

23<sup>th</sup> August, 2017.

**The BSE Limited**  
Department of Corporate Services  
Floor 1, New Trading Ring  
Rotunda Building. P.J. Towers  
Dalal Street, Fort  
Mumbai 400 001.  
**Scrip Code - 520057**

**National Stock Exchange of India Ltd.**  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block  
Bandra – Kurla Complex  
Bandra (E)  
Mumbai 400 051.  
**Symbol – SONASTEER; Series – EQ**

**Sub : 33<sup>rd</sup> Annual General Meeting ('AGM') and voting results.**

Dear Sir(s),

In continuation to our letter dated 27<sup>th</sup> July, 2017, the 33<sup>rd</sup> Annual General Meeting of the Company was held on 22<sup>nd</sup> August, 2017 and the business mentioned in the Notice dated 24<sup>th</sup> May 2017 was transacted.

In this regard, please find enclosed the following-

- Proceedings as required under the Regulation 30, Part A of Schedule - III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure – I
- Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure – II.
- Report of Scrutinizer dated August 23, 2017, pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration), Rules 2014 as Annexure – III
- Annual Report for the financial year 2016-17 as required under the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved by the members as per the provisions of the Companies Act, 2013 as Annexure – IV

This is for your information and records.

Thanking you,

Yours faithfully,  
For Sona Koyo Steering Systems Limited



**Sudhir Chopra**  
Director (Corporate Affairs) & Company Secretary

## **SONA KOYO STEERING SYSTEMS LTD.**

**Regd. Office :** UGF-6, Indra Prakash 21 Barakhamba Road New Delhi-110 001 India

**Tel :** +91 11 2331 1924 / 2332 7205, **Telefax :** +91 11 2332 7205

**CIN :** L29113DL1984PLC018415, **Website :** www.sonakoyosteering.com

**Works:** 38/6 Delhi-Jaipur Road, NH-8, Gurugram-122 001 Haryana India

**Tel :** +91 124 468 5000, **Fax:** +91 124 410 4611 / 410 4621



**PROCEEDINGS OF THE THIRTY THIRD ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SONA KOYO STEERING SYSTEMS LTD. HELD ON TUESDAY, 22<sup>ND</sup> AUGUST, 2017 AT 10.00 A.M. AT AIR FORCE AUDITORIUM, SUBROTO PARK, NEW DELHI 110 010 AND CONCLUDED AT 10.32 A.M.**

<b>PRESENT</b>	Mr. Hidekazu Omura	: Chairman
	Mr. Kiyozumi Kamiki	: Managing Director
	Mr. Seiho Kawakami	: Director
	Mr. Toshiya Miki	: Director
	Mr. Sudhir Chopra	: Director (Corporate Affairs) & Company Secretary
	Mr. Ravi Bhoothalingam	: Director (Chairman-Audit & NRC Committee)
	Mr. Ramesh Suri	: Director
	Lt.Gen.(Retd.) S.S. Mehta	: Director
	Mrs. Ramni Nirula	: Director
	Mr. Vidur Puri	: Partner, S. P. Puri & Co., Chartered Accountants, Statutory Auditors
	Mr. Manish Gupta	: Representative of SS Gupta, Secretarial Auditors
	<b>MEMBERS PRESENT IN PERSON</b>	: 4732
	<b>MEMBERS PRESENT BY PROXY</b>	: 53

Mr. Sudhir Chopra, Director (Corporate Affairs) & Company Secretary welcomed the members present at the meeting and introduced all the Directors, Statutory Auditors and Secretarial Auditors to the members of the Company. He also gave a brief to the members about the recent acquisition of shares of the Company by JTEKT Corporation, Japan and the consequent change in the Board of Directors of the Company.

Thereafter, Mr. Hidekazu Omura presided over as Chairman of the meeting.

The quorum being present, the Chairman called the meeting to order.

With profound grief and sorrow the Chairman informed that Mr. Prem Kumar Chadha, Independent Director of the Company, passed away on 23<sup>rd</sup> June, 2017, who was on the Board of the Company since 2002.

The Chairman requested to note the demise of Mr. Prem Kumar Chadha, and pay homage to the departed soul by standing up and observing one minute silence.

With the permission of the members present the Notice of the meeting and the Directors' Report were taken as read.

Thereafter, the Chairman delivered his speech. After his speech Chairman requested Mr. Sudhir Chopra to take up the rest of the proceedings of the meeting.

Mr. Chopra then called Mr. Vidur Puri, Partner, S. P. Puri & Co., Chartered Accountants, Statutory Auditors to read out the Auditors' Report. Mr. Vidur Puri, read out the Auditors' Report on Financial Statements for the financial year ended 31<sup>st</sup> March, 2017. Mr. Chopra informed the members that upon conclusion of this Annual General Meeting the tenure of S.P. Puri & Co. as Statutory Auditors



shall be completed. He placed on record the appreciation of the professional services rendered by S.P. Puri & Co., during their association with the Company as its Statutory Auditors.

Mr. Chopra informed the members that Financial Accounts, Auditors' Report thereon and the Directors' Report are already in the hands of the members, which they would have gone through and accordingly invited comments from the members on the working of the Company. Few Shareholders spoke and appreciated the management of the Company for showing good performance and also the good corporate governance practices followed by the Company. A few queries were raised by the shareholders with regard to the future plans of the Company, which were suitably replied by the Chairman and Mr. Chopra thanked the members for their comments.

Shareholders were informed that in order to comply with the requirements of e-voting, the Company had provided the remote e-voting facility to all its shareholders and kept the e-voting process open from 19<sup>th</sup> August, 2017 to 21<sup>st</sup> August, 2017. The shareholders who did not cast their votes through e-voting and were present at the meeting, have now the option to cast their vote by poll.

The Shareholders were informed that in compliance with the requirements of law, the Board of Directors of the Company had appointed Mr. S.K. Luthra, Advocate as scrutinizer to supervise the remote e-voting and poll process.

The Scrutinizer showed the empty ballot boxes to the members and proxies of the Company present at the meeting and locked the ballot boxes.

The shareholders were then requested to commence the poll on all the resolutions proposed at Item Nos. 1 to 9 vide Notice dated 24<sup>th</sup> May, 2017, under the supervision of the Scrutinizer.

The poll was then concluded in the due course. The Scrutinizer then took the Ballot Boxes in his custody.

The Chairman requested the Scrutinizer to submit their Poll Report to him and informed the members and proxies present in the meeting that the results of e-voting and physical voting shall be recorded and be part of the minutes of this Annual General Meeting.

The Chairman thanked the members & proxies for their participation and concluded the 33<sup>rd</sup> General Meeting.

On the basis of the Scrutinizers' Report for the Electronic Voting as well as for the Poll at the Annual General Meeting, the summary of which is given below, all the resolutions for the ordinary and special business as set out in Item Nos. 1 to 9 in the Notice of the 33<sup>rd</sup> General Meeting, were duly approved by the members with requisite majority:

**Resolution No. – 1 (Ordinary Resolution)**

**“RESOLVED THAT** the Audited Standalone and Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2017 including audited Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon be and are hereby received and adopted.”



Resolution No.	1							
Resolution required (Ordinary/Special)	ORDINARY - Adoption of Accounts for the year ended 31st March, 2017							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	42388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0155	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

### Resolution No. – 2 (Ordinary Resolution)

“RESOLVED THAT pursuant to the recommendation of the Directors, dividend at the rate of 50% on the Equity Share Capital of Rs. 19,87,41,832/- of the Company for the year ended 31<sup>st</sup> March, 2017 be and is hereby declared out of the current year’s profits of the Company.

RESOLVED FURTHER THAT the dividend be paid to the shareholders whose names appear on the Register of Members as on 16<sup>th</sup> August, 2017.”

Resolution No.	2							
Resolution required (Ordinary/Special)	ORDINARY - Declaration of dividend on equity shares.							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes – in favour (4)	No. of votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0



Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
	<b>Total</b>	<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

### **Resolution No. – 3 (Ordinary Resolution)**

**"RESOLVED THAT** Mr.Kiyozumi Kamiki (holding DIN 06536243), who retires by rotation and being eligible for re-appointment be and is hereby appointed as a Director of the Company."

Resolution No.	3							
Resolution required (Ordinary/Special)	ORDINARY - Re-appointment of Mr. Kiyozumi Kamiki, who retires by rotation and, being eligible, offers himself for re-appointment							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
	<b>Total</b>	<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

### **Resolution No. – 4 (Ordinary Resolution)**

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. B.S.R. & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022) be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s. S.P. Puri & Co., Chartered Accountants (ICAI Registration No. 001152N), the retiring Statutory Auditors, to hold office for a term of five years from the conclusion of 33<sup>rd</sup> Annual General Meeting till the conclusion of 38<sup>th</sup> Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."



Resolution No.	4							
Resolution required (Ordinary/Special)	ORDINARY - Appointment of M/s. D.S.R. & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W- 100022), as Statutory Auditors of the Company							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled or outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

#### Resolution No. – 5 (Ordinary Resolution)

“RESOLVED that Mr. Toshiya Miki (holding DIN 07505339), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 5<sup>th</sup> August, 2016 in terms of Section 161(1) of the Companies Act, 2013 and Article 97 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.”

Resolution No.	5							
Resolution required (Ordinary/Special)	ORDINARY - Appointment of Mr. Toshiya Miki as Director of the Company.							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>



**Resolution No. – 6 (Ordinary Resolution)**

"RESOLVED that Mr. Seiho Kawakami (holding DIN 03621026), who was appointed as an Additional Director of the Company by the Board of Directors with effect from the close of business hours of 18<sup>th</sup> May, 2017, in terms of Section 161(1) of the Companies Act, 2013 and Article 97 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

Resolution No.	6							
Resolution required (Ordinary/Special)	ORDINARY - Appointment of Mr.Seiho Kawakami as Director of the Company.							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

**Resolution No. – 7 (Special Resolution)**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such sanctions as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Kiyozumi Kamiki (holding DIN 06536243) as Dy. Managing Director from 1<sup>st</sup> April, 2017 till the close of business hours of 18<sup>th</sup> May, 2017 and further elevating him to the office of Managing Director of the Company effective from the close of business hours of 18<sup>th</sup> May, 2017 till 31<sup>st</sup> March, 2020, on the terms and conditions including as to remuneration set out in the draft Agreement submitted to this meeting and initialled by the Chairman of the Meeting for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions including as to remuneration for the said re-appointment and subsequent elevation and/or Agreement in such manner as may be agreed between the Board of Directors and Mr. Kiyozumi Kamiki, Managing Director of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as in its absolute discretion it may think be necessary, proper or expedient in the matter and is further authorised to settle



any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

Resolution No.	7							
Resolution required (Ordinary/Special)	SPECIAL - Re-appointment / Appointment of Mr. Kiyozumi Kamiki as Dy. Managing Director/Managing Director of the Company							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

#### **Resolution No. – 8 (Special Resolution)**

“RESOLVED THAT Mr. Sudhir Chopra(holding DIN 00058148) be appointed as Director of the Company whose period of office would be liable to determination by retirement of Directors by rotation.

**RESOLVED FURTHER THAT** in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other sanctions as may be necessary, the consent of the Company be and is hereby accorded to the appointment of Mr. Sudhir Chopra as Director (Corporate Affairs) & Company Secretary of the Company for a period of three (3) years with effect from the close of business hours on 18<sup>th</sup> May, 2017 till the close of the business hours of 18<sup>th</sup> May, 2020, with remuneration, on the terms and conditions including as to remuneration set out in the draft Agreement submitted to this meeting and initialled by the Chairman of the Meeting for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions including as to remuneration for the said appointment and/or Agreement in such manner as may be agreed between the Board of Directors and Mr. Sudhir Chopra, Director (Corporate Affairs) & Company Secretary of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as in its absolute discretion it may think be necessary, proper or expedient in the matter and is further authorised to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/consent from the government departments, as may be required in this regard.”





Resolution No.	8							
Resolution required (Ordinary/Special)	SPECIAL - Appointment of Mr. Sudhir Chopra as Director (Corporate Affairs) & Company Secretary of the Company.							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540943	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388145	8292	0.0191	8292	0	100.0000	0.0000
	Poll		5787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

#### **Resolution No. – 9 (Special Resolution)**

“RESOLVED THAT consent of the Company be and is hereby accorded under Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 for mortgaging and / or charging by the Board of Directors of the Company of all or any part of immovable and movable properties of the Company, where so ever situated, present and future, of every nature and kind whatsoever and / or the whole of the undertaking of the Company in favour of the following Lenders to secure:

#### **ON FIRST PARI-PASSU CHARGE BASIS TO :**

Name of the Bank	Credit Facility	Loan Amount (Rs in Crores)
IndusInd Bank	Term Loan-2	30.00
IDFC	Term Loan	40.00

together with the interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, cost, charges, expenses and other monies payable by the company to the above lenders under the respective heads of agreement / loan agreement / subscription agreement / credit facility agreement / letter of sanction / memorandum of terms and conditions, entered into / to be entered into by the Company in respect of the said facilities.

RESOLVED FURTHER THAT mortgage / charges created / to be created and / or all agreements / documents executed / to be executed and all acts done in terms of the above resolution by and with the authority of the Board of Directors are hereby confirmed and ratified.”



Resolution No.	9							
Resolution required (Ordinary/Special)	SPECIAL - Mortgaging and/or charging of the Company's properties under Section 180(1)(a) of the Companies Act, 2013.							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

All the above resolutions for the ordinary and special businesses as set out in Item Nos. 1 to 9 in the Notice of the 33<sup>rd</sup> Annual General Meeting of the Company have been duly passed by the requisite majority. The results for the e-voting, physical voting and the combined report thereof was declared through posting of the same on the website of the Company and also the same were furnished to the Stock Exchanges where the shares of the Company are listed.



ANNEXURE-II

<b>Date of the AGM/EGM</b>	SOVA KOYO STEERING SYSTEMS LTD 22-08-2017
<b>Total number of shareholders on record date</b>	49988
<b>No. of shareholders present in the meeting either in person or through proxy:</b>	
<b>Promoters and Promoter Group:</b>	0
<b>Public:</b>	4785
<b>No. of Shareholders attended the meeting through Video Conferencing</b>	
<b>Promoters and Promoter Group:</b>	No: Applicable
<b>Public:</b>	No: Applicable

Resolution No.	ORDINARY - Adoption of Accounts for the year ended 31st March, 2017									
Whether promoter/ promoter group are interested in the agenda/resolution?	No	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes- in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100		
Promoter and Promoter Group	Mode of Voting		153812741	100.0000	15382741	0	100.0000	0.0000		
	E-Voting		0	0.0000	00	0	0.0000	0.0000		
	Postal Ballot (if applicable)	153812741	0	0.0000	00	0	0.0000	0.0000		
	Total		153812741	100	15382741	0	100	0		
Public- Institutions	E-Voting		134060	8.6999	134060	0	100.0000	0.0000		
	Poll	1540945	0	0.0000	00	0	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		134060	8.6999	134060	0	100	0		
Public- Non Institutions	E-Voting		8292	0.0191	8292	0	100.0000	0.0000		
	Poll	43388146	6787	0.0155	6787	0	100.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		51079	0.0347	15079	0	100	0		
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>		





Resolution No.	ORDINARY - Declaration of dividend on equity shares									
Resolution required: (Ordinary/ Special)	ORDINARY - Declaration of dividend on equity shares									
Whether promoter/ promoter group are interested in the agenda/resolution?	ORDINARY - Declaration of dividend on equity shares									
No.	ORDINARY - Declaration of dividend on equity shares									
Category	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]* 100			
Promoter and Promoter Group										
E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000			
Poll	0	0	0.0000	00	00	0.0000	0.0000			
Postal Ballot (if applicable)	0	0	0.0000	00	0	0.0000	0.0000			
Total	153812741	153812741	100	153812741	0	100	0			
Public- Institutions										
E-Voting	134050	134050	8.6999	134050	0	100.0000	0.0000			
Poll	0	0	0.0000	00	0	0.0000	0.0000			
Postal Ballot (if applicable)	0	0	0.0000	00	0	0.0000	0.0000			
Total	134050	134050	8.6999	134050	0	100	0			
Public- Non Institutions										
E-Voting	43388146	43388146	0.0191	8292	0	100.0000	0.0000			
Poll	0	6787	0.0156	6787	0	100.0000	0.0000			
Postal Ballot (if applicable)	0	0	0.0000	00	0	0.0000	0.0000			
Total	43388146	15079	0.0347	15079	0	100	0			
Total	198741832	153961880	77.4683	153961880	0	100.0000	0.0000			

Resolution No.	ORDINARY - Re-appointment of Mr. Kiyozumi Kamiki, who retires by rotation and, being eligible, offers himself for re-appointment									
Resolution required: (Ordinary/ Special)	ORDINARY - Re-appointment of Mr. Kiyozumi Kamiki, who retires by rotation and, being eligible, offers himself for re-appointment									
Whether promoter/ promoter group are interested in the agenda/resolution?	ORDINARY - Re-appointment of Mr. Kiyozumi Kamiki, who retires by rotation and, being eligible, offers himself for re-appointment									
No.	ORDINARY - Re-appointment of Mr. Kiyozumi Kamiki, who retires by rotation and, being eligible, offers himself for re-appointment									
Category	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100			
Promoter and Promoter Group										
E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000			
Poll	0	0	0.0000	00	0	0.0000	0.0000			
Postal Ballot (if applicable)	0	0	0.0000	00	0	0.0000	0.0000			
Total	153812741	153812741	100	153812741	0	100	0			
Public- Institutions										
E-Voting	134060	134060	8.6999	134060	0	100.0000	0.0000			
Poll	0	0	0.0000	00	0	0.0000	0.0000			
Postal Ballot (if applicable)	0	0	0.0000	00	0	0.0000	0.0000			
Total	134060	134060	8.6999	134060	0	100	0			
Public- Non Institutions										
E-Voting	43388146	43388146	0.0191	3292	0	100.0000	0.0000			
Poll	0	6787	0.0156	5787	0	100.0000	0.0000			
Postal Ballot (if applicable)	0	0	0.0000	00	0	0.0000	0.0000			
Total	43388146	15079	0.0347	15079	0	100	0			
Total	198741832	153961880	77.4683	153961880	0	100.0000	0.0000			



Resolution No.	4									
Resolution required: (Ordinary/ Special)	ORDINARY - Appointment of M/s. B.S.R. & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022), as Statutory Auditors of the Company									
Whether promoter/ promoter group are interested in the agenda/resolution?	No									
Category	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (5)-[(4)/(2)]*100	% of Votes against on votes polled (7)-[(5)/(2)]*100			
Promoter and Promoter Group	E-Voting	153812741	100.0000	153812741	0	100.0000	0.0000			
	Poll	153812741	0.0000	0	0	0.0000	0.0000			
	Postal Ballot (if applicable)	0	0.0000	0	0	0.0000	0.0000			
Total	153812741	100	8.6999	153812741	0	100.0000	0.0000			
Public- Institutions	E-Voting	134060	8.6999	134060	0	100.0000	0.0000			
	Poll	0	0.0000	0	0	0.0000	0.0000			
	Postal Ballot (if applicable)	0	0.0000	0	0	0.0000	0.0000			
Total	134060	8.6999	8.6999	134060	0	100.0000	0.0000			
Public- Non Institutions	E-Voting	8292	0.0191	8292	0	100.0000	0.0000			
	Poll	6787	0.0156	6787	0	100.0000	0.0000			
	Postal Ballot (if applicable)	0	0.0000	0	0	0.0000	0.0000			
Total	15079	0.0347	0.0347	15079	0	100.0000	0.0000			
Total	198741832	153961880	77.4683	153961880	0	100.0000	0.0000			

Resolution No.	5									
Resolution required: (Ordinary/ Special)	ORDINARY - Appointment of Mr. Toshiya Miki as Director of the Company.									
Whether promoter/ promoter group are interested in the agenda/resolution?	No									
Category	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (5)-[(4)/(2)]*100	% of Votes against on votes polled (7)-[(5)/(2)]*100			
Promoter and Promoter Group	E-Voting	153812741	100.0000	153812741	0	100.0000	0.0000			
	Poll	153812741	0.0000	0	0	0.0000	0.0000			
	Postal Ballot (if applicable)	0	0.0000	0	0	0.0000	0.0000			
Total	153812741	100	8.6999	153812741	0	100.0000	0.0000			
Public- Institutions	E-Voting	134060	8.6999	134060	0	100.0000	0.0000			
	Poll	0	0.0000	0	0	0.0000	0.0000			
	Postal Ballot (if applicable)	0	0.0000	0	0	0.0000	0.0000			
Total	134060	8.6999	8.6999	134060	0	100.0000	0.0000			
Public- Non Institutions	E-Voting	8292	0.0191	8292	0	100.0000	0.0000			
	Poll	6787	0.0156	6787	0	100.0000	0.0000			
	Postal Ballot (if applicable)	0	0.0000	0	0	0.0000	0.0000			
Total	15079	0.0347	0.0347	15079	0	100.0000	0.0000			
Total	198741832	153961880	77.4683	153961880	0	100.0000	0.0000			



Resolution No.	ORDINARY - Appointment of Mr. Seihco Kawakami as Director of the Company.									
Resolution required: (Ordinary/ Special)	No									
Whether promoter/ promoter group are interested in the agenda/resolution?	No									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - In favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100		
Promoter and Promoter Group	E-Voting		153812741	100.0000	153812741	0	100.0000	0.0000		
	Poll		0	0.0000	00	0	0.0000	0.0000		
	Postal Ballot (if applicable)	153812741	0	0.0000	00	0	0.0000	0.0000		
Public- Institutions	Total		153812741	100	153812741	0	100	0		
	E-Voting		134060	8.6999	134060	0	100.0000	0.0000		
	Poll	1540945	0	0.0000	00	0	0.0000	0.0000		
Public- Non Institutions	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		134060	8.6999	134060	0	100	0		
	E-Voting		8292	0.0191	8292	0	100.0000	0.0000		
Public- Non Institutions	Poll	43388146	6787	0.0156	6787	0	100.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		15079	0.0347	15079	0	100	0		
Total		198741832	153961880	77.4683	153961880	0	100.0000	0.0000		

Resolution No.	SPECIAL - Re-appointment / Appointment of Mr. Kiyotomi Kamikias Dy. Managing Director/Managing Director of the Company									
Resolution required: (Ordinary/ Special)	No									
Whether promoter/ promoter group are interested in the agenda/resolution?	No									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - In favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100		
Promoter and Promoter Group	E-Voting		153812741	100.0000	153812741	0	100.0000	0.0000		
	Poll		0	0.0000	00	0	0.0000	0.0000		
	Postal Ballot (if applicable)	153812741	0	0.0000	00	0	0.0000	0.0000		
Public- Institutions	Total		153812741	100	153812741	0	100	0		
	E-Voting		134060	8.6999	134060	0	100.0000	0.0000		
	Poll	1540945	0	0.0000	00	0	0.0000	0.0000		
Public- Non Institutions	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		134060	8.6999	134060	0	100	0		
	E-Voting		8292	0.0191	8292	0	100.0000	0.0000		
Public- Non Institutions	Poll	43388146	6787	0.0156	6787	0	100.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		15079	0.0347	15079	0	100	0		
Total		198741832	153961880	77.4683	153961880	0	100.0000	0.0000		



Resolution No.	8									
Resolution required: (Ordinary/Special)	SPECIAL - Appointment of Mr. Sudhir Chypra as Director (Corporate Affairs) & Company Secretary of the Company.									
Whether promoter/ promoter group are interested in the agenda/resolution?	No									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour - on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100		
Promoter and Promoter Group	E-Voting		153812741	100.0000	153812741	0	100.0000	0.0000		
	Poll	153812741		0.0000	00	00	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	00	0.0000	0.0000		
	Total		153812741	100	153812741	0	100.0000	0.0000		
Public- Institutions	E-Voting		134060	8.6999	134060	0	100.0000	0.0000		
	Poll	1540945		0.0000	00	00	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	00	0.0000	0.0000		
	Total		134060	8.6999	134060	0	100.0000	0.0000		
Public- Non Institutions	E-Voting		8292	0.0191	8292	0	100.0000	0.0000		
	Poll	43388146		0.0156	6787	0	100.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	00	0.0000	0.0000		
	Total		15079	0.0347	15079	0	100.0000	0.0000		
	Total	198741832	153961880	77.4683	153961880	0	100.0000	0.0000		

Resolution No.	9									
Resolution required: (Ordinary/ Special)	SPECIAL - Merging and/or charging of the Company's properties under Section 180(1)(a) of the Companies Act, 2013.									
Whether promoter/ promoter group are interested in the agenda/resolution?	No									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour - on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100		
Promoter and Promoter Group	E-Voting		153812741	100.0000	153812741	0	100.0000	0.0000		
	Poll	153812741		0.0000	00	00	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	00	0.0000	0.0000		
	Total		153812741	100	153812741	0	100.0000	0.0000		
Public- Institutions	E-Voting		134060	8.6999	134060	0	100.0000	0.0000		
	Poll	1540945		0.0000	00	00	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	00	0.0000	0.0000		
	Total		134060	8.6999	134060	0	100.0000	0.0000		
Public- Non Institutions	E-Voting		8292	0.0191	8292	0	100.0000	0.0000		
	Poll	43388146		0.0156	6787	0	100.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	00	0.0000	0.0000		
	Total		15079	0.0347	15079	0	100.0000	0.0000		
	Total	198741832	153961880	77.4683	153961880	0	100.0000	0.0000		

S.K. LUTHRA & ASSOCIATES  
ADVOCATES

**Consolidated Scrutinizer's Report (on e-voting & poll)**

[Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015]

To,

The Chairman  
33<sup>rd</sup> Annual General Meeting of Equity Shareholders of  
Sona Koyo Steering Systems Limited  
UGF-6, Indra Prakash  
21, Barakhamba Road  
New Delhi 110 001.

**Sub :** Consolidated Scrutinizers' Report on remote e-voting and Poll on the agenda items transacted at the Thirty Third Annual General Meeting (AGM) of Sona Koyo Steering Systems Limited held on Tuesday, 22<sup>nd</sup> August, 2017 at 10.00 AM at the Air Force Auditorium, Subroto Park, New Delhi 110010.

Dear Sir,

I, S.K. Luthra, Advocate (Enrollment Number - D 70/75), having office at 1046, Sector 14, Gurgaon 122001, had been appointed as Scrutinizer by the Board of Directors of Sona Koyo Steering Systems Limited (the Company) pursuant to Section 108 of the Companies Act, 2013 ("the Act") read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, to scrutinize the remote e-voting process and physical poll process at the 33<sup>rd</sup> Annual General Meeting held on Tuesday, 22<sup>nd</sup> August, 2017 at The Air Force Auditorium, Subroto Park, New Delhi 110010, submit my report as under :

1. The management of the Company is responsible to ensure the compliance with the requirements of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014 relating to e-voting and poll on the resolutions contained in the Notice to the Thirty Third AGM of the members of the Company. My responsibility as Scrutinizer for the remote e-voting process and for poll at the AGM is restricted to make a Scrutinizer's Report of the votes cast "in favour" or "against" the resolutions stated above, based on the reports generated from the e-voting system provided by Karvy Computershare Private Limited (Karvy), the authorized agency engaged by the Company to provide e-voting facilities for e-voting and also at the time of poll at AGM.
2. The shareholders of the Company holding shares as on the 'cut-off' date i.e. Wednesday, 16<sup>th</sup> August, 2017 were entitled to vote on the resolutions as contained in the notice of the Annual General Meeting.
3. The remote e-voting was opened between 9.00 A.M. to 5.30 P.M. for three days from 19<sup>th</sup> August, 2017 to 21<sup>st</sup> August, 2017 (both days inclusive) thereafter the e-voting platform was blocked.





4. The facility for voting through physical ballot papers was made available at the meeting for the members who were present and had not casted their vote by remote e-voting. Such members exercised their right to vote at the meeting through ballot papers.
5. Immediately after conclusion of voting at the meeting, the polling boxes containing the ballot papers were opened in the presence of two witnesses who are not in employment of the Company and votes were counted.
6. Thereafter, the results of remote e-voting was unblocked from the website of M/s. Karvy Computershare Private Limited in the presence of two witnesses who are not in the employment of the Company.
7. Accordingly, I hereby submit my Consolidated Report as under on the results of the remote e-voting and poll conducted at the meeting in respect of the following resolutions :

Resolution No.	1							
Resolution required (Ordinary/Special)	ORDINARY - Adoption of Accounts for the year ended 31st March, 2017							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – In favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	<b>Total</b>		<b>153812741</b>	<b>100</b>	<b>153812741</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	<b>Total</b>		<b>134060</b>	<b>8.6999</b>	<b>134060</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	<b>Total</b>		<b>15079</b>	<b>0.0347</b>	<b>15079</b>	<b>0</b>	<b>100</b>	<b>0</b>
<b>Total</b>	<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>	

Based on the aforesaid results, we report that the Ordinary Resolution as contained in Item No. 1 of the Notice of the AGM dated 24<sup>th</sup> May, 2017 has been **passed with requisite majority**.



