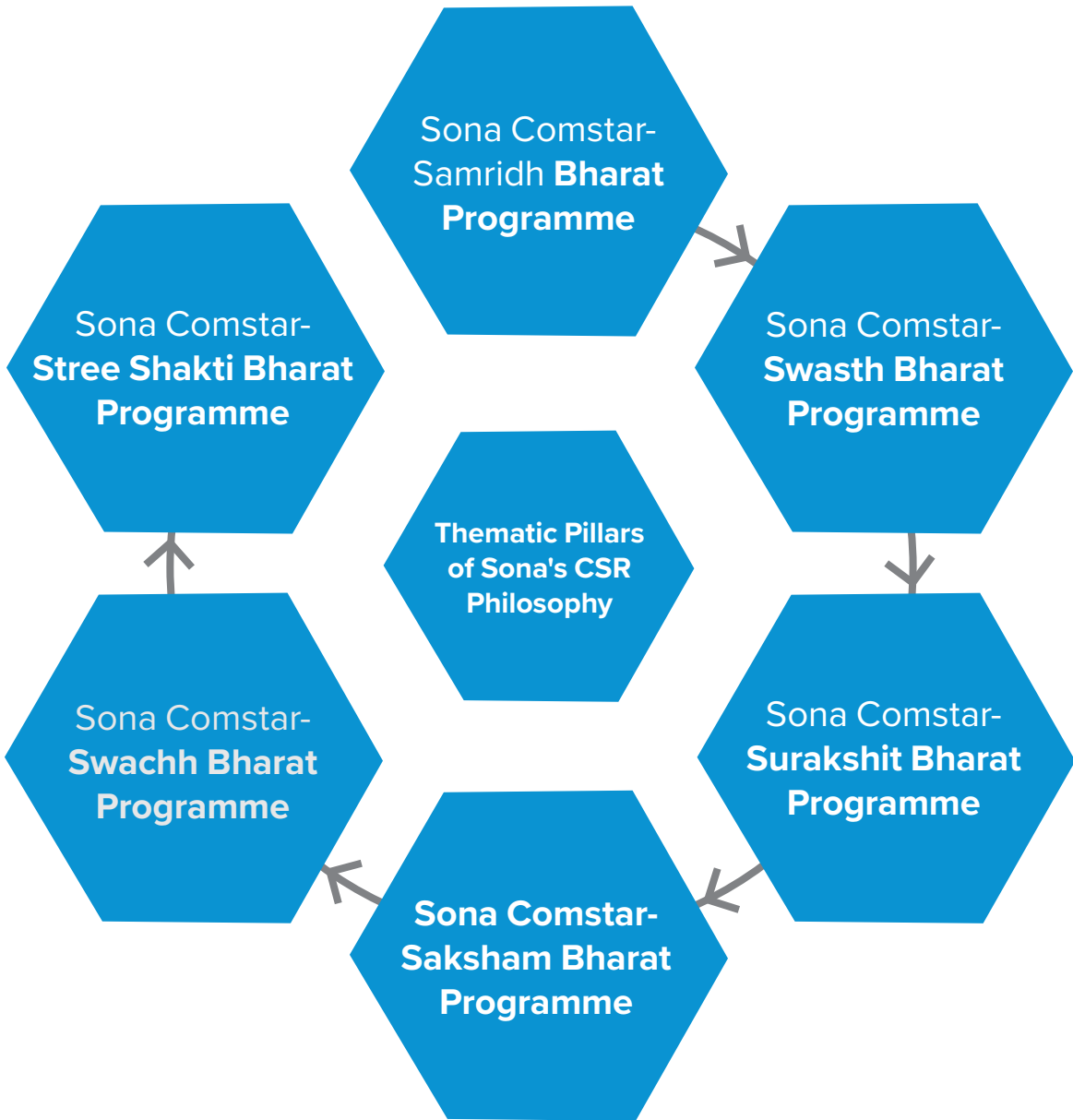
[Pursuant to Section 135 of the Companies Act, 2013 (Act) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. BRIEF OUTLINE ON THE CSR POLICY OF THE COMPANY

Sona BLW Precision Forgings Limited (“Company” or “Sona Comstar”) views Corporate Social Responsibility (“CSR”) not merely as a statutory obligation but as an integral part of its core philosophy and approach to long-term value creation. The Company recognises that its growth and progress are closely linked with the development and well-being of the communities in which it operates, and accordingly, seeks to generate meaningful impact through its CSR initiatives. In this context, the CSR Policy of the Company sets out an overarching framework, in accordance with applicable legal requirements, for undertaking CSR programs and initiatives as approved by the Board from time to time.

During the financial year under review, the Company, in line with its CSR Policy, continued to undertake focused interventions in the thematic areas of education, promotion of skill development and livelihood enhancement/ generation of employment, environmental sustainability, water conservation, eradicating hunger and women empowerment, with the objective of fostering inclusive development and strengthening community ecosystems. These initiatives are aligned with the Company’s commitment to responsible business conduct and its broader vision of contributing to societal progress alongside business growth.

The CSR Policy of the Company is structured around six thematic pillars, each representing one or more focused area of intervention aimed at contributing meaningfully to nation-building and social development:



A brief description of each pillar along with projects undertaken during Financial Year 2025-26 under each thematic pillar is given below:

Sona Comstar – Samridh Bharat Programme Focuses on Innovation, technological advancement and Economic Growth through measures like: - Supporting projects that promote innovation and incubation in mobility solutions to reduce dependence on fossil fuels. - Collaborating with universities and institutions to promote innovation-driven startups. - Supporting projects and research programs to address air pollution including stubble burning. Projects undertaken during FY 2025-26 - Sona-Comstar – IIT-Delhi Innovation in Mobility Programme-Incubators - Contribution to Centre for Innovation Incubation and Entrepreneurship Building (CIIE Initiatives, IIM-A)– IIM Ahmedabad	Sona Comstar – Swachh Bharat Programme Focuses on Environment Sustainability, Water, Sanitation and Conservation of Natural Resources and Ecological Balance through measures like: - Supporting entities engaged in nature conservation, wilderness preservation and environmental protection - Promoting sanitation and access to safe drinking water in schools established by government authorities and local bodies. - Supporting environmental sustainability, ecological balance and conservation of natural resources, including support for initiatives such as the Clean Ganga Fund Projects undertaken during FY 2025-26 “Go Green Initiative” at Manesar with Catch Foundation - Water Conservation Programme in Pune with Naam Foundation - Construction of toilets and maintenance of infrastructure built in 10 (Nine) existing Government Higher Secondary School in Tamil Nadu	Sona Comstar – Sakhsam Bharat Programme Focuses on Education, Skill Development and Livelihood enhancement through measures like: - Promoting employability and promotion of skill development programs especially for rural youth, women, elderly and differently abled. - Supporting scholarship programs - Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports - Empowering women through self-help groups and promotion of livelihood and employment opportunities Projects undertaken during FY 2025-26 - Sona Comstar Tata Strive Skill Development Centre – Chennai, Pune and Faridabad (3 projects) - Construction of toilets and maintenance of infrastructure built in the Government Higher Secondary School in Tamil Nadu - Building of infrastructure in schools in Nuh, Haryana - Supporting basic education in partnership with Vidya Integrated Development for Youth and Adults
Sona Comstar – Stree Shakti Programme Focuses on Women Empowerment through measures like: - Promoting education and vocational skills that enhance employability for women. - Promotion of gender equality and setting up of homes / hostels for women and orphans. - Empowering women through self-help groups and promotion of livelihood and employment opportunities. - Any other measures taken to empower women. Projects undertaken during FY 2025-26 - Ashoka University Scholarship for meritorious women students.	Sona Comstar – Surakshit Bharat Programme Focuses on Welfare of Armed Forces Personnel and their Dependents through measures like: - Undertaking initiatives for the welfare of armed forces veterans, war widows and their dependents. - Supporting entities engaged in the care and rehabilitation of families of martyrs, war widows, disabled soldiers and dependents of armed forces personnel.	Sona Comstar – Swasth Bharat Programme Focuses on Healthcare and Nutrition through measures like: - Health care outreach program for socially and economically backward, children and community. - Supporting health awareness programs, camps and events. - Strengthening health care infrastructure in hospitals, dispensaries and healthcare centers. - Supporting specific projects/ programs dedicated to women & child health care and nutrition. Projects undertaken during FY 2025-26 - Mid-day meal program with Akshayapatra Foundation

2. COMPOSITION OF CSR COMMITTEE

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee eligible to attend during the year (Total 4 meetings held)	Number of meetings of CSR Committee attended during the year
1.	Priya Sachdev Kapur*	Chairperson, Non-Executive Non-Independent Director	4	4
2.	Shradha Suri	Member, Non-Executive Independent Director	4	3
3.	Manisha Girotra	Member, Non-Executive Independent Director	4	3
4	Pradip Manilal Kanakia**	Member, Non-Executive Independent Director	4	4

*Mrs. Priya Sachdev Kapur was appointed as the Chairperson of the Committee w.e.f. 23rd June, 2025.

**Mr. Pradip Manilal Kanakia was appointed as the member of the Committee w.e.f. 23rd June, 2025.

3. PROVIDE THE WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

Composition of CSR committee	https://sonacomstar.com/board_committees
CSR Policy	https://sonacomstar.com/files/documents/corporate-social-responsibility-policy-document-pOSeId.pdf
CSR projects approved by the Board	https://sonacomstar.com/files/documents/csr-annual-action-plan-2025-26-document-rsetlF.pdf

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE:

The CSR projects undertaken by the Company are in alignment with the activities prescribed under Schedule VII of the Companies Act, 2013, and demonstrate its sustained commitment towards generating meaningful impact. These projects were and shall continue to be implemented with an emphasis on delivering measurable outcomes, strengthening community capacity, and addressing identified social priorities in a structured manner. The CSR projects of the Company demonstrates alignment with multiple sustainable development goals (SDGs). Your Company has voluntarily commissioned InGovern Research Services Private Limited and Bluesky Sustainable Business LLP (hereinafter referred to as ‘Impact Assessor’) to carry out a Third-Party Impact Assessment for the CSR projects undertaken in Financial Year 2025-26.

A total of 11 (Eleven) CSR projects of the Company were tested for impact assessment. The projects were evaluated based on two key parameters **(1)** process maturity (design, governance and implementation quality) and **(2)** achievement of intended objectives (outputs,

outcomes and early impact). The assessment was carried out using PMGA framework which is aligned with SEBI Social Auditing Standards and ISO 26000: Guidance on Social Responsibility. The evaluation method for impact assessment included desk reviews, a logic model approach, key informant interviews, focus group discussions, and mixed-method data analysis. The CSR projects were rated using BlueSky's proprietary scoring method. The Impact Assessment Report on CSR for Financial Year 2025-26, is attached along with this CSR Report.

The CSR project portfolio of the Company was rated as ‘Exemplary’ by the Impact Assessor. As noted in the Impact Assessment Report, Sona Comstar’s CSR portfolio reflects a mature and strategically diversified approach, combining direct community interventions with ecosystem-level investments. Further, the Impact Assessment Report also noted the strategic, system-oriented impact creation by the CSR strategy of the Company.

As per MCA General Circular No. 14/2021 dated 25th August, 2021, on FAQs on CSR, it is clarified that web-link to access the complete impact assessment reports and providing executive summary of the impact assessment reports in the annual report on CSR, shall be considered as sufficient compliance of Rule 8(3)(b) of the Companies (CSR Policy) Rules, 2014.

5.

	(Amounts in INR)
(a) Average net profit of the Company as per Section 135(5) of the Act	6,07,44,96,667
(b) Two percent of average net profit of the Company as per Section 135(5) of Act	12,14,89,933
(c) Surplus arising out of the CSR Projects or programs or activities of the previous financial years.	Nil
(d) Amount required to be set off for the financial year, if any	Nil
(e) Total CSR obligation for the Financial Year 2025-26 [(5b+5c)-5d]	12,14,89,933

6.

	(Amounts in INR)
(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	11,41,94,688
(b) Amount spent on Administrative Overheads	60,74,497
(c) Amount spent on Impact Assessment, if applicable	12,21,300
(d) Total amount spent for the Financial Year 2025-26 [(a)+(b)+(c)]	12,14,90,485

(e) CSR amount spent or unspent for the Financial Year 2025-26

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
10,20,08,622	1,94,81,863	24 th April, 2026	Nil	Nil	Nil

*Total amount spent includes expenses incurred on Third Party Impact Assessment and Administrative Overheads.

(f) Excess amount for set-off, if any

Sl. No.	Particular	Amount (In INR)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	12,14,89,933
(ii)	Total amount spent for the Financial Year 2025-26	12,14,90,485
(iii)	Excess amount spent for the Financial Year 2025-26 [(ii)-(i)]	552
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	Nil
(v)	Amount available for setting off in succeeding Financial Years [(iii)-(iv)]	552

1. Includes both amount spent and amount transferred to Unspent CSR Account for ongoing and other than ongoing projects

Note: During the Financial Year 2025-26, an amount of INR 10,20,08,622 (including impact assessment cost and administrative overheads) was spent and an amount of INR 1,94,81,863, pertaining to ongoing projects, was transferred to the unspent CSR account in accordance with requirement of Section 135(6) of the Act.

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in INR)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in INR)	Amount spent in the Financial Year (in INR)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5), if any		Amount remaining to be spent in the succeeding Financial Years. (in INR)	Deficiency, if any
					Amount (in INR)	Date of transfer		
1	FY 2022-23	1,15,51,703	0	0	NA	NA	0	-
2	FY 2023-24	1,40,38,839	7,970,316	79,70,316	NA	NA	0	-
3	FY 2024-25	3,25,46,027	3,25,46,027	2,72,46,027	NA	NA	53,00,000	-

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

Yes ☐ No ☒

If yes, enter the number of Capital assets created/acquired: Not Applicable

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5) OF THE ACT.

During the Financial Year 2025-26, the Company has spent INR 10,20,08,622 (Rupees Ten Crore Twenty Lakhs

Mrs. Priya Sachdev Kapur
Chairperson of CSR Committee
DIN: 02406685

Date: 16th June 2026
Place: Gloucestershire, UK

Eight Thousand Six Hundred and Twenty Two) on various projects approved under the Annual Action Plan. The unspent balance of INR 1,94,81,863 (Rupees One Crore Ninety-four Lakhs Eighty-one Thousand Eight Hundred Sixty and Three) has been transferred to an unspent CSR account and shall be spent in immediate succeeding 3 (Three) financial years, as per the requirements of the Act.

10. ADDITIONAL INFORMATION

The Company have been awarded with the 8th HR Excellence Award in CSR by the PNGI NCR Chapter, New Delhi.

Vivek Vikram Singh
Managing Director & Group CEO
DIN: 07698495

Date: 16th June 2026
Place: Gurugram

CSR Impact Assessment

FY2025-26

EXECUTIVE SUMMARY

This report presents an independent CSR Impact Assessment of Sona BLW Precision Forgings Limited ("Sona Comstar") portfolio of eleven flagship initiatives implemented during FY 2025-26.

Sona Comstar's CSR Portfolio has been rated as Exemplary using the Bluesky proprietary Process Maturity & Goals Achievement (PMGA) Framework borrows from the guidance available with Security and Exchange Board of India (SEBI) Social Auditing Standards and ISO 26000: Guidance on Social Responsibility.

Exemplary Projects have high process maturity and are successfully reaching their program goals. These projects represent best practices in implementation and impact, demonstrating an exemplary model for other projects to follow. Thematic areas of Sona Comstar's CSR portfolio are aligned with UN Sustainable Development Goals.

The assessment evaluates both:

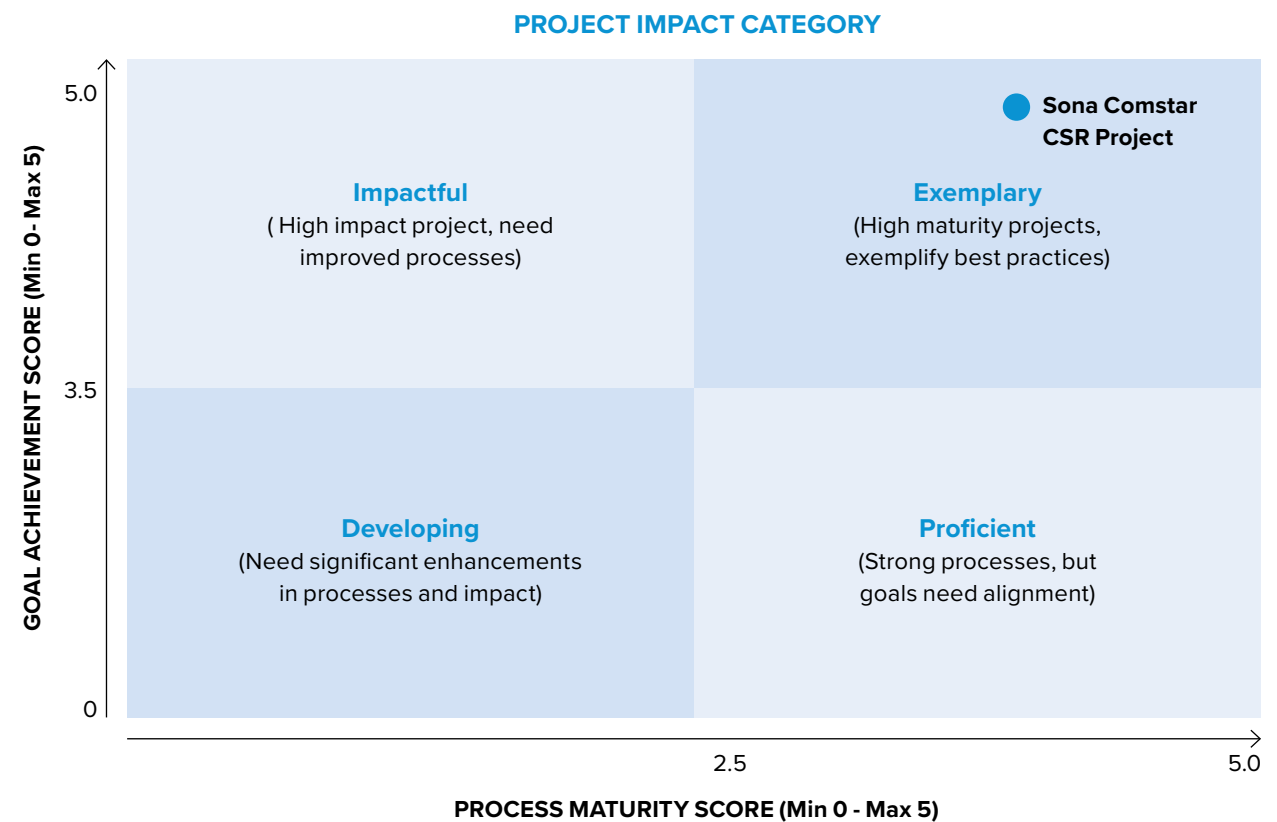
- **Process maturity** (design, governance, implementation quality)
- **Goal achievement** (outputs, outcomes, early impact)

Sona Comstar's CSR portfolio reflects a mature and strategically diversified approach, combining direct community interventions with ecosystem-level investments. At one end of the spectrum, programs such as sanitation, school infrastructure deliver immediate, large-scale human impact, addressing fundamental needs of nutrition, health, and dignity. At the other end, innovation-led initiatives such as FITT and IIMA Ventures operate upstream, shaping future industries, technological capabilities, and economic systems.

Between these, education and skilling programs act as bridges, translating opportunity into employability and long-term socio-economic mobility. This layered portfolio design enables Sona Comstar to create impact across multiple time horizons:

- Immediate (health, sanitation)
- Medium-term (education, livelihoods)
- Long-term (innovation, environment)

Overall, the CSR strategy demonstrates a clear shift from compliance-driven philanthropy to strategic, systems-oriented impact creation, with strong foundations for scale, sustainability and long-term value.



Sona Comstar CSR Portfolio alignment with UN SDG

1. Samridh Bharat Programme

(Focus: Innovation, Entrepreneurship, Economic Growth)

Aligned SDGs:

SDG 8 (Decent Work & Economic Growth)

SDG 9 (Industry, Innovation & Infrastructure)

Project	Description	Location
FITT – IIT Delhi Innovation Programme	Mobility tech incubation & startup support	Delhi
CIIE Initiatives – IIM Ahmedabad	Startup funding (Industry 4.0, AgriTech, CleanTech)	Ahmedabad, Gujarat

2. Saksham Bharat Programme

(Focus: Education, Skills, Livelihoods)

Aligned SDGs:

SDG 4 (Quality Education)

SDG 8 (Decent Work & Economic Growth)

Project	Description	Location
Tata Strive Skill Centre – Chennai	Skill training + women hostel	Chennai, Tamil Nadu
Tata Strive Skill Centre – Pune	Skill training for youth	Chakan, Pune, Maharashtra
Tata Strive Skill Centre – Faridabad	Skill training for youth	Faridabad, Haryana
School Infrastructure – Nuh	RO plant, labs, solar installation	Nuh, Haryana
VIDYA Education Programme	Remedial + open schooling support	Gurugram, Haryana
Govt School Toilets – Tamil Nadu*	Toilet construction + maintenance	Tamil Nadu

* Also overlaps with Swachh Bharat due to sanitation component

3. Swachh Bharat Program

(Focus: Environment, Water, Sanitation, Sustainability)

Aligned SDGs:

SDG 6 (Clean Water & Sanitation)

SDG 13 (Climate Action)

SDG 15 (Life on Land)



Project	Description	Location
Miyawaki Forest – Manesar	Dense afforestation initiative	Manesar (Gurugram), Haryana
Water Conservation – Naam Foundation	Desilting & water conservation	Pabal, Pune, Maharashtra
School Toilets – Tamil Nadu*	Sanitation infrastructure in schools	Tamil Nadu

4. Stree Shakti Bharat Programme

(Focus: Women Empowerment)

Aligned SDGs:

SDG 4 (Quality Education)

SDG 5 (Gender Equality)

Project	Description	Location
Ashoka University Scholarships	Scholarships for meritorious women students	Sonipat, Haryana

SONA COMSTAR PORTFOLIO SNAPSHOT

Sona Comstar’s CSR portfolio addresses immediate human development needs while simultaneously strengthening long-term institutional, economic, and environmental resilience. The portfolio is presented below across 6 sectors.

A. Projects in Innovation & Entrepreneurship

1. FITT – IIT Delhi

2. IIMA Ventures – IIM Ahmedabad

Strategic Objective: To strengthen India’s clean mobility and deep-tech innovation ecosystem by supporting early-stage startups working in electric mobility, energy storage, advanced manufacturing, and sustainable technologies.

Implementing Partner: The interventions are implemented through Foundation for Innovation and Technology Transfer (FITT), IIT Delhi and IIMA Ventures, two leading innovation and incubation platforms supporting technology commercialisation, startup acceleration, and ecosystem development.

Geography: The programs operate across major innovation and manufacturing corridors including Delhi, Bengaluru, Chennai, Pune, and Ahmedabad.

Project Outputs:

Under the FITT partnership

- 16 startups supported cumulatively from FY 2020-26
- Approximately INR 8.9 crore CSR investment towards startup funding

- Sona Comstar funds disbursement has leveraged approximately ₹63.45 crore of external funding (~10x leverage) for the start ups
- In FY 2025-2026, 900+ startup applications processed, 11 short listed and 4 awarded
- Startups supported across mobility verticals of EVs, hydrogen, motors, batteries, and charging technologies.

Under IIMA Ventures

- 7 startups supported from FY 2022-26; 2 startups actively scaled in FY 2025-26
- Commercialisation support provided to ventures such as Ergon Labs and Blinq Mobility;
- OEM-linked deployment and market validation achieved;
- Follow-on funding exceeding USD 4.5 million mobilised.
- 15,000+ km testing done by Ergon Labs and 10,000-unit OEM-linked supply pipeline

Impact Assessment Insight: The portfolio demonstrates strong ecosystem-level impact by reducing commercialisation barriers for deep-tech startups and strengthening India’s indigenous innovation capabilities. The interventions have enabled startups to transition from prototype validation toward early commercialisation while contributing to clean mobility, advanced manufacturing, and low-carbon economic growth pathways.

Course Type (FY 2025-26)	No. of Students (Completed)	No of Women Students	% age of women	Duration	Sector	Aligned to QP Code	NSQF LEVEL
CNC Machining + Automotive CNC	198	105	53%	~12 weeks	Manufacturing	ASC/Q3503	4
BFSI / Business Development	131	91	70%	~7 weeks	Financial Services	BSC/Q8401 Version 1.0	4
Front Office Associate (FOA)	97	60	61%	~7+ weeks	Hospitality	THC/Q0102 Version 3.0	4
Total	426	256	60%				

Post-Placement tracking:

- For the batch certified in FY 2024-25, approximately 120 youth (out of 227 youth outreached) reported employment at an average monthly salary of INR 18,500. This roughly translates to an annual income generation of INR 2.66 Cr (120 × 12 months × 18,500).
- For the batch certified in FY 2025-26, approximately 264 youth (out of 313 youth outreached, a working rate of approximately 62%.) reported employment at an average monthly salary of INR 18,000. This roughly translates to an annual income generation of INR 2.85 Cr (264 × 6months × INR 18,000).

B. Projects in Skilling & Employability

3. Tata STRIVE – Chennai

4. Tata STRIVE – Pune

5. Tata STRIVE –Faridabad

Strategic Objective: To address employability gaps among youth by creating industry-aligned skilling pathways linked to formal employment, livelihood generation, and workforce participation.

Implementing Ecosystem: The interventions are implemented through Tata STRIVE under the Tata Community Initiatives Trust, with strong industry linkages and placement-focused vocational training models.

Geography: The centres are located across key industrial and manufacturing ecosystems including Chennai, Pune, and Faridabad, aligned with demand in automotive, manufacturing, BFSI, hospitality, and emerging EV sectors.

Project Outputs

At the Chennai centre (FY 2025-2026)

- 623 youth trained cumulatively across Manufacturing, BFSI, and Hospitality of which 426 youth trained during FY 2025-26 alone;
- Of the 623 youth trained, 486 youth were placed during the period FY 2023-2026, **331** youth placed during FY 2025-26 of which 264 were women.
- Cumulative placement rate of youth is 78%;
- Strong female participation evidenced ranging between 53% and ~70% in FY 2025-26;
- 160 women utilised hostel facilities enabling participation from rural and mobility-constrained backgrounds;

Course Type (FY 2025-26)	No. of Students (Completed)	No of Women Students	% age of women	Duration	Sector	Aligned to QP Code	NSQF LEVEL
CNC Machining + Automotive CNC	198	105	53%	~12 weeks	Manufacturing	ASC/Q3503	4
BFSI / Business Development	131	91	70%	~7 weeks	Financial Services	BSC/Q8401 Version 1.0	4
Front Office Associate (FOA)	97	60	61%	~7+ weeks	Hospitality	THC/Q0102 Version 3.0	4
Total	426	256	60%				

The Pune and Faridabad centres are positioned to address emerging workforce requirements linked to Industry 4.0, EV technologies, and advanced manufacturing in the next financial year.

Impact Assessment Insight: The interventions demonstrate strong alignment between skilling, employability, and livelihood outcomes. Beyond technical training, the programs contributed to increased confidence, workplace readiness, women’s workforce participation, and first-generation employment opportunities for underserved youth.

C. Projects in Education & Learning Systems Strengthening

6. VIDYA Gurugram

7. School Infrastructure – Nuh

Strategic Objective: To strengthen foundational learning ecosystems by improving educational continuity, school infrastructure, student engagement, and access to enabling learning environments.

Implementing Ecosystem: The initiatives are implemented through VIDYA and Hindu Shiksha Foundation, organisations with strong grassroots engagement in underserved educational ecosystems.

Geography: The interventions operate in Gurugram (Vidya) and Nuh district (Hindu Shiksha Foundation) Haryana — regions characterised by educational vulnerabilities, infrastructure deficits, and low learning continuity among underserved communities.

Portfolio Scale & Outputs:

Under the VIDYA program

1. **The NIOS Open Schooling Programme** (National Institute of Open Schooling) implemented at Vidya School, Gurugram, supported 100 school dropouts in re-entering the formal education system through the National Institute of Open Schooling (NIOS) framework.

The program combined classroom instruction with digital literacy, life-skills education, exposure visits, and entrepreneurship orientation to strengthen both academic and employability outcomes. Delivered through a team of five teachers along with program support staff, the initiative focused on enabling learners to complete formal certification while improving literacy, numeracy, confidence, and future livelihood prospects.

The students have appeared for the exam in May 26 and are awaiting results.

2. **The Remedial Support Programme at Vidya School, Gurugram**, was designed to address learning gaps among 660 students from Grades 6 to 12 through targeted academic support and personalised instruction.

- **Number of students covered under the program:** 660
- 660 students supported under remedial education initiatives
- **Baseline assessment conducted on:** Half-Yearly Examination (Grades 6-8) and PT-1/First Periodic Test (Grades 9-11)
- **Endline assessment conducted on:** Annual Examination / Pre-Board II for Grade 10 (2025- 26)
- **Percentage of students demonstrating improvement in overall test scores:** 65%

- **Average improvement in baseline versus endline assessment scores:** Approximately 8–12% improvement in academic performance across core subjects
- **Percentage of students showing improvement in English reading and writing skills:** 66%
- **Percentage of students showing improvement in Mathematics competency:** 75%
- **Percentage of students progressing from below-grade level to grade-appropriate competency:** 65%
- **Improvement in average student attendance:** 19%
- **Reduction in absenteeism/dropout rate:** 87%

Under the School Infrastructure Project at Nuh

- **1650** Total number of beneficiaries across 2 schools
- Hindu Vidya Niketan 860 children (516 boys &344 girls)
- Hindu Senior Secondary School 790 children (553 boys & 237 girls)
- **2 RO water systems installed** (one per school)
- **Solar-powered electricity system installed** Hindu Vidya Niketan
- **Science laboratories established** (Physics, Chemistry, Biology) at Hindu Vidya Niketan
- **UPS and LAN systems provisioned** to support digital and uninterrupted operations at Hindu Vidya Niketan
- **Maintenance systems established** (2-year AMC + assigned personnel)

Impact Assessment Insight: The interventions strengthened enabling conditions for learning through improved attendance stabilisation, enhanced academic engagement, better access to educational infrastructure, and stronger parent-school coordination. The portfolio demonstrates a shift from access-based interventions toward systemic strengthening of learning environments.

D. Projects in Sanitation & Hygiene

8. School Sanitation – Tamil Nadu

Strategic Objective: To improve hygiene, dignity, and sanitation access among government school students through sustained sanitation infrastructure and maintenance systems.

Implementing Ecosystem: The intervention is directly supported by Sona Comstar through long-term sanitation infrastructure creation and facility maintenance across government schools.

Geography: The program operates across government schools in Tamil Nadu, particularly in semi-urban and rural educational ecosystems.

Portfolio Scale & Outputs

- 10 schools supported till date serving 6,670 students;
- Girls constituted approximately 58% of beneficiaries;
- Long-term sanitation maintenance systems operational across schools;
- Dedicated restroom infrastructure developed with cleaning and waste-disposal mechanisms.
- **Toilet complex** for students constructed at Anaicut School, Chennai in FY 2025-26

Impact Assessment Insight: The intervention has contributed to improved hygiene practices, increased toilet utilisation, better menstrual hygiene management, and enhanced dignity among students, particularly girls. The sustained maintenance model has enabled the transition from one-time infrastructure provision to long-term usability and behavioural reinforcement.

E. Projects in Environment & Climate Resilience

9. Go Green Initiative - Miyawaki Forest- Catch Foundation

10. Water Conservation – Naam Foundation

Strategic Objective: To strengthen ecological restoration, climate resilience, water security, and sustainable environmental stewardship in vulnerable ecosystems.

Summary of Plantation Survival and Estimated Carbon Sequestration Potential (including plantation done in FY 2024-2025)

Plantation Category	Total Plants Planted	Surviving Plants	Estimated Survival Rate	Estimated Year 1 Carbon Sequestration Potential
Native Species Plantation – Site 1 FY 2024-2025	25,767	23,190	~90%	24.41 – 48.19 tons
Bamboo Plantation – Site 1 FY 2024-2025	20,000	18,600	~93%	32.96 – 65.05 tons
Native Species Plantation – Site 2 FY 2025-2026	13,000	12,875	~99%	12.35 – 24.38 tons
Bamboo Plantation – Site 2 FY 2025-2026	10,000	9,040	~90.4%	16.63 – 32.90 tons

*Approximate planted base inferred from survival data

Under the Naam Foundation intervention:

- **1,47,600** cubic meters of desilting completed across two restored water bodies;
- Estimated additional water storage potential of approximately 22.1 crore litres created;
- Approximately **4,000** village residents and local farming ecosystems expected to benefit directly and indirectly

Parameter	Before Project	After Project
Combined Water Storage Capacity	7.3 crore liters	22.1 crore liters
Beneficiary Farmers	Less than 1,200 farmers	2,500 direct beneficiaries + 1,500 indirect beneficiaries
Irrigated Area	Less than 900 hectares	2,200 hectares
Groundwater Status	350 wells and 748 borewells dry during summer	All wells and borewells expected to recharge
Dependence on Drinking Water Tankers	2 wadis dependent on tanker water supply	Village expected to become tanker-free from 2027

Impact Assessment Insight: The interventions are currently in the early outcome phase, with strong evidence of ecological restoration processes and community engagement. Emerging outcomes include improved vegetation cover, enhanced water retention

Implementing Ecosystem: The interventions are implemented through CATCH Foundation (Manesar, Haryana) and Naam Foundation (Pune, Maharashtra) - organisations specialising in afforestation, ecological restoration, and community-based water conservation.

Geography: The projects operate in Manesar (Haryana) and Pabal village in Pune district (Maharashtra), both environmentally stressed regions facing ecological degradation and water vulnerability.

Portfolio Scale & Outputs:

Under the Miyawaki intervention

- In FY 2025-2026, 23,000 saplings planted using dense multi-layer Miyawaki plantation methods;
- Plantation included approximately 10,000 bamboo and 13,000 native species;
- Irrigation, soil conditioning, and ecological restoration systems established;
- Estimated plantation survival rates observed at ~90% for native species and ~93% for bamboo plantations;

potential, and increased environmental awareness, while long-term outcomes such as biodiversity recovery and groundwater recharge are expected to materialise progressively over time.

F. Projects in Women Empowerment & Access to Opportunity

11. Ashoka University Scholarships

Strategic Objective: To reduce financial barriers restricting women’s access to high-quality higher education and long-term socio-economic mobility.

Implementing Ecosystem: The intervention is implemented through Ashoka University under a structured scholarship support model for meritorious women students with high financial need.

Geography: The program is anchored in Sonipat, Haryana, with beneficiaries drawn from financially constrained and educationally underserved backgrounds across India.

Portfolio Scale & Outputs:

- 5 women scholars supported in FY 2025-2026
- The total value of scholarships AY 2025–26 - INR 47,04,420
- 100% tuition fee waivers valued at approximately INR 10.22 lakh per student
- 80% tuition fee waivers valued at approximately INR 8.18 lakh per student.
- Tuition waiver based on demonstrated financial need and academic potential.
- Studies across disciplines such as Economics & Finance, Psychology, English & Creative Writing, International Relations, and Philosophy,

Impact Assessment Insight: The intervention demonstrates strong additionality, with beneficiaries highly dependent on scholarship support for access to higher education. The program has enabled greater academic participation, expanded career aspirations, improved confidence, and strengthened long-term pathways toward economic mobility and professional advancement for women scholars.

CHAPTER 1 | BACKGROUND

CSR Impact Assessment is a process which is individual to a company and depends on factors such as the size of the company and its maturity in addressing the expectations of the community it operates in. The purpose of the CSR Impact Assessment Report is for Sona Comstar to assess the impact of the activities of their CSR efforts, strive to maximise the impact of their CSR efforts and to identify areas for improvement and further engagement with the community.

About Sona Comstar

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

Headquartered in Gurugram, India, Sona Comstar is a leading supplier for the fast-growing global EV market, with 35% of its automotive revenues from the EV market. It is also a global supplier with 12 manufacturing and assembly facilities across India, USA, Mexico, and China, and 49% of its sales are for international markets. The Company has a diversified revenue base across geographies, products, vehicle segments, and customers.

With a robust emphasis on research and development across its 5 R&D centres, Sona Comstar develops advanced drivetrain systems and high-performance motors for electric mobility, mmWave radar sensors and perception solutions for autonomous and connected applications, and safety-critical solutions for railway applications. It aims to be at the forefront of shaping the next generation of mobility technology and providing sustainable solutions for customer’s evolving needs. It aspires to become one of the world’s most respected and valuable mobility technology companies for its customers, employees and shareholders.

Sona Comstar CSR Policy

Sona Comstar’s CSR interventions consist of six pillars aimed to strengthen and reinforce the nation and the society:

1. Sona Comstar-Samridh Bharat (Environment and Sustainability)
2. Sona Comstar-Stree Shakti Bharat (Women Empowerment)
3. Sona Comstar-Swachh Bharat (Sanitation and Hygiene)
4. Sona Comstar-Saksham Bharat (Skill Development and Employability)
5. Sona Comstar-Swasth Bharat (Health and Nutrition)
6. Sona Comstar-Surakshit Bharat (Safety and Social Equity)

Sona Comstar has a well-defined and robust governance structure to oversee the implementation of the CSR Policy and monitoring of CSR projects as per the requirements of Section 135 of the Companies Act, - 2013. The CSR Policy of Sona Comstar can be accessed at

<https://sonacomstar.com/files/policy/corporate-social-responsibility-policy-policy-K6JBXy.pdf>

Scope of CSR Impact Assessment Exercise

- To assess the CSR Projects performance as per the pre-defined targets defined in the MoU signed with Implementing Agency
- To assess if the objectives of the projects have been met.

CHAPTER 2 | IMPACT ASSESSMENT METHODOLOGY

Assessment Methodology and Strategic Focus

This CSR Impact Assessment evaluates eleven flagship CSR initiatives supported by Sona Comstar in FY 2025–26. The assessment was guided by Social Auditing Standards (SAS)

under SEBI and ISO 26000:2018 on Social Responsibility. The PMGA framework (Process Maturity & Goals Achievement) was used to assess both implementation design and outcome achievement.

Evaluation methods included desk reviews, a logic model approach, key informant interviews (KIIs), focus group discussions (FGDs) and mixed-method data analysis. Projects were rated using BlueSky's proprietary scoring method to ensure accountability, transparency, and stakeholder-centric impact. The projects were cumulatively rated as Exemplary, indicating high process maturity & significant goal achievements,

CSR Impact Assessment Methodology

The impact assessment methodology adheres to the Social Auditing Standards (SAS), regulated by the Institute of Social Auditors of India under SEBI, and aligns with ISO 26000:2018 – Guidance on Social Responsibility. This structured approach

ensures a comprehensive and transparent evaluation, incorporating the key methodologies outlined below.

In order to determine the impact of the CSR Projects supported by Sona Comstar, this impact assessment applied the PMGA framework (Process Maturity & Goals Achievement).

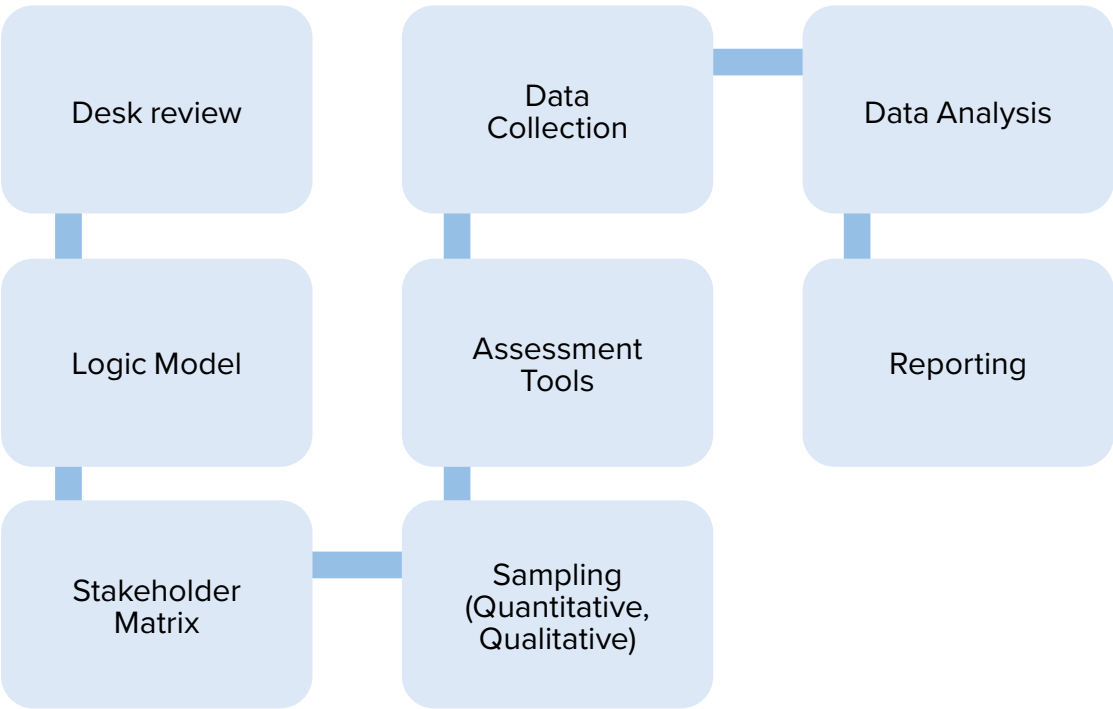
Based on the Theory of Change/ Logic Model and ISO 26000: Guidance for Social Responsibility, the Impact assessment of the CSR project is based on 2 sets of criterions.

1. **Process Maturity Score:** X Axis scored on 8 process criteria with a score range of Min 1- Max 5. It maps processes followed in implementing projects to the guidance framework available in ISO 26000 & NGRBC (principles of Social Responsibility).
2. **Programme Goal Score:** Y Axis scored on criterion of achieving the goals of the project agreed with the client with a score range of Min 1-Max 5. These criteria are specific to the project and maps to the guidance available in the Logic Model developed for the project.

EVALUATION FRAMEWORK

Project Process Maturity	Maps the project design based on the following criteria - 1. Programme Relevance & Significance 2. Project Objectives & Scope 3. Project Stakeholder Mapping and Identification 4. Project Initiation and Risk Assessment of factors influencing the program 5. Project Stakeholder engagement & participation, 6. Project Monitoring & Evaluation process, 7. Project communication & reporting 8. Project sustainability.
Project Goals Achievement	Maps the extent to which predefined project objectives as determined in the Project’s Logic Model were achieved and reported in terms of Key Metrics.

APPROACH & METHODOLOGY



Activity	Details
Desk Review	In-depth review of client documents including project progress reports, MOUs with implementing partners, project design, monitoring & evaluation systems. This step ensures assessing the process involved in program implementation to understand program efficiency.
Logic Model	Developed based on the desk review to map the relationship between inputs, activities, outputs, outcomes, and impacts, ensuring a structured evaluation approach.
Stakeholder Matrix	Identifies and categorises key stakeholders based on their influence, accountability, and interest, ensuring effective engagement in the assessment process.
Sampling	Qualitative Sample: Purposive sampling was applied for Focus Group Discussions (FGDs) and Key Informant Interviews (KIIs) to gather in-depth insights.
Assessment Tools	Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) to collect qualitative data.
Data Collection	A mixed-method approach to data collection combines quantitative data (measurable outcomes, statistics) with qualitative insights (beneficiary experiences, challenges), ensuring a comprehensive impact evaluation.
Data Analysis & Reporting	Findings were analysed on thematic coding for qualitative insights. The information so gathered is then triangulated to assess the impact of the initiative.
Reporting	Structured reporting with key impact metrics and recommendations

STAKEHOLDER MATRIX

A well designed stakeholder matrix ensures that not only are the contributors recognised, but the beneficiaries – those whose lives are impacted by the initiative are also accounted for. Including all relevant parties guarantees a comprehensive social impact assessment, reflective of the diverse perspectives at play within the initiative's ecosystem.

The 4 main types of stakeholders engaged for the social impact assessment were:

- **Beneficiary Stakeholders** – People who directly benefit from the project.

- **Executing Stakeholders (Management)** – Implementation Partner team who plan and manage the project.
- **Executing Stakeholders (Field Teams)** – Implementation Partner team who carry out the project activities on the ground.
- **Oversight (Sponsor)** – The organisation that supports, funds, and reviews the project.

The sampling approach ensured both breadth and depth in assessing the projects across various project locations.

Qualitative Feedback

A purposive sampling approach was used to gain in-depth insights from key stakeholders, including school girls, trainers, school management representatives, and government officials. This mixed-method approach ensured a comprehensive evaluation of the project by integrating empirical data with stakeholder perspectives, strengthening the validity of the findings.

Sampling for Stakeholder Feedback & Engagement

- 30 Key Informant Interviews
- 7 Focus Group Discussions

CHAPTER 3 | KEY FINDINGS

PROJECT 1 | FOUNDATION FOR INNOVATION AND TECHNOLOGY TRANSFER (FITT)

Sona-Comstar | IIT-Delhi Innovation in Mobility Programme

Focus Year | FY 2025-26

CSR Pillar | Samridh Bharat

Environment & Sustainability

Name of Implementing Partner: Foundation for Innovation and Technology Transfer (FITT)

Project Locations: New Delhi, Bengaluru, Chennai, and Pune.

Programme Name	Innovation in Mobility Programme
Implementing Agency	FITT – IIT Delhi
Year of Initiation	March 25, 2020
Geographic Spread	Delhi
Programme Type	Deep-tech startup incubation & acceleration
Focus Domains	EVs, batteries, motors, hydrogen, energy storage

The IIT Delhi Innovation in Mobility Programme is a strategic CSR intervention anchored in enabling India's transition toward:

- Low-carbon mobility systems
- Energy-efficient technologies
- Circular and clean manufacturing ecosystems

It represents a shift from direct beneficiary CSR models to ecosystem-level transformation, targeting upstream innovation in:

- Electric mobility systems
- Energy storage technologies
- Advanced materials
- Clean manufacturing

About Implementing Partner

The Foundation for Innovation and Technology Transfer (FITT), the industry interface organisation of the Indian Institute of Technology (IIT) Delhi, was established to foster the commercialisation of science and technology innovations. With a core mission to bridge the gap between academia and

industry, FITT plays a crucial role in translating cutting-edge research into real-world applications by offering targeted support to startups, incubators, and technology-driven enterprises. Over the years, it has emerged as a key enabler of India's innovation ecosystem, providing incubation support, mentorship, funding facilitation, and access to the intellectual and infrastructural resources of IIT Delhi.

Recognising the importance of innovation, the Government of India has introduced several policies, grants, and partnerships to encourage the development of Indian intellectual property and foster the growth of technology startups from concept to commercialisation. Despite this support, there remains a critical need for private sector involvement to provide sustained funding and mentorship for such innovations.

Aligned with this national vision, Sona Comstar, a strong proponent of intellectual property and innovation, has partnered with FITT, IIT Delhi to support startups in the safe, convenient, and eco-friendly mobility sector. This programme creates a collaborative platform that nurtures innovation and contributes meaningfully to India's rapidly evolving technological landscape.

Project Overview

The programme has transitioned from **early-stage R&D support in 2020 to ecosystem-building platform** in 2025 (including covid years). Over the years it has supported **hardware-intensive startups**, which typically face:

- Long gestation cycles
- High capital intensity
- High failure rates (80–90% at pre-seed stage) programme Description

The programme functions as a multi-dimensional innovation pipeline, combining:

- Capital infusion (grants)
- Technical incubation
- Market linkage
- Institutional credibility (IIT Delhi ecosystem)

Logic Model

Inputs

- ₹8.9 crore CSR funding deployed towards startup grants
- IIT Delhi R&D infrastructure and labs
- Industry mentoring from Sona Comstar

Activities

- National-level startup scouting
- Structured evaluation (tech + business + scalability)
- Milestone-based grant disbursement
- Continuous mentoring, quarterly reviews
- Industry validation and investor engagement

Outputs

- 16 startups supported cumulatively - from FY 2020 - FY 2026
- 900 applications processed (FY 25-26)
- 11 startups shortlisted, 4 funded (FY 25-26)
- Multiple prototypes and IP filings

Outcomes

- Near zero startup failure rate
- ₹ 63.45 crore external funding mobilised (~10x leverage)
- Startups achieving TRL advancement* (6 → 9)
- Market-ready products and early commercialisation

Impact

- Strengthened clean mobility innovation ecosystem
- Reduced technology import dependence
- Enabled low-carbon economic growth pathways

***Technology Readiness Levels (TRL)** are a 9-level scale used to assess the maturity of a technology, ranging from initial research (TRL 1) to proven, market-ready deployment (TRL 9). Primarily developed by NASA, it helps organisations measure development progress and estimate feasibility for engineering projects, commonly used in sectors like engineering, manufacturing, and defense*

Project Objectives

- Support the development and commercialisation of clean mobility technologies
- Enable deep-tech startups to move from prototype to market
- Strengthen indigenous R&D and manufacturing capabilities

The initiative specifically targets early-stage startups engaged in research, prototyping, and market validation in the e-mobility sector—a segment where startups often struggle due to limited access to capital, laboratories, and expert guidance. Through this partnership, the programme aims to empower these innovators and accelerate their journey toward impactful and scalable solutions.

Project Activities

The project followed a structured approach to identify and support high-potential startups across the country. It began with nationwide outreach through academic institutions, startup ecosystems, and digital campaigns, resulting in 900 applications in FY 25 -26

A rigorous multi-stage evaluation process was implemented, including eligibility checks, technical screening, and expert panel reviews. The evaluation committee comprised IIT Delhi experts, industry leaders, investors, and legal professionals, ensuring a credible and comprehensive selection.

The programme provided grant-based financial support, with 80% of funds allocated directly to startups, while the remainder supported ecosystem development and programme operations at FIIT.

Selected startups benefited from incubation and technical support, including access to IIT labs, testing facilities, and research mentorship, enabling technology refinement and product development.

Finally, the initiative enabled market access and commercialisation through investor pitch events, industry pilots, and global exposure opportunities, helping startups scale and achieve market readiness.

List of Beneficiaries over the Years + Project Outputs

Beneficiary Startups (Cumulative Portfolio)

- Total Direct Beneficiaries:** 16 startups

Representative Portfolio (Sector-wise)

Electric Mobility

- InGO Electric** → 360+ vehicles sold
- Creatara Mobility** → EV 2-wheelers launched

Powertrain & Motors

- Quanteon Powertrains** → 94% motor efficiency
- Motorama** → rare-earth-free motors

Energy Storage & Batteries

- Octarange** → AI-driven battery systems
- Aatral** → Sodium-ion batteries

Advanced Materials & Hydrogen

- Grokalp H2CNT** → CNT + hydrogen production
- Ares Systems** → membrane-free hydrogen electrolysis

Charging Infrastructure

- Varnika Energy (EV Recharge)** → mobile EV charging

Project Outputs

Indicator	Value
CSR Investment	INR 8.9 Cr
Capital Leverage	~10x
Applications (FY25-26)	900
Startups Funded	16

Impact Assessment

The programme has led to significant behavioural and systemic shifts, as evidenced by key informant interviews (KIIs) and stakeholder insights. Notably, it has contributed to reduced risk aversion in deep-tech investments and fostered greater confidence in indigenous innovation. The initiative has also strengthened collaboration between startups and industry, while supporting the growth of the Make in India manufacturing ecosystem, creating a more enabling environment for innovation-led development.

In terms of cumulative impact, the programme has delivered results across multiple time horizons. In the short term, it has facilitated prototype development, advancement in Technology Readiness Levels (TRL), and the creation of

intellectual property (IP). Moving into the medium term, startups have achieved market entry, begun generating revenue, and secured follow-on funding, indicating growing commercial viability.

Over the long term, the programme is expected to generate substantial economic, environmental, and systemic benefits. Economically, it is supporting the emergence of high-growth startups contributing to GDP and enabling the creation of innovation-driven industries.

Environmentally, it is accelerating decarbonisation efforts and reducing dependence on fossil fuels. Systemically, the initiative is helping to institutionalise a robust innovation ecosystem and reduce early-stage startup mortality, ensuring sustained impact and long-term resilience.

The programme demonstrates high economic multiplier effects, converting early-stage grants into large-scale private capital inflows.

Programme Stakeholders noted that:

“Milestone-based funding helps manage the high failure rates associated with early-stage startups by ensuring accountability and enabling steady progress.”

“Additionally, access to shared infrastructure significantly reduces capital barriers, allowing startups to innovate more efficiently without heavy upfront investments.”

