



SONA COMSTAR

Date: - 28<sup>th</sup> July, 2022

<b>BSE Ltd.</b> Regd. Office: Floor - 25, Phoenix Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. BSE Scrip Code: 543300	<b>National Stock Exchange of India Ltd.</b> Listing Deptt., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 NSE Scrip: SONACOMS
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**SUBJECT: Outcome of Board Meeting**

Dear Sir / Madam,

We wish to inform that the Board of Directors considered and approved the following matters **in the Board meeting of the Company held on today i.e. 28<sup>th</sup> July, 2022:**

- 1) **Unaudited Financial Results (Standalone & Consolidated) for the quarter ended on 30<sup>th</sup> June, 2022:** In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following documents as **Annexure-A**, duly signed: -
  - a) Unaudited Standalone Financial Results for the quarter ended on 30<sup>th</sup> June, 2022 along with Limited Review Report of the Statutory Auditor's thereon.
  - b) Unaudited Consolidated Financial Results for the quarter ended on 30<sup>th</sup> June, 2022 along with Limited Review Report of the Statutory Auditors' thereon.
- 2) **Amendment to the Corporate Social Responsibility Policy of the Company.** The same is attached herewith as **Annexure-B**.

The meeting of Board of Directors of the Company commenced at 2:40 p.m. (IST) and concluded at 3:45 p.m. (IST).

This is for your information and records.

Thanking you,

for **SONA BLW PRECISION FORGINGS LIMITED**


**Ajay Pratap Singh**  
Vice President (Legal), Company Secretary and Compliance Officer

Enclosed: As above

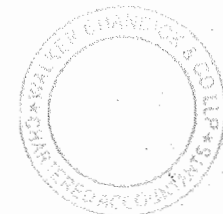
Walker Chandiook &amp; Co LLP

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 Marg, DLF Phase II, Gurugram -  
 122002  
 Haryana, India  
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**Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Sona BLW Precision Forgings Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Sona BLW Precision Forgings Limited ('the Company') for the quarter ended 30 June 2022 and the year to date results for the period 01 April 2022 to 30 June 2022, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

## Walker Chandiook & Co LLP

### Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)(Cont'd)

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 2 to the accompanying standalone financial results in respect of Scheme of Amalgamation (the 'Scheme') of the Company and its wholly owned subsidiary, namely, Comstar Automotive Technologies Private Limited (referred to as 'transferor company') as further detailed in the said note. Pursuant to the Scheme being approved by the Hon'ble National Company Law Tribunal vide its order dated 07 January 2022, the comparative financial information for the period ended 30 June 2021 have been restated in the accompanying results as if the common control business combination had occurred from the date the transferor company and the Company came under common control, in accordance with Appendix C to Ind AS 103, Business Combinations, as stipulated by the Scheme.

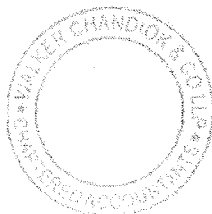
Our conclusion is not modified in respect of the above matter.

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

eSigned using Cloud DSC  
(Leegality.com - 0Ts4Rd3)  
Arun Tandon

Date: Thu Jul 28 13:46:16 IST  
2022

**Arun Tandon**  
Partner  
Membership No. 517273  
UDIN: 22517273ANTLW9497



**Place: New Delhi**  
**Date: 28 July 2022**

**SONA BLW PRECISION FORGINGS LIMITED**

Registered and Corporate Office: Sona Enclave Village, Begumpur Khatola, Sector 35, Gurugram, Haryana – 122004, India

Telephone: +91 0124 476 8200 E-mail: investor@sonacomstar.com Website: www.sonacomstar.com CIN: L27300HR1995PLC083037