Resolution No.	2							
Resolution required (Ordinary/Special)	ORDINARY - Declaration of dividend on equity shares.							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

Based on the aforesaid results, we report that the Ordinary Resolution as contained in Item No. 2 of the Notice of the AGM dated 24<sup>th</sup> May, 2017 has been passed with requisite majority.

Resolution No.	3							
Resolution required (Ordinary/Special)	ORDINARY - Re-appointment of Mr. Kiyozumi Kamiki, who retires by rotation and, being eligible, offers himself for re-appointment							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

Based on the aforesaid results, we report that the Ordinary Resolution as contained in Item No. 3 of the Notice of the AGM dated 24<sup>th</sup> May, 2017 has been passed with requisite majority.

Resolution No.	4							
Resolution required (Ordinary/Special)	ORDINARY - Appointment of M/s. B.S.R. & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W- 100022), as Statutory Auditors of the Company							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

Based on the aforesaid results, we report that the Ordinary Resolution as contained in Item No. 4 of the Notice of the AGM dated 24<sup>th</sup> May, 2017 has been passed with requisite majority.

Resolution No.	5							
Resolution required (Ordinary/Special)	ORDINARY - Appointment of Mr. Toshiya Miki as Director of the Company.							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

Based on the aforesaid results, we report that the Ordinary Resolution as contained in Item No. 5 of the Notice of the AGM dated 24<sup>th</sup> May, 2017 has been passed with requisite majority.



Resolution No.	6							
Resolution required (Ordinary/Special)	ORDINARY - Appointment of Mr.Seiho Kawakami as Director of the Company.							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6707	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

Based on the aforesaid results, we report that the Ordinary Resolution as contained in Item No. 6 of the Notice of the AGM dated 24<sup>th</sup> May, 2017 has been **passed with requisite majority**.

Resolution No.	7							
Resolution required (Ordinary/Special)	SPECIAL - Re-appointment / Appointment of Mr. Kiyozumi Kamiki as Dy. Managing Director/Managing Director of the Company							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

Based on the aforesaid results, we report that the Special Resolution as contained in Item No. 7 of the Notice of the AGM dated 24<sup>th</sup> May, 2017 has been **passed with requisite majority**.



Resolution No.	8							
Resolution required (Ordinary/Special)	SPECIAL - Appointment of Mr. Sudhir Chopra as Director (Corporate Affairs) & Company Secretary of the Company.							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

Based on the aforesaid results, we report that the Special Resolution as contained in Item No. 8 of the Notice of the AGM dated 24<sup>th</sup> May, 2017 has been **passed with requisite majority**.

Resolution No.	9							
Resolution required (Ordinary/Special)	SPECIAL - Mortgaging and/or charging of the Company's properties under Section 180(1)(a) of the Companies Act, 2013.							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter And Promoter Group	E-Voting	153812741	153812741	100.0000	153812741	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		153812741	100	153812741	0	100	0
Public-Institutions	E-Voting	1540945	134060	8.6999	134060	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		134060	8.6999	134060	0	100	0
Public-Non Institutions	E-Voting	43388146	8292	0.0191	8292	0	100.0000	0.0000
	Poll		6787	0.0156	6787	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		15079	0.0347	15079	0	100	0
<b>Total</b>		<b>198741832</b>	<b>153961880</b>	<b>77.4683</b>	<b>153961880</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>

Based on the aforesaid results, we report that the Special Resolution as contained in Item No. 9 of the Notice of the AGM dated 24<sup>th</sup> May, 2017 has been **passed with requisite majority**.



8. I hereby confirm that I am maintaining the registers in respect of the votes casted through poll at the AGM and remote e-voting exercised by the shareholders of the Company to record the assent or dissent received.
9. I shall arrange to hand over these records to the Company Secretary of the Company for safe keeping after the chairman considers, approves and signs the minutes.

Thanking you,

Yours faithfully,



**S.K. LUTHRA**  
**Advocate (Enrollment No. D 70/75)**  
**Scrutinizer**

Place : Gurgaon

Dated : 23<sup>rd</sup> August, 2017

Witnesses :

1) Vishal Goswami

Vishal Goswami  
779, Sector 4  
Gurugram.

2) C.L. Narang

C.L. Narang  
1039, Sector 14.  
Gurugram.

JTEKT

Koyo

TOYODA



SHAPING A  
BETTER FUTURE  
THROUGH THE  
SPIRIT OF

**“NO. 1 &  
ONLY ONE”**

ANNUAL REPORT 2016 -17

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## SHAPING A BETTER FUTURE THROUGH THE SPIRIT OF 'NO.1 & ONLY ONE'

An outcome of the Japanese wave that took the Indian automobile industry by storm back in the '80s, Sona Koyo Steering Systems now has a new address—JTEKT Corporation, Japan. At JTEKT, Japan, we have been consistent in delivering unique brand value to our customers and have upgraded our core competencies in the steering domain. Besides, our quest for excellence has made us create a strong organisational alliance that is unique and viable for the business. Over the years, we have put in enormous efforts to attain greater efficiencies and retain our position of being India's largest supplier of steering systems for passenger cars and utility vehicles. This has culminated in note worthy strategic changes being effected this fiscal. These changes were done keeping in mind the need for value-addition, quality, safety and profitability in the business. JTEKT, Japan, a leading and trusted supplier of automotive components, and already a partner of Sona Koyo Steering Systems, has now become its principal shareholder. This new development will help further consolidate Sona Koyo's position in the steering domain. It will also result in a concerted effort being made towards augmenting Sona Koyo's position in the field of technological know-how, and innovation, as well as to increase its business footprint. With JTEKT, Sona Koyo will be able to create new milestones and set quality benchmarks in terms of deliverables, R&D, policies and optimising existing procedures that will be at par with global standards. Sona Koyo will also build momentum towards creating safer vehicles, initiating cost-effectiveness, skill-development, creating steering systems par excellence, and being environmentally sustainable.

Sona Koyo's future growth momentum is in synergy with the JTEKT Group's vision of shaping a better future by embracing the mantra of being 'No. 1 & Only 1'.

The JTEKT Group's commitment to principles such as Customer First, Ownership, Continuous Kaizen, Teamwork & Self-discipline, and the Aspiration for innovation and techniques are all set to put Sona Koyo's steering business on a fast track.



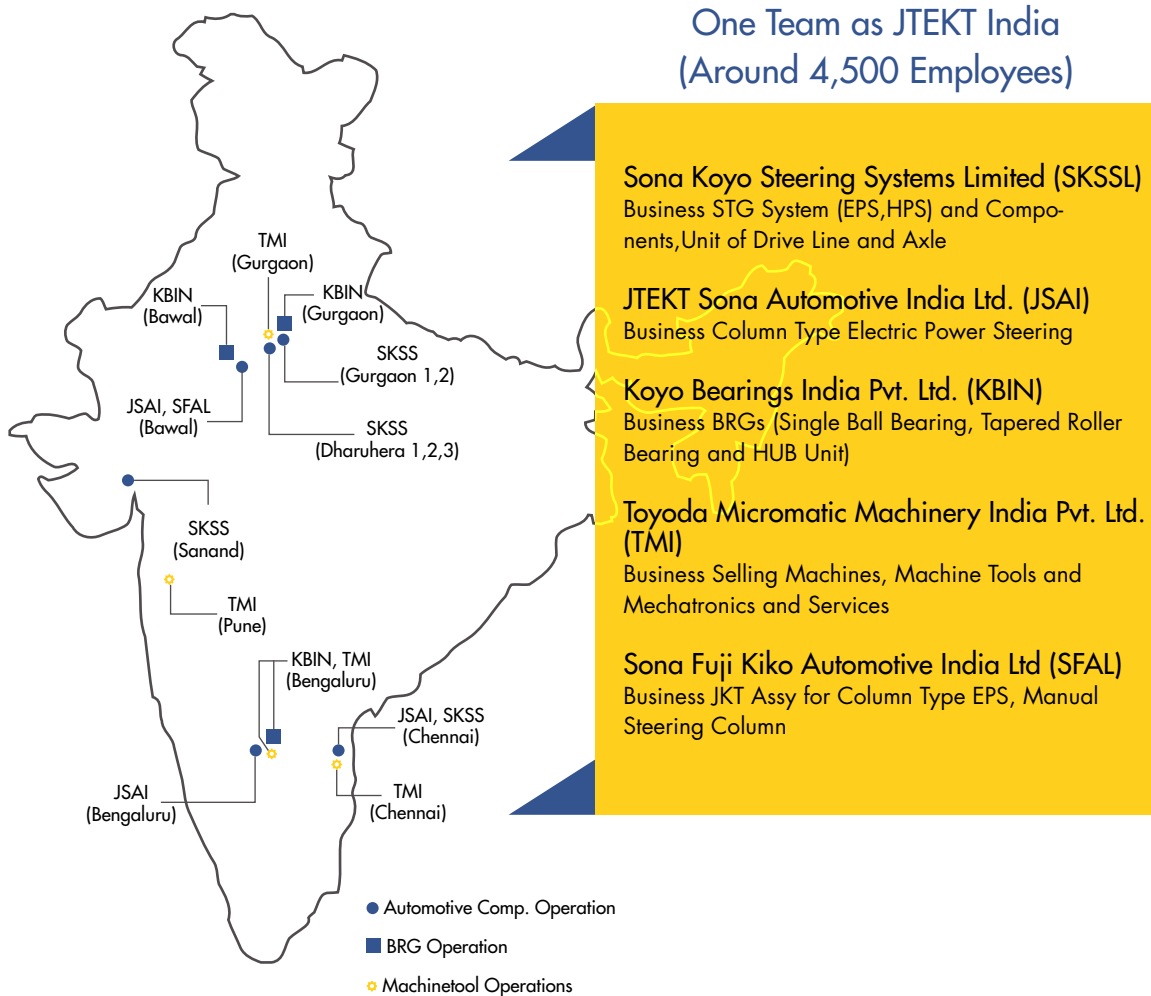
# WE ARE SONA KOYO GOING THE JTEKT WAY

## JTEKT INDIA

From this year onwards, we at Sona Koyo Steering Systems have embarked on an eventful and fruitful journey with JTEKT Corporation. Our bonhomie with JTEKT Corporation reflects our commitment to value-addition, quality control and the quest to roll out innovative products in the Indian market.

In terms of market focus, we are further consolidating our position as a leading name in the steering business domain in the utility vehicle (UV) and passenger vehicle (PV) segments, value-adding and upgrading to meet the ever-changing customer preferences. On the home front, we are enhancing our management efficiencies and laying greater emphasis on developing new business opportunities.

## One Team as JTEKT India (Around 4,500 Employees)



## ABOUT JTEKT

Incepted in 2006 by the merger of Koyo Seiko Co., Ltd., a world-class bearings manufacturer and Toyoda Machine Works, JTEKT Corporation (JTEKT) today flaunts an impressive portfolio of automotive components, bearings and machine tools. JTEKT is persistent in providing its customers with world-class products and innovation. In terms of technology, JTEKT has taken a lead in mass production of electric power steering systems and has managed to gain a big share in the global market. JTEKT is also Japan's first manufacturer of high-precision, durable bearings, that are able to perform well in extreme environments.



## VISION

JTEKT vision is 'Shaping a Better Future' through the spirit of 'No.1 & Only 1'.

## MISSION

JTEKT believes in teamwork to deliver quality products of high precision. The company's employees are committed and bear a keen sense of responsibility. JTEKT also focuses on skill development of its employees.

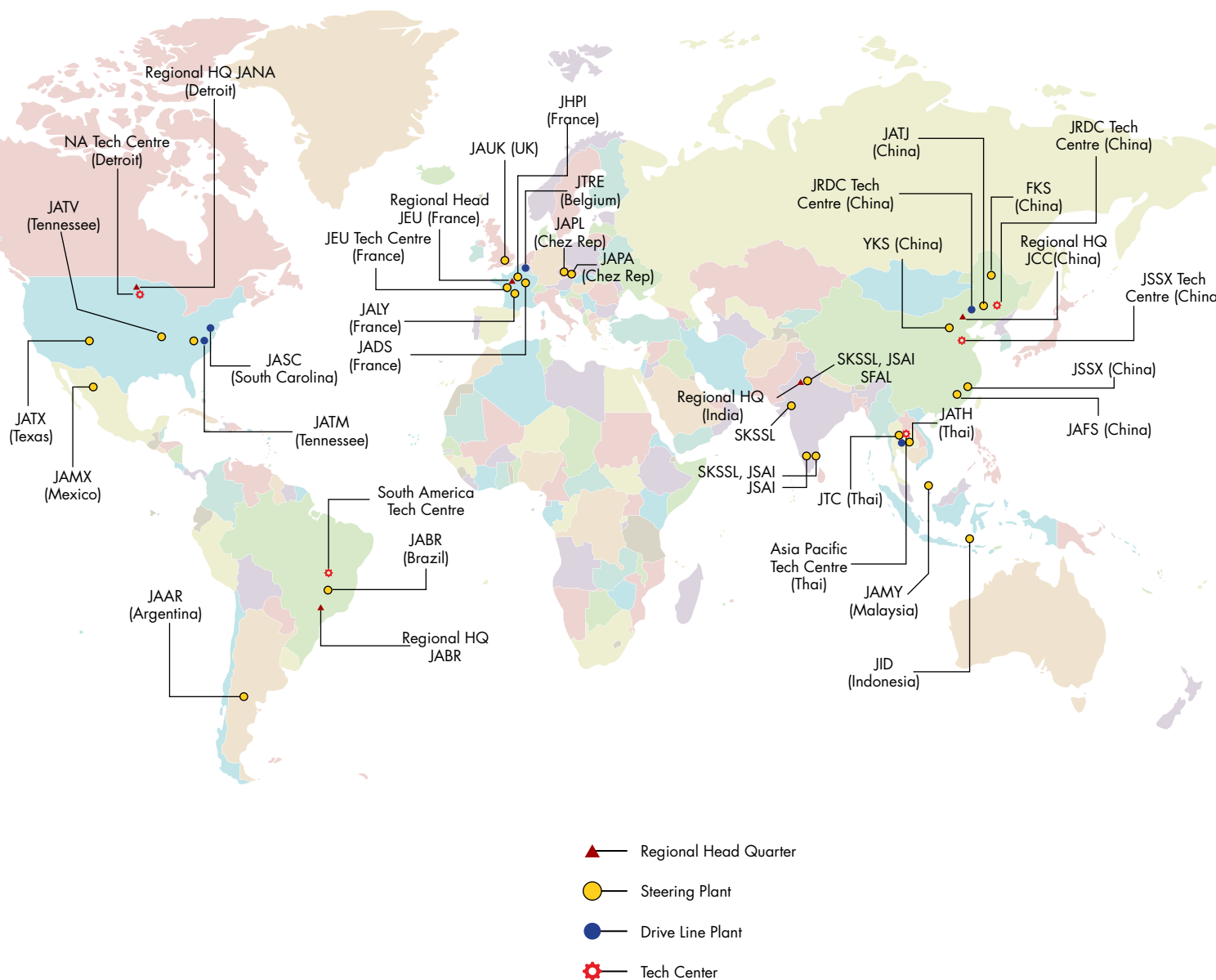
- ✦ **Build value:** JTEKT aims to add more value in its product line and services, and to align it with customer preferences.
- ✦ **Customer first:** JTEKT constantly incorporates technical know-how and upgrades its products to meet customer expectations.
- ✦ **Endorsing management efficiency:** JTEKT focuses on promoting management efficiencies and also to train professionals through various human resource (HR) initiatives, including through organising quality control (QC) activities.
- ✦ **Creating business opportunities:** JTEKT lays emphasis on creating business opportunities and further strengthening its position through innovation and creating products that are par excellence.
- ✦ **Continuous Kaizen:** JTEKT's belief system is in sync with the idea of continuous improvement.
- ✦ **Innovation and technology:** JTEKT unceasingly works towards enhancing technical know-how and innovation, thus aiming to give its products a 'Best Quality' tag.

At JTEKT Corporation, we inculcate the spirit of modesty among our people. This, in turn, helps us to learn from each other and to grow professionally and individually.

# JTEKT CORPORATION GLOBAL PRESENCE

Worldwide, JTEKT dominates the domain of manufacturing and sale of steering systems, driveline components, bearings, machine tools, electronic control devices and home accessory equipment.

JTEKT's global footprint spans almost all continents. JTEKT has 133 global subsidiaries, including 37 in Japan, 24 in Europe, 14 in China, 12 in North America, and 7 in Central & South America. Asia Pacific, India and others account for 39 subsidiaries.



## BUSINESS HIGHLIGHTS FY 2016-17

- ✦ We registered Sales growth of 8%, the highest in the last 5 years.
- ✦ We hold the position of India's largest supplier of steering systems in the PV segment.
- ✦ JTEKT, Japan, has now become our principal shareholder. This new development will help further consolidate our position in the Indian market by strengthening our technological know-how and innovation capabilities.
- ✦ Sona Koyo and its subsidiaries have now become members of the JTEKT Group.
- ✦ The company witnessed a change in leadership with Mr. Kiyozumi Kamiki being promoted to the post of Managing Director, Mr. Seiho Kawakami being given the seat of Additional Director and Mr. Sudhir Chopra taking the chair of Director (Corporate Affairs) & Company Secretary.
- ✦ The Company has now taken a huge plunge in optimising its offerings through value addition. It is working towards improving its existing supply chain, facilities, logistics and policies in order to remain in sync with JTEKT's philosophy. Keeping sustainability in mind, the company has also set a high environmental yardstick, which falls in line with JTEKT's value system.
- ✦ The company has caught the attention of many global OEMs for its innovative designs and technologies at 3 International Automechanikas held in Frankfurt, Dubai and New Delhi, this year.
- ✦ Fruitful synergies with JTEKT, Japan, in the areas of technological advancements and innovation will help broaden the company's customer base in unexplored territories, among many other benefits that will accrue to it, going forward.



## FROM CHAIRMAN'S DESK



Dear Shareholders,

On behalf of Sona Koyo Steering Systems Limited, I extend my best wishes to all of you. I feel privileged to be associated with your esteemed organisation in the capacity of Chairman.

Your Company continues to be India's largest supplier of steering systems for passenger cars and utility vehicles. In FY'17, your Company registered its highest growth in the last 5 years. Your Company, on a standalone basis, reported 8% growth in revenue; sales increased to ₹11,542 mn in FY'17 as compared to ₹10,690 mn in FY'16. On a consolidated basis, Sona Koyo reported net sales of ₹15,646 mn compared to ₹15,090 mn in FY'16, registering a YoY growth of 3.7%.

The Financial Year 2017 was a historic one for your Company, as it witnessed many significant and strategic changes. The most important change was the increase in shareholding of JTEKT Corporation, Japan in Sona Koyo, which has resulted in a change of management control. Consequently, your Company and its subsidiaries have become members of JTEKT Group.

JTEKT has a comprehensive strategic partnership with your Company since its inception. JTEKT (erstwhile Koyo Seiko) became Technology Partner of Sona by providing its technology for Manual Steering Gear Systems in 1985, Hydraulic Power Steering Systems in 1996 and Column Electric Power Steering in 2004. Besides, your Company and JTEKT together formed 2 joint ventures, JTEKT Sona Automotive India Limited (51% JTEKT and 49% SKSSL) and Sona Fuji Kiko Automotive Limited (51% SKSSL and 49% JTEKT) in the year 2007.

JTEKT is a trusted system supplier of automotive components, bearings and machine tools, providing customers with world-class No. 1 products and technologies that has added value to the Indian automobile industry. It has pioneered the successful development and mass production of electric power steering systems, and continues to hold No.1 share in the global market today. JTEKT was also the first manufacturer in Japan to develop high-precision, durable bearings capable of reliable performance in extreme environments such as steel rolling mills, where temperature exceeds 1,200°C, thereby contributing to the expansion of various industries.

In May 2017, the leadership of Sona Koyo was reconstituted and I was elected Chairman of the Company, Mr. Kiyozumi Kamiki was elevated to the position of Managing Director, Mr. Seiho Kawakami was appointed as Additional Director, and Mr. Sudhir Chopra was elevated to the position of Director (Corporate Affairs) & Company Secretary. This was done to set in motion the process of extracting synergies available due to fusion of business models of Sona Koyo and JTEKT. We will strive to ensure smooth integration of best practices of both Companies to realise the integral value in this transformation.

The change in management of your Company will result in fruitful synergies in the field of technological advancement, innovation and will help in broadening customer base in unexplored territories, among many other benefits. During this transitional phase, your Company has got an opportunity to optimise and improve its existing procedures, policies and control environment by benchmarking it with the global practices followed by JTEKT.

The institutionalisation of this transformed culture will thus enhance the focus on safety and quality. Furthermore, it will help to inculcate JTEKT Group's vision, i.e., Shaping a better future through the spirit of "No. 1 & Only 1", in your Company. We have established the concept of JTEKT WAY in your Company. This includes focus on:

- Customer First
- Ownership
- Continuous Kaizen
- Teamwork & Self-discipline
- Aspiration for innovation and for techniques

Last year saw introduction of many reforms in India. The increase in JTEKT's stake was aligned to the vision of the current Government to

promote 'Make in India' & 'Ease of doing business' with a view to promote foreign investment inflow. In addition, progress on the Goods and Services Tax (GST) Act, the biggest tax reform in the country, is expected to simplify the existing complex structure and could result in revenue boost and cost reduction.

Interestingly, the Financial Year 2017 saw domestic sales of passenger vehicles (PVs) cross the 3-mn mark for the first time ever. The overall PV segment showed strong Year-on-Year (YoY) growth of 10.55% to reach 3.8 mn units. The high growth was driven by improved consumer sentiments post the Seventh Pay Commission payouts, normal monsoon following two successive years of deficit rainfall, lower financing costs, lower fuel prices and healthy replacement demand due to ban on diesel cars. Sona Koyo, on a consolidated basis, reported net sales of ₹15,646 mn in FY'17 compared to ₹15,090 mn in FY'16, registering a YoY growth of 3.7%.

The Society of Indian Automobile Manufacturers (SIAM) forecast has estimated 7% to 9% growth in domestic passenger vehicle sales during Financial Year 2018, buoyed by the 7th Pay Commission payout and better Rabi output. Moreover, the 7th Pay Commission announcement of wage hikes would provide a boost to consumer spending, which in turn, is expected to positively impact PV sales. Sona Koyo is well-positioned to make the most of the upcoming industry growth with the introduction of new products and realising the strong potential of its product in the domestic market.

I sincerely believe that your Company is destined to reach new heights with the right structure and integration of these two companies. There are multiple opportunities available in the current economy. The Indian economy is growing at a rapid pace and we sincerely believe in the potential it possesses. According to the research studies, India is expected to produce approximately 5 mn passenger vehicles in the year 2020. Outside India, JTEKT has presence in 23 countries through its 133 plants. Your Company is well-positioned to capitalise on opportunities arising from these unexplored geographies.

During the year, your Company participated in three International Automechanikas held at Frankfurt, Dubai and New Delhi. The designs and technologies exhibited at these exhibitions were well accepted by global OEMs. Thus, helping us to garner international recognition and establish a strong global foothold.

Your Company has a structured framework for corporate governance. The independent directors of the Company are celebrated professionals in their respective fields. With strong focus on compliance, in line with laws and regulations, they have guided the management in decision-making for ensuring efficiency of operations.

I take this opportunity to show my gratitude to our customers! At Sona Koyo, we are grateful to be of service to them: Maruti Suzuki, Mahindra & Mahindra, Tata Motors, Honda, Fiat India, Toyota Kirloskar, General Motors, John Deere, Club Car, Ezgo, ISUZU and Renault-Nissan India. I would also like to express thanks to our bankers, State Bank of India, Corporation Bank, Standard Chartered Bank, YES Bank, Kotak Mahindra Bank, Allahabad Bank, IDFC and IndusInd Bank for putting their confidence in us.

I thank the strength of Sona Koyo, all its employees, for continued support to the management. Finally, I would like to thank our shareholders for their firm belief in our capabilities and their continued patronage; they have always motivated us to deliver better results year after year.

The new Journey begins now!

Thank you

Yours sincerely

Hidekazu Omura  
Chairman

## BOARD OF DIRECTORS



Mr. Hidekazu Omura



Mr. Kiyozumi Kamiki



Mr. Sudhir Chopra



Mr. Toshiya Miki



Mr. Seiho Kawakami



Mr. Ravi Bhoothalingam



Mr. P. K. Chadha



Lt. Gen. (Retd.) S. S. Mehta



Mr. Ramesh Suri



Mrs. Ramni Nirula



Mr. Prasan A. Firodia



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Hidekazu Omura  
Chairman

Mr. Kiyozumi Kamiki  
Managing Director

Mr. Sudhir Chopra  
Director (Corporate Affairs) & Company Secretary

Mr. Toshiya Miki  
Nominee of Maruti Suzuki India Limited

Mr. Seiho Kawakami  
Director

Mr. Ravi Bhoothalingam  
Independent Director

Mr. Prem Kumar Chadha  
Independent Director

Lt.Gen.(Retd.) S.S. Mehta  
Independent Director

Mr. Ramesh Suri  
Independent Director

Mrs. Ramni Nirula  
Independent Director

Mr. Prasan A. Firodia  
Independent Director

### DIRECTOR (CORPORATE AFFAIRS) & COMPANY SECRETARY

Mr. Sudhir Chopra

### OPERATING MANAGEMENT

Mr. Kiyozumi Kamiki

Mr. Sudhir Chopra

Mr. A.D. Rao

Mr. Rajiv Chanana

Mr. Rakesh Gaiind

Mr. Vikas Marwah

Mr. Ravinder Narula

Mr. G.R. Yadav

Mr. Sudhir Kumar Sharma

Mr. Akhil Kumar Jain

Mr. S.Senthil Kumar

Mr. Jaydeep Kumar

Mr. Anil Tiwari

### TECHNICAL PARTNERS

JTEKT Corporation, Japan

### AUDITORS

M/s. S.P. Puri & Co.  
Chartered Accountants  
4/18, Asaf Ali Road  
New Delhi 110002.

### INTERNAL AUDITORS

Ernst & Young LLP  
Golf View Corporate Tower-B,  
Sector 42, Sector Road,  
Gurgaon 122002 (Haryana)

### BANKERS

State Bank of India  
Standard Chartered Bank  
Corporation Bank  
Allahabad Bank  
Yes Bank  
Kotak Mahindra Bank  
IndusInd Bank  
IDFC Bank

### REGISTRAR AND TRANSFER AGENT

Karvy Computershare Private Limited  
305, New Delhi House, 27, Barakhamba Road,  
Connaught Place, New Delhi 110001.

### REGISTERED OFFICE

UGF-6, Indraprakash  
21, Barakhamba Road  
New Delhi 110001.

### WORKS

- 38/6, NH-8, Delhi Jaipur Road,  
Gurugram 122002 (Haryana)
- P.O. Box 14, Chennai-Bangalore Highway,  
Sriperumbudur, Distt. Chinglepet 602105.
- Plot No. 32, Industrial Area Phase II  
Dharuhera, Distt. Rewari (Haryana)
- Plot No .D9, TML Vendor Park, Survey No. 1  
Village Northcotepura, Sanand, Ahmedabad (Gujarat)
- Plot No. 19, Industrial Area, Dharuhera  
Distt. Rewari (Haryana)
- Village Malpura, Tehsil Dharuhera  
Distt. Rewari (Haryana)
- Plot No. 731, Sector 37C, Pace City II  
Gurugram (Haryana)

## MANAGEMENT DISCUSSION AND ANALYSIS



Mr. Tetsuo Agata, President, JTEKT Corporation, Japan (second from left) with the Company's management team at 'Auto Expo Components 2014', New Delhi

In FY'17, sales of passenger vehicles (PVs) reached 3,806,984 units with domestic sales crossing 3-mn mark for the first time ever at 3,047,165 units and export sales reaching 759,819 units. The PV segment grew at an accelerated 10.55% Year-on-Year (YoY) as compared to a growth of 6.56% YoY in FY'16. This was driven by high YoY growth in domestic sales (9.23%) as well as exports (16.2%) as compared to 7.24% & 5.24%, respectively, last year (SIAM). The high growth in domestic sales was driven by improved consumer sentiments post the Seventh Pay Commission payouts, normal monsoon after two successive years of deficit rainfall, lower financing costs, lower fuel prices and healthy replacement demand due to the ban on diesel cars.

...Sona Koyo registers the highest growth in 5 years

In FY'17, Sona Koyo Steering Systems Limited (Sona Koyo) registered its highest growth of 8% in last five years driven by entry into new vehicle models, including Toyota's New Innova (Crysta) and Fortuner. The Company, on a standalone basis, reported sales of ₹11,542 mn as compared to ₹10,690 mn in FY'16. On a consolidated basis, Sona Koyo reported total revenues of ₹15,832 mn compared to ₹15,183 mn in FY'16, registering a YoY growth of 4.3%.