PROJECT 2 | CENTRE FOR INNOVATION INCUBATION AND ENTREPRENEURSHIP BUILDING (CIIE INITIATIVES, IIMA VENTURES)

Focus Year: FY 2025–26

CSR Pillar: Samridh Bharat

Environment & Sustainability

About Implementing partner

IIMA Ventures, the innovation and entrepreneurship centre at the Indian Institute of Management Ahmedabad, is one of India’s leading startup incubators focused on supporting high-impact and technology-driven enterprises. Established to nurture entrepreneurship and innovation, the organisation provides early-stage startups with incubation support, seed funding, mentoring, market access, and strategic partnerships across sectors such as mobility, climate-tech, healthcare, and advanced manufacturing.

Recognising the importance of indigenous innovation and deep-tech entrepreneurship in driving sustainable economic growth, Sona Comstar partnered with CIIE-IIMA Ventures to support startups working in clean mobility, advanced manufacturing, and future technologies. Through this collaboration, the programme aims to reduce barriers faced by early-stage startups, facilitate access to capital and industry networks, and contribute to building a self-reliant and innovation-led economy aligned with national priorities such as Atmanirbhar Bharat.

Project Overview

The Sona Comstar-supported engagement with IIMA Ventures is a strategic CSR initiative aimed at catalysing deep-tech entrepreneurship in India. The programme provides early-stage capital, incubation, and ecosystem access to startups operating in high-impact sectors such as climate tech, mobility, aerospace, and healthcare.

In FY 2025–26, the initiative has matured into a portfolio-level intervention, supporting startups transitioning from pilot validation to early commercialisation, particularly in electric mobility and advanced powertrain technologies.

Project Objectives

Primary Objectives of IIMA Ventures

- Enable the commercial readiness of deep-tech startups
- Bridge the “valley of death” in pre-seed innovation
- Generate measurable ESG-aligned impact (social, environmental, and economic)
- Strengthen India’s deep-tech manufacturing and innovation ecosystem

FY 2025–26 Strategic Focus

- Scaling mobility and clean-tech solutions
- Supporting IP-led and hardware-driven startups
- Facilitating market access and enterprise partnerships

Project Activities

Core Activities (Cumulative)

- Pre-seed funding support (INR 50 lakh per startup)
- Incubation, mentoring, and milestone tracking
- Access to R&D infrastructure, partner institutes, and institutional networks
- Investor connect and fundraising support

FY 2025–26 Focused Activities

- Commercial pilot enablement (Ergon Labs, Blinq Mobility)
- OEM partnerships and supply agreements
- IP development and validation support through customer and investor connects
- Scaling production readiness and deployment models

Illustrative Outcomes

- Ergon Labs conducted 15,000+ km of testing and 500+ charge cycles
- A supply agreement was signed for 10,000 units with a major OEM
- Blinq Mobility progressed through validation under the Maruti Innovation programme

Project Outputs

Key Outputs (FY 2025–26 Focus)

- 2 startups actively scaled in FY 2025–26 (Blinq Mobility and Ergon Labs)
- Transition from pilot to early commercialisation stage
- Supply chain integration initiated with OEMs
- IP filings and product validation milestones achieved

Cumulative Outputs

- 7 startups supported across FY 2022–26
- Significant follow-on funding mobilised (>\$4.5M cumulative); capital deployed in supported startups has unlocked access to a larger pool of funding from other ecosystem stakeholders
- Global partnerships and pilot deployments across sectors

Startups Supported (Portfolio Perspective)

FY 2025–26 Startups (Primary Focus)

Blinq Mobility

Building affordable electric cars

- Lower cost per km, leading to higher driver income potential (~47% earnings on fuel/EMI savings)
- Replaces high-usage ICE taxis, resulting in significant CO₂ reduction over the vehicle lifecycle
- Particularly suited for dense, price-sensitive cities in Southeast Asia and Latin America
- Validation through the Maruti Zonal programme

Ergon Labs

Powertrain technologies for light electric vehicles

- Improved reliability of on-board systems, reducing downtime and enhancing income stability for last-mile workers
- Enhances EV efficiency (↑15% range, ↓30% weight, ↓30% cost)
- Applicable across EV OEMs
- Supply agreement signed with OSM, the fifth-largest three-wheeler OEM, to deliver 10,000 units over the next year

Impact Assessment

1. Growth and Sustainability

The portfolio demonstrates strong commercial momentum, with startups progressing from pilots to revenue-generating stages. Notable indicators include:

- Ergon Labs’ 10,000-unit order pipeline with targeted profitability
- Renkube’s ~\$1.5M pilot and ongoing funding conversations

- Established IP assets (IoT, Guerin) and capital-efficient models (Blinq Mobility)

Overall, sustainability is structurally embedded through scalable business models, IP creation, and early market validation.

2. Aspirations and Innovation Trajectory

Startups exhibit ambitious, long-term innovation roadmaps:

- Guerin: Space technologies evolving toward interplanetary applications
- Nabhdrishti: Advancing toward hybrid-electric aviation with potential to serve a global customer base
- Ergon Labs: Positioning as a core EV powertrain layer provider
- Hydrovert: Targeting commercial hydrogen mobility by 2027

The portfolio is collectively transitioning from proof-of-concept to certification and commercialisation, marking a critical scale-up phase.

3. Contribution to the Ecosystem

The startups are generating system-level impact beyond individual ventures:

- Strengthening domestic supply chains and manufacturing capabilities
- Driving job creation in high-skill R&D roles
- Enabling public health solutions (IoT) and agri-income diversification (Renkube)

This contributes to building a self-reliant, innovation-driven Indian economy.

4. Framing Impact (Deep-Tech Lens)

Impact operates at two levels:

- **Startup level:** Technical validation and market fit (e.g., IoT’s clinical accuracy)
- **Ecosystem level:** Risk reduction through incubation, partnerships, and shared infrastructure

By bridging these levels, IIMA Ventures effectively addresses the “valley of death” in deep-tech, linking innovation outcomes to national priorities such as Atmanirbhar Bharat.

Programme Stakeholders noted that: The programme:

- Enabled early validation and commercialisation readiness
- Catalysed follow-on funding and partnerships
- Supported team expansion and capability building

With FY 2025–26 marking a critical inflection toward commercialisation, the initiative is well positioned to deliver long-term, scalable ESG impact while

strengthening India’s position in the global innovation landscape.

PROJECT 3 | SONACOMSTAR – TATA STRIVE SKILL DEVELOPMENT CENTRE, CHENNAI

CSR Pillar: Saksham Bharat programme

Name of Implementing Partner: Tata Strive

Project Locations: Chennai, Faridabad, Pune

About Implementing partner

Tata STRIVE, an initiative of the Tata Community Initiatives Trust, is a national skill development programme established to bridge the gap between education and employability among Indian youth. The organisation focuses on delivering industry-aligned vocational training, behavioural development, and placement-linked skilling programmes across sectors such as manufacturing, BFSI, hospitality, automotive, and emerging technologies.

With a vision to create sustainable employment opportunities for underserved youth, particularly women and first-generation learners, Tata STRIVE combines technical training with soft skills, counselling, and placement facilitation. Sona Comstar’s

partnership with Tata STRIVE supports the establishment and strengthening of skill development centres across Chennai, Pune, and Faridabad, enabling youth to access industry-relevant training and formal employment pathways. The collaboration contributes to enhancing employability, workforce participation, and long-term socio-economic mobility among aspiring youth.

Project Overview

The Tata STRIVE Skill Development Centre in Chennai represents a structured and outcome-oriented intervention under the CSR mandate of livelihood generation and skill development. Implemented by Tata STRIVE under the Tata Community Initiatives Trust, the programme addresses the persistent gap between education and employability among youth, particularly those from rural and underserved backgrounds.

The programme integrates industry-aligned training, behavioural development, and placement facilitation into a single cohesive model. At the time of assessment (March 2026), it reflects a mature skilling ecosystem, with strong evidence of both scale and outcomes. A total of 623 students have completed and trained (FY 2023-2026) demonstrating significant outreach and operational capacity.



Project Objectives

The intervention is anchored in creating a skilled, employable, and industry-aligned workforce. It delivers certified vocational training across key sectors such as Manufacturing (CNC Machine Technician), BFSI, (Banking, Financial Services & Insurance)and Hospitality (Front Office Associate), while enhancing soft skills, communication, and workplace readiness.

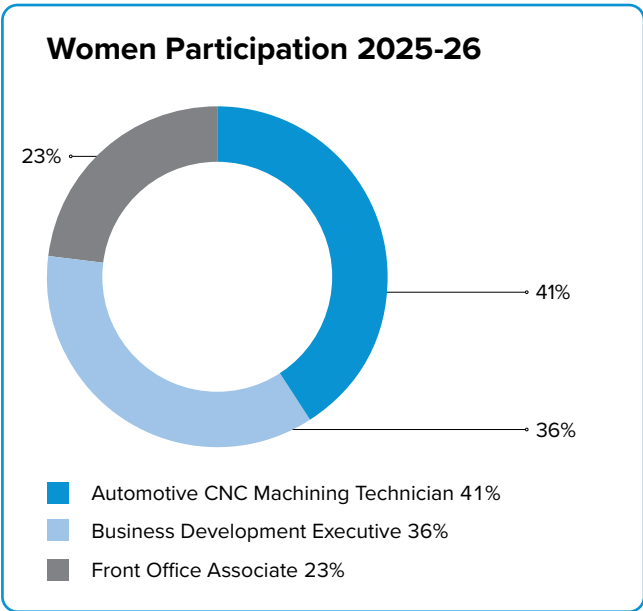
- Train youth in industry-relevant vocational skills
- Facilitate employment and income generation
- Promote women’s inclusion in the workforce
- Build communication, confidence, and workplace readiness
- Deliver certified training aligned with NSDC standards

Cumulative Participant Strenght FY 2023-2026

Course	Total Youth	Women	Women % age
Automotive CNC Machining Technician	255	110	43%
Business Development Executive	260	170	63%
Front Office Associate	108	71	65%
Grand Total	623	351	56%

Participants Strength FY 2025-2026

Course Type	No. of Students (Completed)	No of Women Students	%age of women	Duration	Sector	Aligned to QP Code	NSQF LEVEL
CNC Machining + Automotive CNC	198	105	53%	~12 weeks	Manufacturing	ASC/Q3503	4
BFSI / Business Development	131	91	70%	~7 weeks	Financial Services	BSC/Q8401 Version 1.0	4
Front Office Associate (FOA)	97	60	61%	~7+ weeks	Hospitality	THC/Q0102 Version 3.0	4
Total	426	256	60%				



The program follows a sequenced, process-driven implementation model, beginning with mobilisation and ending with placement and post-placement tracking.

- **Community-driven mobilisation (10–15 days)** ensures outreach to rural and semi-urban youth

The short term skills training courses offered is aligned to the National Skills Qualifications Framework (NSQF) as per the details provided below.

A strong focus on women’s inclusion is embedded in the programme, enabling female participation in non-traditional roles and supporting entry into the formal workforce.

The program aims to:

- **Psychometric assessments** align candidates with suitable career paths
- **Multi-level counselling (students + parents)** addresses socio-cultural barriers, especially for women
- Training integrates **technical instruction with behavioural development** through interactive methods
- Curriculum is **co-developed with industry and aligned with QP’S AS PER NSQF standards**
- Assessments through **TCS iON (third-party platform)** enhance credibility
- A **dedicated placement ecosystem** connects students to employers

Overall Training Reach and Inclusion

- **426 students trained in FY 2025–26 (till March 2026)**
- **Female participation remains strong across FY 2025–26 cohorts, ranging between 53% and 70%.** This indicates a **significant shift toward gender inclusion**, particularly in **non-traditional sectors**.

Hostel as an Enabler of Access

A defining feature of the program is the **hostel facility**, which enables participation from **rural and distant regions**, especially for women.

- **160 women (~38%)** have utilised hostel facilities in FY 2025-26 Course-wise dependency:
- **BFSI → highest hostel usage**
- **FOA → strong dependency (especially rural women)**
- **CNC → relatively lower (more local students)**

The hostel plays a **critical role in enabling mobility**, transforming **access into participation**, particularly for women.

Project Outputs

Placement Performance (FY 2025-26):

The placement was spread across 30 BFSI Companies, 14 CNC companies , 10 FOA Companies (FOA) demonstrating diversified employment pathways and strong industry linkage.

Some notable companies are:

- **Manufacturing:** Delphi-TVS, Wheels India
- **BFSI:** BankBazaar, PolicyBazaar
- **Hospitality:** Taj Connemara, ITC Hotels

PLACEMENT DETAILS FOR 2025-26

FY 2025-26	
TOTAL CERTIFIED	426
TOTAL PLACED	331

PLACEMENT DETAILS CUMULATIVE

FY 2023-26	
TOTAL CERTIFIED	623
TOTAL PLACED	486

Cumulatively placement percentage of about 78%

Post-Placement Tracking & Social Return on Investment (SROI)

Tata STRIVE tracks the employment outcomes of all certified youth for a period of one year from the date of certification. Connect attempts are made at 3, 6, 9, and 12 month intervals by the Tata STRIVE call centre team. In practice, the team is able to reach 30–40% of the total certified youth at any given interval — not for lack of effort, but due to factors outside the programme's control: changed phone numbers, workplace policies restricting phone use during working hours, travel, and similar reasons.

For the batch certified in 2024–25, the team made 227 outreach instances (non-exclusive), of which 131 youth confirmed they were employed — roughly 60% of those reached. Extrapolating this to the full cohort, approximately 120 youth can be considered employed. At an average monthly salary of INR 18,500, this translates to an annual income generation of INR 2.66 Cr (120 × 12 × 18,500).

For 2025–26, outreach was made across 313 instances (non-exclusive), with 193 youth reporting active employment — a working rate of approximately 62%, at an average monthly salary of INR 18,000. On that basis, the income generated over 6 months stands at INR 2.85 Cr (264 × 6 × 18,000).

Impact Assessment

At the current stage, the Tata STRIVE Skill Development Centre demonstrates strong outcome-level impact across employability, workforce participation, and behavioural transformation among youth beneficiaries.

While long-term livelihood sustainability and career progression outcomes will evolve over time, the intervention has already generated measurable improvements in employment readiness and access to formal job opportunities.

The significant outcome to date is the successful transition of youth from education or unemployment into structured skilling and employment pathways.

This transformation has resulted in:

- Improved employability and workplace readiness
- Increased participation of women in vocational and technical training
- Enhanced confidence, communication, and professional behaviour among students
- Greater awareness of industry-oriented career opportunities

Stakeholder feedback highlights the hostel facility as a critical enabler for women’s participation, especially for students from rural and mobility-constrained backgrounds.

STAKEHOLDER INSIGHTS

Centre Manager

- Strong performance in placements and gender inclusion
- Key challenge: mobilising women for technical roles

Trainer

- Major gap at entry: communication skills
- Strong post-training improvement
- Continuous tracking for one year

Students

- High satisfaction with curriculum and trainers
- Initial hostel adjustment challenges
- Strong confidence gains

FGDs

- Training is “interactive and different from college”
- Confidence and independence are key outcomes
- Travel and social barriers remain challenges

Key Voices from the Field

- I. Programme Purpose (Leadership Voice)
“Our vision is to improve the livelihood of every aspirant, specifically focusing on underprivileged youth from every nook and corner of Tamil Nadu.”
- II. Core Outcome (Employment Focus)
“The ultimate role of the center is successful employment.”
- III. Behavioural Transformation (Signature Impact)
“Where we see her at the beginning and where we see her now is a drastic improvement within one year.”



Figure 5: Tata Strive Chennai Centre – FGD with Students

PROJECT 4 | PUNE – TATA STRIVE SKILL CENTRE (MAHARASHTRA)

Pune, as a leading automotive, manufacturing, and emerging technology hub, represents a high-potential ecosystem for advanced skill development aligned with Industry 4.0 trends. The region is characterised by strong demand for skilled professionals in automotive manufacturing, CNC machining, mechatronics, and increasingly in EV, automation, and digital services. Unlike Faridabad, Pune reflects relatively higher alignment between youth aspirations and industry demand, particularly in modern, technology-driven roles. However, gaps persist in terms of practical, job-ready skills and industry exposure, especially among first-time entrants into the workforce.

The Tata STRIVE model in Pune is therefore positioned to strengthen this ecosystem by delivering industry-aligned, future-ready training programs, combining technical skills with behavioural and workplace readiness modules. With its strong industry linkages and placement-driven approach, the centre can act as a catalyst for creating a skilled workforce that meets both current industrial needs and emerging technological transitions, particularly in EVs, automation, and advanced manufacturing.

The centre is ready infrastructurally and will resume the training activities soon

- IV. Women Empowerment (FGD Insight)
“For a girl, even just leaving the house to study is a big achievement.”
- V. Hostel & Mobility Experience
“Initially it was very difficult staying in the hostel, but later I adapted and started liking it.”
“For many of us, this is the first time staying away from our parents.”
- VI. Career Aspirations & Economic Impact
“My goal is to get a good job and support my family.”
“I want to stand on my own feet and make my family proud.”



Figure 6: Tata Strive Chennai Centre – Hostel Facilities Students

PROJECT 5 | FARIDABAD – TATA STRIVE SKILL CENTRE (HARYANA)

Faridabad, a major industrial hub in the NCR region, with over 6,000 MSMEs and 250+ large industries, presents a strong demand for skilled manpower across manufacturing, automotive, and electrical sectors.

The assessment highlights a critical paradox: while industries face acute skill shortages in roles such as CNC operators, electricians, welders, and assembly technicians, local youth demonstrate low aspiration for physically intensive manufacturing jobs, preferring sectors such as automotive (especially EV), BFSI, and digital services.

This demand–aspiration mismatch has led to a heavy dependence on migrant labour from neighbouring states. Additionally, existing infrastructure such as Government ITIs remains underutilised, with only 50–55% enrolment, indicating a disconnect between traditional skilling models and youth expectations.

In this context, the proposed Tata STRIVE centre is strategically positioned to bridge both the industry demand–supply gap and aspiration mismatch by offering short-term, job-oriented, apprenticeship-integrated courses in CNC, electrician, and EV technologies.

This is further strengthened by the inclusion of service-sector programs and hostel facilities, which will enhance accessibility, mobility, and retention, particularly for underserved youth.

The centre is ready infrastructurally and will resume the training activities soon.

PROJECT 6 | SUPPORTING BASIC EDUCATION IN PARTNERSHIP WITH VIDYA (VIDYA INTEGRATED DEVELOPMENT FOR YOUTH AND ADULTS)

CSR Pillar: Saksham Bharat programme

Name of Implementing Partner: Vidya Integrated Development for Youth and Adults (VIDYA)

Project Location: Gurugram

About the Implementing Partner

Vidya Integrated Development for Youth and Adults (VIDYA) is a not-for-profit organisation dedicated to empowering underserved children, youth, and women through education and skill development initiatives. Established with a vision to enable equitable access to learning opportunities, VIDYA focuses on bridging educational gaps and supporting individuals to achieve their full potential. The organisation works across multiple programs that combine academic support, life skills, and vocational training, fostering holistic development and long-term self-reliance.

Project Overview

Vidya implemented 2 projects :

1. The National Institute of Open Schooling (NIOS) is India’s largest open and distance learning institution, established to provide flexible and inclusive educational opportunities for learners who are unable to continue formal schooling due to social, economic, or personal constraints. NIOS conducts public examinations twice annually, typically in April–May and October–November, while also offering an On-Demand Examination System for eligible learners.
- The intervention covered 100 learners across Open Basic Education (OBE), Class 10, and Class 12 levels during the November 2025 to April 2026 period. The program combined classroom instruction with digital literacy, life-skills education, exposure visits, and entrepreneurship orientation to strengthen both academic and employability outcomes. Delivered through a team of five teachers along with program support staff, the initiative focused on enabling learners to complete formal certification while improving literacy, numeracy, confidence, and future livelihood prospects.
2. The Remedial Support programme at Vidya School, Gurugram, was designed to address learning gaps among 660 students from Grades 6 to 12 through targeted academic support and personalised instruction. Implemented between November 2025 and February 2026, the intervention provided subject-specific remedial classes across core disciplines including Mathematics, Science, English, Accounts, and Economics through a team of over 20 teachers. The program adopted small-group teaching methods, regular assessments, exam preparation support, and teacher-parent feedback mechanisms to strengthen academic performance,

classroom participation, confidence, and study skills. The intervention also aimed to reduce the risk of academic underperformance and school dropouts by providing focused and continuous learning support aligned with mainstream school curriculum requirements.

Project Objectives

The project operates at **two interconnected levels**:

Student-Level Objectives:

- Strengthen foundational competencies in Math, Science, and English
- Reduce dropout risk and improve continuity
- Facilitate re-entry through NIOS pathways
- Build confidence, participation, and disciplined study habits

System-Level Objectives:

- Reduce reliance on unregulated private tuition ecosystems
- Reinforce trust in formal schooling systems
- Enable peer-driven, self-sustaining learning environments

This reflects a shift from short-term academic correction to long-term behavioural and institutional transformation.

Project Activities

The interventions follows a multi-layered, integrated model combining academic, behavioural, and ecosystem-level strategies:

- The academic layer delivers targeted remedial instruction based on continuous diagnostic assessments, ensuring that teaching is adaptive rather than standardised.
- The monitoring layer tracks attendance daily using an early-warning system. A key operational insight is the “2-day absence rule,” which triggers immediate intervention. Approximately 80% of attendance disruptions are resolved at this early stage, largely through direct parent engagement.
- The engagement layer strengthens the ecosystem around the student, with regular teacher-parent communication and home visits for high-risk cases, ensuring that barriers outside the classroom are addressed.
- The assessment layer introduces rigor through topic-wise quizzes and mock exams, enabling differentiation between conceptual and analytical gaps - an important distinction often missed in traditional systems.
- The pathway layer integrates NIOS as a formal mechanism for certification and re-entry, ensuring that students who have disengaged are not permanently excluded from the education system.

This architecture ensures adaptive learning, strong monitoring, and systemic student support.

Project Outputs

The two program’s activities including diagnostic testing, remedial sessions, continuous assessments, attendance tracking, and parental engagement translate into strong and measurable outputs.

In addition to examination preparation and academic support, the NIOS programme integrated digital literacy, spoken English, career guidance, life-skills training, health and wellness awareness, and counselling to strengthen learner confidence and future readiness. The intervention also included workshops, exposure activities, and continuous mentoring to support students in completing formal education and progressing towards higher education, vocational training, entrepreneurship, or employment.

Impact Assessment

The impact of both the Vidya Project is best understood through its causal pathways, validated through stakeholder interactions (KIs and FGDs).

- **targeted remediation leads to conceptual clarity.** As students begin to understand core subjects, their fear reduces, test scores improve, and confidence increases.
- **Improved teaching quality and engaging pedagogy drive intrinsic motivation,** reflected in sustained attendance and negligible dropout levels.
- **Continuous assessment and teacher support foster disciplined study habits,** with students reportedly studying for extended hours often exceeding **six hours per day.**
- At the household level, **reduced dependence on private tuition lowers financial burden** and increases parental trust in the school system, strengthening educational continuity.

Key Performance Indicators (KPIs) For Vidya Remedial Support programme

- Number of students covered under the program: 660
- Baseline assessment conducted on: Half-Yearly Examination (Grades 6–8) and PT-1/First Periodic Test (Grades 9–11)
- Endline assessment conducted on: Annual Examination / Pre-Board II for Grade 10 (2025–26)
- Percentage of students demonstrating improvement in overall test scores: 65%
- Average improvement in baseline versus endline assessment scores: Approximately 8–12% improvement in academic performance across core subjects

- Percentage of students showing improvement in English reading and writing skills: 66%
- Percentage of students showing improvement in Mathematics competency: 75%
- Percentage of students progressing from below-grade level to grade-appropriate competency: 65%
- Improvement in average student attendance: 19%
- Reduction in absenteeism/dropout rate: 87%

Learning has shifted from fear-driven to confidence-driven, and classrooms have evolved from passive environments to spaces of active participation. Students exhibit increased agency, taking ownership of their learning, while families report reduced conflict around education and greater trust in schools.

The project also creates a cost substitution effect, reducing reliance on private tuition - an important relief for low - income households. Over time, improved educational continuity enhances employability prospects, contributing to upward economic mobility.

At a structural level, the intervention addresses systemic gaps in public education delivery by:

- Replacing fragmented tuition ecosystems
- Reinforcing schools as primary learning institutions
- Enabling peer-led learning cultures

This systemic correction represents one of the program’s most critical contributions.

Stakeholder Voices

- “Students now study for more than six hours.” (Teacher)
- “Earlier we had to force them to study; now they do it themselves.” (Parent)
- “We are confident about passing our exams.” (NIOS Student)
- “Attendance issues are resolved early through strong coordination.” (programme Head)



Figure 12: Student Beneficiaries



Figure 13: Vidya School – FGD with Beneficiaries Parents



Figure 14: Vidya School – FGD with Beneficiaries

PROJECT 7 | BUILDING OF INFRASTRUCTURE IN SCHOOLS IN NUH, HARYANA

CSR Pillar: Saksham Bharat Programme

Name of Implementing Partner: Hindu Shikshah Foundation

Project Locations: Manesar, Gurugram

About Implementing Partner

The intervention is anchored in Quality Education, with strong linkages to Student Health & Hygiene and Clean Energy Access. By addressing foundational infrastructure gaps, the project adopts an integrated CSR approach that enables both learning outcomes and well-being improvements.

The project has been implemented across two schools in Nuh district:

- Hindu Vidya Niketan - 860 students (516 boys and 344 girls)
- Hindi Senior Secondary School -790 students (553 boys & 235 girls)

Nuh (Mewat) is widely recognised as an educationally and socio-economically backward district in Haryana, characterised by low literacy levels, gender disparities in education, and weak public infrastructure. The region also faces chronic infrastructure deficits, including unreliable electricity and limited access to safe drinking water, which directly impact schooling outcomes.

The intervention was completed in February 2026, with approximately one month elapsed since implementation. Therefore, this assessment focuses on validated outputs and early adoption signals, rather than long-term impact.

Scale of Intervention

- **2 schools covered**
- **2 RO water systems installed** (one per school)
- **Solar-powered electricity system installed** Hindu Vidya Niketan
- **Science laboratories established** (Physics, Chemistry, Biology) at Hindu Vidya Niketan
- **UPS and LAN systems provisioned** to support digital and uninterrupted operations at Hindu Vidya Niketan
- **Maintenance systems established** (2-year AMC + assigned personnel)

Project Overview

The school infrastructure intervention in Nuh, Haryana is a comprehensive education-support initiative aimed at improving foundational learning environments in underserved schools. Implemented in partnership with Hindu Shiksha Foundation, the project addresses critical infrastructure gaps related to safe drinking water, electricity, science education, and digital enablement.

Situated in Nuh, one of Haryana’s most educationally vulnerable regions, the project seeks to create enabling conditions for improved student participation, comfort, and academic engagement. By strengthening essential school infrastructure, the initiative contributes to enhancing the quality of education and building more resilient and student-friendly learning ecosystems.

Project Objectives

The intervention was designed to address critical bottlenecks affecting the learning environment, with the following objectives:

- Provide safe and reliable drinking water within school premises
- Ensure continuous electricity supply for classrooms and facilities

- Enable **practical, lab-based science education**
- Strengthen **institutional readiness for higher secondary education delivery**

Project Activities

Prior to the intervention, both schools faced systemic infrastructure constraints:

- Poor quality and unreliable access to drinking water
- Frequent electricity disruptions causing discomfort and reduced learning efficiency
- Absence of laboratory infrastructure, limiting learning to theoretical instruction

The project addressed these challenges through a bundled infrastructure approach, combining:

- Water (RO systems)
 - Energy (solar power + UPS backup)
 - Learning infrastructure (labs)
 - Digital enablement (LAN connectivity)
1. This integrated model ensures that improvements are mutually reinforcing, enabling a transition from basic functionality to a more enabling learning ecosystem.
 2. The intervention was implemented through four key activity streams:
 3. Water Infrastructure: Installation of 2 RO water purification systems, ensuring safe and accessible drinking water for all students.
 4. Energy Infrastructure: Deployment of a solar-powered electricity system, supplemented by UPS systems, ensuring uninterrupted power supply at Hindu Vidya Niketan
 5. Academic Infrastructure: Establishment of three fully equipped science laboratories, enabling practical and experiential learning at Hindu Vidya Niketan
 6. Digital & Operational Enablement: Provision of UPS and LAN systems, supporting:
 - Continuous operation of digital tools
 - Improved administrative efficiency
 - Future integration of smart learning systems

In parallel, institutional mechanisms (AMC contracts and staff responsibilities) were established to ensure sustainability.

Project Outputs

At the time of assessment, all outputs have been successfully delivered and are operational.

Both schools now have functional RO systems, ensuring safe drinking water access. In Hindu Vidya Niketan, Solar installations, supported by UPS systems, have resulted in consistent electricity availability, addressing earlier disruptions. Science laboratories are fully equipped and in use, and LAN systems have been **installed** to support digital infrastructure.

A critical strength is that outputs are not just installed but fully integrated into daily school functioning, supported by maintenance systems and institutional ownership.

Impact Assessment

At present, the intervention demonstrates strong performance at the output level and early adoption stage:

- **Output Achievement:** Complete and functional across all components
- **Usage:** High adoption of water and electricity infrastructure
- **Behavioural Change:** Reduced dependence on external water sources; improved hygiene practices
- **Learning Environment:** Improved comfort and initial academic engagement

Key Quotes

- “Complaints regarding water quality have been completely resolved.”
- “Students now refill water multiple times daily—it has become part of their routine.”
- “Electricity supply is now consistent, improving concentration and comfort.”
- “Practical learning has improved as students can now experiment in laboratories.”

This intervention represents a strong foundation-stage implementation, where the most critical milestone effective infrastructure deployment and immediate usability has been achieved.

By simultaneously addressing water, energy, academic, and digital infrastructure, the project has transformed the schools from resource-constrained environments to functionally saksham learning spaces.



Figure 3: Water Purifier and Water Tanks



Figure 4: Biology lab and Chemistry lab



PROJECT 8 | SCHOOL SANITATION & INFRASTRUCTURE PROJECT – CHENNAI

CSR Pillar: Swachh Bharat (Sanitation & Hygiene)

Name of Implementing Partner: Sona Comstar

Project Locations: Chennai

Project Overview

The Sona Comstar Chennai School CSR initiative focuses on improving sanitation infrastructure and maintenance of toilet systems across 10 government schools in Tamil Nadu. The program has evolved from one-time infrastructure creation to providing sustained sanitation services, ensuring long-term usability of the toilets and behavioural change in school going children.

The assessment indicates strong positive outcomes in student hygiene, increased utilisation of sanitation facilities, and improved school experience, particularly for girls. However,

challenges remain in infrastructure capacity, sustainability of maintenance, and asset management.

Project Objectives

- Provide clean sanitation and toilet facilities across 10 government schools in Tamil Nadu
- Construct a dedicated toilet complex for students at Anaikat School, Chennai

Project Activities

- Maintenance of sanitation infrastructure across 10 government schools, covering 6670 students
- Construction of one restroom complex (separate for boys and girls), each measuring 602 sq. ft.

The project demonstrates services across infrastructure provision to ensuring that toilet facilities remain functional, clean, and usable over time.

School Details

Sl. No.	School Name	Location	No. of Boys	No. of Girls	Total Students	Serviced From	No. of Restroom Buildings	Restroom Area (Sq. ft./ each)	No. of Cleaning Staff
1	Govt hr. Sec school	Maraimalai Nagar	391	310	701	2015	2	802	2
2	Govt hr. Sec school	Vandalur	426	357	783	2016	2	802	2
3	Govt hr. Sec school	Singaperumal Koil	401	317	718	2017	2	1,130	2
4	Govt hr. Sec school	Nellikuppam	354	331	685	2018	2	1,130	2
5	Govt girls hr. Sec school	Padappai	—	1,280	1,280	2020	2	1,130	2
6	Govt hr. Sec school	Manampathi	321	142	463	2021	2	1,204	2
7	Govt hr. Sec school	Chunambedu	211	210	421	2022	2	1,204	2
8	Govt hr. Sec school	Sempakkam	251	264	515	2023	2	1,204	2
9	Govt hr. Sec school	Padalam	256	252	508	2025	2	1,204	2
10	Govt hr. Sec school	Anaicut	284	312	596	Project in progress	2	1,288	2

Project Outputs

Student Coverage:

- **Total students impacted:** 6,670
- **Girls:** 3,775 (~58%)
- **Boys:** 2,895 (~42%)

This reflects a strong gender-inclusive impact, with more girls (58%) as primary beneficiaries, especially due to improved sanitation and menstrual hygiene support.

Institutional Coverage:

- 10 Schools supported (2015–2025)
- Long-term engagement (up to 10 years) in early-phase schools
- Programme expansion in recent years (2023–2025)

Impact Assessment

Based on the secondary data analysis, site visit and stakeholder interaction – the following impact was evidenced:

- a) Access to Sanitation
 - Availability of high-quality toilet infrastructure with water, mirrors, and disposal systems
 - Facilities comparable to urban/high-standard sanitation systems
- b) Behavioural Change

The program has moved beyond infrastructure to behavioural transformation, particularly among rural students:

 - Adoption of handwashing and hygiene practices
 - Improvement in personal grooming habits
 - Reduction in open defecation practices
 - Improved menstrual hygiene management

Stakeholder Insights

I. School Leadership (Headmasters & Teachers)

Sentiment: Highly positive

Key Feedback:

- Infrastructure rated as “excellent” and “better than home facilities”
- Significant improvement in student hygiene behaviour
- Increased toilet usage and comfort levels

Challenges:

- Overcrowding, especially among girls (~300+ users)
- Lack of school-level funds for future maintenance

II. Sanitation Workers

Sentiment: Positive, with strong ownership

Key Feedback:

- Stable and timely income for them (sanitation workers)
- Students gradually learning hygiene practices
- Pride in maintaining clean facilities

Challenges:

- High workload during peak periods (break times)
- Need for constant supervision to prevent misuse
- Balancing cleaning frequency with water/resource constraints

III. Supervisors / Implementation Team

Sentiment: Positive

Key Feedback:

- Visible improvement in student behaviour over time
- Structured maintenance and monitoring systems working effectively

Challenges:

- Asset damage (mirrors, pipes, partitions)
- Occasional misuse by students

“I am maintaining the girls’ toilets. Students are quite helpful and do not cause much trouble. They even pour

water and keep it clean themselves. They come during the interval and sometimes in between, but there are no issues with the students. Every time they use it, I clean it. We place covers for the disposal of napkins; I clean and replace them every day. They do not leave them on top of the bin; they put them correctly inside. We then take them and burn them with the help of a machine placed inside. Yes, we burn them.”

IV. Students (Observed Outcomes)

- Increased willingness to use toilets



Figure 10: Toilets for Gents



Figure 11: Toilets for Ladies

- Adoption of hygiene habits
- Improved confidence and dignity
- Toilets perceived as aspirational spaces

The Sona Comstar Chennai School CSR initiative demonstrates a high-impact intervention in school sanitation. By combining infrastructure with ongoing maintenance, the program has significantly improved student hygiene, dignity, and school experience.



PROJECT 9 | PLANTATION AND MAINTENANCE OF MIYAWAKI DENSE FOREST OF MULTI SPECIES PLANTS UNDER THE “GO GREEN INITIATIVE”

CSR Pillar: Swachh Bharat Programme

Environment & Sustainability

Name of Implementing Partner: Catch Foundation

Project Locations: Manesar, Gurugram

About Implementing Partner

The project is implemented by CATCH Foundation in Manesar, Haryana - a semi-arid, ecologically degraded landscape characterised by poor soil quality and the presence of invasive species. It is anchored within the CSR mandate of environmental sustainability and climate resilience, with a focus on ecological restoration and water conservation.

The intervention spans in FY 2025-26, approximately 23,000 saplings at the site level, implemented over a four-year period (one year of plantation followed by maintenance of two years from the year of completion).

At the time of assessment, the project is in its early establishment phase (Year 0–1). Accordingly, findings should be interpreted as output-level achievements and emerging early outcomes, rather than mature impact.

The implementing partner, CATCH Foundation, brings technical expertise in afforestation, soil rejuvenation, and biodiversity conservation, enabling a science-based approach to ecological restoration.

Project Overview

The Miyawaki Dense Forest initiative under the “Go Green Initiative” is a strategic environmental sustainability intervention focused on ecological restoration and climate resilience in Manesar, Haryana. Implemented in partnership with CATCH Foundation, the project aims to transform degraded and semi-arid land into a dense, multi-layered green ecosystem using the scientifically driven Miyawaki afforestation technique.

The intervention includes the plantation and maintenance of over 23,000 native species and bamboo saplings supported by soil conditioning, irrigation systems, and long-term maintenance mechanisms.

By combining biodiversity restoration with community participation and sustainable land management practices, the project seeks to improve vegetation cover, enhance ecological balance, and contribute to long-term climate resilience. The initiative represents Sona Comstar’s commitment toward environmental stewardship and the creation of sustainable green infrastructure.

Project Objectives

The project aims to establish a dense, multi-species plantation that gradually restores ecological balance in degraded landscapes.

In the immediate term, the focus is on ensuring sapling survival and soil conditioning. Over the medium term, the intervention seeks to enable biodiversity regeneration and improve micro-

ecological conditions, including soil moisture and vegetation density.

In the long term, the project aspires to contribute to groundwater recharge, climate resilience, and the development of a self-sustaining forest ecosystem, supported by community stewardship.

Project Activities

The intervention applies the Miyawaki afforestation method, characterised by high-density plantation (2–4 saplings per square meter) and integrated water management systems.

A defining feature of the project is its scientifically structured, multi-layer plantation design, which replicates natural forest ecosystems. The plantation integrates a diverse mix of native species and bamboo across vertical layers to enhance ecological functionality.

- **Canopy layer:** Includes long-lived species such as Neem, Banyan (Bargad), Peepal, Mango, Kadam, and Shisham, which provide structural stability, shade, and long-term microclimate regulation.
- **Tree layer:** Comprises species such as Jamun, Arjun, Amla, Kathal, Chilbil, and Mahogany, which support biodiversity by providing food sources and habitats for birds and insects.
- **Sub-tree and shrub layer:** Includes species such as Lemon, Ber, Kadhi Patta, Ashoka, Desi Anar, and Guava (Peru), contributing to ground-level density, soil enrichment, and moisture retention.

The plantation follows a dual-species composition, with approximately 10,000 Bambusa balcooa (Beema bamboo) and 13,000 native species. This mix balances rapid biomass growth with ecological resilience and biodiversity support.

The intervention also contributes to a broader “Green Campus” transformation, converting degraded land into a structured ecological asset that supports environmental regeneration and institutional sustainability.

Implementation followed a technically sequenced and process-driven approach, ensuring long-term ecological viability.

Initial activities included baseline surveys, geological assessments, and soil testing, enabling site-specific plantation strategies. Land preparation involved the removal of invasive species (such as Vilayati Kikar), followed by deep excavation (up to 3 feet) to improve soil aeration and root penetration. Soil enrichment was carried out using organic inputs, including manure, compost, and vermicompost.

To ensure water availability, borewell infrastructure (~200 ft depth) was established, supported by drip irrigation systems designed for efficient water use. Plantation was carried out using high-density spacing, followed by fencing and protective measures.

Post-plantation maintenance includes regular irrigation, pest and termite management, soil conditioning, and continuous monitoring through supervisors and standard operating procedures.

Project Outputs

Physically, over 23,000 saplings have been planted, supported by irrigation infrastructure and protective systems.

Operationally, the project has established a structured implementation and monitoring framework, with 12–16 workers engaged per month, contributing to local employment generation.

Ecologically, the primary output is the conversion of degraded land into a structured, multi-layer vegetation system, supported by improved soil conditions and moisture retention.

At this stage, the project is transitioning from outputs to early outcomes, with sapling establishment and survival serving as key indicators.

Impact Assessment

At the current stage, impact remains emergent and not fully measurable.

While the project demonstrates strong implementation performance, key outcome indicators such as sapling survival rates, biodiversity restoration, groundwater recharge, and carbon sequestration are under validation.

Summary of Plantation Survival and Estimated Carbon Sequestration Potential

Plantation Category	Total Plants Planted	Surviving Plants	Estimated Survival Rate	Estimated Year 1 Carbon Sequestration Potential
Native Species Plantation – Site 1 FY 2024-2025	25,767	23,190	~90%	24.41 – 48.19 tons
Bamboo Plantation – Site 1 FY 2024-2025	20,000	18,600	~93%	32.96 – 65.05 tons
Native Species Plantation – Site 2 FY 2025-2026	13,000	12,875	~99%	12.35 – 24.38 tons
Bamboo Plantation – Site 2 FY 2025-2026	10,000	9,040	~90.4%	16.63 – 32.90 tons

*Approximate planted base inferred from survival data.

Under the Miyawaki Intervention

In FY 2024–25, over 45,767 saplings were planted using dense multi-layer Miyawaki plantation methods, including:

- Approximately 20,000 Beema bamboo saplings and 25767 native tree species;
- Establishment of irrigation, soil conditioning, and ecological restoration systems;
- Estimated plantation survival rates of approximately 90% for native species and 93% for bamboo plantations;

In FY 2025–26, over 23,000 saplings were planted using dense multi-layer Miyawaki plantation methods, including:

- Approximately 10,000 Beema bamboo saplings and 13,000 native tree species;
- Establishment of irrigation, soil conditioning, and ecological restoration systems;
- Estimated plantation survival rates of approximately 99% for native species and 94.4% for bamboo plantations;

A significant outcome to date is the transformation of barren, degraded land into a structured plantation ecosystem.

This transformation has resulted in:

- Increased vegetation cover
- Reduced exposed soil surfaces
- Early signs of ecological activity, including the presence of birds and insects

These changes represent initial ecological recovery signals.

Carbon Sequestration Potential – Plantation Initiative

This project is in its second year. Preliminary carbon sequestration estimates have been calculated for the planting done in Site 1 – planted in FY 2024-2025 and Site 2 planted in FY 2024-2025

The estimates are indicative and represent potential future carbon sequestration capacity. Since the plantations are still in the early growth stage, the plants are presently too young to achieve mature carbon absorption levels. The calculations are based on an estimated survival rate of approximately derived from the surviving plant counts observed during the assessment.

The bamboo plantations were estimated separately, considering that Bambusa balcooa generally demonstrates significantly higher carbon absorption potential compared to conventional native species plantations.

Given the early stage of plantation maturity, continued maintenance, monitoring, watering support, and survival tracking will be critical to ensuring that the projected environmental outcomes are realised over the coming years.

FGD - Based Behavioural Insights

FGD and KII findings indicate early-stage behavioural and perception shifts.

There is a clear transition in how the land is perceived from barren and underutilised to a valuable ecological asset. Participation in plantation activities has increased awareness of environmental practices and enabled hands-on engagement with ecological processes.

A gradual shift is observed from labour participation to emerging stewardship, with workers increasingly involved in monitoring plant health and maintenance.

Emerging community norms include the protection of plantation areas and recognition of collective environmental benefits, although these norms are not yet institutionalised.

Importantly, perceived environmental improvements such as cooling and improved air quality remain **experience-based rather than scientifically measured**, highlighting the gap between perception and validated impact.

- “The barren land has transformed into a green space.”



Figure 1: Miyawaki Irrigated Sapling Plantation Area

- “We are seeing the early stages of ecosystem recovery.”
- “Birds and wildlife are starting to return.”
- “The environment feels cleaner and cooler.”

The project is a high-potential intervention in the output-to-early-outcome phase, with long-term impact contingent on sustained maintenance, ecological maturation, and continued stakeholder engagement over the next 3–5 years.



Figure 2: KII with Implementing Partner



PROJECT 10 | WATER CONSERVATION PROGRAMME IN PARTNERSHIP WITH NAAM FOUNDATION

CSR Pillar: Swachh Bharat Programme

Name of Implementing Partner: Naam Foundation

Project Locations: Pune

About Implementing Partner

Naam Foundation is a not-for-profit organisation committed to improving the lives of drought-affected and economically vulnerable rural communities in Maharashtra. Established with a focus on farmer welfare, water conservation, and rural resilience, the foundation works extensively on ecological restoration, sustainable agriculture, watershed management, and livelihood enhancement initiatives. Through community-driven interventions, Naam Foundation has played an important role in strengthening water security and promoting climate resilience in water-stressed regions.

Recognising the increasing challenges posed by climate variability and declining groundwater resources, Sona Comstar partnered with Naam Foundation to implement water conservation and desilting interventions in vulnerable rural ecosystems of Maharashtra. The partnership focuses on restoring water bodies, enhancing groundwater recharge, improving irrigation potential, and supporting sustainable livelihood systems for farming communities.

Project Overview

The Water Conservation Programme implemented in partnership with Naam Foundation in Pabal village (Beldara and Lemandara hamlets), Shirur Taluka, Pune district, focused on restoring traditional water harvesting systems in a drought-prone and water-stressed ecosystem.

Pabal, a large village in Shirur Taluka, Pune district, had two major percolation tanks spanning 8 acres and 11.5 acres. But years of unchecked siltation had turned them into liabilities. The smaller 8- acre tank was operating at just 40% capacity, storing only 3.3 Cr litres. The larger 11.5-acre tank had 50% capacity left, holding 4 Cr litres. For 2,500 farmers dependent on these tanks, summer meant a 4-month battle with severe water scarcity. Over 350 open wells and 748 borewells would run dry, forcing tankers for drinking water and making rabi crops impossible.

The project restored a cumulative desilting volume of approximately 1,47,600 cubic meters across the two water bodies, creating an estimated additional water storage potential of nearly 13.28 crore litres. Prior to the intervention, the tanks had significantly reduced holding capacity due to years of silt accumulation, limiting water availability beyond the immediate monsoon period. Post restoration, the enhanced storage and recharge potential are expected to improve groundwater levels, extend water availability for irrigation, strengthen livestock and dairy activities, and support domestic water needs across the village ecosystem.

The intervention is expected to directly and indirectly benefit the population of Pabal village, comprising approximately 3,857 residents across nearly 860 households, in addition to supporting local livestock dependent on seasonal water availability. The additional stored water is expected to support

multiple uses including agricultural irrigation, groundwater recharge, fodder cultivation, livestock rearing, and drinking water access for animals during dry periods. The project also has the potential to improve cropping intensity, agricultural productivity, and dairy-based livelihoods over time.

A significant feature of the intervention was the strong community participation and ownership embedded within the project design. Community members participated through village meetings, environmental committees, water planning discussions, monitoring support, and local coordination mechanisms to ensure long-term sustainability of the restored assets. The proposal also highlights collective participation from Gram Panchayats, farmer groups, women’s groups, youth groups, and local institutions in implementation and maintenance activities. The restored water bodies are also expected to create sustainable drinking water access points for cattle and other animals, which is critical in a region highly dependent on agriculture and livestock-based livelihoods.

Project Objectives

The project is designed to enhance water retention capacity and groundwater recharge, with the goal of stabilising agricultural systems and rural livelihoods.

It aims to:

- Improve agricultural productivity
- Reduce flood risks during the monsoon
- Promote sustainable livelihood systems integrating agriculture and livestock

At a strategic level, the intervention seeks to build a climate-resilient rural economy, with outcomes expected to materialise over time based on rainfall cycles.

Project Activities

- Desilting and restoration of two major percolation tanks (Pazar Talav) in Beldara and Lemandara hamlets.
 - a. Small Tank Area - 8 Acres - Silt Removed: 54,000 cubic meters - Old Storage: 3.3 Cr litres - New Storage Created: +5.4 Cr litres - Total Capacity Now: 8.7 Cr litres

Large Tank Area - 11.5 Acres - Silt Removed: 94,000 cubic meters - Old Storage: 4 Cr litres - New Storage Created: +9.4 Cr litres - Total Capacity Now: 13.4 Cr litres
 - b. Community Ownership: 40% People’s Contribution

Farmers of Pabal took 100% ownership of the fertile silt, transporting it at their own cost to spread on barren lands.
 - c. The murum-mixed silt was used by villagers to build 11 km of farm roads—again with community-funded transport. Nearly 40% of the total project cost was borne by villagers through labour and transport,
- Stream deepening and widening to improve water flow and reduce overflow risks during monsoon.Strengthening of earthen bunds to prevent leakage, erosion, and structural damage
- Groundwater recharge enhancement through improved infiltration systems

- Watershed and catchment area treatment planning based on local hydrology and rainfall patterns
- Community mobilisation through village meetings and awareness sessions.
- Promotion of sustainable water governance practices, including reinforcement of the village no-borewell norm
- Support for long-term agricultural productivity, livestock management, and climate-resilient rural livelihoods through improved water availability

Project Outputs

The project has successfully delivered all planned physical outputs within the timeline:

- 2 major water bodies restored
- 1,47,600 cubic meters of desilting completed creating 14.8 Cr litres of new water storage across both tanks

However, actual performance in terms of water retention and recharge will be validated post-monsoon, when systems are tested under natural conditions.

Impact Assessment

At present, the project has created strong enabling conditions for impact, rather than fully realised outcomes.

Parameter	Before Project	After Project
Combined Water Storage Capacity	7.3 crore liters	22.1 crore liters
Beneficiary Farmers	Less than 1,200 farmers	2,500 direct beneficiaries + 1,500 indirect beneficiaries
Irrigated Area	Less than 900 hectares	2,200 hectares
Groundwater Status	350 wells and 748 borewells dry during summer	All 1,098 wells and borewells expected to recharge
Dependence on Drinking Water Tankers	2 wadis dependent on tanker water supply	Village expected to become tanker-free from 2027



Figure 1: Water Conservation Land

Future Impact: 2027-2031 Projections for Income & Livestock Economy

Benefit Category	Potential Key Outcomes
Agricultural Prosperity	Higher crop productivity due to 2 cropping and shift to high-value horticulture
Livestock Development	Growth in dairy, goat-rearing and poultry enterprises
Water Security	Year-round water availability and groundwater recharge
Employment Generation	Additional farm labour demand and agri-processing jobs
Women's Economic Participation	Increased income opportunities through SHGs and livestock enterprises
Reduced Migration	Transition towards a zero-migration village
Enterprise Development	Creation of FPOs/FPCs, dairy and allied value chains
Regional Impact	Water security benefits extending beyond Pabal
Climate Resilience	Reduced drought vulnerability and strengthened rural livelihoods
Economic Growth	₹120–150 crore cumulative additional income projected by 2031

Alignment with National and Global Priorities

- SDG 6: Clean Water and Sanitation
- SDG 13: Climate Action
- SDG 1: No Poverty
- SDG 5: Gender Equality
- CSR Schedule VII compliance

Key Quotes

- “This pond is not just water storage; it is security for our farming.”
- “If our animals are healthy and give more milk, we can earn from home itself.”



PROJECT 11 | PROMOTION OF EDUCATION – PROVIDING SCHOLARSHIPS TO DESERVING, MERITORIOUS WOMEN STUDENTS (5 STUDENTS) FOR FOUR YEARS – ASHOKA UNIVERSITY

CSR Pillar: Stree Shakti Bharat Programme

(Focus: Women Empowerment)

Name of Implementing Partner: Ashoka University

Project Location: Sonipat

About Implementing Partner

Ashoka University is a leading interdisciplinary higher education institution in India, established with the vision of providing world-class liberal education rooted in academic excellence, critical thinking, and leadership development. Located in Sonipat, Haryana, the university offers a diverse and inclusive learning environment that encourages students to pursue interdisciplinary education across the humanities, social sciences, natural sciences, and emerging fields of study. Ashoka University is widely recognised for its strong emphasis on research, experiential learning, and holistic student development.

Sona Comstar partnered with Ashoka University to provide scholarship support to deserving women students pursuing undergraduate education. The initiative seeks to reduce financial barriers, promote women’s empowerment through education, and enable long-term socio-economic mobility by providing access to high-quality academic and professional opportunities.

Project Overview

Sona Comstar’s Scholarship Programme advances women’s empowerment by addressing a critical structural barrier—financial exclusion from high-quality higher education. By enabling access to Ashoka University, the programme supports not only educational attainment but also capability expansion, equipping women with the skills, exposure, and agency required for long-term socio-economic mobility.

The shift from a STEM-restricted approach to a more inclusive model reflects the recognition that empowerment is best achieved through choice and flexibility, rather than constrained pathways.

The programme is implemented through IFRE at Ashoka University and supports a fixed cohort of five women scholars over a four-year period. As per the MoU, three students receive 100% scholarship support, while two receive 80% support, with disbursements structured in biannual tranches. The programme delivers need-based scholarships through Ashoka’s financial aid system, targeting women with strong academic potential but limited financial capacity.

A key design evolution is the transition from an annual renewal model to a full-duration cohort model, alongside the removal of the STEM-only restriction. These changes improve programme stability, reduce administrative complexity, and align more closely with Ashoka’s interdisciplinary academic model.

Project Objectives

As defined in the MoU: “To provide financial aid scholarships to women scholars pursuing undergraduate studies at Ashoka University.”

