SONA COMSTAR

Date: - 25th June, 2026

BSE Ltd. Regd. Office: Floor - 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	**National Stock Exchange of India Ltd.** Listing Deptt., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
BSE Scrip Code: 543300	NSE Scrip: SONACOMS

Subject: - Intimation of credit rating pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir / Madam,

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that India Ratings & Research has affirmed the Company's bank loan facilities rating **as 'IND AA+/Stable/IND A1+'.**

Enclosed herewith the press release issued by India Ratings & Research dated 25th June, 2026.

This is for your information and further dissemination.

Thanking you,

For Sona BLW Precision Forgings Limited

Pankaj Gupta

Digitally signed by Pankaj Gupta
Date: 2026.06.25 18:44:40 +05'30'

Pankaj Gupta
Senior Vice President (Legal),
Company Secretary and Compliance Officer

Enclosed as above;

India Ratings Affirms Sona BLW Precision Forgings' Bank Loan Facilities at 'IND AA+'/Stable

Jun 25, 2026 | Sona BLW Precision Forgings Limited | Auto Components & Equipments

India Ratings and Research (Ind-Ra) has affirmed Sona BLW Precision Forgings Limited's (SBPFL) bank loan facilities' rating as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR7,250 (reduced from INR9,250)	IND AA+/Stable/IND A1+	Affirmed

Analytical Approach

Ind-Ra continues to take a fully consolidated view of SBPFL and its wholly-owned subsidiaries, to arrive at the ratings, because of the strong operational and strategic linkages among them.

Detailed Rationale of the Rating Action

The rating reflects SBPFL's sizeable order book (including electric vehicle (EV) related order book), benefitting from consistent new product launches along with the recent acquisition of the railway division from Escorts Kubota Ltd completed in FY26, which has led to further diversification of the overall revenue profile. The rating also reflects the company's strong operating performance, robust liquidity, and continued strong credit metrics at the consolidated level despite the acquisition in FY26, and the likelihood of the same being sustained over the near-to-medium term.

List of Key Rating Drivers

Strengths-

- Healthy order book and addition of railway division to support revenue growth
- Strong EBITDA generation
- Improving business profile
- Improved market position
- Robust credit profile; moderate capex plans

Weaknesses-

- High customer concentration
- Exposure to forex volatility

Detailed Description of Key Rating Drivers

Healthy Order Book and Addition of Railway Division to Support Revenue Growth: SBPFL's consolidated revenue increased 26% yoy to INR44,495 million in FY26 (FY25: INR35,460 million, FY24: INR31,848 million), driven by integration of railway division, ramp-up of EV programs in Europe and India, customer additions and the execution of new order book, as well as high content per vehicle towards EV portfolio, which comprises around 70% of the orderbook.

Ind-Ra expects the consolidated revenue to grow by 20%-25% yoy in FY27 and 15%-20% yoy in FY28 on the back of new programmes across product segments, such as EV traction motors, suspension motors, gears and differential assemblies along with the addition of the railway division. The growth will also be supported by customer additions as well as SBPFL's strong order book-backed capacity expansion for assembly lines. As on 31 March 2026, SBPFL had an unexecuted order book of INR237,000 million, 70% of which pertains to the EV segment, to be executed in the next 10 years.

Strong EBITDA Generation: SBPFL's EBITDA has been growing consistently since FY20. In FY26, the consolidated EBITDA increased to INR10,812 million (FY25: INR9,668 million, FY24: INR9,021 million), mainly driven by healthy revenue growth, a better product mix and improving operating leverage. Ind-Ra expects the consolidated EBITDA to remain healthy over FY27-FY28 on the back of healthy volume traction in EV-related products, increase in railway business, and the ramping up of new assembly lines, resulting in improved cost efficiencies.

The consolidated EBITDA margins remained resilient over FY19-FY26, ranging between 24% and 30%, backed by SBPFL's strong market leadership position, cost controls and products specialisation. In FY26, the consolidated EBITDA margin moderated to 24.3% (FY25: 27.3%, FY24: 28.3%) owing to the addition of the railway division, which offers slightly lower margins. Ind-Ra expects the EBITDA margins to continue to range between 23%-24% over FY27-FY28.

SBPFL generated a strong return on capital employed (ROCE) over FY18-FY24 at the consolidated level. However, the ROCE weakened slightly to 14%-17% during FY25 and FY26 as a result of qualified institutional placement (QIP). The ROCE is likely to gradually improve from FY27.