...Positive FY'18 forecast

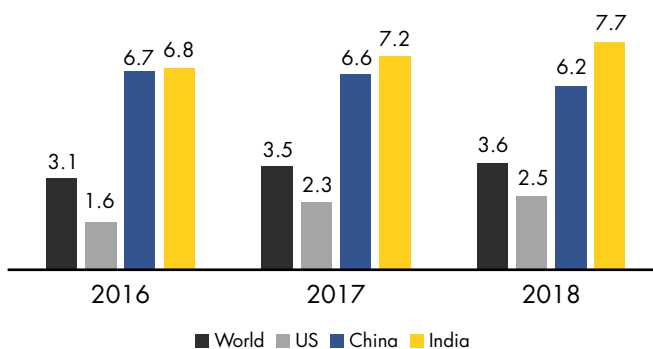
The Indian automotive market is expected to witness growth in several pockets in FY'18 as various reforms and increased spending/investments will kick in. A good Rabi output and transition of industry to the GST model are expected to impact the short-term sales volumes across segments. SIAM has forecast domestic PV sales to grow at 7.9% in FY'18. With the strengthening of existing client relationships and expansion into new segments and new products, Sona Koyo is well-positioned to make the most of this industry growth outlook.

ECONOMIC SCENARIO

...Improving scenario for Global and Indian Economies

India continues to be the fastest-growing major economy in the world. As per the International Monetary Fund (IMF), India reported 6.8% growth in 2016 as compared to just 3.1% for the world economy during the same period. Going forward, the Indian economy is expected to grow at an even faster rate of 7.2% in 2017, according to the International Monetary Fund (IMF).

Economic Growth (%)



Source: SIAM

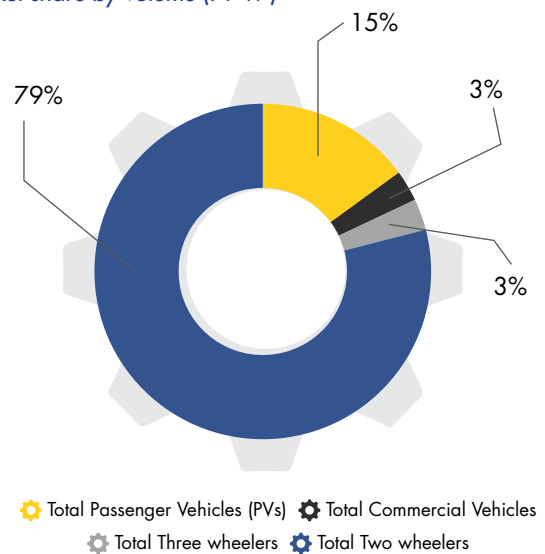
The Indian automotive industry accounts for 7.1% of national GDP, being one of the key drivers of economic growth. In FY'17, FDI flow into the automobile industry accounted for 5.09% of total FDI equity flow into the country.

Recent cash shortages due to the government's demonetisation program in November 2016 resulted in a temporary slowdown. In the medium term, post implementation of key reforms, the Indian economy is expected to grow by about 8%.

MARKET OVERVIEW

According to SIAM, overall domestic automotive sales grew by 6.81% YoY in FY'17 to reach 21.8 mn units as compared to 3.8% growth YoY in FY'16. Exports in FY'17 experienced a slowdown, degrowing 4.5% YoY as compared to a growth of 1.9% in FY'16.

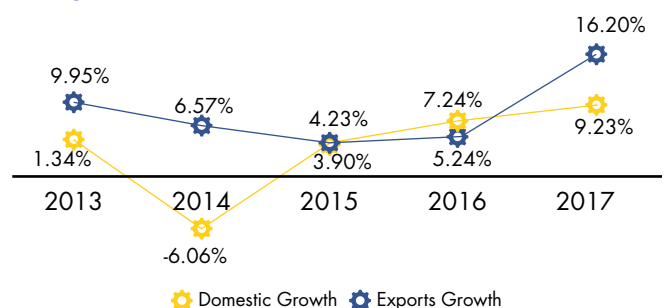
Market share by volume (FY 17)



Source: SIAM

The overall commercial vehicle (CV) industry, including domestic and export sales, grew by 4.26% YoY this year following a healthy rise of 12.2% in FY'16. In FY'17, domestic sales in the M&HCV (truck) segment registered flat growth of 0.04%. This flat growth was led by the uncertainty related to the implementation of GST and its effects on the prices of vehicles, replacement-led demand and the recent demonetisation move. The domestic three-wheeler sales decreased by 4.93%.

PV Segment Growth



### ... PV segment continues to grow on the back of strong growth in exports

Overall, PV volumes grew by 10.55% in FY'17 with domestic sales growing by 9.23% to 3,047,165 units compared to 7.24% growth last year. Exports registered a massive growth of 16.20% in the backdrop of strong double-digit growth by Ford (18.3%), Nissan (32.7%), VW (38.9%) and Maruti Suzuki India Limited (10.9%). After witnessing sharp moderation in sales volume post announcement of demonetisation in Q3 FY'17, domestic PV sales recovered handsomely during Q4 FY'17, registering a growth of 11.1% YoY as against 2.2% in Q4 FY'16.

Within the PV segment, passenger cars account for a major portion of the market, comprising 71% of the total PV segment by volume. Utility vehicles comprise ~24% of the market.

### OUTLOOK

#### Sustained growth for automotive industry in FY'18

SIAM has forecast a 7-9% growth in domestic PV sales during the financial year 2017-18, buoyed by the 7th Pay Commission payouts and better Rabi output. The 7th Pay Commission announcement of wage hikes would provide a boost to consumer spending which, in turn, is expected to positively impact PV sales.

#### ...in the long run

Most economic indicators predict a positive outlook driven by strong consumer demand and expected economic reforms, including the introduction of the GST in 2017. The Indian economy is expected to grow at a robust pace in the coming years.

As per rating agency ICRA, PV sales are expected to grow at a CAGR of 9-10% over the next five years. Low market penetration in India makes it one of the most attractive markets in the world and the vehicle penetration in India is expected to increase by 50% by 2020.

### OPERATIONS

Focussing on improving operating efficiencies, Sona Koyo has seen improved financial results during the year. Despite an increase in conversion cost, mainly due to increase in manpower cost, the Company has been able to maintain raw material cost at almost the same level as that of last year due to a sustained effort towards localisation, backward integration, VA/VE (value analysis and value engineering) activities and active involvement with suppliers. On a consolidated basis, raw material cost as a percentage of net sales, despite market challenges, has been maintained at the same level of 66.3%.

Sona Koyo continues to invest in future growth and with this objective, the Company made additional investments to add one more PDC machine of 850 tonnes in its backward integration unit. And by way of this new investment, the company now has a total of seven PDC machines and the plant is operating at a capacity utilisation of more than 85%.

In FY'17, the Company also invested in acquiring new technology for manufacturing Intermediate Shafts (IMS). The new Sliding Shaft technology is equipped to reduce the noise of Power Steering and facilitates a smooth sliding movement. This is a patented technology developed by KMI Japan. The new technology, IMS, is used to exert higher torque during vehicle running and reduce warranty issues. This machine is also used in the assembly process of IMS. It assembles the Shaft and Tube with two-point crimping technology, thus, helping achieve manufacturing excellence.

### Company's abridged Profit & Loss Account (in ₹ Mn)

Particulars	Consolidated		Standalone	
	2016-17	2015-16	2016-17	2015-16
Net Income from Operations	15,646	15,089	11,534	10,682
Other Operating Income	186	94	115	92
<b>Total Revenue</b>	<b>15,832</b>	<b>15,183</b>	<b>11,649</b>	<b>10,774</b>
Raw Material	10,374	9,998	7,726	7,138
Staff Cost	1,780	1,667	1,392	1,303
Other Expenditure	1,646	1,579	1,259	1,169
<b>EBITDA</b>	<b>2,032</b>	<b>1,940</b>	<b>1,272</b>	<b>1,164</b>
Other Income	91	61	73	61
Depreciation & Amortisation	1,030	988	748	719
EBIT	1,093	1,013	597	506
Finance Charges	285	317	264	282
<b>PBT before Exceptional Items</b>	<b>808</b>	<b>696</b>	<b>333</b>	<b>224</b>
Exceptional Items Loss/ (Gain)		(99)		(99)
<b>PBT</b>	<b>808</b>	<b>795</b>	<b>333</b>	<b>322</b>
Tax	274	253	97	72
<b>PAT</b>	<b>534</b>	<b>542</b>	<b>236</b>	<b>250</b>
Minority interest and share of associate	169	171	-	-
PAT after minority interest and share of associate	365	370	236	250
Capital Expenditure	847	903	678	800
EPS (In ₹)	1.8	1.9	1.2	1.3
D/E Ratio	0.6	0.6	0.88	1.07

During the year, ICRA, the rating agency for Sona Koyo, upgraded the Long-Term Rating from [ICRA] A+ (pronounced ICRA A Plus) to [ICRA] AA- (pronounced ICRA Double A minus). The revised rating is considered to have a high degree of safety regarding timely servicing of financial obligations. The Short-Term Rating was reaffirmed at [ICRA] A1+ (pronounced ICRA A one plus).

Also, in line with the current year performance, the board has declared a dividend of 50% of the par value of its shares.

## SUBSIDIARIES AND JOINT VENTURES

The Company has two subsidiaries, JTEKT Sona Automotive India Limited (JSAL) and Sona Fuji Kiko Automotive Limited (SFAL).

JTEKT Sona Automotive India Limited (JSAL): During the year under review, revenues of Sona Koyo's key subsidiary, JTEKT Sona Automotive India Limited (JSAL), declined by 1% YoY at ₹6,057 mn. Correspondingly, EBITDA and PAT margins also declined to 11% and 4.3%, respectively, compared to 11.6% and 4.7% in FY'16.

JSAL's Financial Highlights from its operations are as follows:

JSAL (₹ Mn)	2016-17	2015-16
Revenue	6,057	6,119
EBITDA	665	708
EBITDA Margin	11.0%	11.6%
PAT	262	291
PAT Margin	4.3%	4.7%

Key performance highlights of JSAL's operations are as follows:

### Safety:

- Received 'Global Safety Excellence Award' from JTEKT Corporation, Japan, among all JTEKT companies across the globe
- Initiated Cable-joint-free drive
- Achieved 2,457 accident-free days by continuously identifying and eliminating unsafe and near-miss conditions across the organisation

### Quality:

- Received 'Zero PPM Award' from Toyota Kirloskar Motor Limited
- Winner of 'North Region Quality Circle Competition' organised by Honda Cars India Limited

### Production:

- Accomplished smooth 'Start of Production' of C-EPS for Maruti Suzuki's 'Ignis', MS-Gear for Nissan's 'New Micra' and Honda's 'WR-V'

- Achieved 'Top Seven Ranking' among JTEKT Group in terms of productivity and quality

### Customer Satisfaction:

- Received appreciation from Maruti Suzuki for best DOJO
- Achieved 100% delivery rating from all the customers

### Environment:

- Started buyback arrangement of Solar generated units to grid through Net Metering.
- Reduced diesel consumption by 86% as compared to last year due to increase in power availability
- With the above factors, we were able to reduce carbon emission by 6% (164 tonnes) as compared to the previous year.

### Technology:

- Established the 'System Durability Testing Machine' and ECU Software Re-flashing capabilities and enhanced our capabilities for development of proto parts

Sona Fuji Kiko Automotive Limited (SFAL): During the year under review, this subsidiary's revenue increased by 38% to reach ₹871 mn. PAT increased by 65% to reach ₹71 mn.

SFAL's Financial Highlights from its operations are as follows:

SFAL (₹ mn)	2016-17	2015-16
Revenue	875	630
EBITDA	161	115
EBITDA Margin	18.4%	18.2%
PAT	71	43
PAT Margin	8.1%	6.8%

Key performance highlights of SFAL's operations are as follows:

### Production:

- Accomplished smooth 'Start of Production' (launch) of Jacket Column. Assembly for MSIL IGNIS

### Safety:

- Achieved 1,095 accident-free days

### Training & Development:

- Continued training to employees in Production, Product Design, and Manufacturing Engineering to enhance their knowledge and skills.
- Improved the DOJO cell in line with JSAL

### Environment:

- Successfully installed 150KVA solar power generation plant
- Received Certificate of Environmental Management System (ISO 14001:2015) and Occupation Health & Safety Management System (OHSAS 18001:2007).

## Delivery:

- ✦ Achieved 100% OTIF delivery from main customer JSAI

## RECOGNITIONS

### Sona Koyo growing at a fast pace

In FY'17, Sona Koyo registered a growth of 8%, the highest in the last five years. The growth of the company has been in line with the strong growth in the industry. With total sales of ₹11,542 mn, the company has achieved a record high in revenue.



## SUPPLY CHAIN MANAGEMENT

Sona Koyo continues to improve its operational management, making it leaner, robust and of the highest quality by focusing on Supply Chain Management (SCM) initiatives.

### Moving towards an efficient and transparent supply chain

Sona Koyo has continued with the cloud-based e-Procurement platform initiated last year to procure materials from the suppliers and extended it to other areas like logistics, etc. during the year.

#### ... new initiative with suppliers to improve the procurement flow

The Company has started a 'Visionary Small Medium Enterprise Programme' under the 'Visionary Leaders for Manufacturing' (VLFM) umbrella. This Programme will work in a project mode over one year developing win-win relationships between customers and suppliers by synchronising the production flow of suppliers with the procurement flow of customers.

During the year, the Company has the credit of working with 10 suppliers under this scheme. It now plans to extend this to other suppliers in the coming year.

#### ... working with suppliers to improve both design and quality

The Supplier Improvement Team (SIT) formed within the SCM, further implemented the upgradation of systems for 10 suppliers, during the year. It helped the company incorporate processes and checks to improve the product quality of suppliers, which in turn, will benefit its production processes and quality control.

#### ... annual conference of suppliers

The Company organised an annual conference of suppliers where Maruti Suzuki was the chief guest. The event witnessed participation from over 100 suppliers.

### ... expanding the brand beyond India

Sona Koyo's influence is not only limited to India. It breaches all geographical boundaries. During the year, the company participated in three International Automechanikas held in Frankfurt, Dubai and New Delhi. Our designs and technologies were well received by global OEMs. This has helped us garner international recognition, thus, aiding in establishing a strong global foothold.



## HUMAN RESOURCES

Sona Koyo firmly believes that its people along with their culture forms an integral part of the Company's inclusive growth agenda and it continually invests in the growth of talent across the organisation, which in turn, helps in the success and expansion of the Company.

### ... looking beyond technical skills

At the Sona Skill Development Centre (SSDC), the company organises various skill-enhancement workshops for all levels of employees. Apart from the technical programs, in FY'17 the Company focused on multiple communication and personality building programs aiming at improving the problem-solving skills of the managers at all level. Under the VLFM Program, three more employees were nominated for a year-long plan from the senior management. This selection provides opportunity to the participants to visit Japan. The overall objective of this module is to encourage the employees to learn from the Japanese manufacturing system, see India from an 'outside-in perspective', closely observe the Japanese culture and learn from the Japanese process-oriented society.

### ... providing best educational facilities to our employees

In order to arm its employees with the required technical/managerial knowledge and skills, Sona has tied up with the Indian Institute of Technology, Delhi (IIT-D) for its Professional Career Registration Program (PCR). Under this program, 28 Junior and Senior Managers have completed their courses in various subjects (including Operations Management, Strategic Management, Advances in Metal Forming, etc.). Fourteen more will be completing their courses in the coming months.

The Sona Operators Development Program (SODP), a six-month development program for our off-roll operators to equip them with the knowledge and skills for future growth in the organisation, continued into its second year. In order to be eligible for this program, the operator needs to be a diploma holder and should have worked with Sona for at least two years. A total of 60 operators were selected based on various criteria (feedback from the manager, written test, etc.), out of which 85% cleared the examination. They will be hired in Tier 1 or Tier 2 levels in due course.

#### ... department-specific training

A program on Value Analysis/Value Engineering (VA/VE) was specially organised for the Maintenance Team to equip them with various tools to improve the product quality.

A special program was organised for the Union members on stress management and other behavioural issues.

Conducting over 100 training programs in FY'17, Sona continues to invest in various types of training programs for its employees.

### Information Technology

Sona Koyo has always been responsive to the changing external environment and is committed to adopting new technologies that will help its business to become more robust and agile. During the year, the focus was on optimising the design capabilities of the organisation.

#### Enhancing design capabilities

The Company has optimised the Product lifecycle Management System software by putting in place the standardised modules with pre-installed essential features, thus, reducing the lead time.

The Company was able to further enhance usability and efficiency of Information Technology (IT) tools through effective training of employees.

#### Introduced traceability technology

Sona Koyo introduced the backward traceability technology in products. Using this technology, the exact batch manufacturing



details of each component can be identified. This will help reduce the cost and response time of the company in case of product recalls. The company started a pilot project in the Gurgaon plant this year.

### Adopting Qlik Sense as BI platform

The Company adopted the Qlik Sense as its Business Intelligence Platform. With Qlik Sense, everyone, in the organisation can easily create flexible, interactive visualisations and make meaningful decisions. The project is under implementation and will foster a culture of analytic decision-making based on facts and figures.

During the year, Sona Koyo was conferred with several IT awards. These include:

- Infosec Maestros Award 2016
- CIO Power List 2016
- Business Tech Award 2016 (DQ Live)



### Research & Development

The Research and Development team is the backbone of all innovation undertaken at Sona Koyo. Over the years, the company has made significant investments in this department.

#### Started commercial sale of EPAM 1.5

Thanks to the strong in-house R&D team, Sona Koyo continues to innovate and broaden its portfolio of products by introducing updated versions. During the year, Sona Koyo started commercial sale of EPAM 1.5, the improved version of its internationally-proven Electric Power Assist Module (EPAM) for the off-road segment.

#### ... more progress towards EPAM 2.0

Strong progress was made towards EPAM 2.0 technology under Project UDAAN.

Project UDAAN deals with the development of advanced EPS (Electric Power Steering) systems with Brushless DC Motor, non-contact torque and angle sensor, quiet worm & worm wheel gears and separate ECU (Electronic Control Unit) which is more efficient and has better reliability.



#### Electric Variable Gear Steering Ratio Steering

Sona awarded the EVGRS (Electric Variable Gear Steering Ratio Steering) project to the CSIR-CMERI (Central Mechanical Engineering Research Institute).

In view of the recent trends of attaining higher speeds in motor vehicles, coupled with enhanced safety features in automobile design, it has become a necessity to introduce the variable ratio capability in the steering gearbox. This enables steering wheel rotation through a greater angle at low speeds while restricting the working angle of the steering wheel at higher speeds. This is primarily introduced to achieve a safer and more comfortable drive.

## RISKS AND CONCERNS

Risk Management policies at Sona Koyo are designed such that we can respond swiftly and implement the necessary mitigation actions. In compliance with the prudential norms, the Company has constituted a Risk Management Committee. A risk management framework has been developed by the Committee, to identify and analyse both internal and external risks to the business and minimise the impact of the risk on operations. The Committee meets periodically to review the framework in view of the dynamic business environment. This Risk Management Policy has helped enhance the process robustness, ensuring that business risks are effectively addressed.

### Risk categories

The risks associated with the Company's business are broadly classified into four major categories.

**Economic risk:** This is mainly the result of the economic and political scenario in the country.

**Operational risk:** This is inherent to the business and includes manufacturing and distribution operations.

**Financial risk:** This results from fluctuations in the currency market.

**Human resource risk:** This is the risk of losing out on skilled workforce due to competition.

Sona Koyo recognises that Risk Management is an integral part of good management practices, and is an essential element in achieving business goals and deriving benefits from market opportunities. While the possibility of a negative impact cannot be completely ruled out, the Company continues to take cautious steps to mitigate the risks.

## INTERNAL CONTROL AND ADEQUACY

Sona Koyo has an effective and reliable internal control system commensurate with its size and operations. The internal controls are aligned with global standards and processes while also adhering to local statutory requirements. The internal controls systems are supported through management reviews, verification by internal auditors, as well as verification by statutory auditors. Further, the audit committee of the Board reviews the internal audit plan, adequacy of the internal controls system, significant audit observations and monitors the sustainability of remedial measures.

In addition to policies, procedures, and guidelines, the internal controls system is facilitated by an automated 'Compliance Manager Tool', which enables self-assessment by process owners on the status of all applicable regulatory compliances and internal controls, including, controls relating to adherence to the Company's policies, safeguarding its assets, prevention

and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information. Each self-assessment is approved by an immediate superior. Self-assessments are periodically deliberated upon and reviewed by the Senior Management. Further, the accuracy of sample self-assessments is verified through periodic internal audits.

The aforesaid internal control system provides a high degree of assurance with respect to the effectiveness and efficiency of operations, adequacy and adherence to internal financial controls and compliance with laws and regulations.

## CORPORATE SOCIAL RESPONSIBILITY

Sona Koyo firmly believes in giving back to the society! It believes that imparting education to the underprivileged is the most powerful weapon one can arm a person with. The company's CSR efforts are aimed at the emancipation of socio-economically marginalised and opportunity-challenged sections of society.

### ...Education

As a part of Project 'Praveen', around 89 students undertook vocational training in 3 batches at Sona Skill Development Centre. Project 'Praveen', an initiative that provides vocational training to the underprivileged youth, is a four-month vocational training course aimed at making them independent and increasing their employability. After the completion of program, the Automotive Skill Development Council (ASDC) certificates are issued to the successful candidates, thus, enabling them to secure jobs in the automotive industry. Out of the students who underwent this training in FY'17, 82% has been employed in various automotive companies, such as Sansera Engineering, Sargam Electronics, and Vikas Group, among others.

### Adoption of Green Energy

Sona Koyo firmly believes in clean and sustainable technology. In its journey comprising green initiatives, Sona Koyo's interventions have been built in at the project planning stage. Its two new factory buildings have been rated by the Indian Green Building Council, with one being rated Silver, and the other certified as a Green Building. The Company has adopted energy-efficient fixtures and equipment, and has ensured zero water discharge, wherein all the water used is recycled within the plant premises. The plan for harnessing solar energy for generating electricity is shaping up well. The Company has already established a 450KWp roof-top solar plant, thus, avoiding the emission of 600 tonnes of CO<sub>2</sub> per annum. The Company plans to have in place a 2MWp roof-top solar plant. It also plans to replace existing energy-inefficient electrical equipment with more energy-efficient gadgets, an intervention which will lead to significant reduction in the Company's carbon footprint.

### CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward-looking statements within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the automobile sector, significant changes in the political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest cost.



# Corporate Governance Report

## CORPORATE GOVERNANCE

Sona Koyo Steering Systems Limited ('Sona') remains committed to high standards of corporate governance. The Company believes that appropriate disclosure procedures, transparent accounting policies, strong and independent Board practices and highest levels of ethical standards are critical to enhance and retain investor's trust and generate sustainable corporate growth. It is the conviction with that Sona has set in place systems, procedures and standards that are promoting good corporate governance standards within the Company.

The Securities and Exchange Board of India (SEBI) regulates corporate governance practices of companies listed on the Indian Stock Exchanges. These regulations are notified under Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (hereinafter referred to as 'Listing Regulations'). This Listing Regulation specifies the standards that Indian companies have to meet and the disclosures that they have to make, with regard to corporate governance. Your Company has established systems and procedures to comply with the provisions of the 'Code of Corporate Governance' and is complying with the same in its letter and spirit.

This section, along with the sections on Additional Shareholder Information and Management Discussion and Analysis, reports Sona's compliance with the provisions of Corporate Governance as per the Listing Regulations.

## BOARD OF DIRECTORS

### a) Composition of the Board

The Board of Directors of your Company is having optimum combination of executive and non-executive directors. As on 31st March, 2017, the Board of Sona consisted of twelve Directors. The Executive Vice Chairman & Deputy Managing Director were the executive directors of the Company. The Chairman and remaining nine directors were non-executive directors, of which six are independent directors.

On February 1, 2017, Sona Autocomp Holding Limited ("SAHL"), one of the promoters of the Company, entered into a share purchase agreement with JTEKT Corporation ("JTEKT"), a technical and financial collaborator of the Company, a member of the promoter and promoter group of the Company ("Share Purchase Agreement"). In terms of the Share Purchase Agreement, SAHL sold its entire shareholding (25.12%) to JTEKT on a fully diluted basis on 18th May, 2017. As per the covenants of the said Share Purchase Agreement, Mr. Sunjay Kapur, Mrs. Rani Kapur and Mr. Kiran Manohar Deshmukh resigned from the directorship of the Company, which were accepted by the Board of Directors of the Company with effect from the close of business hours of 18th May, 2017. Further, effective the close of the business hours, the Board of Directors of the Company appointed Mr. Hidekazu Omura as the Chairman of the Board and General Meetings, Mr. Kiyozumi Kamiki was elevated to the position of Managing Director, Mr. Seiho Kawakami was co-opted as an additional director and Mr. Sudhir Chopra was inducted as Director (Corporate Affairs) & Company Secretary on the Board of the Company.

Consequent upon the aforesaid transaction, the Board of Sona consisted of eleven Directors. The Managing Director and Director (Corporate Affairs) & Company Secretary are the executive directors of the Company. The Chairman and remaining eight directors are non-executive directors, of which six are independent directors and one of the non-executive directors has been nominated by Maruti Suzuki India Limited (MSIL) which is the co-promoter of Sona.

### b) Number of Board Meetings

In the year ended 31st March, 2017, Sona held four Board Meetings on 13th May, 2016, 5th August, 2016, 11th November, 2016, and 10th February, 2017. The maximum time gap between any two Board Meetings during the year was less than four months.

### c) Directors' attendance record and directorships held

See Table 1 for details.

**Table 1: Details of Board of Directors for the year ended 31st March, 2017**

Name of Directors	Position	Board Meetings held during the period of Directorship	Board Meetings attended	Whether attended last AGM	Directorships held in other public limited companies incorporated in India <sup>①</sup>
Mr. Sunjay Kapur	Chairman	4	4	Yes	5(-)
Mr. K.M. Deshmukh	Executive Vice Chairman	4	4	Yes	2(-)
Mr. Kiyozumi Kamiki	Dy. Managing Director (Nominee of JTEKT)	4	4	Yes	1(-)
Mr. Kazuhiko Ayabe <sup>②</sup>	Non-executive Director (Nominee of MSIL)	1	0	No	N.A.
Mr. Toshiya Miki <sup>③</sup>	Non-executive Director (Nominee of MSIL)	3	2	N.A	2(1)
Mr. Hidekazu Omura	Non-executive Director (Nominee of JTEKT)	4	4	Yes	1(-)
Mrs. Rani Kapur	Non-executive Director	4	3	Yes	4(-)
Mr. P. K. Chadha	Independent Director	4	4	Yes	2(1)
Mr. Ravi Bhoothalingam	Independent Director	4	3	Yes	0(0)
Mr. Ramesh Suri	Independent Director	4	4	Yes	9(1)
Lt.Gen.(Retd.) S.S.Mehta	Independent Director	4	4	Yes	2(-)
Mrs. Ramni Nirula	Independent Director	4	4	Yes	9(6)
Mr. Prasan A. Firodia	Independent Director	4	2	Yes	2(1)

#### Notes:

① Figures in ( ) denotes listed Companies.

② Ceased to be a Director with effect from 5th August, 2016 due to withdrawal of his nomination by MSIL.

③ Appointed by the Board as an Additional Director with effect from 5th August, 2016.

None of the Directors is a member of more than 10 Board-level Committees or a Chairman of more than five such Committees, as required under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### d) Information supplied to the Board

Among others, this includes:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.

- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale, of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

### e) Directors with significant related party transactions, pecuniary or business relationship with the Company

The Company supplies components to Maruti Suzuki India Limited, the co-promoter of the Company and pays royalty, technical know-how fees and other charges to JTEKT for extending technology for manufacturing various auto components and for providing/availing other services and for procuring various components. All transactions are conducted at arm's length, in ordinary course of business, and at prevailing market prices. None of these transactions involve a conflict with the financial interests of Sona. The details of related party transactions are given in Note No. 47 to the Annual Accounts of the Company. As required under Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company (web link: [www.sonakoyosteering.com/policies](http://www.sonakoyosteering.com/policies)).

However, in terms of Listing Regulations, all transactions with related parties, which are of material in nature, are subject to the approval of the Members of the Company.

### f) Familiarization Programme of Independent Directors

The Independent Directors of the Company are eminent personalities having wide experience in the field of business, finance, education, industry and commerce. Their presence on

the Board has been advantageous and fruitful in taking business decisions.

Independent Directors are appointed as per the Governance guidelines of the Company, with management expertise and wide range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations.