**Standalone Statement of Profit & Loss for the quarter ended 30th June 2022**

*(Figures in Million ₹, unless stated otherwise)*

Particulars	Quarter ended			Year ended
	30th June 2022	30th June 2021	31st March 2022	31st March 2022
	(Unaudited)	(Unaudited) (Refer Note No 2)	(Audited)	(Audited)
<b>Income</b>				
Revenue from operations	5,331.97	4,743.35	4,936.57	19,181.17
Foreign exchange gain (net)	53.46	19.54	23.96	209.31
Other income	6.78	0.45	455.81	509.98
<b>Total income</b>	<b>5,392.21</b>	<b>4,763.34</b>	<b>5,416.34</b>	<b>19,900.46</b>
<b>Expenses</b>				
Cost of materials consumed	2,382.74	2,145.63	2,187.46	8,648.18
Changes in inventories of finished goods and work-in-progress	3.23	(86.76)	(33.29)	(294.57)
Employee benefits expense	408.67	410.66	376.59	1,600.93
Finance costs	26.63	83.82	31.87	172.37
Depreciation and amortisation expense	371.31	305.90	346.06	1,295.35
Other expenses	1,321.96	986.73	1,245.08	4,443.19
<b>Total expenses</b>	<b>4,514.54</b>	<b>3,845.98</b>	<b>4,153.77</b>	<b>15,865.46</b>
<b>Profit before exceptional items and tax</b>	<b>877.67</b>	<b>917.36</b>	<b>1,262.57</b>	<b>4,035.01</b>
Exceptional item (Refer Note No. 3)	-	(132.70)	-	(132.70)
<b>Profit before tax</b>	<b>877.67</b>	<b>1,050.06</b>	<b>1,262.57</b>	<b>4,167.71</b>
Tax expense				
- Current tax	208.06	259.58	200.93	796.17
- Tax related to previous years	(3.13)	-	(134.62)	(134.62)
- Deferred tax (credit)/ charge	16.53	10.97	(47.92)	(29.23)
<b>Total tax expense</b>	<b>221.46</b>	<b>270.55</b>	<b>18.39</b>	<b>632.32</b>
<b>Profit for the period/year</b>	<b>656.21</b>	<b>779.51</b>	<b>1,244.18</b>	<b>3,535.38</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit obligations	(3.85)	1.19	(18.82)	(15.40)
Income tax relating to above mentioned item	1.00	(0.30)	4.73	3.87
<i>Items that will be reclassified to profit or loss</i>				
Effective portion of (loss) on designated portion of hedging instruments in a cash flow hedge	(100.71)	-	-	-
Income tax relating to above mentioned item	25.47	-	-	-
<b>Other comprehensive (loss)/ income for the period/ year</b>	<b>(78.09)</b>	<b>0.89</b>	<b>(14.08)</b>	<b>(11.52)</b>
<b>Total comprehensive income for the period/ year</b>	<b>578.12</b>	<b>780.40</b>	<b>1,230.09</b>	<b>3,523.86</b>
<b>Earnings per equity share of face value of ₹ 10 each (not annualised)</b>				
Earnings per share (Basic) (in ₹)	1.12	1.36	2.13	6.08
Earnings per share (Diluted) (in ₹)	1.12	1.36	2.13	6.08

(See accompanying notes to the financial results)





**SONA BLW PRECISION FORGINGS LIMITED**

**Registered and Corporate Office: Sona Enclave Village, Begumpur Khatola, Sector 35, Gurugram, Haryana – 122004, India**  
Telephone: +91 0124 476 8200 E-mail: investor@sonacomstar.com Website: www.sonacomstar.com CIN: L27300HR1995PLC083037

**Notes to financial results for the quarter ended 30th June 2022**

*(Figures in Million ₹, unless stated otherwise)*

Notes:

- The Unaudited Financial Results of the Company for the quarter ended June 30, 2022 ("UFR") have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, as amended and read with relevant rules thereunder. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, this Statement of UFR of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on July 28, 2022. The UFR of the Group has undergone review by our Statutory Auditors.
- The Hon'ble National Company Law Tribunal, Chandigarh Bench, vide order dated 7th January, 2022 ("Order"), has approved the Scheme of Amalgamation of Comstar Automotive Technologies Private Limited ("Wholly Owned Subsidiary") with Sona BLW Precision Forgings Limited ("Company") with effect from 5th July, 2019 ("Appointed Date") and the Order was filed by the Company with the Registrar of Companies, NCT of Delhi and Haryana on 28th January, 2022. Accordingly, the Company has accounted for the merger as mentioned in the Scheme retrospectively and restated numbers for quarter ended 30th June 2021 as prescribed in Appendix C of IND AS 103 - Business Combinations. The impact of the merger on the Standalone results is as under:

Particulars	Quarter Ended	
	30th June 2021	
	Reported	Restated
Revenue from Operations	2,640.05	4,743.35
Profit Before Tax	785.31	1,050.06
Profit After Tax	583.95	779.51

**3 Exceptional Items**

Particulars	Quarter ended			Year ended
	30th June 2022	30th June 2021	31st March 2022	31st March 2022
	(Unaudited)	(Unaudited) (Refer Note No 2)	(Audited)	(Audited)
Initial Public Offer related income	-	(132.70)	-	(132.70)

The exceptional item represents the pro-rata Initial Public Offer expenses recovered from the selling shareholder recorded as an exceptional income in the Statement of Profit and Loss.

- With effect from 1 April 2022, the Company has designated certain forward contracts in the cash flow hedge relationship as eligible hedging instruments for the hedge of foreign currency exposure of highly probable forecasted sales in accordance with Ind AS 109, Financial Instruments. Pursuant to this, the effective portion of change in fair value of the hedging instruments has been recognised in 'cash flow hedge reserve' under other comprehensive income. Amount recognized in cash flow hedge reserve is reclassified to profit or loss as and when the hedged item affects the profit or loss or the hedges are no longer effective.
- The Company operates in a single reportable business segment, "Automotive Components".
- The previous period numbers have been regrouped/rearranged wherever necessary to conform to the current period presentation.

**For and on behalf of the Board of Directors of  
SONA BLW PRECISION FORGINGS LIMITED**

*(Signature)*  
**Vivek Vikram Singh**  
Managing Director and Group Chief Executive Officer  
DIN: 07698495

Place: Gurugram  
Date: 28th July, 2022



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Marg, DLF Phase II, Gurugram -  
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**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Sona BLW Precision Forgings Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Sona BLW Precision Forgings Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2022 and the consolidated year to date results for the period 01 April 2022 to 30 June 2022, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

## Walker Chandiook & Co LLP

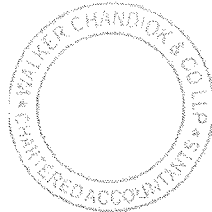
### Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)(Cont'd)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

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(Leegality.com - s1jjqzR)  
Arun Tandon

Date: Thu Jul 28 14:04:08 IST  
2022



**Arun Tandon**  
Partner  
Membership No. 517273  
UDIN: 22517273ANTLSN9346

**Place:** New Delhi  
**Date:** 28 July 2022

# Walker Chandiook & Co LLP

**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)(Cont'd)**

## Annexure 1

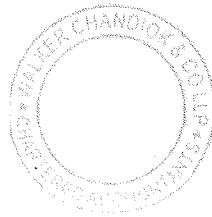
### List of entities included in the Statement

**S.no. Name of the holding Company**

1 Sona BLW Precisions Forgings Limited

**Name of subsidiaries**

- 1 Comstar Automotive Technologies Services Private Limited
- 2 Comstar Automotive USA LLC
- 3 Comstar Automotive Hongkong Limited
- 4 Comestel Automotive Technologies Mexicana Ltd
- 5 Comstar Automotive (Hangzhou) Co., Ltd
- 6 Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V
- 7 Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V
- 8 Comstar Hong Kong Mexico No. 1, LLC
- 9 Sona Comstar eDrive Private Limited