Improving Business Profile: SBPFL has a well-diversified revenue base, with differential gears accounting for 22% of the FY26 consolidated revenue, followed by differential assemblies (17%), micro-hybrid starter motors (16%), railways brake system, suspension and couplers (11%), traction and suspension motors (11%) and conventional starter motors (7%). Moreover, on the power train front, SBPFL derives 35% of its consolidated revenue from battery electric vehicles (BEV), 35% from power-source neutral vehicles, 20% from hybrid/micro-hybrid vehicles and 10% from internal combustion engine vehicles. SBPFL has diversified its product portfolio over a period of time into more technological advanced products and segments, which has helped it achieve a strong market position.

The company has significantly expanded its presence in the BEV segment, while reducing its dependence on internal combustion engine vehicles. The revenue share of the BEV segment increased to 35% in FY26 from 1% in FY19The group faces limited threat from the shift in industry trends towards EVs, as it derives about 40% of its revenue from gears and sub-assemblies that can be used in both internal combustion engines and EVs.

Geographically, the company derived 51% of its FY26 revenue from India (due to integration of railway business) and the remaining from overseas operations, which are spread across North America (27%), Europe (17%), and Asia and others (5%). This limits the company's exposure to a downturn in any particular geography.

Improved Market Position: SBPFL is one of India's leading manufacturers of precision forged differential bevel gears and differential assemblies across various vehicle segments. As per the management, at end-2025, the company's market share in global differential gears and starter motors stood at 8.7% (2024: 8.8%, 2023: 8.1%) and 4.2% (4.4%, 4.2%), respectively. In the domestic market, the company holds a market share of 80%-90% in commercial vehicles and tractors and 55%-60% in passenger vehicles. It also has strong relationships with major original equipment manufacturers in the domestic as well as international markets.

Robust Credit Profile; Moderate Capex Plans: SBPFL's credit profile remained robust over FY19-FY26 on the back of its low debt levels, coupled with its strong operating profitability. The company maintained a net cash position over FY25-FY26 (net adjusted leverage (net debt including lease liabilities/EBITDA) in FY24 was 0.1x). The interest coverage (EBITDA/interest expense) strengthened to 46.0x in FY26 (FY25: 32.0x, FY24: 35.0x) on the back of lower debt levels. Ind-Ra expects the consolidated credit metrics to remain strong over the near-to-medium term owing to strong EBITDA generation, continued low debt levels, and modest capex plans.

The company plans to incur capex of INR3,000 million-4,000 million each during FY27 and FY28, mainly towards railway division, capacity expansion to support existing orderbook and debottlenecking activities with no plans of availing any additional debt. The company incurred capex of about INR4,918 million during FY26 (FY25: INR4,171 million, FY24: INR3,195 million), mainly on the driveline and motor divisions; some portion of the capex was directed towards the railways division and Mexico plant. The capex for the company remains order-backed and is likely to be majorly funded through internal accruals.

High Customer Concentration: In FY26, the top five customers accounted for about 50% of the consolidated revenue (FY25: 50%). Although the company has won new orders and has been adding new customers, thereby reducing the concentration levels gradually, Ind-Ra believes the consolidated entity's dependence on a few key customers may remain high over the medium term. The company has mitigated the risk to some extent by diversifying into railways, post which the revenue share of the passenger vehicle industry reduced to 49% in FY26 from 71% in FY25. SBPFL's long-term relationships with majority of its customers also mitigates the risk to a certain extent.

Exposure to Forex Volatility: The company derived about 49% of its revenue from the international markets in FY26, and 7%-8% of its raw material requirements are imported (mainly from China and Germany), thereby exposing it to forex fluctuation risk. However, this is mitigated to a certain extent by the company's effective hedging policy. Furthermore, the management plans to reduce the group's dependence on imports by sourcing raw materials locally and shifting the manufacturing base to India.

Liquidity

Adequate: The consolidated unencumbered cash and cash equivalent stood at INR8,483 million at FYE26 (FYE25: INR21,201 million, FYE24: INR3,058 million). The significant cash balances in FY25 were as a result of QIP proceeds of INR24,000 million during September 2024; of this, around INR18,000 million was utilised for meeting the purchase cost of the railway division acquired from Escorts Kubota, the purchase of additional land for the railway business, and making a payment of the last tranche of the acquisition cost of Novelic d.o.o. (Serbia-based company acquired in FY24) during 1HFY26. The balance amount was parked in cash and liquid investments. SBPFL's average utilisation of its standalone fund-based limits was only about 6% over the 12 months ended April 2026. The free cash flow was INR680 million in FY26 (FY25: INR2,195 million, FY24:INR1,970 million) as per Ind-Ra's calculation, post the payment of dividend of INR1,990 million and one-time purchase of land for railway business of INR1,100 million. The reduction in free cash flow was mainly due to an elongation in the working capital cycle, though the impact of the same was partially offset by improved profitability. The working capital cycle elongated to 122 days in FY26 (FY25: 87 days, FY24: 95 days), primarily due to an increase in the inventory holding period owing to the addition of the railway division. While the inventory days are likely to remain slightly elevated, the management expects the overall working capital cycle to normalise from FY27.