Periodic presentations are made at the Board/Committee meetings on business and performance updates of the Company, business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors. For the purpose, the Company has prepared a policy on familiarization programme for Independent Directors which is displayed on the website of the Company (web link: [www.sonakoyosteering.com/policies](http://www.sonakoyosteering.com/policies)).

### g) Remuneration of Directors: Sitting Fees, Salary, Perquisites and Commission

Table 2 gives the details of the remuneration package of Directors and their relationships with each other.

**Table 2: Remuneration (in ₹) paid or payable to Directors for the year ended 31st March, 2017**

Name of Directors	Relationship with other Director	Sitting Fee <sup>①</sup>	Commission on profits	Salary	Perquisites	Provident & Superannuation Fund	Total
Mr. Sunjay Kapur	Son of Mrs. Rani Kapur	1500000	Nil	2767857 <sup>②</sup>	Nil	332143	4600000
Mr. K.M. Deshmukh	None	N.A.	1975000	9630000	163400	2110384	13878784
Mr. Kiyozumi Kamiki	None	N.A.	Nil	4744839	2288193	1556807	8589839
Mr. Kazuhiko Ayabe <sup>③</sup>	None	Nil	Nil	N.A.	N.A.	N.A.	0
Mr. Toshiya Miki <sup>④</sup>	None	200000	Nil	N.A.	N.A.	N.A.	200000 <sup>⑤</sup>
Mr. Hidekazu Omura	None	400000	Nil	N.A.	N.A.	N.A.	400000
Mrs. Rani Kapur	Mother of Mr. Sunjay Kapur	1000000	Nil	N.A.	N.A.	N.A.	1000000
Mr. P.K. Chadha	None	2000000	930000	N.A.	N.A.	N.A.	2930000
Mr. Ravi Bhoothalingam	None	1200000	670000	N.A.	N.A.	N.A.	1870000
Mr. Ramesh Suri	None	400000	410000	N.A.	N.A.	N.A.	810000
Lt. Gen.(Retd.) S. S. Mehta	None	1300000	770000	N.A.	N.A.	N.A.	2070000
Mrs. Ramni Nirula	None	1100000	690000	N.A.	N.A.	N.A.	1790000
Mr. Prasan A. Firodia	None	300000	230000	N.A.	N.A.	N.A.	530000

#### Notes:

- ① Sitting Fee includes the fee paid for attending the Committee Meetings.
- ② Amount paid during FY 17 is in respect of arrears of salary pertaining to FY 15 paid based on approval by Central Government.
- ③ Ceased to be a Director with effect from 5th August, 2016 due to withdrawal of his nomination by MSIL.
- ④ Appointed by the Board as an Additional Director with effect from 5th August, 2016.
- ⑤ Sitting Fee for attending the Board Meetings was paid to the nominating Company MSIL.

The Company has not issued any Stock Option Shares.

None of the employees are related to any of the Directors.

## Service contract of the Executive Vice Chairman and Dy. Managing Director

The Board of Directors of the Company in its meeting held on 10th February, 2017, considering the recommendation of the Nomination and Remuneration Committee and subject to the approval of the shareholders and such sanction(s), as may be necessary, have approved the re-appointment of Mr. Kiyozumi Kamiki as Dy. Managing Director of the Company, with remuneration, for a further period of three years effective from 1st April, 2017. The Board of Directors in its meeting held on 18th May, 2017, considering the recommendation of the Nomination and Remuneration Committee, elevated his office to Managing Director effective from the close of business hours of 18th May, 2017 for the remaining period of his tenure till 31st March, 2020. The resolution for the appointment of Mr. Kiyozumi Kamiki is mentioned at Sl. No. 7 of the Notice of the ensuing Annual General Meeting.

As approved by the Shareholders of the Company in its Thirty Second Annual General Meeting held on 5th August, 2016, an Agreement dated 5th August, 2016 was executed between the Company and Mr. Kiran Manohar Deshmukh, Executive Vice Chairman of the Company for his appointment, with remuneration, for a period of two years, with effect from 15th September, 2015, upon the terms and conditions as approved by the Shareholders. Mr. Kiran Manohar Deshmukh has resigned from the Directorship of the Company effective from the close of business hours of 18th May, 2017.

## Basis for compensation payment to the Independent / Non-executive Directors

As permitted under the Companies Act, 2013, the payment of commission up to a sum not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the said Act, the Board of Directors of the Company in its meeting held on 24th May, 2017 have approved the distribution of commission to the independent directors, by way of commission, out of the net profits for the Financial Year ended 31st March, 2017 of the Company. The details of payment of commission are given in Table 2 above.

## h) Details of the shares and convertible instruments and Stock Option Shares held by the non-executive Directors

See Table 3 for details

**Table 3: Equity Shares, convertible instruments and Stock Option Shares held by the Non-Executive Directors as on 31st March, 2017**

Name of Directors	Number of Equity Shares held	Number of convertible instruments <sup>①</sup> / Stock Option Shares <sup>②</sup> held
Mr. Sunjay Kapur	3,300	N.A.
Mr. Kazuhiko Ayabe <sup>③</sup>	Nil	N.A.
Mr. Toshiya Miki <sup>④</sup>	Nil	N.A.
Mr. Hidekazu Omura	Nil	N.A.
Mrs. Rani Kapur	6,000	N.A.
Mr. P.K. Chadha	15,000	N.A.
Mr. Ravi Bhoothalingam	Nil	N.A.
Mr. Ramesh Suri	Nil	N.A.
Lt. Gen. (Retd.) S.S.Mehta	Nil	N.A.
Mrs. Ramni Nirula	Nil	N.A.
Mr. Prasan A. Firodia	Nil	N.A.

## Notes:

- ① As on date Sona has not issued any Convertible Instruments to its Non-Executive Directors.
- ② Sona has not issued any Stock Option Shares to its Non-Executive Directors.
- ③ Ceased to be a Director with effect from 5th August, 2016 due to withdrawal of his nomination by MSIL.
- ④ Appointed by the Board as an Additional Director with effect from 5th August, 2016.

## i) Committees of the Board

### i) Audit Committee

As on 31st March, 2017, the Audit Committee comprises of Mr. Ravi Bhoothalingam, Mr. P. K. Chadha, Mr. Sunjay Kapur, Lt. Gen. (Retd.) S. S. Mehta, Mrs. Ramni Nirula and Mr. Kiyozumi Kamiki. Except Mr. Sunjay Kapur, who is a Non Executive Director and Mr. Kiyozumi Kamiki who is a Dy. Managing Director, all the members of the Audit Committee are independent. All members of the Audit Committee are financially literate and Mr. Ravi Bhoothalingam, the Chairman of the Audit Committee has accounting and related financial management expertise. During the year, the Committee met five times i.e., on 10th May, 2016, 4th August, 2016, 10th November, 2016, 9th February, 2017, and 27th March, 2017. The time gap between any two Audit Committee meetings during the year was less than four months. Minutes of the Audit Committee meetings were placed before and discussed by the Board. The attendance record of the Audit Committee is given in Table 4.

**Table 4: Attendance Record of Audit Committee for the year ended 31st March, 2017**

Name of Members	Position	Audit Committee Meetings held during the period of Membership	Audit Committee Meetings attended
Mr. Ravi Bhoothalingam (Independent Director)	Chairman	5	5
Mr. P.K. Chadha (Independent Director)	Member	5	5
Lt. Gen. (Retd.) S.S.Mehta (Independent Director)	Member	5	5
Mrs. Ramni Nirula (Independent Director)	Member	5	5
Mr. Sunjay Kapur (Chairman)	Member	5	3
Mr. Kiyozumi Kamiki <sup>①</sup> (Dy. Managing Director)	Member	1	1

- ① Mr. Kiyozumi Kamiki was appointed as one of the Audit Committee Members by the Board of Directors in their meeting held on 10th February, 2017

The purpose of the Audit Committee is to assist the Board with its oversight responsibilities. Section 177 of the Companies Act, 2013 ('Act') states that the Audit Committee of the Company shall act in accordance with the Terms of Reference specified, in writing, by the Board. Accordingly, the Board of Directors of the Company, has in their meeting held on 30th May, 2014, delegated the following functions to be carried out by the Audit Committee of Directors in line with the requirements of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations:

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
  - Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
  - Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :
    - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    - b) Changes, if any, in accounting policies and practices and reasons for the same;
    - c) Major accounting entries involving estimates based on exercise of judgement by management;
    - d) Significant adjustments made in the financial statements arising out of audit findings;
    - e) Compliance with listing and other legal requirements relating to financial statements;
    - f) Disclosure of any related party transactions;
    - g) Qualifications in the draft audit report.
  - Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
  - Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer documents / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process.
  - Approval or any subsequent modification of transactions of the Company with related parties.
  - Scrutiny of inter-corporate loans and investments.
  - Valuation of undertakings or assets of the Company, wherever it is necessary.
  - Evaluation of internal financial controls and risk management systems.
  - Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - Discussion with internal auditors of any significant findings and follow up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - To review the functioning of the Whistle Blower Mechanism.
  - Approval of appointment of CFO (i.e. whole time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The Audit Committee of Sona reviews the following information :
- Management Discussion and Analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
  - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of Chief Internal Auditor shall be subject to review by the Audit Committee.
- The Audit Committee is also empowered with the following powers:
1. To investigate any activity within its terms of reference.
  2. To seek information from any employee.
  3. To obtain outside legal or other professional advice.
  4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- The Audit Committee is also apprised on information with regard to related party transactions, by being presented :
1. A statement in summary form of transactions with related parties in the ordinary course of business;
  2. Details of material individual transactions, if any, with related parties which are not in the normal course of business;
  3. Details of material individual transactions, if any, with related parties or others, which are not on an arm's length basis together with management's justification for the same.
- The Chairman of the Audit Committee was present at the last Annual General Meeting to answer shareholders' queries. The Audit Committee is regularly apprised of the various follow-up actions taken on the direction of the Audit Committee. Mr. Sudhir Chopra, Director (Corporate Affairs) & Company Secretary of Sona, is the Secretary to the Committee. The Audit Committee regularly invites such executives as it considers appropriate, including the head of the finance function, the head of internal audit and the representative of the Statutory Auditors, to be present at the meetings of the Committee.

## ii) Stakeholders Relationship Committee

As on 31st March, 2017, the Stakeholders Relationship Committee comprises of Mrs. Rani Kapur and Mr. Sunjay Kapur. The Committee looks into the redressal of grievances of the shareholders and investors of the Company including complaints relating to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends etc. Minutes of the Stakeholders Relationship Committee meetings were placed before and discussed by the Board. The Committee met four times during the year i.e., on 8th April, 2016, 13th July, 2016, 14th October, 2016 and 17th January, 2017. The attendance record of the 'Stakeholders Relationship Committee' is presented in Table 5:

**Table 5 : Attendance Record of Stakeholders Relationship Committee for the year ended 31st March, 2017**

Name of Members	Position	Stakeholders Relationship Committee Meetings held during the period of Membership	Stakeholders Relationship Committee Meetings Attended
Mrs. Rani Kapur (Non-Executive Director)	Chairman	4	4
Mr. Sunjay Kapur (Chairman)	Member	4	4

## iii) Nomination and Remuneration Committee

As on 31st March, 2017, the Nomination and Remuneration Committee comprises of Mr. P.K. Chadha, Mr. Ravi Bhoothalingam and Mrs. Rani Kapur.

The Nomination and Remuneration Committee performs following functions:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Nominating suitable candidates on the Boards of subsidiary and associate companies in terms of Joint Venture / Shareholder or other Agreements.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

During the year, the Committee met five times i.e., on 13th May, 2016, 31st May, 2016, 5th August, 2016, 9th February, 2017 and 27th March, 2017. Minutes of the Nomination and Remuneration Committee were placed before and discussed by the Board. The attendance record of the Nomination and Remuneration Committee is presented in Table 6:

**Table 6 : Attendance Record of Nomination and Remuneration Committee for the year ended 31st March, 2017**

Name of Members	Position	Nomination and Remuneration Committee Meetings held during the period of Membership	Nomination and Remuneration Committee Meetings Attended
Mr. P.K. Chadha (Independent Director)	Chairman	5	5
Mr. Ravi Bhoothalingam (Independent Director)	Member	5	4
Mrs. Rani Kapur (Non-Executive Director)	Member	5	3

In accordance with the requirements under Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations the Company has formulated a Nomination and Remuneration Policy to govern the terms of nomination / appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP). The primary objective of the Policy is to provide a framework and set standards for nomination, remuneration and evaluation of Directors, KMP and SMP. This Policy has been designed to keep pace with the business environment and market linked positioning. The policy is displayed on the website of the Company (web link:www.sonakoyosteering.com/policies).

## iv) Risk Management Committee

As on 31st March, 2017, the Risk Management Committee comprises of Lt. Gen.( Retd.) Shamsheer Singh Mehta, Mr. Sunjay Kapur, Mr. P.K. Chadha and Mr. Prasan A. Firodia.

The purpose of the Committee is to monitor and review the Risk Management Plan of the Company and shall look into the various risks identified by the Company and the steps taken to control / mitigate the same.

During the year, the Committee met four times i.e., on 31st May, 2016, 4th August, 2016, 11th November 2016 and 9th February, 2017. Minutes of the Risk Management Committee were placed before and discussed by the Board. The attendance record of the Risk Management Committee is presented in Table 7:

**Table 7 : Attendance Record of Risk Management Committee for the year ended 31st March, 2017**

Name of Members	Position	Risk Management Committee Meetings held during the period of Membership	Risk Management Committee Meetings Attended
Lt.Gen.(Retd.) S.S. Mehta (Independent Director)	Chairman	4	4
Mr. Sunjay Kapur (Chairman)	Member	4	3
Mr. P.K. Chadha (Independent Director)	Member	4	4
Mr. Prasan A. Firodia (Independent Director)	Member	4	1

## v) Corporate Social Responsibility Committee

As on 31st March, 2017, the Corporate Social Responsibility (CSR) Committee comprises of Mrs. Ramni Nirula, Mr. P.K. Chadha and Mr. Sunjay Kapur as members. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy', observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary.

During the year, the Committee met once i.e., on 13th May, 2016. Minutes of the Corporate Social Responsibility Committee were placed before and discussed by the Board. The attendance record of the Corporate Social Responsibility Committee is given in Table 8:

**Table 8 : Attendance Record of Corporate Social Responsibility Committee for the year ended 31st March, 2017**

Name of Members	Position	CSR Committee Meetings held during the period of Membership	CSR Committee Meetings Attended
Mrs. Ramni Nirula (Independent Director)	Chairperson	1	1
Mr. P.K. Chadha (Independent Director)	Member	1	1
Mr. Sunjay Kapur (Chairman)	Member	1	1

## MANAGEMENT

### a) Management discussion and analysis

This Annual Report has a detailed section on management discussion and analysis.

### b) Disclosures by Management to the Board

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion nor do they vote on such matters.

In compliance with SEBI regulations on prevention of insider trading, the Company has implemented a comprehensive policy for its management personnel and relevant business associates. The policy lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of Sonata and cautioning them on consequences of violations.

### c) Code of Conduct

The Board of Directors of the Company in their meeting held on 28th October, 2005 has adopted the 'Code of Conduct' for all Board Members and designated members of Senior Management of the Company. Designated 'Senior Management' comprises personnel of the Company who are members of its core management team and, inter-alia, comprises all members of management one level below the Executive Directors, including all functional heads. With a view to cover more management personnel of the Company, the said Code of Conduct was amended by the Board of Directors in their meetings held

on 15th May, 2013 and 30th May, 2014. The code of conduct is available on the website of the Company (web link:www.sonakoyosteering.com/policies). All Board members and designated management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

### d) Whistle Blower Policy

As required under Section 177 (9) of the Companies Act, 2013 read with the Listing Regulations, the Company has formulated a Whistle Blower Policy. The policy comprehensively provides an opportunity for any employee / Director of the Company to raise any issue concerning breaches of law, accounting policies or any act resulting in financial or reputation loss and misuse of office or suspected or actual fraud. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The policy has been communicated to the employees of the Company. The details of establishment of the Whistle Blower Policy/Vigil mechanism have been disclosed on the website of the Company.

### e) Subsidiary Companies

As per provisions of 24(3) of the Listing Regulations, the minutes of the Board Meetings of the subsidiary companies (JTEKT SONA Automotive India Limited and Sonata Fuji Kiko Automotive Limited) and a statement, wherever applicable, of all significant transactions and arrangements entered by the existing subsidiary companies have been prepared and presented to the Board of Sonata. The Audit Committee of Sonata has also reviewed the financial statements of the subsidiary companies.

In accordance with the requirement of Regulation 16 of the Listing Regulations, the Company has formulated a policy for determining 'material' subsidiaries. The same is displayed on the website of the Company (web link:www.sonakoyosteering.com/policies).

### f) Disclosure of accounting treatment in preparation of financial statements

Sonata has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

### g) CEO/ CFO Certification

The CEO and CFO certification on the financial statements for the year is attached along with this report.

## SHAREHOLDERS

### a) Disclosures regarding appointment or re-appointment of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Kiyozumi Kamiki, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The Board of Directors in their meeting held on 5th August, 2016 has appointed Mr. Toshiya Miki as an additional director of the Company, who was nominated by MSIL in place of Mr. Kazuhiko Ayabe.

The Board of Directors in their meeting held on 18th May, 2017 has appointed Mr. Seiho Kawakami as an additional director of the Company with effect from the close of business hours of 18th May, 2017.

The Board of Directors in their meeting held on 10th February, 2017 had re-appointed Mr. Kiyozumi Kamiki as Dy. Managing Director, with remuneration, for a period of three years with effect from 1st April, 2017, who was further elevated to the office of Managing Director effective from the close of business hours of 18th May, 2017 for the remaining period of his tenure till 31st March, 2020.

Mr. Sudhir Chopra has been appointed as Director (Corporate Affairs) & Company Secretary of the Company, with remuneration, by the Board of Directors in their meeting held on 18th May, 2017, for a period of three years with effect from the close of business hours of 18th May, 2017.

As required, a brief profile and other particulars of the Directors seeking appointment/re-appointment are given in the Notice of the 33rd Annual General Meeting.

#### b) Communication to Shareholders

All important information relating to the Company and its performance, including quarterly financial results and shareholding pattern are posted on the web-site [www.sonakoyosteering.com](http://www.sonakoyosteering.com). The web-site also displays all official press releases and presentation to analysts made by the Company.

The quarterly, half-yearly and annual results of the Company's performance are published in newspapers namely 'Business Standard' (English) and 'Business Standard' (Hindi).

#### c) Investor Grievances

As mentioned earlier in this section, the Company has constituted a Stakeholders Relationship Committee for redressing shareholders' and investors' complaints. The status of complaints is reported to the Board of Directors in their meetings. Mr. Sudhir Chopra, Director (Corporate Affairs) & Company Secretary is the Compliance Officer.

#### d) Share Transfer

M/s. Karvy Computershare Pvt. Ltd. (Karvy), the Registrar and Transfer Agent of the Company handles all share transfers and related matters viz. physical transfer of securities, dematerialisation / re-materialisation of securities etc. Karvy is registered with the SEBI as a Category-1 Registrar.

#### e) Details of non-compliance

The Company has complied with all the requirements of regulatory authorities and no penalties or strictures were imposed on the Company by any stock exchange or SEBI or any statutory authority on any matter related to capital market during the last 3 years.

#### f) General Body Meeting

Details of the last three Annual General Meetings are given in Table 9.

**Table 9 : Date, time and venue of the last three Annual General Meetings**

Financial Year (Ended)	Date	Time	Venue
31st March, 2014	23rd September, 2014	3:00 P.M.	Air Force Auditorium Subroto Park New Delhi-110 010.
31st March, 2015	14th September, 2015	10.00 A.M	Air Force Auditorium Subroto Park New Delhi-110 010.
31st March, 2016	5th August, 2016	10.00 A.M	Air Force Auditorium Subroto Park New Delhi-110 010

#### g) Special Resolutions

In the ensuing 33rd Annual General Meeting of the Company to be held on, the shareholders' consent is being sought by way of Special Resolutions for

- Appointment of Mr. Kiyozumi Kamiki as Managing Director of the Company.
- Appointment of Mr. Sudhir Chopra as Director (Corporate Affairs) & Company Secretary of the Company.
- Consent to mortgage and/or charge all or any part of the movable / immovable properties of the Company under Section 180(1)(a) of the Companies Act, 2013.

The details of Special Resolutions passed in the previous three Annual General Meetings of the Company are as under:

##### 32nd Annual General Meeting held on 5th August, 2016

- Appointment of Mr. Kiran Manohar Deshmukh as Executive Vice Chairman of the Company.
- Re-appointment of Mr. Kiyozumi Kamiki as Dy. Managing Director.
- Consent to mortgage and/or charge all or any part of the movable / immovable properties of the Company under Section 180(1)(a) of the Companies Act, 2013.

##### 31st Annual General Meeting held on 14th September, 2015

- Adoption of new set of Articles of Association of the Company.
- Payment of remuneration to Mr. Sunjay Kapur, Managing Director of the Company during part of the financial year 2014-15 i.e., from 1st April, 2014 to 21st October, 2014.
- Related Party Transactions.
- Consent to mortgage and/or charge all or any part of the movable / immovable properties of the Company under Section 180(1)(a) of the Companies Act, 2013.

##### 30th Annual General Meeting held on 23rd September, 2014

- Re-appointment of Mr. Sunjay Kapur as Managing Director of the Company.



- Payment of minimum remuneration to Mr. Sunjay Kapur, Managing Director of the Company during the financial year 2013-14.
- Borrowing powers of the Board under Section 180(1)(c) of the Companies Act, 2013.
- Consent to mortgage and/or charge all or any part of the movable / immovable properties of the Company under Section 180(1)(a) of the Companies Act, 2013.

#### h) Postal Ballots

At the ensuing Annual General Meeting to be held on 22nd August, 2017 there is no matter proposed to be passed by the Company, which requires Postal Ballot. Also, there was no matter

passed through Postal Ballots at the 32nd Annual General Meeting of the Company.

Resolution for de-classification and re-classification of promoters of the Company has been recommended by the Board of Directors on 18th May, 2017 for the approval of the shareholders by means of postal ballot and e-voting. Voting has commenced on 23rd May, 2017 and will be closed on 21st June, 2017 and results will be announced on/or before 23rd June, 2017.

#### COMPLIANCE

##### Mandatory requirements

Sona is compliant with the applicable mandatory requirements of Listing Regulations applicable to the company during the review period.

## Auditor's Certificate on Corporate Governance

To,

The Members of SONA KOYO STEERING SYSTEMS LIMITED,

We have examined the compliance of conditions of Corporate Governance by SONA KOYO STEERING SYSTEMS LIMITED ("the Company") for the year ended 31st March, 2017, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

#### Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

#### Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with 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.

#### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable during the year ended 31st March 2017.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S. P. Puri & Co.  
Chartered Accountants  
Firm Registration No. 001152N

(Rajiv Puri - Partner)  
Membership No. 084318

Place : Gurugram  
Dated: 24th May, 2017

# Additional Shareholder Information

## ANNUAL GENERAL MEETING

Date	:	22nd August, 2017
Venue	:	The Air Force Auditorium Subroto Park New Delhi 110 010
Time	:	10.00 A.M.

## FINANCIAL CALENDAR

Financial year	:	1st April, 2016 to 31st March 2017
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For the year ended 31st March, 2017, results were announced on:

- 5th August, 2016 : First Quarter
- 11th November, 2016 : Second Quarter
- 10th February, 2017 : Third Quarter
- 24th May, 2017 : Annual

## BOOK CLOSURE

The dates of book closure are from 17th August, 2017 to 22nd August, 2017 inclusive of both days.

## DIVIDEND RATE

The Board of Directors of Sona, in their meeting held on 24th May, 2017, has recommended payment of 50% dividend on Equity Share Capital. The same shall be paid between 29th August, 2017 and 2nd September, 2017, if approved, by the Shareholders at the ensuing Annual General Meeting.

## LISTING

The Company's Equity Shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

## STOCK CODES

Table 1: Stock Codes

Name of the Stock Exchanges	Stock Code
Bombay Stock Exchange Limited	520057
National Stock Exchange of India Limited	SONASTEER

The ISIN Number of Sona (or demat number) on both NSDL and CDSL is INE643A01035

## STOCK DATA

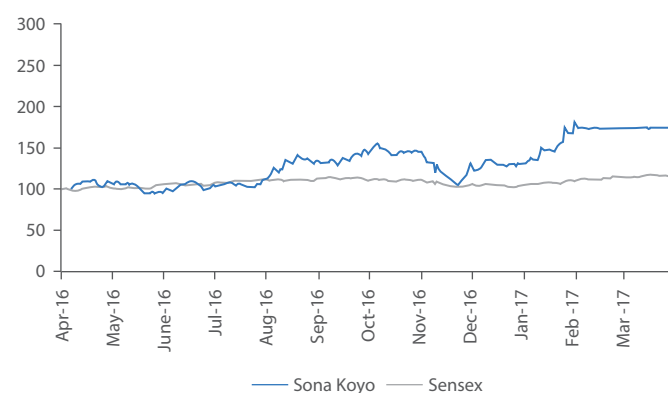
Table 2 gives the monthly high and low prices and volumes of Equity Shares of Sona at Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2017.

**Table 2: Monthly share price\* (in ₹) data and volumes on BSE and NSE**

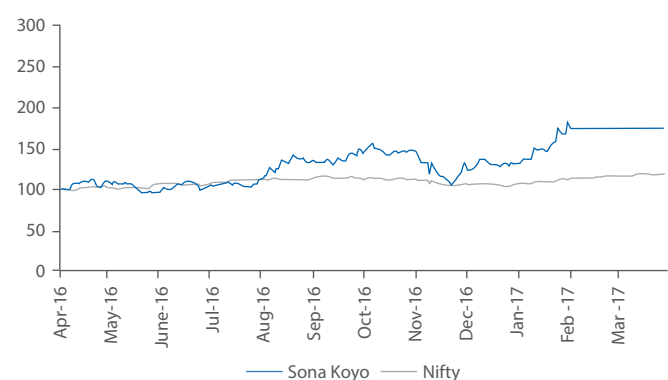
Month and year	BSE			NSE		
	High	Low	Volumes	High	Low	Volumes
April, 2016	53.70	45.15	966541	53.55	45.00	2362235
May, 2016	52.60	43.60	723714	51.95	43.60	2207315
June, 2016	52.50	44.15	786341	53.00	44.35	1941744
July, 2016	54.25	47.30	994267	54.30	47.05	2731637
August, 2016	68.30	51.20	3519877	68.50	51.40	9187365
September, 2016	72.50	59.40	3451433	72.70	59.20	9059829
October, 2016	75.00	65.25	7098087	75.45	65.00	2050434
November, 2016	69.40	47.55	3901890	69.50	47.55	1634260
December, 2016	65.50	56.40	2629918	65.45	56.50	847629
January, 2017	90.00	61.00	6567509	89.95	60.80	24938641
February, 2017	86.25	79.40	6303805	86.50	79.45	20028902
March, 2017	82.65	80.55	4111722	82.65	80.90	5145680

Note: High and Low are in rupees per traded share. These are simple, un-weighted average. Volume is the total monthly volume of trade (in number) in Sona's shares on the BSE & NSE.

\* Face Value of Sona's Share is ₹ 1/- each.

**Chart A: Sona's adjusted closing share price with BSE Sensex for 2016-2017.**

Note: Sona Koyo share price at the BSE and the BSE Sensex have been indexed to 100 as on the first working day of 2016-17.

**Chart B: Sona's adjusted closing share price with Nifty for 2016-2017.**

Note: Sona Koyo share price at the NSE and the NSE Nifty have been indexed to 100 as on the first working day of 2016-17.

## DISTRIBUTION OF SHAREHOLDING

Table 3 and 4 give the distribution pattern of shareholding of Sona as on 31st March, 2017.

**Table 3: Distribution of shareholding by size class as on 31st March, 2017.**

Amount	Number of shareholders	Number of shares held	Shareholding %
Upto 5000	48518	18151271	9.13
5001-10000	751	5638237	2.84
10001-20000	285	4254227	2.14
20001-30000	89	2201168	1.11
30001-40000	45	1627030	0.82
40001-50000	23	1098123	0.55
50001-100000	43	3221212	1.62
100001 & above	70	162550564	81.79
Total	49824	198741832	100.00

**Table 4: Distribution of shareholding by ownership as on 31st March, 2017**

Category	No. of Shareholders	No. of Shares held	Shareholding %
Promoter & Promoter Group (A)	16	103986041	52.32
Public Shareholding (B)			
Bodies Corporate	533	26166980	13.17
Individuals	47964	56738278	28.55
HUF	808	2050649	1.03
Non resident Indians	395	2075037	1.04
Foreign Nationals	1	3134	0.00
Mutual Funds	2	2000	0.00
Foreign Portfolio Investors	16	1215252	0.61
Financial Institutions / Banks	5	56579	0.03
Insurance Companies	1	1200000	0.60
NBFC	4	3050	0.00
Trusts	3	547084	0.28
Clearing Members	75	118995	0.06
Unclaimed Suspense Account*	1	4578753	2.30
	<b>49824</b>	<b>198741832</b>	<b>100.00</b>

\* As per SEBI Circular No. CIR/CFD/DIL/10/2010 dated 16th December, 2010, the unclaimed Equity Shares of the Company have been consolidated under this Account.

## SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM

As on 31st March, 2017, 99.08% of Sona's shares were held in dematerialized form and the rest in physical form. The promoter, co-promoter and their associates own 52.32% of Sona's shares, which are held in dematerialized form

## EQUITY SHARES IN THE SUSPENSE ACCOUNT

The unclaimed equity shares are lying in the Demat Account titled as 'Sona Koyo Steering Systems Limited – Unclaimed Suspense Account' maintained with Karvy Stock Broking Limited, Depository Participant.

The Equity Shares transferred to said Unclaimed Suspense Account belong to the members who are still holding the old Share Certificates pertaining to the Equity Shares of the Face Value of ₹ 10/- or ₹ 2/- each. The Company is releasing the Equity Shares from the said Demat Account, as and when it receives any valid request from the shareholder.

Table 5 gives the details of Equity Shares held in the Unclaimed Suspense Account.

**Table 5 : The details of Equity Shares held in the Unclaimed Suspense Account as on 31st March, 2017**

Sl. No.	Particulars	No. of Shareholders	Number of Equity Shares
1.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the time of dematerialization.	3467	55,82,603
2.	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account after dematerialization of unclaimed shares.	429	10,03,850
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account after dematerialization of unclaimed shares.	429	10,03,850
4.	Aggregate number of shareholders and the outstanding shares in the Suspense Account as on 31st March, 2017.	3038	45,78,753

#### **OUTSTANDING GDRS/ADRS/ WARRANTS / CONVERTIBLE INSTRUMENTS AND THEIR IMPACT ON EQUITY**

The Company has no outstanding GDRs, ADRs, Warrants or any Convertible Instruments.

#### **DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS**

The Company has not obtained any public funding in the last three years.

#### **SHARE TRANSFER SYSTEM**

All share transfers and related operations are conducted by M/s. Karvy Computershare Pvt. Ltd., the Registrar and Transfer Agent of the Company, which is registered with the SEBI as a Category 1 Registrar.

The Company has constituted a Stakeholders Relationship Committee for redressing shareholders' and investors' complaints.

Investor correspondence should be addressed to:

The Company Secretary  
Sona Koyo Steering Systems Ltd.  
UGF-6, Indra Prakash  
21, Barakhamba Road, New Delhi - 110 001  
e-mail : investor grievance@sonagroup.com

Karvy Computershare Private Limited  
Karvy Selenium Tower-B, Plot No. 31 & 32,  
Financial District, Gachibowli, Nanakramguda,  
Serilingampally, Hyderabad 500 008  
e-mail : einward.ris@karvy.com

Karvy Computershare Pvt. Ltd.  
(Unit : Sona Koyo Steering Systems Limited)  
305, New Delhi House 27, Barakhamba Road,  
Connaught Place, New Delhi – 110 001.

The Board of Directors have vide resolution dated 4th September, 2013 delegated the powers with respect to approving & registration of transfers / transmission / transposition of Equity shares to authorized officials of Karvy Computershare Pvt. Ltd., the Registrar and Share Transfer Agents of the Company, based on the duly filled in and executed Share Transfer Deeds, valid Share Certificate and other requisite documents.

#### **UNCLAIMED DIVIDENDS**

Under the Companies Act, 2013, dividends that are unclaimed for a period of seven years have to be transferred to the Investor Education and Protection Fund administered by the Central Government. Table 6 gives the date of dividend declaration or payment since 2010 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government. Table 7 gives the unclaimed dividend amount since 2010.

**Table 6: Date of transferring unclaimed dividend to the Central Government**

Year	Type	Date of declaration	Date due for transfer to Central Government
2010	Final	27th July, 2010	26th August, 2017
2011	Final	2nd August, 2011	1st September, 2018
2012	Final	1st August, 2012	31st August, 2019
2013	Final	10th August, 2013	9th September, 2020
2014	Final	23rd September, 2014	23rd October, 2021
2015	Final	14th September, 2015	14th October, 2022
2016	Final	5th August, 2016	8th September, 2023

During the financial year under review, there was no amount due to be transferred to Investor Education and Protection Fund towards Unclaimed Dividend, since the Company had not declared any dividend for the year ended 31st March, 2009.

**Table 7: Unclaimed dividend as on 31st March, 2017**

Year	Type	No. of warrants issued	No. of warrants unclaimed	% unclaimed	Amount of dividend (₹ Lakhs)	Dividend unclaimed (₹ Lakhs)	% unclaimed
2010	Final	39648	3078	7.76	596.23	7.91	1.33
2011	Final	49286	4413	8.95	1291.85	17.55	1.36
2012	Final	48779	4993	10.24	1291.87	37.69	2.92
2013	Final	53987	9197	17.39	1291.89	37.08	2.87
2014	Final	53202	10090	18.97	1589.98	43.90	2.76
2015	Final	53041	11021	20.78	1291.91	35.49	2.75
2016	Final	53430	11301	21.15	993.83	27.85	2.80

## NUMBER AND NATURE OF COMPLAINTS REGARDING SHARES

**Table 8: Details of Investor complaints regarding shares for the year 2016-2017.**

Nature of complaint	Number of complaints	Number redressed
Non-receipt of dividend / Interest / Redemption	10	10
Non-receipt of Annual Report	1	1
Non-receipt of Share Certificates	5	5
Others	1	1
Total	17	17

## PLANTS' LOCATION

- 38/6, NH-8, Delhi-Jaipur Road, Gurugram-122001 (Haryana).
- Plot No. 32, Industrial Area Phase II, Dharuhera, Dist. Rewari (Haryana).
- Plot No. 19, Industrial Area, Dharuhera, Dist. Rewari (Haryana).
- Village Malpura, Tehsil Dharuhera, Dist. Rewari (Haryana).
- Plot No. 731, Sector 37 C, Pace City – II, Gurugram (Haryana).
- P.O. Box 14, Chennai-Bangalore Highway, Sriperumbudur, Distt. Chinglepet, Tamil Nadu – 602 105.
- Plot No. D-9, TML Vendor Park, Survey No. 1, Village Northcotepura, Sanand, Amhedabad, Gujarat.

## REGISTERED OFFICE

UGF-6, Indraprakash, 21 Barakhamba Road, New Delhi – 110 001.

# Certification by Chief Executive Officer and Chief Financial Officer

As required by Regulation 17(8) of the Listing Regulations, the CEO and CFO declaration is given below:

To the Board of Directors

Sona Koyo Steering Systems Limited

We, Kiyozumi Kamiki, Managing Director and Rajiv Chanana, Chief Financial Officer of Sona Koyo Steering Systems Limited, hereby certify to the Board that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by Sona Koyo Steering Systems Limited during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Sona Koyo Steering Systems Limited

Place : Gurugram

Dated : 24th May, 2017

Rajiv Chanana  
Chief Financial Officer

Kiyozumi Kamiki  
Managing Director

## Declaration of the Chief Executive Officer

This is to certify that the Company had laid down Code of Conduct of the Board Members and the Senior Management Personnel of the Company and the same is uploaded on the website ([www.sonakoyosteering.com](http://www.sonakoyosteering.com)).

Further certified that the Members of the Board of Directors and Senior Management Personnel have affirmed the compliance with the Code applicable to them during the year 31st March, 2017.

For Sona Koyo Steering Systems Limited

Place : Gurugram

Date : 24th May, 2017

Kiyozumi Kamiki  
Managing Director

# Directors' Report

TO THE MEMBERS,

Your Directors have pleasure in presenting their 33rd Annual Report together with audited accounts of the Company for the year ended 31st March, 2017.

## Beginning of New Era

On February 01, 2017 Sona Autocomp Holding Limited ('SAHL'), one of the Promoters of the Company, entered into a Share Purchase Agreement with JTEKT Corporation, Japan ('JTEKT'), a Technical and Financial Collaborator of the Company and a member of the Promoter Group. In terms of the said Share Purchase Agreement, on May 18,

2017, JTEKT acquired from SAHL 25.12% of the equity shares of the Company on a fully diluted basis. Consequent to the said transaction, JTEKT's shareholding in the Company stands increased from 20.10% to 45.22%, and with this, it has taken the position to steer your Company to further heights. The said acquisition of shares has triggered an 'Open Offer' in terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments made thereto. Accordingly, JTEKT has made an 'Open Offer' to all the public shareholders of the Company, to acquire up to 51,672,877 fully paid-up Equity Shares of Face Value of ₹1/- each of the Company, constituting 26% of the Equity Share Capital of the Company. The said 'Open Offer' is being made at ₹ 84/- per Equity Share.

## 1) Financial Results

### STANDALONE AND CONSOLIDATED PERFORMANCE OF THE COMPANY

(₹/ Lakhs)

	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Sales (Net of Excise Duty) and other income	117220.67	109337.55	159227.51	153427.69
Profit before interest & depreciation	13445.92	13237.50	21238.06	20993.35
- Interest	2639.98	2822.86	2853.93	3172.80
- Depreciation & write offs	7477.36	7190.24	10299.59	9875.20
Profit before tax	3328.58	3224.40	8084.54	7945.35
Less : Provision for tax	1579.68	1301.00	3566.39	3310.86
Provision for deferred tax liability / (assets)	(573.07)	(581.94)	(759.55)	(785.99)
Earlier years excess provision of tax written back	(36.55)	5.61	(64.39)	5.44
Minimum alternate tax (MAT) credit entitlement	-	-	-	-
Profit after tax	2358.52	2499.73	5342.09	5415.04
Less : Share of profit transferred to minority	-	-	1683.27	1697.07
Less : Share of loss of an associate	-	-	(10.20)	(13.37)
Consolidated profit for the year	2358.52	2499.73	3648.62	3704.60
Add : Profit brought forward	9269.82	7966.10	16481.06	14092.76
Less: Adjustment of depreciation change as per Schedule II of the Companies Act, 2013	-	-	-	-
Profit available for appropriations	11628.34	10465.83	20129.68	17797.36
Appropriations				
Proposed Dividend	-	993.71	-	993.71
Tax on Dividend	-	202.30	-	322.59
Transfer to General Reserve	-	-	-	-
Corporate Social Responsibility Exp.	-	-	-	-
Balance Carried Forward	11628.34	9269.82	20129.68	16481.06

## 2) State of Affairs of the Company

Revenue from operations increased by 7.21% to ₹ 11722 million. PBDIT improved by 1.57% to ₹ 1345 million. The Company reported PAT of ₹ 236 million. Improvement in PBDIT numbers shows the success of Company's efforts in controlling the

material cost by following aggressive localization program and through backward integration.

## 3) Dividend

Your directors are pleased to recommend a dividend of 50% on equity share capital of the Company for the financial year 2016-17, same as last financial year.

#### 4) Reserves

	(₹/ Lakhs)	
	31-Mar-17	31-Mar-16
Balance as per last financial statements	9269.82	7966.10
Add: Profit for the year	2358.52	2499.73
Less: Appropriations		
Proposed dividend	-	993.71
Tax on proposed dividend	-	202.30
Net surplus in the statement of profit and loss	11628.34	9269.82

#### 5) Change of nature of Business (if any)

There has been no change in the nature of business of the Company during the financial year.

#### 6) Share Capital

The Paid Up Equity Share Capital of the Company as at March 31, 2017 stood at ₹ 1987.42 Lakhs. During the year under review, the Company has not issued any shares / securities. As on March 31, 2017, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

#### 7) Significant and material Orders passed by the Regulators or Courts

There are no significant or material Orders passed by the Regulators or Courts that would impact the going concern status of the Company and its future operations.

#### 8) Material changes and commitments, if any, affecting the financial position of the Company

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which financial statements relate and the date of the report.

#### 9) Details in respect of adequacy of internal controls

Sona Koyo has an effective and reliable internal control system commensurate with its size and operations. The internal controls are aligned to global standards and processes while also adhering to local statutory requirements. The internal controls systems are supported through, management reviews, verification by internal auditors, as well as verification by statutory auditors. Further, the audit committee of the Board reviews the internal audit plan, adequacy of internal controls system, significant audit observations and monitors the sustainability of remedial measures.

In addition to policies, procedures, and guidelines, the internal controls system is facilitated by an automated "Compliance Manager Tool", which enables self-assessment by process owners on status of all applicable regulatory compliances and Internal Controls including, controls relating to adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting

records, and timely preparation of reliable financial information. The status of each self-assessment is approved by an immediate superior. The status of self-assessment is periodically deliberated and reviewed by the Senior Management. Further, the accuracy of sample self-assessments is verified through periodic internal audits.

The aforesaid internal control system provides high degree of assurance with respect to effectiveness and efficiency of operations, adequacy and adherence of internal financial controls and compliances with laws and regulations.

#### 10) Details and Performance of Subsidiary Companies / Associate Company

The Company has the following two Subsidiaries and one Associate Company :

##### Subsidiary Companies

##### a) JTEKT SONA Automotive India Limited (JSAI)

In JSAI, the Company is holding 49% of the equity capital but it has the right to nominate majority of Directors on the Board of JSAI. This Joint Venture Company has been established with JTEKT Corporation, Japan with a business objective of manufacturing Column Type Electric Power Steering (C-EPS) Systems. The Plants of JSAI are located in Bawal (Haryana), Chennai and Bengaluru. During the year ended 31st March, 2017, JSAI has achieved total revenue of ₹ 61206.28 Lakhs and earned net profit of ₹ 2616.63 Lakhs.

##### b) Sona Fuji Kiko Automotive Limited (SFAL)

In SFAL, the Company is holding 51% of the Equity Capital. This Joint Venture Company has been established with FUJI KIKO Co. Ltd., Japan with a business objective of manufacturing Columns to be used in the manufacturing of C-EPS by JSAI. The Plant of SFAL is located in Bawal, Haryana. During the year ended 31st March, 2017, SFAL has achieved total revenue of ₹ 8773.65 Lakhs and earned net profit of ₹ 711.80 Lakhs. The Board of Directors of SFAL in their meeting held on 23rd May, 2017 has recommended a dividend at the rate of 7.5% for the financial year ended on 31st March, 2017.

##### Associate Company

##### a) Sona Skill Development Centre Limited (SSDCL)

SSDCL is a skill development Company which provides skill development and training programs such as TQM, Problem Solving, Flow Manufacturing (Lean), Safety, and Innovation as well as comprehensive training program that includes 5S, safety, QC 7 tools, measurement, maintenance, Toyota Production System, basic conventional machine operation, CNC machine operation, material selection, and soft skills such as team work and conflict management. Sona Koyo Steering Systems Limited has made the investment in the Equity Share Capital of Sona Skill Development Centre Limited (SSDCL) which is equivalent to 49.99% of the paid up share capital of SSDCL. Accordingly, SSDCL has been



covered in the definition of Associate Company. During the year ended 31st March, 2017, SSDCL has achieved total income of ₹ 183.96 Lakhs and has incurred a loss of ₹ 20.39 Lakhs.

No company has become / ceased to be a Subsidiary or Associate during the financial year 2016-17. However, on 18th May, 2017, the Company has disposed off its entire investment in SSDCL. Since the said disinvestment was made after 31st March, 2017, the Company is required to consolidate the financials of SSDCL with its financial statements for the year ended 31st March, 2017.

### 11) Subsidiary Companies Accounts

During the year, the Board of Directors reviewed the affairs of the subsidiaries and associate companies. In accordance with Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company forms part of the Annual Report. Further, a statement containing the salient features of the financial statement of the subsidiaries and associate company in the prescribed Form AOC-1 is attached along with financial statement. The statement also provides the details of performance, financial position of each of the subsidiaries and associate company.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries and associate company, are available on Company's website [www.sonakoyosteering.com](http://www.sonakoyosteering.com). These documents will also be available for inspection during business hours at Company's registered office. The Company shall provide the copy of financial statements of its subsidiaries and associate company to the shareholders upon their request.

In accordance with the Accounting Standard 'AS-21' on Consolidated Financial Statements read with Accounting Standard 'AS-27' on Financial Reporting of interest in Joint Ventures, the Audited Consolidated Financial Statements are provided in the Annual Report.

### 12) Extract of Annual Return

The extract of Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 is enclosed as Annexure – I in the prescribed form MGT-9 and forms part of this Report.

### 13) Corporate Social Responsibility

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as Annexure – II.

### 14) Number of meetings of the Board of Directors

The Board of Directors met 4 (four) times in the year ended 31st March, 2017. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### 15) Nomination & Remuneration Committee and its policy

The Board of Directors had constituted a Nomination & Remuneration Committee to review formulation of the

criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees and such other ancillary functions as may be required.

The Company follows a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board.

### 16) Particulars of contracts or arrangements with related parties

The Company has entered into contracts / arrangements with the related parties in the ordinary course of business and on arm's length basis. Thus, provisions of Section 188(1) of the Act are not applicable.

However, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all transactions with related parties, which are of material in nature, are subject to the approval of the Members of the Company.

### 17) Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed Mr. S.S Gupta, Company Secretaries, in Practice, as its Secretarial Auditors to conduct the secretarial audit of the Company for the FY 2016-17. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2016-17 is annexed to this report as Annexure – III. The report does not contain any qualification.

### 18) Risk Management Policy

The Board of Directors of the Company had constituted a Risk Management Committee to oversee the risk management process in the Company.

The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risks. The Risk Management Committee periodically reviews the risks and suggests the steps to be taken to control and mitigate the same through a properly defined framework.

### 19) Corporate Governance

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'). A separate section on corporate governance under the Listing Regulations, along with a certificate from the auditors confirming the compliance, is annexed and forms part of this Annual Report.

### 20) Vigil Mechanism

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. For details, please refer to the Corporate Governance Report attached to this Report.

## 21) Listing

The Securities of your Company are listed at National Stock Exchange and Bombay Stock Exchange and the Company has paid the Listing Fee due to them.

## 22) Deposits

During the year the Company has not invited any deposits covered under Chapter V of the Companies Act, 2013.

## 23) Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements, which are self explanatory.

## 24) Directors & Key Managerial Personnel

As on 31st March, 2017, your Company has Twelve (12) Directors consisting of six (6) Independent Directors, three (3) Non-executive Directors, a Non-executive Chairman, an Executive Vice Chairman and a Dy. Managing Director.

In terms of the definition of 'Independence' of Directors as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 and based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors were the Independent Directors :-

- 1) Mr. Ravi Bhoothalingam
- 2) Mr. Prem Kumar Chadha
- 3) Lt.Gen.(Retd.) Shamsher Singh Mehta
- 4) Mr. Ramesh Suri
- 5) Mrs. Ramni Nirula
- 6) Mr. Prasan Abhaykumar Firodia

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Listing Regulations.

During the year under review, our colleague Mr. Kazuhiko Ayabe, Nominee of Maruti Suzuki India Limited ('MSIL'), has ceased to be a Director of the Company due to withdrawal of his nomination by MSIL. Consequent upon cessation of Mr. Kazuhiko Ayabe from the office of Board of Directors of the Company, MSIL has nominated Mr. Toshiya Miki, who has been appointed as an Additional Director of the Company effective from 5th August, 2016.

Mr. Sunjay Kapur, Mrs. Rani Kapur and Mr. Kiran Manohar Deshmukh have resigned from the Board of the Company by close of the business hours of 18th May, 2017

Your Directors take this opportunity to place on record the appreciation of services rendered by Mr. Sunjay Kapur, Mrs. Rani Kapur, Mr. Kiran Manohar Deshmukh and Mr. Kazuhiko Ayabe during their association with the Company.

The Board of Directors in their meeting held on 18th May, 2017 have appointed Mr. Hidekazu Omura as Chairman of the Board and General Meetings and Mr. Seiho Kawakami as an additional director of the Company with effect from the close of business hours of 18th May, 2017. The Board of Directors in their meeting held on 10th February, 2017 have re-appointed Mr. Kiyozumi

Kamiki as Dy. Managing Director, with remuneration, for a period of three years with effect from 1st April, 2017, who was further elevated to the office of Managing Directors effective from the close of business hours of 18th May, 2017 for the remaining period of his tenure till 31st March, 2020. Mr. Sudhir Chopra has been elevated as Director (Corporate Affairs) & Company Secretary of the Company, with remuneration, by the Board of Directors in their meeting held on 18th May, 2017, for a period of three years with effect from the close of business hours of 18th May, 2017.

Further, consequent upon resignation of Mr. Kiran Manohar Deshmukh, the Board of Directors of the Company appointed Mr. Kiyozumi Kamiki, Managing Director, as one of the whole-time Key Managerial Personnel of the Company effective from the close of business hours of 18th May, 2017.

The Executive Vice Chairman and Dy. Managing Director of the Company have not received any remuneration or commission, except Sitting Fee, if any, from any of the subsidiaries of the Company.

Pursuant to the provisions of Section 152(6) and Articles of Association of the Company, Mr. Kiyozumi Kamiki (DIN: 06536243) will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

## 25) Board Evaluation

The Company has devised a Policy for performance evaluation of Independent Directors, the Board, its Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee.

A separate meeting of the independent directors was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the Annual Independent Directors' meeting, the collective feedback of each of the Independent Directors was discussed by the Chairman of the Nomination & Remuneration Committee with the Board's Chairman covering performance of the Board as a whole; performance of the non-independent directors and performance of the Board's Chairman.

## 26) Audit Committee

The Audit Committee of Directors of the Company presently consists of the following members:

- 1) Mr. Ravi Bhoothalingam, Chairman
- 2) Mr. Prem Kumar Chadha, Member
- 3) Lt. Gen. (Retd.) Shamsher Singh Mehta, Member
- 4) Mr. Kiyozumi Kamiki, Member

More details on the Audit Committee are given in the Corporate Governance Report.

## 27) Directors' Responsibility Statement

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the directors confirm that:

- a) in the preparation of the annual accounts for the financial year 2016-17, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 28) Statutory Auditors and their Report

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. S.P. Puri & Co. (Firm Registration No. 001152N) Chartered Accountants, New Delhi as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company. The Board of Directors of the Company at their meeting held on 24th May, 2017, on the recommendation of the Audit Committee, have made its recommendation for appointment of M/s. B.S.R. & Co. LLP, Chartered Accountants (ICAI Registration No. 101248W/W-100022), as the Statutory Auditors of the Company by the Members at the 33rd Annual General Meeting of the Company for an initial term of 5 years. Accordingly, a resolution, proposing appointment of M/s. B.S.R. & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice of the 33rd Annual General Meeting of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

M/s. S.P. Puri & Co. over many years have successfully met the challenge that the size and scale of the Company's operations pose for auditors and have maintained the highest level of governance, ethical standards, rigour and quality in their audit. The Board place on record its appreciation for the services rendered by M/s. S.P. Puri & Co. as the Statutory Auditors of the Company.

## 29) Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

A statement containing the necessary information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be given pursuant to provisions of Section 134 of the Companies Act, 2013, read with the rules made there under is annexed as Annexure – IV and forms part of this report.

## 30) Employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure - V(a) to this Report.

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 102 Lakhs or more, or employed for part of the year and in receipt of ₹ 8.5 Lakhs or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as Annexure - V(b) to this Report.

## 31) Acknowledgements

Your Directors acknowledge with gratitude the co-operation and support extended by SONA's customers namely Maruti Suzuki, Mahindra & Mahindra, Tata Motors, Honda, Fiat India, Toyota Kirloskar, General Motors, John Deere, Club Car, E-z-go, Renault-Nissan and Isuzu, the Financial Institutions, Banks, various agencies of the Government.

Your Directors also wish to place on record their sincere appreciation of the services rendered by all the employees of the Company and are thankful to the Shareholders for their continued patronage.

For and on behalf of the Board

Place : Gurugram  
Dated : 24th May, 2017

Hidekazu Omura  
Chairman

## FORM MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

i) CIN	-	L29113DL1984PLC018415
ii) Registration Date	-	14th June, 1984
iii) Name of the Company	-	Sona Koyo Steering Systems Limited
iv) Category / Sub-Category of the Company	-	Manufacturing Automotive Components
v) Address of the Registered office and contact details	-	UGF-6, Indra Prakash, 21, Barakhamba Road, New Delhi 110001 Tel : 91 11 23311924 email : investorgrievance@sonagroup.com
vi) Whether listed company Yes / No	-	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	-	M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad - 500032. Tel: 91 40 67162222, Fax: 91 40 23001153 email: einward.ris@karvy.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1.	Steering gear assembly	29301	72%
2.	Drive line assembly		14%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	<b>JTEKT Sona Automotive India Ltd.</b> UGF-6, Indra Prakash 21, Barakhamba Road New Delhi 110 001.	U29268DL2007PLC165741	Subsidiary Company	49%	2(87)(i)
2.	<b>Sona Fuji Kiko Automotive Ltd.</b> UGF-6, Indra Prakash 21 Barakhamba Road New Delhi 110 001.	U35122DL2007PLC166496	Subsidiary Company	51%	2(87)(ii)
3.	<b>Sona Skill Development Centre Limited</b> A-12/1, Ground Floor Infocity Sector 34 Gurugram 122 001	U80302HR2010PLC040946	Associate Company	49.99%	2(6)

#### IV. SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total equity)

##### i) Category-wise shareholding

Sl. No.	Category of Shareholders Particulars	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>										
<b>1 Indian</b>										
	a) Individual/HUF	347834	0	347834	0.18	320629	0	320629	0.16	(0.02)
	b) Central Govt	0	0	0	0	0	0	0	0	0
	c) State Govt(s)	0	0	0	0	0	0	0	0	0
	d) Bodies Corp.	63723304	0	63723304	32.06	63718304	0	63718304	32.06	0
	e) Banks / FI	0	0	0	0	0	0	0	0	0
	f) Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A) (1)</b>	<b>64071138</b>	<b>0</b>	<b>64071138</b>	<b>32.24</b>	<b>64038933</b>	<b>0</b>	<b>64038933</b>	<b>32.22</b>	<b>(0.02)</b>
<b>2 Foreign</b>										
	a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
	b) Other-Individuals	0	0	0	0	0	0	0	0	0
	c) Bodies Corp.	39947108	0	39947108	20.10	39947108	0	39947108	20.10	0
	d) Banks / FI	0	0	0	0	0	0	0	0	0
	e) Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A) (2)</b>	<b>39947108</b>	<b>0</b>	<b>39947108</b>	<b>20.10</b>	<b>39947108</b>	<b>0</b>	<b>39947108</b>	<b>20.10</b>	<b>0</b>
	<b>Total shareholding of Promoter &amp; Promoter Group [(A) = (A)(1)+(A)(2)]</b>	<b>104018246</b>	<b>0</b>	<b>104018246</b>	<b>52.34</b>	<b>103986041</b>	<b>0</b>	<b>103986041</b>	<b>52.32</b>	<b>(0.02)</b>
<b>B. Public Shareholding</b>										
<b>1 Institutions</b>										
	a) Mutual Funds	956963	0	956963	0.48	2000	0	2000	0	(0.48)
	b) Banks / FI	96520	6000	102520	0.05	50579	6000	56579	0.03	(0.02)
	c) Central Govt	0	0	0	0	0	0	0	0	0
	d) State Govt(s)	0	0	0	0	0	0	0	0	0
	e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	1200000	0	1200000	0.60	1200000	0	1200000	0.60	0
	g) FIs	179884	0	179884	0.09	0	0	0	0	(0.09)
	h) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
	i) Others (Foreign Portfolio Investors)	627628	0	627628	0.31	1215252	0	1215252	0.61	0.30
	<b>Sub-total (B)(1)</b>	<b>3060995</b>	<b>6000</b>	<b>3066995</b>	<b>1.53</b>	<b>2467831</b>	<b>6000</b>	<b>2473831</b>	<b>1.24</b>	<b>(0.29)</b>
<b>2 Non-Institutions</b>										
	a) Bodies Corp.									
	i) Indian	12820431	158420	12978851	6.53	26014560	152420	26166980	13.17	6.64
	ii) Overseas	0	0	0	0	0	0	0	0	0
	b) Individuals									
	i) holding shares upto ₹2 lakh	39929168	1679600	41608768	20.94	31952402	1574900	33527302	16.87	(4.07)
	ii) holding shares above ₹ 2 lakh	29644841	0	29644841	14.92	25261625	0	25261625	12.71	(2.21)
	c) Others	7284131	140000	7424131	3.74	7228853	97200	7326053	3.69	(0.05)
	<b>Sub-total (B)(2)</b>	<b>89678571</b>	<b>1978020</b>	<b>91656591</b>	<b>46.13</b>	<b>90457440</b>	<b>1824520</b>	<b>92281960</b>	<b>46.44</b>	<b>0.31</b>
	<b>Total Public Shareholding [(B)=(B)(1)+(B)(2)]</b>	<b>92739566</b>	<b>1984020</b>	<b>94723586</b>	<b>47.66</b>	<b>92925271</b>	<b>1830520</b>	<b>94755791</b>	<b>47.68</b>	<b>0.02</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
		0	0	0	0	0	0	0	0	0
	<b>Grand Total (A+B+C)</b>	<b>196757812</b>	<b>1984020</b>	<b>198741832</b>	<b>100.00</b>	<b>196911312</b>	<b>1830520</b>	<b>198741832</b>	<b>100.00</b>	<b>0</b>