**SONA BLW PRECISION FORGINGS LIMITED**

Registered and Corporate Office: Sona Enclave Village, Begumpur Khatola, Sector 35, Gurugram, Haryana – 122004, India  
Telephone: +91 0124 476 8200 E-mail: investor@sonacomstar.com Website: www.sonacomstar.com CIN: L27300HR1995PLC083037

**Consolidated Statement of Profit & Loss for the quarter 30th June 2022**

*(Figures in Million ₹, unless stated otherwise)*

Particulars	Quarter ended			Year ended
	30th June 2022	30th June 2021	31st March 2022	31st March 2022
	(Unaudited)	(Unaudited) (Refer Note No 2)	(Audited)	(Audited)
<b>Income</b>				
Revenue from operations	5,842.51	4,987.93	5,478.69	21,096.78
Foreign exchange gain (net)	49.73	19.54	21.41	209.62
Other income	10.21	1.67	143.12	200.26
<b>Total income</b>	<b>5,902.45</b>	<b>5,009.14</b>	<b>5,643.22</b>	<b>21,506.66</b>
<b>Expenses</b>				
Cost of materials consumed	2,680.83	2,289.56	2,533.38	9,892.03
Changes in inventories of finished goods and work-in-progress	1.84	(116.27)	(63.02)	(436.45)
Employee benefits expense	429.03	430.41	399.05	1,688.77
Finance costs	28.89	86.14	34.71	182.57
Depreciation and amortisation expense	400.09	333.86	373.52	1,419.65
Other expenses	1,355.38	1,016.37	1,276.95	4,571.04
<b>Total expenses</b>	<b>4,896.06</b>	<b>4,040.07</b>	<b>4,554.59</b>	<b>17,317.60</b>
<b>Profit before exceptional items and tax</b>	<b>1,006.39</b>	<b>969.07</b>	<b>1,088.63</b>	<b>4,189.06</b>
Exceptional item (Refer Note No. 3)	-	(132.70)	-	(132.70)
<b>Profit before tax</b>	<b>1,006.39</b>	<b>1,101.77</b>	<b>1,088.63</b>	<b>4,321.76</b>
Tax expense				
- Current tax	238.05	284.76	220.31	893.93
- Tax related to previous years	(3.13)	-	(134.62)	(134.62)
- Deferred tax (credit)/ charge	13.06	(5.16)	(43.64)	(52.98)
<b>Total tax expense</b>	<b>247.98</b>	<b>279.60</b>	<b>42.04</b>	<b>706.33</b>
<b>Profit for the period/year</b>	<b>758.41</b>	<b>822.16</b>	<b>1,046.59</b>	<b>3,615.43</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit obligations	(3.85)	1.19	(18.98)	(15.57)
Income tax relating to above mentioned item.	1.00	(0.30)	4.78	3.92
<i>Items that will be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations	35.92	20.23	20.54	40.35
Effective portion of (loss) on designated portion of hedging instruments in a cash flow hedge	(100.71)	-	-	-
Income tax relating to above mentioned item	25.47	-	-	-
<b>Other comprehensive (loss) / income for the period/ year</b>	<b>(42.17)</b>	<b>21.12</b>	<b>6.34</b>	<b>28.70</b>
<b>Total comprehensive income for the period/ year</b>	<b>716.24</b>	<b>843.28</b>	<b>1,052.93</b>	<b>3,644.13</b>
<b>Earnings per equity share of face value of ₹ 10 each (not annualised)</b>				
Earnings per share (Basic) (in ₹)	1.30	1.43	1.79	6.22
Earnings per share (Diluted) (in ₹)	1.30	1.43	1.79	6.21

(See accompanying notes to the financial results)