While framed as financial support, the objective operates across three levels:

- **Access:** Removing cost barriers to elite education
- **Outcomes:** Enabling academic participation and exploration
- **Impact:** Driving long-term employability and socio-economic mobility

Project Activities

As per the MoU, core activities include:

- Identification and selection of eligible candidates
- Financial need and merit-based assessment
- Scholarship disbursement in structured tranches
- Monitoring, reporting, and compliance

These activities form the operational backbone, ensuring that financial inputs are systematically translated into access and participation.

The scholarship beneficiaries were selected based on a combination of financial need, family circumstances, educational aspiration, and the potential of higher education to create long-term social mobility for the students. The selection process considered factors such as single-income or financially vulnerable households, unemployment of earning members, medical expenses, educational loans, multiple dependent children, rental liabilities, and limited financial stability despite strong academic potential. Students from diverse geographies including Tier 1 and Tier 2 cities were considered to ensure broader inclusion and equitable access to higher education opportunities.

A common trait is their flexibility and openness to interdisciplinary learning, aligning with Ashoka’s liberal arts model, as well as their ability to translate opportunity into long-term career ambitions in fields such as research, consulting, and healthcare. Overall, the cohort reflects a deliberate selection strategy targeting “high merit–high need” candidates with strong upward mobility potential and high dependency on financial support, ensuring both equity and impact additionality.

Project Outputs

The programme has achieved full delivery against design targets, supporting five scholars with 80–100% financial aid.

The total value of scholarships awarded under the Sona Comstar–Ashoka University scholarship support initiative for AY 2025–26 was INR 47,04,420. The scholarships primarily included 100% tuition fee waivers valued at approximately INR 10.22 lakh per student and 80% tuition fee waivers valued at approximately INR 8.18 lakh per student. A total of

five students received financial aid support across disciplines such as Economics & Finance, Psychology, English & Creative Writing, International Relations, and Philosophy, based on demonstrated financial need and academic potential.

Outputs include:

- Enrolment at Ashoka University
- Access to interdisciplinary coursework
- Participation in academic and co-curricular activities

These outputs go beyond enrolment by enabling meaningful engagement with a high-quality educational ecosystem.

At the outcome level, beneficiaries demonstrate:

- Reduced financial stress
- Increased academic engagement
- Expanded career aspirations

Impact Assessment

The programme performs strongly across key dimensions:

- **Access:** Near-total dependency on scholarships for enrolment
- **Financial Relief:** 80–100% cost coverage
- **Academic Mobility:** Flexibility in discipline selection
- **Exposure:** Access to internships, research, and global pathways
- **Confidence and Aspirations:** Evident through stakeholder feedback

The Sona Comstar Scholarship Programme represents a highly relevant and well-structured CSR intervention, demonstrating strong performance at the levels of implementation, access, and early outcomes. While the current cohort is at an early stage and long-term impacts are yet to fully materialise, the programme exhibits clear indicators of effectiveness and strong potential for sustained impact.

A key strength of the programme lies in its high additionality, with beneficiaries demonstrating near-complete dependence on financial aid for access to Ashoka University. This ensures that programme resources are directed toward individuals for whom the intervention is truly transformative.

The evolution of the programme design—particularly the transition to a cohort-based, full-duration model and the removal of disciplinary restrictions—reflects a high degree of adaptive learning and responsiveness. These changes have enhanced programme alignment with institutional realities and improved the overall effectiveness of the intervention.

Stakeholder Quotes (KII)

“I would have had to take a heavy student loan... or maybe I would have chosen a different university because Ashoka would have been too expensive for me.”

“My mother is the sole earning member in my family... so things have been challenging for us.”

“I’m really grateful that I received this scholarship... it gave me the opportunity to study at such a good university.”

“If I receive an 80% scholarship, only then would I be able to join Ashoka.”

“We couldn’t afford ₹12,00,000 per year in tuition alone... so we needed more than 50% support.”

“It has given me opportunities that I would have never had if I had stayed in Kashmir or studied at another university.”

Business Responsibility and Sustainability Report

SECTION A- GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

S. No.	Question	Response
1.	Corporate Identity Number (CIN) of the listed entity	L27300HR1995PLC083037
2.	Name of the listed entity	Sona BLW Precision Forgings Limited (“Sona Comstar”)
3.	Year of incorporation	1995
4.	Registered office address	Sona Enclave, Village Begumpur Khatola, Sector 35 Gurugram, Haryana 122004
5.	Corporate address	Sona Enclave, Village Begumpur Khatola, Sector 35 Gurugram, Haryana 122004
6.	E-mail	investor@sonacomstar.com
7.	Telephone	+91 124 476 8200
8.	Website	https://sonacomstar.com/
9.	Financial year for which reporting is being done	1 st April 2025 -31 st March 2026
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited (BSE) 2. National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	INR 6,21,84,68,900 divided into 62,18,46,890 equity shares having face value of INR 10/-each
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Rohit Nanda President and Group CFO Telephone: +91 124 476 8200 Email id: investor@sonacomstar.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Consolidated
14.	Name of assurance provider	Grant Thornton Bharat LLP
15.	Type of assurance obtained	Reasonable assurance

II. PRODUCTS/SERVICES

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacture of parts and accessories for motor vehicles and railway components	95%

17. Products/Services sold by the entity (accounting for 90% of the entity’s Turnover):

S. No.	Product/Service	NIC Code*	% of total Turnover contributed
1	Differential Gears	293001	21
2	Differential Assembly	293001	16
3	Motors & Motor sub-assemblies	293005	32
4	Railway Components	302004	21
5	Others	293001	10

*As per National Industrial Classification (NIC) 2025

III. OPERATIONS

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

Location	Number of Plants	Number of Offices*	Total
National	8	6	14
International	5	4	9

*Offices include R&D Centres and Engineering capability centres

19. Markets served by the entity:

a. Number of locations

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

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

The contribution of exports to total turnover (consolidated) of the entity is 41%.

c. A brief on types of customers

Sona Comstar operates predominantly in the B2B segment, delivering critical products to leading automotive OEMs and Tier-1 suppliers across India, North America, Europe, and Asia. Our portfolio serves diverse mobility segments, including conventional and electric passenger vehicles, commercial vehicles, off-highway vehicles, electric two- and three-wheelers, as well as railway components. Approximately 77% of our revenue is generated from direct supplies to global OEMs, reflecting our strong international presence and trusted industry partnerships.

IV. EMPLOYEES

20. Details as at the end of Financial Year

a. Employees and workers (including differently abled):

No	Particulars	Total (A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
Employees						
1	Permanent (D)	1830	1679	91.7%	151	8.3%
2	Other than Permanent (E)	1	0	0%	1	100%
3	Total employees (D + E)	1831	1679	91.7%	152	8.3%
Workers						
1	Permanent (F)	391	360	92.1%	31	7.9%
2	Other than Permanent (G)	4469	4215	94.3%	254	5.7%
3	Total Workers (F + G)	4860	4575	94.1%	285	5.9%

b. Differently abled Employees and workers:

No	Particulars	Total (A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
Differently Abled Employees						
1	Permanent (D)	3	3	100%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total differently abled employees (D + E)	3	3	100%	0	0%
Differently Abled Workers						
1	Permanent (F)	1	1	100%	0	0%
2	Other than Permanent (G)	0	0	0%	0	0%
3	Total Workers (F + G)	1	1	100%	0	0%

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No(B)	%(B/A)
Board of Directors	9	3	33.3%
Key Management Personnel	4	0	0.0%

22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	FY 2025-26			FY 2024-25			FY 2023-24		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14%	17%	15%	11%	21%	12%	12%	28%	13%
Permanent Workers	1%	19%	3%	3%	30%	5%	3%	24%	5%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

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

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

*Incorporated on 28th Nov 2025

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

Note: The Company holds more than 20% shareholding in Clean Max Calypso Private Limited and Clean Max Nova Private Limited. However, the Company does not exercise significant influence or control on decisions of the investees. Hence, not being construed as associate company.

VI. CSR DETAILS

24. Provide the following CSR details

- i) Whether CSR is applicable as per section 135 of Companies Act, 2013 - Yes, CSR provisions are applicable as per section 135 of the companies Act, 2013.
- ii) Turnover (in INR) – 44,494.6 million
- iii) Net worth (in INR) – 59,091.72 million

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, the Company has a separate email id i.e. speakup. sbpl@sonacomstar.com for reporting any grievance and complaints and the policy is available on the website of the Company at https://sonacomstar.com/policies-and-codes	0	0	No complaints were filed during the financial period	0	0	No complaints were filed during the financial period
Investors and shareholders	Yes. The Company has in place a Grievance Redressal Mechanism which can be accessed on the website of the Company at http://sonacomstar.com/policies-and-codes The Company also has separate e-mail id i.e., investor@sonacomstar.com for shareholders for sending their queries and grievances	1	0	During the Financial Year ended on 31st March, 2026, only 1 (one) complaint was received from the shareholders of the Company which was pertaining to the claim of unclaimed dividend by a shareholder whose bank account details were not updated with the depository. This complaint was duly resolved by the Company in co-ordination with its RTA to the satisfaction of the Shareholder.	7	0	All complaints were related to non-receipt of dividend or Annual Report of the Company. All were resolved by the Company and its RTA within time. Status of all the complaints received and resolved can be found on a quarter-on-quarter basis on the website of BSE and NSE. For BSE: https://www.bseindia.com/stock-share-price/sona-blw-precision-forgings-ltd/sonacoms/543300/integrated-filing-governance For NSE: https://www.nseindia.com/get-quote/equity/SONACOMS/Sona-BLW-Precision-Forgings-Limited
Employees and workers	Yes, the Company has a separate email id i.e., speakup. sbpl@sonacomstar. com for reporting any grievance and complaints for its workers in the policy, which is available at https://sonacomstar. com/ policies-andcodes. It may also be submitted in soft copy at posh-driveline@sonacomstar. com for Driveline Business and at posh-motor@sonacomstar.com for Motor Business and posh-railway@sonacomstar.com for Railway Business as per the POSH policy of the Company available on the website of the Company	1	1	One POSH complaint received. The complaint was investigated by the Internal Committee (IC), however it was concluded after the close of financial year but before the signing of this report. Based on the findings of the IC, the matter was not established under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.	0	0	No complaints were filed during the financial period.
Customers*	Yes, the Company has a separate email id i.e. speakup. sbpl@sonacomstar. com for reporting any grievance and complaints and the policy is available on the website of the Company at https://sonacomstar.com/policies-and-codes.	1	0	One Posh complaint filed. The complaint received by the wholly owned subsidiary, Comstar Automotive USA LLC, was also resolved and concluded before 31st March 2026, to the satisfaction of the customer and the complainant.	0	0	No complaints were filed during the financial period.
Value Chain partners	Yes, the Company has a separate email id i.e speakup. sbpl@sonacomstar. com for reporting any grievance and complaints and the policy is available on the website of the Company at https://sonacomstar.com/ policies-and-codes.	1	0	One POSH complaint received. The complaint was investigated by the Internal Committee (IC), however it was concluded before March 31, 2026. Based on the findings of the IC, the matter was not established under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.	0	0	No complaints were filed during the financial period.

* Complaints refer to number of issues or incidents reported by the general public/ end users directly to the company or through any social media or other communication channels.

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Ethics, Accountability, and Transparency	Risk and Opportunity	We uphold the highest standards of transparency and ethical business practices, which form the foundation of our corporate governance excellence. Our governance framework is designed to foster openness, ensure strict compliance, and maintain accountability across all levels. This mechanism is built to nurture a strong value system, driving business excellence while strengthening stakeholder trust and confidence.	To reinforce its value system, the Company has established robust ethical policies and governance frameworks that foster a culture of compliance and integrity. Through regular communication, training programs, and awareness sessions for employees, extended workforce, and suppliers, the Company actively promotes ethical conduct. Most of these policies are publicly accessible on the Company’s website, ensuring transparency and enabling stakeholders to benefit from them.	Any instance of unethical behaviour, non-compliance, or violation can lead to punitive actions and significant reputational damage. Such lapses may erode investor confidence, weaken stakeholder trust, and ultimately result in brand deterioration.
2	Safe and Healthy Working Conditions	Risk and Opportunity	By recognising safe working conditions as both a risk and an opportunity, the Company places employee well-being at the forefront. This approach ensures compliance with legal requirements, supports operational efficiency and continuity, and enables effective cost management. Together, these factors strengthen overall sustainability and long-term success. Our foremost priority is to provide a secure workplace for all employees and workers. We focus on a robust safety management system, proactive hazard mitigation, regular training and mock drills, periodic risk assessments, and continuous improvement of our Occupational Health & Safety (OHS) framework.	To realize our Zero Harm vision, the Company has established a strong and well-structured security system built on real-time data and the principle of shared responsibility. At Sona Comstar, we maintain high standards of occupational safety across all our facilities. Regular evaluations of health and safety practices and workplace conditions are conducted at every plant and office to identify potential gaps and implement corrective measures. Plant management teams, together with key facility workers, play a pivotal role in enforcing safety policies, procedures, and measures, ensuring alignment with corporate governance standards and fostering a culture of accountability.	Incidents related to health and safety can disrupt operations, lower employee morale, and damage business reputation. Such consequences may further lead to financial setbacks and diminished stakeholder confidence.
3	Product Safety and Quality	Risk and Opportunity	Our pursuit of quality excellence is guided by our core values of Vitality, Frugality, and Agility, which shape the way we design products that deliver a positive customer experience. Opportunities arising from this approach include gaining competitive advantage, enhancing customer satisfaction and loyalty, strengthening brand equity and image, and driving overall business success. At the same time, we recognise that product quality and safety present potential risks. These risks may manifest as harm to consumers, non-compliance with regulatory and statutory requirements, and adverse impacts on brand reputation and revenue. Balancing these opportunities and risks is central to sustaining long-term growth and stakeholder trust.	Our responsibility extends beyond manufacturing and sales, contributing to cleaner and safer mobility solutions. Guided by the principle of minimising environmental impact while maximising safety, economic, and social value, we embed sustainability into our operations. All our manufacturing facilities are IATF 16949 certified, reflecting our commitment to continual improvement. This certification emphasises defect prevention, reduction of variation, and waste minimisation across the supply chain and assembly processes—ensuring that our products meet the highest standards of quality, safety, and sustainability.	Defective products can lead to product recalls, which negatively affect consumer perception of quality and may cause reputational damage. Beyond brand impact, recalls also increase costs through product replacements, corrective fixes, and potential litigation expenses, thereby posing significant financial risks to the business.
4	Material Sourcing	Opportunity	In the auto-component industry, identifying material sourcing as both a risk and an opportunity enables proactive management of supply chain vulnerabilities, strengthens value chain resilience, enhances competitiveness, optimises cost efficiency, fosters innovation, and drives quality and long-term sustainability in operations.	-	Responsible material sourcing enhances consumer satisfaction, strengthens sustainability practices, and improves market competitiveness, thereby contributing to long-term business resilience and stakeholder trust.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			At Sona Comstar, we carefully select materials best suited for each end application, ensuring optimal utilisation in our processes. In addition, we embrace circular economy principles by incorporating recycled input materials and adopting returnable packaging wherever feasible, thereby reducing environmental impact and promoting sustainable growth.		
5	Solutions for low carbon mobility	Opportunity	Sona Comstar firmly believes that electrified mobility is essential to reducing GHG emissions from automobiles and advancing towards a greener planet. In line with this vision, the Company has embarked on a journey to expand its revenue share from battery electric vehicles (BEVs) and has strategically focused its R&D efforts on developing advanced drive motors, controllers, and transmission solutions tailored for diverse categories of electric vehicles.	-	Sona Comstar had identified 'Low Carbon Mobility' as one of the materiality thrust areas in 2023 and set a target to achieve 45% of its revenue from 'Low Carbon Mobility' by 2026. Low carbon mobility for the company is now represented by its revenue generated from automotive components and systems supplied for EV vehicles and supplies to Railways (nearly 100% of which is towards the electrified part of the Indian rail network) combined. For the financial year ending 31 st March 2026, the company thus derived more than 45% its revenue from supplies for 'Low Carbon Mobility'. It therefore achieved its target ahead of schedule, underscoring its commitment towards supporting clean transport solutions, sustainable innovation, and alignment with its long-term ESG goals.
6	Energy Management	Opportunity	Our energy policy is centered on enhancing operational efficiency, executing innovative projects to optimise energy demand, and proactively integrating renewable energy sources. This approach reflects our commitment to sustainability, cost-effectiveness, and long-term resilience in business operations.	-	Energy-saving initiatives combined with the increased adoption of renewable energy contribute to sustainability while reducing the Company's specific energy consumption. This approach not only supports environmental responsibility but also delivers financial savings through optimised resource utilisation.
7	Emissions Management	Risk and Opportunity	Reducing greenhouse gas emissions is one of the most critical solutions to addressing climate change. This priority underpins our commitments to carbon management and GHG mitigation, ensuring that our actions contribute meaningfully to a sustainable future.	We aim to progressively increase the share of renewable electricity in our overall energy consumption to reduce GHG emissions and conserve energy, primarily through solar power generation. In addition, we have set clear targets to lower specific energy consumption, thereby improving energy intensity across our operations and reinforcing our commitment to sustainable growth.	Failure to meet commitments on greenhouse gas reduction could result in negative financial implications and reputational damage, undermining stakeholder confidence and long-term sustainability objectives.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Waste Management	Risk and Opportunity	Safe handling of both hazardous and non-hazardous waste is a critical aspect of responsible business conduct in manufacturing. Guided by our Environmental Management Policy, we implement effective and efficient waste management practices aimed at reducing and recycling waste while transforming resources into valuable products. This approach underscores our commitment to sustainability, operational excellence, and environmental stewardship.	Throughout the year, we have implemented initiatives to strengthen resource efficiency, including the recycling of waste die lube recovered from manufacturing operations. These efforts reflect our commitment to sustainable practices and reducing environmental impact across our production processes.	Improper handling of waste can lead to environmental pollution and contamination, attract regulatory fines and notices, and cause adverse health impacts. It may also trigger community opposition, ultimately resulting in reputational damage and erosion of brand trust.
9	Respect for Individuals	Risk and Opportunity	Sona Comstar ensures that 100% of employees are trained on the principles of respect for individuals. We are committed to providing equal opportunities for recognition, advancement, and career development to all workers and officers, irrespective of their background or beliefs, while maintaining a zero-tolerance stance against discrimination or harassment. Any violation of human rights could result in regulatory, legal, and legislative challenges, and may also undermine our position as an employer of choice.	Our induction programs are designed to build awareness of human rights among new employees and include refresher training sessions. Sona Comstar complies with all applicable labor laws and holds OHSAS 18001 certification, underscoring our commitment to occupational health and safety. During induction, employees are trained on our Code of Conduct, which addresses critical human rights issues such as child labor, gender diversity, and workplace discrimination. Additionally, all new employees undergo third-party background verification to ensure integrity and compliance. The Company strives to uphold fundamental human rights principles across all operations, in alignment with its codes and policies. To further strengthen accountability, we provide a vigil mechanism that enables employees to report genuine concerns regarding unfair or unjust incidents within the framework of the law.	Failure in key commitments has the potential to damage brand image, hinder the ability to attract and retain top talent, and weaken overall organisational credibility.

SECTION B- MANAGEMENT AND PROCESS DISCLOSURES

POLICY AND MANAGEMENT PROCESSES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. c. Web Link of the Policies, if available			https://sonacomstar.com/policies-and-codes						
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	IATF 16949, ISO 14001, ISO 45001, ISO 50001, ISO 27001, Ford Q1, JLR-Q TPM, ENMS, ASES, and VQE								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Refer to Sustainability Report FY 2024-25 for ESG Goals and Targets								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Refer to Sustainability Report FY 2024-25 for ESG Goals and Targets								

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The statement of director responsibility for business responsibility report and ESG related challenges, targets and achievement are provided in the Chairman's message and Managing Director's message forming part of the Annual Report of the Company.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	DIN: 07698495 Name: Mr. Vivek Vikram Singh Designation: Managing Director & Group CEO Telephone No.: +91 124 476 8200 Email-id: investor@sonacomstar.com
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Board of Directors has established an ESG Committee to oversee and drive the implementation of the Environment, Social, and Governance framework across all operations.

10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

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

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

S. no	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Yes. Independent assessments have been carried out by TÜV Nord and Grant Thornton LLP. The organisation's Quality, Safety, Health, and Environment (QSHE) policies are regularly subjected to both internal and external audits and reviews. These include assessments conducted as part of the ISO certification process, ongoing customer evaluations, and structured internal audits. In addition, customer-specific audits, independent assurance of select key ESG parameters, and CSR impact assessments are undertaken. Through this comprehensive framework of evaluations, the effectiveness, compliance, and alignment of the entity's policies with relevant principles are systematically validated and verified.								

12. If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

Essential Indicators

EI-1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of directors	2	1. Key Regulatory Updates including SEBI Regulations 2. Training and Awareness Session on Anti-Bribery, Corruption and Trade Sanctions	55.56%
Key Managerial personnel	4	1. Prevention of Sexual Harassment at Workplace 2. Data Privacy & Data Protection 3. Code of Conduct & Business Ethics 4. Code of Conduct for Prohibition of Insider Trading	100%
Employees other than BoD and KMPs	375	8D, Why-Why Analysis, APQP, PPAP, Business Sustainability, FMEA, Calibration, CPR - First Aid, CQI 17, Creo Automation, Cybersecurity Awareness Training, DFM/DFA, DFMEA, Drawing Study, EnMS refresher training, ERT Training, ESD awareness training, Fire Fighting training, High voltage safety training, IPC certifications trainings, Job Evaluation training, Kaizen, OEE and Line balancing, Material and selection, MIP and DLP, PLM implementation, PMHV, PMSM training, Power BI, Senior Managerial Development programme, SMT training, TSA. Daily Work Management, Lean Manufacturing, Team Building, Robotics, MPI Level - I Training, Leadership Development, VLFM, Robotics, Emergency Response Training, Machine Programming, Problem Solving Skills (7 QC Tools), IOT (Internet of Things), VDA 6.3, IPC 610,IPC 620, Spring Technology, Fastener Technology, ATEX, IECEx, and HazLoc Certification Training,	100%
Workers	105	Code of Conduct and Business Ethics, EHS awareness, Awareness on POSH, Product knowledge, ERT training, Fire Fighting, CLRSI, 5S, Abnormal condition and Rejection, Chemical safety, EnMS Training, Metrology and Instrument Handling, SCBA, SMED, AEN training and Poka Yoke. Dojo 8 Modules :Company Overview, Fire Safety - What is Fire, Method of Fire control, Types of fire Extinguishers used for fire control, Class of fire, Emergency preparedness ,Emergency Equipment, What is TPM? it's objective and pillars of TPM & JH pillar in detail & 7 types of Abnormalities, TQM, Machining Operation, Awareness on Quality and Measuring Instruments, Defensive Driving, Forklift Operator, CNC Training, Material Handling, Hot Work Safety, PPE's Awareness	100%

Remarks: The data pertains to standalone entity.

EI-2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	During FY 2025-26, there were no fines/penalties/punishments/awards/compounding fees/settlements as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 imposed on the Company or its Directors/KMPs, which can have material impact on the Company. The disclosures were made as per regulation 30 to the exchange from time to time.				
Settlement					
Compounding fee					

Non-Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	During FY 2024-25, there were no fines/penalties/punishments/awards/compounding fees/settlements as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 imposed on the Company or its Directors/KMPs, which can have material impact on the Company. The disclosures were made as per regulation 30 to the exchange from time to time.			
Punishment				

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

S. No.	Indicate input material	Name of the regulatory/ enforcement agencies/ judicial institutions
		None

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

Yes, the Company has an Anti-Bribery and Corruption Policy, applicable to all directors, officers, employees, agents, representatives, and other associated persons. The Company maintains a zero-tolerance approach towards bribery, kickbacks, or any form of corruption, whether directly or through third parties. The policy is publicly available on the Company’s website at: <https://sonacomstar.com/files/policy/anti-bribery-and-corruption-policy-policy-8i68Y7.pdf>

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

Category	Current Financial Year	Previous Financial Year
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

Category	Current Financial Year		Previous Financial Year	
	Number - 2025-26	Remarks - 2025-26	Number - 2024-25	Remarks - 2024-25
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

Nil

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

Particulars	Current Financial Year	Previous Financial Year
Number of days of accounts payables	62.32	56.59

Remarks: For the purpose of this indicator, “cost of goods and services procured” has been defined to include the cost of materials consumed, changes in inventories, consumption of stores and spares, power and fuel, freight, packing material, and other direct expenses (comprising sub-contracting costs, repairs and maintenance of plant and machinery, and manpower hired on contract).

El-9. Open-ness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY2025-26	FY2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (to related parties / total loans & advances)	Nil	Nil
	d. Investments (in related parties / total investments)	Nil	Nil

Remark: On a consolidated basis after elimination of intercompany transactions within the group.

Leadership Indicators

LI-1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
During FY 2025–26, Sona Comstar conducted multiple training and awareness sessions on its ethical compliance framework for value chain partners. A total of 376 vendors from the Motor, Railway, and Driveline divisions participated in these sessions.			

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

Sona Comstar has implemented a comprehensive framework of policies and processes across its operations to uphold integrity. To prevent and manage conflicts of interest, the Company has established specific procedures and policies, including the Code of Conduct for Directors and Senior Management, the Code of Conduct and Business Ethics, the Policy on Related Party Transactions, the Policy for Determining Material Subsidiaries, the Code on Fair Disclosure of Unpublished Price Sensitive Information, the Code of Conduct for Prevention of Insider Trading, the Policy for Determining Materiality, and the Whistle Blower Policy. In addition, the Company conducts regular training and awareness programs on its Code of Conduct and Business Ethics, providing guidance on effectively identifying and addressing potential conflicts of interest.

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

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

Particulars	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	93%	93%	Development of new technologies and products for development of drivetrain and powertrain products for electric vehicles and safety system for electrified railway applications.
Capex	69%	90%	Setting up of manufacturing capacity for various products meant for use in EV drivetrain, powertrain and safety system for electrified railway applications. It also includes R&D capex for development of such products.

El-2.a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

El-2.b. If yes, what percentage of inputs were sourced sustainably?

Sona Comstar adheres to a comprehensive Green Procurement Guideline Environmental Declaration. Sustainability considerations are embedded across the supplier selection, assessment, and evaluation processes, beginning with an initial supplier survey, followed by ongoing risk assessments and periodic audits. As part of this framework, 100% of new suppliers are evaluated against defined sustainability criteria during the onboarding stage. Furthermore, the Green Procurement Guideline ensures that sustainability requirements are integrated into standard purchase contracts, with all suppliers expected to comply with these provisions.

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

Category	Description
(a) Plastics (including packaging)	The products manufactured by Sona Comstar are seamlessly integrated into the mobility products of our customers, making it neither feasible nor practical to separate or reclaim them individually. Consequently, this consideration is not applicable to our products.
(b) E-waste	
(c) Hazardous waste	
(d) Other waste	

EI-4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer sResponsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) under the Plastic Waste Management Rules, 2016 is applicable to Sona Comstar. The Company is registered under the Brand Owner and Importer category and has duly submitted its annual EPR compliance. EPR credits have been allocated based on the Company’s liability through an approved recycler.

Leadership Indicators

LI-1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

S. No.	NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
No LCA conducted during the reporting period.						

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

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
The company has not encountered any significant environmental or social challenges in the production of its products. By prioritising innovation in EV manufacturing, Sona Comstar not only mitigates potential risks but also reinforces its commitment to advancing sustainable mobility solutions. This forward-looking approach underscores our dedication to creating long-term value for stakeholders while contributing meaningfully to global sustainability goals.			

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

S. No.	Indicate input material	Recycled or re-used input material to total material	
		FY2025-26	FY2024-25
1	Steel and Casting	23%	26%

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

	FY2025-26			FY2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste	Not applicable, as the Company does not undertake reclamation of products or packaging materials at the end of their life cycle.					
Hazardous waste						
Other waste						

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

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable, as the company does not undertake the reclamation of products or packaging materials at the end of their lifecycle.		

PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	1679	1648	98.1%	1648	98.1%	0	0%	1555	92.6%	0	0.0%
Female	151	144	95.4%	144	95.4%	151	100%	0	0.0%	54	35.7%
Total	1830	1792	97.9%	1792	97.9%	151	100%	1555	92.6%	54	2.9%
Other than permanent Employees											
Male	0	0	0%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	1	1	100%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	1	1	100%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	360	352	97.8%	352	97.8%	-	-	271	75.3%	0	0.0%
Female	31	8	25.8%	8	25.8%	31	100%	-	-	8	25.8%
Total	391	360	92%	360	92%	31	100%	271	75.3%	8	2%
Other than permanent Workers											
Male	4215	4207	99.8%	4207	99.8%	-	-	1	0%	0	0.0%
Female	254	233	91.7%	233	91.7%	185	72.8%	-	-	0	0.0%
Total	4469	4440	99.4%	4440	99.4%	185	72.8%	1	0%	0	0.0%

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

Particulars	Current Financial Year	Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the company	0.25%	0.23%

EI-2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	No. of employees covered as a % of total employees. (CY)	No. of workers covered as a % of total workers. (CY)	Deducted and deposited with the authority (Y/N/N.A.). (CY)	No. of employees covered as a % of total employees. (PY)	No. of workers covered as a % of total workers. (PY)	Deducted and deposited with the authority (Y/N/N.A.). (PY)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
NPS	11%	0%	Yes	11%	0%	Yes

Remark: The data pertains to standalone entity.

EI-3. Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company’s premises and offices are accessible to employees and workers with differential abilities. However, certain areas within the premises may have limited accessibility for individuals with specific special needs.

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

Yes, Sona Comstar’s *Code of Conduct and Business Ethics* clearly states that the Company provides equal opportunities to all employees, irrespective of race, caste, religion, gender, sex, sexual orientation, marital status, color, age, nationality, or disability. To reinforce this commitment, new displays have been placed at prominent locations within the premises to highlight the equal opportunity policy, ensuring visibility not only to current employees but also to prospective candidates visiting for employment opportunities. The *Code of Conduct and Business Ethics* is publicly available at <https://sonacomstar.com/policies-and-codes>

EI-5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

Remark: The data pertains to standalone entity.

EI-6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	At Sona Comstar, various platforms are available with employees and workers to register their complaint such as HR Help Desk, Grievance Redressal Register and e-mail id for reporting POSH related complaints and strong whistle blower mechanism in place to effectively address complaints/issues raised. If a Whistle Blower wants to report any wrongdoing, he/she can do so by opting for any of the below mentioned mode of communication an email may be sent to speakup.sbpl@sonacomstar.com about the matter to be reported. Only the members of Ethics Committee shall have access to this email id. It may also be submitted in soft copy at posh-driveline@sonacomstar.com for Driveline Business and at posh-motor@sonacomstar.com for Motor Business and posh-railway@sonacomstar.com for Railway Business.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	FY2025-26			FY2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s)or Union (D)	% (D / C)
Total Permanent Employees	1830	0	0.0%	1495	0	0.0%
Male	1679	0	0.0%	1373	0	0.0%
Female	151	0	0.0%	122	0	0.0%
Total Permanent Workers	391	360	92.1%	318	161	50.6%
Male	360	352	97.8%	286	140	48.9%
Female	31	8	25.8%	32	21	65.6%

EI-8. Details of training given to employees and workers:

Category	FY2025-26					FY2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1679	1679	100%	1553	93%	1376	1376	100%	1137	83%
Female	152	152	100%	105	69%	122	122	100%	100	82%
Total	1831	1831	100%	1658	91%	1498	1498	100%	1237	83%
Workers										
Male	4575	4575	100%	4518	99%	3328	3328	100%	3096	93%
Female	285	285	100%	262	92%	193	193	100%	154	80%
Total	4860	4860	100%	4780	98%	3521	3521	100%	3250	92%

EI-9. Details of performance and career development reviews of employees and workers:

Category	FY2025-26			FY2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	%(D / C)
Employees						
Male	1679	1551	92%	1376	1235	90%
Female	151	107	71%	122	109	89%
Total	1830	1658	91%	1498	1344	90%
Workers						
Male	360	360	100%	286	286	100%
Female	31	31	100%	32	32	100%
Total	391	391	100%	318	318	100%

Remarks: Data pertains to permanent employees and workers.

EI-10. Heath and Safety Management System:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Yes, Sona Comstar is fully compliant with the ISO 45001:2018 Occupational Health and Safety (OH&S) Management System, and 100% of its facilities are covered under this certification.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company identifies potential workrelated risks through a structured hazard identification process, followed by a likelihood assessment to estimate the probability of occurrence. Based on this evaluation, riskreduction measures are implemented to either prevent incidents (by lowering their likelihood) or control them (by limiting their impact and duration), while also mitigating adverse effects. To further strengthen workplace safety, Sona Comstar has established an Emergency Preparedness Plan, a Mock Drill Record Evaluation Checklist, and an Aspect Register – Standard Operating Procedure Manual designed to minimise occupational hazards. For nonroutine activities, a risk assessment is conducted prior to commencement, and appropriate control measures are applied through a workpermit system, in line with the identified risk level, to eliminate or minimise potential hazards.
c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)	Yes, several mechanisms have been established to report workrelated hazards in line with ISO 45001:2018. These include safety patrols, risk assessments, and nearmiss reporting. To address and mitigate such hazards, the Company conducts emergency mock drills and safety exercises, while also organising capacitybuilding and awareness sessions to ensure that employees and workers are wellversed in safety procedures and risk management practices.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, Sona Comstar is committed to promoting the overall health and wellbeing of its employees and workers. The Company has partnered with multispecialty hospitals and provides comprehensive coverage through health, term, and accident insurance. Regular health checkups and medical camps are organised for employees and their families. In addition, the ‘Svastha’ Health and Wellness Initiative includes periodic health camps, yoga sessions, and workshops focused on mental wellbeing for all employees.

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

Safety Incident/Number	Category	FY2025-26	FY2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0
Number of Permanent Disabilities	Employees	0	0
	Workers	0	0

EI-12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has established comprehensive safety protocols to address workplace injuries and accidents. Lockout Tagout (LOTO) procedures are reinforced for maintenance personnel working on designated machines to mitigate unforeseen incidents and enhance productivity. In the event of an accident, an action plan is developed to investigate the incident and implement preventive measures.

Regular training and awareness programs are conducted on fire safety, non-conformance (NC) handling, chemical safety, road safety, and DOJO's 8-Step training. These sessions also cover 5S practices, the application of the five senses in shopfloor activities, and specialised operational training in forging, heat treatment, quality inspection, packaging, trolley movement, and material handling equipment (MHE) such as forklifts and defensive truck driving.

A machine risk assessment process is implemented across all facilities to reduce highrisk equipment to lower risk levels. Additionally, danger prediction activities (*Kiken Yochi* – KY) are mandatory, and a workpermit system is enforced for all nonroutine tasks. Sona Comstar has also adopted a comprehensive Management Policy covering Quality, Environment, Occupational Health, and Safety, underscoring its commitment to preventing injuries and safeguarding the health of all stakeholders.

EI-13. Number of Complaints on the following made by employees and workers:

	FY2025-26			FY2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

EI-14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.00%
Working Conditions	100.00%

Remarks: The assessments are conducted by an independent third party as part of the ISO certification process.

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

No significant risks were identified during the assessment for the reporting period.

Leadership Indicators

LI-1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company extends medical, accidental, and term life insurance coverage to its employees and workers. In addition, benefits such as provident fund, gratuity, and employees' deposit-linked insurance, wherever applicable, are prioritised for settlement in the unfortunate event of death. The company has also established a dependent pension policy to safeguard the economic well-being of employees' families in the event of unforeseen mishaps. This initiative ensures continuity of financial support for dependents and demonstrates our commitment to employee welfare and social responsibility.

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

Sona Comstar takes comprehensive measures to ensure compliance across its value chain. All onsite partners are required to strictly adhere to the statutory requirements governing physical operations, thereby maintaining legal and operational integrity. At the same time, all offsite partners are obligated to comply with the Company's Code of Conduct for Vendors, which sets clear expectations for ethical business practices, transparency, and accountability. This dual framework ensures that both onsite and offsite collaborations align with regulatory standards as well as the Company's core values.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2025-26	FY2024-25	FY2025-26	FY2024-25
Employees	0	0	0	0
Workers	0	0	0	0

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

Yes, at Sona Comstar, employment retention programs are offered based on the criticality of the role and alignment with business needs, ensuring that key talent is retained to support organisational growth. Alongside this, the Company places strong emphasis on capacity building by conducting regular training and skill enhancement sessions for all employees, irrespective of their tenure. These initiatives not only strengthen professional competencies but also improve employability, providing employees with valuable skills that remain beneficial even in the event of termination.

For employees approaching retirement, Sona Comstar facilitates a smooth and dignified transition through structured support mechanisms. This includes personalised guidance on financial planning and assistance with accessing statutory benefits such as EPF withdrawals, pension applications, and other retirement-related entitlements. To further ease this transition, counseling sessions are made available upon request, offering emotional support and practical advice to help retiring employees navigate this important life stage. These sessions empower individuals to plan their next steps with confidence, ensuring both financial security and emotional well-being as they move into retirement.

LI-5. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Sona Comstar embeds its sustainable and responsible supply chain practices directly into the vendor identification and procurement process. The Company's Vendor Code of Conduct and Green Procurement Guidelines serve as clear evidence of its commitment to ethical business dealings, responsible operations, sustainable sourcing, resource optimisation, and broader social responsibilities. To uphold these standards, the procurement team ensures that all vendors formally acknowledge and accept the Vendor Code of Conduct, thereby aligning their practices with the Company's values and sustainability objectives.
Working Conditions	

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

No risks were detected or reported during the reporting period.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

EI-1. Describe the processes for identifying key stakeholder groups of the entity.

At Sona Comstar, stakeholder engagement is a structured process through which we cultivate and sustain transparent relationships while effectively communicating our strategic priorities. We regard stakeholder dialogue as a critical mechanism for understanding expectations and for providing clarity on the company's social and environmental performance, including associated risks. In line with our commitment to inclusivity, we have systematically identified and mapped both internal and external stakeholders, encompassing disadvantaged, vulnerable, and marginalised groups who are impacted by or can influence our decisions. To engage meaningfully with our primary stakeholders on current and emerging risks, opportunities, and growth objectives, we adopt a diverse range of flexible engagement methods designed to foster trust and long-term collaboration.

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

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement
1	Board of Directors (BOD)	No	Emails, Meetings, Board Decks, Annual Reports, and Quarterly Reports	Quarterly	The roles and responsibilities of the Board of Directors are defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Accordingly, the Board and its committees convene periodically to deliberate and approve regulatory matters as well as other agenda items related to the Company's operations.
2	Investors and Shareholders	No	Conferences, Annual Report, Notices, E-mail, Investor Meetings, General Meetings, Corporate Announcements, Newspaper Advertisements, Press Release, Investor Presentation, Quarterly & Annual Results, Earnings Calls, Company's and Stock Exchange's website	Quarterly and annually	The Company shares key developments, business performance, financial results, and strategic updates with its investors and shareholders. In line with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's website (https://www.sonacomstar.com/) hosts a dedicated 'Investor Relations' section. This functional segment provides comprehensive information for shareholders, including details on Directors, financial statements, annual reports, codes, and policies. Shareholders and investors may also directly reach out to the Investor Relations department for any queries.
3	Employees and Workers	No	Training & Workshop, Website, Email, Meetings, and Conferences	Continuous	Employee and worker engagement is an ongoing process and plays a vital role in shaping and executing the Company's strategy and business plans. Through various training programs, welfare initiatives, and related measures, the Company strives to enhance employee engagement and competency at work, while also promoting a healthy work-life balance.
4	Customers	No	Personal visits, Mass media, digital communications, E-mails, Plant visits and social media	Continuous	Customer stewardship is demonstrated through transparency, enabling informed choices, customer centric design, and continuous innovation.
5	Communities	Yes	CSR activities, Meetings and briefings, Impact assessment surveys, Official communication channels, including emails, advertisements, Publications, Websites, and social media	Continuous	The Company undertakes community initiatives aimed at improving local surroundings, facilities, and the overall standard of living for communities. These efforts include enhancing school infrastructure, constructing and maintaining toilets in public schools, and similar welfare measures.
6	Suppliers and Dealers	No	Supplier & vendor meets, Workshops & trainings, Policies, IT-enabled information sharing tools and recognition platforms, Dialogue on the industry initiatives, and training course.	Continuous	The Company undertakes training, quality improvement, capacity building initiatives, and safety related programs in accordance with the new clauses under ISO 14000. Supplier meetings are organised to discuss the Company's vision and mission, review business plans, and recognise performance through supplier awards.
7	Government and Regulators	No	Official communication channels, Regulatory audits/ inspections, Environmental compliance, Policy intervention, good governance, and Statutory Corporate Filings.	Need Based	Reporting and compliance with legal and regulatory requirements.

Leadership Indicators

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

At Sona Comstar, the Board has instituted a range of committees to ensure effective oversight and safeguard the interests of stakeholders. Among these, the ESG Committee plays a pivotal role in monitoring progress on key environmental, social, and governance initiatives and objectives, while also guiding management on future strategic directions. Continuous stakeholder engagement and consultation are undertaken by the management team in collaboration with relevant departments. The management team is responsible for reporting to the Board and the ESG Committee on progress against defined KPIs, key developments, and any exceptions arising from projects or workstreams linked to stakeholder priorities.

LI-2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Sona Comstar incorporates stakeholder consultations as a key input for identifying and managing environmental and social priorities. Like, for CSR initiatives, the Company regularly engages with local communities, school authorities, youth, and women through meetings and discussions to understand ground-level needs. Inputs received from these consultations have directly shaped CSR interventions—for instance, feedback on lack of employment opportunities led to skill development programs for local youth; concerns around environmental degradation and low green cover resulted in Miyawaki forest plantations; and inputs from schools and communities on inadequate sanitation facilities led to the construction of school toilets. This approach ensures that initiatives are need-based, locally relevant, and aligned with community priorities, thereby improving effectiveness and sustainability of CSR activities.

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

Sona Comstar's CSR Policy of the Company is structured around six thematic pillars, each representing one or more focused area of intervention aimed at contributing meaningfully to nation-building and social development:

- Promotion of Education
- Promotion of skill development and livelihood enhancement/ generation of employment,
- Environmental sustainability,
- Water conservation, eradicating
- Women empowerment

Some of our key initiatives include:

Naam Foundation: This intervention focuses on desilting and restoring percolation tanks (Pazar Talav), along with stream deepening and bund strengthening, combining ecological restoration with community participation, wherein 2 major water bodies restored with 147,600 cubic meters of desilting completed. This project is expected to stabilise irrigation cycles post-monsoon and can enable crop diversification and strengthen dairy livelihoods of the nearby villagers.

Tata Strive Skill Development Centre: This intervention bridges the employability gaps among youth by creating industry-aligned skilling pathways linked to formal employment, livelihood generation, and workforce participation.

Plantation and Maintenance of Miyawaki Dense Forest of multi species plants under the “Go Green Initiative with Catch Foundation: The project aims to establish a dense, multi-species plantation that gradually restores ecological balance in degraded landscapes. Over 23,000 saplings have been planted, supported by irrigation infrastructure and protective systems, and has established a structured implementation and monitoring framework, with 12–16 workers engaged per month, contributing to local employment generation.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

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

Category	FY2025-26			FY2024-25		
	Total (A)	No. of employees / workers covered (B)	%(B / A)	Total(C)	No. of employees / workers covered (D)	%(D / C)
Employees						
Permanent	1830	1830	100%	1495	1495	100%
Other than permanent	1	1	100%	3	3	100%
Total Employees	1831	1831	100%	1498	1498	100%
Workers						
Permanent	391	391	100%	318	318	100%
Other than permanent	4469	4469	100%	3203	3203	100%
Total Workers	4860	4860	100%	3521	3521	100%

El-2. Details of minimum wages paid to employees, in the following format:

Category	FY2025-26					FY2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total(D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	%(C / A)		No.(E)	% (E /D)	No.(F)	% (F /D)
Employees										
Permanent	1830	0	0%	1830	100%	1495	0	0%	1495	100%
Male	1679	0	0%	1679	100%	1373	0	0%	1373	100%
Female	151	0	0%	151	100%	122	0	0%	122	100%
Other than Permanent	1	0	0%	1	100%	3	0	0%	3	100%
Male	0	0	0%	0	0%	3	0	0%	3	100%
Female	1	0	0%	1	100%	0	0	0%	0	0%
Workers										
Permanent	391	0	0%	0	100%	318	0	0%	318	100%
Male	360	0	0%	360	100%	286	0	0%	286	100%
Female	31	0	0%	31	100%	32	0	0%	32	100%
Other than Permanent	4469	2751	62%	1718	38%	3203	598	19%	2605	81%
Male	4215	2507	59%	1708	41%	3042	479	16%	2563	84%
Female	254	244	96%	10	4%	161	119	74%	42	26%

Remark: The above data pertains to permanent employees and worker of India location.

El-3. a. Details of remuneration/salary/wages, in the following format: Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In Million INR)	Number	Median remuneration/ salary/ wages of respective category (In Million INR)
Board of Directors (BoD)	6	5.86	3	5.70
Key Managerial Personnel	4	35.86	0	0
Employees other than BoD and KMP	1,519	1.06	97	1.2
Workers	352	1.07	8	2.13

Remark: The above data pertains to permanent employees and worker of India location.

El-3. b. Provide information on Gross wages paid to females by the entity, in the following format:

Particulars	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages*	3.72%**	4.01%**

*The above data pertains to standalone entity.

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

Note: Doesn't include ESOP perquisite value

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

Yes, Sona Comstar has established 'Fair Work Practice Guidelines,' and any concerns related to these may be reported to grievancesofficer@sonacomstar.com.

Nodal Officers:

- Ms. Kaushik Ramanujam, Vice President – HR (Driveline Business)
- Mr. Ramesh V, Associate Vice President – HR (Motor Business)
- Mr. Amin Rao. Senior General Manager - HR (Railway Division)

In addition, the Company has constituted an Ethics Committee comprising the Chief Executive Officer of the respective business, the Chief Financial Officer, and the Head of Legal. This committee is responsible for processing and investigating protected disclosures. Concerns can be reported directly to them via speakup.sbpl@sonacomstar.com, or individuals may approach the committee members in person for a facetoface meeting.

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

Sona Comstar’s Code of Conduct and Business Ethics serves as a cornerstone of responsible business practices, strongly deterring any form of wrongdoing and promoting equal opportunities for all employees at the workplace. The Code ensures a safe, fair, and inclusive environment by prohibiting discrimination and harassment, while also providing a structured grievance redressal mechanism.

In alignment with these principles, the company has adopted and implemented the following policies to safeguard employee rights, uphold ethical standards, and strengthen stakeholder confidence:

- POSH Policy – ensuring protection against sexual harassment and fostering a safe workplace.
- Grievance Redressal Policy – providing employees with a transparent mechanism to raise and resolve concerns.
- Code of Conduct and Business Ethics for Employees – guiding ethical behaviour and professional integrity.
- Fair Work Practice Guidelines & Memorandum of Understanding – reinforcing equitable treatment and fair labor practices.
- Privacy Policy – safeguarding personal and professional data of employees and stakeholders.
- Code of Conduct for Vendors – extending ethical standards across the supply chain.
- Nomination and Remuneration Policy – ensuring fairness and transparency in appointments and compensation of Directors, Key Managerial Personnel, and employees.
- Policy to Promote Diversity on the Board – fostering inclusivity and diverse representation at the leadership level.

El-6. Number of Complaints on the following made by employees and workers:

	FY2025-26			FY2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	1	During the financial year 2025-26, the Company received 3 (three) complaints on sexual harassment (including one pertaining to a wholly owned subsidiary in USA), of which 2 (two) have been suitably resolved in accordance with the Company's established processes. One complaint received towards the end of February 2026, was investigated by the Internal Committee (IC), however it was concluded after the close of financial year but before the signing of this report. Based on the findings of the IC, the matter was not established under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour/Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

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

Particulars	Current Financial Year	Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	0
Complaints on POSH as a % of female employees / workers	0.67%	0%
Complaints on POSH upheld	0	0

Remarks: Data reported for Indian entity as per SEBI requirements.

Although not reflected in the above table, one case from the USA also occurred during the Financial Year and is being disclosed here for transparency..

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

The Company has a formal gender neutral “Prevention of Sexual Harassment (POSH) Policy” applicable across all its locations. Additionally, PoSH compliance is extended to vendors and third parties to ensure protection across the workplace ecosystem. The policy provides a structured mechanism for prevention, prohibition and redressal of complaints, ensuring fair handling of cases. Internal Committees (IC) are constituted at multiple locations in compliance with the PoSH Act. The ICs are independent in composition and include external members to ensure impartiality. All complaints are handled with strict confidentiality, and IC members are bound by confidentiality obligations to safeguard the identity of the complainant. Complaints are addressed in a time-bound manner, including provision for immediate meetings upon receipt of complaints. This creates a zero-tolerance culture. The Company also has a Whistle-blower Policy and Code of Conduct, with oversight by the Audit Committee, enabling secure reporting and escalation. Regular awareness and sensitisation programmes are conducted to foster a respectful workplace culture.

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

Yes. Sona Comstar has established a Code of Conduct for Vendors, which explicitly incorporates aspects of human rights within their operations and mandates ethical business practices. Compliance with this Code is a contractual requirement, ensuring that all vendors align with the company’s standards of responsibility, integrity, and respect for human rights.

EI-10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

Remarks: The above assessment is carried out internally by the Company as well as periodically by OEMs as part of their audit process.

EI-11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant human rights risks or concerns were identified during the assessment.

Leadership Indicators

LI-1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Sona Comstar is committed to upholding fundamental human rights across all its operations, guided by its established codes and policies. Employees are regularly educated and sensitised on the Code of Conduct, human rights, and freedom of association through structured training and awareness initiatives. As part of its contractual obligations, the company also communicates its compliance with these standards to many of its customers. During tshe reporting period, no new business processes were introduced or modified specifically to address human rights grievances or complaints.

LI-2. Details of the scope and coverage of any human rights due-diligence conducted.

Sona Comstar fully adheres to all applicable labor laws and holds OHSAS 18001 certification, underscoring its commitment to occupational health and safety. As part of the induction process, employees undergo training on the company’s Code of Conduct, which addresses key human rights issues including child labor, gender diversity, and workplace discrimination. In addition, comprehensive background verification is conducted for all new hires to ensure integrity and compliance from the outset.

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

Yes, areas of the premises and offices which do not have restrictions on access for the visitors are accessible to visitors with disabilities.

LI-4. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Sona Comstar integrates sustainable and responsible supply chain practices into its vendor identification and procurement processes. The Company's Vendor Code of Conduct and Green Procurement Guidelines reflect its commitment to ethical business conduct, responsible sourcing, sustainability, resource optimisation, and social responsibility. These requirements are embedded within business agreements and digitally acknowledged by all potential suppliers. The procurement team ensures that every vendor formally accepts the Vendor Code of Conduct.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

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

No significant risk was identified during the reporting period.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

EI-1. Details of total energy consumption in GigaJoules (GJ), in the following format:

Parameter	FY 2025-26	FY 2024-25
Total electricity consumption (A)	16,847	13,639
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	16,847	13,639
From non-renewable sources		
Total electricity consumption (D)	3,12,460	2,95,130
Total fuel consumption (E)	98,137	83,923
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	4,10,597	3,79,053
Total energy consumed (A+B+C+D+E+F)	4,27,444	3,92,692
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	9.61 GJ / Million	11.07 GJ / Million
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	195.40 GJ / Million	228.79 GJ / Million
Energy intensity in terms of physical output[#]	0.01 GJ / Total sales quantity	0.01 GJ / Total sales quantity

*The revenue from operations has been adjusted for PPP using the latest conversion factor published by the IMF for India, which is 20.34 for the year.

[#]Though Energy intensity for total number of units sold by the company has been given above as required by the BRSR format, this may not be comparable using count of physical output as common unit of measurement and may not be the correct representation of “energy intensity by physical output” across different years as the company manufactures multiple products.

EI-1. Indicate if any independent assessment/evaluation/assurance for energy has been conducted by an external agency. If Yes, provide the name of the agency:

Yes, reasonable assurance has been carried out by Grant Thornton LLP.

EI-2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

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

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	13,761	26,134
(iii) Third party water	1,30,644	1,21,984
(iv) Seawater / desalinated water	0	0
(v) Others	504	522
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,44,909	1,48,640
Total volume of water consumption (in kilolitres)	1,39,469	1,48,640
Water intensity per rupee of turnover (Water consumed / turnover)	3.13 KL / Million	4.19 KL / Million
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	63.76 KL / Million	86.60 KL / Million
Water intensity in terms of physical output#	0.003 KL / Total sales quantity	0.003 KL / Total sales quantity

*The revenue from operations has been adjusted for PPP using the latest conversion factor published by the IMF for India, which is 20.34 for the year.
#Though Water intensity for total number of units sold by the company has been given above as required by the BRSR format, this may not be comparable using count of physical output as common unit of measurement and may not be the correct representation of “water intensity by physical output” across different years as the company manufactures multiple products.