Note : Percentage in bracket represents negative percentage

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Sona Autocomp Holding Limited	49914664	25.12	0.00	49914664	25.12	0.00	0.00
2	JTEKT Corporation	39947108	20.10	0.00	39947108	20.10	0.00	0.00
3	Maruti Suzuki India Limited	13800000	6.94	0.00	13800000	6.94	0.00	0.00
4	Jug Mohan Kapur (HUF)	14534	0.01	0.00	329	0.00	0.00	(0.01)
5	Mrs. Esha Chopra	150000	0.08	0.00	150000	0.08	0.00	0.00
6	Mr. Subhash Chopra	75000	0.04	0.00	75000	0.04	0.00	0.00
7	Mr. J.M. Kapur	34000	0.02	0.00	34000	0.02	0.00	0.00
8	Sumish Finance & Investment Co.Pvt.Ltd.	8640	0.00	0.00	3640	0.00	0.00	0.00
9	Mr. Aman Chopra	21000	0.01	0.00	21000	0.01	0.00	0.00
10	Ms. Sangeeta Chopra	15000	0.01	0.00	15000	0.01	0.00	0.00
11	Mr. Sharad Kapur	13000	0.01	0.00	0.00	0.00	0.00	(0.01)
12	Mrs. Mandira Koirala	8000	0.00	0.00	8000	0.00	0.00	0.00
13	Dr. Surinder Kapur	6000	0.00	0.00	0.00	0.00	0.00	0.00
14	Mrs. Superna Motwane	6000	0.00	0.00	6000	0.00	0.00	0.00
15	Mr. Sunjay Kapur	3300	0.00	0.00	3300	0.00	0.00	0.00
16	Mrs. Sumitra Kapur	2000	0.00	0.00	2000	0.00	0.00	0.00
17	Mrs. Rani Kapur	0.00	0.00	0.00	6000	0.00	0.00	0.00
	<b>Total</b>	<b>104018246</b>	<b>52.34</b>	<b>0.00</b>	<b>103986041</b>	<b>52.32</b>	<b>0.00</b>	<b>(0.02)</b>

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Jug Mohan Kapur (HUF)				
	At the beginning of the year	14534	0.01	14534	0.01
	Disposed off during the year	(14205)	(0.01)	329	0.00
	At the end of the year	329	0.00	329	0.00
2.	Sumish Finance & Investment Co. Pvt. Ltd.				
	At the beginning of the year	8640	0.00	8640	0.00
	Disposed off during the year	(5000)	(0.00)	3640	0.00
	At the end of the year	3640	0.00	3640	0.00
3	Mr. Sharad Kapur				
	At the beginning of the year	13000	0.01	13000	0.01
	Disposed off during the year	(13000)	(0.01)	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
4.	Dr. Surinder Kapur				
	At the beginning of the year	6000	0.00	6000	0.00
	Disposed off during the year	(6000)	(0.00)	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
5.	Mrs. Rani Kapur				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Purchase during the year	6000	0.00	6000	0.00
	At the end of the year	6000	0.00	6000	0.00

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the shareholders	Share holding at the beginning of the year as on 01.04.2016		Date wise increase / decrease in share holding during the year		Reason for increase / decrease	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	Date	Increase / (Decrease) (No. of Shares)		No. of shares	% of total shares of the Company	
1	Nemish S. Shah	8680000	4.37%	01.04.2016	-	-	8680000	4.37%	
				31.03.2017	-		8680000	4.37%	
2	Gagandeep Credit Capital Pvt. Ltd.	6893611	3.47%	01.04.2016	-	-	6893611	3.47%	
				31.03.2017	-		6893611	3.47%	
3	Anuj Anantrai Sheth	3312091	1.67%	01.04.2016	-	-	3312091	1.67%	
				27.03.2017	1048946		-	4361037	2.19%
				31.03.2017	(3000000)		Transfer	1361037	0.68%
4	Dhruvi Manish Acharya	1424000	0.72%	01.04.2016	-	-	1424000	0.72%	
				31.03.2017	-		1424000	0.72%	
5	Zafar Ahmadullah *	1206575	0.61%	01.04.2016	-	-	1206575	0.61%	
				27.01.2017	(20696)		Transfer	1185879	0.60%
				03.02.2017	(1185879)		Transfer	0	0.00%
				31.03.2017	-		-	0	0.00%
6	General Insurance Corporation of India	1200000	0.60%	01.04.2016	-	-	1200000	0.60%	
				31.03.2017	-		1200000	0.60%	
7	Rajiv M. Doshi *	1099999	0.55%	01.04.2016	-	-	1099999	0.55%	
				27.01.2017	(500000)		-	599999	0.30%
				03.02.2017	(599999)		-	0	0.00%
				31.03.2017	-		-	0	0.00%
8	Opportune Advisory Services LLP	1000000	0.50%	01.04.2016	-	Transfer	1000000	0.50%	
				31.03.2017	-		-	1000000	0.50%
9	UTI – Childrens Career Balanced Plan *	953584	0.48%	01.04.2016	-	-	953584	0.48%	
				22.04.2016	(30600)		Transfer	922984	0.46%
				20.05.2016	(106255)		Transfer	816729	0.41%
				01.07.2016	(116729)		Transfer	700000	0.35%
				29.07.2016	(17950)		Transfer	682050	0.34%
				04.11.2016	(85585)		Transfer	596465	0.30%
				11.11.2016	(123737)		Transfer	472728	0.24%
				25.11.2016	(84424)		Transfer	388304	0.20%
02.12.2016	(388304)	Transfer	0	0.00%					
31.03.2017	0	-	0	0.00%					
10	Anuj A. Sheth *	900000	0.45%	01.04.2016	-	-	900000	0.45%	
				31.03.2017	-		900000	0.45%	
11	Chandar Shah ***	900000	0.45%	20.05.2016	-	-	900000	0.45%	
				31.03.2017	-		900000	0.45%	
12.	Jai Vijay Resource Pvt Ltd. ***	882658	0.44%	27.01.2017	-	-	882658	0.44%	
				03.02.2017	(177065)		-	705593	0.36%
				31.03.2017	-		-	705593	0.36%
13.	Siddharth Iyer **	1170000	0.59%	03.02.2017	-	-	1170000	0.59%	
				31.03.2017	(117000)		-	1000000	0.50%
14.	Vallabh Roopchand Bhanshal ***	850000	0.43%	03.02.2017	-	-	850000	0.43%	
				31.03.2017	-		850000	0.43%	
15.	Rajasthan Global Securities Pvt. Ltd. **	5004210	2.52%	10.02.2017	-	-	5004210	2.52%	

Sl. No.	Name of the shareholders	Share holding at the beginning of the year as on 01.04.2016		Date wise increase / decrease in share holding during the year		Reason for increase / decrease	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase / (Decrease) (No. of Shares)		No. of shares	% of total shares of the Company
				17.02.2017	341758	Transfer	5345968	2.69%
				24.02.2017	40104	Transfer	5386072	2.71%
				03.03.2017	557235	Transfer	5943307	2.99%
				10.03.2017	243502	Transfer	6186809	3.11%
				17.03.2017	406206	Transfer	6593015	3.32%
				24.03.2017	798245	Transfer	7391260	3.72%
				31.03.2017	130779	Transfer	7522039	3.78%
16.	Amit Goel **	1228872	0.62%	10.02.2017	-	-	1228872	0.62%
				17.02.2017	369411	Transfer	1598283	0.80%
				24.02.2017	500	Transfer	1598783	0.80%
				03.03.2017	37377	Transfer	1636160	0.82%
				31.03.2017	10000	Transfer	1646160	0.83%
17.	IL & Fs Trust Company Limited – Forefront Alternate *	923632	0.46%	03.03.2017	-	-	923632	0.46%
				10.03.2017	20000	Transfer	943632	0.47%
				31.03.2017	-	-	943632	0.47%
18.	Mayank Jashwantlal Shah ***	949295	0.48%	17.03.2017	-	-	949295	0.48%
				31.03.2017	-	-	949295	0.48%
19.	Harmony Advisory Services LLP **	2851000	1.43%	31.03.2017	-	-	2851000	1.43%

Information is based on the weekly beneficiary position received from depositories.

\* Ceased to be in the list of Top 10 shareholders as on 31.03.2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2016.

\*\* Not in the list of Top 10 shareholders as on 01.04.2016. The same has been reflected above since the shareholders were one of the Top 10 shareholders as on 31.03.2017.

\*\*\* Not in the list of Top 10 shareholders as on 31.03.2017 but was part of Top 10 shareholders during 2016-17.

#### v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year as on 01.04.2016		Change in shareholding during the year		Shareholding at the end of the year as on 31.03.2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Directors</b>							
1	Mr. Sunjay Kapur, Chairman	3,300	0.00%	0	0.00%	3,300	0.00%
2	Mr. Kiran Manohar Deshmukh, Executive Vice Chairman	19,700	0.01%	0	0.00%	19,700	0.01%
3	Mrs. Rani Kapur, Director	6,000	0.00%	0	0.00%	6,000	0.00%
4	Mr. P.K. Chadha, Director	15,000	0.01%	0	0.00%	15,000	0.01%
<b>KMPs</b>							
1	Mr. Kiran Manohar Deshmukh, Executive Vice Chairman	19,700	0.01%	0	0.00%	19,700	0.01%
2	Mr. Sudhir Chopra, President & Company Secretary	1,500	0.00%	0	0.00%	1,500	0.00%
3	Mr. Rajiv Chanana, Chief Financial Officer	3,000	0.00%	0	0.00%	3,000	0.00%



vi) **Indebtedness**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ / Lakhs)

Particulars	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principle Amount	27938.45	-	-	27938.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	113.84	-	-	113.84
<b>Total (i+ii+iii)</b>	<b>28052.29</b>	<b>-</b>	<b>-</b>	<b>28052.29</b>
<b>Change in Indebtedness during the Financial Year</b>				
• Addition	4661.93	-	-	4661.93
• Reduction	(10194.47)	-	-	(10194.47)
<b>Net Change</b>	<b>(5532.54)</b>	<b>-</b>	<b>-</b>	<b>(5532.54)</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principle Amount	22439.82	-	-	22439.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	79.93	-	-	79.93
<b>Total (i+ii+iii)</b>	<b>22519.75</b>	<b>-</b>	<b>-</b>	<b>22519.75</b>

vii) **Remuneration of Directors and Key Managerial Personnel**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ / Lakhs)

Sl. No.	Particulars of Remuneration	Name of Chairman, Executive Vice Chairman & Dy. Managing Director			Total Amount
		Mr. Sunjay Kapur*	Mr. K.M. Deshmukh	Mr. Kiyozumi Kamiki	
1.	Gross Salary				
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	27.68	116.05	47.45	191.18
b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3.32	12.78	21.18	37.28
c)	Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	• As % of profit	-	-	-	-
	• Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>31.00</b>	<b>128.83</b>	<b>68.63</b>	<b>228.46</b>

\* Amount paid during FY 17 is in respect of arrears of salary pertaining to FY 15 paid based on approval by central government.

B. Remuneration to other directors:

(₹ / Lakhs)

Sl. Particulars of Remuneration No.	Name of Directors						Total Amount
	Mr. R. Bhoothalingam	Mr. P.K. Chadha	Mr. Ramesh Suri	Mr. S.S. Mehta	Mrs. Ramni Nirula	Mr. Prasan Firodia	
<b>1. Independent Directors</b>							
Fee for attending Board / Committee Meetings	12.00	20.00	4.00	13.00	11.00	3.00	63.00
Commission	6.70	9.30	4.10	7.70	6.90	2.30	37.00
Others, please specify	-	-	-	-	-	-	-
Total (1)							100.00
<b>2. Other Non Executive Directors</b>		Mr. H. Omura	Mr. Kazuhiko Ayabe	Mrs. Rani Kapur	Mr. Sunjay Kapur	Mr. Toshiya Miki	
Fee for attending Board / Committee Meetings		4.00	-	10.00	15.00	2.00	31.00
Commission		-	-	-	-	-	-
Others, please specify		-	-	-	-	-	-
<b>Total (2)</b>		4.00	-	10.00	15.00	2.00	31.00
<b>Total (B) = (1+2)</b>							<b>131.00</b>
<b>Total Managerial Remuneration (A+B)</b>							<b>339.71</b>
Overall Ceiling as per the Act							'Refer Note'

Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to directors other than executive directors shall not exceed 1% of the net profit of the Company. The remuneration paid to the non-executive directors is well within the said limit.

C. Remuneration to key managerial personnel other than Managing Director/Manager/Wholetime Directors

(₹ / Lakhs)

Sl. Particulars of Remuneration No.	Key Managerial Personnel			Total Amount
	Executive Vice Chairman	President & Company Secretary	Chief Financial Officer	
1. Gross Salary				
a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	116.05	112.64	70.38	299.07
b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	12.78	13.01	8.86	34.65
c) Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2. Stock Option	-	-	-	-
3. Sweat Equity	-	-	-	-
4. Commission				
• As % of profit	-	-	-	-
• Others, specify	-	-	-	-
5. Others, please specify	-	-	-	-
<b>Total</b>	<b>128.83</b>	<b>125.65</b>	<b>79.24</b>	<b>333.72</b>

viii) Penalties / Punishment / Compounding of Offences : NONE

# CSR Report

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>CSR Activities of Sona Koyo Steering Systems Limited are carried out through :</p> <p>1. Sona Charitable Trust</p> <p>The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website: www.sonakoyosteering.com/policies</p>
2. The Composition of the CSR Committee	<p>1) Mr. Ravi Bhoothalingam, Independent Director [Chairman]</p> <p>2) Mr. P.K. Chadha, Independent Director [Member]</p> <p>3) Mr. Kiyozumi Kamiki, Managing Director [Member]</p>
3. Average net profit of the Company for last three financial years (Amount in Lakhs)	₹ 2,304.64 Lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) [Amount in Lakhs]	₹46.09 Lakhs
5. Details of CSR spent during the financial year	
a) Total amount to be spent for the financial year	₹ 46.09 Lakhs
b) Amount unspent, if any.	₹ 25.09 Lakhs
c) Manner in which the amount spent during the financial year	The manner in which the amount spent is detailed below :

Sl. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs : Local area or other Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise (₹ / Lakhs)	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs Overheads (₹ / Lakhs)	Cumulative Expenditure up to the reporting period (₹ / Lakhs)	Amount Direct or through implementing agency
1.	Vocational Skill Development	Skill Development	Delhi, NCR	21	21	21	Implementing Agency
<b>Total CSR Spent</b>				<b>21</b>	<b>21</b>	<b>21</b>	

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies Rules (Corporate Social Responsibility Policy) Rules 2014, do confirm that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the Company.

Place : Gurugram

Dated : 24<sup>th</sup> May, 2017

Ravi Bhoothalingam  
Independent Director [Chairman-CSR Committee]  
DIN – 00194530

Kiyozumi Kamiki  
Managing Director [Member-CSR Committee]  
DIN - 06536243

## FORM MR-3

### Secretarial Audit Report for the Financial year ended 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,  
Sona Koyo Steering Systems Limited  
UGF-6, Indra Prakash  
21, Barakhamba Road,  
New Delhi-110001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sona Koyo Steering Systems Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Sona Koyo Steering Systems Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sona Koyo Steering Systems Limited for the financial year ended on 31st March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable, since the Company did not issue any Securities during the financial year under review)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable, since the Company has not granted any option to its employees under the said guidelines / regulations during the financial year under review)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable, since the Company has not issued any debt securities, during the financial year under review)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable, as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, and (Not Applicable, as the Company has not delisted its equity shares from any stock exchange during the financial year under review)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable, as the Company has not bought back any of its securities during the financial year under review)
- (vi) The Competition Act, 2002;
- (vii) The Industries (Development and Regulation) Act, 1951 and rules/regulations framed there under;
- (viii) The Central Excise Act, 1944, rules framed there under and notification issued by the Government of India from time to time;
- (ix) The Service Tax;
- (x) The Water (Prevention and Control of Pollution) Act, 1974 and rules/ regulations framed there under;
- (xi) The Contract Labour (Regulation & Abolition) Act, 1970;
- (xii) The Minimum Wages Act, 1948;

- (xiii) The Payment of Gratuity Act, 1972;
- (xiv) The Industrial Employment Standing Orders Act, 1946;
- (xv) The Equal Remuneration Act, 1976;
- (xvi) The Maternity Benefit Act; 1961
- (xvii) Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- (xviii) State (Shop & Establishment) Act,
- (xix) Industrial Dispute Act, 1947
- (xx) National & Festival Holidays Act, 1963
- (xxi) The Payment of Bonus Act, 1965;
- (xxii) The Payment of Wages Act, 1936;
- (xxiii) The Employees' Compensation Act, 1923;
- (xxiv) The Employees State Insurance Act, 1948;
- (xxv) The Employees' Provident Fund & Miscellaneous Provisions Act, 1952;
- (xxvi) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
- (xxvii) The Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008;
- (xxviii) The State Labour Welfare fund Act;
- (xxix) The Factories Act, 1948;
- (xxx) The Environment Protection Act, 1986 and rules/ regulation framed thereunder;
- (xxxi) The local land policies and guidelines of State Industrial and Infrastructure Corporation Limited.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes (appointment or otherwise) in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

#### **I further report that**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

#### **I further report that during the audit period**

The company has not undertaken any other events/actions which have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**Thanking you,**

**For S.S. Gupta, Company Secretaries**

**S.S. GUPTA**

[Proprietor]

FCS No. 936

CP No. 4907

Place:- New Delhi

Date:- 15<sup>th</sup> May, 2017

## Form – A : Particulars with respect to Conservation of Energy

Power and Fuel Consumption			2016-2017						
			Gurgaon <sup>1</sup>	Dharuhera <sup>2</sup>	Chennai <sup>3</sup>	Sanand <sup>4</sup>	Dharuhera-2 <sup>5</sup>	Dharuhera-3 <sup>6</sup>	Stamping Unit <sup>7</sup>
<b>State Electricity Board</b>									
1	Power Units purchased (KWH)	(Units)	6991709	3514350	2652270	444832	2113410	4183235	409449
	Total Amount	₹	54873544	27939712	22447001	3608247	16898710	33273597	3860921
	Rate per unit	₹	7.84	7.95	8.46	8.11	7.96	7.95	9.43
2	Captive Generation DG Set (KWH)	(Units)	265082	287252	157901	-	167753	393246	20596
	Amount	₹	3949513	4015667	3490437	-	2262061	5439260	373271
	Rate per unit	₹	14.90	13.98	22.11	-	13.48	13.83	18.12
	Fixed Cost	₹	5231520	3843360	-	-	1782060	2490260	316192
3	Diesel consumption	(Litres)	91842	90676	62305	-	51216	120498	7185
	Total Amount	₹	3949513	3950667	3203485	-	2255311	5439260	373271
	Rate per litre	₹	43.00	43.57	51.42	-	44.035	45.14	51.95
	Litre per unit	₹	0.35	0.32	0.39	-	0.31	0.31	0.35
4.	Solar power	(Units)	238237	331335	37019	-	55913	-	-
	Total Amount	₹	1429425	1988008	222114	-	335478	-	-
	Rate per unit	₹	6.00	6.00	6.00	-	6.00	-	-

Power and Fuel Consumption			2015-2016						
			Gurgaon	Dharuhera-1	Chennai	Sanand	Dharuhera-2	Dharuhera-3	Stamping Unit
<b>State Electricity Board</b>									
1	Power Units purchased (KWH)	(Units)	7467263	4043237	2237490	536143	2055890	3794059	381327
	Total Amount	₹	61084071	33189886	19090232	3733134	16604217	31615801	3781231
	Rate per unit	₹	8.18	8.21	8.53	6.963	8.07	8.33	9.91
2	Captive Generation DG Set (KWH)	(Units)	277112	137132	278097	-	75360	163147	15689
	Total Amount	₹	4040589	1962065	5083512	-	1151891	2251205	284636
	Rate per unit	₹	14.58	14.31	18.28	-	15.28	13.80	18.14
	Fixed Cost	₹	5206800	4293360	-	-	2020280	2766240	297720
3	Diesel Consumption	(Litres)	90507	44086	88141	-	24107	51180	5507
	Total Amount	₹	3946309	1925215	4347781	-	1138933	2126206	284636
	Rate per litre	₹	43.60	43.67	49.33	-	47.24	41.54	51.68
	Litre per unit	₹	0.32	0.32	0.32	-	0.32	0.31	0.35

- 1 Total saving achieved at Gurgaon Plant during financial year 2016-17 – ₹ 1.26 million.  
Above saving achieved by taking the following initiatives:
- 1) Provided LED tube light 13 watt instead of simple tube light 36 watt in Store area. It gives the saving of ₹ 0.2 million.
  - 2) Provided 36 watt LED street light instead of Fluorescent tube 108 watt. It gives the saving of ₹ 0.21 million.
  - 3) Provided Energy efficient pump in pump house, FDV area in plant. It gives the saving of ₹ 0.43 million.
  - 4) Provided 10 watt LED downloader instead of simple tube light 18x4=72 watt in office area. It gives the saving of ₹ 0.42 million.
- 2 Total saving achieved at Dharuhera Plant (1) during financial year 2016-17 – ₹ 0.66 million.  
Above saving achieved by taking the following initiatives:
- 1) Installation of 244KW solar power plant to reduce power cost (saving of ₹ 0.33 million).
  - 2) Installation of LED Light on torson bar line to reduce power consumption of lights (saving of ₹ 0.02 million).
  - 3) Installation of LED Light on pinion shaft line to reduce power consumption of lights (saving of ₹ 0.01 million).
  - 4) Stop FDV in C-shift by running air cooler for one line (saving of ₹ 0.30 million).

- 3 Total saving achieved at Chennai Plant during financial year 2016-17 – ₹ 1.24 million.  
Above saving achieved by taking the following initiatives:
- 1) Provided 98 KW solar PV panel for solar power for shop floor lighting and fans (saving of ₹ 1.06 million).
  - 2) Cooling tower fan motor switch off with auto temperature sensing (saving of ₹ 0.03 million).
  - 3) Conversion of fluorescent lamp to LED tube light in pinion, stores area, heat treatment, FGS area (saving of ₹ 0.08 million).
  - 4) Conversion of CFL lamps to LED high bay lamp in ETP / STP area (saving of ₹ 0.02 million).
  - 5) Auto switch off the machine during machine not in use (saving of ₹ 0.06 million).
- 4 Total saving achieved at Sanand Plant during financial year 2016-17 – ₹ 0.18 million.  
Above saving achieved by taking the following initiatives:
- 1) A saving of 1240 units achieved by stopping FDV in lunch time and achieved saving of ₹ 0.11 million
  - 2) A saving of 550 units achieved through air saving nozzle, air gauge switch and achieved saving of ₹ 0.01 million
  - 3) A saving through power factor improvement and achieved saving of ₹ 0.01 million
  - 4) A saving of 52.8 units achieved by switching off light during lunch/tea hours (2.4kw) and achieved saving of ₹ 0.0016 million.
  - 5) A saving of 990 units achieved by switching off street light alternatively (22 light, 250W) and achieved saving of ₹ 0.03 million
  - 6) A saving of 220 units achieved through power saving mode in M/C and achieved saving of ₹ 0.0066 million.
  - 7) A saving of 242 units achieved by switching off office AC and achieved saving of ₹ 0.0073 million.
- 5 Total saving achieved at Dharuhera Plant (2) during financial year 2016-17 – ₹ 0.09 million.  
Above saving achieved by taking the following initiatives:
- 1) Installation of solar power plant of 265 KWH to reduce power cost (savings of ₹ 0.06 million).
  - 2) In common office, ductable AC (8KW) has been replaced by split AC (5.5 KW) giving savings of ₹ 0.03 million.
- 6 Total saving achieved at Dharuhera Plant (3) during financial year 2016-17 – ₹ 0.35 million.  
Above saving achieved by taking the following initiatives:
- 1) Melting furnace diesel consumption by optimization of bath level and temperature (savings of ₹ 0.23 million).
  - 2) Auto control of flue gas exhaust through melt burner (savings of ₹ 0.12 million).
- 7 Total saving achieved at Stamping Unit during financial year 2016-17 – ₹ 0.46 million.  
Above saving achieved by taking the following initiatives:
- 1) DG overhauling and Engine housing change free of cost after warranty period from svam power plant saving is ₹ 0.2 million.
  - 2) 125 Ton press machine main motor connection changed Delta to Star saving is ₹ 0.12 million.
  - 3) 200 Ton press machine main motor connection changed Delta to Star saving is ₹ 0.14 million.

## Form - B : Particulars with respect to Technology Absorption

### A. Technology Absorption

1. Efforts in brief towards Technology Absorption and Innovation	a)	Design of high performance Rack & Pinion Steering gear for CEPS application with advance features of noise and friction control completed. Prototype samples preparation is in progress.
	b)	Development of Tilt and collapsible steering column with integrated CNI (Compact Noise Isolator) coupling completed and Implemented.
	c)	Development of high performance Sliding shaft for high power column EPS application completed and testing is under progress.
	d)	Development of an advanced multi-axis simulation and experimentation test facility completed and commissioned.
2. Benefits derived as a results of above efforts e.g. Product Improvement, Cost Reduction, Product Development, Import Substitution etc.	a)	Development of high performance Rack & Pinion steering gear is aimed at offering superior product to customers for smooth driving experience. Besides gaining competitive edge for new business, the development will also help in reducing warranty cost in future.
	b)	Steering column with integrated CNI coupling offers superior performance in terms of noise and vibration. This can be packaged in compact size and preferred by customers over conventional design product.

	c) High performance sliding shaft for column EPS provides solution to achieve optimal sliding friction with almost no free play which is necessary condition to overcome typical noise problems experienced while driving.
	d) Development of advance simulation and experimentation facility will help validation new products / technologies as per real world conditions. This self reliance will also help in reducing the validation time and cost.
3. Information regarding imported technology (Imported during last three years), if any	
a) Details of technology imported	a) (1) Technology imported for Tilt, Telescopic and Collapsible Column with special features, which includes technology information in form of assembly drawings, Evaluation results, Engineering specification, purchasing specification and all related Engineering standards (2) Technology Imported for Nylon coated sliding IMS for EPS application.
b) Technology import from	b) (1) JTEKT Corporation, Japan, (2) KMI, Japan
c) Year of import	c) (1) FY 15 (2014), (2) FY16 (2016)
d) Whether the technology been fully absorbed	d) (1) Fully absorbed, (2) No
e) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	e) (1) Not applicable, (2) Testing is under Progress

## B. Research and Development

1 Specific areas in which R&D carried out by the Company.	a) Research and development activities for manual and power steering for farm tractors have been carried out for further cost reduction. b) Research and Development work for speed sensitive steering assist having CAN Interface for off highway vehicles has been completed. The production trial has been carried out and testing and validation is in the final stage at the customer end. c) Prototype of electric power steering based on brushless motor for off-road vehicles developed and testing is in progress. d) Research work on investigating factors responsible for degradation of oil in hydraulic power steering is completed. e) Research work on processing JIS ADC12 Aluminium alloy through Rheo Pressure die casting is completed. f) Concept prototype control system for a Smart Farm vehicle is completed.
2. Benefits derived as a result of the above R&D.	a) The above R&D initiatives would enable the Company to explore new business opportunities for future growth through technological innovations by developing new concepts and futuristic electro-mechanical products with indigenous technology, designs and patents. b) The Company has developed advanced product technologies having collaborative research work with academic/industrial institutes as well as with potential customers.
3. Expenditure on R&D	a) Capital Expenditure of ₹ 2.42 Lakhs b) Revenue expenditure of ₹ 229.22 Lakhs

## Form - C : Foreign Exchange Earning and Outgo

During the year the Company's export sales amounted to ₹ 7189.09 Lakhs. Foreign Exchange outflow on account of import of raw material, spares and tools during the year was ₹ 8247.90 Lakhs.