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 Telephone: +91 0124 476 8200 E-mail: investor@sonacomstar.com Website: www.sonacomstar.com CIN: L27300HR1995PLC083037

**Notes to financial results for the quarter ended 30th June 2022**

(Figures in Million ₹, unless stated otherwise)

## Notes:

- The Unaudited Financial Results of the Group for the quarter ended June 30, 2022 ("UFR") have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, as amended and read with relevant rules thereunder. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, this Statement of UFR of the Group has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on July 28, 2022. The UFR of the Group has undergone review by our Statutory Auditors.
- The Hon'ble National Company Law Tribunal, Chandigarh Bench, vide order dated 7th January, 2022 ("Order"), has approved the Scheme of Amalgamation of Comstar Automotive Technologies Private Limited ("Wholly Owned Subsidiary") with Sona BLW Precision Forgings Limited ("Company") with effect from 5th July, 2019 ("Appointed Date") and the Order was filed by the Company with the Registrar of Companies, NCT of Delhi and Haryana on 28th January, 2022. Accordingly, the Company has accounted for the merger as mentioned in the Scheme retrospectively and restated numbers for quarter ended 30 June 2021 as prescribed in Appendix C of IND AS 103 - Business Combinations.. There is no impact of merger on statement of profit & loss.
- Exceptional Items**

Particulars	Quarter ended			Year ended
	30th June 2022	30th June 2021	31st March 2022	31st March 2022
	(Unaudited)	(Unaudited) (Refer Note No 2)	(Audited)	(Audited)
Initial Public Offer related income	-	(132.70)	-	(132.70)

The exceptional item represents the pro-rata Initial Public Offer expenses recovered from the selling shareholder recorded as an exceptional income in the Statement of Profit and Loss.

- With effect from 1 April 2022, the Company has designated certain forward contracts in the cash flow hedge relationship as eligible hedging instruments for the hedge of foreign currency exposure of highly probable forecasted sales in accordance with Ind AS 109, Financial Instruments. Pursuant to this, the effective portion of change in fair value of the hedging instruments has been recognised in 'cash flow hedge reserve' under other comprehensive income. Amount recognized in cash flow hedge reserve is reclassified to profit or loss as and when the hedged item affects the profit or loss or the hedges are no longer effective.
- The Group operates in a single reportable business segment, "Automotive Components".
- The previous period numbers have been regrouped/rearranged wherever considered necessary to conform with those of current period presentation.

For and on behalf of the Board of Directors of  
SONA BLW PRECISION FORGINGS LIMITED



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

Place: Gurugram  
Date: 28th July, 2022

## Preface

This Corporate Social Responsibility policy (hereafter referred to as '**Policy**') of Sona BLW Precision Forgings Limited (**Company/Sona Comstar**) has been designed in consonance with the requirements of Section 135 of the Companies Act, 2013 amended vide the Companies (Amendment) Act, 2019 and the Companies (Amendment) Act, 2020 (hereafter referred to as '**Act**') to lay down the guidelines for undertaking Corporate Social Responsibility (hereafter referred to as '**CSR**') initiatives at Sona Comstar in accordance with the Companies (Corporate Social Responsibility Policy), Rules, 2014, as amended from time to time including vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (hereafter referred to as '**Rules**').

Words and expressions used and not defined in this Policy shall have the same meanings respectively assigned to them in the Act and/or Rules, unless the context otherwise requires.

### 1. Driving Principles

- 1.1 Social responsibility and corporate governance are deeply integrated in the Company's functioning through ethical practices, transparency and accountability. The Policy lays down the guiding principles that shall apply to all CSR programs/projects undertaken by the Company as per Schedule VII of the Act within the geographical limit of Republic of India, to benefit marginalized, poor and deprived sections of society and for contributing towards environmental sustainability.
- 1.2 The Company is committed to the overall welfare and development of society including but not limited to education, women empowerment, environmental sustainability, disaster management, health care and sanitation. The Company has adopted appropriate business processes and strategies to achieve the above objectives.