El-3. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. -

Yes, reasonable assurance has been carried out by Grant Thornton LLP.

El-4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(v) Others		
- Tertiary level of treatment	5,440	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	5,440	0

El-4. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. -

Yes, reasonable assurance has been carried out by Grant Thornton LLP.

El-5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Sona Comstar has a Zero Liquid Discharge (ZLD) plant at its Gurugram site with an operational capacity of treating 70 KLD (Kilo Liters per Day) of wastewater for reuse within the premises. A Membrane Bioreactor (MBR) and Conditioning Unit with a High Recovery RO Membrane-based Recycling System is installed in the ZLD plant to treat high TDS water. At the Chennai site, an Effluent Treatment Plant (ETP) is operational, where waste coolant from shop floor machines and floor cleaning water serves as the inlet. The treated wastewater from the ETP is then fed to an evaporator.

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

Parameter	Please specify unit	Current Financial Year	Previous Financial Year
NOx	Mg/Nm ³	98	69
SOx	Mg/Nm ³	11	3
Particulate matter (PM)	Mg/Nm ³	13	13
Persistent organic pollutants (POP)	Not applicable		
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify in the remark section			

Data pertains to Sona Comstar’s Gurugram location.

El-6. Indicate if any independent assessment/evaluation/assurance for Air emissions has been conducted by an external agency. If Yes, provide the name of the agency:

NA

El-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2) in MTCO₂e, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	5,700	5,174
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	61,436	59,485
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	TCO ₂ e / rupee of turnover	1.51 TCO ₂ e / Million	1.82 TCO ₂ e / Million
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*	TCO ₂ e / rupee of turnover	30.69 TCO ₂ e / Million	37.67 TCO ₂ e / Million
Total Scope 1 and Scope 2 emission intensity in terms of physical output#	TCO ₂ e / rupee of turnover	0.0014 TCO ₂ e / Total sales quantity	0.0014 TCO ₂ e / Total sales quantity

*The revenue from operations has been adjusted for PPP using the latest conversion factor published by the IMF for India, which is 20.34 for the year.
#Though Emission intensity for total number of units sold by the company has been given above as required by the BRSR format, this may not be comparable using count of physical output as common unit of measurement and may not be the correct representation of “emission intensity by physical output” across different years as the company manufactures multiple products.

El-7. Indicate if any independent assessment/evaluation/assurance for GHG Emissions (Scope 1 and 2) has been conducted by an external agency. If Yes, provide the name of the agency: -

Yes, reasonable assurance has been carried out by Grant Thornton LLP.

El-8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Sona Comstar has demonstrated a structured and technology-driven approach towards energy conservation by integrating process optimisation, automation, efficient equipment, and renewable energy solutions, resulting in measurable reductions in energy consumption of approximately 7,52,468 KWh.

El-9 Provide details related to waste management by the entity for the Current Financial Year:

Parameter	FY2025-26	FY2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	184.40	97
E-waste(B)	23.50	0.67
Bio-medical waste (C)	0.03	0.01
Construction and demolition waste (D)	0	0
Battery waste (E)	4.42	5.5
Radioactive waste (F)	0	0
Other Hazardous waste.Please specify, if any. (G)	782.70	762.92
Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)	21,068.48	20,623.74
Total (A + B + C + D + E + F + G + H)	22,063.53	21,489.97
Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)	0.50 MT / Million	0.61 MT / Million
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total Waste Generated / Revenue from operations adjusted for PPP)	10.09 MT / Million	12.52 MT / Mill
Waste intensity in terms of physical output (Total Waste Generated / Physical Output)#	0.0005 MT / Total sales quantity	0.0005 MT / Total sales quantity

Parameter	FY2025-26	FY2024-25
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Recycled	21,412.88	20,798.74
Reused	-	31
Other recovery operations	0	0
Total	21,412.88	20,829.74
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Incineration	0.03	0.21
Landfilling	24.60	95
Other disposal operations	626.02	589.44
Total	650.65	684.65

*The revenue from operations has been adjusted for PPP using the latest conversion factor published by the IMF for India, which is 20.34 for the year.

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

El-9. Indicate if any independent assessment/evaluation/assurance for Waste has been conducted by an external agency. If Yes, provide the name of the agency:

Yes, reasonable assurance has been carried out by Grant Thornton LLP.

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

The Company ensures that both hazardous and non-hazardous waste products are recycled exclusively through authorised recyclers, while making steady progress towards phasing out landfilling altogether. All major plant locations are equipped with advanced Wastewater Treatment Plants (WWTP), integrating Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP). By embedding the principles of Reduce, Reuse, and Recycle into operations, we have significantly improved efficiency.

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

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	None of the Sona Comstar facilities are located in ecologically sensitive zones.		

El-12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

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

El-13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the company has complied with all applicable environmental laws, regulations and guidelines.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Not applicable			

Leadership Indicators

LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

There is no water withdrawal, consumption and discharge in areas of water stress.

(i) Name of the area

(ii) Nature of operations

(iii). Water withdrawal, consumption and discharge in areas of water stress (in kilolitres) for the current year: Water withdrawal, and discharge in the following format:

Parameter	FY2025-26	FY2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal(in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

LI-1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

LI-2. Please provide details of total Scope 3 emissions (MTCO2E) & its intensity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Breakup of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	-	-
Total Scope 3 emissions per rupee of turnover	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-

LI-2. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. -

Not applicable

LI-3. With respect to the ecologically sensitive areas reported at El-11 above, provide details of the significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not applicable

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

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Replacement with High Efficiency Motors	Replaced IE2 motors in Cooling Towers with IE5 energy-efficient motors to reduce power consumption and improve system reliability.	65.7 MWh/year
2	Furnace Efficiency Improvement	Waste heat recovery from flue gases for preheating (CGCF furnace), high emissivity coating, improved insulation, cycle time optimisation, capacity enhancement from 360 kg to 500 kg, and DWM implementation for gas leakage control.	127.7 MWh/year
3	Compressed Air Leakage Reduction	Weekly night inspections, installation of shut-off valves and solenoid valves, replacement of PU pipes and fittings.	54.7 MWh/year
4	Idle Energy Reduction in Shot Blasting	Auto shut-off system installed; motors stop after 10 minutes of idle condition.	27.3 MWh/year
5	Solar Heating in Phosphating Process	Installed solar water heating system replacing electrical heaters, reducing dependency on grid power.	80.3 MWh/year
6	Equipment Optimisation & Control Measures	Energy-saving modes activated in CNC and forging equipment, auto idle shutdown, motor interlocking, reduction of ejector pressure from 80 to 30 bar.	51.1 MWh/year
7	Solar Power Utilisation During DG Running	Solar power used during DG operation to support load during power failure.	23.7 MWh/year
8	Energy optimisation in OSI Varnish Oven	Varnish OvenReduced cooler zone blower speed by pulley modification and reduced preheat & curing circulation motor speed using VFD	38.5 MWh/year
9	Replacement with IE3/IE4 Motors	Upgraded low-efficiency motors in Cooling Tower, OSI Oven, AHU fans, Guitti machines, and Collection Tank blower	24.03 MWh/year
10	Intelligent AC Controllers Installation	Installed smart controllers in SMT building, Environmental Lab, and IMCM canteen to optimise runtime, temperature, and reduce idle operation	15.3 MWh/year
11	Conversion to Hydropneumatic Press	Converted 3 pneumatic toggle presses to hydropneumatic presses to reduce compressed air consumption	7.4 MWh/year
12	Solar Water Heater Installation	Installed solar water heater for canteen dishwashing application	8.66 MWh/year
13	HVLS Fans Installation	Replaced conventional shopfloor man coolers with 2 energy-efficient HVLS fans (1.96 kW), reducing capacity by 0.95 kW	5.7 MWh/year
14	VRV AC Installation	Replaced conventional AC with VRV system	6.25 MWh/year
15	Lighting Energy Saver Installation	Installed lighting energy saver system in SMT new building	6.6 MWh/year
16	Use of Ultrafiltration Process	Installed ultrafiltration system to enhance wastewater treatment efficiency and solid removal	TSS improved from 110–120 mg/L to 8–10 mg/L
17	250 w HPSV Light replace with 80w LED Light	250 w HPSV Light replace with 80w LED Light in hall -6 (174 light replaced)	53.2 MWh/year
18	Energy consumption reduction in press machine	Energy consumption reduction, Changing of Hydraulic Design. Introduction of new less Capacity Motors	81.753 MWh/Year
19	400 KW Solar installation	Energy cost reduction after 400 KW Solar installation	Increase in renewable energy

LI-5. Does the entity have a business continuity and disaster management plan? If yes, please give details in 100 words or input web link.

Yes, Sona Comstar has established an emergency procedure integrated within its management system to effectively address emergency situations and minimise risks to both the environment and human health. A comprehensive list of potential emergencies has been identified, and the roles and responsibilities of relevant personnel are clearly defined to ensure effective response. The Safety Officer oversees the conduct of mock drills at six-month intervals, while safety drills are organised every two months or as per plan to evaluate preparedness. In addition, regular training and awareness programs are conducted for employees and emergency handling teams to strengthen their capability to respond to actual emergency situations. This structured approach ensures systematic validation of emergency preparedness and reinforces the organisation’s commitment to safety and sustainability.

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

No areas or materials within the entity’s value chain are known to be causing significant adverse environmental impact.

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

Nil

LI-8. How many Green Credits have been generated or procured?

a. Generated by the listed entity - Nil

b. Procured by the top ten (in terms of value of purchases and sales, respectively) value chain partners -

Nil

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

EI-1.a. Number of affiliations with trade and industry chambers/ associations: 5

EI-1.b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

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

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

S. No.	Name of authority	Brief of the case	Corrective action taken
Sona Comstar has not engaged in any anti-competitive practices, and consequently, no corrective measures have been taken or are pending with respect to such conduct by regulatory authorities.			

Leadership Indicators

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board	Web Link, if available
Nil					

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

EI-1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-	-

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

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the Financial Year (In INR)
-	-	-	-	-	-	-

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

The Company’s CSR team is in regular communication with the implementing partners and also pays visits to the CSR projects site. The Company also conducts Impact Assessment of its CSR interventions. This helps the Company to get community feedback across all its CSR projects from time to time. Any aggrieved individual/ groups can express their grievances through the regular interventions of this annual impact assessment exercise.

El-4. Input material sourced from suppliers (by value):

Category	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers	26%	34%
Sourced directly from within India	83%	80%

Remark: For FY 2025–26, the value of raw materials purchased has been considered as input material. Figures for the previous year have not been restated using this year’s methodology.

Data has been reported for Indian entity as per SEBI requirements and industry standard notes as per ISF.

El-5. Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Location	Current Financial Year	Previous Financial Year
Rural	-	-
Semi-Urban	3.19%	3.8%
Urban	77.48%	96.2%
Metropolitan	19.33%	-

Note: The above data pertains to standalone entity for Permanent employees and Permanent workers. Data has been reported for Indian entity as per SEBI requirements and industry standard notes as per ISF. Place has been categorised as per RBI Classification System- rural/ semi-urban/ urban/ metropolitan.

The population in the aforementioned locations was chosen using data from the 2011 census, and the locations were classified in accordance with RBI rules.

Leadership Indicators

LI-1. If any Social Impact Assessments have been reported in EI-1, please provide details of actions taken to mitigate any negative social impacts identified:

S. No.	Details of negative social impact identified	Corrective action taken
	Not applicable	

LI-2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Haryana	Nuh	35,05,000

LI-3.a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No) - No

LI-3.b. From which marginalised /vulnerable groups do you procure? - Not applicable

LI-3.c. What percentage of total procurement (by value) does it constitute? - Not applicable

LI-4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1		Not applicable		

LI-5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.

S. No.	Name of authority	Brief of the Case	Corrective action taken
1		Not applicable	

LI-6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Contribution to Centre for Innovation Incubation and Entrepreneurship (CIIE Initiatives-IIMA)	Community at large	
2	Contribution to Foundation for Innovation and Technology Transfer (FITT)- “Sona-Comstar – IIT-Delhi Innovation in Mobility Programme-Incubators-FY 2026”	Community at large	
3	Sona Comstar Scholarship with Ashoka University for Ashoka University Scholars	5 women students	100%
4	Construction/renovation and maintenance of basic infrastructure in Govt. School in Tamil Nadu	6,670 students	100%
5	Sona Comstar Tata Strive Skill Development Centre in Chennai along with Residential facilities-Chennai	426 students	100%
6	Plantation and maintenance of Miyawaki Dense Forest of multi species plants under the “Go Green Initiative” at Manesar-with Catch Foundation	Community at large	
7	Building of infrastructure in Schools in Nuh, Haryana	1,650 students	100%
8	Distribution of Mid-Day Meals in partnership with Akshaya Patra Foundation	9,091 students	100%
9	Supporting Basic Education in partnership with Vidya Integrated Development for Youth and Adults (“VIDYA”)	760 students	100%
10	Creating a skill training centre with Tata Community Initiatives Trust-“Sona Comstar Tata Strive Skill Development Centre in Pune”	The centre has been set-up and shall resume the training activities soon.	
11	Creating a skill training centre with Tata Community Initiatives Trust-“Sona Comstar Tata Strive Skill Development Centre in Faridabad”	The centre has been set-up and shall resume the training activities soon.	
12	Water conservation Programme in partnership with Naam Foundation, in Pune	4,000 village residents	100%

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

EI-1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Sona Comstar operates primarily as a B2B company, supplying its products mainly to large OEMs. The Company is committed to ensuring complete and timely deliveries in accordance with customer schedules. Should any concerns arise, customers may report them directly to the Company’s representative or submit their complaints via email for prompt resolution.

EI-2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	Nil
Recycling and/or safe disposal	Nil

EI-3. Number of consumer complaints in respect of the following:

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

EI-4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	Not Applicable

EI-5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has established an Information Security and Data Privacy framework aligned with ISO 27001:2022, supported by defined policies, standards, and governance mechanisms to safeguard the confidentiality, integrity, and availability of information assets. The framework extends across IT systems, operational technology (OT) environments, cloud infrastructure, and third-party ecosystems, with periodic risk assessments, audits, and management oversight.

The Company has implemented layered security controls including continuous security monitoring through a Security Operations Center (SOC), identity and access management (IAM), vulnerability management, and incident response processes. Regular awareness programs, cyber drills, and resilience measures such as backup and recovery are conducted to enhance preparedness. Ongoing initiatives, including Zero Trust architecture (ZTA), IT-OT segmentation, and alignment with global standards such as TISAX, further strengthen the Company’s cybersecurity posture and data protection capabilities.

EI-6. Provide details of any corrective actions taken or underway on issues relating to any of the following:

- i. Advertising; – Nil
- ii. Delivery of essential services; – Nil
- iii. Cyber security and data privacy of customers; – Nil
- iv. Re-occurrence of instances of product recalls – Nil
- v. penalty / action taken by regulatory authorities on safety of products / services. – Nil

EI-7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches-0
- b. Percentage of data breaches involving personally identifiable information of customers-0
- c. Impact, if any, of the data breaches-Not Applicable

The Company maintains a proactive cybersecurity monitoring and incident management framework to detect and respond to potential threats. No material data breaches were identified during the reporting period. Continuous monitoring, incident response readiness, and compliance with regulatory reporting requirements ensure timely detection, containment, and mitigation of any potential data security incidents.

Leadership Indicators

LI-1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

All key information is readily accessible through the company’s official website: <https://sonacomstar.com/>. Complementing this, the Sona Comstar LinkedIn page serves as a dynamic platform for ongoing stakeholder communication, offering regular updates, insights, and highlights on our products and services. Together, these channels reflect our commitment to transparency, accessibility, and continuous engagement with stakeholders.

LI-2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Sona Comstar is committed to engaging with its customers responsibly and delivering sustained value through transparent practices and adherence to global standards. As a B2B company serving leading OEMs, the company ensures compliance with REACH and IMDS requirements, embedding product validation and safety assurance into the development process. Beyond compliance, Sona Comstar emphasises collaborative engagement with customers, jointly agreeing on packaging specifications to guarantee safe and efficient logistics in line with benchmarks. Through these measures, the company reinforces its dedication to consumer responsibility, building trust, and contributing to sustainable mobility solutions.

LI-3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

Not applicable

LI-4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

- a. Not Applicable.
- b. Sona Comstar consistently undertakes customer satisfaction surveys to capture feedback on its products and services, while also monitoring evolving market trends and customer expectations. Insights from the customer scorecard survey reflect a strong base of satisfied customers. This outcome is driven by the company’s commitment to innovation, a customer-first philosophy, and adherence to high-quality standards.

Independent practitioner’s reasonable assurance report on Identified Sustainability Information included in Sona BLW Precision Forgings Limited’s Business Responsibility and Sustainability Report

To the Board of Directors of Sona BLW Precision Forgings Limited

1. We have been engaged to perform a reasonable assurance engagement for Sona BLW Precision Forgings Limited (the ‘Holding Company’) (and its subsidiaries (the Holding Company and its subsidiaries together referred to as ‘the Group’) as listed in boundary below), vide our engagement letter dated 18 May 2026 in respect of non-financial information pertaining to core attributes of Business Responsibility and Sustainability Report (BRSR) listed below (the “Identified Sustainability Information”) prepared by the Holding Company’s management in accordance with the Criteria stated below. This Identified Sustainability Information is included in the BRSR section in the Annual Report of the Group for the financial year ended 31 March 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and engineers.

Identified Sustainability Information

2. The Identified Sustainability Information for the financial year ended 31 March 2026 is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	- Total energy consumption (in Joules or multiples) and energy intensity % of energy consumed from renewable sources - Energy intensity measured as joules or multiples / revenue from operations adjusted for purchasing power parity
Water footprint	Principle 6 – 3	- Total water consumption - Water consumption intensity
	Principle 6 – 4	Water Discharge by destination and levels of Treatment
Greenhouse (GHG) footprint	Principle 6 – 7	Greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity
Embracing circularity - details related to waste management by the entity	Principle 6 – 9	- Details related to waste generated by the entity (category wise) - Waste intensity - Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations - For each category of waste generated, total waste disposed by nature of disposal method
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	Spending on measures towards well-being of employees and workers (including permanent and other than permanent) – cost incurred as a % of total revenue of the company
	Principle 3 – 11	Safety related incidents: - Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) - Total recordable work-related injuries - No. of fatalities - High consequence work-related injury or ill health (excluding fatalities)
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Enabling Inclusive Development	Principle 8 – 4	Percentage of input material (inputs to total inputs by value) sourced from MSMEs/ small producers and from within India
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
Open-ness of business	Principle 1 - 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties

3. Boundary of the report covers the Group’s operations in India and overseas, covering the Corporate Office and Manufacturing Facilities as of 31 March 2026.

S.No.	Name of the holding/subsidiary company	Indicate whether Holding/ Subsidiary
1	Sona BLW Precision Forgings Limited	Holding Company
2	Comstar Automotive Technologies Services Private Limited	Subsidiary
3	Comstar Automotive USA LLC	Subsidiary
4	Comstar Automotive Hongkong Limited	Subsidiary
5	Comestel Automotive Technologies Mexicana Limited	Subsidiary
6	Comstar Automotive (Hangzhou) Co., Ltd.	Subsidiary
7	Comstar Hong Kong Mexico No.1, LLC	Subsidiary
8	Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V	Subsidiary
9	Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V.	Subsidiary
10	Sona Comstar eDrive Private Limited	Subsidiary
11	Sona BLW Edrive Mexicana, S.A.P.I. de C.V.	Subsidiary
12	Novelic d.o.o. Beograd*	Subsidiary
13	Novelic SRL*	Subsidiary
14	Novelic ESC DOOEL Skopje*	Subsidiary
15	NIRSEN d.o.o. Beograd Zvezdara*	Subsidiary
16	Novelic GmbH*	Subsidiary
17	Novelic India Private Limited*	Subsidiary

*Environmental data excludes all the Novelic subsidiaries as these are not material for the environmental indicators of the report

4. Our reasonable assurance engagement is with respect to the Identified Sustainability Information for the reporting boundary as mentioned above for financial year ended 31 March 2026 only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any opinion thereon.

Criteria

5. The criteria used by the Holding Company to prepare the Identified Sustainability Information is summarised below (hereinafter referred to as ‘Criteria’):

Regulation 34(2)(f) of the Securities and Exchange Board of India (the “SEBI”) (Listing Obligations and Disclosure Requirements), Regulations, 2015 (‘LODR Regulations’) as amended, read with SEBI Master circular HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30 January 2026 and BRSR Core Reporting Standard formulated by Industry Standards Forum.

Management’s Responsibilities

6. The Holding Company’s management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

7. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Practitioner’s Independence and Quality Control

8. We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) (‘IESBA Code’) issued by the International Ethics Standards Board for Accountants’ (‘IESBA’), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and we have the required competencies and experience to conduct this assurance engagement.
9. Our firm applies International Standard on Quality Management (ISQM) 1, “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Practitioner’s Responsibility

10. Our responsibility is to express a reasonable assurance in the form of an opinion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.
11. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (“ISAE 3000 (Revised)”), issued by the International Auditing and Assurance Standards Board (“IAASB”). This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria.
12. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.
13. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.
14. Given the circumstances of the engagement, in performing the procedures listed above, we:

• Conducted discussions with individual data owners for understanding business processes and data management processes at corporate office of the Group.

• Conducted walkthroughs and visited the plants in Gurugram and Manesar for data and document verification

• Conducted interviews with senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.

• Reviewed the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Group to support relevant performance disclosures within our scope.

• Evaluated the suitability and application of Criteria and that the Criteria have been applied appropriately to the subject matter.

• Selected key parameters and representative sampling, based on statistical sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.

• Re-performed calculations to check accuracy of claims,

• Reviewed data from independent sources, wherever available,

• Reviewed data, information about sustainability performance indicators and statements in the report.

• Reviewed and verified information/ data as per the BRSR Framework.

• Reviewed accuracy, transparency and completeness of the information/ data provided.
15. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Exclusions:

Our reasonable assurance engagement scope excludes the following and therefore we do not express an opinion on the same:

- Operations of the Group other than those mentioned in the paragraph 2 and 3 above on Scope of Assurance

- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the Identified Sustainability Information.
- Data and information outside the defined reporting period i.e., 01 April 2025 to 31 March 2026.
- Data related to Group’s financial performance, strategy and other related linkages expressed in Identified Sustainability Information.
- The statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Group.
- Assertions related to Intellectual Property Rights and other competitive issues
- Mapping of the Identified Sustainability Information with reporting frameworks other than those mentioned in Criteria above.
- While we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.
- The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Opinion

16. Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Information included in the BRSR for the financial year ended 31 March 2026 is prepared in all material respects, in accordance with the Criteria.

Restriction on use or distribution

17. Our reasonable assurance report has been prepared and addressed to the Board of Directors of the Holding Company at the request of the Holding Company solely, to assist the Group in reporting on the Group’s sustainability performance and activities. Accordingly, this report may not be suitable for any other purpose and should not be used by any other party other than Board of Directors of the Holding Company. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom this report is shown or into whose hands it may come without our prior consent in writing.

Grant Thornton Bharat LLP

Abhishek Tripathi
Partner
Date: 16th June 2026
Place: Grant Thornton Bharat LLP
Unit No. 02, Second Floor,
BPTP Capital City, Plot No – 2B, Sector-94,
Noida, Gautam Buddha Nagar - 201301
Uttar Pradesh, India

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 March 31, 2026, 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 March 31, 2026, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Key audit matters
Impairment of goodwill
As detailed in Note 46 to the standalone financial statements, the Company carries goodwill amounting to INR 3,628.00 million in its standalone balance sheet as at March 31, 2026.
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 January 7, 2022 post which the Company and its wholly owned subsidiary Comstar Automotive Technologies Private Limited were merged.
The goodwill (related to Railway Division) was recorded pursuant to business transfer agreement dated February 10, 2025, effective from June 01, 2025, being the date on which substantive conditions for consummation of the transaction were met.
In terms with Indian Accounting Standard 36, Impairment of Assets, goodwill is tested for impairment annually by the management at the CGU level, whereby the carrying amount of the CGU (including goodwill) is compared with the recoverable amount of the CGU.
Impairment assessment requires significant estimations and judgement with respect to inputs used and assumptions made to prepare the forecasted financial information, used to determine the recoverable amount, using discounted cash flow model (‘Model’).
Key assumptions used in management’s assessment of the carrying amount of goodwill and indefinite life intangible assets includes the expected growth rates, estimates of future financial performance, market conditions and discount rates, amongst others.
The management has concluded that the recoverable amount of the CGU is higher than its carrying amount and accordingly, no impairment provision has been recorded as at March 31, 2026.
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.

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.

How our audit addressed the key audit matters
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;
f) Assessed the professional competence and objectivity of the expert used by the management for to estimate the recoverable value of the CGUs;
g) 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;
h) Performed sensitivity analysis on these key assumptions to assess the degree of estimation uncertainty involved in the estimates and
i) Assessed the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements in accordance with the accounting standards.

Key audit matters	How our audit addressed the key audit matters
Impairment assessment of investment in a subsidiary company	Our audit procedures included, but were not limited to, the following:
As described in Note 46 to the standalone financial statements, the Company owns 54% equity share capital in one of its subsidiaries, Novelic d.o.o. Beograd (‘the Subsidiary’). As at year end, the Subsidiary’s net worth is lower than the carrying value of the investment, and such condition has been identified as an impairment indicator under Ind AS 36, Impairment of Assets (‘Ind AS 36’) and accordingly, the management has performed a detailed impairment assessment in accordance with the requirements of Ind AS 36.	a) Obtained an understanding from the management with respect to its impairment assessment process, including around identification of impairment indicators and the assumptions and estimates used made by the management in detailed impairment assessment workings.
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 appropriate discount rate and cash flow projections based on underlying business plans of the subsidiary company, expected growth rates in the business and other market related factors.	b) Evaluated the design and tested the operating effectiveness of controls related to aforementioned impairment assessment process.
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 March 31, 2026.	c) Obtained the impairment analysis carried out by the management for the Subsidiary investment and tested its mathematical accuracy.
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 recoverable value, we have determined impairment of such investment as a key audit matter for current year audit.	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) Assessed the professional competence and objectivity of the external valuation expert engaged by the management for performing the required valuations to estimate the recoverable value of the investment;
	g) 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;
	h) Performed sensitivity analysis on these key assumptions to assess the degree of estimation uncertainty involved in the estimates;
	i) Assessed the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements in accordance with the accounting standards.
Business combination	Our audit procedures included, but was not limited to the following procedures:
As set out in note 49 to the standalone financial statements, the Company has acquired the Railway Division of Escorts Kubota Limited, as a going concern on a slump sale basis for a total consideration of INR 16,426.32 million (including licenses worth INR 8,550 million) pursuant to the Business Transfer Agreement dated February 10, 2025. The business combination has been given effect from June 1, 2025, being the date on which substantive conditions for consummation of the transaction were met determined as the acquisition date in accordance with Ind AS 103, Business Combinations (‘Ind AS 103’).	a) Obtained and understood the terms of the arrangement underlying the business acquisition made by the Company during the year to confirm the determination of control and the acquisition date in accordance with Ind AS 103;
The said business combination has resulted in recognition of goodwill and licenses, apart from other identifiable assets acquired and liabilities assumed. The Company has performed a purchase price allocation by allocating the purchase consideration paid to the respective fair values of the assets acquired and liabilities assumed as above.	b) Evaluated the design and tested the operating effectiveness of the Company’s controls over the accounting of business combination, which includes valuation of identified assets and liabilities acquired under the business combination;
The identification and valuation of acquired assets and assumed liabilities including intangible assets involved significant management judgement in terms of making estimates and assumptions including the discount rate and growth rate assumptions which have high inherent estimation uncertainty.	c) Assessed appropriateness of the accounting policy adopted by the management in terms of the requirements of Ind AS 103;
Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved as described above, we have determined the accounting for business combination as a key audit matter for the current year audit.	d) Assessed the competence and objectivity of the management’s expert and gained an understanding of the work done by the management’s valuation expert.
	e) Obtained report of the management’s external valuation specialist for the valuations performed of acquired assets and assumed liabilities for the purpose of purchase price allocation, and tested the mathematical accuracy of underlying workings.
	f) Involved our auditor’s valuation experts to assist us in validating the valuation assumptions and methodology considered by the management’s expert to allocate the purchase price to identifiable assets and liabilities;
	g) Assessed the reasonableness of the management estimates and judgements used to fair value the identifiable assets and liabilities and identifiable intangible assets acquired;
	h) Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements, in accordance with applicable accounting standards.

INFORMATION OTHER THAN THE 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 March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under Section 143(3)(b) of the Act and paragraph

17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on March 31, 2026 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 March 31, 2026.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2026;

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 March 31, 2026;

iv.

a The management has represented that, to the best of its knowledge and belief, as disclosed in note 50 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 50 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 March 31, 2026 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 March 31, 2026 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 March 31, 2026 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 April 01, 2025, 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 throughout the year at data base 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 being
- 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
- Nalin Jain**
Partner
Membership No.: 503498
UDIN: 26503498XTMQFS4739
- Place: New Delhi
Date: April 30, 2026
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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 March 31, 2026

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 with gross carrying value of INR13.10 million as at March 31, 2026, 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 or advances in the nature of loans to other parties during the year, in respect of which:

(a)

The Company has provided loans or advances in the nature of loans, or guarantee to Subsidiaries/ Others during the year as per details given below:

Particulars	Guarantees	Loans	Advances in the nature of loans
Aggregate amount provided/granted during the year (INR):			
- Subsidiaries	834.55	-	-
- Others (Employees)	-	15.99	0.65
Balance outstanding as at balance sheet date (INR):			
- Subsidiaries	1,574.26	-	-
- Others (Employees)	-	6.46	2.95
- (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 are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided any security.
- (c)

In respect of advances in the nature 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 and advances in the nature of 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 loans and investments made and guarantees and security 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,
- (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	105.59	14.17	Assessment Year (AY) 2017-18	Commissioner of Income-Tax (Appeals)
Income-tax Act, 1961	Income Tax Demand	8.63	1.18	Assessment Year (AY) 2018-19	Commissioner of Income-Tax (Appeals) / Assessing Officer
Service tax	Service tax	0.47	-	Financial Year 2005-06 to FY 2007-08	Commissioner of Central exercise (Appeal)
Goods and Services tax Act, 2017	Goods and Services tax Act	281.97	-	Financial Year 20018-19 to FY 2019-20	Madras High Court

- (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 account.
- (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.

- 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.
- (c)

In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (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.	(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.	(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.
(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company. (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.	(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. 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.		For Walker Chandiok & Co LLP Chartered Accountants Firm's Registration No.: 001076N/N500013 Nalin Jain Partner Membership No.: 503498 UDIN: 26503498XTMQFS4739 Place: New Delhi Date: April 30, 2026
(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 material fraud on the Company has been noticed or reported during the period covered by our audit. (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-Section 12 of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit. (c) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures.	(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.		
(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.	(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.		
(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.			

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 March 31, 2026, 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 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 March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Nalin Jain
Partner
Membership No.: 503498
UDIN: 26503498XTMQFS4739

Place: New Delhi
Date: April 30, 2026

Standalone Balance Sheet

as at March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,369.80	11,040.09
Right-of-use assets	3	1,914.52	2,037.75
Capital work-in-progress	3	861.46	1,073.57
Goodwill	4	3,628.00	1,582.24
Other intangible assets	4	11,732.12	2,916.25
Intangible assets under development	4	61.75	627.11
Financial assets			
(i) Investments	5	6,037.85	5,587.43
(ii) Other financial assets	6	508.32	497.77
Income tax assets (net)	7	24.04	26.16
Other non-current assets	8	767.17	688.35
Total non-current assets		40,905.03	26,076.72
Current assets			
Inventories	9	5,492.75	3,076.51
Financial assets			
(i) Investments	5	4,897.26	7,839.15
(ii) Trade receivables	10	10,760.33	6,281.64
(iii) Cash and cash equivalents	11	293.73	9,586.93
(iv) Bank balances other than (iii) above	12	1,913.83	2,525.69
(v) Other financial assets	6	3,991.86	5,096.69
Other current assets	8	1,509.62	1,056.93
Total current assets		28,859.38	35,463.54
Total assets		69,764.41	61,540.26
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13(A)	6,218.47	6,217.18
Other equity	14	52,196.52	47,734.10
Total equity		58,414.99	53,951.28
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	43	1,372.27	1,435.82
(ii) Other financial liabilities	16	2.75	2.24
Provisions	17	593.49	251.82
Deferred tax liabilities (net)	18	934.19	728.12
Total non-current liabilities		2,902.70	2,418.00
Current liabilities			
Financial liabilities			
(i) Borrowings	15	2,190.00	0.00
(ii) Lease liabilities	43	71.82	60.56
(iii) Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		952.83	453.28
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,190.89	2,481.44
(iv) Other financial liabilities	16	1,068.91	1,680.09
Other current liabilities	20	563.17	344.51
Provisions	17	326.93	88.86
Current tax liabilities (net)	21	82.17	62.24
Total current liabilities		8,446.72	5,170.98
Total liabilities		11,349.42	7,588.98
Total equity and liabilities		69,764.41	61,540.26
The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements.	1 to 54		

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

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

Nalin Jain
Partner
Membership No.: 503498

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Jeffrey Mark Overly
Chairman and Independent Director
DIN: 09041143
Place: Florida, USA

Rohit Nanda
Group Chief Financial Officer

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

Suman Poddar
Company Secretary
M.No.: ACS-24008

Place: Gurugram
Date: April 30, 2026

Place: New Delhi
Date: April 30, 2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	22	41,236.74	32,262.98
Foreign exchange gain (net)		313.97	65.00
Other income	23	1,146.78	1,407.78
Total income		42,697.49	33,735.76
Expenses			
Cost of materials consumed	24 (a)	19,779.88	13,878.60
Changes in inventories of finished goods and work-in-progress	24 (b)	(312.18)	186.11
Employee benefits expense	25	3,469.15	2,453.26
Finance costs	26	187.39	279.08
Depreciation and amortisation expense	27	2,599.40	2,326.61
Other expenses	28	7,893.42	6,704.08
Total expenses		33,617.06	25,827.74
Profit before exceptional items and tax		9,080.43	7,908.02
Exceptional items	29	507.91	192.85
Profit before tax		8,572.52	7,715.17
Tax expense	30		
- Current tax		1,893.16	1,885.95
- Tax related to previous years		9.13	(7.62)
- Deferred tax charge		206.08	39.96
Total tax expense		2,108.37	1,918.29
Profit for the year		6,464.15	5,796.88
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements (losses)/gains on defined benefit plans		14.11	(11.18)
Income tax relating to above mentioned items		(3.55)	2.82
<i>Items that will be reclassified to profit or loss</i>			
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (refer note 48)		(366.50)	19.29
Income tax relating to above mentioned items		92.25	(4.85)
Other comprehensive income/(loss) for the year		(263.69)	6.08
Total comprehensive income for the year		6,200.46	5,802.96
Earnings per equity share of face value of INR 10 each			
Earnings per share (Basic) (in INR)	37	10.40	9.57
Earnings per share (Diluted) (in INR)	37	10.40	9.57
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

Nalin Jain
Partner
Membership No.: 503498

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Jeffrey Mark Overly
Chairman and Independent Director
DIN: 09041143
Place: Florida, USA

Rohit Nanda
Group Chief Financial Officer

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

Suman Poddar
Company Secretary
M.No.: ACS-24008

Place: New Delhi
Date: April 30, 2026

Place: Gurugram
Date: April 30, 2026

Standalone Cash Flow Statement

for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flows from operating activities		
Profit before income tax	8,572.52	7,715.16
<i>Adjustments for:</i>		
Depreciation and amortisation expense	2,599.40	2,326.61
(Gain)/Loss on sale of property plant and equipment (net)	(19.27)	1.30
Share based payments	246.47	287.64
Unwinding of discount on fair valuation of security deposits and deferred payment liabilities	8.56	31.93
Provision for slow moving inventory	61.98	21.82
Fair value loss on derivatives	64.67	25.63
Profit on sale of investments	(368.90)	(405.95)
Dividend income	(213.38)	(198.24)
Provision for warranty	176.57	26.90
Finance costs	162.38	240.64
Interest income	(534.22)	(788.25)
Unrealised foreign exchange (gain)/loss (net)	(250.34)	17.17
Operating profit before working capital changes	10,506.44	9,302.36
Changes in working capital		
Movement in inventories	(717.83)	17.59
Movement in trade receivables	(2,737.62)	(459.75)
Movement in financial assets	(83.45)	13.97
Movement in other assets	(331.07)	(172.02)
Movement in trade payables	573.69	240.86
Movement in financial liabilities	132.90	(25.05)
Movement in provisions	402.26	(17.31)
Movement in other liabilities	190.13	51.47
Cash generated from operations	7,935.45	8,952.12
Direct taxes paid	(1,789.56)	(1,626.49)
Net cash flow generated from operating activities - Total (A)	6,145.89	7,325.63
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)	(3,903.41)	(3,766.00)
Proceeds from sale of property, plant and equipment	127.46	14.76
Fixed deposits created during the year	(15,190.54)	(28,611.26)
Fixed deposits matured during the year	17,024.16	22,516.89
Sale/(Purchase) of current investment (net)	2,767.70	(7,162.05)
Purchase consideration for business acquisition through slump sale	(16,426.32)	-
Purchase of non-current investments (refer note 5)	(1,162.16)	(1,154.93)
Dividend received	213.38	198.24
Interest received	1,142.73	595.94
Net cash (used) in investment activities - Total (B)	(15,406.99)	(17,368.41)

Standalone Cash Flow Statement

for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	For the year ended March 31, 2026	For the year ended March 31, 2025
C. Cash flows from financing activities		
Proceeds/(Repayment) from short term borrowings (net)	2,190.00	(1,843.84)
Repayment of long term borrowings	-	(3,442.99)
Proceeds from long term borrowings	-	2,956.25
Repayment of deferred payment liabilities	(10.56)	(33.45)
Repayment of principal amount of lease liabilities	(62.04)	(51.13)
Interest paid on lease liabilities	(138.17)	(143.03)
Dividend paid	(1,989.91)	(1,892.03)
Proceeds from issue of equity shares [including securities premium, (net)]	2.79	23,931.53
Interest paid	(24.21)	(97.61)
Net cash flow (used in)/generated from financing activities - Total (C)	(32.10)	19,383.70
D. Net (decrease)/increase in cash and cash equivalents (A)+(B)+(C)	(9,293.20)	9,340.92
E. Cash and cash equivalents at the beginning of the year	9,586.93	246.01
F. Cash and cash equivalents at the end of the period (D)+(E)	293.73	9,586.93
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	293.67	166.41
Cash on hand	0.06	0.06
Bank deposits with original maturity of less than three months	-	9,420.46
Balances per statement of cash flows	293.73	9,586.93

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

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

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

Nalin Jain
Partner
Membership No.: 503498

Place: New Delhi
Date: April 30, 2026

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Jeffrey Mark Overly
Chairman and Independent Director
DIN: 09041143
Place: Florida, USA

Rohit Nanda
Group Chief Financial Officer

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

Suman Poddar
Company Secretary
M.No.: ACS-24008

Place: Gurugram
Date: April 30, 2026

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

A. EQUITY SHARE CAPITAL

	Amount
Balance as at April 01, 2024	5,864.48
Equity share issued during the year (refer note 13)	352.70
Balance as at March 31, 2025	6,217.18
Equity share issued during the year (refer note 13)	1.29
Balance as at March 31, 2026	6,218.47

B. OTHER EQUITY

	Reserve and Surplus					Equity instruments through other comprehensive income	Cash Flow Hedge Reserve	Merger reserve	Total
	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Employee's stock options reserve				
Balance as at April 01, 2024	120.00	5,680.81	25.93	13,463.47	155.11	(328.28)	21.57	737.23	19,875.84
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	-	-	-	-	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 March 31, 2025	120.00	29,373.40	25.93	17,359.95	409.86	(328.28)	36.01	737.23	47,734.10

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	Reserve and Surplus					Equity instruments through other comprehensive income	Cash Flow Hedge Reserve	Merger reserve	Total
	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Employee's stock options reserve				
Net profit for the year	-	-	-	6,464.15	-	-	-	-	6,464.15
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (net of tax) (refer note 48)	-	-	-	-	-	-	(274.25)	-	(274.25)
Remeasurement of defined benefit obligations (net of tax)	-	-	-	10.56	-	-	-	-	10.56
Dividend paid (refer note 34)	-	-	-	(1,989.91)	-	-	-	-	(1,989.91)
Employee stock option reserve created during the year (refer note 45)	-	-	-	-	250.36	-	-	-	250.36
Impact on exercise of ESOPs grants (Refer note 45)	-	55.13	-	-	(55.13)	-	-	-	-
Premium on ESOPs issue	-	1.50	-	-	-	-	-	-	1.50
Balance as at March 31, 2026	120.00	29,430.03	25.93	21,844.75	605.09	(328.28)	(238.24)	737.23	52,196.52

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

Nalin Jain
Partner
Membership No.: 503498

Jeffrey Mark Overly
Chairman and Independent Director
DIN: 09041143
Place: Florida, USA

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

Rohit Nanda
Group Chief Financial Officer

Suman Poddar
Company Secretary
M.No.: ACS-24008

Place: New Delhi
Date: April 30, 2026

Place: Gurugram
Date: April 30, 2026

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

1. COMPANY OVERVIEW

Sona BLW Precision Forgings Limited ("the Company") is a public limited company incorporated and domiciled in India and having its registered office at Sona Enclave, Village Begumpur, Khatola, Sector 35, Gurugram. It was incorporated on October 27, 1995 and began commercial production in November 1998. The Company is design, manufacture, and supply highly engineered, mission-critical, high-quality, complex, and bespoke systems and components for global OEMs in electric, personalized, intelligent and connected mobility.

The standalone financial statements are prepared on a going-concern basis.

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 April 30, 2026.

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 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 capitalized at discounted value. The difference between the discounted value and the total payment is recognized 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 or technical evaluation: -

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 March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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

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

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 derecognized.

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 amortization 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 capitalization are expensed as incurred.

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

Amortization methods and periods.

The amortization period and the amortization 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 amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization 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
RDSO License	30

The remaining amortization period for material individual intangible assets is 0-29 years.

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

Derecognition:

An intangible asset is derecognized 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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

reported at the exchange rate prevailing on the date of transaction.	Export benefit entitlements/any other incentive under various schemes notified by the government are recognized 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.
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 recognizes 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 amortized 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 recognized as and when the right of the Company to receive payment is established.	c. Revenue from contract with customers To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process: - Identifying the contract with customer - Identifying the performance obligations - Determining the transaction price - Allocating the transaction price to the performance obligations - Recognising revenue when/as performance obligation(s) are satisfied. Revenue from contracts with customers for products sold and service provided is recognised when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 30-90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. These activity-specific revenue recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below. <i>Consideration for revenue contracts</i> 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 March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

g) Financial instruments

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

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

- 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 recognizes 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 recognizes 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 amortized cost** – a financial instrument is measured at amortized 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 amortized 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 amortized cost using effective interest method. Amortized cost is calculated after considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortization is included as finance costs in the statement of profit and loss.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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 realize 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 amortized 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 recognized 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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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 amortization 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 realizable 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 realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit accounts, margin deposit money and highly liquid

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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 plans for employees. The liability in respect of gratuity plans is calculated annually by independent actuary using the projected unit credit method. The Company recognizes 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 recognized 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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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)

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2026, MCA has notified following new standards or amendments to the existing standards applicable to the Group:

Ind AS 1 – Presentation of Financial Statements (effective April 01, 2025)

The amendment clarifies the classification of liabilities as current or non-current and specifically addresses non-current liabilities with covenants. For determining whether a liability is current, the amendment removes the requirement for an unconditional right to defer settlement for at least twelve months after the reporting date. Instead, it requires that the right to defer settlement must exist as of the reporting date and must have substance. It also provides additional guidance on classifying liabilities subject to covenants.

Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures (effective April 01, 2025)

The amendment to Ind AS 7 requires companies to disclose the existence of supplier finance arrangements, including the nature of such arrangements, the carrying amount of related liabilities, and the range of payment

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

due dates. Ind AS 107 has been correspondingly amended to include supplier finance arrangements as a factor that may contribute to concentration of liquidity risk.

Ind AS 12 – Income Taxes: International Tax Reform – Pillar Two Model Rules

The amendments provide a temporary mandatory relief from recognising deferred tax arising from top-up tax, and require entities to disclose whether this relief has been applied. The relief is effective immediately and applies retrospectively. The amendments also require companies to provide new disclosures regarding potential top-up tax exposures in future periods. These disclosures are applicable for annual reporting periods beginning on or after April 01, 2025.

Ind AS 21 – The Effects of Changes in Foreign Exchange Rates (effective April 01, 2025)

The amendments address the ‘Lack of Exchangeability’ guidance under Ind AS 21. These amendments clarify the assessment of exchangeability of a currency and the determination of an appropriate spot exchange rate when exchangeability is lacking, and require disclosures enabling users to understand the resulting financial impact. The amendments are effective for annual reporting periods beginning on or after April 01, 2025.

The amendments are not expected to have a material 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 March 31, 2026

(Figures in Million INR, except per share data, number of shares and 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 April 01, 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 March 31, 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 April 01, 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 March 31, 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
Gross carrying amount as at April 01, 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
Acquired through business combination (refer note 49)	1,994.03	210.98	583.77	107.88	3.81	19.44	5.32	-	2,925.23	70.15	-	-	-
Additions	1,301.05	233.93	1,492.57	39.67	30.40	52.61	101.58	2.48	3,254.31	2,942.14	-	10.35	10.35
Transfer on capitalisation [#]	-	-	-	-	-	-	-	-	-	(3,224.39)	-	-	-
Disposals	-	-	(249.55)	(1.56)	-	(13.19)	(33.28)	-	(297.58)	-	-	-	-
Gross block as at March 31, 2026	3,321.20	1,857.60	16,480.92	308.80	249.99	351.02	375.35	171.61	23,116.51	861.46	845.55	1,665.55	2,511.10
Accumulated depreciation as at April 01, 2025	-	283.83	5,276.00	71.98	127.60	221.12	122.51	91.42	6,194.46	-	49.96	413.03	463.00
Depreciation charge during the year	-	87.26	1,477.54	28.49	22.80	53.57	53.40	18.58	1,741.64	-	2.64	130.94	133.58
Disposals	-	-	(155.99)	(1.08)	-	(12.98)	(19.35)	-	(189.40)	-	-	-	-
Closing accumulated depreciation	-	371.09	6,597.55	99.39	150.40	261.71	156.56	110.00	7,746.70	-	52.60	543.97	596.58
Net carrying amount as at March 31, 2026	3,321.20	1,486.51	9,883.37	209.41	99.59	89.31	218.79	61.61	15,369.80	861.46	792.95	1,121.57	1,914.52

[#] 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 March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

CWIP aging schedule as at March 31, 2026

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*	486.41	324.82	25.66	24.57	861.46

*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 March 31, 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.

Notes:

- (i) Building (gross block) amounting INR 1,428.55 million (March 31, 2025: INR 1,213.69 million), net block INR 1,053.62 million (March 31, 2025: INR 896.82 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 (net carrying amount) of INR 298.54 million (March 31, 2025: INR 148.10 million) and capital work-in-progress of INR 22.18 million (March 31, 2025: INR 24.63 million) is lying with job workers.
- (v) Capital work-in-progress includes amount of INR 14.72 million (March 31, 2025: INR 22.83 million) pertaining to projects in progress which have crossed the budgeted period.
- (vi) During the year, based on a technical evaluation of the useful life of its plant and machinery carried out by the Company, it has revised the remaining estimated useful life of certain items of plant and machinery with effect from April 01, 2025 to reflect fairly the economic benefit it expects to receive from the continuing use of those assets. This has resulted in a decrease in depreciation charge by INR 329.40 million for the year ended March 31, 2026.

4 INTANGIBLE ASSETS, INTANGIBLE ASSETS UNDER DEVELOPMENT AND GOODWILL

Intangible assets	Computer software	Technical knowhow	Technology development expenditure	Brand [#]	Customer Relationships	RDSO License (refer note 49)	Goodwill (Including Assembled workforce and future customer) [#]	Total	Intangible assets under development [#]	Total
Gross carrying amount as at April 01, 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 March 31, 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 April 01, 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 March 31, 2025	349.75	29.17	848.13	-	1,121.02	-	-	2,348.06	-	-
Net carrying amount as at March 31, 2025	198.72	2.06	220.10	687.40	1,807.98	-	1,582.24	4,498.49	627.11	627.11

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Intangible assets	Computer software	Technical knowhow	Technology development expenditure	Brand [#]	Customer Relationships	RDSO License (refer note 49)	Goodwill (Including Assembled workforce and future customer) [#]	Total	Intangible assets under development [#]	Total
Gross carrying amount as at April 01, 2025	548.47	31.23	1,068.23	687.40	2,929.00	-	1,582.24	6,846.56	627.11	627.11
Acquired through business combination (refer note 49)	13.93	-	7.48	-	-	8,550.00	2,045.76	10,617.17	30.70	30.70
Additions	118.16	-	850.48	-	-	-	-	968.64	359.53	359.53
Disposal	(0.56)	-	-	-	-	-	-	(0.56)	-	-
Transfer to intangible assets	-	-	-	-	-	-	-	-	(955.59)	(955.59)
Gross block as at March 31, 2026	680.00	31.23	1,926.19	687.40	2,929.00	8,550.00	3,628.00	18,431.81	61.75	61.75
Accumulated amortisation as at April 01, 2025	349.75	29.17	848.13	-	1,121.02	-	-	2,348.06	-	-
Amortisation charge for the year	88.34	0.54	202.16	-	195.64	237.50	-	724.18	-	-
Disposals	(0.56)	-	-	-	-	-	-	(0.56)	-	-
Closing accumulated amortisation as at March 31, 2026	437.53	29.71	1,050.29	-	1,316.66	237.50	-	3,071.69	-	-
Net carrying amount as at March 31, 2026	242.47	1.52	875.90	687.40	1,612.34	8,312.50	3,628.00	15,360.12	61.75	61.75

[#] Refer note 46

Intangible assets under development aging schedule for the year ended March 31, 2026

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*	5.36	25.55	30.83	-	61.75

*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 March 31, 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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

5 INVESTMENTS (NON-CURRENT)

	As at March 31, 2026	As at March 31, 2025
At Cost, Unquoted investments, Investment in equity shares of subsidiary companies		
1,878,801 (March 31, 2025: 1,878,801) equity shares of USD 1 each in Comstar Automotive Hong Kong Ltd.	229.45	229.45
1,500,000 (March 31, 2025: 1,500,000) equity shares of INR 10 each in Sona Comstar eDrive Private Limited	15.00	15.00
130,000 (March 31, 2025:1,30,000 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 (March 31, 2025: 250,000) equity shares of USD 10 each in Comstar Automotive USA LLC	1,248.90	1,248.90
54% voting rights (March 31, 2025: 54% voting rights) in Novelic d.o.o. Beograd (refer note 46 (b))	3,506.37	3,506.37
190,937,974 (March 31, 2025: 99,940,474) equity shares of 1 peso each in Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	885.01	438.42
Deemed Investment (refer note 36)*	10.38	6.54
1 (March 31, 2025: 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 (March 31, 2025: 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 (March 31, 2025: 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 (March 31, 2025: 42,716) equity shares of INR 10 each in Clean Max Calypso Private Limited	54.94	54.94
17,805 (March 31, 2025: 17,805) equity shares of INR 10 each in Clean Max Nova Private Limited	14.00	14.00
	6,037.85	5,587.43
Aggregate amount of unquoted non-current investments	6,037.85	5,587.43
Aggregate amount of unquoted investments at market value	68.94	68.94
Aggregate amount of impairment of unquoted investments	328.28	328.28

* Non cash item not considered in cash flow statement.