## Annexure - V(a)

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014****1. PARTICULARS OF REMUNERATION**

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is as follows:-

- (a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Directors	Ratio to Median Remuneration
Mr. Kiran Manohar Deshmukh, Executive Vice Chairman	35.47
Mr. Kiyozumi Kamiki, Dy. Managing Director	21.96

- (b) the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	% Increase in remuneration
Mr. Kiran Manohar Deshmukh, Executive Vice Chairman	28.21%
Mr. Kiyozumi Kamiki, Dy. Managing Director	28.19%
Mr. Sudhir Chopra, President & Company Secretary	0.28%
Mr. Rajiv Chanana, Chief Financial Officer	13.62%

- (c) the percentage increase in the median remuneration of employees in the financial year

4.21%

- (d) the number of permanent employees on the rolls of Company

1307

- (e) the explanation on the relationship between average increase in remuneration and Company performance;

Employees salary cost increased by 6.86%. The increase in remuneration is in line with the market trends.

- (f) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

Particulars	₹/Lakhs
Remuneration of Key Managerial Personnel (KMP) during financial year 2016-17 (aggregated)	443.06*
Revenue from operations	116488.58
Remuneration (as % of revenue)	0.38%
Profit before tax (PBT)	3328.58
Remuneration (as % of PBT)	13.31%

\* Cost to company / actual payment made during the year is considered for the purpose of computation of remuneration.

- (g) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;

Particulars	Unit	As at 31.03.2017	As at 31.03.2016	Variation (%)
Closing rate of share at BSE	₹	81.70	46.50	75.70%
EPS (Consolidated)	₹	1.84	1.86	(1.08%)
Market Capitalization	₹/Lakhs	162372.08	92414.95	75.70%
Price Earnings ratio	Ratio	44.40	25.00	77.60%

Percentage in bracket represents negative percentage.

- (h) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in cost of employees other than managerial personnel in 2016-17 was 7.60%. Percentage increase (+) / decrease (-) in the managerial remuneration for the year was (9.81%).

- (i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company

Particulars	Executive Vice Chairman	Deputy Managing Director	President & Company Secretary	Chief Financial Officer
Remuneration (₹/Lakhs)	138.79	85.90	133.08	85.29
Revenue	116488.58	116488.58	116488.58	116488.58
Remuneration (as % of revenue)	0.12%	0.07%	0.11%	0.07%
Profits before tax (PBT)	3328.58	3328.58	3328.58	3328.58
Remuneration (as % of PBT)	4.17%	2.58%	4.00%	2.56%

- (j) the key parameters for any variable component of remuneration availed by the directors;

As permitted under the Companies Act, 2013 the payment of commission upto a sum not exceeding 1% of the net profit of the Company calculated in accordance with the provisions of Section 198 of the said Act. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on attendance at the Board and certain Committee meetings,

- (k) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

1.04

- (l) affirmation that the remuneration is as per the remuneration policy of the Company;

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

#### Annexure - V(b)

#### STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Name	Age (Years)	Designation / Nature of Employment	Remuneration (₹)	Qualification	Experience (Years)	Date of Employment	Last Employment	% of shares held in the Co.	Whether related to any director
1	Mr. K.M. Deshmukh	63	Vice Chairman (Permanent)	13878784	B.Tech (Metallurgy)	40	15.09.2015	Sona Skill Development Centre (Managing Director)	0.00%	No
2	Mr. Sudhir Chopra	59	President & Company Secretary (Permanent)	13308400	B.Com, FCS, LL.B.	39	15.05.1993	Samtel India Ltd. (Company Secretary)	0.00%	No

#### Notes :

1. Remuneration received includes salary, allowances, commission, payment in respect of rent / furnished accommodation, Company's contribution to provident fund and superannuation fund, medical reimbursement and LTA.

# Independent Auditor's Report

To the Members of

**SONA KOYO STEERING SYSTEMS LIMITED**

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of SONA KOYO STEERING SYSTEMS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

### Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the

Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its profit, and its cash flows for the year ended on that date.

### Report on other legal and regulatory requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in Paragraphs 3 and 4 of the Order.
- 2) As required by Section 143 (3) of the Act, we report 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 purposes of our audit.
  - (b) 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the standalone financial statements;

- ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses if any, as required on long-term contracts including derivative contracts – Refer Note 46 to the standalone financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016. Based on

audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management- Refer Note 44 to the standalone financial statements.

For S. P. PURI & CO.,  
Chartered Accountants  
Firm Registration No. 001152N

(Rajiv Puri)  
Partner  
Membership No. 084318

Place: Gurugram  
Dated: May 24, 2017

## Annexure “A” to the Independent Auditor’s Report

The Annexure referred to in our Independent Auditor’s Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2017.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets verification has been conducted by the management during the year. All the fixed assets of the Company have not been physically verified by the management during the year but there is a regular phased programme of physical verification of all fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, included in fixed assets are held in the name of the Company except for the case below:

No. of Cases	Asset Category	Gross Block as at 31st March, 2017 (₹ In lakhs)	Net Block as at 31st March, 2017 (₹ In lakhs)	Remarks
1.	Freehold Land	72.83	72.83	The deed of conveyance is in the erstwhile name of the subsidiary company which had amalgamated with the Company and the mutation of name is pending

- ii. Physical verification of inventory, except goods-in-transit has been conducted by the management at reasonable intervals during the year. The discrepancies noticed on verification between the physical stocks and book records, which in our opinion were not material, have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the paragraphs 3(iii), 3(iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans,

made investments, given guarantees or security during the year which is covered under provisions of Section 185 and 186 of the Companies Act, 2013. Accordingly, the paragraph 3(iv) of the Order is not applicable to the Company.

- v. According to the information and explanations provided by the management, we are of the opinion that the Company has not accepted any deposits from public covered under Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under. Accordingly, the paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the goods manufactured by the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, duty of custom, duty of excise, value added tax and cess and other material statutory dues were outstanding, as on 31st March, 2017 for a period of more than six months from the date they became payable except for the following undisputed dues of service tax :

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)*	Period to which the amount relates	Due Date	Date of Payment
The Finance Act, 1994 (Service Tax)	Wrong availment of Cenvat Credit on Exempted Sales	11.37	2015-16	31st March, 2016	19.04.2017

\* Includes interest

- b) According to the information and explanations given to us, and on the basis of our examination of the books of account, there are no dues of sales tax, duty of custom and value added tax which have not been deposited on account of any dispute. According to the information and explanations given to us, the following dues of income-tax, service tax and duty of excise have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Amount (₹ in Lakhs) *	Period to which amount relates	Forum where dispute is pending
The Finance Act,1994 (Service Tax)	Wrong availment of Cenvat Credit & Penalty	7.09	2009-10	Commissioner of Appeals (Service Tax)
Central Excise Act, 1944	Wrong availment of Cenvat Credit & Penalty	4.80	2007-08 & 2008-09	Commissioner of Appeals (Central Excise)
The Finance Act,1994 (Service Tax)	Wrong availment of Cenvat Credit & Penalty (Net of deposit of ₹ 0.06 lakhs)	1.62	2014-15 to 2015-16	Commissioner of Appeals (Service Tax)
Central Excise Act,1944	Excise duty & Penalty (Net of deposit of ₹ 2.36 lakhs)	105.00	2008-09	CESTAT, Chennai (Central Excise)
Central Excise Act,1944	Wrong availment of Cenvat Credit & Penalty (Net of deposit of ₹ 8.36 lakhs)	321.78	2007-08 to 2011-12	CESTAT, New Delhi (Central Excise)

\* Includes interest and penalty wherever indicated in the order

viii. Based on our audit procedures and on the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks. The Company did not have any outstanding debentures, or loans or borrowings from any financial institutions or Government during the year.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Based on our audit procedures and according to information and explanations given by the management, the term loans were applied for the purpose for which they were obtained.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with

Sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013. Accordingly, provisions of paragraph 3(xv) of the Order 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, provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For S. P. PURI & CO.,  
Chartered Accountants  
Firm Registration No. 001152N

(Rajiv Puri)

Place: Gurugram  
Dated: May 24, 2017

Partner  
Membership No. 084318

# Annexure “B” to the Independent Auditor’s Report

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of SONA KOYO STEERING SYSTEMS LIMITED (“the Company”) as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India. 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 its business, including adherence to 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 Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting includes 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For S. P. PURI & CO.,  
Chartered Accountants  
Firm Registration No. 001152N

(Rajiv Puri)  
Partner

Place: Gurugram  
Dated: May 24, 2017

Membership No. 084318

# Balance Sheet

as at 31st March, 2017

Particulars	Note No.	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	1987.42	1987.42
Reserves and surplus	3	27890.25	25531.73
<b>Sub-Total</b>		<b>29877.67</b>	<b>27519.15</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	12023.93	14315.10
Deferred tax liabilities (net)	5	1739.98	2313.05
Other long-term liabilities	6	23.06	29.21
Long-term provisions	7	622.41	524.30
<b>Sub-Total</b>		<b>14409.38</b>	<b>17181.66</b>
<b>Current liabilities</b>			
Short-term borrowings	8	3770.43	6386.63
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises;		130.78	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		16208.63	15420.45
Other current liabilities	10	9707.88	9301.19
Short-term provisions	7	303.63	1524.27
<b>Sub-Total</b>		<b>30121.35</b>	<b>32632.54</b>
<b>Total</b>		<b>74408.40</b>	<b>77333.35</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	40531.78	40629.41
Intangible assets	11	3842.48	3151.93
Capital work-in-progress		1345.56	1985.33
Intangible assets under development		1110.04	1827.11
Non-current investments	12	3287.81	3528.19
Long-term loans and advances	13	792.56	1216.49
Other non-current assets	14	-	17.81
<b>Sub-Total</b>		<b>50910.23</b>	<b>52356.27</b>
<b>Current assets</b>			
Current investments	12	85.34	-
Inventories	15	7481.53	7147.74
Trade receivables	16	12839.45	13835.55
Cash and bank balances	17	257.54	453.80
Short-term loans and advances	13	1269.49	1578.08
Other current assets	14	1564.82	1961.91
<b>Sub-Total</b>		<b>23498.17</b>	<b>24977.08</b>
<b>Total</b>		<b>74408.40</b>	<b>77333.35</b>

Significant accounting policies &  
Notes on financial statements

1 to 49

As per our report of even date  
For S. P. Puri & Co  
Chartered Accountants  
Firm Registration Number 001152N

For and on behalf of the Board

(Rajiv Puri)  
Partner  
Membership no : 084318

Hidekazu Omura  
Chairman  
DIN 06865724

Kiyozumi Kamiki  
Managing Director  
DIN 06536243

Sudhir Chopra  
Director (Corporate Affairs) &  
Company Secretary  
DIN 00058148

Place : Gurugram  
Dated : 24th May, 2017

Ravi Bhoothalingam  
Director  
DIN 00194530

Rajiv Chanana  
Chief Financial Officer



# Statement of Profit and Loss

for the Year ended 31st March, 2017

Particulars	Note No.	Year ended 31st March, 2017 (₹/ Lakhs)	Year ended 31st March, 2016 (₹/ Lakhs)
<b>Income</b>			
Revenue from operations (gross)	18	132375.57	122931.72
Less : Excise duty		15886.99	15192.61
Revenue from operations (net)		116488.58	107739.11
Other income	19	732.09	1598.44
<b>Total Revenue (I)</b>		<b>117220.67</b>	<b>109337.55</b>
<b>Expenses</b>			
Cost of materials consumed (Refer note 39 a)		73278.17	69725.43
Purchase of stock-in-trade (Refer note 39 d)		4122.81	2037.09
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(140.03)	(380.04)
Employee benefits expense	21	13920.83	13033.36
Finance costs	22	2639.98	2822.86
Depreciation and amortization expense	23	7477.36	7190.24
Research expense	24	229.22	261.48
Other expenses	25	12363.75	11422.73
<b>Total Expenses (II)</b>		<b>113892.09</b>	<b>106113.15</b>
<b>Profit before tax (I - II)</b>		<b>3328.58</b>	<b>3224.40</b>
<b>Tax expense</b>			
- Current year		1579.68	1301.00
- Earlier year		(36.55)	5.61
-Deferred tax		(573.07)	(581.94)
<b>Total tax expenses</b>		<b>970.06</b>	<b>724.67</b>
<b>Profit for the year</b>		<b>2358.52</b>	<b>2499.73</b>
<b>Earnings per equity share (face value of ₹ 1/-each):</b>			
Basic & Diluted (In Rs)	26	1.19	1.26

Significant accounting policies &  
Notes on financial statements

1 to 49

As per our report of even date  
For S. P. Puri & Co  
Chartered Accountants  
Firm Registration Number 001152N

For and on behalf of the Board

(Rajiv Puri)  
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Company Secretary  
DIN 00058148

Place : Gurugram  
Dated : 24th May, 2017

Ravi Bhoothalingam  
Director  
DIN 00194530

Rajiv Chanana  
Chief Financial Officer

# Cash Flow Statement

for the Year ended 31st March, 2017

Particulars	Year ended 31st March, 2017 (₹/ Lakhs)	Year ended 31st March, 2016 (₹/ Lakhs)
<b>A Cash flow from operating activities :</b>		
Profit before tax	3328.58	3224.40
Adjustment for :		
Depreciation & amortization	7477.36	7190.24
(Profit)/loss on sale of fixed assets (Net)	22.62	(23.32)
(Gain)/loss on sale of long term investments	-	(990.00)
Dividend income	(371.59)	(285.00)
Unrealized foreign exchange (gain)/loss	(346.25)	(154.46)
Unrecovered advances written off	18.65	-
Fixed assets written off/Discarded	204.73	-
Provision for diminution in value of long term investments	155.04	-
Provision for slow moving inventory written back	-	(28.52)
Premium on forward contract amortized	123.87	133.99
Interest expense	2553.88	2771.25
Interest income	(7.48)	(16.17)
<b>Operating profit before working capital changes</b>	<b>13159.41</b>	<b>11822.41</b>
(Increase)/decrease in trade receivables	998.86	(2179.69)
(Increase)/decrease in inventories	(333.80)	14.65
(Increase)/decrease in long term loans & advances	870.56	(556.86)
(Increase)/decrease in other current assets	397.01	(301.31)
(Increase)/decrease in short term loans & advances	289.95	83.58
Increase/(decrease) in trade payables	1172.40	1195.10
Increase/(decrease) in other current liabilities	1006.54	(198.83)
Increase/(decrease) in other long term liabilities	(6.15)	(4.65)
Increase/(decrease) in long term provisions	98.11	13.93
Increase/(decrease) in short term provisions	0.66	41.70
<b>Cash generated from operations</b>	<b>17653.55</b>	<b>9930.03</b>
<b>Income tax paid (net of income tax refund)</b>	<b>(2015.05)</b>	<b>(1009.92)</b>
<b>Net cash from operating activities</b>	<b>15638.50</b>	<b>8920.11</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets (including cwip)	(6852.65)	(7868.23)
Proceeds from sale of fixed assets	43.98	83.64
Proceeds from sale of long term investment	-	1010.00
Bank deposits having original maturity of more than 3 months	17.81	(1.26)
Dividend received from subsidiaries	371.59	250.00
Dividend received from others	-	35.00
Interest received	7.56	16.17
<b>Net cash (used) / raised from investing activities</b>	<b>(6411.71)</b>	<b>(6474.68)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	4661.93	8337.74
Repayment of long term borrowings	(7544.37)	(8592.99)
Proceeds /(Repayment) of short term borrowings	(2649.99)	2502.29
Interest paid	(2719.93)	(2944.70)

Particulars	Year ended 31st March, 2017 (₹/ Lakhs)	Year ended 31st March, 2016 (₹/ Lakhs)
Dividend paid	(993.71)	(1291.82)
Tax on dividend paid	(202.30)	(262.98)
<b>Net cash (used) / raised from financing activities</b>	<b>(9448.37)</b>	<b>(2252.46)</b>
<b>Increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(221.58)</b>	<b>192.97</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>271.63</b>	<b>78.66</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>50.05</b>	<b>271.63</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks:		
Current accounts	43.13	49.22
Cash on hand	6.92	9.68
Cheque on hand	-	212.73
<b>Total cash and cash equivalents</b>	<b>50.05</b>	<b>271.63</b>

### Notes to the Cash Flow Statement

- Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

As per our report of even date  
For S. P. Puri & Co  
Chartered Accountants  
Firm Registration Number 001152N

For and on behalf of the Board

(Rajiv Puri)  
Partner  
Membership no : 084318

Hidekazu Omura  
Chairman  
DIN 06865724

Kiyozumi Kamiki  
Managing Director  
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Sudhir Chopra  
Director (Corporate Affairs) &  
Company Secretary  
DIN 00058148

Place : Gurugram  
Dated : 24th May, 2017

Ravi Bhoothalingam  
Director  
DIN 00194530

Rajiv Chanana  
Chief Financial Officer

# Notes to standalone financial statements

for the year ended 31st March, 2017

## Note 1 SIGNIFICANT ACCOUNTING POLICIES

### I General Corporate Information

The Company is primarily engaged in the manufacture of steering systems & other auto components for the passenger car and utility vehicle manufacturers. Automobile manufacturers are its primary customers. The Company is a public limited Company listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

### II Accounting Convention

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respect & with the notified accounting standards under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

### III Basis of Accounting

Financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in accounting policies explained under clause VI & clause XXII below.

### IV Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

### V Tangible fixed assets

Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost comprises of the purchase price, incidental expenses, erection/commissioning expenses and borrowing cost on qualifying assets upto the date the asset is ready for its intended use, and initial estimate of decommissioning, restoring and similar liabilities.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of Spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

The company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed asset are total differences, arising on long term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Capital Work-in-progress:

Projects under which tangible fixed assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

The Company identifies and determines cost of component/part of asset separately, if the component/part has a cost which is significant to the total cost of asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful life; the remaining asset is depreciated over the life of the principal asset.

Depreciation on tangible fixed assets has been provided on a pro-rata basis from the month the assets are put to use on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking in to account the nature of the assets and estimated usage of the assets, past history of replacement and anticipated technological changes etc.:

- Dies	4 Years
- Vehicles	5.3 Years
- Spares	5 Years

Asset costing less than ₹ 5000 each are depreciated at the rate of 100%.

Leasehold improvements are depreciated over a period of 5 years or over the period of lease if less than five years.

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### VI Classification of items of Stores and Spares

Pre-revised Accounting Standard AS 10 required that standby and servicing equipment should normally be capitalized as

fixed assets It required that machinery spares are usually treated as inventory and charged to profit or loss on consumption. However, spare parts that can be only used in connection with a particular item of, plant and machinery & whose use was expected to be irregular, were capitalized. Such spare parts were depreciated over a period not exceeding useful life of the principal asset.

According to revised Accounting Standard AS 10, all spare parts, standby servicing equipment qualify as property, plant and equipment (PPE) if they meet the definition of PPE i.e if the Company intends to use these during more than a period of 12 months. The spare parts capitalized on this manner are depreciated as per company policy.

The company has changed its accounting policy of fixed assets to comply with revised Accounting Standard AS 10. Had the Company continued to use the earlier policy of classifying spares as inventories, its financial statements for the year ended 31st March, 2017 would have been impacted as below:

Inventories would have been higher by ₹ 74.73 Lakhs plant and machinery (net of depreciation) would have been lower by ₹ 148.55 Lakhs, depreciation for the year would have been lower by ₹ 25.64 Lakhs and other expenses would have been higher by ₹ 99.46 Lakhs. Profit for the current year (net of tax) would have been lower by ₹ 48.28 Lakhs.

## VII Intangible Assets and Amortization thereof

Intangible assets comprise of product development expenses and computer software and are stated at cost less accumulated amortization and impairment losses, if any.

Product development costs incurred including technical fees paid to collaborator for the development of new products for which letters of intent have been received from customers are accumulated and recognised as intangible assets, (included under fixed assets) and are amortized over a period of six years. Unamortized products development fee in respect of models discontinued during the year is fully charged off in Statement of Profit & Loss.

Software, which is not an integral part of the related computer hardware is classified as an intangible assets and is being amortized over a period of 72 months, being the estimated useful life.

Amortization expenses is charged on a pro-rata basis for assets purchased during the year. The appropriateness of the amortization period and the amortization method is reviewed at each financial year end.

## VIII Leases

### Where the Company is the lessee

Leases where the lessor effectively retain substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

### Where the Company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as

operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Cost including depreciation is recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

## IX Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Long term investments are stated at cost. Provision for diminution, other than temporary, is made wherever necessary for each individual non current investment.

## X Inventory Valuation

- Inventories are valued at the lower of weighted average cost and net realisable value.
- All tools (including loose tools) are written off over their useful life and un-issued tools are valued at lower of weighted average cost and net realisable value. Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Finished Goods and Work in Progress include all costs of purchases, conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods includes excise duty.
- Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighed average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

## XI Foreign Currency Transactions :

### Initial Recognition

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction.

### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

### Exchange Difference

- With respect to long-term foreign currency monetary items, from April 1, 2011 onwards, the Company has adopted the following policy:
  - Foreign exchange difference on account of acquisition of depreciable fixed asset, is adjusted in the cost of the

depreciable fixed asset, which would be depreciated over the remaining useful life of the asset.

- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the remaining life of the concerned long term monetary item.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the monetary asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of its origination.

- B) Other gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and Loss.

#### Forward Exchange Contracts

In case of Forward Exchange Contracts, the premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset / liability, is amortized as expense or income over the life of the contract. Exchange differences on such a contract are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognized in the Statement of Profit & Loss while gains are ignored.

#### **XII Excise**

Excise duty on finished goods manufactured is accounted on the basis of production of goods.

#### **XIII Research & Development**

- a) Capital Expenditure for Research is capitalised in the year of installation and depreciated accordingly.
- b) Revenue expenses incurred for Research is charged to Statement of Profit & Loss of the year in which it is incurred.

#### **XIV Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- Sale of goods - Revenue from domestic and export sales are recognised on transfer of all significant risks and rewards or ownership to the buyer as per terms of contract.
- Price escalation claims from customers and discounts from suppliers are accounted in the year under audit, only if they are settled with the customers and suppliers respectively up to the date of finalisation of accounts.
- Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.
- Interest income is recognised on a time proportion basis taking into account the amount invested and the rate of interest.

- Export benefit under various schemes notified by the government are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

#### **XV Expenses**

- a) Discounts to customers and price escalation to suppliers to the extent not settled at the Balance Sheet date are accounted on the basis of reasonable estimates made after considering negotiations with vendors/customers.
- b) Jigs and fixtures costing less than ₹ 5,000/- each are written off in the year of purchase.

#### **XVI Borrowing Cost**

Borrowing costs on loans relating to qualifying assets are capitalized to the extent incurred prior to these assets are ready for their intended use. Other borrowing costs are written off in the year to which they pertain. Borrowing cost include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

#### **XVII Employee Benefits**

Provident Fund & Employees State Insurance Corporation etc.

Contributions to defined contribution schemes such as Provident Fund, Employees State Insurance Corporation and Punjab Labour Welfare Fund etc. are charged to the Statement of Profit and Loss as incurred. The contributions are made to a government administered Provident Fund towards which the Company has no further obligations beyond its monthly contributions.

#### **Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has an Employee Gratuity Fund managed by Life Insurance Corporation of India. The Company accounts for the liability of Gratuity Benefits payable in future based on an independent actuarial valuation at each balance sheet date.

#### **Superannuation**

Certain employees are also participants in the superannuation plan ('the Plan') which is a defined contribution plan. The Company has no obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

#### **Leave Encashment**

The Company provides for the encashment of leave with pay subject to certain rules for certain grade of employees. The eligible employees are entitled to accumulate leave subject to certain limits, for future encashment/availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

**Termination Benefits**

Termination benefits are recognised as an expense as and when incurred or only when the obligation can be reliably estimated.

**XVIII Taxes on income**

Taxes on income for the current year are determined on the basis of provisions of Income Tax Act, 1961.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax asset are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax asset, in case there are taxable unabsorbed depreciation or losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Minimum alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

**XIX Provisions & Contingencies**

Loss contingencies arising from claims, litigations, assessments, fines, penalties, etc. are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated.

Warranty cost is provided on the basis of cost of warranty claims received from the customers and a reasonable estimate for future claims is made based on empirical data.

**XX Earning Per Share**

Annualised Basic earning per equity share is arrived at based on net profit/(loss) after tax attributable to the equity shareholders.

Annualised Diluted earning per equity share is arrived at based on net profit/loss after tax attributable to the equity shareholders adjusted for the effects of all dilutive potential equity shares.

**XXI Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of cash flow statements comprise cash at bank and in hand and short-term highly liquid investment with an original maturity of three month or less.

**XXII Accounting for proposed dividend**

As per the requirements of pre-revised Accounting Standard AS-4, the Company used to create a liability for dividend proposed/declared after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per revised AS 4, the company cannot create provision for dividend proposed/declared after the balance sheet date unless a statute requires otherwise. The company is required to disclose the same in notes to the financial statements.

Accordingly, the company has disclosed dividend proposed by board of directors after the balance sheet date in the notes.

Had the company continued with creation of provision for proposed dividend, its surplus in the statement profit and loss account for the year ended 31st March, 2017 would have been lower by ₹ 1196.00 Lakhs and current provision would have been higher by ₹ 1196.00 Lakhs (including dividend distribution tax of ₹ 202.29 Lakhs)

## Note 2 - Share Capital

Particulars	As at	As at
	31st March, 2017 (₹/Lakhs)	31st March, 2016 (₹/Lakhs)
<b>Authorised Shares (in nos)</b>		
271000000 ( Previous Year 271000000 ) Equity Shares of ₹ 1/- each	<b>2710.00</b>	2710.00
<b>Issued, Subscribed and Paid up Shares (in nos)</b>		
198741832 ( Previous Year 198741832 ) Equity Shares of ₹ 1/- each fully paid up	<b>1987.42</b>	1987.42
	<b>1987.42</b>	1987.42

### a) Reconciliation of the equity shares outstanding at the beginning and at the end of reporting year

Reconciliation	As at		As at	
	31st March, 2017		31st March, 2016	
	No.	(₹/Lakhs)	No.	(₹/Lakhs)
Shares outstanding at the beginning of the year	198741832	1987.42	198741832	1987.42
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>198741832</b>	<b>1987.42</b>	198741832	1987.42

### b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

### c) Detail of shareholders holding more than 5% shares in the company

Name of Shareholder	31st March, 2017		31st March, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity share of ₹ 1/- each fully paid				
Sona Autocomp Holding Ltd.	49914664	25.12%	49914664	25.12%
JTEKT Corporation, Japan	39947108	20.10%	39947108	20.10%
Maruti Suzuki India Ltd.	13800000	6.94%	13800000	6.94%

## Note 3 - Reserves & Surplus

Particulars	As at	As at
	31st March, 2017 (₹/Lakhs)	31st March, 2016 (₹/Lakhs)
<b>Capital Reserve</b>	<b>0.44</b>	0.44
(On account of reissue of forfeited equity shares)		
<b>Securities Premium Account</b>		
Balance as per the last financial statements	<b>8070.76</b>	8,070.76
<b>Closing Balance</b>	<b>8070.76</b>	8,070.76
<b>General Reserve</b>		
Balance as per the last financial statements	<b>8190.71</b>	8190.71
<b>Closing Balance</b>	<b>8190.71</b>	8190.71
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	<b>9269.82</b>	7966.10
Add: Profit for the year	<b>2358.52</b>	2499.73
Less: Appropriations		
Proposed dividend	-	993.71
Tax on proposed dividend	-	202.30
<b>Net surplus in the statement of profit and loss</b>	<b>11628.34</b>	9269.82
<b>Total reserve and surplus</b>	<b>27890.25</b>	25531.73



## Note 4 - Long term borrowings

Particulars	Non-current portion		Current maturities	
	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)
<b>Term Loans</b>				
<b>* From Banks</b>				
Indian rupee loans from banks (secured)	8814.36	6280.79	4749.20	3423.40
Foreign currency loans from banks (secured)	3209.57	8,034.31	1,896.26	3,813.32
	<b>12023.93</b>	14315.10	<b>6645.46</b>	7236.72
Amount disclosed under the head "other current liabilities" (Refer note 10)	-	-	(6645.46)	(7236.72)
	<b>12023.93</b>	14315.10	-	-

### 1. Indian rupee loans from banks include:

- Rupee term loans of ₹ 13356.50 lakhs (Previous year ₹ 9631.35 Lakhs) are secured by first pari passu charge over the entire movable and immovable fixed assets of the company, both present and future, except the assets exclusively charged. Loans to the extent of ₹ 3619 Lakhs (Previous Year ₹ 963.74 Lakhs) are further secured by way of second charge on current assets, on pari passu basis. The rate of interest on aforesaid loans are linked to the specific bank's base rate.
- Rupee term loan of ₹ 207.06 Lakhs ( Previous Year ₹ 72.84 Lakhs ) from Allahabad Bank is secured by way of exclusive charge on the vehicles financed out of the said term loan. The rate of interest on aforesaid loan is linked to bank's base rate.

