

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

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 paise only) per equity share of Company having face value of INR 10/- (Indian rupees ten only) each as final dividend for the Financial Year ended on 31st March, 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 paise only) per equity share of the Company having face value of INR 10/- (Indian rupees ten only) each. The interim dividend was paid to the shareholders on 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 paise 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 paise 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:

- i. 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;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2026 and of the profits of the Company for the financial year ended on 31st March, 2026;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts for the financial year ended 31st March, 2026, have been prepared on a going concern basis;
- v. proper internal financial controls, as laid down by the Directors, were followed and that such internal financial controls are adequate and operating effectively; and
- vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

The 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:

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

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

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

- a) The NRC shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP and accordingly recommend to the Board his/her appointment to the Board.
- b) The NRC shall consider qualifications and appointment for Independent Directors as per the provisions of the Act.
- c) The Company shall ensure that the person appointed as Director/ Independent Director is not disqualified under the Companies Act, 2013, and rules made thereunder.
- d) The Director/ Independent Director/ KMP/SMP shall be appointed as per the procedure laid down under the provisions of the Act, and rule made there under, or any other enactment for the time being in force.
- e) 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.
- e) The term/ tenure of the Directors shall be governed as per provisions of the Act and the Rules made thereunder, the SEBI Regulations and such other applicable laws, as may be amended, replaced, substituted, re-enacted from time to time.
- f) In case of re-appointment of Director(s), the Board shall take into consideration, the performance evaluation of director, engagement of the director and contribution in the deliberations of the Board.

This Policy is available on the website of the Company at <https://sonacomstar.com/files/policy/nomination-and-remuneration-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 Chandio & Co. LLP, Chartered Accountants (FRN No. 001076N/N500013) was re-appointed as Statutory Auditors of the Company for the second term of 5 (five) consecutive years to hold office from the conclusion of 26th Annual General Meeting till the conclusion of 31st Annual General Meeting of the Company in terms of the provisions of Section 139 and 141 of the Act.

The Statutory Auditor's Report on 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 on 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.

36.2 Data 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**

Jeffrey Mark Overly
Chairman
DIN: 09041143

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