** 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 March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	As at March 31, 2026	As at March 31, 2025
Investment (current)		
At fair value through profit and loss - Quoted Investment		
Nil (March 31, 2025: 185,396) of Axis Overnight Fund - Regular	-	250.50
Nil (March 31, 2025: 18,833) of SBI Overnight Fund - Regular	-	78.22
Nil (March 31, 2025: 84,150,909) Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund	-	1,013.28
Nil (March 31, 2025: 79,098,779) HDFC Nifty G-sec Dec 2026 Index Fund	-	943.58
Nil (March 31, 2025: 85,811,549) SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund	-	1,034.01
36,336,507 (March 31, 2025: 36,336,507) SBI CRISIL IBX Gilt Index April 2029 Fund	472.92	445.57
35,605,517 (March 31, 2025: 59,272,114) Aditya Birla Sun Life CRISIL IBX	456.03	709.56
Nil (March 31, 2025: 85,216,025) Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026	-	1,034.97
Nil (March 31, 2025: 27,937,956) Aditya Birla Sun Life Nifty SDL Apr 2027 Index Fund	-	339.49
Nil (March 31, 2025: 80,638,565) Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027	-	963.69
9,787,446 (March 31, 2025: Nil) SBI Arbitrage Opportunities Fund - Dir - Growth	369.09	-
3,450,233 (March 31, 2025: Nil) Aditya Birla Sun Life Arbitrage Fund - Dir - Growth	103.67	-
20,792,242 (March 31, 2025: Nil) Tata Arbitrage Fund - Dir - Growth	330.04	-
23,176,577 (March 31, 2025: Nil) HDFC Arbitrage Fund - WP - Dir - Growth	490.14	-
15,551,192 (March 31, 2025: Nil) Axis Arbitrage Fund - Dir - Growth	331.35	-
79,977 (March 31, 2025: Nil) Tata Money Market Fund - Dir - Growth	403.01	-
Nil (March 31, 2025: 85,328,745) Axis CRISIL IBX SDL May 2027 Index Fund - Direct	-	1,026.28
50 (March 31, 2025: Nil) National Bank For Agriculture And Rural Development SR MIF 1B	50.66	-
6,000 (March 31, 2025: Nil) National Bank For Agriculture And Rural Development SR 25A	632.24	-
2,000 (March 31, 2025: Nil) Rec Limited SR 234-A	209.17	-
2,500 (March 31, 2025: Nil) Rec Limited SR 237	258.74	-
5,000 (March 31, 2025: Nil) Small Industries Development Bank Of India SR II	522.42	-
2,500 (March 31, 2025: Nil) Small Industries Development Bank Of India SR I	267.78	-
	4,897.26	7,839.15
Aggregate amount of quoted investments at market value	4,897.26	7,839.15

6 OTHER FINANCIAL ASSETS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Non current		
Security deposits	109.12	97.28
Fixed deposits with banks with maturity period of more than 12 months	399.20	400.49
Total other financial assets	508.32	497.77
Current		
Forward contract receivables (refer note 33 and 48)	-	4.35
Security deposits	176.23	-
Other financial assets	9.20	-
Fixed deposits with original maturity more than 12 months and remaining as at reporting date is less than 12 months	3,806.43	5,092.34
Total other financial assets	3,991.86	5,096.69

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

7 INCOME TAX ASSETS (NET)

	As at March 31, 2026	As at March 31, 2025
Non current		
Prepaid taxes*	24.04	26.16
	24.04	26.16

*Amount paid under protest of INR 15.35 million (March 31, 2025: INR 17.47 million)

8 OTHER ASSETS

	As at March 31, 2026	As at March 31, 2025
Non current		
Prepaid expenses	13.45	6.91
Un-adjusted consideration for revenue contract	-	11.22
Capital advances	335.14	241.21
Other assets	418.58	429.02
Total other assets- non current	767.17	688.35
Current		
Prepaid expenses	139.54	124.64
Loans and advances to employees	11.18	11.87
Advance to suppliers for goods and services	328.51	214.23
Balance with government authorities	928.25	568.41
Un-adjusted consideration for revenue contract	10.96	11.21
Other assets	111.56	146.95
Less: Allowance for doubtful advances	(20.38)	(20.38)
Total other assets- current	1,509.62	1,056.93

9 INVENTORIES

	As at March 31, 2026	As at March 31, 2025
Raw materials and components*	2,297.66	842.80
Work-in-progress**	1,001.74	372.37
Finished goods***	1,682.33	1,439.05
Stores and spares	206.05	155.10
Loose tools	53.25	44.94
Dies, jigs and fixtures	241.49	212.11
Scrap	10.23	10.14
Total#	5,492.75	3,076.51

Total inventory is net of provision for obsolete and slow moving inventory amounting to INR 224.36 million (March 31, 2025: INR 93.88 million)

* Includes raw materials and components in transit amounting INR 47.56 million (March 31, 2025: INR 87.10 million)

* Includes raw materials and components with the vendors sent for job work INR 37.26 million (March 31, 2025: INR 11.01 million)

** Includes inventory with the vendors sent for job work INR 134.40 million (March 31, 2025: INR 111.66 million)

*** Includes goods in transit INR 799.74 million (March 31, 2025: INR 535.46 million)

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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

10 TRADE RECEIVABLES

	As at March 31, 2026	As at March 31, 2025
Unsecured		
Trade receivables considered good	10,760.33	6,281.64
Trade receivables - credit impaired	24.24	5.07
Less: Allowances for expected credit loss	(24.24)	(5.07)
Total trade receivables	10,760.33	6,281.64

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.
- (vi) Based on historical data, loss on collection of receivables is not material hence no additional provision considered.
- (vii) Trade receivables as on March 31, 2024 was INR 5,821.36 million.

Trade receivables ageing schedule as at March 31, 2026

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	8,588.00	1,924.60	208.69	27.12	11.50	0.42	10,760.33
(ii) Trade receivables - credit impaired	-	-	-	4.37	5.75	14.12	24.24

Trade receivables ageing schedule as at March 31, 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

11 CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Balance with banks		
- in current accounts*	293.67	166.41
Cash on hand	0.06	0.06
Bank deposits with original maturity of less than three months	-	9,420.46
Total cash and cash equivalents	293.73	9,586.93

* Includes INR 5.30 million (March 31, 2025: INR 7.97 million) for amount earmarked for corporate social responsibility.

12 OTHER BANK BALANCES

	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity of more than three months but residual maturity of less than twelve months	1,913.83	2,525.69
Total other bank balances	1,913.83	2,525.69

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

13 (A) EQUITY SHARE CAPITAL

	As at March 31, 2026	As at March 31, 2025
Authorised share capital		
1,148,500,000 (March 31, 2025: 1,148,500,000) equity shares of INR 10 each	11,485.00	11,485.00
Issued, subscribed and paid up share capital		
621,846,890 (March 31, 2025: 621,717,975) equity shares of INR 10 each fully paid up	6,218.47	6,217.18

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

	As at March 31, 2026	As at March 31, 2025
Equity shares outstanding at the beginning of the year	621,717,975	586,447,778
Add: Issue of shares (refer note 45 and 47)	128,915	35,270,197
Equity shares outstanding at the end of the year	621,846,890	621,717,975

Amount	As at March 31, 2026	As at March 31, 2025
Equity shares outstanding at the beginning of the year	6,217.18	5,864.48
Add: Issue of shares	1.29	352.70
Equity shares outstanding at the end of the year	6,218.47	6,217.18

ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of INR10 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 March 31, 2026	As at March 31, 2025
Aureus Investment Private Limited	174,208,904	174,208,904
SBI Fund	59,234,424	53,564,349
ICICI Prudential Fund	49,757,690	22,723,217
Government Of Singapore	40,680,686	42,535,803

Percentage	As at March 31, 2026	As at March 31, 2025
Aureus Investment Private Limited	28.01%	28.02%
SBI Fund	9.53%	8.62%
ICICI Prudential Fund	8.00%	3.65%
Government Of Singapore	6.54%	6.84%

iv) 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 March 31, 2026 and five years immediately preceding the year ended March 31, 2026.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

v) Promoters shareholding

Shareholding of promoters as on March 31, 2026

Promoter name	Number of shares	% of total shares	% change during the year
Aureus Investment Private Limited	174,208,904	28.01	(0.01)
*Rani Kapur- RK Family Trust	72	**	**
*Ashok Sachdev	151	**	**
*Jasbir Sachdev	361	**	**
*Charu Sachdev	423	**	**
*Raghuvanshi Investment Private Limited	744	**	**
Total	174,210,655	28.01	(0.01)

Shareholding of promoters as on March 31, 2025

Promoter name	Number of shares	% of total shares	% change during the year
Aureus Investment 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)

* Promoter Group

** Percentage is negligible

13 (B) PREFERENCE SHARE CAPITAL

	As at March 31, 2026	As at March 31, 2025
Authorised share capital		
1,500,000 (March 31, 2025: 1,500,000) preference shares of INR 10 each	15.00	15.00
Issued, subscribed and paid up share capital		
Nil (March 31, 2025: Nil) Compulsorily convertible preference shares of INR 10 each fully paid up	-	-

14 OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025
Retained earnings	21,844.75	17,359.95
General reserve	120.00	120.00
Securities premium (net)	29,430.03	29,373.40
Capital redemption reserve	25.93	25.93
Equity instruments through other comprehensive income	(328.28)	(328.28)
Employee's stock options reserve	605.09	409.86
Cash flow hedge reserve (net of tax) (refer note 48)	(238.24)	36.01
Merger Reserve	737.23	737.23
Total reserves and surplus	52,196.52	47,734.10

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

a) Retained earnings

	As at March 31, 2026	As at March 31, 2025
Opening balance	17,359.95	13,463.47
Net profit for the year	6,464.15	5,796.88
Remeasurement of defined benefit obligations, net of tax	10.56	(8.36)
Less:-Dividend paid	(1,989.91)	(1,892.04)
Closing balance	21,844.75	17,359.95

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

b) General reserve

	As at March 31, 2026	As at March 31, 2025
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 March 31, 2026	As at March 31, 2025
Opening balance	29,373.40	5,680.81
Premium on ESOPs issue	1.50	231.66
Add: Premium on fresh issue of equity shares (refer note 47)	-	23,652.17
Add: Impact on ESOP shares issuance	55.13	39.18
Less: Expense related to capital raising	-	(230.42)
Closing balance	29,430.03	29,373.40

- (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 previous year, the Company incurred INR 305.00 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 March 31, 2026	As at March 31, 2025
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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

e) Merger Reserve

	As at March 31, 2026	As at March 31, 2025
Opening balance	737.23	737.23
Movement during the year	-	-
Closing balance	737.23	737.23

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

f) Equity instruments through other comprehensive income

	As at March 31, 2026	As at March 31, 2025
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 March 31, 2026	As at March 31, 2025
Opening balance	409.86	155.11
Add: Created during the year (refer note 45)	250.36	293.93
Less: Utilised during the year	(55.13)	(39.18)
Closing balance	605.09	409.86

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 March 31, 2026	As at March 31, 2025
Opening balance	36.01	21.57
Add: Changes in fair value of hedge instruments	368.01	45.87
Less: Amount reclassified to statement of profit and loss	(734.51)	(26.58)
Less: Deferred tax relating to above	92.25	(4.85)
Closing balance	(238.24)	36.01

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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

15 BORROWINGS

Current borrowings

	As at March 31, 2026	As at March 31, 2025
Secured		
Indian Rupee loans from banks (refer note (a) below)	2,190.00	-
Total current borrowings	2,190.00	-

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:

- WCDL amounting INR 740 million (March 31, 2025: Nil) is repayable on demand carries interest @ floating rate linked with T-bill, current year effective rate is in the range of 6.01% - 6.30% p.a (March 31, 2025: N/A)
- EPC amounting INR 1,450 million (March 31, 2025: Nil) is repayable on demand carries interest @ floating rate linked with T-bill, current year effective rate is in the range of 6.07% - 6.33% p.a (March 31, 2025: N/A)

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 April 01, 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 March 31, 2025	-	-	1,496.37	1,496.37
Cash Flows:				
Proceeds from current borrowings (net)	-	2,190.00	-	2,190.00
Repayment of lease liabilities	-	-	(200.20)	(200.20)
Non-cash changes				
Creation of lease liabilities	-	-	9.75	9.75
Interest expense on lease liabilities	-	-	138.17	138.17
Balance As at March 31, 2026	-	2,190.00	1,444.09	3,634.09

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

16 OTHER FINANCIAL LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Non current		
Security deposits	2.75	2.24
Total other financial liabilities - non current	2.75	2.24
Current		
Interest accrued but not due on borrowings	4.25	-
Security deposits	3.76	3.33
Employee benefits payable	392.52	281.91
Capital creditors*	209.31	654.40
Forward contract payables (refer note 33 and 48)	448.60	-
Payable to founders of Novellic d.o.o. (refer note 46(b))	-	537.33
Payable to Novellic d.o.o. (refer note 36 and 46(b))	-	191.11
Other payables	10.47	12.01
Total other financial liabilities - current	1,068.91	1,680.09

* includes MSME balance of INR 73.16 million (March 31, 2025: INR 162.54 million)

17 PROVISIONS

	As at March 31, 2026	As at March 31, 2025
Non current		
Provision for compensated absences (refer below)	172.74	132.15
Provision for defined benefit plans (refer note 38)	403.40	78.66
Provision for warranty (refer below)	17.35	41.01
Total provisions - non current	593.49	251.82
Current		
Provision for compensated absences (refer below)	86.60	61.54
Provision for defined benefit plans (refer note 38)	67.00	-
Provision for warranty (refer below)	173.33	27.32
Total provisions - current	326.93	88.86

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

	March 31, 2026	March 31, 2025
Opening balance	193.69	163.30
Acquired through business combination (refer note 49)	15.04	-
Additions	118.55	81.67
Amounts utilised	(67.94)	(51.28)
Closing balance	259.34	193.69
Provision for Warranty		
Opening balance	68.33	86.66
Additions	213.61	26.90
Amounts utilised	(91.26)	(45.23)
Closing balance	190.68	68.33

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

18 DEFERRED TAX LIABILITIES (NET)

Movement in deferred tax assets/liabilities

March 31, 2026

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in other equity	Closing Balance
Property, plant and equipment and intangible assets	619.11	664.17	-	1,283.27
Provision for employee benefits obligation	(73.40)	(122.77)	-	(196.17)
Others	182.41	(335.32)	-	(152.91)
Total	728.12	206.08	-	934.19

March 31, 2025

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	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

Deferred tax assets amounting to INR 82.62 million (March 31, 2025: 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 March 31, 2026	As at March 31, 2025
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 41)	952.83	453.28
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,190.89	2,481.44
Total Trade payables	4,143.72	2,934.72

Notes:

- (i) Refer note 36 for balance payable to related parties
- (ii) There is no disputed dues.

Trade payables aging schedule as at March 31, 2026

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	-	893.44	56.89	1.38	1.04	0.08	952.83
(ii) Others	255.43	2,087.03	823.89	10.04	1.54	12.96	3,190.89
Total	255.43	2,980.47	880.77	11.42	2.58	13.05	4,143.72

Trade payables aging schedule as at March 31, 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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

20 OTHER CURRENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	124.12	73.78
Revenue received in advance (refer note 44)	427.40	257.45
Other current liabilities	11.65	13.28
Total current liabilities	563.17	344.51

21 CURRENT TAX LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Income tax liabilities (net)(Net of advance tax INR 1,756.97 million (March 31, 2025: INR 1,804.47 million))	82.17	62.24
Total current tax liabilities	82.17	62.24

22 REVENUE FROM OPERATIONS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of goods*	39,825.90	30,928.47
Other operating revenue		
Scrap sales	639.03	683.16
Export/other incentive	746.95	640.45
Royalty income	2.81	0.62
Provision for doubtful debts written back	-	0.23
Others	22.05	10.05
Total revenue from operations	41,236.74	32,262.98

* Refer note 44.

23 OTHER INCOME

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on financial assets carried at amortised cost	534.22	743.03
Interest income from income tax refunds	-	45.22
Profit on sale of investments	368.90	405.95
Dividend income from subsidiary (refer note 36)	213.38	198.24
Profit on sale of property, plant and equipment	20.21	-
Others	10.07	15.34
Total other income	1,146.78	1,407.78

24 (A) COST OF MATERIALS CONSUMED

	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw material at the beginning of the year	842.80	735.13
Acquired through business combination (refer note 49)	1,185.10	-
Add: Purchases during the year	20,049.64	13,986.27
Less: Raw material at the end of year	2,297.66	842.80
Cost of material consumed	19,779.88	13,878.60

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year		
Work-in-progress	372.37	405.19
Finished goods	1,439.05	1,592.34
	1,811.42	1,997.53
Inventories at the end of the year		
Work-in-progress	1,001.74	372.37
Finished goods	1,682.33	1,439.05
	2,684.07	1,811.42
Changes in inventories (A)	(872.65)	186.11
Adjustment:		
Acquired through business combination (refer note 49)		
Work-in-progress	530.98	-
Finished goods	29.48	-
Total (B)	560.46	-
Changes in inventories (Net)	(312.18)	186.11

25 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and allowances	2,676.91	1,758.21
Contribution to provident and other funds	194.60	132.67
Staff welfare expenses	360.78	293.11
Share based payment to employees (refer note 45)	236.86	269.27
Total employee benefits expense	3,469.15	2,453.26

26 FINANCE COSTS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on loans at amortised cost	11.91	88.12
Other borrowing costs	10.56	33.45
Other finance charges	26.75	14.48
Interest on lease liabilities (refer note 43)	138.17	143.03
Total finance costs	187.39	279.08

27 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (refer note 3)	1,741.64	1,714.79
Amortisation of intangible assets (refer note 4)	724.18	479.63
Amortisation of right-of-use assets (refer note 3)	133.58	132.19
Total depreciation and amortisation expense	2,599.40	2,326.61

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

28 OTHER EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores, spares and tool	1,315.40	1,499.62
Power and fuel	1,024.18	882.57
Freight, clearing and forwarding charges	724.53	489.07
Packing material	535.50	480.94
Sub contracting cost	1,061.21	992.74
Rent (refer note 43)	65.95	63.38
Repairs and maintenance - plant and machinery	385.69	338.96
Repair and maintenance - buildings	46.93	18.29
Repair and maintenance - others	250.60	178.76
Manpower hiring on contract	973.98	698.56
Legal and professional charges (refer note (a) below)	279.47	236.55
Testing and designing charges	93.76	125.56
Software Charges	107.98	84.98
Rates and taxes	7.15	15.57
Insurance	107.18	87.15
Travelling, conveyance and vehicle expenses	230.22	217.26
Communication and stationery expenses	38.10	23.03
Security charges	45.19	35.38
Corporate social responsibility expense (refer note (b) below)	121.49	97.14
Business promotion	64.05	25.44
Directors sitting fees and commission (refer note 36)	47.73	57.02
Loss on sale of property, plant and equipments (net)	0.94	1.30
Provision for warranty	213.61	26.90
Miscellaneous expenses	152.58	27.91
Total other expenses	7,893.42	6,704.08

a) Details of payment to auditors (excluding applicable taxes)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Payments to the statutory auditor:		
(a) For Statutory Audit	14.50	12.20
(b) For other services*	3.99	3.53
(c) For reimbursement of expenses	1.02	1.27
Total expenses	19.51	17.00

* 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 March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

b) Corporate social responsibility expenditure

Details of CSR Expenditure:

	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Gross amount required to be spent by the Company during the year*	121.49	97.14
b) Amount spent during year is as below		
(i) Construction/ acquisition of assets	-	-
(ii) On Purpose other than above	102.01	64.59
Total Amount Spent	102.01	64.59
Amount yet to be spent	19.48	32.55

	In case of Section 135(6) (Ongoing Project)	In case of Section. 135(5) (Other than ongoing Project)
Ongoing Projects and others (March 31, 2026)		
Opening Balance		
With Company	-	-
In Separate CSR Unspent A/c	40.54	-
Add: Amount required to be spent during the year	121.49	-
Less: Amount spent during the year		
From Company's bank A/c (from the CSR obligation of financial year 2025-2026)	102.01	-
From Separate CSR Unspent A/c (from the CSR obligation of financial year 2023-2024 & 2024-25)	35.24	-
Closing Balance	24.78	-
With Company	-	-
In Separate CSR Unspent A/c	5.30	-

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (“the Rules”), the Company has transferred INR 19.48 million the unspent amount relating to ongoing project for CSR for FY 2025-26 in a 'Unspent Corporate Social Responsibility Account- Sona BLW Precision Forgings Limited- 2026' on April 24, 2026.

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

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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

29 EXCEPTIONAL ITEM

	For the year ended March 31, 2026	For the year ended March 31, 2025
Costs incurred in relation to various acquisition opportunities	108.43	192.85
Statutory impact of New Labour Codes*	399.48	-
	507.91	192.85

* On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 which consolidate 29 existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to the new Labour Codes. The Company has assessed and disclosed the incremental impact of these changes on the basis of legal advice obtained and the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. The Labour Codes, amongst other things, introduce changes, including a uniform definition of wages and enhanced benefits relating to leave. These changes have resulted in increase in gratuity liability arising from past service by INR 382.58 million and increase in leave liability by INR 16.90 million in these consolidated financial results. Considering the materiality and regulatory-driven, non-recurring nature of this development, the Company has presented such incremental impact as “Statutory impact of new Labour Codes” under “Exceptional items” in the statement of standalone profit and loss in previous quarter ended December 31, 2025 and year ended March 31, 2026. The Company continues to monitor the finalization of Central/State Rules and clarifications from the Government on various other aspects of the New Labour Codes and would give appropriate accounting effect of such developments in the period in which they are notified.

30 INCOME TAX EXPENSE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	1,893.16	1,885.95
Tax related to previous years	9.13	(7.62)
Deferred tax charge/(credit)	206.08	39.96
Total Income Tax expense	2,108.37	1,918.29

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 March 31, 2026	For the year ended March 31, 2025
Profit before income tax expense	8,572.52	7,715.17
Income tax as per statement of profit and loss	2,108.37	1,918.29
Tax at the Indian tax rate of 25.17% (March 31, 2025: 25.17%)	2,157.45	1,941.68
Effect of non-deductible expenses	30.58	24.45
Tax effect on Dividend from foreign subsidiary claimed as deduction	(53.68)	(49.87)
Tax effect of ESOP exercised	-	5.06
Others	(25.97)	(3.03)
Income tax expense (as per statement of profit and loss)	2,108.37	1,918.29

31 RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue expenditure charged to statement of profit and loss		
- Revenue and development expenditure charged to statement of profit and loss	629.98	378.72
- Capital expenditure	385.91	566.78
Total research and development expenses	1,015.89	945.50

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

32 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

	As at March 31, 2026			As at March 31, 2025		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	10,760.33	-	-	6,281.64
Cash and bank balances	-	-	2,207.56	-	-	12,112.61
Other financial assets	-	-	4,500.18	-	-	5,590.11
Derivative financial assets	-	-	-	4.35	-	-
Non - current investments	68.94	-	-	68.94	-	-
Current Investments	4,897.26	-	-	7,839.15	-	-
Total financial assets	4,966.20	-	17,468.07	7,912.45	-	23,984.36
Financial liabilities						
Borrowings	-	-	2,194.25	-	-	0.00
Trade payables	-	-	4,143.72	-	-	2,934.72
Other financial liabilities	-	-	618.82	-	-	1,682.33
Lease liabilities	-	-	1,444.09	-	-	1,496.38
Derivative financial liabilities	448.60	-	-	-	-	-
Total financial liabilities	448.60	-	8,400.88	-	-	6,113.43

Valuation technique to determine fair value

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

(b) Fair value hierarchy

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

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

	Level 1	Level 2	Level 3
As at March 31, 2026			
Foreign exchange forward contracts- liability	-	448.60	-
Total financial Liability	-	448.60	-
Non - current investments- asset	-	-	68.94
Current investments- asset	4,897.26	-	-
Total financial assest	4,897.26	-	68.94
As at March 31, 2025			
Foreign exchange forward contracts-assets	-	4.35	-
Non - Current investments - asset	-	-	68.94
Current investments - asset	7,839.15	-	-
Total financial assets	7,839.15	4.35	68.94

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

ii) Fair value of instruments measured at amortised cost

	As at March 31, 2026	As at March 31, 2025
Financial assets		
Trade receivables	10,760.33	6,281.64
Cash and bank balances	2,207.56	12,112.61
Other financial assets	4,500.18	5,590.11
Total financial assets	17,468.07	23,984.36
Financial liabilities		
Borrowings	2,194.25	0.00
Lease liabilities	1,444.09	1,496.38
Trade payable	4,143.72	2,934.72
Other financial liability	618.82	1,682.33
Total financial liabilities	8,400.88	6,113.43

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 March 31, 2026

(Figures in Million INR, except per share data, number of shares and 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	Trade receivables - allowance is measured at lifetime expected credit loss by using its historical experience and external indicators information to calculate the expected credit losses using a provision matrix.
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 March 31, 2026	As at March 31, 2025
Low credit risk	Cash and bank balances	2,207.56	12,112.61
	Other financial assets	4,500.18	5,590.11
	Investment	4,897.26	7,839.15
	Derivative financial assets	-	4.35
Moderate credit risk	Trade receivables*	10,760.33	6,281.64

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

Cash & cash equivalents and bank deposits

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

Trade receivables

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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and 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 March 31, 2026, and for the year ended March 31, 2025 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

	March 31, 2026	March 31, 2025
At the beginning of year	5.07	5.07
Acquired through business combination (refer note 49)	16.14	-
Movement during the year	3.04	-
Total expected credit loss allowance*	24.24	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
March 31, 2026				
Borrowings	2,190.00	-	-	2,190.00
Trade payables	4,143.72	-	-	4,143.72
Other financial liabilities	620.32	2.75	-	623.07
Derivative financial liabilities	448.60	-	-	448.60
Lease liabilities	203.63	813.19	1,354.62	2,371.43
Total	7,606.25	815.94	1,354.62	9,776.81

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	Less than 1 year	1 to 5 years	More than 5 years	Total
March 31, 2025				
Borrowings	0.00	-	-	0.00
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

(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	March 31, 2026	March 31, 2025
Variable rate borrowings	2,190.00	0.00
Total borrowings	2,190.00	0.00

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	March 31, 2026	March 31, 2025
Interest rate increase by 1.00% (March 31, 2025: 1.00%)*	8.19	8.72
Interest rate decrease by 1.00% (March 31, 2025: 1.00%)*	(8.19)	(8.72)

* 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.

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

Foreign currency	March 31, 2026	March 31, 2025
Trade receivables and others		
United States Dollar (USD)	43.59	37.77
Euro (EUR)	9.39	7.28
Others	-	2.09

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Foreign currency	March 31, 2026	March 31, 2025
Trade/other payables		
United States Dollar (USD)	3.35	2.72
Euro (EUR)	3.47	7.37
Japanese Yen (JPY)	-	157.93
Canadian Dollar (CAD)^	0.00	-
Swiss Franc (CHF)	0.02	0.03
Serbian Dinar (RSD)	-	246.19
Others	0.00	0.04
^Rounded off to Nil		
Indian Rupee (INR)	March 31, 2026	March 31, 2025
Trade receivables and others		
United States Dollar (USD)	4,133.92	3,228.57
Euro (EUR)	1,022.96	670.04
Others	-	24.94
Trade payables		
United States Dollar (USD)	317.64	232.86
Euro (EUR)	377.82	678.43
Japanese Yen (JPY)	-	89.64
Canadian Dollar (CAD)^	0.12	-
Swiss Franc (CHF)	2.04	2.81
Serbian Dinar (RSD)	-	193.88
Others	0.56	0.92
^Rounded off to Nil		
	March 31, 2026	March 31, 2025
Outstanding forward contracts as at the reporting date (million USD)- Receivable	93.93	109.55
Outstanding forward contracts as at the reporting date (million EURO)- Receivable	0.75	20.81
Outstanding forward contracts as at the reporting date (million JPY)- Payable	7.67	97.37
Outstanding forward contracts as at the reporting date (million EUR)-Payable	-	8.00
Outstanding forward contracts as at the reporting date (INR in million)- Receivable	8,581.90	9,451.55
Outstanding forward contracts as at the reporting date (INR in million)- Receivable	78.88	1,969.65
Outstanding forward contracts as at the reporting date (INR in million)- Payable	4.61	57.79
Outstanding forward contracts as at the reporting date (INR in million)- Payable	-	761.71

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and 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 March 31, 2026	For the year ended March 31, 2025
Net currency receivables/(payables)		
USD sensitivity		
INR/USD- increase by 1.00% (March 31, 2025: 1.00%)*	28.56	22.42
INR/USD- decrease by 1.00% (March 31, 2025: 1.00%)*	(28.56)	(22.42)
EUR sensitivity		
INR/EURO- increase by 1.00% (March 31, 2025: 1.00%)*	4.83	(0.06)
INR/EURO- decrease by 1.00% (March 31, 2025: 1.00%)*	(4.83)	0.06
JPY sensitivity		
INR/JPY- increase by 1.00% (March 31, 2025 31, 2025: 1.00%)*	-	(0.67)
INR/JPY- decrease by 1.00% (March 31, 2025: 1.00%)*	-	0.67
CAD sensitivity		
INR/CAD- increase by 1.00% (March 31, 2025: 1.00%)*	(0.00)	-
INR/CAD- decrease by 1.00% (March 31, 2025: 1.00%)*	0.00	-
CHF sensitivity		
INR/CHF- increase by 1.00% (March 31, 2025: 1.00%)*	(0.02)	(0.02)
INR/CHF- decrease by 1.00% (March 31, 2025: 1.00%)*	0.02	0.02
RSD sensitivity		
INR/RSD- increase by 1.00% (March 31, 2025: 1.00%)*	-	(1.45)
INR/RSD- decrease by 1.00% (March 31, 2025: 1.00%)*	-	1.45

* 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 maximize 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.

	March 31, 2026	March 31, 2025
Short term borrowings (refer note 15)	2,190.00	-
Less: Cash and cash equivalents (refer note 11)	(293.73)	(9,586.93)
Net debts*	1,896.27	(9,586.93)
Equity share capital (refer note 13)	6,218.47	6,217.18
Other equity (refer note 14)	52,196.52	47,734.10
Total equity	58,414.98	53,951.28
Net Gearing ratio	3.25%	(17.77%)

* Excluding lease liabilities.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividends		
Equity share		
Final dividend of INR 1.60 per each 62,17,20,975 equity share	994.95	-
Interim dividend of INR 1.60 per each 62,18,46,890 equity share	994.96	-
Final dividend of INR 1.53 per each 58,64,60,546 equity share	-	897.28
Interim dividend of INR 1.60 per each 62,17,17,975 equity share	-	994.76
	1,989.91	1,892.04

The Board of Directors of the Company in its meeting held on April 30, 2026 has recommended final dividend of INR 1.80/- i.e (18.00%) per equity share of the Company having face value of INR 10/- each for the financial year 2025-2026, 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 "Mobility components, systems and sub-systems". 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

(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. January 24, 2025)
Mr. Sat Mohan Gupta	Chief Executive Officer (Motor business)
Mr. Rohit Nanda	Group Chief Financial Officer
Ms. Suman Poddar	Company Secretary (w.e.f April 16, 2026)
Mr. Ajay Pratap Singh	Senior Vice President (Legal) & Company Secretary (till April 15, 2026)
Non executive Directors	
Mr. Sunjay Kapur	Chairman and Non-Executive Director (till June 12, 2025)
Mr. Jeffrey Mark Overly	Chairman (w.e.f. June 23, 2025) and Independent Director
Mrs. Priya Sachdev Kapur	Non-Executive Non Independent Director (w.e.f. June 23, 2025)
Mr. Prasan Abhaykumar Firodia	Independent director (till October 23, 2024)
Mr. Subbu Venkata Rama Behara	Independent director (till July 04, 2024)
Mr. Amit Dixit	Non-Executive, Nominee Director (till December 11, 2024)
Mrs. Shradha Suri	Independent Director
Mrs. Manisha Girotra	Independent Director
Mr. Pradip M Kanakia	Independent Director (w.e.f. July 01, 2024)
Mr. Karamendra Daulet Singh	Independent Director (w.e.f. October 24, 2024)
Mr. Vineet Mittal	Independent Director (w.e.f. January 24, 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 March 31, 2026

(Figures in Million INR, except per share data, number of shares and 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.

NOVELIC d.o.o. Beograd

NOVELIC SRL

NOVELIC ESC DOOEL SKOPJE

NIRSEN D.O.O

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

Novelic India Private Limited (w.e.f. November 28, 2025)

(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 March 31, 2026	For the year ended March 31, 2025
Dividend paid		
Aureus Investment Private Limited	557.47	545.27

(ii) Key Management Personnel*

Transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Managerial remuneration		
Mr. Vivek Vikram Singh	35.30	32.44
Mr.Vadapalli Vikram Verma	36.50	29.37
Mr. Rohit Nanda	36.74	30.89
Mr. Sat Mohan Gupta	27.50	22.85
Mr. Ajay Pratap Singh	14.93	10.75
Issue of equity shares under ESOP Scheme		
Mr. Vivek Vikram Singh	1.26	140.39
Mr. Vadapalli Vikram Verma	-	50.90
Mr. Ajay Pratap Singh	1.53	4.19

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Performance based Share payment charged in profit and loss account		
Mr. Vivek Vikram Singh	54.89	-
Share based payment charged in profit and loss account		
Mr. Vivek Vikram Singh	40.01	60.83
Mr. Vadapalli Vikram Verma	25.45	38.70
Mr. Rohit Nanda	20.38	30.98
Mr. Sat Mohan Gupta	25.45	38.70
Mr. Ajay Pratap Singh	7.79	11.84
Mr. Tanay Gupta	0.91	1.38
Director Sitting Fee		
Mr. Prasan Abhaykumar Firodia	-	0.12
Mrs. Priya Sachdev Kapur	0.20	-
Mr. B.V.R. Subbu	-	0.07
Mrs. Manisha Girotra	0.26	0.15
Mr. Jeffrey Mark Overly	0.42	0.48
Mrs. Shradha Suri	0.20	0.21
Mr. Pradip Manilal Kanakia	0.31	0.21
Mr. Vineet Mittal	0.19	0.04
Mr. Karamendra Daulet Singh	0.36	0.14
Commission		
Mr. Sunjay Kapur	4.80	24.00
Mr. Vivek Vikram Singh	60.12	-
Mrs. Priya Sachdev Kapur	4.25	-
Mr. Jeffrey Mark Overly	9.26	8.56
Mrs. Manisha Girotra	5.50	5.50
Mr. B.V.R. Subbu	-	1.43
Mr. Shradha Suri	5.50	5.50
Mr. Pradip Manilal Kanakia	5.50	4.13
Mr. Karamendra Daulet Singh	5.50	2.40
Mr. Vineet Mittal	5.50	1.01
Mr. Prasan Abhaykumar Firodia	-	3.10
Dividend paid		
Mr.Vadapalli Vikram Verma	1.00	1.02
Mr. Vivek Vikram Singh	0.88	0.90
Mr. Ajay Pratap Singh	0.07	0.05
Mr. Sat Mohan Gupta	-	0.69
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. Ajay Pratap Singh	0.12	-
Mr. Vivek Vikram Singh	2.49	-

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

* Break- up of Key management personnel remuneration

	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-term employee benefits	150.97	126.31

* Including provident fund and any other benefit.

* Gratuity and compensated absences 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 September 09, 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 final tranche of awards to such identified employees on April 07, 2025. The Company did not make any payment and hence it has no impact on these standalone financial results.

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 INR1.07 million (March 31, 2025: INR 6.70 million) to its directors during the year.

Note 3 Pursuant to the approval by the NRC and the Board of Directors of the Company, on December 19, 2025, the shareholders approved the Sona Performance Share Plan 2025 (the Scheme) for the Managing Director (MD) and Group CEO. On January 22, 2026, NRC approved allotment of 1,25,915 equity shares to him as per the Scheme at face value based on performance metrics defined in the Scheme.

Number less than INR 50,000

(iii) Subsidiary companies

Transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividend Received		
Comstar Automotive USA LLC	213.38	198.24
Rent Received		
Sona Comstar Edrive Pvt. Ltd.	0.05	0.05
Novelic India Private Limited	0.03	-
Corporate Guarantee fee received		
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	2.54	0.48
Comstar Automotive (Hangzhou) Co., Ltd.	5.36	1.69
Service rendered		
Sona Blw Edrive Mexicana, S.A.P.I. De C.V	3.35	-
Service received		
NOVELIC d o o Beograd	7.21	-
Reimbursement of expenses paid		
Comstar Automotive USA LLC	5.97	7.52
NOVELIC d o o Beograd	3.68	-
Comestel Automotive Technologies Mexicana Limited	0.56	-
Comstar Automotive Technology Services Private Limited	2.66	2.66
Reimbursement of expenses received		
Sona Blw Edrive Mexicana, S.A.P.I. De C.V	48.90	-
Investment in the shares		
Sona Blw Edrive Mexicana, S.A.P.I. De C.V	446.59	425.68
Deemed investment in Sona Blw Edrive Mexicana, S.A.P.I. De C.V	3.84	6.24
Sale of goods		
Comstar Automotive USA LLC	1,356.29	993.30
Comestel Automotive Technologies Mexicana Limited	286.22	320.99
Comstar Automotive Hangzhou Co. Ltd.	89.09	39.35
Novelic d.o.o Beograd	1.91	-
Sona Blw Edrive Mexicana, S.A.P.I. De C.V	53.17	-

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of Fixed assets		
Comestel Automotive Technologies Mexicana Limited	0.18	-
Comstar Automotive Hangzhou Co. Ltd.	62.68	-
Sona Blw Edrive Mexicana, S.A.P.I. De C.V	49.91	-
Purchase of Fixed assets		
Novelic d.o.o Beograd	9.37	-
Purchase of goods		
Comestel Automotive Technologies Mexicana Ltd., HK	13.32	-
NOVELIC d o o Beograd	0.11	-

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

(i) Key Management Personnel

Balances as at year end	As at March 31, 2026	As at March 31, 20254
Payables		
Mr. Vivek Vikram Singh	9.30	9.85
Mr. Sunjay Kapur	0.80	-
Mr. Rohit Nanda	9.59	8.69
Mr.Vadapalli Vikram Verma	10.33	7.87
Mr. Ajay Pratap Singh	3.76	2.96
Mr. Sat Mohan Gupta	6.49	4.01

(ii) Subsidiary companies

Balances as at year end	As at March 31, 2026	As at March 31, 20254
Receivable		
Comstar Automotive USA LLC	181.93	80.33
Comstar Automotive Hangzhou Co. Ltd.	160.81	41.28
Comestel Automotive Technologies Mexicana Ltd.	46.52	53.19
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	71.97	0.48
Comstar Automotive Technology Services Private Limited	0.26	0.26
NOVELIC d.o.o.	2.01	-
Novelic India Private Limited	0.03	-
Sona Comstar eDrive Private Limited	-	0.02
Payable		
NOVELIC d.o.o.	2.07	191.11
Comestel Automotive Technologies Mexicana Ltd.	14.36	-
Comstar Automotive USA LLC	1.69	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 522.50 million (March 31, 2025: 470.93 million).
- (ii) Corporate guarantee given on behalf of Comstar Automotive Hangzhou Co. Ltd. is INR 1,100.09 million (March 31, 2025: INR 239.33 million).

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

37 EARNINGS PER SHARE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Total profit attributable to the equity holders of the Company used for basic and diluted earnings per share (A)	6,464.15	5,796.88
Total number of equity shares at the beginning of the year	621,717,975	586,447,778
Issue of shares	128,915	35,270,197
Total number of equity shares at the end of the year	621,846,890	621,717,975
Effect of exercise of share options	-	17,381
Total number of equity shares (including options) at the end of the year	621,846,890	621,735,356
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	621,743,735	606,025,908
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (B)	621,743,735	606,025,908
Effect of exercise of share options	-	17,381
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share (C)	621,743,735	606,043,289
Nominal Value per share (in INR)	10.00	10.00
(a) Basic earnings per share (in INR)	10.40	9.57
(b) Diluted earnings per share (in INR)	10.40	9.57

38 EMPLOYEE BENEFITS

A Defined contribution plans:

	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Provident fund	188.43	149.08
b) Employees state insurance corporation	0.23	0.18
c) Labour welfare fund	0.59	0.43
d) Super annuation	2.49	2.05
e) National Pension Scheme	27.62	20.37
	219.35	172.11

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 March 31, 2026	For the year ended March 31, 2025
(i) Current service cost	61.88	31.22
(ii) Past service cost	384.49	-
(ii) Interest cost	40.71	23.45
(iii) Expected return on plan assets	(29.19)	(19.21)
Net expense recognised in the statement of profit and loss	457.88	35.46

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Actuarial changes arising from changes in demographic assumptions	1.13	1.28
(ii) Actuarial changes arising from changes in financial assumptions	(27.55)	0.81
(iii) Actuarial changes arising from changes in experience adjustments	12.68	10.16
(iv) Return on plan assets greater than discount rate	(0.39)	(1.07)
Net expense recognised in other comprehensive income	(14.12)	11.18

III Changes in obligation

	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Opening balance	417.45	360.38
(ii) Acquired through business combination (refer note 49)	96.77	-
(iii) Current service cost	61.88	31.22
(iv) Past service cost	384.49	-
(v) Interest cost	40.71	23.45
(vi) Actuarial (gain)/loss	(13.73)	12.25
(vii) Benefit payments from plan assets	(21.01)	(10.20)
(viii) Transfer of employees from erstwhile related party	-	0.35
Present value of obligation as at year end	966.54	417.45

IV Changes in plan assets

	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Fair value of plan assets as at the beginning of the period	338.78	290.41
(ii) Acquired through business combination (refer note 49)	96.77	-
(iii) Interest income	29.19	19.21
(iv) Contributions by employer	50.89	37.05
(v) Benefit payments from plan assets	(19.88)	(9.31)
(vi) Actuarial gain/(loss) on plan assets	0.39	1.07
(vii) Transfer of employees from erstwhile related party	-	0.35
Fair value of plan assets	496.14	338.78

V Net assets / liabilities

	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Present value of obligation at the end of the year	966.54	417.45
(ii) Fair value of plan assets at the end of the year	496.14	338.78
(iii) Net liabilities recognised in the balance sheet		
- Non current	403.40	78.67
- Current	67.00	-

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

VI Experience adjustment

	For the year ended March 31, 2026	For the year ended March 31, 2025
Experience adjustment loss on plan liabilities	8.57	3.88

VII Investment details

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

VIII Principal actuarial assumptions (Gratuity and Compensated absence)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate (per annum)	6.75%-7.70%	6.40%-6.70%
Expected increase in salary costs (per annum)	8.00-10.00%	8.00-10.00%
Attrition rate	1.00-15.00%	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 March 31, 2026	For the year ended March 31, 2025
Delta effect of +1% change in rate of discounting	(38.56)	(15.05)
Delta effect of -1% change in rate of discounting	42.40	16.24
Delta effect of +1% change in rate of salary increase	10.64	15.86
Delta effect of -1% change in rate of salary increase	(7.65)	(14.93)

X Maturity profile of defined benefit obligation (undiscounted)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Within the next 12 months (next annual reporting period)	177.95	48.67
Between 2 and 5 years	463.94	133.74
Between 6 and 10 years	438.14	112.24
Total expected payments	1,080.02	294.65

XI The average duration of the defined benefit plan obligation at the end of the reporting period is 5.74-15.48 years (March 31, 2025: 5-6.20 years)

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

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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

39 CONTINGENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025
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
Cases pending before Transfer pricing officer (AY-2016-17)	-	2.98
Cases pending before CIT in respect of which the Company has filed appeal (AY-2017-18)**	105.59	97.66
Cases pending before CIT and Assessing officer in respect of which the Company has filed appeal (AY-2018-19)	8.63	8.07
iii) Goods and Services tax Act		
Writ petition filed before high court***	281.97	281.97

*Amount paid under protest of INR 15.35 million (March 31, 2025: INR 17.47 million)

** Total disputed amount of the case is INR 114.22 million(March 31, 2025:INR 106.29 million) (including interest liability) out of which INR 8.63 million (March 31, 2025: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 March 31, 2026	As at March 31, 2025
Export obligation pending	531.84	1,580.30

d) The Company has given letter of undertaking to its subsidiary company namely "Comstar Automotive Hongkong Limited" to provide financial support if any required by the subsidiary company, for the year from April 01, 2026 to March 31, 2027.

40 CAPITAL COMMITMENTS

	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts to be executed on capital account not provided for (net of advances)	1,459.74	700.08

41 DUES TO MICRO AND SMALL ENTERPRISES

	As at March 31, 2026	As at March 31, 2025
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*	1,016.32	609.07
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;	9.66	6.75
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.	9.66	6.75

* includes payable to capital creditors of INR 73.16 million (March 31, 2025: INR 162.54 million)

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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 March 31, 2026	Maximum amount outstanding during the year	As at March 31, 2025	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.	885.01	885.01	438.42	438.42
Details of corporate guarantee given on behalf of Sona BLW Edrive Mexicana, S.A.P.I DE C.V.*	522.50	522.50	470.93	470.93
Details of corporate guarantee given on behalf of Sona Automotive (Hangzhou) Co. Limited*	1,100.09	1,100.09	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 March 31, 2026	As at March 31, 2025
Current	71.82	60.56
Non-current	1,372.27	1,435.82
	1,444.09	1,496.38

- v) Future minimum lease payments are as follows:

Particulars	As at March 31, 2026		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	203.63	131.80	71.83
1-5 years	813.19	443.71	369.48
More than 5 years	1,354.62	351.84	1,002.78
	2,371.44	927.35	1,444.09

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Particulars	As at March 31, 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
	2,560.57	1,064.19	1,496.38

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation expense of right-of-use assets	133.58	132.19
Interest expense on lease liabilities	138.17	143.03
Rent expense (relating to short term leases on which lease liability is not recognised)	65.95	63.38
Total	337.70	338.60

- vii) Total cash outflow pertaining to leases

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total cash outflow pertaining to leases during the year ended	200.20	194.16

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 March 31, 2026	For the year ended March 31, 2025
Revenue by geography		
Domestic	24,214.36	13,142.90
Export	15,611.54	17,785.57
Total	39,825.90	30,928.47
Revenue (timing)		
Revenue recognised at point in time	39,825.90	30,928.47
Revenue recognised over a period	-	-
Total	39,825.90	30,928.47

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

(b) Liabilities related to contracts with customers*

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	257.45	198.78
Acquired through business combination (refer note 49)	21.48	-
Income recognised from advance (refer note i below)	(365.17)	(159.23)
Advance received from customers during the year	363.27	217.90
Advance from customers (refer note 20)	277.03	257.45

Note (i) includes income recognise from opening balance INR 177.03 millions (March 31, 2025: INR 127.11 million)

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

There are insignificant discounts offered by the Company to its customers for the year ended March 31, 2026 INR 149.30 million (March 31, 2025: INR 0.85 million)

(d) Contract assets*

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	22.43	33.40
Adjusted during the year	11.46	10.97
Closing balance (refer note 8)	10.96	22.43

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

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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 September 30, 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 exercise shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Sona BLW Precision Forging Limited Employee Stock Option Plan
Exercise Price	INR 38.34
Grant date	October 01, 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

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. October 01, 2020.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term. Total Company share based payment to employees amounting INR Nil for the year ended March 31, 2026 (Nil for the year ended March 31, 2025) is recognised in the statement of profit and loss of the Company pertaining to options issued to employees of the Company. The following principal assumptions were used in the valuation: Expected volatility was determined by comparison with peer companies, as the Company's shares were not publicly traded at that time. The expected option life and average expected period to exercise, is assumed to be equal to the contractual maturity of the option. Dividend yield is taken as 1.6% based on the 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 recognizes 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 summarized as follows:

Particulars	First vesting	Second vesting	Third vesting
Grant date	October 01, 2020	October 01, 2020	October 01, 2020
Vesting date	October 01, 2021	October 01, 2022	October 01, 2023
Expiry date	October 01, 2024	October 01,2025	October 01, 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 March 31, 2021, the Board of Directors of the Company has approved the issuance of 11 (Eleven) bonus shares of face value INR 10 (Rupees Ten) each for every 1 (One) existing fully paid up equity share of face value INR 10 (Rupees Ten) each. Accordingly number of options has been increased to twelve times of original options and fair value and exercise price of options has been reduced to one twelfth from previous values.

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

Particulars	31-03-2026	31-03-2025
Options outstanding at the beginning of the period	18,892	62,488
Number of employees to whom options were granted	62	62
Options vested	-	-
Options exercised (including option exercised from previous Vesting)	-	24,704
Options forfeited/ lapsed/ cancelled	18,892	18,892
Option expired during the year	Nil	Nil
Options outstanding (Vested)	-	18,892
Options outstanding (Unvested)	-	-
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options)	-	24,704
Money realised by exercise of options (in INR)	-	947,151
Options outstanding at the period end (Vested)	-	-
Options exercisable at the period end (Unvested)	-	18,892
Total number of options in force (excluding options not granted)	-	0
Weighted average remaining contractual life of outstanding options (in years)	-	1.50

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Method used for accounting of share-based payment plans	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Sona BLW ESOP Plan. The employee compensation cost as per fair value method for the year ended March 31, 2026 is Nil (for the year ended March 31, 2025 was Nil)
Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	Each Option entitles the holder thereof to apply for and be allotted one Ordinary Shares of the Company upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from vesting date.
Employee wise details of options granted to	
(i) Key Managerial Personnel	Mr. Vivek Vikram Singh
	Mr. Rohit Nanda
	Mr. Ajay Pratap Singh
	Mr. Vadapalli Vikram Verma
	Mr. Sat Mohan Gupta
	Share based payment to Key Managerial Personnel for the year ended March 31, 2026 is Nil (March 31, 2025 was Nil)
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	None
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	No options were granted to any identified employees during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.

(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 July 19, 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	October 25, 2023	March 15, 2024	October 27, 2025	
Exercise Price	INR 508.95	INR 641.60	INR 478.70	
Vesting schedule	1,706,650 options	25,000 options	157,500 options	12 months after the grant date ('First vesting')
	1,706,650 options	25,000 options	157,500 options	24 months after the grant date ('Second vesting')
	1,706,650 options	25,000 options	157,500 options	36 months after the grant date ('Third vesting')
	1,706,650 options	25,000 options	157,500 options	48 months after the grant date ('Fourth vesting')
Number of share options granted	6,826,600	100,000	630,000	
Exercise period	Stock options can be exercised within a period of 3 years from vesting date.			
	The total pool of Options that can be granted under the ESOP Plan is 7,610,402 options out of which 7,556,600 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 / INR 478.70 per option against the fair market value of INR 508.95/INR 641.60/ INR 478.70 per share determined on the date of grant, i.e. October 25, 2023, March 15, 2024 and October 27, 2025 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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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 181.98 million (excluding INR 9.66 million capitalised) for the year ended March 31, 2026 (March 31, 2025 INR 269.27 million (excluding INR 18.42 million capitalised)) is recognised in the statement of profit and loss of the Company pertaining to options issued to employees of the Company. The following principal assumptions were used in the valuation: Expected volatility was determined basis 50% weight to Sona BLW Precision Forgings Limited and a balance of 50% weight equally to the other comparable companies. The expected option life and average expected period to exercise, is assumed to be equal to the contractual maturity of the option. Dividend yield is taken as 0.55%, 0.48% and 0.67% based on 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 recognizes 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 summarized as follows:

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Grant Date October 25, 2023				
Vesting date	October 25, 2024	October 25, 2025	October 25, 2026	October 25, 2027
Expiry date	October 25, 2027	October 25, 2028	October 25, 2029	October 25, 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 March 15, 2024				
Vesting date	March 15, 2025	March 15, 2026	March 15, 2027	March 15, 2028
Expiry date	March 15, 2028	March 15, 2029	March 15, 2030	March 15, 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%

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Grant Date October 27, 2025				
Vesting date	October 27, 2026	October 27, 2027	October 27, 2028	October 27, 2029
Expiry date	October 27, 2029	October 27, 2030	October 27, 2031	October 27, 2032
Fair value of option at grant date using Black Scholes model	81.10	113.30	137.00	165.70
Exercise price	478.70	478.70	478.70	478.70
Expected volatility of returns	34.03%	33.54%	32.42%	34.31%
Term to expiry (Years)	1.17	2.17	3.17	4.17
Expected dividend yield	0.67%	0.67%	0.67%	0.67%
Risk free interest rate	5.46%	5.61%	5.75%	5.89%

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and 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	31-03-2026	31-03-2025
Options outstanding at the beginning of the period	6,463,715	6,926,600
Number of employees to whom options were granted	123	91
Options granted during the year	630,000	-
Options vested	1,712,390	1,731,650
Options exercised	3,000	462,885
Options forfeited/ lapsed/ cancelled	321,680	-
Option expired during the year	-	-
Options outstanding (Vested)	2,888,775	1,268,765
Options outstanding (Unvested)	3,880,260	5,194,950
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)	2,888,775	1,731,650
Money realised by exercise of options (in INR)	1,526,850	235,585,321
Options outstanding at the period end	6,769,035	5,194,950
Options exercisable at the period end	2,888,775	1,268,765
Total number of options in force (excluding options not granted)	6,769,035	6,463,715
Weighted average remaining contractual life of outstanding options (in years)	1.39	1.67

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 March 31, 2026 is INR 181.98 million (excluding INR 9.66 million capitalised) (March 31, 2025: INR 269.27 million (excluding INR 18.42 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 March 31, 2026 is INR 119.08 million (March 31, 2025:INR 181.05 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.