### 2. Objectives and Scope of this Policy

- 2.1 The objectives and scope of this Policy are:
  - 2.2.1 The main objective of the Policy is to lay down the general framework of action for Sona Comstar to fulfil its Corporate Social Responsibility and in particular to specify the CSR activities and programmes to be undertaken and also specify the modalities of execution and implementation and monitoring process of such CSR activities and programmes.
  - 2.2.2 This policy shall apply to all CSR initiatives and activities taken up by the Company including those undertaken in and around the factories and various other work-centers of the Company, for the benefit of different segments of the society.



### 3 Strategy

Sona Comstar will target its CSR strategy towards spending on social objectives of supporting education, gender equality, women empowerment, providing food, medicine, disaster management, health care, sanitation, livelihood, training and opportunities to socially/economically oppressed so as to help them become economically self-reliant. The CSR spending would target areas neighboring the workplace and offices of the Company in particular, though the Company may also extend its CSR activities to any other areas within India, depending upon the cause with an intent to create a positive social impact. The CSR initiatives may also include contributing to scientific or social research/innovation programmes which have the potential to contribute positively to the environmental sustainability. Regular and critical review of the undertaken initiatives shall ensure constant improvement and lead to better impact of the projects on the society. Each of Sona Comstar's CSR interventions would be conceived and implemented with a focused approach towards a target beneficiary in order to achieve maximum impact. Although impact could reach more than one beneficiary group, impact assessment would be in terms of assessing the difference, the initiatives made, to the intended beneficiaries.

#### 3.1 CSR Activities

- Implementing entities

3.1.1 The board of directors of Sona Comstar (hereafter referred to as '**Board**') shall ensure that Sona Comstar undertakes the CSR activities within the overall framework of the CSR Policy of the Company:

- on its own; or
- through a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company; or
- through a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- through any entity established under an Act of Parliament or a State legislature; or
- through a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar CSR activities.

3.1.2 The CSR activities/projects shall be undertaken through only those of the entities which are stipulated in sub clauses (b) to (e) of clause 3.1.1 above and



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which have obtained a unique 'CSR Registration Number' in accordance with the Rules.

3.1.3 The Company may also collaborate with other companies to undertake CSR activities provided the CSR committees of the respective companies are able to report separately on such CSR activities/projects.

- International organizations

3.1.4 Sona Comstar may engage international organizations for designing, monitoring and evaluation of its CSR projects as well as for capacity building of the Company's personnel.

- Administration

3.1.5 The Company's CSR functions will be headed by an officer appointed by the Company ('CSR Head') who may be supported by such number of employees as may be desired by the Board or CSR Committee.

3.1.6 Administrative overheads including salaries of employees working on the CSR initiatives shall not exceed 5% (five percent) of its total CSR expenditure in one financial year or such other amounts as may be specified under the Rules, from time to time.

- CSR Activities and Exclusions

3.1.7 The CSR projects shall include all the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act and the Rules including CSR interventions set out in clause 3.1.8 below. For avoidance of doubt, it is clarified that the following shall not be regarded as CSR activities of the Company, unless otherwise specified (i) by the Ministry of Corporate Affairs ('MCA') under any notification, circular, FAQs or otherwise; or (ii) under the Rules:

- (a) Activities undertaken in normal course of business of the Company;
- (b) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (c) Activities benefiting employees of the Company as defined in section 2(k) of Code of Wages, 2019;
- (d) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (e) Activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- (f) One-off events such as marathons, awards, charitable contribution,

advertisement, sponsorships of TV programs, etc.