Ind-Ra expects the free cash flow to remain positive during FY27-FY28, aided by healthy cash generation coupled with moderate capex spend. SBPFL does not have any debt repayment obligations as all the term loans have been duly repaid. Ind-Ra believes the company maintains sufficient liquidity to meet its cash outflows over the medium term and has adequate ability to raise new debt, if needed.

Rating Sensitivities

Positive: A substantial increase in the revenue and profitability, along with an ability to generate free cash flow on a consistent basis, while maintaining the ROCE levels and credit metrics could lead to a positive rating action.

Negative: A substantial decline in the profitability and/or deterioration in the business profile owing to a sustained underperformance of any of the operating divisions and/or a significant debt-funded capex/acquisitions, resulting in the net adjusted leverage exceeding 1.5x, all on a sustained basis, may lead to a negative rating action.

Any Other Information

Standalone Financials: In FY26, SBPFL recorded a revenue of INR41,237 million (FY25: INR32,263 million, FY24: 28,918 million), and an EBITDA of INR10,407 million (INR9,041 million, INR8,244 million). It continued to report a net cash position in FY26 (FY25: net cash, FY24: 0.2x) and an interest coverage of 55.5x (32.4x, 32.5x).

About the Company

SBPFL manufactures precision forged bevel gears, differential assemblies, starter motors and traction motors for automotive applications and brakes, suspension and couplers for railway applications at its 12 manufacturing plants - three in Gurgaon, two in Manesar, two in Mexico and one each in Pune, Chennai, Faridabad, USA, and China. The promoter holding was 28% at end-March 2026.

Key Financial Indicators

CONSOLIDATED FINANCIAL SUMMARY

Particulars	FY26	FY25
Revenue* (INR million)	44,495	35,460
EBITDA (INR million)	10,812	9,668
EBITDA margin (%)	24.3	27.3
Gross interest coverage (x)	46.0	32.0
Net adjusted leverage (x)	Net Cash	Net Cash
Source: SBPFL, Ind-Ra *excluding foreign exchange gains and other income		

Status of Non-Cooperation with previous rating agency

Not Applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (million)	Current Rating	19 May 2025	23 February 2024
Issuer Rating	Long-term	-	-	-	WD
Bank loan facilities	Long-term/Short-term	INR7,250.00	IND AA+/Stable/IND A1+	IND AA+/Stable/ IND A1+	IND AA+/Stable/ IND A1+

Bank wise Facilities Details

The details are as reported by the issuer as on (25 Jun 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	State Bank of India	Fund/Non-Fund Based Working Capital Limit	1900	IND AA+/Stable / IND A1+
2	State Bank of India	Fund/Non-Fund Based Working Capital Limit	100	IND AA+/Stable / IND A1+

3	IndusInd Bank Limited	Fund/Non-Fund Based Working Capital Limit	1000	IND AA+/Stable / IND A1+
4	Citibank N.A.	Fund/Non-Fund Based Working Capital Limit	1000	IND AA+/Stable / IND A1+
5	HDFC Bank Limited	Fund/Non-Fund Based Working Capital Limit	2350	IND AA+/Stable / IND A1+
6	HDFC Bank Limited	Fund/Non-Fund Based Working Capital Limit	150	IND AA+/Stable / IND A1+
7	J.P. Morgan Chase Bank	Fund/Non-Fund Based Working Capital Limit	750	IND AA+/Stable / IND A1+

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

Annexure

List of instruments and names of regulators of the instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating Activity

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA

Sr. No.	Instrument / activity Name	Regulator of the instrument
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), India Ratings shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

B. Other activities:

Sr. No.	Activity Name	Regulator of the activity
1	Monitoring Agency	SEBI
2	Research activities, incidental to rating, such as research for Economy, Industries and Companies @	NA

@ permitted by SEBI vide SEBI Master Circular for CRAs.

Note: *For instruments or activities falling under the purview of regulators other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.*

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

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