(c) Pursuant to the approval by the NRC and the Board of Directors of the Company, on December 19, 2025, the shareholders approved the Sona Performance Share Plan 2025 (the Scheme) for the Managing Director (MD) and Group CEO. On January 22, 2026, NRC approved allotment of 1,25,915 equity shares to him as per the Scheme at face value based on performance metrics defined in the Scheme. Total Company share based payment to employee amounting INR 54.89 million for the year ended March 31, 2026 (March 31, 2025 Nil) is recognised in the statement of profit and loss of the Company pertaining to scheme issued to employee of the Company.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

46 (a) Intangible assets impairment testing

Goodwill

As per note no. 4, Company has recognized an amount of INR 3,628.00 million (March 31, 2025: INR 1,582.24 million) as Goodwill including assembled workforce and future customers. Annual test for impairment of goodwill was carried out as at March 31, 2026 and March 31, 2025, 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 recognized 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%-18.50% 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 August 01, 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 2026 and March 2025, 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 3%-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 61.75 million (March 31, 2025: INR 627.11 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 year ended March 31, 2024, 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 September 06, 2023 for its unique & patented mmWave radar technology which is the best solution for in-cabin sensing.

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

As on March 31, 2026 amounting to Nil (March 31, 2025: INR 728.44 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. First tranche of 60% was paid upfront in September 2023, second tranche of 20% was paid in September 2024 and the third tranche of 20% was paid in September 2025, as per the Agreements, thereby settling the total consideration.

(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 31, 2025: 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 March 31, 2026, 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 March 31, 2026 and March 31, 2025. Accordingly, no impairment charge has been recognized 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 previous year, the Company had 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. Total net QIP proceeds amounting to INR 23,695 million has been utilised for the repayment of borrowings, purchase of fixed assets, making strategic investments and for general corporate purposes. 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 March 31, 2026								
Foreign currency risk								
(i) Foreign exchange forward contracts*	8,660.78	-	448.62	April 2026 to March 2027	1:1	USD: 86.95 to 97.53 EUR: 103.37 to 105.44	(464.00)	464.00
As on March 31, 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

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

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
For the year ended March 31, 2026				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts*	368.01	(0.00)	384.97	Gain on foreign exchange
		-	349.54	Reclassify to revenue
For the year ended March 31, 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

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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

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

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

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

(iii) Movements in cash flow hedging reserve

Particulars	As at March 31, 2026	As at March 31, 2025
Opening	36.01	21.57
Add: Changes in fair value of forward contracts	368.01	45.87
Less: Amount reclassified to profit or loss	(734.51)	(26.58)
Less: Deferred tax relating to above (net)	92.25	(4.85)
Closing	(238.24)	36.01

49 BUSINESS COMBINATIONS

The Company completed acquisition of the Railway Business on a going concern basis from Escorts Kubota Limited with effect from June 01, 2025 through a slump sale transaction for a consideration of INR 16,426.32 million. The acquired Railway business specializes in the production and supply of mission critical railway components such as brake systems, couplers, suspension products, and various friction and rubber products.

The Company allocated purchase price in accordance with Ind AS 103 on business combinations. The fair value of net assets acquired was determined based on an appraisal of such net assets determined by an external expert on behalf of the management.

Particulars	Amount
	March 31, 2026
Total purchase consideration paid (A)	16,426.32
Book Value of Net Assets acquired	4,339.66
Fair value adjustment of property, plant and equipment	1,490.90
Valuation of RDSO Licences	8,550.00
Net assets acquired (B)	14,380.56
Goodwill including assembled workforce (A-B)	2,045.76

Note:

- 1) Net assets acquired include Net Property, plant and equipment INR1,434.33 million, Capital work-in-progress INR70.15 million, Intangible assets INR21.40 million, Intangible assets under development INR30.70 million, Provision for Compensated absences INR15.04 million, Inventory Finished goods and Work in progress INR560.46 million and Inventory Raw materials and components INR 1,185.10 million.
- 2) As a part of purchase price allocation, RDSO licences were identified as a major intangible asset which will be amortised over a period of 30 years.
- 3) As a result of this acquisition the Company recorded a Goodwill of INR 2,045.76 million in its books of accounts which includes value of its Assembled Workforce and Future Customers amounting to INR 100 million. The Company has considered the useful life of Assembled Workforce and Future Customers as infinite and, accordingly, tested it at the end of the year for impairment based on discounted cash flow method (DCF method) and concluded that there is no impairment required.

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

- 4) The acquired business contributed revenue of INR 9,726.93 million and profit after tax of INR 1,485.59 million from the date of acquisition. Had the acquisition been done at the beginning of the year, the Company Proforma revenue and Proforma profit after tax would have been INR 42,575.24 million and INR 6,715.86 million, respectively.

50 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.

51 RATIOS

Particulars	Numerator (refer notes below)	Denominator (refer notes below)	As at March 31, 2026	As at March 31, 2025	Reason for more than 25 % Change
a. Current Ratio	Current Assets (CA)	Current Liabilities (CL)	3.42	6.86	Due to payment on account of acquisition of Railway business
b. Debt-Equity Ratio	Debt	Equity	0.04	0.00	Due to drawdown of short term borrowings
c. Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	25.51	2.17	In previous year we have repaid all long term borrowings
d. Return on Equity Ratio/ Return on investment	Profit after tax	Average Shareholder Equity	14.08%	16.73%	NA
e. Inventory turnover ratio	Revenue from Operation	Average Inventory	9.62	10.42	NA
f. Trade Receivables turnover ratio	Revenue from Operation	Average Receivables	4.84	5.33	NA
g. Trade payables turnover ratio	Revenue from Operation	Average Payables	11.65	11.46	NA
h. Net capital turnover ratio	Revenue from Operation	Average Working Capital	4.45	5.09	NA
i. Net profit ratio	Profit after tax	Revenue from Operation	15.68%	17.97%	NA
j. Return on Capital employed	Earning before interest and tax	Average Capital employed	18.04%	21.28%	NA

- 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 amortizations + Finance Cost

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

- 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

52 RECONCILIATION OF QUARTERLY BANK RETURN

Quarter	Particulars	FY 2025 - 26		FY 2024 - 25	
		Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount as per books of account	Amount as reported in the quarterly return/ statement
Quarter 1	Trade Receivable	6,896.60	6,896.60	5,775.14	5,775.14
Quarter 1	Inventory	5,117.12	5,117.12	3,208.61	3,208.61
Quarter 1	Trade Payables	3,489.97	3,489.97	2,915.39	2,915.39
Quarter 2	Trade Receivable	8,382.14	8,382.14	6,131.29	6,131.29
Quarter 2	Inventory	5,491.10	5,491.10	3,124.35	3,124.35
Quarter 2	Trade Payables	3,837.48	3,837.48	3,151.24	3,151.24
Quarter 3	Trade Receivable	9,083.35	9,083.35	6,400.04	6,400.04
Quarter 3	Inventory	5,748.95	5,748.95	3,199.14	3,199.14
Quarter 3	Trade Payables	3,820.54	3,820.54	2,692.76	2,692.76
Quarter 4	Trade Receivable	10,760.33	10,760.33	6,281.64	6,281.64
Quarter 4	Inventory	5,492.75	5,492.75	3,076.51	3,076.51
Quarter 4	Trade Payables	4,143.72	4,143.72	2,934.72	2,934.72

Notes:-

- i) HDFC,SBI, CITI, JP Morgan and Indusind Banks are represented as Working capital lenders.
- ii) Above information is given as per the norms of working capital lenders

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

54 Authorisation of Standalone financial statements

The Standalone financial Statements for the year ended March 31, 2026 were approved by the Board of Directors on April 30, 2026.

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

Nalin Jain
Partner
Membership No: 503498

Place: New Delhi
Date: 30th April 2026

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Jeffrey Mark Overly
Chairman and Independent Director
DIN: 09041143
Place: Florida, USA

Rohit Nanda
Group Chief Financial Officer

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

Suman Poddar
Company Secretary
M.No. - ACS-24008

Place: Gurugram
Date: 30th April 2026

Independent Auditor’s Report

To the Members of **Sona BLW Precision Forgings Limited**
Report on the Audit of the Consolidated Financial Statements

OPINION

1.

We have audited the accompanying consolidated financial statements of Sona BLW Precision Forgings Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
2.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2026, and their consolidated profit (including other comprehensive income), consolidated
5.

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

cash flows and the consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

3.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained 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 judgement and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Impairment of goodwill As detailed in Note 46 to the Consolidated financial statements, the Company carries goodwill amounting to INR 5,564.04 million in its Consolidated balance sheet as at March 31, 2026. 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 January 07, 2022 post which the Company and its wholly owned subsidiary Comstar Automotive Technologies Private Limited were merged. The goodwill (related to Railway Division) was recorded pursuant to business transfer agreement dated February 10, 2025, effective from June 01, 2025, being the date on which substantive conditions for consummation of the transaction were met. In terms with Indian Accounting Standard 36, Impairment of Assets, goodwill is 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; f) Assessed the professional competence and objectivity of the expert used by the management for to estimate the recoverable value of the CGUs; 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;

Key audit matters	How our audit addressed the key audit matters
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 March 31, 2026. 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.	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.
Business combination As set out in note 49 to the standalone financial statements, the Company has acquired the Railway Division of Escorts Kubota Limited, as a going concern on a slump sale basis for a total consideration of INR 16,426.32 million (including licenses worth INR 8,550 million) pursuant to the Business Transfer Agreement dated February 10, 2025. The business combination has been given effect from June 01, 2025, being the date on which substantive conditions for consummation of the transaction were met determined as the acquisition date in accordance with Ind AS 103, Business Combinations ('Ind AS 103'). The said business combination has resulted in recognition of goodwill and licenses, apart from other identifiable assets acquired and liabilities assumed. The Company has performed a purchase price allocation by allocating the purchase consideration paid to the respective fair values of the assets acquired and liabilities assumed as above. The identification and valuation of acquired assets and assumed liabilities including intangible assets involved significant management judgement in terms of making estimates and assumptions including the discount rate and growth rate assumptions which have high inherent estimation uncertainty. Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved as described above, we have determined the accounting for business combination as a key audit matter for the current year audit.	Our audit procedures included, but was not limited to the following procedures: a) Obtained and understood the terms of the arrangement underlying the business acquisition made by the Company during the year to confirm the determination of control and the acquisition date in accordance with Ind AS 103; b) Evaluated the design and tested the operating effectiveness of the Company's controls over the accounting of business combination, which includes valuation of identified assets and liabilities acquired under the business combination; c) Assessed appropriateness of the accounting policy adopted by the management in terms of the requirements of Ind AS 103; d) Assessed the competence and objectivity of the management's expert and gained an understanding of the work done by the management's valuation expert. e) Obtained report of the management’s external valuation specialist for the valuations performed of acquired assets and assumed liabilities for the purpose of purchase price allocation, and tested the mathematical accuracy of underlying workings. f) Involved our auditor's valuation experts to assist us in validating the valuation assumptions and methodology considered by the management's expert to allocate the purchase price to identifiable assets and liabilities; g) Assessed the reasonableness of the management estimates and judgements used to fair value the identifiable assets and liabilities and identifiable intangible assets acquired; h) Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements, in accordance with applicable accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR’S REPORT THEREON

6.

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information

is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

7.

The accompanying consolidated financial statements have been approved by the Holding Company’s Board of Directors. The Holding Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position,

consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company’s Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit

conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

15. We did not audit the financial statements of 10 subsidiaries, whose financial statements reflects total

assets of INR 10,496.66 million as at March 31, 2026, total revenues of INR 6,946.23 million and net cash inflows amounting to INR 298.76 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company’s management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Further, all of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company’s management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company’s management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 3 subsidiaries, incorporated in India whose financial

statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiaries.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor’s Report) Order, 2020 (‘the Order’) issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports

S No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Sona Comstar Edrive Private Limited	U34100HR2020PTC090921	Subsidiary	Clause (xvii)
2	Novelic India Private Limited	U29301TN2025FTC186474	Subsidiary	Clause (xvii)

18. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) Except for the matters stated in paragraph 18(h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors,
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries and taken on record by the Board of Directors of the Holding Company and its subsidiaries, covered under the Act, none of the directors of the Holding Company and its subsidiaries, are disqualified as on March 31, 2026 from being appointed as a director in terms of section 164(2) of the Act.

issued till date by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements for the year ended March 31, 2026 and covered under the Act we report that, following are the adverse remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended March 31, 2026 for which such Order reports have been issued till date:

- f) The modification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in ‘Annexure I’ wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 40 to the consolidated financial statements;
- ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2026;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries covered under the Act, during the year ended March 31, 2026;

- iv. a The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, to or in any person(s) or entity(ies), including foreign entities (‘the intermediaries’), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, (‘the Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 51 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries from any person(s) or entity(ies), including foreign entities (‘the Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, shall, whether directly or indirectly, lend or invest in other persons

or entities identified in any manner whatsoever by or on behalf of the Funding Party (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The interim dividend declared and paid by the Holding Company during the year ended March 31, 2026 and until the date of this audit report is in compliance with section 123 of the Act. The final dividend paid by the Holding Company during the year ended March 31, 2026 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 35 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended March 31, 2026 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 and that performed by the respective auditors of the subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, the Holding Company and its subsidiaries, in respect of financial year commencing on 1 April 2025, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled throughout the year at data

base 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. Furthermore, the audit trails have been preserved by the Holding Company and its subsidiaries as per the statutory requirements for record retention.

The books of accounts of one subsidiary is maintained manually, accordingly, the reporting under Rule 11(g) of Companies (Audit

and Auditors) Rules, 2014 (as amended) is not applicable in respect of such subsidiary.

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

Nalin Jain
Partner
Membership No.: 503498
UDIN: 26503498QKCMLY5978

Place: New Delhi
Date: April 30, 2026

Annexure I

List of entities included in the Statement

S. No.	Name of the holding Company
1.	Sona BLW Precisions Forgings Limited
S. No.	Name of subsidiaries
1.	Comstar Automotive Technologies Services Private Limited
2.	Comstar Automotive USA LLC
3.	Comstar Automotive Hongkong Limited
4.	Comestel Automotive Technologies Mexicana Ltd.
5.	Comstar Automotive (Hangzhou) Co., Ltd.
6.	Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V
7.	Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V
8.	Comstar Hong Kong Mexico No. 1, LLC
9.	Sona Comstar eDrive Private Limited
10.	Sona BLW eDrive Mexicana, S.A.P.I. DE C.V.
11.	Novelic d.o.o. Beograd
12.	Nirsen SRL
13.	Novelic ESC DOOEL SKOPJE
14.	Nirsen D.O.O
15.	Novelic GMBH*
16.	Novelic India Private Limited**

* incorporated on June 20, 2024

** incorporated on November 28, 2025

Annexure II

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

1. In conjunction with our audit of the consolidated financial statements of Sona BLW Precision Forgings Limited (‘the Holding Company’) and its subsidiaries (the Holding Company and its subsidiaries together referred to as ‘the Group’), as at and for the year ended March 31, 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, which are companies covered under the Act, as at that date.

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

8. In our opinion, the Holding Company, and its subsidiary companies, which are companies covered under the Act,

have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at March 31, 2026, based on Internal Financial Controls with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Nalin Jain
Partner
Membership No.: 503498
UDIN: 26503498QKCMLY5978

Place: New Delhi
Date: April 30, 2026

Consolidated Balance Sheet

as at March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	4	15,743.51	11,317.76
Right-of-use assets	4	2,449.00	2,413.10
Capital work-in-progress	4	1,355.70	1,084.61
Goodwill	5	5,564.06	3,518.31
Other intangible assets	5	12,707.00	4,023.21
Intangible assets under development	5	2,911.82	3,110.04
Financial assets			
(i) Investments	6	499.49	456.94
(ii) Other financial assets	7	541.61	539.53
Income tax assets (net)	8	33.02	59.42
Other non-current assets	9	901.82	727.28
Total non-current assets		42,707.03	27,250.20
Current assets			
Inventories	10	6,155.88	3,486.87
Financial assets			
(i) Investments	6	4,998.95	8,184.52
(ii) Trade receivables	11	11,507.13	7,051.93
(iii) Cash and cash equivalents	12	1,510.82	10,475.11
(iv) Bank balances other than (iii) above	13	1,972.80	2,540.87
(v) Other financial assets	7	3,991.90	5,096.69
Other current assets	9	1,794.12	1,284.60
Total current assets		31,931.60	38,120.59
Total assets		74,638.63	65,370.79
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14(A)	6,218.47	6,217.18
Other equity	15 (A)	53,610.75	48,730.52
Non-controlling interest	15 (B)	1,492.43	1,499.48
Total equity		61,321.65	56,447.18
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16 (i)	84.31	79.70
(ii) Lease liabilities	43	1,851.38	1,783.52
(iii) Other financial liabilities	17	2.75	2.24
Provisions	18	624.05	316.38
Deferred tax liabilities (net)	19	1,362.03	1,251.52
Total non-current liabilities		3,924.52	3,433.36
Current liabilities			
Financial liabilities			
(i) Borrowings	16 (ii)	2,342.54	54.92
(ii) Lease liabilities	43	144.64	104.22
(iii) Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises		952.83	453.28
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,669.47	2,785.19
(iv) Other financial liabilities	17	1,193.77	1,566.87
Other current liabilities	21	653.09	363.04
Provisions	18	345.05	97.60
Current tax liabilities (net)	22	91.07	65.13
Total current liabilities		9,392.46	5,490.25
Total liabilities		13,316.98	8,923.61
Total equity and liabilities		74,638.63	65,370.79
The summary of material accounting policies and other explanatory information form an integral part of these Consolidated financial statements.	1 to 54		

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

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

Nalin Jain
Partner
Membership No: 503498

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Jeffrey Mark Overly
Chairman and Independent Director
DIN: 09041143
Place: Florida, USA

Rohit Nanda
Group Chief Financial Officer

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

Suman Poddar
Company Secretary
M.No. - ACS-24008

Place: New Delhi
Date: April 30, 2026

Place: Gurugram
Date: April 30, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	23	44,494.60	35,460.21
Foreign exchange gain (net)		256.88	85.14
Other income	24	969.65	1,269.16
Total income		45,721.13	36,814.51
Expenses			
Cost of materials consumed	25 (a)	21,419.57	15,240.00
Changes in inventories of finished goods and work-in-progress	25 (b)	(451.21)	206.99
Employee benefits expense	26	4,341.81	3,150.25
Finance costs	27	234.83	301.73
Depreciation and amortisation expense	28	2,877.37	2,543.95
Other expenses	29	8,372.77	7,195.39
Total expenses		36,795.14	28,638.31
Profit before exceptional items and tax		8,925.99	8,176.20
Exceptional items	30	509.81	192.85
Profit before tax		8,416.18	7,983.35
Tax expense			
- Current tax		2,009.37	1,982.55
- Tax related to previous years		8.26	(7.06)
- Deferred tax (credit)		106.65	10.98
Total tax expense		2,124.28	1,986.47
Profit for the year		6,291.90	5,996.88
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements (losses)/gains on defined benefit plans		14.07	(11.23)
Income tax relating to above mentioned item		(3.54)	2.83
<i>Exchange difference on translation of foreign subsidiaries</i>		582.79	36.54
<i>Items that will be reclassified to profit or loss</i>			
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (refer note 48)		(366.50)	19.29
Income tax relating to above mentioned item		92.25	(4.85)
Other comprehensive income for the year		319.07	42.58
Total comprehensive income for the year		6,610.97	6,039.46
Profit attributable to:			
a) Owners of the parent		6,401.74	6,012.13
b) Non-controlling interests		(109.84)	(15.25)
Other comprehensive income attributable to:			
a) Owners of the parent		216.27	25.62
b) Non-controlling interests		102.80	16.96
Total comprehensive income attributable to:			
a) Owners of the parent		6,618.01	6,037.75
b) Non-controlling interests		(7.04)	1.71
Earnings per equity share of face value of INR 10 each			
Earnings per share (Basic) (in INR)	38	10.30	9.92
Earnings per share (Diluted) (in INR)	38	10.30	9.92
The summary of material accounting policies and other explanatory information form an integral part of these Consolidated financial statements.	1 to 54		

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

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

Nalin Jain
Partner
Membership No: 503498

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Jeffrey Mark Overly
Chairman and Independent Director
DIN: 09041143
Place: Florida, USA

Rohit Nanda
Group Chief Financial Officer

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

Suman Poddar
Company Secretary
M.No. - ACS-24008

Place: New Delhi
Date: April 30, 2026

Place: Gurugram
Date: April 30, 2026

Consolidated Cash Flow Statement

for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flows from operating activities		
Profit before income tax	8,416.18	7,983.35
<i>Adjustments for:</i>		
Depreciation and amortisation expense	2,877.37	2,543.96
(Gain)/Loss on sale of property plant and equipment (net)	(4.10)	1.30
Share based payments	250.32	294.34
Unwinding of discount on fair valuation of security deposits and deferred payment liabilities	8.56	31.93
Provision for slow moving inventory	61.98	21.82
Fair value loss/(gain) on derivatives	64.67	25.63
Profit on sale of investments	(368.90)	(405.95)
Provision for warranty	176.51	90.28
Finance costs	194.69	257.85
Interest income	(584.40)	(805.41)
Unrealised foreign exchange loss/(gain) (net)	(174.02)	8.20
Operating profit before working capital changes	10,918.86	10,047.30
Changes in working capital		
Movement in inventories	(898.41)	(26.13)
Movement in trade receivables	(2,597.47)	(549.28)
Movement in financial assets	(106.88)	(0.30)
Movement in other assets	(410.37)	(262.91)
Movement in trade payables	731.92	245.74
Movement in financial liabilities	139.34	(13.62)
Movement in provisions	372.20	(18.35)
Movement in other liabilities	316.29	69.16
Cash generated from operations	8,465.48	9,491.61
Direct taxes paid	(1,874.86)	(1,739.70)
Net cash flow generated from operating activities - Total (A)	6,590.62	7,751.91
B. Cash flows from investing activities		
Payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances/payables (refer note 43)	(4,918.38)	(4,171.32)
Proceeds from sale of property, plant and equipment	127.46	16.25
Fixed deposits created during the year	(15,193.89)	(29,682.47)
Fixed deposits matured during the year	16,996.46	23,650.77
Sale/(Purchase) of current investment (net)	3,055.71	(7,476.28)
Purchase consideration for business acquisition through slump sale	(16,426.32)	-
Purchase of non-current investments	(528.34)	(592.74)
Interest received	1,175.11	601.96
Net cash (used) in investment activities - Total (B)	(15,712.19)	(17,653.83)

Consolidated Cash Flow Statement

for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	For the year ended March 31, 2026	For the year ended March 31, 2025
C. Cash flows from financing activities		
Proceeds/(Repayment) from short term borrowings (net)	2,254.95	(1,712.30)
Repayment of long term borrowings	-	(3,442.99)
Proceeds from long term borrowings	-	2,956.25
Repayment of deferred payment liabilities	(10.56)	(33.45)
Repayment of principal amount of lease liabilities	(89.81)	(114.33)
Interest paid on lease liabilities	(159.78)	(160.36)
Dividend paid	(1,989.91)	(1,892.03)
Net proceeds from issue of equity shares [including securities premium (net)]	2.79	23,931.53
Interest paid	(17.57)	(95.91)
Net cash flow (used in)/generated from financing activities - Total (C)	(9.89)	19,436.41
D. Net (decrease)/increase in cash and cash equivalents (A)+(B)+(C)	(9,131.46)	9,534.49
E. Cash and cash equivalents at the beginning of the year	10,475.11	910.05
F. Effect of exchange differences on cash and cash equivalents	167.17	30.57
G. Cash and cash equivalents at the end of the period (D)+(E)+(F)	1,510.82	10,475.11
Cash and cash equivalents as per above comprise of the following		
Balances in current accounts	737.80	615.12
Cash on hand	0.06	0.06
Bank deposits with original maturity of less than three months	772.96	9,859.93
Balances per statement of cash flows	1,510.82	10,475.11

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

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

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

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

Nalin Jain
Partner
Membership No: 503498

Place: New Delhi
Date: April 30, 2026

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Jeffrey Mark Overly
Chairman and Independent Director
DIN: 09041143
Place: Florida, USA

Rohit Nanda
Group Chief Financial Officer

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

Suman Poddar
Company Secretary
M.No. - ACS-24008

Place: Gurugram
Date: April 30, 2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

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

A. EQUITY SHARE CAPITAL

	Reserve and Surplus					Equity instruments through other comprehensive income	Cash Flow hedge reserve	Foreign currency translation reserve	Merger Reserve	Attributable to the equity share holders of the parent	Non-controlling interest	Total
	General reserve	Securities premium	Capital redemption reserve	Employee's stock options reserve	Retained earnings							
Balance as at April 01, 2024	120.00	5,680.81	25.93	155.11	14,076.12	(368.33)	21.57	190.36	737.23	20,638.80	1,497.77	22,136.57
Equity share issued during the year (refer note 14)	-	-	-	-	6,012.13	-	-	-	-	6,012.13	(15.25)	5,996.88
Balance as at March 31, 2025	-	-	-	-	-	-	14.44	-	-	14.44	-	14.44
Equity share issued during the year (refer note 14)	-	-	-	-	(8.40)	-	-	-	-	(8.40)	-	(8.40)
Balance as at March 31, 2026	-	-	-	-	(1,893.39)	-	-	-	-	(1,893.39)	-	(1,893.39)
Dividend paid	-	23,652.17	-	-	-	-	-	-	-	23,652.17	-	23,652.17
Premium on fresh issue of equity shares	-	(230.42)	-	-	-	-	-	-	-	(230.42)	-	(230.42)
Premium used for expenses related to fund raising	-	-	-	-	-	-	-	-	-	-	-	-
Employee stock option reserve created during the year	-	-	-	293.93	-	-	-	-	-	293.93	-	293.93
Impact on exercise of ESOPs grants (Refer Note 45)	-	39.18	-	(39.18)	-	-	-	-	-	-	-	-
Premium on ESOPs Issue	-	231.66	-	-	-	-	-	-	-	231.66	-	231.66
Foreign currency translation during the year	-	-	-	-	-	-	-	19.59	-	19.59	16.96	36.54
Balance as at March 31, 2025	120.00	29,373.41	25.93	409.86	18,186.46	(368.33)	36.01	209.95	737.23	48,730.52	1,499.48	50,230.00

B. OTHER EQUITY

	Reserve and Surplus					Equity instruments through other comprehensive income	Cash Flow hedge reserve	Foreign currency translation reserve	Merger Reserve	Attributable to the equity share holders of the parent	Non-controlling interest	Total
	General reserve	Securities premium	Capital redemption reserve	Employee's stock options reserve	Retained earnings							
Balance as at 1 April 2024	120.00	5,680.81	25.93	155.11	14,076.12	(368.33)	21.57	190.36	737.23	20,638.80	1,497.77	22,136.57
Net profit for the year	-	-	-	-	6,012.13	-	-	-	-	6,012.13	(15.25)	5,996.88
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (net of tax) (refer note 48)	-	-	-	-	-	-	14.44	-	-	14.44	-	14.44
Remeasurement of defined benefit obligations (net of tax)	-	-	-	-	(8.40)	-	-	-	-	(8.40)	-	(8.40)
Dividend paid	-	-	-	-	(1,893.39)	-	-	-	-	(1,893.39)	-	(1,893.39)
Premium on fresh issue of equity shares	-	23,652.17	-	-	-	-	-	-	-	23,652.17	-	23,652.17
Premium used for expenses related to fund raising	-	(230.42)	-	-	-	-	-	-	-	(230.42)	-	(230.42)
Employee stock option reserve created during the year	-	-	-	293.93	-	-	-	-	-	293.93	-	293.93
Impact on exercise of ESOPs grants (Refer Note 45)	-	39.18	-	(39.18)	-	-	-	-	-	-	-	-
Premium on ESOPs Issue	-	231.66	-	-	-	-	-	-	-	231.66	-	231.66
Foreign currency translation during the year	-	-	-	-	-	-	-	19.59	-	19.59	16.96	36.54
Balance as at March 31, 2025	120.00	29,373.41	25.93	409.86	18,186.46	(368.33)	36.01	209.95	737.23	48,730.52	1,499.48	50,230.00

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

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

	Reserve and Surplus					Equity instruments through other comprehensive income	Cash Flow hedge reserve	Foreign currency translation reserve	Merger Reserve	Attributable to the equity share holders of the parent	Non-controlling interest	Total
	General reserve	Securities premium	Capital redemption reserve	Employee's stock options reserve	Retained earnings							
Balance as at 1 April 2025	120.00	29,373.41	25.93	409.86	18,186.46	(368.33)	36.01	209.95	737.23	48,730.52	1,499.48	50,229.99
Net profit for the year	-	-	-	-	6,401.74	--	-	-	-	6,401.74	(109.84)	6,291.90
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (net of tax) (refer note 48)	-	-	-	-	-	-	(274.25)	-	-	(274.25)	-	(274.25)
Remeasurement of defined benefit obligations (net of tax)	-	-	-	-	10.54	-	-	-	-	10.54	-	10.54
Dividend paid (refer note 35)	-	-	-	-	(1,989.91)	-	-	-	-	(1,989.91)	-	(1,989.91)
Employee stock option reserve created during the year	-	-	-	250.36	-	-	-	-	-	250.36	-	250.36
Impact on exercise of ESOPs grants (Refer note 45)	-	55.13	-	(55.13)	-	-	-	-	-	-	-	-
Premium on ESOPs Issue	-	1.50	-	-	-	-	-	-	-	1.50	-	1.50
Foreign currency translation during the year	-	-	-	-	-	-	-	479.98	-	479.98	102.80	582.79
Balance as at March 31, 2026	120.00	29,430.04	25.93	605.09	22,608.83	(368.33)	(238.24)	689.93	737.23	53,610.75	1,492.43	55,103.18

This is the consolidated 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

Nalin Jain
Partner
Membership No: 503498

Jeffrey Mark Overly
Chairman and Independent Director
DIN: 09041143
Place: Florida, USA

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

Rohit Nanda
Group Chief Financial Officer

Suman Poddar
Company Secretary
M.No. - ACS-24008

Place: New Delhi
Date: April 30, 2026

Place: Gurugram
Date: April 30, 2026

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

1. GROUP OVERVIEW

Sona BLW Precision Forgings Limited (the “Parent Company” or the “Company”), a public limited company was incorporated on October 27, 1995 and began commercial production in November 1998. Sona BLW and its subsidiaries (together referred to as “the Group”) design, manufacture, and supply highly engineered, mission-critical, high-quality, complex, and bespoke systems and components for global OEMs in electric, personalised, intelligent and connected mobility.

The consolidated financial statements are prepared on a going-concern basis.

2. GROUP COMPANIES

Consolidated financial statements (“CFS”) comprise the financial statements of Sona BLW Precision Forgings Limited and its subsidiaries (hereinafter together referred to as the ‘Group’) which are listed below:

Name of Subsidiary	Country of incorporation	Nature of operations	Proportion of ownership (%) as at March 31, 2026	Proportion of ownership (%) as at March 31, 2025
Comstar Automotive USA LLC	USA	Auto ancillary business	100%	100%
Comestel Automotive Technologies Mexicana Ltd.	Hong Kong	Auto ancillary business	100%	100%
Comstar Automotive (Hangzhou) Co., Ltd.	China	Auto ancillary business	100%	100%
Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V	Mexico	Auto ancillary business	100%	100%
Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V	Mexico	Auto ancillary business	100%	100%
Sona Comstar eDrive Private Limited	India	Auto ancillary business	100%	100%
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	Mexico	Auto ancillary business	100%	100%
Comstar Automotive Technologies Services Private Limited	India	Administrative services to fellow subsidiaries	100%	100%
Comstar Hong Kong Mexico No. 1, LLC	USA	Dormant	100%	100%
Comstar Automotive Hong Kong Ltd.	Hong Kong	Investment company	100%	100%
NOVELIC d.o.o. Beograd	Serbia	ER&D Services	54%	54%
NOVELIC SRL	Romania	ER&D Services	*	*
NOVELIC ESC	North Macedonia	ER&D Services	*	*
NIRSEN D.O.O	Serbia	ER&D Services	*	*
NOVELIC GMBH (w.e.f. from June 20, 2024)	Germany	ER&D Services	*	*
Novelic India Private Limited (w.e.f. from November 28, 2025)	India	ER&D Services	*	*

*subsidiary of NOVELIC d.o.o. Beograd.

3 MATERIAL ACCOUNTING POLICY INFORMATION

This note provides a list of the material accounting policy information adopted in the preparation of theses consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The Consolidated Financial Statements comprise of the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and Statement of Material

Accounting Policy and other explanatory information for the year then ended (hereinafter referred to as “Consolidated Financial Statements”). The Consolidated Financial Statements has been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 (the “Act”) (as amended from time to time) and guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable. All significant intercompany transactions and balances between Group entities are eliminated on consolidation. The Company’s equity shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE).

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Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

These CFS have been prepared using the material accounting policy information and measurement basis summarised below. These accounting policies have been used consistently throughout all periods presented in these consolidated financial statements.

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

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

b) Business combinations

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

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

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

c) Basis of consolidation

The consolidated financial statements includes the financial statements of the Company, its subsidiaries and the entities controlled by the Group as at March 31, 2026. Control is achieved when the Group:

- has power over the investee;
- has the ability to use its power to affect its return; and
- is exposed, or has rights, to variable returns from its involvement with the investee

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

d) Property, plant and equipment and capital work in progress

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

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

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

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Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

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 or technical evaluation :-

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

In case of subsidiaries, the following useful lives have been used by the Group:

Asset category	Useful life (in years)
Buildings	10 to 50 years
Buildings and land improvements	15 to 25 years
Technical machinery and equipment	8 to 25 years
Other equipment, factory and office equipment	3 to 10 years

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

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

De-recognition

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

e) Intangible assets

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

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

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

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

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

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

Amortisation methods and periods.

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

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
RSDO License	30

The remaining amortisation period for material individual intangible assets is 0-29 years.

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

Derecognition:

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

In case of subsidiaries, the following useful lives have been used by the Group:

Intangible assets with finite useful lives are capitalised at cost and amortised on a straight-line basis generally over a period of 3 to 15 years, depending on their estimated useful lives. Useful lives are examined on an annual basis and adjusted when applicable on a prospective basis.

Intangible assets - Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortization is calculated using the straight-line method to allocate the cost of customer relationships over their estimated useful lives of 15 years.

f) Revenue recognition

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

Revenue from sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods. Control of goods

refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

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

Other incomes

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

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

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

Revenue from contract with customers

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

- 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

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Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 30-90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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

Consideration for revenue contracts

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

g) Income taxes

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

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

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time

of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

h) Leases

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

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

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

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

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

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

i) Financial instruments

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

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

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

deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

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

Financial assets

Classification and subsequent measurement

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

Financial assets at amortised cost

A financial instrument is measured at amortised cost if both the following conditions are met:

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

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

Financial assets at fair value

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

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

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

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Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

De-recognition of financial assets

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

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using effective interest method. Amortised cost is calculated after considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

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

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit and loss.

Hedge accounting

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

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

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

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

Offsetting of financial instruments

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

j) Impairment of financial assets

All financial assets except for those at fair value through profit and loss (FVTPL) are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets. In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement

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Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

and recognition of impairment loss for financial assets carried at amortised cost. ECL is the weighted average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider –

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

Trade receivables

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

Other financial assets

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

k) Impairment of non-financial assets

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

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

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

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

l) Fair value measurement

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

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

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

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

m) Inventories

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

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

n) Cash and cash equivalents

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

o) Employee benefits

i) Short-term obligations

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

ii) Post-employment benefits

Defined contribution plan: A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separately entity. The Group

has defined contribution plans for provident fund and employees' state insurance scheme. The Group's contribution in the above plans is recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

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

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

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

iii) Other long-term employee benefits

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

iv) Termination benefits are recognised as an expense immediately.

p) Employee share based payments

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Dilute earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

r) Provisions, contingent liabilities and contingent assets

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

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

Contingencies

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group; or
- Present obligations arising from past events where it is not probable that an outflow of

resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

s) Borrowing costs

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

t) Rounding of amounts

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

u) Current versus non-current classification

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

An asset is treated as current when:

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

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

A liability is treated current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

v) Foreign currency transactions

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

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

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

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

w) Non-current assets held for sale and discontinued operations

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed

to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation. A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale. Profit or loss from discontinued operations comprise the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations.

3. (B) Application of new and revised Indian Accounting Standard (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2026, MCA has notified following new standards or amendments to the existing standards applicable to the Group:

Ind AS 1 – Presentation of Financial Statements (effective April 01, 2025)

The amendment clarifies the classification of liabilities as current or non-current and specifically addresses non-current liabilities with covenants. For determining whether a liability is current, the amendment removes the requirement for an unconditional right to defer settlement for at least twelve months after the reporting date. Instead, it requires that the right to defer settlement must exist as of the reporting date and must have substance. It also provides additional guidance on classifying liabilities subject to covenants.

Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures (effective April 1, 2025)

The amendment to Ind AS 7 requires companies to disclose the existence of supplier finance arrangements, including the nature of such arrangements, the carrying amount of related liabilities, and the range of payment due dates.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

Ind AS 107 has been correspondingly amended to include supplier finance arrangements as a factor that may contribute to concentration of liquidity risk.

Ind AS 12 – Income Taxes: International Tax Reform – Pillar Two Model Rules

The amendments provide a temporary mandatory relief from recognising deferred tax arising from top-up tax, and require entities to disclose whether this relief has been applied. The relief is effective immediately and applies retrospectively. The amendments also require companies to provide new disclosures regarding potential top-up tax exposures in future periods. These disclosures are applicable for annual reporting periods beginning on or after April 1, 2025.

Ind AS 21 – The Effects of Changes in Foreign Exchange Rates (effective April 1, 2025)

The amendments address the 'Lack of Exchangeability' guidance under Ind AS 21. These amendments clarify the assessment of exchangeability of a currency and the determination of an appropriate spot exchange rate when exchangeability is lacking, and require disclosures enabling users to understand the resulting financial impact. The amendments are effective for annual reporting periods beginning on or after April 01, 2025.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

3. (C) Significant accounting judgements, estimates and assumptions

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

a) Provisions

At each balance sheet date basis the management judgement, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

b) Contingencies

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

c) Recognition of deferred tax assets

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

d) Useful lives of tangible/intangible assets

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

e) Defined benefit obligation

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

f) Impairment of non-financial assets and goodwill

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

g) Fair value measurement of financial instruments

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

factors could affect the reported fair value of financial instruments.

h) Measurement of share based payments;

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

i) Capitalisation of internally developed intangible assets

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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

	Freehold land	Buildings (Refer note i)	Plant and equipment (Refer note ii)	Furniture and fixtures	Office Equipment	Computers	Vehicles	Leasehold improvement	Total	Capital work-in-progress	Leasehold land	Building	Total
Gross block as at April 01, 2024	26.65	1,269.56	11,254.51	120.37	190.34	234.56	250.87	154.88	13,501.74	946.01	925.43	1,896.03	2,821.46
Additions	-	139.06	3,613.80	38.87	26.86	48.62	75.97	26.77	3,969.95	3,917.29	-	251.14	251.14
Disposals	-	-	(45.76)	(1.85)	-	(12.46)	(30.86)	-	(90.93)	-	-	(49.06)	(49.06)
Transfer on capitalisation [#]	-	-	-	-	-	-	-	-	-	(3,778.69)	-	-	-
Foreign currency translation reserve	(0.24)	1.02	(0.60)	(0.49)	0.06	(0.25)	(0.86)	-	(1.36)	-	-	7.57	7.57
Gross block as at March 31, 2025	26.41	1,409.64	14,821.95	156.90	217.26	270.47	295.12	181.65	17,379.40	1,084.61	925.43	2,105.68	3,031.11
Accumulated depreciation as at April 01, 2024	-	204.26	3,710.26	52.12	96.13	162.79	83.42	75.45	4,384.44	-	54.34	369.24	423.59
Depreciation charge during the year [*]	-	53.49	1,548.54	15.47	19.55	48.43	48.66	16.50	1,750.64	-	2.64	191.79	194.43
Disposals	-	-	(43.12)	(1.85)	-	(12.36)	(16.05)	-	(73.38)	-	-	-	-
Foreign currency translation reserve	-	0.28	1.35	1.48	0.03	(0.98)	(2.22)	-	(0.06)	-	-	-	-
Accumulated depreciation as at March 31, 2025	-	258.03	5,217.03	67.22	115.71	197.88	113.81	91.95	6,061.64	-	56.98	561.03	618.01
Net carrying amount as at March 31, 2025	26.41	1,151.61	9,604.92	89.68	101.55	72.59	181.31	89.70	11,317.76	1,084.61	868.45	1,544.65	2,413.10
Gross block as at April 01, 2025	26.41	1,409.64	14,821.95	156.90	217.26	270.47	295.12	181.65	17,379.40	1,084.61	925.43	2,105.68	3,031.11
Acquired through business combination (refer note 49)	1,994.03	210.98	583.77	107.88	3.81	19.44	5.32	-	2,925.23	70.15	-	-	-
Additions	1,301.05	237.03	1,605.97	40.48	30.63	52.99	101.58	2.48	3,372.23	3,514.28	-	188.70	188.70
Disposals	-	-	(264.73)	(1.56)	-	(13.19)	(33.28)	-	(312.75)	-	-	-	-
Transfer on capitalisation [#]	-	-	-	-	-	-	-	-	-	(3,313.34)	-	-	-
Foreign currency translation reserve	0.45	5.99	60.69	1.45	0.34	1.70	1.47	-	72.10	-	-	77.93	77.93
Gross block as at March 31, 2026	3,321.94	1,863.64	16,807.65	305.15	252.04	331.41	370.21	184.13	23,436.21	1,355.70	925.43	2,372.31	3,297.74
Accumulated depreciation as at April 01, 2025	-	258.03	5,217.03	67.22	115.71	197.88	113.81	91.95	6,061.64	-	56.98	561.03	618.01
Depreciation charge during the year [*]	-	89.79	1,525.76	28.94	23.40	55.08	54.35	18.58	1,795.89	-	2.64	228.09	230.73
Disposals	-	-	(155.99)	(1.08)	-	(12.98)	(19.35)	-	(189.40)	-	-	-	-
Foreign currency translation reserve	-	1.36	19.90	1.05	0.15	1.34	0.76	-	24.57	-	-	-	-
Accumulated depreciation as at March 31, 2026	-	349.18	6,606.70	96.13	139.26	241.32	149.57	110.53	7,692.70	-	59.62	789.12	848.74
Net carrying amount as at March 31, 2026	3,321.94	1,514.46	10,200.95	209.02	112.78	90.09	220.64	73.60	15,743.51	1,355.70	865.81	1,583.19	2,449.00

^{*}Refer point (vii) below.
[#] Transfer on capitalisation also includes amount transferred to intangible assets.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

CWIP aging schedule as at March 31, 2026

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress *	980.65	324.82	25.66	24.57	1355.70

*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 March 31, 2025

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress *	1,003.41	59.96	21.24	-	1,084.61

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

Notes:

- (i) Building (gross block) amounting INR 1,428.55 million (March 31, 2025: INR 1,213.69 million), net block INR 1,053.62 million (March 31, 2025:INR 896.82 million) is constructed on leasehold land.
- (ii) Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (iii) Refer note 16 for information on property, plant and equipment pledged as security by the company.
- (iv) Property, plant and equipment (net carrying amount) of INR 298.54 million (March 31, 2025: INR 148.10 million) and capital work in progress of INR 22.18 million (March 31, 2025: INR 24.63 million) is lying with job workers.
- (v) Capital work in progress includes amount of INR 14.72 million (March 31, 2025: INR 22.83 million) pertaining to projects in progress which have crossed the budgeted period.
- (vi) During the year, based on a technical evaluation of the useful life of its plant and machinery carried out by the Company, it has revised the remaining estimated useful life of certain items of plant and machinery with effect from April 01, 2025 to reflect fairly the economic benefit it expects to receive from the continuing use of those assets. This has resulted in a decrease in depreciation charge by INR 329.40 million for the year ended March 31, 2026.

5 INTANGIBLE ASSETS, INTANGIBLE ASSETS UNDER DEVELOPMENT AND GOODWILL

Intangible assets	Computer software	Technical knowhow	Capitalised development expenditure	Brand #	Customer Relationships	RDSO License (refer note 49)	Total	Intangible assets under development#	Goodwill on consolidation (Including assembled workforce)#
Gross block as at April 01, 2024	448.02	31.15	1,341.00	687.40	4,196.44	-	6,704.01	2,690.48	3,518.31
Additions	88.28	-	75.33	-	-	-	163.61	596.45	-
Disposals	-	-	-	-	-	-	-	(27.06)	-
Transfer to intangible assets	-	-	-	-	-	-	-	(160.78)	-
Foreign currency translation reserve	-	-	-	-	-	-	-	10.95	-
Gross block as at March 31, 2025	536.30	31.15	1,416.33	687.40	4,196.44	-	6,867.62	3,110.04	3,518.31
Accumulated amortisation as at April 01, 2024	273.87	28.62	641.04	-	1,288.58	-	2,232.10	-	-
Amortisation charge for the year	63.71	0.54	243.01	-	305.05	-	612.31	-	-
Closing accumulated amortisation as at March 31, 2025	337.58	29.16	884.05	-	1,593.63	-	2,844.41	-	-
Net carrying amount as at March 31, 2025	198.72	1.99	532.28	687.40	2,602.81	-	4,023.21	-	3,518.31

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Intangible assets	Computer software	Technical knowhow	Capitalised development expenditure	Brand #	Customer Relationships	RDSO License (refer note 49)	Total	Intangible assets under development#	Goodwill on consolidation (Including assembled workforce)#
Gross block as at April 01, 2025	536.30	31.15	1,416.33	687.40	4,196.44	-	6,867.62	3,110.04	3,518.31
Acquired through business combination (refer note 49)	13.93	-	7.48	-	-	8,550.00	8,571.40	30.70	2,045.75
Additions	130.41	-	850.48	-	-	-	980.89	624.71	-
Transfer to intangible assets	-	-	-	-	-	-	-	(955.59)	-
Foreign currency translation reserve	-	-	-	-	-	-	-	101.96	-
Gross block as at March 31, 2026	680.64	31.15	2,274.29	687.40	4,196.44	8,550.00	16,419.91	2,911.82	5,564.06
Accumulated amortisation as at April 01, 2025	337.58	29.16	884.05	-	1,593.63	-	2,844.41	-	-
Amortisation charge for the year	100.59	0.54	224.83	-	305.04	237.50	868.50	-	-
Closing accumulated amortisation as at March 31, 2026	438.17	29.70	1,108.88	-	1,898.67	237.50	3,712.91	-	-
Net carrying amount as at March 31, 2026	242.47	1.45	1,165.41	687.40	2,297.77	8,312.50	12,707.00	2,911.82	5,564.06

Refer note 46

Intangible assets under development aging schedule for the year ended March 31, 2026

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 *	270.55	2,610.44	30.83	-	2,911.82

*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 March 31, 2025

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress *	518.81	2,435.26	129.09	26.88	3,110.04

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

6 INVESTMENTS

	As at March 31, 2026	As at March 31, 2025
At Cost, Unquoted investments, Investment in equity shares of other than subsidiary companies (non-current)		
9,553 (March 31, 2025: 9,553) equity shares of Euro 500 each in Sona Holding B.V. The Netherlands	211.66	211.66
Less: Provision for impairment	(211.66)	(211.66)
At Cost, Unquoted investments, Investment in Preference shares of other than subsidiary companies (non-current)		
392,647 (March 31, 2025: 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)		
927,639 (March 31, 2025: 927,639) equity shares of C-Motive Technologies, Inc.	51.41	46.29
42,716 (March 31, 2025: 42,716) equity shares of INR 10 each in Clean Max Calypso Private Limited	54.75	54.75
17,805 (March 31, 2025: 17,805) equity shares of INR 10 each in Clean Max Nova Private Limited	14.00	14.00
16,103,060 (March 31, 2025: 16,103,060) Series B+ preferred stock of Clear Motion, Inc. par value of USD 0.01	379.33	341.90
Aggregate amount of unquoted non-current investments	499.49	456.94
Aggregate amount of unquoted investments at market value	499.49	456.94
Aggregate amount of impairment of unquoted investments	328.28	328.28
	As at March 31, 2026	As at March 31, 2025
Investment (current)		
At fair value through profit and loss - Quoted Investment		
253 (March 31, 2025: 215) of HDFC Overnight Fund - Regular	1.00	0.82
Nil (March 31, 2025: 185,396) of Axis Overnight Fund - Regular	-	250.50
Nil (March 31, 2025: 18,833) of SBI Overnight Fund - Regular	-	78.22
Nil (March 31, 2025: 84,150,909) Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund	-	1,013.28
Nil (March 31, 2025: 79,098,779) HDFC Nifty G-sec Dec 2026 Index Fund	-	943.58
Nil (March 31, 2025: 85,811,549) SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund	-	1,034.01
36,336,507 (March 31, 2025: 36,336,507) SBI CRISIL IBX Gilt Index April 2029 Fund	472.92	445.57
35,605,517 (March 31, 2025: 59,272,114) Aditya Birla Sun Life CRISIL IBX	456.03	709.56
Nil (March 31, 2025: 85,216,025) Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026	-	1,034.97
Nil (March 31, 2025: 27,937,956) Aditya Birla Sun Life Nifty SDL Apr 2027 Index Fund	-	339.49
Nil (March 31, 2025: 80,638,565) Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027	-	963.69
9,787,446 (March 31, 2025: Nil) SBI Arbitrage Opportunities Fund - Dir - Growth	369.09	-
3,450,233 (March 31, 2025: Nil) Aditya Birla Sun Life Arbitrage Fund - Dir - Growth	103.67	-
20,792,242 (March 31, 2025: Nil) Tata Arbitrage Fund - Dir - Growth	330.04	-
23,176,577 (March 31, 2025: Nil) HDFC Arbitrage Fund - WP - Dir - Growth	490.14	-
15,551,192 (March 31, 2025: Nil) Axis Arbitrage Fund - Dir - Growth	331.35	-
79,977 (March 31, 2025: Nil) Tata Money Market Fund - Dir - Growth	403.01	-
Nil (March 31, 2025: 85,328,745) Axis CRISIL IBX SDL May 2027 Index Fund - Direct	-	1,026.28
50 (March 31, 2025: Nil) National Bank For Agriculture And Rural Development SR MIF 1B	50.66	-
6,000 (March 31, 2025: Nil) National Bank For Agriculture And Rural Development SR 25A	632.24	-

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	As at March 31, 2026	As at March 31, 2025
2,000 (March 31, 2025: Nil) Rec Limited SR 234-A	209.17	-
2,500 (March 31, 2025: Nil) Rec Limited SR 237	258.74	-
5,000 (March 31, 2025: Nil) Small Industries Development Bank Of India SR II	522.42	-
2,500 (March 31, 2025: Nil) Small Industries Development Bank Of India SR I	267.78	-
Nil (March 31, 2025: 5,764) Mirae Asset Overnight Fund - Direct plan growth	-	7.55
7,735,626 (March 31, 2025: 7,735,626) HDFC Nifty G-Sec Dec 2026 Index Fund - Regular	97.93	91.94
Nil (March 31, 2025: 225,116) 100% U.S. Treas Sec. Mmkt - Morgan	-	19.24
Raiffeisen Fund	2.76	225.83
	4,998.95	8,184.52
Aggregate amount of quoted investments at market value	4,998.95	8,184.52

7 OTHER FINANCIAL ASSETS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Non current		
Security deposits	141.33	107.08
Fixed deposits with banks with maturity period of more than 12 months	400.28	432.45
Total other financial assets	541.61	539.53
Current		
Forward contract receivables (refer note 34 and 48)	-	4.35
Security deposits	176.23	-
Other financial assets	9.24	-
Fixed deposits with original maturity more than 12 months and remaining as at reporting date is less than 12 months	3,806.43	5,092.34
Total other financial assets	3,991.90	5,096.69

Notes:

i) The exposure to financial risks and fair value measurement related to these financial instruments is described in note 33 and 34

8 INCOME TAX ASSETS (NET)

	As at March 31, 2026	As at March 31, 2025
Non current		
Prepaid taxes*	33.02	59.42
	33.02	59.42

*Amount paid under protest of INR 15.35 million (March 31, 2025: INR 17.47 million)

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

9 OTHER ASSETS

	As at March 31, 2026	As at March 31, 2025
Non current		
Prepaid expenses	15.65	8.78
Un-adjusted consideration for revenue contract	-	11.22
Capital advances	467.59	278.26
Other assets	418.58	429.03
Total other assets- non current	901.82	727.28
Current		
Prepaid expenses	179.23	191.05
Loans and advances to employees	11.18	11.87
Advance to suppliers for goods and services	438.77	282.38
Balance with government authorities	1,057.67	653.17
Un-adjusted consideration for revenue contract	10.96	11.21
Other assets	116.69	155.30
Less: Allowance for doubtful advances	(20.38)	(20.38)
Total other assets- current	1,794.12	1,284.60

10 INVENTORIES

	As at March 31, 2026	As at March 31, 2025
Raw materials and components *	2,751.32	1,213.55
Work-in-progress**	1,001.74	372.37
Finished goods***	1,852.35	1,470.05
Stores and spares	245.50	163.71
Loose tools	53.25	44.94
Dies, jigs and fixtures	241.49	212.10
Scrap	10.23	10.15
Total	6,155.88	3,486.87

Total inventory is net of 'provision for obsolete and slow moving inventory' amounting to INR 224.36 million (March 31, 2025: INR 93.88 million)

* Includes raw materials and components in transit amounting INR 47.56 million (March 31, 2025: INR 87.10 million)

* Includes raw materials and components with the vendors sent for job work INR 37.26 million (March 31, 2025: INR 11.01 million)

** Includes inventory with the vendors sent for job work INR 134.40 million (March 31, 2025: INR 111.66 million)

*** Includes goods in transit INR 799.74 million (March 31, 2025: INR 535.46 million)

The cost of inventories recognised as an expense during the year are disclosed in Note 25 & 29.

