

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.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit 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.	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**Impairment assessment of investment in a subsidiary company**

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.

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.

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.

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.

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 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').

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.

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, including around identification of impairment indicators and the assumptions and estimates used made by the management in detailed impairment assessment workings.
- b) Evaluated the design and tested the operating effectiveness of controls related to aforementioned impairment assessment process.
- c) Obtained the impairment analysis carried out by the management for the Subsidiary investment and tested its mathematical accuracy.
- d) Traced the cash flows considered in future projections to approved business plans of the investee company and compared past projections with actual results to evaluate efficacy of the business projections process;
- e) Evaluated the inputs and assumptions used by the management in future projections with respect to revenue and cost growth trends for reasonableness thereof, basis our understanding of the business and market trends;
- f) 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.

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 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

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.
- (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.

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.

- (f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) 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.
- (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.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of Section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

(b) In our opinion and according to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-Section (5) of Section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-Section (6) of Section 135 of the Act.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nalin Jain

Partner

Membership No.: 503498

UDIN: 26503498XTMQFS4739

Place: New Delhi

Date: April 30, 2026

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 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

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

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 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 an integral part of these standalone financial statements. 1 to 54

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

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 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

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

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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

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

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reported at the exchange rate prevailing on the date of transaction.

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

d) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company 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.

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.

c. Revenue from contract with customers

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

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

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

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

Consideration for revenue contracts

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

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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)

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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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2026

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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.

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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

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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 compared 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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investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities in the balance sheet. The statement of cashflow is prepared using indirect method.

m) Employee benefits

a. Short-term obligations

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

b. Post-Employment Benefits

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

Defined Benefit Plans: The Company has defined benefit plan namely Gratuity for employees. The liability in respect of gratuity plans is calculated annually by independent actuary using the projected unit credit method. The Company 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.

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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.

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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			Total
											Leasehold land	Building		
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 other than 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 other than stated in point (vi) below.

Notes:

- 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.
- Refer note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Refer note 15 for information on property, plant and equipment pledged as security by the Company.
- Property, plant and equipment (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.
- 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.
- 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 Novellic 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

Ongoing Projects and others (March 31, 2026)	In case of Section 135(6) (Ongoing Project)	In case of Section. 135(5) (Other than ongoing Project)
Opening Balance		
With Company	-	-
In Separate CSR Unspent A/c	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.

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

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

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)

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: 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)

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.

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 Dault 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

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

- 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 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 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

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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)

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%

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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 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 Novellic d.o.o. Beograd Zvezdara

During the year ended March 31, 2024, the Company had acquired 54% stake (representing 54% voting interest) of Novellic d.o.o., world's leading self-sustaining provider of mmWave radar sensors, perception solutions, and full stack embedded systems on 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 Novellic d.o.o. and Novellic 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 Novellic d.o.o. Beograd Zvezdara

As mentioned in the note no. 5, the Company has invested an amount of INR 3,506.37 million (March 31, 2025: INR 3,506.37 million) (for acquisition of 54% voting rights of Novellic d.o.o. Beograd Zvezdara. Test for impairment of this investment was carried out as at 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 arising 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:

- 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.
- 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.

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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

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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)

- 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

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: 30th April 2026

Place: Gurugram

Date: 30th April 2026