

# Walker Chandiook & Co LLP

## Independent Auditor's Certificate for complying with the provisions relating to downstream investment

To  
The Board of Directors  
Sona BLW Precision Forgings Limited  
Sona Enclave, Village- Begumpur Khatola  
Sector-35, Gurugram, Haryana, India

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1. This certificate is issued in accordance with the terms of our engagement letter dated 10 May 2021 with Sona BLW Precision Forgings Limited ("Company").
2. The management of the Company has prepared the accompanying Statement containing details of downstream investment made by the Company ('the Statement') as at 31 March 2021 and the declaration by the Company that it has complied with the terms and conditions pursuant to [Master Direction No. 11/2017-18 issued by Reserve Bank of India on 4 January 2018 as amended from time to time, Foreign Exchange Management (Non-debt Instruments) Rules, 2019 vide Notification no. 3732(E) dated 17 October 2019, Foreign Exchange Management (Mode of payment and reporting of non-debt instruments) Regulations, 2019 vide Notification no. FEMA. 395/2019-RB dated 17 October, 2019 as amended from time to time and Consolidated Foreign Direct Investment Policy issued by Department of Industrial Policy & Promotion dated 15 October 2020, collectively referred as ("RBI notifications and policies") as amended from time to time in relation to its downstream investment. We have initialed the Statement for identification purposes only.

## Management's Responsibility for the Statement of Downstream Investment

3. The preparation of the Statement including the preparation and maintenance of all accounting and other relevant supporting records and documents, is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring that the Company complies with all the regulatory requirements of the RBI notifications and policies, with regard to downstream investment, as applicable and for providing all relevant information to the regulatory authorities.

## Auditors Responsibility

5. Pursuant to the requirement of RBI notifications and policies as amended from time to time, our responsibility is to provide reasonable assurance that the:
  - a) details of downstream investment set out in the Statement are in-agreement with the audited financial statements and other records of the Company; and
  - b) the Company and its Downstream Investments have complied with the requirements of the RBI notifications and policies to the extent applicable with respect to the downstream investment.



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6. The standalone audited financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated 27 April, 2021. Our audit of these financial statements were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "ICAI"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Such audit was not planned and performed in connection with any transactions to identify matters that maybe of potential interest to third parties.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

## Opinion

9. Based on our examination and the information and explanations given to us, along with the representations provided by the Management, we are of the opinion that the:
  - a) details of downstream investment set out in the Statement are in-agreement with the audited financial statements and other records of the Company; and
  - b) the Company and its Downstream Investment have complied with the requirements of the RBI notifications and policies to the extent applicable with respect to downstream investment.

## Restrictions on distribution or use

10. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the RBI notifications and policies. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.
11. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the requirements of RBI notifications and policies as amended from time to time which requires it to submit the certificate with the accompanying Statement to regulatory authority and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any duty or liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

*Arun Tandon*

**Arun Tandon**  
Partner  
Membership No.: 517273



UDIN No.: 21517273AAAAEA2941

**Place:** New Delhi  
**Date:** 06 August 2021

Chartered Accountants