11 TRADE RECEIVABLES

	As at March 31, 2026	As at March 31, 2025
Unsecured		
Trade receivables considered good	11,507.13	7,051.93
Trade receivables - credit impaired	24.24	5.07
Less: Allowances for expected credit loss	(24.24)	(5.07)
Total trade receivables	11,507.13	7,051.93

Notes:

- (i) Refer note 37 for receivable balance from related parties.
- (ii) Refer note 33 - Financial instruments for assessment of expected credit losses.
- (iii) There are no disputed dues from customers.
- (iv) General credit period is 30 to 90 days.
- (v) There is no significant financing component in receivables except mentioned in note 16(ii).
- (vi) Based on historical data, loss on collection of receivables is not material hence no additional provision considered.
- (vii) Trade receivables as on March 31, 2024 was INR 6,482.63 million.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Trade receivables ageing schedule as at March 31, 2026

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	9,535.55	1,724.18	208.69	26.78	11.50	0.42	11,507.13
(ii) Trade receivables - credit impaired	-	-	-	4.37	5.75	14.12	24.24

Trade receivables ageing schedule as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Trade receivables - considered good	6,136.57	878.56	34.48	1.67	0.66	-	7,051.93
(ii) Trade receivables - credit impaired	-	-	-	-	0.25	4.82	5.07

12 CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Balance with banks		
- in current accounts*	737.80	615.12
Cash on hand	0.06	0.06
Bank deposits with original maturity of less than three months	772.96	9,859.93
Total cash and cash equivalents	1,510.82	10,475.11

* Includes INR 5.30 million (March 31, 2025: INR 7.97 million) for amount earmarked for corporate social responsibility.

13 OTHER BANK BALANCES

	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity of more than three months but residual maturity of less than twelve months	1,972.80	2,540.87
Total other bank balances	1,972.80	2,540.87

14 (A) EQUITY SHARE CAPITAL

	As at March 31, 2026	As at March 31, 2025
Authorised share capital		
1,148,500,000 (March 31, 2025: 1,148,500,000) equity shares of INR 10 each	11,485.00	11,485.00
Issued, subscribed and paid up share capital		
621,846,890 (March 31, 2025: 621,717,975) equity shares of INR 10 each fully paid up	6,218.47	6,217.18

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

	As at March 31, 2026	As at March 31, 2025
Equity shares outstanding at the beginning of the year	621,717,975	586,447,778
Add: Issue of shares (refer note 45 and 47)	128,915	35,270,197
Equity shares outstanding at the end of the year	621,846,890	621,717,975
Amount	As at March 31, 2026	As at March 31, 2025
Equity shares outstanding at the beginning of the year	6,217.18	5,864.48
Add: Issue of shares	1.29	352.70
Equity shares outstanding at the end of the year	6,218.47	6,217.18

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of INR10 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 March 31, 2026	As at March 31, 2025
Aureus Investment Private Limited	174,208,904	174,208,904
SBI Fund	59,234,424	53,564,349
ICICI Prudential Fund	49,757,690	22,723,217
Government Of Singapore	40,680,686	42,535,803
Percentage	As at March 31, 2026	As at March 31, 2025
Aureus Investment Private Limited	28.01%	28.02%
SBI Fund	9.53%	8.62%
ICICI Prudential Fund	8.00%	3.65%
Government Of Singapore	6.54%	6.84%

iv) 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 March 31, 2026 and five years immediately preceding the year ended March 31, 2026.

v) Promoters shareholding

Shareholding of promoters as on March 31, 2026

Promoter name	Number of shares	% of total shares	% change during the year
Aureus Investment Private Limited	174,208,904	28.01	(0.01)
*Rani Kapur- RK Family Trust	72	**	**
*Ashok Sachdev	151	**	**
*Jasbir Sachdev	361	**	**
*Charu Sachdev	423	**	**
*Raghuvanshi Investment Private Limited	744	**	**
Total	174,210,655	28.01	(0.01)

Shareholding of promoters as on March 31, 2025

Promoter name	Number of shares	% of total shares	% change during the year
Aureus Investment 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)

* Promoter Group
** Percentage is negligible

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

14 (B) PREFERENCE SHARE CAPITAL

	As at March 31, 2026	As at March 31, 2025
Authorised share capital		
1,500,000 (March 31, 2025: 1,500,000) preference shares of INR 10 each	15.00	15.00
Issued, subscribed and paid up share capital		
Nil (March 31, 2025: Nil) Compulsorily convertible preference shares of INR 10 each fully paid up	-	-

15 (A) OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025
Retained earnings	22,608.83	18,186.46
General reserve	120.00	120.00
Securities premium (net)	29,430.04	29,373.41
Capital redemption reserve	25.93	25.93
Equity instruments through other comprehensive income	(368.33)	(368.33)
Employee's stock options reserve	605.09	409.86
Foreign currency translation reserve	689.93	209.95
Cash flow hedge reserve (net of tax) (refer note 48)	(238.24)	36.01
Merger Reserve	737.23	737.23
Total reserves and surplus	53,610.75	48,730.52

a) Retained earnings

	As at March 31, 2026	As at March 31, 2025
Opening balance	18,186.46	14,076.12
Net profit for the year	6,401.74	6,012.13
Remeasurement of defined benefit obligations, net of tax	10.54	(8.40)
Less:-Dividend paid	(1,989.91)	(1,893.39)
Closing balance	22,608.83	18,186.46

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

b) General reserve

	As at March 31, 2026	As at March 31, 2025
Opening balance	120.00	120.00
Closing balance	120.00	120.00

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

c) Securities premium

	As at March 31, 2026	As at March 31, 2025
Opening balance	29,373.41	5,680.81
Premium on fresh issue of equity shares	1.50	231.66
Add: Premium on fresh issue of equity shares (refer note 47)	-	23,652.17
Add: Impact on ESOP shares issuance	55.13	39.18
Less: Expense related to capital raising	-	(230.42)
Closing balance	29,430.04	29,373.41

- (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 previous year, the Company incurred INR 305.00 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 March 31, 2026	As at March 31, 2025
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 March 31, 2026	As at March 31, 2025
Opening balance	737.23	737.23
Movement during the year	-	-
Closing balance	737.23	737.23

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

f) Equity instruments through other comprehensive income

	As at March 31, 2026	As at March 31, 2025
Opening balance	(368.33)	(368.33)
Add: Net changes in fair values of equity instruments carried at fair value through other comprehensive income	-	-
Closing balance	(368.33)	(368.33)

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

g) Employee’s stock options outstanding reserve

	As at March 31, 2026	As at March 31, 2025
Opening balance	409.86	155.11
Add: Created during the year (refer note 45)	250.36	293.93
Less: Utilised during the year	(55.13)	(39.18)
Closing balance	605.09	409.86

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

h) Foreign currency translation reserve

	As at March 31, 2026	As at March 31, 2025
Opening balance	209.95	190.36
Currency translation during the year	479.98	19.59
Closing balance	689.93	209.95

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

i) Cash flow hedge reserve

	As at March 31, 2026	As at March 31, 2025
Opening balance	36.01	21.57
Add: Changes in fair value of hedge instruments	368.01	45.87
Less: Amount reclassified to statement of profit and loss	(734.51)	(26.58)
Less: Deferred tax relating to above	92.25	(4.85)
Closing balance	(238.24)	36.01

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

15 (B) NON-CONTROLLING INTEREST

	As at March 31, 2026	As at March 31, 2025
Opening balance	1,499.48	1,497.77
Net loss for the year	(109.84)	(15.25)
Foreign currency translation during the year	102.80	16.96
Closing balance	1,492.43	1,499.48

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

16 BORROWINGS

(i) Non - current borrowings

	As at March 31, 2026	As at March 31, 2025
Secured		
Term loans from banks		
Foreign currency loans from banks	84.31	79.70
Total non-current borrowings	84.31	79.70

Notes:

- Above term loans is secured by Corporate Guarantee of INR1,100.09 million (March 31, 2025 INR 293.33 million).
- Repayment schedule and Interest rates for the above Term Loans are as follows:
 - Term loan from CITI Bank, China amounting to INR 84.31 million (March 31, 2025: 79.70 million) is repayable in 16 Quarterly Installments w.e.f July 30,2025 and ending with April 30,,2029 (with Tenure of 5 years) with Interest rate of 4.60% p.a. (March 31, 2025: 4.60% p.a.)

(ii) Current borrowings

	As at March 31, 2026	As at March 31, 2025
Secured		
Indian Rupee loans from banks (refer note (a) below)	2,190.00	-
Foreign currency loans from banks (refer note (b) below)	152.54	54.92
Total current borrowings	2,342.54	54.92

Notes:

- Indian Rupee loans repayable on demand from banks 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:
 - WCDL amounting INR 740 million (March 31, 2025: Nil) is repayable on demand carries interest @ floating rate linked with T-bill, current year effective rate is in the range of 6.01% - 6.30% p.a (March 31, 2025: N/A)
 - EPC amounting INR 1,450 million (March 31, 2025: Nil) is repayable on demand carries interest @ floating rate linked with T-bill, current year effective rate is in the range of 6.07% - 6.33% p.a (March 31, 2025: N/A)"
- Foreign currency loans repayable on demand from banks is secured by Corporate Guarantee of INR1,100.09 million (March 31, 2025 INR 293.33 million).
Repayment and rate of interest:
 - WCDL from Citi Bank,China amounting to INR 152.54 million (March 31, 2025: 54.92 million) is repayable on demand carries with Tenure of 1 year with Interest rate of 4.35% p.a. (March 31, 2025: 4.35% p.a.)

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

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

	Long-term borrowings	Short-term borrowings	Leases	Total
Balance as at April 01, 2024	486.74	1,843.84	1,790.75	4,121.33
Cash Flows:				
Repayment of non-current borrowings	(3,442.99)	-	-	(3,442.99)
Proceeds from non-current borrowings	3,035.95	-	-	3,035.95
Proceeds from current borrowings (net)	-	(1,792.00)	-	(1,792.00)
Repayment of lease liabilities	-	-	(274.69)	(274.69)
Non-cash changes				
Interest expense on lease liabilities	-	-	160.36	160.36
Creation of lease liabilities	-	-	211.32	211.32
Other movement	-	3.08	-	3.08
Balance As at March 31, 2025	79.70	54.92	1,887.74	2,022.36

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	Long-term borrowings	Short-term borrowings	Leases	Total
Cash Flows:				
Repayment of current borrowings (net)	-	2,254.95	-	2,254.95
Repayment of lease liabilities	-	-	(249.59)	(249.59)
Non-cash changes				
Interest expense on lease liabilities	-	-	159.78	159.78
Creation of lease liabilities	-	-	9.75	9.75
Other movement	4.61	32.67	188.34	225.62
Balance As at March 31, 2026	84.31	2,342.54	1,996.02	4,422.87

17 OTHER FINANCIAL LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Non current		
Security deposits	2.75	2.24
Total other financial liabilities - non current	2.75	2.24
Current		
Interest accrued but not due on borrowings	4.25	-
Employee benefits payable	476.25	345.85
Capital creditors*	209.87	654.40
Forward contract payables (refer note 34 and 48)	448.60	-
Security deposits	3.76	3.33
Payable to founders of Novelic d.o.o. (refer note 49)	-	537.33
Other payables	51.04	25.96
Total other financial liabilities - current	1,193.77	1,566.87

* includes MSME balance of INR 73.16 million (March 31, 2025: INR 162.54 million)

18 PROVISIONS

	As at March 31, 2026	As at March 31, 2025
Non current		
Provision for compensated absences (refer below)	173.66	132.94
Provision for defined benefit plans (refer note 39)	405.68	79.00
Provision for warranty (refer below)	44.71	104.44
Total provisions - non current	624.05	316.38
Current		
Provision for compensated absences (refer below)	87.13	61.78
Provision for defined benefit plans (refer note 39)	67.53	0.28
Provision for warranty (refer below)	190.39	35.54
Total provisions - current	345.05	97.60

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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

	March 31, 2026	March 31, 2025
Provision for Compensated Absences		
Opening balance	194.72	164.32
Acquired through business combination (refer note 49)	15.04	-
Additions	118.55	81.67
Amounts utilised	(67.52)	(51.27)
Closing balance	260.79	194.72
Provision for Warranty		
Opening balance	139.98	94.88
Additions	213.55	90.28
Amounts utilised	(118.43)	(45.19)
Closing balance	235.10	139.98

19 DEFERRED TAX LIABILITIES (NET)

Movement in deferred tax assets/liabilities

March 31, 2026

Particulars	Opening Balance	Recognised in the Consolidated Statement of Profit and Loss	Effect of Foreign currency translation reserve	Recognised in other equity	Closing Balance
Property, plant and equipment and intangible assets	1,152.29	642.87	-	-	1,795.17
Provision for employee benefits obligation	(73.38)	(122.78)	-	-	(196.17)
Others	172.61	(413.44)	3.86	-	(236.97)
Total	1,251.52	106.65	3.86	-	1,362.03

March 31, 2025

Particulars	Opening Balance	Recognised in the Consolidated Statement of Profit and Loss	Effect of Foreign currency translation reserve	Recognised in other equity	Closing Balance
Property, plant and equipment and intangible assets	1,251.13	(98.84)	-	-	1,152.29
Provision for employee benefits obligation	(64.25)	(9.13)	-	-	(73.38)
Others	74.31	118.95	1.44	(22.09)	172.61
Total	1,261.19	10.98	1.44	(22.09)	1,251.52

Certain subsidiary companies of the Group have net carry forward losses amounting to total of INR 245.14 million (March 31, 2025: INR 223.72 million) on which deferred tax asset has not been recognised, which has a 15-20 years carry forward period.

Deferred tax assets amounting to INR 82.62 million (March 31, 2025: INR 82.62 million) on fair value adjustment recognised in respect of investments held in Sona Holding B.V. by the company. The Netherlands has not been recognised due to uncertainty regarding the allowability of such loss.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

20 TRADE PAYABLES

	As at March 31, 2026	As at March 31, 2025
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 50)	952.83	453.28
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,669.47	2,785.19
Total Trade payables	4,622.30	3,238.47

Notes:

(i) Refer note 37 for balance payable to related parties

(ii) There is no disputed dues.

Trade payables aging schedule as at March 31, 2026

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	-	893.44	56.89	1.38	1.04	0.08	952.82
(ii) Others	255.98	2,054.67	1,333.31	8.40	2.69	14.42	3,669.47
Total	255.98	2,948.11	1,390.20	9.78	3.73	14.50	4,622.30

Trade payables aging schedule as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	6.47	428.14	18.23	0.30	0.14	-	453.28
(ii) Others	489.83	1,615.38	663.03	4.72	1.32	10.91	2,785.19
Total	496.30	2,043.52	681.26	5.02	1.46	10.91	3,238.47

21 OTHER CURRENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	163.27	92.33
Revenue received in advance (refer note 44)	478.18	257.45
Duty Drawback	11.64	6.70
Others	-	6.56
Total current liabilities	653.09	363.04

22 CURRENT TAX LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Income tax liabilities (net) (Net of advance tax INR 1,765.40 million (March 31, 2025: INR 1,811.94 million))	91.07	65.13
Total current tax liabilities	91.07	65.13

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

23 REVENUE FROM OPERATIONS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of goods*	43,083.73	34,127.42
Other operating revenue		
Scrap sales	639.03	683.16
Export/other incentive	746.95	640.45
Royalty income	2.81	0.62
Provision for doubtful debts written back	-	0.23
Others	22.08	8.33
Total revenue from operations	44,494.60	35,460.21

* Refer note 44.

24 OTHER INCOME

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on financial assets carried at amortised cost	573.33	771.33
Interest income from income tax refund	-	45.22
Profit on sale of investments	368.90	405.95
Others	27.42	46.66
Total other income	969.65	1,269.16

25 (A) COST OF MATERIALS CONSUMED

	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw material at the beginning of the year	1,213.55	1,032.70
Acquired through business combination (refer note 49)	1,185.10	-
Add: Purchases during the year	21,772.24	15,420.85
Less: Raw material at the end of year	2,751.32	1,213.55
Cost of material consumed	21,419.57	15,240.00

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year		
Work-in-progress	372.37	405.19
Finished goods	1,470.05	1,644.21
	1,842.42	2,049.41
Inventories at the end of the year		
Work-in-progress	1,001.74	372.37
Finished goods	1,852.35	1,470.05
	2,854.09	1,842.42
Changes in inventories (A)	(1,011.67)	206.99
Adjustment:		
Acquired through business combination (refer note 49)		
Work-in-progress	530.98	-
Finished goods	29.48	-
Total (B)	560.46	-
Changes in inventories (Net)	(451.21)	206.99

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

26 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and allowances	3,482.15	2,401.11
Contribution to provident and other funds (refer note 39)	216.69	148.06
Staff welfare expenses	402.26	325.11
Share based payment to employees (refer note 45)	240.71	275.97
Total employee benefits expense	4,341.81	3,150.25

27 FINANCE COSTS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on loans at amortised cost	20.01	90.58
Other borrowing costs	19.81	30.37
Other finance charges	35.23	20.42
Interest on lease liabilities (refer note 43)	159.78	160.36
Total finance costs	234.83	301.73

28 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (refer note 4)	1,795.89	1,737.22
Amortisation of intangible assets (refer note 5)	868.50	612.30
Amortisation of right-of-use assets (refer note 4)	212.98	194.43
Total depreciation and amortisation expense	2,877.37	2,543.95

29 OTHER EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores, spares and tool	1,315.97	1,499.62
Power and fuel	1,033.86	888.43
Freight, clearing and forwarding charges	742.38	493.27
Packing material	564.87	502.34
Sub contracting cost	1,061.21	992.74
Rent (refer note 43)	71.96	65.19
Repairs and maintenance - plant and machinery	410.91	359.55
Repair and maintenance - buildings	50.45	19.88
Repair and maintenance - others	384.03	250.25
Manpower hiring on contract	976.51	704.82
Legal and professional charges	363.88	277.48
Testing and designing charges	86.55	125.56
Software Charges	107.98	84.98
Rates and taxes	11.32	20.76
Insurance	121.49	99.47
Travelling, conveyance and vehicle expenses	271.38	244.05
Communication and stationery expenses	39.81	24.50
Security charges	47.23	36.30

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Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Corporate social responsibility expense	121.49	97.14
Business promotion	76.51	34.83
Directors sitting fees and commission (refer note 37)	47.73	57.02
Loss on sale of property plant & equipments (net)	0.94	1.30
Provision for warranty	213.55	90.28
Miscellaneous expenses	250.75	225.64
Total other expenses	8,372.77	7,195.39

30 EXCEPTIONAL ITEMS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Costs incurred in relation to various acquisition opportunities	108.42	192.85
Statutory impact of New Labour Codes*	401.39	-
	509.81	192.85

* On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 which consolidate 29 existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to the new Labour Codes. The Company has assessed and disclosed the incremental impact of these changes on the basis of legal advice obtained and the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. The Labour Codes, amongst other things, introduce changes, including a uniform definition of wages and enhanced benefits relating to leave. These changes have resulted in increase in gratuity liability arising from past service by INR 384.49 million and increase in leave liability by INR 16.90 million in these consolidated financial results. Considering the materiality and regulatory-driven, non-recurring nature of this development, the Company has presented such incremental impact as "Statutory impact of new Labour Codes" under "Exceptional items" in the statement of standalone profit and loss in previous quarter ended December 31, 2025 and year ended March 31, 2026. The Company continues to monitor the finalisation of Central/State Rules and clarifications from the Government on various other aspects of the New Labour Codes and would give appropriate accounting effect of such developments in the period in which they are notified.

31 INCOME TAX EXPENSE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	2,009.37	1,982.55
Tax related to previous years	8.26	(7.06)
Deferred tax charge/(credit)	106.65	10.98
Total Income Tax expense	2,124.28	1,986.47

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 March 31, 2026	For the year ended March 31, 2025
Profit before income tax expense	8,416.18	7,983.35
Income tax as per statement of profit and loss	2,124.28	1,986.47
Tax at the Indian tax rate of 25.17% (March 31, 2025: 25.17%)	2,118.10	2,009.17
Effect of non-deductible expenses	30.58	24.45
Tax effect of ESOP exercised	-	5.06
Difference in tax rate of subsidiary companies	1.57	(49.20)
Others	(25.97)	(3.01)
Income tax expense (as per statement of profit and loss)	2,124.28	1,986.47

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

32 RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue expenditure charged to statement of profit and loss	629.98	378.72
Capital expenditure	631.63	762.72
Total research and development expenses	1,261.62	1,141.44

33 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

	As at March 31, 2026			As at March 31, 2025		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	11,507.13	-	-	7,051.93
Cash and bank balances	-	-	3,483.62	-	-	13,015.98
Other financial assets	-	-	4,533.51	-	-	5,631.87
Derivative financial assets	-	-	-	4.35	-	-
Non - Current Investments	499.49	-	-	456.94	-	-
Current Investments	4,998.95	-	-	8,184.52	-	-
Total financial assets	5,498.44	-	19,524.26	8,645.80	-	25,699.78
Financial liabilities						
Borrowings	-	-	2,431.10	-	-	134.63
Trade payables	-	-	4,622.30	-	-	3,238.47
Other financial liabilities	-	-	743.67	-	-	1,569.12
Lease liabilities	-	-	1,996.02	-	-	1,887.74
Derivative financial liabilities	448.60	-	-	-	-	-
Total financial liabilities	448.60	-	9,793.09	-	-	6,829.95

Valuation technique to determine fair value

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

(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 March 31, 2026			
Non - current Investments- asset	-	-	499.49
Current Investments- asset	4,998.95	-	-
Total financial assets	4,998.95	-	499.49
As at March 31, 2025			
Foreign exchange forward contracts- Assets	-	4.35	-
Non - current Investments- asset	-	-	456.94
Current Investments - asset	8,184.52	-	-
Total financial assets	8,184.52	4.35	456.94

ii) Financial assets and liabilities:

	As at March 31, 2026	As at March 31, 2025
Financial assets		
Trade receivables	11,507.13	7,051.93
Cash and bank balances	3,483.62	13,015.98
Other financial assets	4,533.51	5,631.87
Total financial assets	19,524.26	25,699.79
Financial liabilities		
Borrowings	2,431.10	134.63
Lease liabilities	1,996.02	1,887.74
Trade payable	4,622.30	3,238.47
Other financial liability	743.67	1,569.12
Total financial liabilities	9,793.09	6,829.96

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

There are no transfers amongst levels during the year.

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

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

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

34 FINANCIAL RISK MANAGEMENT

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

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

(A) Credit risk

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

- Cash and cash equivalents
- Trade receivables
- Loans carried at amortised cost, and
- Other financial assets
- Derivative financial assets

(a) Credit Risk Management

(i) Credit risk rating

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

- Low credit risk
- Moderate credit risk
- High credit risk

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

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

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

Asset group	Categorisation of items	Provision for expenses credit loss
Low credit risk	Cash and cash balances, loans, other financial assets and derivative financial assets	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Trade receivables	Trade receivables - allowance is measured at lifetime expected credit loss by using its historical experience and external indicators information to calculate the expected credit losses using a provision matrix.
High credit risk	Other financial assets	Other financial assets-lifetime expected credit loss (when there is a significant deterioration), or specific provision, whichever is higher.

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Financial assets that expose the entity to credit risk –

Credit rating	Particulars	As at March 31, 2026	As at March 31, 2025
Low credit risk	Cash and bank balances	3,483.62	13,015.98
	Other financial assets	4,533.51	5,631.87
	Derivative financial assets	-	4.35
Moderate credit risk	Trade receivables*	11,507.13	7,051.93

*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 Group closely monitors the credit-worthiness of the trade receivables through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due. Considering the nature of trade receivables, and group history of credit with those receivables, group has rebutted the presumption of having significant increases in credit risk since initial recognition for financial assets which are more than 30 days past due.

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

i) Financial assets (other than trade receivables)

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

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

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

ii) Expected credit loss for trade receivables under simplified approach

The Group recognises lifetime expected credit losses on trade receivables using a simplified approach. In accordance with Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group uses a provision matrix to compute the expected credit loss allowance of trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, historical experience for customers etc. However, the allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2026, and for the year ended March 31, 2025 is insignificant."

Reconciliation of loss allowance

	For the year ended March 31, 2026	For the year ended March 31, 2025
At the beginning of year	5.07	5.07
Acquired through business combination (refer note 49)	16.14	-
Movement during the year	3.03	-
Total expected credit loss allowance*	24.24	5.07

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

(B) Liquidity risk

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

(i) Maturities of financial liabilities

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

	Less than 1 year	1 to 5 years	More than 5 years	Total
March 31, 2026				
Borrowings	2,342.54	-	-	2,342.54
Trade payables	4,622.30	-	-	4,622.30
Other financial liabilities	745.17	2.75	-	747.92
Lease liabilities	286.87	1,273.65	1,433.43	2,993.95
Total	8,445.48	1,276.40	1,433.43	11,155.31
	Less than 1 year	1 to 5 years	More than 5 years	Total
March 31, 2025				
Borrowings	54.92	-	-	54.92
Trade payables	3,238.47	-	-	3,238.47
Other financial liabilities	1,566.87	2.24	-	1,569.11
Lease liabilities	248.19	1,113.45	1,655.13	3,016.77
Total	5,108.45	1,115.69	1,655.13	7,879.28

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	March 31, 2026	March 31, 2025
Variable rate borrowings	2,426.85	134.63
Fixed rate borrowings	-	-
Total borrowings	2,426.85	134.63

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Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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	March 31, 2026	March 31, 2025
Interest rate increase by 1.00% (March 31, 2025: 1.00%)*	9.58	9.22
Interest rate decrease by 1.00% (March 31, 2025: 1.00%)*	(9.58)	(9.22)
* Holding other variables constant, net of tax.		

(ii) Foreign currency risk

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

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

Foreign currency	March 31, 2026	March 31, 2025
Trade receivables and others		
United States Dollar (USD)	41.99	39.17
Euro (EUR)	10.30	8.17
Serbian Dinar (RSD)	17.20	1.80
RMB	17.41	8.78
Others	0.23	2.25
Trade/other payables		
United States Dollar (USD)	0.14	2.44
Euro (EUR)	3.91	7.53
Japanese Yen (JPY)	-	157.93
Canadian Dollar (CAD)^	0.00	-
Swiss Franc (CHF)	0.02	0.03
Serbian Dinar (RSD)	41.14	257.74
Mexican Pesos (MXP)	5.27	6.72
RMB	20.63	10.15
Others	0.18	0.39
^Rounded off to Nil		
Indian Rupee (INR)	March 31, 2026	March 31, 2025
Trade receivables and others		
United States Dollar (USD)	3,981.72	3,348.33
Euro (EUR)	1,122.21	752.59
Serbian Dinar (RSD)	-	1.42
RMB	238.76	100.80
Others	4.89	2.98
Trade payables		
United States Dollar (USD)	12.89	208.71
Euro (EUR)	426.48	693.48
Japanese Yen (JPY)	-	89.64
Canadian Dollar (CAD)^	0.12	-
Swiss Franc (CHF)	2.04	2.81
Serbian Dinar (RSD)	-	202.97
Mexican Pesos (MXP)	26.49	33.74
RMB	282.88	116.51
Others	1.63	6.56

^Rounded off to Nil

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

	March 31, 2026	March 31, 2025
Outstanding forward contracts as at the reporting date (Million USD)	93.93	109.55
Outstanding forward contracts as at the reporting date (Million EURO)- Receivable	0.75	20.81
Outstanding forward contracts as at the reporting date (Million JPY)- Payable	7.67	97.37
Outstanding forward contracts as at the reporting date (Million EUR)-Payable	-	8.00
Outstanding forward contracts as at the reporting date (INR in million)- Receivable	8,581.90	9,451.55
Outstanding forward contracts as at the reporting date (INR in million)- Receivable	78.88	1,969.65
Outstanding forward contracts as at the reporting date (INR in million)- Payable	4.61	57.79
Outstanding forward contracts as at the reporting date (INR in million)- Payable	-	761.71

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 March 31, 2026	For the year ended March 31, 2025
Net currency receivables/(payables)		
USD sensitivity		
INR/USD- increase by 1.00% (March 31, 2025: 1.00%)*	29.70	23.49
INR/USD- decrease by 1.00% (March 31, 2025: 1.00%)*	(29.70)	(23.49)
EUR sensitivity		
INR/EURO- increase by 1.00% (March 31, 2025: 1.00%)*	5.21	0.44
INR/EURO- decrease by 1.00% (March 31, 2025: 1.00%)*	(5.21)	(0.44)
JPY sensitivity		
INR/JPY- increase by 1.00% (March 31, 2025: 1.00%)*	-	(0.67)
INR/JPY- decrease by 1.00% (March 31, 2025: 1.00%)*	-	0.67
RMB sensitivity		
INR/RMB- increase by 1.00% (March 31, 2025: 1.00%)*	(0.33)	(0.12)
INR/RMB- decrease by 1.00% (March 31, 2025: 1.00%)*	0.33	0.12
CAD sensitivity		
INR/CAD- increase by 1.00% (March 31, 2025: 1.00%)*	(0.00)	-
INR/CAD- decrease by 1.00% (March 31, 2025: 1.00%)*	0.00	-
MXP sensitivity		
INR/MXP- increase by 1.00% (March 31, 2025: 1.00%)*	(0.20)	(0.25)
INR/MXP decrease by 1.00% (March 31, 2025: 1.00%)*	0.20	0.25
CHF sensitivity		
INR/CHF- increase by 1.00% (March 31, 2025: 1.00%)*	(0.02)	(0.02)
INR/CHF- decrease by 1.00% (March 31, 2025: 1.00%)*	0.02	0.02
RSD sensitivity		
INR/RSD- increase by 1.00% (March 31, 2025: 1.00%)*	-	(1.52)
INR/RSD- decrease by 1.00% (March 31, 2025: 1.00%)*	-	1.52

* Holding other variables constant, net of tax

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

35 CAPITAL MANAGEMENT

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

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

	March 31, 2026	March 31, 2025
Long term borrowings including current maturities (refer note 16)	84.31	79.70
Short term borrowings (refer note 16)	2,342.54	54.92
Less: Cash and cash equivalents (refer note 12)	(1,510.82)	(10,475.11)
Net debts *	916.03	(10,340.48)
Equity share capital (refer note 14)	6,218.47	6,217.18
Other equity (refer note 15)	53,610.75	48,730.52
Total equity	59,829.22	54,947.70
Net Gearing ratio	1.53%	(18.82%)

* Excluding lease liabilities.

Dividends	For the year ended March 31, 2026	For the year ended March 31, 2025
Equity share		
Final dividend of INR 1.60 per each 62,17,20,975 equity share	994.95	-
Interim dividend of INR 1.60 per each 62,18,46,890 equity share	994.96	-
Final dividend of INR 1.53 per each 58,64,60,546 equity share	-	897.28
Interim dividend of INR 1.60 per each 62,17,17,975 equity share	-	994.76
	1,989.91	1,892.04

The Board of Directors of the Company in its meeting held on April 30, 2026 has recommended final dividend of INR 1.80/- i.e (18.00%) per equity share of the Company having face value of INR 10/- each for the financial year 2025-2026, subject to approval from shareholders.

36 SEGMENT INFORMATION

The Group’s operating business is organised and managed according to a single primary reportable business segment namely “Mobility components, systems and sub-systems”.

Information about geographical areas

The Group's revenue disaggregated by primary geographical markets is as follows:

	For the year ended March 31, 2026	For the year ended March 31, 2025
India	24,214.36	13,142.90
Outside India	18,869.37	20,984.53
Total	43,083.73	34,127.43

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Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Revenue outside India	For the year ended March 31, 2026	For the year ended March 31, 2025
North America	10,961.59	13,369.84
Europe	6,512.84	6,413.18
Asia (Excluding India)	1,368.03	1,151.00
Others	26.91	50.51
	18,869.37	20,984.53

Customers exceeding 10% of total revenue	For the year ended March 31, 2026	For the year ended March 31, 2025
No of customers exceeding 10% of total revenue	1	2
Total revenue of such customers (INR million)	7,894	10,155.96

The Group's non-current assets (property, plant and equipment, right of use assets, capital work in progress, intangible assets, Intangible assets under development and goodwill) are located into the following geographical regions:

	For the year ended March 31, 2026	For the year ended March 31, 2025
India	33,568.67	19,277.90
North America	1,244.43	796.33
Europe	5,288.06	4,905.48
Others	629.94	487.30
	40,731.10	25,467.01

37 RELATED PARTY DISCLOSURES

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

(a) Names of related parties and nature of relationship

(i) The entity having substantial interest in the Company / Promoter

Aureus Investment 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. January 24, 2025)
Mr. Sat Mohan Gupta	Chief Executive Officer (Motor business)
Mr. Rohit Nanda	Group Chief Financial Officer
Ms. Suman Poddar	Company Secretary (w.e.f April 16, 2026)
Mr. Ajay Pratap Singh	Senior Vice President (Legal) & Company Secretary (till April 15, 2026)
Non executive Directors	
Mr. Sunjay Kapur	Chairman and Non-Executive Director (till June 12, 2025)
Mr. Jeffrey Mark Overly	Chairman (w.e.f. June 23, 2025) and Independent Director
Mrs. Priya Sachdev Kapur	Non-Executive Non Independent Director (w.e.f. June 23, 2025)
Mr. Prasan Abhaykumar Firodia	Independent director (till October 23, 2024)
Mr Subbu Venkata Rama Behara	Independent director (till July 04, 2024)
Mr. Amit Dixit	Non-Executive, Nominee Director (till December 11, 2024)

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Name	Designation
Mrs. Shradha Suri	Independent Director
Mrs. Manisha Girotra	Independent Director
Mr. Pradip M Kanakia	Independent Director (w.e.f. July 1, 2024)
Mr. Karamendra Daulet Singh	Independent Director (w.e.f. October 24, 2024)
Mr. Vineet Mittal	Independent Director (w.e.f. January 24, 2025)
Relative of KMP	
Mr. Tanay Gupta	Son of Mr. Sat Mohan Gupta

(iii) Promoter Group

Rani Kapur - RK Family Trust
Raghuvanshi Investment Private Limited
Charu Sachdev
Jasbir Sachdev
Ashok Sachdev

(i) Entity having substantial interest

Transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividend paid		
Aureus Investment Private Limited	557.47	545.27

(ii) Key Management Personnel*

Transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Managerial remuneration		
Mr. Vivek Vikram Singh	35.30	32.44
Mr. Vadapalli Vikram Verma	36.50	29.37
Mr. Rohit Nanda	36.74	30.89
Mr. Sat Mohan Gupta	27.50	22.85
Mr. Ajay Pratap Singh	14.93	10.75
Remuneration to relative of KMP		
Mr. Tanay Gupta	18.10	14.18
Issue of equity shares under ESOP Scheme		
Mr. Vivek Vikram Singh	1.26	140.39
Mr. Vadapalli Vikram Verma	-	50.90
Mr. Ajay Pratap Singh	1.53	4.19
Performance based Share payment charged in profit and loss account		
Mr. Vivek Vikram Singh	54.89	-
Share based payment charged in profit and loss account		
Mr. Vivek Vikram Singh	40.01	60.83
Mr. Vadapalli Vikram Verma	25.45	38.70
Mr. Rohit Nanda	20.38	30.98
Mr. Sat Mohan Gupta	25.45	38.70
Mr. Ajay Pratap Singh	7.79	11.84
Mr. Tanay Gupta	0.91	1.38

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Director Sitting Fee		
Mr. Prasan Abhaykumar Firodia	-	0.12
Mrs. Priya Sachdev Kapur	0.20	-
Mr. B.V.R. Subbu	-	0.07
Mrs. Manisha Girotra	0.26	0.15
Mr. Jeffrey Mark Overly	0.42	0.48
Mrs. Shradha Suri	0.20	0.21
Mr. Pradip Manilal Kanakia	0.31	0.21
Mr. Vineet Mittal	0.19	0.04
Mr. Karamendra Daulet Singh	0.36	0.14
Commission		
Mr. Sunjay Kapur	4.80	24.00
Mr. Vivek Vikram Singh	60.12	-
Mrs. Priya Sachdev Kapur	4.25	-
Mr. Jeffrey Mark Overly	9.26	8.56
Mrs. Manisha Girotra	5.50	5.50
Mr. B.V.R. Subbu	-	1.43
Mr. Shradha Suri	5.50	5.50
Mr. Pradip Manilal Kanakia	5.50	4.13
Mr. Karamendra Daulet Singh	5.50	2.40
Mr. Vineet Mittal	5.50	1.01
Mr. Prasan Abhaykumar Firodia	-	3.10
Dividend paid		
Mr. Vadapalli Vikram Verma	1.00	1.02
Mr. Vivek Vikram Singh	0.88	0.90
Mr. Ajay Pratap Singh	0.07	0.05
Mr. Sat Mohan Gupta	-	0.69
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. Ajay Pratap Singh	0.12	-
Mr. Vivek Vikram Singh	2.49	-

* Break- up of Key management personnel remuneration

	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-term employee benefits	150.97	126.31

* Including provident fund and any other benefit.

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Note-1 The shareholders, in the Annual General Meeting (AGM) held on September 09, 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 final tranche of awards to such identified employees on April 07, 2025. The Company did not make any payment and hence it has no impact on these consolidated financial results.

Note-2 The Company holds more than 20% in Clean Max Calypso Private Limited and Clean Max Nova Private Limited. However, the Company does not exercise significant influence or control on decisions of the investees. Hence, not being construed as associate company. These investment is included in "Note 6: Investments" under Investment measured at fair value through Profit & Loss account in the financial statements.

Note 3 The Company has reimbursed INR 1.07 million (March 31, 2025: INR 6.70 million) to its directors during the year.

Note 4 Pursuant to the approval by the NRC and the Board of Directors of the Company, on December 19, 2025, the shareholders approved the Sona Performance Share Plan 2025 (the Scheme) for the Managing Director (MD) and Group CEO. On January 22, 2026, NRC approved allotment of 1,25,915 equity shares to him as per the Scheme at face value based on performance metrics defined in the Scheme.

Number less than INR 50,000

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

(i) Key Management Personnel

Balances as at year end	As at March 31, 2026	As at March 31, 2025
Payables		
Mr. Vivek Vikram Singh	9.30	9.85
Mr. Sunjay Kapur	0.80	-
Mr. Rohit Nanda	9.59	8.69
Mr. Vadapalli Vikram Verma	10.33	7.87
Mr. Ajay Pratap Singh	3.76	2.96
Mr. Sat Mohan Gupta	6.49	4.01

Terms and conditions

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

38 EARNINGS PER SHARE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Total profit attributable to the equity holders of the Group used for basic and diluted earnings per share (A)	6,401.74	6,012.13
Total number of equity shares at the beginning of the year	621,717,975	586,447,778
Issue of shares	128,915	35,270,197
Total number of equity shares at the end of the year	621,846,890	621,717,975
Effect of exercise of share options (refer note 45)	-	17,381
Total number of equity shares (including options) at the end of the year	621,846,890	621,735,356
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	621,743,735	606,025,908
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (B)	621,743,735	606,025,908
Effect of exercise of share options	-	17,381
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share (C)	621,743,735	606,043,289
Nominal Value per share (in INR)	10.00	10.00
(a) Basic earnings per share (in INR)	10.30	9.92
(b) Diluted earnings per share (in INR)	10.30	9.92

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

39 EMPLOYEE BENEFITS

A Defined contribution plans:

	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Provident fund	189.40	149.90
b) Employees state insurance corporation	0.23	0.18
c) Labour welfare fund	0.59	0.43
d) Super annuation	2.49	2.05
e) National Pension Scheme	27.62	20.37
	220.33	172.93

B Defined benefit plans:

(i) Gratuity

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

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

I Expense recognised in the statement of profit and loss

	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Current service cost	62.19	31.35
(ii) Past service cost	384.49	-
(iii) Interest cost	40.88	23.57
(iv) Expected return on plan assets	(29.28)	(19.30)
Net expense recognised in the statement of profit and loss	458.28	35.62

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Actuarial changes arising from changes in demographic assumptions	1.16	1.30
(ii) Actuarial changes arising from changes in financial assumptions	(27.66)	0.86
(iii) Actuarial changes arising from changes in experience adjustments	12.78	10.14
(iv) Return on plan assets greater than discount rate	(0.39)	(1.07)
Net expense recognised in other comprehensive income	(14.11)	11.23

III Changes in obligation

	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Opening balance	419.24	362.22
(ii) Acquired through business combination (refer note 49)	96.77	-
(iii) Current service cost	62.19	31.35
(iv) Past service cost	386.39	-
(v) Interest cost	40.88	23.57
(vi) Actuarial (gain)/loss	(13.72)	12.30
(vii) Benefit payments from plan assets	(21.01)	(10.55)
(viii) Present value of obligation as at year end	-	0.35
Present value of obligation as at year end	970.74	419.25

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

IV Changes in plan assets

	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Fair value of plan assets as at the beginning of the period	340.00	291.80
(ii) Acquired through business combination (refer note 49)	96.77	-
(iii) Interest income	29.28	19.30
(iv) Contributions by employer	50.99	37.20
(v) Benefit payments from plan assets	(19.88)	(9.66)
(vi) Actuarial gain on plan assets	0.36	1.01
(vii) Transfer of employees from erstwhile related party	-	0.35
Fair value of plan assets	497.53	340.00

V Net assets / liabilities

	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Present value of obligation at the end of the year	970.74	419.24
(ii) Fair value of plan assets at the end of the year	497.53	340.00
(iii) Net liabilities recognised in the balance sheet		
- Non current	405.68	79.00
- Current	67.53	0.28

VI Experience adjustment

	For the year ended March 31, 2026	For the year ended March 31, 2025
Experience adjustment loss on plan liabilities	8.68	3.87

VII Investment details

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

VIII Principal actuarial assumptions (Gratuity and Compensated absence)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate (per annum)	6.75%-7.70%	6.40%-6.70%
Expected increase in salary costs (per annum)	8.00-10.00%	8.00-10.00%
Attrition rate	1.00-15.00%	15.00-16.00%
Mortality	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Retirement age	58 and 60 years	58 and 60 years

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

IX Quantitative sensitivity analysis for significant assumptions is as below:

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

	Impact on defined benefit obligation	
	As at March 31, 2026	As at March 31, 2025
Delta effect of +1% change in rate of discounting	(38.83)	(15.16)
Delta effect of -1% change in rate of discounting	42.70	16.37
Delta effect of +1% change in rate of salary increase	10.92	15.98
Delta effect of -1% change in rate of salary increase	(7.91)	(15.04)

X Maturity profile of defined benefit obligation (undiscounted)

Particulars	As at March 31, 2026	As at March 31, 2025
Within the next 12 months (next annual reporting period)	178.48	48.90
Between 2 and 5 years	465.86	134.57
Between 6 and 10 years	439.97	113.01
Total expected payments	1,084.31	296.48

XI The average duration of the defined benefit plan obligation at the end of the reporting period is 5.74 - 15.48 years (March 31, 2025: 5 - 7 years)

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

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

40 CONTINGENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025
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
Cases pending before Transfer pricing officer (AY-2016-17)	-	2.98
Cases pending before CIT in respect of which the Company has filed appeal (AY-2017-18)**	105.59	97.66
Demand raised by AO for which company intend to file appeal with CIT - Appeal for AY 2018-19	8.63	8.07
(iii) Goods and Services tax Act		
Writ petition filed before high court***	281.97	281.97

*Amount paid under protest of INR 15.35 million (March 31, 2025: INR 17.47 million)

** Total disputed amount of the case is INR 114.22 million(March 31, 2025:INR 106.29 million) (including interest liability) out of which INR 8.63 million (March 31, 2025:INR 8.63 million) (including interest liability) has been provided as a provision and balance amount is being disclosed as a contingent liability.

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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

- b) There are labour cases pending before High Court and Labour Commissioner/Officer. The Company has been legally advised that the cases filed by the employees are not sustainable in law and accordingly no provision has been made therefore. Moreover no monetary claim was filed or is pending.
- c) Duty paid and related export obligation status with respect to EPCG licenses which is six times of the duty saved, obtained by the Group are as under:

	As at March 31, 2026	As at March 31, 2025
Export obligation pending	531.84	1,580.30

41 COMMITMENTS

(a) Capital commitments

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts to be executed on capital account not provided for (net of advances)	1,459.74	700.08
	1,459.74	700.08

42 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTION FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE III OF COMPANIES ACT 2013:

March 31, 2026

Name of entity	Net assets i.e. total assets minus total liabilities		Share in profit and (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (INR million)	As a % of consolidated net profit	Amount (INR million)	As a % of consolidated other comprehensive income	Amount (INR million)	As a % of consolidated total comprehensive income	Amount (INR million)
Holding Company								
Sona BLW Precision Forgings Limited	95.26%	58,414.99	102.74%	6,464.15	(82.64%)	(263.69)	93.79%	6,200.46
Subsidiaries- India								
Comstar Automotive Technology Services Private Limited	0.29%	180.66	0.59%	37.20	(0.01%)	(0.03)	0.56%	37.17
Sona Comstar eDrive Private Limited	0.01%	8.56	0.00%	0.06	0.00%	-	0.00%	0.06
Subsidiaries- Foreign								
Comstar Automotive USA LLC	1.74%	1,070.05	4.48%	281.76	32.62%	104.07	5.84%	385.83
Comstar Automotive Hongkong Limited	0.26%	160.77	0.53%	33.27	(0.09%)	(0.29)	0.50%	32.98
Comstar Automotive (Hangzhou) Co., Ltd.	0.06%	36.86	(1.01%)	(63.24)	1.16%	3.69	(0.90%)	(59.56)
Comestel Automotive Technologies Mexicana Ltd.	2.10%	1,289.88	4.51%	283.95	34.77%	110.94	5.97%	394.89
Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V	(0.06%)	(37.01)	(0.13%)	(7.89)	(1.93%)	(6.15)	(0.21%)	(14.03)
Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V	0.31%	191.81	(0.04%)	(2.31)	11.76%	37.52	0.53%	35.22
Comstar Hong Kong Mexico No. 1, LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	1.23%	755.29	(2.30%)	(144.92)	30.24%	96.48	(0.73%)	(48.44)
Novelic d.o.o. Beograd	2.39%	1,464.32	(2.96%)	(186.35)	0.00%	-	(2.82%)	(186.35)
Novelic SRL	0.01%	4.06	(0.03%)	(1.74)	0.00%	-	(0.03%)	(1.74)
Novelic ESC DOOEL SKOPJE	0.00%	1.09	0.00%	0.13	0.00%	-	0.00%	0.13
Nirsen D.O.O	0.02%	14.88	(0.05%)	(3.18)	0.00%	-	(0.05%)	(3.18)
Novelic GMBH	0.01%	3.15	0.01%	0.88	0.00%	-	0.01%	0.88
Novelic India Private Limited	(0.00%)	(0.26)	(0.01%)	(0.35)	0.00%	-	(0.01%)	(0.35)
Non controlling interest	2.43%	1,492.43	(1.39%)	(87.60)	32.22%	102.80	0.23%	15.20
Consolidation adjustments	(6.08%)	(3,729.88)	(4.96%)	(311.92)	41.91%	133.71	(2.70%)	(178.18)
Total	100%	61,321.65	100%	6,291.90	100%	319.07	100%	6,610.97

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

March 31, 2025

Name of entity	Net assets i.e. total assets minus total liabilities		Share in profit and (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (INR million)	As a % of consolidated net profit	Amount (INR million)	As a % of consolidated other comprehensive income	Amount (INR million)	As a % of consolidated total comprehensive income	Amount (INR million)
Holding Company								
Sona BLW Precision Forgings Limited	95.58%	53,951.28	96.66%	5,796.88	14.28%	6.08	96.08%	5,802.96
Subsidiaries- India								
Comstar Automotive Technology Services Private Limited	0.25%	143.49	0.53%	32.00	(0.09%)	(0.04)	0.53%	31.96
Sona Comstar eDrive Private Limited	0.02%	8.51	0.00%	0.21	0.00%	-	0.00%	0.21
Subsidiaries- Foreign								
Comstar Automotive USA LLC	1.58%	889.23	3.87%	232.36	49.15%	20.93	4.19%	253.29
Comstar Automotive Hongkong Limited	0.23%	127.79	2.00%	119.86	(2.21%)	(0.94)	1.97%	118.92
Comstar Automotive (Hangzhou) Co., Ltd.	0.10%	57.00	(0.44%)	(26.53)	4.32%	1.84	(0.41%)	(24.69)
Comestel Automotive Technologies Mexicana Ltd.	1.65%	929.89	5.70%	341.56	45.35%	19.31	5.98%	360.87
Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V	(0.04%)	(22.97)	(0.25%)	(15.12)	5.33%	2.27	(0.21%)	(12.85)
Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V	0.28%	156.60	0.30%	18.01	(66.03%)	(28.12)	(0.17%)	(10.11)
Comstar Hong Kong Mexico No. 1, LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	0.63%	353.28	(1.18%)	(70.61)	(42.36%)	(18.04)	(1.47%)	(88.65)
Novelic d.o.o. Beograd	2.52%	1,423.84	0.12%	7.29	0.00%	-	0.12%	7.29
Novelic SRL	0.01%	5.29	0.07%	3.97	0.00%	-	0.07%	3.97
Novelic ESC DOOEL SKOPJE	0.00%	0.87	0.00%	0.21	0.00%	-	0.00%	0.21
Nirsen D.O.O	0.03%	15.60	(0.11%)	(6.37)	0.00%	-	(0.11%)	(6.37)
Novelic GMBH	0.00%	2.20	0.01%	0.46	0.00%	-	0.01%	0.46
Non controlling interest	2.66%	1,499.48	0.04%	2.53	39.82%	16.96	0.32%	19.48
Consolidation adjustments	(5.48%)	(3,094.20)	(7.33%)	(439.83)	52.43%	22.33	(6.91%)	(417.49)
Total	100%	56,447.18	100%	5,996.88	100%	42.58	100%	6,039.46

43 LEASES

- i) The Group has entered into lease arrangements for land, building and plant and machinery that are renewable on a periodic basis with approval of both lessor and lessee.
- ii) The Group does not have any lease commitments towards variable rent as per the contract.
- iii) Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over land and building the Group must keep those properties in a good state of repair and return the properties in their original condition, except for normal wear and tear, at the end of the lease. Further, the Group shall insure items owned by it and incur maintenance fees on such items in accordance with the lease contracts.
- iv) Lease liabilities are presented in the statement of financial position as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Current	144.64	104.22
Non-current	1,851.38	1,783.52
	1,996.02	1,887.74

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

v) Future minimum lease payments are as follows:

Particulars	As at March 31, 2026		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	286.87	142.23	144.64
1-5 years	1,273.65	500.18	773.47
More than 5 years	1,433.43	355.52	1,077.91
	2,993.95	997.93	1,996.02

Particulars	As at March 31, 2025		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	248.19	143.97	104.22
1-5 years	1,113.45	530.11	583.34
More than 5 years	1,655.13	454.95	1,200.18
	3,016.77	1,129.03	1,887.74

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation expense of right-of-use assets	212.98	194.43
Interest expense on lease liabilities	159.78	160.36
Rent expense (relating to short term leases on which lease liability is not recognised)	71.96	65.19
Total	444.72	419.98

vii) Total cash outflow pertaining to leases

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total cash outflow pertaining to leases during the year	249.59	274.69

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

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

44 REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue

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

Revenue from operations	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue by geography		
Domestic	24,214.36	13,142.90
Export	18,869.37	20,984.53
Total	43,083.73	34,127.43
Timing of revenue recognition		
Revenue recognised at point in time	43,083.73	34,127.43
Revenue recognised over the period of time	-	-
Total	43,083.73	34,127.43

(b) Liabilities related to contracts with customers*

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	257.45	198.78
Acquired through business combination (refer note 49)	21.48	-
Income recognised from advance (refer note i below)	(365.17)	(159.23)
Advance received from customers during the year	564.42	217.90
Advance from customers and contract liability (refer note 21)	478.18	257.45

Note (i) includes income recognise from opening balance INR 177.03 millions (March 31, 2025: INR 127.11 million)

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

There are insignificant discounts offered by the Group to its customers for the year ended March 31, 2026 INR 149.30 million (March 31, 2025: INR 0.85 million)

(d) Contract assets*

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	22.43	33.40
Adjusted during the year	11.46	10.97
Closing balance (refer note 9)	10.97	22.43

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

45

a) Share-based payments

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

Particulars	Sona BLW Precision Forging Limited Employee Stock Option Plan
Exercise Price	INR 38.34
Grant date	October 01, 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

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. October 01, 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 March 31, 2026 (Nil for the year ended March 31, 2025) is recognised in the statement of profit and loss of the Company pertaining to options issued to employees of the Company. The following principal assumptions were used in the valuation: Expected volatility was determined by comparison with peer companies, as the Company's shares were not publicly traded at that time. The expected option life and average expected period to exercise, is assumed to be equal to the contractual maturity of the option. Dividend yield is taken as 1.6% based on the 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	October 01, 2020	October 01,2020	October 01,2020
Vesting date	October 01,2021	October 01,2022	October 01,2023
Expiry date	October 01,2024	October 01,2025	October 01,2026
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%

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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

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

Particulars	31-03-2026	31-03-2025
Options outstanding at the beginning of the period	18,892	62,488
Number of employees to whom options were granted	62	62
Options vested	-	-
Options exercised	-	24,704
Options forfeited/ lapsed/ cancelled	18,892	18,892
Option expired during the year	Nil	Nil
Options outstanding (Vested)	-	18,892
Options outstanding (Unvested)	-	-
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options)	-	24,704
Money realised by exercise of options (in INR)	-	947,151
Options outstanding at the period end (Vested)	-	-
Options exercisable at the period end (Unvested)	-	18,892
Total number of options in force (excluding options not granted)	-	-
Weighted average remaining contractual life of outstanding options (in years)	-	1.50

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 March 31, 2026 is Nil (for the year ended March 31, 2025 was Nil)
Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	Each Option entitles the holder thereof to apply for and be allotted one Ordinary Shares of the Company upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from grant date
Employee wise details of options granted to	
(i) Key Managerial Personnel	Mr. Vivek Vikram Singh
	Mr. Rohit Nanda
	Mr. Ajay Pratap Singh
	Mr. Vadapalli Vikram Verma
	Mr. Sat Mohan Gupta
	Share based payment to Key Managerial Personnel for the year ended March 31, 2026 is Nil (March 31, 2025 was Nil)
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	None
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	No options were granted to any identified employees during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

(b) Share-based payments

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

Particulars	Sona BLW Precision Forging Limited Employee Stock Option Plan -2023			
Grant date	October 25, 2023	March 15, 2024	October 27, 2025	
Exercise Price	INR 508.95	INR 641.60	INR 478.70	
Vesting schedule	1,706,650 options	25,000 options	157,500 options	12 months after the grant date ('First vesting')
	1,706,650 options	25,000 options	157,500 options	24 months after the grant date ('Second vesting')
	1,706,650 options	25,000 options	157,500 options	36 months after the grant date ('Third vesting')
	1,706,650 options	25,000 options	157,500 options	48 months after the grant date ('Fourth vesting')
Number of share options granted	6,826,600	100,000	630,000	
Exercise period	Stock options can be exercised within a period of 3 years from vesting date.			
	The total pool of Options that can be granted under the ESOP Plan is 7,610,402 (Seven million six hundred ten thousand four hundred two only) Options out of which 6,826,600 (Six million nine hundred twenty-six thousand six hundred only) options were granted to the employees.			
Method of settlement	Equity			

Stock options will be settled by issue of equity shares of the Company. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of INR 508.95/ INR 641.60 / INR 478.70 per option against the fair market value of INR 508.95/INR 641.60/ INR 478.70 per share determined on the date of grant, i.e. October 25, 2023, March 15, 2024 and October 27, 2025 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 185.82 million (excluding INR 9.66 million capitalised) for the year ended March 31, 2026 (March 31, 2025 INR 275.97 million (excluding INR 18.42 million capitalised)) is recognised in the statement of profit and loss of the Company pertaining to options issued to employees of the Company. The following principal assumptions were used in the valuation: Expected volatility was determined basis 50% weight to Sona BLW Precision Forgings Limited and a balance of 50% weight equally to the other comparable companies. The expected option life and average expected period to exercise, is assumed to be equal to the contractual maturity of the option. Dividend yield is taken as 0.55%, 0.48% and 0.67% based on 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 October 25, 2023				
Vesting date	October 25, 2024	October 25, 2025	October 25, 2026	October 25, 2027
Expiry date	October 25, 2027	October 25, 2028	October 25, 2029	October 25, 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%

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Grant Date March 15, 2024				
Vesting date	March 15, 2025	March 15, 2026	March 15, 2027	March 15, 2028
Expiry date	March 15, 2028	March 15, 2029	March 15, 2030	March 15, 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%

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Grant Date October 27, 2025				
Vesting date	October 27, 2026	October 27, 2027	October 27, 2028	October 27, 2029
Expiry date	October 27, 2029	October 27, 2030	October 27, 2031	October 27, 2032
Fair value of option at grant date using Black Scholes model	81.10	113.30	137.00	165.70
Exercise price	478.70	478.70	478.70	478.70
Expected volatility of returns	34.03%	33.54%	32.42%	34.31%
Term to expiry (Years)	1.17	2.17	3.17	4.17
Expected dividend yield	0.67%	0.67%	0.67%	0.67%
Risk free interest rate	5.46%	5.61%	5.75%	5.89%

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	31-03-2026	31-03-2025
Options outstanding at the beginning of the period	6,463,715	6,926,600
Number of employees to whom options were granted	123	91
Options granted during the year	630,000	-
Options vested	1,712,390	1,731,650
Options exercised	3,000	462,885
Options forfeited/ lapsed/ cancelled	321,680	-
Option expired during the year	-	-
Options outstanding (Vested)	2,888,775	1,268,765
Options outstanding (Unvested)	3,880,260	5,194,950
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)	2,888,775	1,731,650
Money realised by exercise of options (in INR)	1,526,850	235,585,321
Options outstanding at the period end	6,769,035	5,194,950
Options exercisable at the period end	2,888,775	1,268,765
Total number of options in force (excluding options not granted)	6,769,035	6,463,715
Weighted average remaining contractual life of outstanding options (in years)	1.39	1.67

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Method used for accounting of share-based payment plans	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Sona BLW ESOP Plan. The employee compensation cost as per fair value method for the year ended March 31, 2026 is INR 185.82 million (excluding INR 9.66 million capitalised) (March 31, 2025: INR 275.97 million (excluding INR 18.42 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 March 31, 2026 is INR 119.08 million (March 31, 2025:INR 181.05 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.