- CSR interventions

3.1.8 Sona Comstar's CSR interventions consist of four pillars that aim to strengthen and reinforce the nation and the society: (I) Samridh Bharat, (II) Swasth Bharat, (III) Surakshit Bharat, (IV) Saksham Bharat, (V) Swachh Bharat and (VI) Stree Shakti Bharat. The Company shall focus on the following activities under each of these pillars:

**I. Sona Comstar – Samridh Bharat Program**

Samridh Bharat Program shall focus on creating an enduring prosperity through promoting innovations, technological advancements. The program will include the measures like:

- support to projects to promote innovations, incubations in mobility solutions aimed at reducing dependence on fossil fuels;
- collaborate and contribute to programmes launched by universities and institutions of eminence to promote innovation driven startups in technology and other sectors;
- support projects and research programs to combat air pollution through a collaborative, constructive and solution-oriented approach including the menace of stubble burning.

**II. Sona Comstar – Swasth Bharat Program**

Swasth Bharat Program shall focus on health care and nutrition through measures like:

- health outreach program for the socially and economically backward people, school children and communities;
- support health awareness programmes, camps and events;
- support in development of infrastructure in health care centers, hospital and dispensaries;
- support to specific projects/programmes dedicated to women & child health care and nutrition;
- co-ordinate and support the agencies in management of disaster,



epidemic, pandemics including relief, rehabilitation and reconstruction and developmental activities.

### III. Sona Comstar – Surakshit Bharat Program

Surakshit Bharat Program shall focus through measures like:

- measures for the benefit of armed forces veterans, war widows and their dependents;
- support organizations working for families of martyrs, war widows, disabled soldiers and their children and dependents of the armed forces.

### IV. Sona Comstar – Saksham Bharat Program

Saksham Bharat program shall focus on employment enhancement, agriculture development, promotion of education etc. through measures like:

- providing employability and promotion of skill development programs for the rural youth in numerous modules;
- support in livestock development and agriculture development program for farmers;
- training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- promoting education, employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement.
- partnering with government education departments, institutions and organization for promoting education and development of model schools, development of infrastructures like hostels, classrooms, e-learning techniques etc.;
- support scholarship program to help the meritorious, under privileged children to opt for better schools and higher studies;
- distribution of books etc. for imparting education/knowledge;
- support in setting up old age homes, day care centers and such



other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

**V. Sona Comstar – Swachh Bharat Program**

Swachh Bharat Program shall focus on environmental sustainability, conservation of natural resources and ecological balance through measures like:

- supporting organizations working for conserving nature, wilderness preservation and combating degradation of the environment;
- promoting sanitation including clean drinking water facilities to the schools set up by the Government and local bodies.
- supporting environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga).

**VI. Sona Comstar-Stree Shakti Bharat Program**

Stree Shakti Bharat program shall focus on women empowerment through measures like:

- promoting education, employment enhancing vocational skills especially for women.
- promote gender equality, empowering women, setting up homes and hostels for women and orphans;
- empowering women through self-help groups and promotion of livelihood and employment opportunities;
- any other measures taken to empower women.

**VII. All other areas/activities as may be prescribed under Schedule VII of the Act or the Rules, as amended from time to time.**

The Company may undertake CSR activities anywhere across the geography of India, but preference may be given to CSR activities in the local area where the operations of the Company are carried out.

Any surplus, generated/arising out of the CSR activities shall not form part of the business profit of the Company and will be ploughed back to the CSR initiatives or transferred to the unspent CSR account of the Company and spent in pursuance of this Policy and the annual action plan of the Company or the Company may transfer such surplus amounts to any fund specified in Schedule VII of the Act, within a period of 6 (six) months of the expiry of the financial year.