- (c) Pursuant to the approval by the NRC and the Board of Directors of the Company, on December 19, 2025, the shareholders approved the Sona Performance Share Plan 2025 (the Scheme) for the Managing Director (MD) and Group CEO. On January 22, 2026, NRC approved allotment of 1,25,915 equity shares to him as per the Scheme at face value based on performance metrics defined in the Scheme. Total Company share based payment to employee amounting INR 54.89 million for the year ended March 31, 2026 (March 31, 2025 Nil) is recognised in the statement of profit and loss of the Company pertaining to scheme issued to employee of the Company.

46 INTANGIBLE ASSETS IMPAIRMENT TESTING

Goodwill

As per note no. 5, the group had recognised an amount of INR 5,564.06 million as goodwill on account of acquisition of Novelic d.o.o. Beograd (INR 1,760.22 million), Comstar Automotive Hongkong Limited (INR 80.79 million), Comstar Automotive Technology Services Private Limited (INR 59.04 million), Comstar Automotive USA LLC (INR 36.02 million) in addition to goodwill recognised at standalone (INR 3,628.00 million). Annual test for impairment of goodwill was carried out as at March 31, 2026 and March 31, 2025, details of which are outlined below. The outcome of the test indicated that the value in use of business was higher than its carrying value in those CGU’s (Cash generating unit). Accordingly, no impairment charge has been recognised in the standalone statement of profit and loss.

The recoverable amount of each CGU was determined based on value-in-use calculations using a discount rate ranging between 9.00%-25.00% reflecting current market assessments of the time value of money and risks specific to the business, covering a detailed five-year forecast and more considering the future economic benefits that will be derived by entity from the use of intangible assets, followed by an extrapolation of expected cash flows using a terminal growth rate of approximately 2%- 4% as determined by the management.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

Brand

On August 01, 2018, the Company acquired SONA Intellectual property rights ("Sona IP") and all rights thereto from SONA Management Services Limited ("SMSL") having indefinite useful lives, pursuant to which the group had recognised brand amounting to INR 687.40 million. This was due to the expectation of permanent use of acquired brand. The Company tests on an annual basis whether the brand is impaired based on the value-in-use concept of the entity basis certain inputs outlined below. In March 2026 and March 2025, 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 3%-5% as determined by the management.

Intangible assets under development

As per note no. 5, the Company had recognised an amount of INR 2,850.07 million (March 31, 2025: INR 2,482.93 million) as Intangible assets under development. Annual test for impairment of Intangible assets under development was carried out as at March 31, 2026 and March 31, 2025, 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 22.00%-26.00% reflecting current market assessments of the time value of money and risks specific to the business, covering a detailed five-year forecast and more considering the future economic benefits that will be derived by entity from the use of intangible assets, followed by an extrapolation of expected cash flows using a terminal growth rate of approximately 2%- 4% as determined by the management.

Further in accordance with IND AS 36 - “Impairment of Assets”, the Company has carried out commercial feasibility assessment of intangibles under development (‘IAUD’) amounting to INR 61.75 million (March 2025: INR 627.11 million) and has not identified any impairment which is required to be recorded in the financial statements.

Growth rates

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

Discount rates

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

Terminal growth rate

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

Sensitivity

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

47 During the previous year, the Company had 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. Total net QIP proceeds amounting to INR 23,695 million has been utilised for the repayment of borrowings, purchase of fixed assets, making strategic investments and for general corporate purposes. 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 March 31, 2026								
Foreign currency risk								
(i) Foreign exchange forward contracts*	8,660.78	-	448.62	April 2026 to March 2027	1:1	USD: 86.95 to 97.53 EUR: 103.37 to 105.44	(464.00)	464.00
As on March 31, 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

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

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
For the year ended March 31, 2026				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts*	368.01	(0.00)	384.97	Gain on foreign exchange
		-	349.54	Reclassify to revenue
For the year ended March 31, 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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

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

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

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

* Refer note 7 and 17 for forward contract closing balance.

(iii) Movements in cash flow hedging reserve

Particulars	As at March 31, 2026	As at March 31, 2025
Opening	36.01	21.57
Add: Changes in fair value of forward contracts	368.01	45.87
Less: Amount reclassified to profit or loss	(734.51)	(26.58)
Less: Deferred tax relating to above (net)	92.25	(4.85)
Closing	(238.24)	36.01

49 BUSINESS COMBINATIONS

The Company completed acquisition of the Railway Business on a going concern basis from Escorts Kubota Limited with effect from June 01, 2025 through a slump sale transaction for a consideration of INR 16,426.32 million. The acquired Railway business specialises in the production and supply of mission critical railway components such as brake systems, couplers, suspension products, and various friction and rubber products.

The Company allocated purchase price in accordance with Ind AS 103 on business combinations. The fair value of net assets acquired was determined based on an appraisal of such net assets determined by an external expert on behalf of the management.

Particulars	Amount
	March 31, 2026
Total purchase consideration paid (A)	16,426.32
Book Value of Net Assets acquired	4,339.66
Fair value adjustment of property, plant and equipment	1,490.90
Valuation of RDSO Licences	8,550.00
Net assets acquired (B)	14,380.56
Goodwill including assembled workforce (A-B)	2,045.76

Note:

- Net assets acquired include Net Property, plant and equipment INR 1,434.33 million, Capital work in progress INR70.15 million, Intangible assets INR 21.40 million, Intangible assets under development INR 30.70 million, Provision for Compensated absences INR 15.04 million, Inventory Finished goods and Work in progress INR 560.46 million and Inventory Raw materials and components INR 1,185.10 million.
- As a part of purchase price allocation, RDSO licences were identified as a major intangible asset which will be amortised over a period of 30 years.
- As a result of this acquisition the company recorded a Goodwill of INR 2,045.76 million in its books of accounts which includes value of its Assembled Workforce and Future Customers amounting to INR 100 million. The Company has considered the useful life of Assembled Workforce and Future Customers as infinite and, accordingly, tested it at the end of the year for impairment based on discounted cash flow method (DCF method) and concluded that there is no impairment required.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

- 4) The acquired business contributed revenue of INR 9,726.93 million and profit after tax of INR 1,485.59 million from the date of acquisition. Had the acquisition been done at the beginning of the year, the Group's Proforma revenue and Proforma profit after tax would have been INR 45,833.10 million and INR 6,543.62 million, respectively.

50 DUES TO MICRO AND SMALL ENTERPRISES

Particulars	As at March 31, 2026	As at March 31, 2025
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*	1,016.32	609.07
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;	9.66	6.75
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.	9.66	6.75

* includes payable to capital creditors of INR 73.16 million (March 31, 2025: INR 162.54 million)

51 OTHER STATUTORY INFORMATION

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with struck off companies during the current and previous year.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2026

(Figures in Million INR, except per share data, number of shares and unless stated otherwise)

52 RECONCILIATION OF QUARTERLY BANK RETURN

Quarter	Particulars	FY 2025 - 26		FY 2024 - 25	
		Amount as per books of account	Amount as reported in the quarterly return/ statement [#]	Amount as per books of account	Amount as reported in the quarterly return/ statement [#]
Quarter 1	Trade Receivable	6,896.60	6,896.60	5,775.14	5,775.14
Quarter 1	Inventory	5,117.12	5,117.12	3,208.61	3,208.61
Quarter 1	Trade Payables	3,489.97	3,489.97	2,915.39	2,915.39
Quarter 2	Trade Receivable	8,382.14	8,382.14	6,131.29	6,131.29
Quarter 2	Inventory	5,491.10	5,491.10	3,124.35	3,124.35
Quarter 2	Trade Payables	3,837.48	3,837.48	3,151.24	3,151.24
Quarter 3	Trade Receivable	9,083.35	9,083.35	6,400.04	6,400.04
Quarter 3	Inventory	5,748.95	5,748.95	3,199.14	3,199.14
Quarter 3	Trade Payables	3,820.54	3,820.54	2,692.76	2,692.76
Quarter 4	Trade Receivable	10,760.33	10,760.33	6,281.64	6,281.64
Quarter 4	Inventory	5,492.75	5,492.75	3,076.51	3,076.51
Quarter 4	Trade Payables	4,143.72	4,143.72	2,934.72	2,934.72

Notes:-

- i) HDFC,SBI, CITI, JP Morgan and Indusind Banks are represented as Working capital lenders.

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

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

54 Authorisation of Consolidated financial statements

The Consolidated financial Statements for the year ended March 31, 2026 were approved by the Board of Directors on April 30, 2026.

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

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

Nalin Jain
Partner
Membership No: 503498

Place: New Delhi
Date: April 30, 2026

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Jeffrey Mark Overly
Chairman and Independent Director
DIN: 09041143
Place: Florida, USA

Rohit Nanda
Group Chief Financial Officer

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

Suman Poddar
Company Secretary
M.No. - ACS-24008

Place: Gurugram
Date: April 30, 2026

Part A

[Pursuant to the first proviso of sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

1	Name of the subsidiary	Comstar Automotive Technology Services Private Limited	Comstar Automotive Hong Kong Ltd.	Comstar Automotive USA LLC	Comstar Automotive Hong Kong Ltd.	Commetel Automotive Technologies Mexicana Ltd.	Comstar Automotive (Hangzhou) Co., Ltd.	Comstar Hong Kong Mexico No. 1, LLC	Comnergia Automotive Technologies Mexicana, S. DE R.L. DE C.V.	Commetel Automotive Technologies Mexicana, S. DE R.L. DE C.V.	SONA Comstar e-Drive Private Limited	Sona BLW Edrive Mexicana, S.A. PI. De C.V.	Novelic d.o.o. Beograd	Novelic SRL	Novelic Esc Doodi Skopje	Nirsen d.o.o. Beograd-Zvezdara	Novelic GmbH	Novelic India Private Limited
2	CIN any other registration number of subsidiary company	U31501TN2012PTC088468	801875352	2240569	2589396	91330109336456925R	6235944	N-2017025334	N-2017026101	U34100HR2020PTC090921	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	HRB 292904	U29301TN2025FTC186474
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026
4	Date since when subsidiary was acquired	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	NA	N/A	06.09.2023	06.09.2023	06.09.2023	06.09.2023	N/A	28.11.2025
5	Provisions pursuant to which the company has become a subsidiary [Section 2(87)(i)/Section 2(87)(ii)]																	
6	Reporting currency in Host Country	INR	USD	USD	USD	USD	USD	MXN	MXN	MXN	INR	MXN	RSD	RSD	RSD	RSD	RSD	INR
7	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	1 USD = INR 94.835	1 USD = INR 94.835	1 USD = INR 94.835	1 RMB = INR 13.7125	1 USD = INR 94.835	1 MXN = INR 5.20922	1 MXN = INR 5.20922	1 MXN = INR 5.20922	NA	1 MXN = INR 5.20922	1 RSD = INR 0.91850	1 RSD = INR 0.91850	1 RSD = INR 0.91850	1 RSD = INR 0.91850	1 RSD = INR 0.91850	NA
8	Share capital	1.30	13.68	121.00	0.01	196.25	-	0.07	114.79	114.79	15.00	885.01	1,130.73	0.01	0.54	0.01	2.70	0.11
9	Reserves & surplus	178.14	1,056.46	38.32	1,289.88	(159.39)	-	(37.08)	77.02	77.02	(6.48)	333.59	333.59	4.05	0.55	14.87	0.45	(0.37)
10	Total assets	91.35	994.98	127.24	1,499.98	790.13	-	294.12	314.77	314.77	8.78	1,039.86	1,924.82	50.65	4.10	31.06	61.15	0.08
11	Total liabilities	10.84	346.04	162.74	324.89	753.26	-	331.13	122.95	122.95	0.26	284.57	460.51	46.59	3.01	16.18	58.00	0.34
12	Investments	98.93	431.20	194.85	114.79	-	-	-	-	-	-	-	44.25	-	-	-	-	-
13	Turnover (incl. forex gain/loss)	58.76	2,448.95	-	1,357.75	437.85	-	588.31	4.65	4.65	0.08	(207.02)	(186.23)	27.46	27.46	58.07	115.73	-
14	Profit/ (Loss) before taxation	48.47	379.89	(1.62)	283.95	(63.24)	-	(7.89)	6.96	6.96	0.02	(62.11)	-	0.12	0.12	(3.18)	0.94	(0.35)
15	Provision for taxation	12.43	98.13	-	-	-	-	0.00	6.96	6.96	0.02	(62.11)	-	(0.01)	(0.01)	-	-	-
16	Profit/ (Loss) after taxation	36.04	281.76	(1.62)	283.95	(63.24)	-	(7.89)	(2.31)	(2.31)	0.06	(144.92)	(186.23)	0.13	0.13	(3.18)	0.94	(0.35)
17	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	54%	54%	54%	54%	54%	54%

Notes:

1. Names of subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated or sold during the year: None

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Jeffrey Mark Overly
Chairman and Independent Director
DIN: 09041143
Place: Florida, USA

Rohit Nanda
Group Chief Financial Officer

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

Suman Poddar
Company Secretary
M.No. – ACS-24008

Place: Gurugram
Date: April 30, 2026

Form AOC-1

Part B- Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Number of Associate / Joint Venture: 2 (Two)

S. No.	Name of Associates or Joint Ventures	Clean Max Calypso Private Limited	Clean Max Nova Private Limited
1	Latest audited Balance Sheet Date	March 31, 2026	March 31, 2026
2	Date on which the Associate or Joint Venture was associated or acquired	January 25, 2024	May 27, 2024
3	Shares of Associate or Joint Ventures held by the company on the year end		
A	Number	42,716 Equity shares	17,805 Equity Shares
B	Amount of Investment in Associates or Joint Venture	INR 54.94 million	INR 14.00 million
C	Extent of Holding (in percentage)	26%	26%
4	Description of how there is significant influence	Not applicable	Not applicable
5	Reason why the associate/Joint venture Is not consolidated	The Company does not exercise significant influence or control over the decisions of the Associate. Hence, it is not consolidated in terms of the applicable IND AS.	The Company does not exercise significant influence or control over the decisions of the Associate. Hence, it is not consolidated in terms of the applicable IND AS.
6	Net worth attributable to shareholding as per latest audited Balance Sheet	INR 54.40 million	INR 13.90 million
7	Profit or (Loss) for the year		
I	Considered in Consolidation	Not Applicable since consolidation is not required.	Not Applicable since consolidation is not required.
ii.	Not Considered in Consolidation	0.62 INR million	(0.01) INR million

1. Number of associates or joint ventures which are yet to commence operations – **None**

Sl. No.	CIN/any other registration number	Names of Associates and Joint Ventures which are yet to commence operations

2. Names of associates or joint ventures which have been liquidated or have ceased to be associate or joint venture during the year – **None**

Sl. No.	CIN/any other registration number	Names of Associates and Joint Ventures

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Jeffrey Mark Overly
Chairman and Independent Director
DIN: 09041143
Place: Florida, USA

Rohit Nanda
Chief Financial Officer

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

Suman Poddar
Company Secretary
M.No. – ACS-24008

Place: Gurugram
Date: April 30, 2026



SONA COMSTAR

SONA BLW PRECISION FORGINGS LIMITED

Registered Office- Sona Enclave, Village Begumpur Khatola, Sector 35, Gurugram 122004

CIN: L27300HR1995PLC083037; **Email** – investor@sonacomstar.com

Tel: +91-124-4768200; **Website** – www.sonacomstar.com

Notice is hereby given that the 30th (Thirtieth) Annual General Meeting (“**AGM**”) of Sona BLW Precision Forgings Limited (“**Company**”) will be held on **Wednesday, 15th July, 2026** at **12:00 Noon** (IST), through video conferencing (“**VC**”) / other audio-visual means (“**OAVM**”) to transact the following businesses. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at Sona Enclave, Village Begumpur Khatola, Sector - 35, Gurugram-122004, Haryana (India), which shall be the deemed venue of the AGM.

ORDINARY BUSINESS

Item No. 1: Adoption of Audited Standalone & Consolidated Financial Statements and Reports of Board of Directors and Auditors thereon for the Financial Year ended on 31st March, 2026.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2026 and the Reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

Item no. 2: Declaration of final dividend of INR 1.80 (One Indian Rupee and Eighty Paise only) per equity share of the Company having face value of INR 10/- (Rupees ten only) each, for the Financial Year ended on 31st March, 2026.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT a final dividend of INR 1.80 (One Indian Rupee and Eighty Paise only) per equity share of the Company, having face value of INR 10/- (Rupees ten only) each, fully paid-up, be and is hereby declared for the Financial Year ended on 31st March, 2026, as recommended by the Board of Directors at its meeting held on Thursday, 30th April, 2026.”

Item no. 3: Re-appointment of Mr. Vikram Verma Vadapalli (DIN: 03631259) as director, liable to retire by rotation.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, Mr Vikram Verma Vadapalli

(DIN:03631259), who is liable to retire by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.”

SPECIAL BUSINESS

Item no. 4: To approve the payment of remuneration to Non-Executive Directors (including Independent and Non-Independent Directors) of the Company.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (“**Act**”) and Rules made thereunder, Regulation 17(6)(a) and all other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof) and any other law for the time being in force, and in accordance with provisions of the Articles of Association of the Company, Nomination and Remuneration Policy of the Company and pursuant to the recommendation of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded for payment of remuneration, by way of Commission, to the Non-Executive Directors (including Independent and Non-Independent Directors) of the Company, in addition to sitting fees and reimbursement of expenses, not exceeding one percent 1% (one percent) of the net profits of the Company per annum, calculated in accordance with Section 198 of the Companies Act, 2013, with an overall annual cap of INR 70,000,000 (Indian rupees seventy million), for a period of 5 (five) financial year(s) starting from the Financial Year 2026-27 till Financial Year 2030-2031.

RESOLVED FURTHER THAT the Board of Directors including its committees be and is hereby authorized to decide the quantum, proportion and manner of such payment to the Non-Executive Directors and to do all such acts, deeds, matter, things and to take all such steps as may be considered necessary, appropriate, expedient or desirable in this regard to give effect to this Resolution.”

Item No.5: Ratification of the remuneration of the Cost Auditors of the Company for the Financial Year 2026-27.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (“**Act**”) read with the Companies (Audit and Auditors) Rules, 2014, Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to ratify the remuneration of INR 375,000 (Indian rupees three hundred seventy five thousand) plus applicable taxes thereon, besides reimbursement of out-of-pocket expenses, on actuals, incurred in connection therewith, payable to Jayaram & Associates, Cost Accountants (Firm Registration No. 101077), appointed by the Board of Directors as Cost Auditors of the Company, on the recommendation of Audit Committee, to conduct the audit of the applicable cost records of the Company for the Financial Year 2026-27.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committees), be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps/measures as may be deem necessary,

desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

By Order of the Board
SONA BLW Precision Forgings Limited

Suman Poddar
Company Secretary
Membership No.: A24008
Place: Gurugram
Date: 16th June, 2026

Registered Office:

Sona Enclave, Village Begumpur Khatola,
Sector-35, Gurugram –122004
Email – investor@sonacomstar.com
Tel: +91-124-4768200
Website – www.sonacomstar.com
CIN: L27300HR1995PLC083037

A NOTES

1. A statement under Section 102 of the Companies Act, 2013 (“**Act**”) and/or as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) concerning the special business under Item Nos. 4 and 5 of the Notice is annexed herewith. Further, additional information in respect of Item No. 3 of the Notice is also annexed herewith.
2. The Ministry of Corporate Affairs (“**MCA**”) vide its General Circular No. 3/2025 dated 22nd September, 2025 read with Circular No. 20/2020 dated 5th May, 2020, Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020 and other applicable circulars issued by MCA in this regard (collectively referred to as “**MCA Circulars**”) and Regulation 44 and other applicable regulations of the **Listing Regulations** read with applicable circulars issued under the Listing Regulations by Securities and Exchange Board of India (“**SEBI**”), has permitted the holding of the Annual General Meeting (“**AGM**”) through VC / OAVM, without the physical presence of the Members at a common venue till further orders. In compliance with the provisions of the Act, the Listing Regulations, MCA Circulars and SEBI Regulations and Circulars and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and any other applicable law, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), this 30th AGM of the Company is being held through VC / OAVM. The members can attend and participate in the AGM through VC/OAVM.
3. Pursuant to the above-mentioned MCA Circulars and Listing Regulations, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporates are entitled to

appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.

4. In compliance with the MCA Circulars and SEBI Circulars, notice of the AGM along with the Annual Report for Financial Year 2025-26 is being sent through electronic mode only to those members whose e-mail address is registered either with the Company’s Registrar and Share Transfer Agent or with any depository as on **Friday, 12th June, 2026**. Further, the Company shall send a letter providing the web-link, including the exact path, where complete details of the Annual Report is available to those shareholder(s) who have not so registered their email id. Members may also note that the AGM notice and Annual Report for Financial year 2025-26 will also be available on the Company’s website at www.sonacomstar.com, websites of the Stock Exchanges i.e. BSE Limited (**BSE**) and National Stock Exchange of India Limited (**NSE**) at www.bseindia.com and www.nseindia.com, respectively.
5. The Board of Directors of the Company has appointed Mr. Nitesh Latwal (Membership No. – ACS 32109; CP No. 16276) and failing him Mr. Ajay Khandelwal (Membership No. – FCS 12387; CP No. 18606), Partners of PI & Associates, Practicing Company Secretaries as the scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.
6. The scrutinizer will, after the conclusion of e-voting at the AGM, scrutinize the votes casted at the meeting, votes casted through remote e-voting and make a consolidated scrutinizer’s report and submit the same to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results (consolidated) within 2 (two) working days from the conclusion of the AGM.

7. The result declared along with the scrutinizers report shall be displayed at the registered office and corporate office of the Company and immediately after the declaration, will also be placed on the Company’s website at www.sonacomstar.com and on the website of NSDL e-voting at www.evoting.nsdl.com and the same shall be communicated to BSE Limited and the National Stock Exchange of India Limited ("NSE").
8. Members can join the AGM through VC/OAVM mode 30 minutes before the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 (One thousand) members on first come first serve basis. This will not include large members (members holding 2% or more shareholding), promoters, institutional investors, Chairman, directors, key managerial personnel, the Chairperson of the audit committee, nomination and remuneration committee and stakeholders’ relationship committee, auditors etc. who are allowed to attend the AGM without any restriction.
9. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended) and the SEBI Circulars and MCA Circulars, the Company is providing facility of remote e-voting and e-voting at the AGM to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (“NSDL”) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
11. For receiving all communication (including annual report) from the Company electronically, members are requested to register/update their email address with their Depositories Participant.
12. The members sharing the personal information or data with the Company or its RTA do hereby authorise the Company to collect and process their personal data for legitimate and regulatory purposes.
13. Members are requested to register/ update their email addresses/electronic bank mandate by contacting their respective Depository Participant.
14. Since the AGM will be held through VC/ OAVM, the route map of the venue of the meeting is not annexed hereto.
15. The members, whose names appear in the Register of Members / list of Beneficial Owners as on the **cut-off date i.e., Wednesday, 8th July, 2026**, are entitled to vote on the resolutions set forth in this notice. A person who is not a member as on the cut-off date should treat this notice of AGM for information purpose only. Once vote on a resolution is casted by a member, the member shall

not be allowed to change it subsequently. Further, the members who have casted their vote through remote e-voting shall not be allowed to vote again at the AGM.

16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which the directors are interested maintained under Section 189 of the Act, Annual Report along with the AGM notice and all other documents referred in the notice and explanatory statement, including certificate from the secretarial auditors of the Company received under Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available electronically for inspection without any fee by the members from the date of circulation of this notice up to the date of AGM, i.e. **Wednesday,15th July 2026** and also during the AGM. Members seeking to inspect such documents can send an email at investor@sonacomstar.com.
17. The final dividend for the Financial Year ended 31st March, 2026 as recommended by the Board, if approved at the AGM, will be paid to only those members whose name will appear in the Company’s Register of Members or as the Beneficial Owner as per the record of depositories as on **Friday, 26th June, 2026**.

Members are requested to update/register electronic bank mandate for the purpose of receiving the dividends directly in their bank account(s) on pay-out date.
18. Members may please note that bank details as furnished by the respective depositories will be used for the purpose of distribution of dividend to members. To avoid delay in receiving dividend, members are requested to update their KYC with their Depositories Participant. The Company or the Share Transfer Agent will not act on any direct request from such members for change/ deletion in bank details.
19. The Company has published the procedure for claiming of unclaimed dividend for the shareholders and also provided the unclaimed dividend details on its website at <https://sonacomstar.com/unclaimed-dividend>. Shareholders can check their unclaimed dividend amount by mentioning their DP-Id and client-id or folio no. and claim the same by following the procedure for claiming of unclaimed dividend.
20. In accordance with the provisions of Section 72 of the Act, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at <https://sonacomstar.com/files/Investor-FAQ.pdf>. Members are requested to submit the said details to their respective depository participant, in case the shares are held by them in dematerialized form and to the Company/RTA, in case the shares are held by them in physical form.

B COMMUNICATION ON TAX DEDUCTION AT SOURCE ON DIVIDEND DISTRIBUTION

Shareholders may note that pursuant to provisions of the Income tax Act, 2025 (“IT Act”) dividend Income is taxable in the hands of shareholders and the Company is required to deduct Tax at Source ("TDS") at the time of making the payment or distribution of dividend to the shareholders at the prescribed rates. Tax shall be deducted at source @ 10 %for resident shareholders with valid Permanent Account Number (“PAN”) or @ 20% for resident shareholders without PAN or invalid PAN (as per Section 397 of the IT Act).

Shareholders are requested to ensure that their bank account details in their respective demat accounts/ physical folios are updated, to enable the Company to make timely credit of dividend in their bank accounts.

The tax deduction rates would vary depending on the residential status of the shareholders, documents submitted by the shareholders and accepted by the Company. This communication provides a brief of the applicable TDS provisions under the IT Act for Resident and Non-Resident Shareholders.

Further, TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued under Section 395 of the IT Act, if such valid certificate is provided.

However, no TDS shall be deducted on the dividend payable to:

A) Resident Individual shareholders, if:-

the amount of such dividend or as the case may be, the amounts of such dividend distributed or paid or likely to be distributed or paid during the financial year **does not exceed INR 10,000/-** or their **income is below the taxable limit and declaration is received** from such shareholders in Form 121, provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and the Company may at its discretion reject the form, if it does not fulfil the prescribed requirement under the IT Act. (for format click <https://sonacomstar.com/files/documents/annexure-1-form-121-form-15g-15h--document-nzE2UQ.pdf>)

Form 121 needs to be furnished only if dividend amount exceeds INR 10,000.

B) Insurance Companies (viz. LIC, GIC etc.), Mutual Funds and Alternative Investment Funds (incorporated in India) where the following documents, complete in all respects, are received from them:

Category of shareholder	Exemption applicability/Documentation requirement
Mutual Funds	1. A self-declaration that they are governed by the provisions of Schedule VII of the IT Act; 2. Self-attested copy of SEBI registration certificate; and 3. Self-attested copy of PAN.

Category of shareholder	Exemption applicability/Documentation requirement
Insurance Companies	1. A self-declaration that they are covered by Section 393 of the Act and has full beneficial interest with respect to the shares owned by it; 2. Self-attested copy of IRDA registration certificate; and 3. Self-attested copy of PAN.
Category I and II Alternative Investment Fund ("AIF")	1. A self-declaration that the income of the AIF is exempt under Schedule V of the IT Act and that they are governed as Category I or Category II AIF under the SEBI regulations; 2. Self-attested copy of SEBI registration certificate; and 3. Self-attested copy of PAN.
Other non-individual resident shareholder	1. A self-declaration that dividend receivable by them is exempt from deduction of tax under Section 393 of the IT Act or other relevant provisions of the IT Act; and 2. Self-attested copies of documents in support of the claim.

In case of non- resident shareholder, taxes shall be withheld as per Section 393 of the IT Act, at the rates, as applicable. As per the relevant provisions of the IT Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 395 of the IT Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

Further, as per Section 159 of the IT Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty (“DTAA”) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, to avail Tax Treaty benefits, the non-resident shareholders are required to provide the following:

- a) Self-attested copy of the PAN card allotted by the Indian Income Tax authorities. In case, PAN is not available, the non-resident shareholder shall furnish (a) name; (b) email id; (c) contact number; (d) address in residency country; and (f) Tax Identification Number of the residency country (for format click <https://sonacomstar.com/files/documents/annexure-2-declaration-under-rule-217-document-db₹8xi.pdf>)
- b) Self-attested copy of Tax Residency Certificate (“TRC”) (for the period April 2026 to March 2027) or calendar year 2026, valid as on record date, obtained from the tax authorities of the country of which the shareholder is a resident.
- c) Self-declaration in electronic Form 41 for the Tax Year 2026-27 executed in electronic mode from income tax portal is required
- d) Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (for the period April 2026 to March 2027) (for format click <https://sonacomstar.com/files/documents/annexure-3-treaty-eligibility-document-Y5X05Y.pdf>)

- e) A 'should level' opinion from a tax consultant stating that the non-resident shareholder is eligible to claim benefit of the applicable tax treaty for the dividend.
- f) In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.
- g) In case of shareholder being tax resident of a foreign country or specified territory where the Double Taxation Avoidance Agreement between India and that foreign country or specified territory, as the case may be, prescribes additional conditions (for example Article 24 of the India-Singapore Tax Treaty) for the shareholder to avail any beneficial tax treatment, please furnish relevant evidences demonstrating eligibility to avail such beneficial tax treatment (for example letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA). It is recommended that shareholder should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by the relevant DTAA.
- h) Indemnity that the Company is indemnified for any tax, interest, penalty or related cost that the Company may incur due to non-withholding or withholding of tax at lower rate (for format click <https://sonacomstar.com/files/documents/annexure-4-indemnity-bond-sona-blw-document-jyfMzq.pdf>)

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

The Tax Exemption Forms from resident shareholders and Forms & Documents from non-resident shareholders for availing the benefit of Tax Treaty Rate, as stated above, to be uploaded on the link <http://ris.kfintech.com/form15/forms.aspx?q=0> on or before **Friday, 3rd July, 2026**.

Kindly note that no communication/documents on the tax determination/ deduction shall be considered post 11:59 PM (IST) of **Friday, 3rd July, 2026**.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents, shareholder would still have an option of claiming refund of the excess tax deducted at the time of filing their income tax return by consulting their tax advisors.

No claim shall lie against the Company for such taxes deducted.

Credit of TDS will be available for verification in Form 168 to those shareholders who have registered valid PAN as above, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>. The TDS Certificate, if applicable, will be e-mailed to your registered e-mail address in due course of time, post payment of the aforesaid dividend.

Further, in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Shareholder(s), Such shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any appellate proceedings.

The Tax Exemption Forms from resident shareholders and Forms & Documents from non-resident shareholders for availing the benefit of Tax Treaty Rate, as stated above, to be uploaded on the link <http://ris.kfintech.com/form15/forms.aspx?q=0> on or before **Friday, 3rd July, 2026**.

Kindly note that no communication/documents on the tax determination/ deduction shall be considered post 11:59 PM (IST) of **Friday, 3rd July, 2026**.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents, shareholder would still have an option of claiming refund of the excess tax deducted at the time of filing their income tax return by consulting their tax advisors.

No claim shall lie against the Company for such taxes deducted.

Credit of TDS will be available for verification in Form 26AS to those shareholders who have registered valid PAN as above, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>. The TDS Certificate, if applicable, will be e-mailed to your registered e-mail address in due course of time, post payment of the aforesaid dividend.

Further, in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Shareholder(s), Such shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any appellate proceedings.

C THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING/ E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on **Sunday, 12th July, 2026 at 9:00 A.M. (IST)** and ends on **Tuesday, 14th July, 2026 at 5:00 P.M. (IST)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. **Wednesday, 8th July, 2026** may cast their vote electronically. The voting right of members shall be in proportion to the shares held by them.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. - After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. - If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. - Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- How to retrieve your ‘initial password’?
 - If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

- If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- Now, you will have to click on “Login” button.

- After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- Upon confirmation, the message “Vote cast successfully” will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

D GENERAL GUIDELINES FOR SHAREHOLDERS

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@piassociates.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to (Ms. Pallavi Mhatre – Deputy Vice President, NSDL at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- Provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@sonacomstar.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

E THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

F INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-voting system**. After successful login, you can see link of “**VC/OAVM link**” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member

login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the meeting through Desktops/laptops with high-speed internet connectivity, for better experience.
3. Further members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at investor@sonacomstar.com at least 48 hours before the date of AGM. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting through chat box.
6. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM and depending on the availability of time at the AGM.

SEBI Online Dispute Resolution (ODR) disclosure and other means for raising investor grievance:

With a view to safeguard the interests of the investors and to streamline the resolution mechanism in the Indian Securities Market, SEBI vide its circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 28, 2023 as amended

from time to time, mandated establishment of common Online Dispute Resolution Portal (“ODR Portal”), by Market Infrastructure Institutions, which harnesses online conciliation and online arbitration for resolution of disputes arising between investors/clients and listed companies (including their RTAs) or specified intermediaries/regulated entities, in Indian Securities Market.

The ODR Portal allows the investors/shareholders to enroll themselves, file unresolved grievance, upload documents and get status updates pertaining to the unresolved grievances filed against listed entities/ its RTA.

The process for initiation of Dispute Resolution process is enumerated below:

- A. An investor/client shall first take up his/her grievance with the Market Participant by lodging a complaint directly with the concerned Market Participant.
- B. If the grievance is not redressed satisfactorily the investor/shareholder may escalate the same through the SCORES Portal (www.scores.gov.in) in accordance with SCORES Guidelines in accordance with the process laid out.
- C. If the investor/client is still not satisfied with the outcome, he/she can initiate dispute resolution through the ODR Portal. Alternatively, the investor/client may initiate dispute resolution through the ODR Portal if the grievance lodged with the concerned Market Participant was not satisfactorily resolved or at any stage of the subsequent escalations (prior to or at the end of such escalation(s).
- D. The concerned Market Participant may also initiate dispute resolution through the ODR Portal after having given due notice of at least 15 calendar days to the investor/client for resolution of the dispute which has not been satisfactorily resolved between them.
- E. The SMART ODR Portal can be accessed at: <https://smartodr.in/login>.

ADDITIONAL INFORMATION IN RESPECT OF ITEM NO. 3 OF THIS NOTICE

Mr. Vikram Verma Vadapalli is the Whole Time Director and CEO of Driveline Business of the Company. Mr. Verma had completed his bachelor's degree in technology in mechanical engineering in 1981 from the Karnataka Regional Engineering College, Surathkal (now renamed as National Institute of Technology, Surathkal), and brings with him more than 41 years of rich experience in organizational strategy, new product development, business development, strategic procurement, operations, and people development in the automotive industry.

Mr. Verma has been associated with Sona Group for more than 36 years. He joined Sona BLW in 2007 as Chief Engineer (Projects), and prior to this, he was leading the plant operations at Sona Koyo Steering Systems. Later, in 2011, he was appointed Executive Director and CEO of the Company. In 2019, after the acquisition of Comstar, and he was appointed CEO of Driveline Business.

He is also serving on the Board of Sona Comstar eDrive Private Limited and Sona BLW eDrive Mexicana S.A.P.I.D.E.C.V., both are wholly owned subsidiary of the Company.

Pursuant to Section 161 of the Act and based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 23rd January, 2025, appointed Mr. Vikram Verma Vadapalli (DIN: 03631259), as an Additional Director and Whole Time Director of the Company for a term of 3 (Three) consecutive years with effect from 24th January, 2025 till 23rd January, 2028 (both days inclusive), which was approved by the shareholders of the Company on 28th February, 2025 through Postal Ballot.

Pursuant to section 152(6) of the Act, not less than 2/3rd of the total number of directors of the public company shall be the persons whose period of office is liable to determination by retirement of directors by rotation and out of that 2/3rd, 1/3rd of such directors shall be liable to retire by rotation at every annual general meeting of the Company. Mr. Verma, being the longest in the office and meeting the other criteria specified for becoming liable to retire by rotation at this annual general meeting and being eligible, offers his candidature for reappointment as director of the Company.

The remuneration paid to Mr. Verma is within the limits approved by the shareholders of the Company through Postal Ballot held on 28th February, 2025 and his remuneration includes the variable pay, which is linked to KPIs defined at the beginning of the year.

The additional information as required under Regulation 36(3) of the Listing Regulations, as amended, and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India is given in **Annexure A**.

No director, KMP or their relatives except Mr. Vikram Verma Vadapalli, to whom the resolution relates, is interested in or concerned, financially or otherwise, in this resolution.

The Board recommends the **Ordinary resolution** as set out in **Item No. 3** of this notice for the approval of members.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM No. 4

The shareholders of the Company at the Annual General Meeting held on 9th September, 2021 had approved payment of remuneration or commission (excluding sitting fees) to the Non-Executive Directors (including Independent Directors) of the Company, not exceeding 3% of the net profits of the Company, calculated in accordance with Section 198 of the Companies Act, 2013 (“Act”), for each financial year, for a period of five financial years commencing from Financial Year 2021-22, with an overall annual cap of INR 70,000,000 (Indian Rupees Seventy Million only).

The said approval was valid up to Financial Year ended on 31st March 2026 and pursuant to the provisions of Sections 197 and 198 of the Act read with Schedule V of the Act. The Company, having a Managing Director and Whole-time Director, can pay remuneration to its Non-Executive Directors up to 1% of the net profits of the Company. Further, as per Regulation 17(6)(a) of the Listing Regulations, the board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and the same is required to be approved by the shareholders in general meeting.

The Non Executive Directors of the Company bring with them diverse expertise, experience and independent judgement, and actively contribute to the deliberations of the Board and its Committees, including strategic guidance, oversight of management performance, risk management, regulatory compliance and protection of stakeholder interests. The Board also took note that the Non Executive Directors devote considerable time and attention to the affairs of the Company and discharge their fiduciary duties effectively and diligently.

Accordingly, the Board of Directors in its meeting held on 20th March, 2026, recommended to the shareholders approval of payment of remuneration to all the Non-Executive Directors (including Independent and Non-Independent Directors) up to 1% of the net profits of the Company, calculated in accordance with Section 198 of the Act, for each financial year, within an overall annual cap of INR 70,000,000 (Indian rupees seventy million only), for a period of five financial years commencing from 2026-27 to 2030-31.

The Board in its meeting held on 20th March, 2026 also considered and approved revision in the annual commission payable to each Non-Executive Directors (including Independent and Non-Independent Directors) based on the recommendation of the Nomination and Remuneration Committee, which considered the dynamic regulatory landscape, ever rising bar of Corporate Governance, and increasing responsibilities demanding more and more involvement of Non-Executive directors, time devoted by the non-executive directors, and in particular the role being played by the Chairperson of the Board and Audit Committee. The revised annual commission approved by the Board, subject to the overall limits approved by the shareholders, is presented below for the information of the Company’s shareholders:

S. No.	Name of the Director	Designation	Existing amount of Commission (excluding sitting fees)	Revised Amount of Commission (excluding sitting fees)
1	Mr. Jeffrey Mark Overly	Non-Executive Independent Director	USD 100,000	USD 120,000
2	Mr. Pradip M Kanakia	Non-Executive Independent Director	INR 5,500,000	INR 9,500,000
3	Mr. Karam Daulet Singh	Non-Executive Independent Director	INR 5,500,000	INR 7,000,000
4	Mr. Vineet Mittal	Non-Executive Independent Director	INR 5,500,000	INR 7,000,000
5	Mrs. Manisha Girotra	Non-Executive Independent Director	INR 5,500,000	INR 7,000,000
6	Mrs. Shradha Suri	Non-Executive Independent Director	INR 5,500,000	INR 7,000,000
7	Mrs. Priya Sachdev Kapur	Non-Executive Non - Independent Director	INR 5,500,000	INR 7,000,000

The Board of Directors recommends the resolution set out in Item No. 4 of the Notice for approval of the Members as an Ordinary Resolution.

All the Non-Executive Directors (including Independent and Non-Independent Directors) are interested in this matter, to the extent of remuneration that may be received by them. None of the Executive Directors (including Managing Director and Group CEO or Whole Time Director), Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, except to the extent of their shareholding, if any, in the Company.

Rationale: There is no change in the overall limit of remuneration payable to Non-Executive Directors of the Company, which is 1% Net profit of the Company with an overall cap of INR 70,000,000 (Indian Rupees seventy million). The overall limit of remuneration is still the same after 5 years, during which the Company revenue has grown from INR 15,663 million to INR 44,494.60 million and Company’s PAT has grown from INR 2,151.65 million to INR 6,291.90 million. The approval of shareholders is required under the Regulation 17(6)a of the Listing Regulations for payment of remuneration to Non-Executive Directors (including Independent and Non-Independent Directors).

ITEM NO. 5

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 30th April, 2026, approved the re-appointment of Jayaram & Associates, Cost Accountants, (Firm Registration No.: 101077), as the Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company, pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014, for the Financial Year 2026-27, at a remuneration of INR 375,000 (Indian Rupees Three Hundred Seventy Five Thousand) plus applicable taxes thereon, besides reimbursement of out-of-pocket expenses on actuals incurred in connection therewith, payable to the Cost Auditor for the Financial Year 2026-27.

The remuneration of the Cost Auditors remains unchanged as compared to the previous financial year. Jayaram & Associates,

Cost Accountants, have furnished fresh certificate confirming that they hold a valid certificate of practice under Section 6(1) of the Cost Accountants Act, 1959.

In accordance with the provisions of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to Cost Auditors is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2026-27.

None of the directors and key managerial personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution as set out in **item No.5** of this notice for the approval of the members as an **Ordinary Resolution**.

Rationale: The Board is of the view that the Company complies with the applicable laws and regulations and the Cost Auditor possess the relevant skills and expertise in relation to the cost audit of the Company.

By Order of the Board
SONA BLW Precision Forgings Limited

Suman Poddar
Company Secretary
Membership No.: A24008
Place: Gurugram
Date: 16th June, 2026

Registered Office:
Sona Enclave, Village Begumpur Khatola, Sector-35,
Gurugram –122004
CIN: L27300HR1995PLC083037
Email – investor@sonacomstar.com
Website – www.sonacomstar.com
Tel: +91-124-4768200

Annexure-A

Additional information for director recommended for appointment/continuation as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards issued by the Institute of Company Secretaries of India

Name of Director	Mr. Vikram Verma Vadapalli
Director Identification Number (DIN)	03631259
Age	66 years
Designation/category of the Director	Whole- Time Director
Date of Birth	14 th June, 1960
Qualifications	Mr. Vikram Verma Vadapalli holds a bachelor's degree in technology in mechanical engineering from the Karnataka Regional Engineering College, Surathkal.
Date of first appointment on Board of the Company	6 th September, 2011
Directorships held in other companies	Sona Comstar eDrive Private Limited Sona BLW eDrive Mexicana S.A.P.I.DE.C.V.
Number of Equity Shares held in the Company (including shareholding as a beneficial owner)	3,11,042 equity shares of the Company.
Board meetings attended during the Financial Year 2025-26	8 (Eight) out of 8 (Eight) meetings of the Board held in Financial Year 2025-26.
Brief Profile/resume, Experience, and Nature of expertise in specific functional areas	As mentioned in Additional Information in respect of Item No. 3 of this Notice.
Inter-se relationships with directors and key managerial personnel	None
Directorship and Committee membership held in Listed companies (other than SONA BLW) (including the listed entities from which he had resigned in past 3 years)	None
Terms and conditions of re-appointment	As provided in explanatory statement
Resignation from Listed Entities as Director in past 3 years	None
Remuneration last drawn (including sitting fees, if any)	As mentioned in the Corporate Governance Report.
Remuneration proposed to be paid	In accordance with the limit approved by the shareholders of the Company through Postal Ballot held on 28 th February, 2025.
In the case of Independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Mr. Verma is Whole Time Director of the Company and his Skills are provided in the Corporate Governance Report.

Information at a glance

S. No	Particulars	Details
1.	Day, Date and Time of AGM	Wednesday, 15th July, 2026, 12:00 Noon (IST)
2.	Mode	Video Conferencing (VC)/Other Audio-Visual Means (OAVM)
3.	Participation through Video-Conferencing	Members can login from 11:30 A.M. (IST) on the date of AGM at https://www.evoting.nsdl.com/
4.	Helpline email-id and contact Number for e-voting and AGM participation	NSDL: - evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30. CDSL: - helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022- 23058542-43.
5.	Submission of Questions / Queries	Questions/queries shall be submitted 48 hours before the time fixed for AGM i.e. by 12:00 Noon (IST) on Wednesday, 15th July, 2026 by Email to investor@sonacomstar.com mentioning name, demat account number/folio number, registered email ID, mobile number etc. Members can also post their questions during AGM through the “Ask A Question” tab which is available in the VC/OAVM Facility as well as in the one-way live webcast facility.
6.	Speaker Registration Before AGM	Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at investor@sonacomstar.com at least 48 hours before the date of AGM. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7.	Recorded transcript	Will be made available post AGM at www.sonacomstar.com
8.	Total Dividend for FY26 recommended by Board	INR 3.40 (Indian Rupees Three and Forty Paise only) (34%) per Equity Share of the face value of Rs. 10 each/- consisting of: Interim dividend amounting to INR 1.60 (Indian Rupee One and Sixty Paise Only) per share having face value INR 10 (Indian Rupees Ten Only) declared by the Board on 23rd January, 2026. Final dividend amounting to INR 1.80 (Indian Rupee One and Eighty Paise Only) recommended by the Board to the shareholders for their approval in this AGM.
9.	Record date for final Dividend	Record date for final dividend is Friday, 26th June, 2026 .
10.	Dividend payment date	Within 30 days from the date of approval by the shareholders of the Company.
11.	Information of tax on Dividend 2026-27	www.sonacomstar.com
12.	Cut-off date for e-voting	Wednesday, 8th July, 2026.
13.	Remote E-voting start time and date	Sunday, 12th July, 2026 at 9:00 A.M. (IST)
14.	Remote E-voting end time and date	Tuesday, 14th July, 2026 at 5:00 P.M. (IST)
15.	Remote E-voting website	https://www.evoting.nsdl.com/
16.	Email Registration & Contact Updation Process	Contact your respective Depository Participant.

Notes

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SONA	SONA BLW	SONA COMSTAR	COMSTAR			COMSTAR	E-STAR (E-STAR)	



SONA COMSTAR

SONA BLW PRECISION FORGINGS LIMITED

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