### **3.2 CSR Budget**

- 3.2.1 The Company shall spend at least 2% (two percent) of its average net profits, or such sums as may be prescribed under the Act, made during the 3 (three) immediately preceding financial years on CSR activities in accordance with this Policy. For this purpose, the net profits shall be calculated in accordance with the applicable provisions of the Act and the Rules.
- 3.2.2 Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to any fund specified in Schedule VII of the Act, within a period of 6 (six) months of the expiry of the financial year.
- 3.2.3 Any unspent amounts in relation to ongoing projects will be transferred within a period of thirty days from the expiry of the financial year to the unspent CSR account of the Company. Such unspent amount shall be spent by the Company towards CSR activities within a period of 3 (three) financial years from the date of such transfer, failing which, the Company shall transfer the same to any fund specified in Schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.
- 3.2.4 In case of failure to spend the CSR amounts, in addition to clauses 3.2.2 and 3.2.3, the Board shall also specify the reasons for not spending the CSR amounts in its report in terms of clause (o) of sub-section (3) of section 134 of the Act.
- 3.2.5 The Company may spend the requisite CSR amounts in one or more tranches.
- 3.2.6 If the Company spends an amount in excess of requirement provided under section 135 of the Act, such excess amount may be set off by the Company against the requirement to spend under section 135 of the Act up to immediately succeeding 3 (three) financial years subject to the conditions specified under the Rules.

### **3.3 CSR Planning**

- 3.3.1 The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of this Policy, which shall include the following, namely:-



- (a) the list of CSR projects that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects as specified under the Rules;
- (c) the modalities of utilisation of funds and implementation schedules for the CSR projects;
- (d) monitoring and reporting mechanism for the CSR projects; and
- (e) details of need and impact assessment, if any, for the CSR projects undertaken by the Company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

3.3.2 All proposals by the CSR Head for a CSR project shall be submitted to the Company Secretary. CSR Head/Company Secretary will in turn place it before the CSR Committee for necessary consideration and approval.

The CSR Committee/CSR Head may engage external professionals/firms/agencies if required for the purpose of identification of CSR projects.

The time period/duration of each project/programs shall depend on its nature, extend of coverage and intended impact of such activity.

#### **4 Impact assessment**

4.1 The Company shall undertake impact assessment of the relevant CSR projects:

- (a) in accordance the provisions of the Rules, if the Company meets the threshold as prescribed under the Rules; or
- (b) as per the decisions of the Board or CSR Committee or any person/body authorised by the Board.

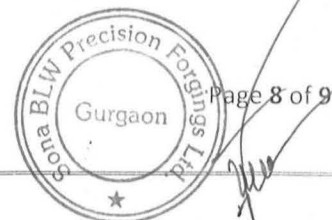
4.2 The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

4.3 The expenditure for undertaking impact assessment may booked towards CSR spend in accordance with the provisions of the Rules.

#### **5 Reporting and Monitoring**

CSR Committee shall be responsible for the implementation/monitoring and review of this Policy and various projects/activities undertaken in pursuance of this Policy.

The CSR Committee will have the powers to:



- (a) seek monitoring and implementation report from the implementing agencies receiving funds;
- (b) delegate a designated official(s) with the help of the CSR Head to co-ordinate with the organization receiving funds to inspect the activities undertaken and ensure information in a timely manner.

The CSR Committee shall submit periodical reports to the Board.

The Board shall satisfy itself that the funds disbursed towards fulfilment of CSR obligations of the Company have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

In case of ongoing project, the Board shall monitor the implementation of the CSR project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the CSR project within the overall permissible time period.

## 6 Disclosure

The annual report of the Company shall include a section of CSR outlining objectives of the CSR Policy, members of the CSR Committee, CSR initiatives undertaken by Company, the CSR spend during the financial year and other information in the format as prescribed under the Rules.

## 7 Amendment

The Board, either on its own or as per the recommendations of the CSR Committee, may amend this Policy, from time to time. The decision of the Board on all matters, relating to this Policy, shall be final and binding upon all concerned.

## 8 Display of CSR activities on website

The composition of the CSR Committee, and CSR Policy and Projects approved by the Board shall be disclosed on the website of the Company, if any, for public access.

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Adopted by Board of Directors on - 24 September 2014

Last amended on - 3 June 2021

Further amended on - 28 July 2022