### 2. Foreign currency loans from banks include :

- Foreign currency loan of USD Nil equivalent to ₹ Nil (Previous year USD 5 Lakhs equivalent to ₹ 274 Lakhs ) from Standard Chartered Bank was secured by first pari passu charge on movable and immovable fixed assets except assets exclusively charged to other banks. The loan carries interest @ LIBOR plus 3% and was fully hedged.
- Foreign currency loan of USD Nil equivalent to ₹ Nil (Previous year USD 12.50 Lakhs equivalent to ₹ 628.12 Lakhs) from Standard Chartered Bank was secured by first pari passu charge on movable and immovable fixed assets except assets exclusively charged to other banks. The loan carries interest @LIBOR plus 3.5% and was fully hedged.
- Foreign currency loan of USD 22.50 Lakhs equivalent to ₹ 1349.55 Lakhs (Previous year USD 37.50 Lakhs equivalent to ₹ 2249.25 Lakhs) from Standard Chartered Bank is secured by first pari passu charge on movable and immovable fixed assets except assets exclusively charged to other banks. The loan carries interest @LIBOR plus 3.5% and was fully hedged.
- Foreign currency loan of USD 57.64 Lakhs equivalent to ₹ 3756.28 Lakhs (Previous year USD 65 Lakhs equivalent to ₹ 4235.40 Lakhs) from Standard Chartered Bank is secured by first pari passu charge on movable and immovable fixed assets except assets exclusively charged to other banks and further secured by way of second charge on current assets, on pari passu basis. The loan carries interest @LIBOR plus 2.25% and is fully hedged.
- FCNR loan of USD Nil equivalent to ₹ Nil (Previous year USD 67 Lakhs equivalent to ₹4460.86 Lakhs ) from State Bank of India was secured by first pari passu charge on movable and immovable fixed assets except assets exclusively charged to other banks & Loans to the extent of ₹ Nil (Previous Year ₹ 3728.48 Lakhs ) were further secured by way of second charge on current assets, on pari passu basis. The loan carries interest @LIBOR plus 3.25% and was fully hedged.

### 3. Terms of repayment:

The above said loans are repayable as per the repayment schedule below :

S.No.	Loan amount	No of Installments Due	Periodicity	2017-18	2018-19	2019-20	2020-21	2021-22
1	375.00	3	Quarterly	375.00	-	-	-	-
2	562.50	3	Quarterly	562.50	-	-	-	-
3	1349.55	6	Quarterly	899.70	449.85	-	-	-
4	3100.00	12	Quarterly	800.00	1200.00	1100.00	-	-
5	3200.00	12	Quarterly	800.00	1200.00	1200.00	-	-
6	419.00	5	Quarterly	332.00	87.00	-	-	-
7	1073.22	14	Quarterly	306.64	306.64	306.64	153.30	-
8	1149.88	15	Quarterly	306.64	306.64	306.64	229.96	-
9	1,533.15	16	Quarterly	383.28	383.29	383.29	383.29	-
10	3400.00	17	Quarterly	800.00	800.00	800.00	800.00	200.00
11	1000.00	20	Quarterly	420.00	510.00	70.00	-	-
12	1300.00	20	Quarterly	600.00	700.00	-	-	-
13	189.32	48	Monthly	48.00	48.00	45.00	36.00	12.32
14	17.77	25	Monthly	11.70	5.71	0.36	-	-
	18669.39			6645.46	5997.13	4211.93	1602.55	212.32

## Note 5 - Deferred tax liabilities (net)

Particulars	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)
<b>Deferred tax liability</b>		
Depreciation	1964.49	2545.25
Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the statement of profit and loss in the subsequent year.	44.18	15.16
<b>Gross deferred tax liability</b>	<b>2008.67</b>	<b>2560.41</b>
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years.	268.69	247.36
<b>Gross deferred tax assets</b>	<b>268.69</b>	<b>247.36</b>
<b>Net deferred tax liability</b>	<b>1739.98</b>	<b>2313.05</b>

## Note 6 - Other long term liabilities

Particulars	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)
Security deposit	23.06	22.06
Other payables *	-	7.15
	<b>23.06</b>	<b>29.21</b>

\* Other payables comprises of dues on account of capital items.

## Note 7 - Provisions

Particulars	Long-term		Short-term	
	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)
<b>Provision for employee benefits</b>				
Provision for Leave Benefits (Refer note 27)	529.91	441.80	56.13	55.46
	<b>529.91</b>	<b>441.80</b>	<b>56.13</b>	<b>55.46</b>
<b>Other provisions</b>				
Provision for income tax (net of advance tax and TDS (previous year ₹ 3807.30 Lakhs))	-	-	-	25.30
Proposed dividend	-	-	-	993.71
Corporate dividend tax	-	-	-	202.30
Product warranty (Refer note 43(a))	92.50	82.50	247.50	247.50
	<b>92.50</b>	<b>82.50</b>	<b>247.50</b>	<b>1468.81</b>
	<b>622.41</b>	<b>524.30</b>	<b>303.63</b>	<b>1524.27</b>

## Note 8 - Short term borrowings

Particulars	As at 31st March, 2017 ₹/ Lakhs	As at 31st March, 2016 ₹/ Lakhs.
Cash Credit / Other loans repayable on demand from banks (secured)	3770.43	6386.63
	<b>3770.43</b>	<b>6386.63</b>

Cash Credit / Other loans repayable on demand from banks are secured by hypothecation of inventories, book debts and other receivables both present & future & second pari passu charge on movable and immovable fixed assets of the company.

**Note 9 - Trade payables**

Particulars	As at	As at
	31st March, 2017 (₹/ Lakhs)	31st March, 2016 (₹/ Lakhs)
Total outstanding dues of micro enterprises and small enterprises (Refer note 41)	130.78	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	16208.63	15420.45
	<b>16339.41</b>	<b>15420.45</b>

**Note 10 - Other current liabilities**

Particulars	As at	As at
	31st March, 2017 (₹/ Lakhs)	31st March, 2016 (₹/ Lakhs)
Current maturities of long-term borrowings (Refer note 4)	6645.46	7236.72
Interest accrued but not due on borrowings	79.93	113.84
Unclaimed dividends #	207.49	182.17
Security deposits	25.94	24.09
Advance from customer	384.62	156.16
Taxes payable *	652.12	334.88
Other payables**	1712.32	1253.33
	<b>9707.88</b>	<b>9301.19</b>

# There are no amount due for payment to the Investor Education & Protection Fund under Section 125 of the Companies Act, 2013.

\* Taxes payable includes withholding tax, excise, sales tax etc.

\*\* Other payables includes, payment due to employees, dues on account of capital items, contribution to PF, ESI, etc.

**Note 11 - Fixed Assets - Current Year**

Sl. No	Assets	Gross Block				Depreciation				Net Block	
		As at	Additions	Sales/	Other	As at	Up to	For the Year	Written Back	Up to	As at
		01.04.2016		Disposition	adjustment (#)	31.03.2017	31.03.2016			31.03.2017	31.03.2017
<b>Tangible assets</b>											
1	Freehold Land	3614.35	1048.61	-	-	4662.96	-	-	-	-	4,662.96
2	Land-Leased*	221.50	-	221.50	-	-	15.51	1.27	16.78	-	-
3	Building**	16069.01	2047.24	-	179.24	18295.49	3034.98	562.05	-	3597.03	14698.46
4	Lease Hold Improvements	46.28	-	-	-	46.28	37.45	5.35	-	42.80	3.48
5	Plant & Machinery	54318.53	2749.33	1,277.51	1.91	55792.26	33177.48	5192.01	1238.23	37131.26	18661.00
6	Jigs & Fixture	712.50	110.79	32.91	0.14	790.52	426.81	80.35	31.33	475.83	314.69
7	Electric Installation	3054.07	20.29	-	-	3074.36	1830.42	248.89	-	2079.31	995.05
8	Furniture & Fixture	706.49	29.46	11.44	-	724.51	488.01	80.09	11.11	556.99	167.52
9	Office Equipment	2606.63	137.09	21.70	-	2722.02	2200.59	211.48	21.13	2390.94	331.08
10	Vehicles	568.54	419.34	105.48	-	882.40	279.29	148.44	80.66	347.07	535.33
11	R&D-Plant & Machinery	477.66	-	-	-	477.66	280.44	40.53	-	320.97	156.69
12	R&D-Office Equipment	107.60	2.42	-	-	110.02	102.77	1.73	-	104.50	5.52
	Sub Total	82503.16	6564.57	1670.54	181.29	87578.48	41873.75	6572.19	1399.24	47046.70	40531.78
<b>Intangible Assets</b>											
1	R&D-Computer Softwares	85.79	-	-	-	85.79	65.90	5.02	-	70.92	14.87
2	Computer Softwares	1053.19	95.65	-	-	1148.84	562.86	194.38	-	757.24	391.60
3	New Product Development***	5391.89	1500.07	918.75	-	5973.21	2750.18	705.77	918.75	2537.20	3436.01
	Sub Total	6530.87	1595.72	918.75	-	7207.84	3378.94	905.17	918.75	3365.36	3842.48
	Total	89034.03	8160.29	2589.29	181.29	94786.32	45252.69	7477.36	2317.99	50412.06	44374.26
	Capital Work In Progress - Tangible assets										1345.56
	Capital Work In Progress - Intangible assets under development										1110.04
											<b>2455.60</b>

\* During the year, the Supreme Court has quashed the Singur land acquisition proceedings of the West Bengal Government and directed the State Government to return the land to its original owners and therefore the Company has written off the cost of the leasehold Land appearing in the books.

\*\* Includes factory building at Chennai given on operating lease whose cost, depreciation for the year and WDV at the end of the year is not segregated.

\*\* Building (Gross block) amounting to ₹ 1570.56 Lakhs (Previous year 1542.96 Lakhs), net block ₹ 1322.45 Lakhs (Previous year 1346.43) Lakhs is constructed on leasehold land.

\*\*\* Internally generated intangible assets

# Other adjustments comprises of borrowing cost and foreign currency exchange differences.

## Note 11 - Fixed Assets - Previous Year

(₹/ Lakhs)

Sl. No	Assets	Gross Block				Depreciation				Net Block	
		As at 01.04.2015	Additions	Sales/ Disposition	Other adjustment (#)	As at 31.03.2016	Up to 31.03.2015	For the Year	Written Back	Up to 31.03.2016	As at 31.03.2016
<b>Tangible assets</b>											
1	Freehold Land	2,021.87	1592.48	-	-	3614.35	-	-	-	-	3614.35
2	Land-Leased*	221.50	-	-	-	221.50	12.96	2.55	-	15.51	205.99
3	Building**	13085.38	2858.35	-	125.28	16069.01	2509.13	525.85	-	3034.98	13034.03
4	Lease Hold Improvements	46.28	-	-	-	46.28	32.10	5.35	-	37.45	8.83
5	Plant & Machinery	51051.84	3669.41	538.17	135.45	54318.53	28634.12	5045.20	501.84	33177.48	21141.05
6	Jigs & Fixture	659.18	99.39	46.07	-	712.50	384.32	76.77	34.28	426.81	285.69
7	Electric Installation	2872.95	176.96	-	4.16	3054.07	1500.41	330.01	-	1830.42	1223.65
8	Furniture & Fixture	687.99	31.72	13.22	-	706.49	400.96	97.94	10.89	488.01	218.48
9	Office Equipment	2461.55	160.45	15.37	-	2606.63	1962.78	252.91	15.10	2200.59	406.04
10	Vehicles	697.08	63.93	192.47	-	568.54	358.48	103.67	182.86	279.29	289.25
11	R&D-Plant & Machinery	470.83	6.83	-	-	477.66	229.25	51.19	-	280.44	197.22
12	R&D-Office Equipment	103.33	4.27	-	-	107.60	101.61	1.16	-	102.77	4.83
Sub Total		74379.78	8663.79	805.30	264.89	82503.16	36126.12	6492.60	744.97	41873.75	40629.41
<b>Intangible Assets</b>											
1	R&D-Computer Softwares	82.19	3.60	-	-	85.79	61.13	4.77	-	65.90	19.89
2	Computer Softwares	803.76	249.43	-	-	1053.19	395.55	167.31	-	562.86	490.33
3	New Product Development***	4109.33	1282.56	-	-	5391.89	2224.64	525.54	-	2750.18	2641.71
Sub Total		4995.28	1535.59	-	-	6530.87	2,681.32	697.62	-	3378.94	3151.93
Total		79375.06	10199.37	805.30	264.89	89034.02	38807.44	790.22	744.97	45252.69	43781.34
Capital Work In Progress - Tangible assets											1985.33
Capital Work In Progress - Intangible assets under development											1827.11
											3812.44

\* Leasehold land includes ₹ 221.50 Lakhs in respect of which lease deed is pending for execution.

\*\* Building (gross block) amounting to ₹ 1542.96 Lakhs net block ₹ 1346.43 Lakhs is constructed on leasehold land.

\*\*\* Internally generated in tangible assets.

# Other adjusted comprises of borrowing cost and foreign currency exchange difference.

## Note 12 - Non current investments

Particulars	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)
<b>Long-term investments (at cost unless stated otherwise)</b>		
<b>Trade Investments</b>		
<b>Unquoted equity instruments, fully paid up</b>		
<b>In Subsidiary Companies:</b>		
5099993 (Previous Year 5099993) Equity Shares of ₹ 10/- each, in Sona Fuji Kiko Automotive Ltd	510.00	510.00
27778094 (Previous Year 27778094) Equity Shares of ₹ 10/- each, in JTEKT Sona Automotive India Ltd	2777.81	2777.81
<b>In Associate Company:</b>		
Nil (Previous Year 2257591) Equity Shares of ₹ 10/- each in Sona Skill Development Centre Ltd. (The company has decided to disinvest the equity shares by 31st May, 2017)	-	240.38
	<b>3,287.81</b>	3528.19
Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	<b>3287.81</b>	3528.19

## Note 12 - Current investments

Particulars	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)
<b>Current portion of long term investments (at cost unless stated otherwise)</b>		
<b>Trade Investments</b>		
<b>Unquoted equity instruments, fully paid up</b>		
<b>In Associate Company:</b>		
2257591 (Previous Year Nil) Equity Shares of ₹ 10/- each in Sona Skill Development Centre Ltd. *	85.34	-
(At cost ₹ 240.38 Lakhs less provision for other than temporary diminution ₹ 155.04 Lakhs (31st March 2016 : Nil))		
*(In earlier years, the company has invested in Sona Skill Development Centre Ltd. with an intention of holding the same for more than one year from the date on which such investments was made. Accordingly, it classified the same as long-term investment under AS-13 Accounting For Investments. Since the company has decided to disinvest these shares before 31st May, 2017, the company has presented its investment in equity shares as "current investments" in the financial statement for the year ended 31st March 2017. However, for measurement purposes, the investment continues to be treated as long-term investments.)		
	85.34	-
Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	85.34	-
Aggregate provision for diminution in value of Investment	155.04	-

## Note 13 - Loans and advances

Particulars	Non-current		Current	
	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)
(Unsecured, considered good )				
<b>Capital advances</b>	198.32	1061.72	-	-
	198.32	1061.72	-	-
<b>Security deposits</b>	114.48	121.88	56.28	48.56
	114.48	121.88	56.28	48.56
<b>Other loans and advances</b>				
Advance recoverable in cash or kind	-	-	89.89	107.15
Loans and advances to employees	5.72	5.69	30.59	35.66
Prepaid expenses	27.36	25.42	461.35	353.95
Balance with custom, excise, sales tax and other government authorities etc.	0.06	1.78	631.38	1,032.76
Advance income tax [Net of provision for income tax ₹ 5370.13 lakhs (previous year of ₹ NIL)]	446.62	-	-	-
	479.76	32.89	1213.21	1529.52
	792.56	1216.49	1269.49	1578.08

## Note 14 - Other assets

Particulars	Non-current		Current	
	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)
<b>(Unsecured, considered good )</b>				
Non-current bank balances (Refer note 17)*	-	17.73	-	-
Unamortized premium on forward contracts	-	-	20.05	207.13
Interest accrued but not due on fixed deposits with banks	-	0.08	-	-
Claims receivable	-	-	593.93	803.20
Unbilled revenue	-	-	824.52	780.39
Other receivables	-	-	126.32	171.19
	-	17.81	1564.82	1961.91

\* Held as margin money deposits against bank guarantees

## Note 15 - Inventories

Particulars	As at	As at
	31st March, 2017 (₹/ Lakhs)	31st March, 2016 (₹/ Lakhs)
(At cost or net realisable value, whichever is lower)		
Raw materials and components *	2621.97	2350.51
Work-in-progress **	1161.73	1198.15
Finished goods ***	2111.88	1914.12
Stock-in-trade	4.35	9.57
Stores and spares	672.41	741.03
Loose tools	909.19	934.36
	<b>7481.53</b>	<b>7147.74</b>

\* Includes material in transit ₹ 133.24 lakhs ( Previous Year ₹ 66.95 lakhs)

\*\* Includes material with the vendors sent for job work ₹ 103.17 lakhs ( Previous Year ₹ 84.83 lakhs)

\*\*\* Includes goods in transit ₹ 1425.58 lakhs ( Previous Year ₹ 1344.92 lakhs)

## Note 16 - Trade receivables

Particulars	As at	As at
	31st March, 2017 (₹/ Lakhs)	31st March, 2016 (₹/ Lakhs)
(Unsecured, considered good)		
Receivables outstanding for a period exceeding six months from the date they are due for payment	19.41	35.68
Other receivables	12820.04	13799.87
	<b>12839.45</b>	<b>13835.55</b>

## Note 17 - Cash and bank balances

Particulars	Non-current		Current	
	As at	As at	As at	As at
	31st March, 2017 (₹/ Lakhs)	31st March, 2016 (₹/ Lakhs)	31st March, 2017 (₹/ Lakhs)	31st March, 2016 (₹/ Lakhs)
<b>Cash and cash equivalents</b>				
Balances with banks:				
Current accounts	-	-	43.13	49.22
Cash on hand	-	-	6.92	9.68
Cheques on hand	-	-	-	212.73
<b>Sub Total</b>	-	-	<b>50.05</b>	<b>271.63</b>
<b>Other bank balances</b>				
Fixed deposits with original maturity for more than 12 months *	-	17.73	-	-
Unpaid dividend accounts	-	-	207.49	182.17
<b>Sub Total</b>	-	<b>17.73</b>	<b>207.49</b>	<b>182.17</b>
Amount disclosed under non-current assets (Refer note 14)	-	(17.73)	-	-
<b>Total</b>	-	-	<b>257.54</b>	<b>453.80</b>

\* Held as margin money deposits against bank guarantees

## Note 18 - Revenue from operations

Particulars	As at	As at
	31st March, 2017 (₹/ Lakhs)	31st March, 2016 (₹/ Lakhs)
Sale of products (Refer note 39 c)	131222.53	121952.80
Sale of services - Job work	1.77	62.51
Other operating revenues :		
Scrap Sales	749.09	721.28
Others	402.18	195.13
<b>Revenue from operations (gross)</b>	<b>132375.57</b>	<b>122931.72</b>
Less:		
Excise duty (Refer note 40)	15886.99	15192.61
<b>Revenue from operations (net)</b>	<b>116488.58</b>	<b>107739.11</b>

**Note 19 - Other income**

Particulars	Year ended 31st March, 2017 (₹/ Lakhs)	Year ended 31st March, 2016 (₹/ Lakhs)
Interest income	7.48	16.17
Foreign exchange gain (net)	50.67	22.92
Dividend from subsidiary company	371.59	250.00
Dividend from long term investments	-	35.00
Lease rental income (Refer note 28b)	44.96	42.82
Gain on sale of fixed assets (net)	-	23.32
Gain on sale of long term trade investment	-	990.00
Other non-operating income	257.39	218.21
	<b>732.09</b>	<b>1598.44</b>

**Note 20 - Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	Year ended 31st March, 2017 (₹/ Lakhs)	Year ended 31st March, 2016 (₹/ Lakhs)
Inventories at the beginning of the year		
Work-in-progress	1198.15	1078.34
Finished goods	1914.12	1637.82
Stock-in-trade	9.57	3.58
	<b>3121.84</b>	<b>2719.74</b>
Inventories at the end of the year		
Work-in-progress	1161.73	1198.15
Finished goods	2111.88	1914.12
Stock-in-trade	4.35	9.57
	<b>3277.96</b>	<b>3121.84</b>
Changes in inventories	(156.12)	(402.10)
Excise duty on increase / (decrease) in finished goods (Refer note 40)	16.09	22.06
	<b>(140.03)</b>	<b>(380.04)</b>

**Note 21 - Employee benefits expense**

Particulars	Year ended 31st March, 2017 (₹/ Lakhs)	Year ended 31st March, 2016 (₹/ Lakhs)
Salaries, wages and allowances etc.	11176.35	10604.72
Contribution to Provident and other funds	1143.32	923.99
Employees welfare expenses	1601.16	1504.65
	<b>13920.83</b>	<b>13033.36</b>

**Note 22 - Finance costs**

Particulars	Year ended 31st March, 2017 (₹/ Lakhs)	Year ended 31st March, 2016 (₹/ Lakhs)
Interest on borrowings	2516.76	2734.90
Other borrowing costs	11.73	10.10
Other interest	25.39	26.25
Bank and other finance charges	57.50	48.76
Cash discount	28.60	2.85
	<b>2639.98</b>	<b>2822.86</b>

**Note 23 - Depreciation and amortization expenses**

Particulars	Year ended 31st March, 2017 (₹/ Lakhs)	Year ended 31st March, 2016 (₹/ Lakhs)
Depreciation of tangible fixed assets	6572.19	6492.61
Amortization of intangible assets	905.17	697.63
	<b>7477.36</b>	<b>7190.24</b>

## Note 24 - Research expenses

Particulars	Year ended 31st March, 2017 (₹/ Lakhs)	Year ended 31st March, 2016 (₹/ Lakhs)
Salary & allowances	192.76	171.76
Components, tools & spares	28.27	76.14
Travelling expenses	7.58	12.79
Other expenses	0.61	0.79
	<b>229.22</b>	<b>261.48</b>

## Note 25 - Other expenses

Particulars	Year ended 31st March, 2017 (₹/ Lakhs)	Year ended 31st March, 2016 (₹/ Lakhs)
Stores and spare parts consumed	1649.03	1544.10
Loose tools consumed	1312.72	1192.99
Power and fuel	2128.80	2123.79
Repairs and maintenance - plant & machinery	507.61	480.54
Royalty	606.27	460.87
Rent	200.65	216.95
Rates and taxes	48.06	69.83
Insurance	87.92	70.73
Repair and maintenance - buildings	139.87	89.43
Repair and maintenance - others	807.87	624.27
Travelling, conveyance and vehicle expenses	616.46	537.00
Communication & stationery expenses	189.31	179.87
Legal & professional charges	1045.92	1045.59
Security charges	213.60	201.18
Business promotion expenses	120.15	239.82
Premium on forward exchange contracts amortized	123.87	133.99
Forwarding expenses	1328.95	1254.10
Packing material	472.66	552.58
CSR expenses	21.00	53.00
Commission to non whole time directors	37.00	24.00
Directors sitting fees	94.82	108.21
Provision for diminution in value of long term investment in Associate Company	155.04	-
Unrecoverable advance written off	18.65	-
Loss on sale of fixed assets (Net)	22.62	-
Fixed assets written off/Discarded	204.73	-
Payments to auditors		
As Auditor		
Audit fee	19.15	18.10
Tax audit fee	3.53	3.25
Limited review & consolidation	12.00	10.90
In other capacity		
Other services (certifications fee)	7.93	5.98
Miscellaneous expenses	167.56	181.66
	<b>12363.75</b>	<b>11422.73</b>



**Note 26 - Earnings per share**

Particulars		Year ended 31st March, 2017	Year ended 31st March, 2016
Profit after tax (₹/Lakhs)		2358.52	2499.73
Profit/(loss) attributable to the equity shareholders (₹/Lakhs)	(A)	2358.52	2499.73
Basic/Weighted average number of equity shares outstanding during the year (Nos.)	(B)	198741832	198741832
Nominal value of equity shares (In ₹)		1.00	1.00
Earnings per equity share (In ₹)			
Basic	(A/B)	1.19	1.26
Diluted	(A/B)	1.19	1.26

**Note 27 - Employees Benefits****Defined Contribution Plans:**

Particulars	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)
i) The Company has recognised, in the statement of profit and loss for the year ended March 31, 2017 an amount of ₹ 895.98 Lakhs (Previous Year ₹ 661.16 Lakhs) as expenses under defined contribution plans. Expenses under defined contribution plans include:		
a) Employer's contribution to Provident fund	486.70	466.36
b) Employer's contribution to Superannuation fund	384.46	173.83
c) Employer's contribution to Employee State Insurance Corporation	22.17	18.34
d) Punjab labour welfare fund (PLWF)	2.65	2.63
	895.98	661.16

The expense is disclosed in the line item - Contribution to provident and other funds in note 21

**Defined Benefit Plans:**

- i) a) The Company operates post retirement defined benefit plan for retirement gratuity, which is funded. The Company through the Trust has taken group gratuity policy of Life Insurance Corporation of India Gratuity Scheme.
- b) During the year, the Company's Employees Provident Fund Trust has transferred its entire provident fund liability of the certain Company's employees to Government's administered Employees Provident Fund Scheme, 1952 and therefore the Company's obligations is now restricted toward payment of monthly provident fund contributions of the aforesaid employees as per Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- ii) Detail of the post retirement funded, provident fund, gratuity plan and unfunded leaves are as follows:

	Provident Fund (Funded)		Gratuity (Funded)		Leave (Unfunded)	
	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)
<b>1 Reconciliation of opening and closing balances of obligations :</b>						
a Opening defined benefit obligation	-	618.86	1530.17	1629.30	497.26	481.64
b Current service cost	-	16.69	135.60	115.87	96.46	86.13
c Interest cost	-	68.32	123.94	131.97	40.28	39.01
d Actuarial (gain) / loss	-	(28.85)	250.66	(121.78)	37.20	(38.98)
e Benefits paid	-	(281.87)	(117.61)	(225.19)	(85.16)	(70.54)
f Employee contribution	-	25.24	-	-	-	-
g Settlements	-	-	-	-	-	-
h Change in reserves	-	-	-	-	-	-
i Closing defined benefit obligation	-	418.39	1922.76	1530.17	586.04	497.26
<b>2 Change in plan assets ( reconciliation of opening and closing balances) :</b>						
a Opening fair value of plan assets	-	663.58	1806.98	1663.61	-	-
b Prior period adjustment	-	-	-	-	-	-

	Provident Fund (Funded)		Gratuity (Funded)		Leave (Unfunded)	
	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
c Expected return on plan asset	-	72.23	153.59	149.72	-	-
d Employer contributions	-	16.69	207.79	201.61	-	-
e Benefits paid	-	(281.87)	(117.61)	(225.19)	-	-
f Employee contribution	-	25.24	-	-	-	-
g Settlements	-	-	-	-	-	-
h Actuarial gain / (loss) on plan assets	-	(71.82)	(36.03)	17.23	-	-
i Closing fair Value of plan assets	-	424.05	2,014.72	1,806.98	-	-
<b>3 Reconciliation of fair value of assets and obligations :</b>						
a Present value of obligation	-	418.39	1922.76	1530.17	586.04	497.26
b Fair value of plan (assets)	-	(424.05)	(2014.72)	(1806.98)	-	-
c Unfunded (asset) /liability recognised in the balance sheet	-	-	- *	- *	586.04	497.26
d Experience adjustments on plan liabilities - (loss)/gain	-	-	(107.54)	(23.59)	(2.34)	2.39
e Experience adjustments on plan assets - (loss)/gain	-	-	(36.03)	17.23	-	-
* The excess of assets over liabilities in respect of gratuity have not been recognised as the same is lying in an income tax approved irrevocable trust funds						
<b>4 Expense recognised during the year :</b>						
a Current service cost	-	16.69	135.60	115.87	96.46	86.13
b Interest cost	-	68.32	123.94	131.97	40.28	39.01
c Expected return on plan assets	-	(72.23)	(153.59)	(149.72)	-	-
d Actuarial (gain) / loss	-	42.97	286.69	(139.01)	37.20	(38.98)
e Expenses recognised during the year	-	55.75	392.64	(40.89)	173.94	86.16
<b>5 Assumptions :</b>						
a Discount rate (per annum)	-	7.60%	7.20%	8.10%	7.20%	8.10%
b Expected rate of return on plan assets (per annum)	-	8.80%	8.25%	8.50%	N.A.	N.A.
c Rate of increase in compensation level (per annum)			5.50%	5.50%	5.50%	5.50%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market. The above information is certified by the actuarial valuer.

The discount rate is based on the prevailing market yield of Govt. bonds as at the date of valuation.

Expected return on asset - The expected return on assets over the accounting period, based on an assumed rate of return.

	Gratuity (₹/ Lakhs)	Leave (₹/ Lakhs)
Estimate of contribution next year	133.98	126.70
iii) Investment details of plan assets :	<b>Provident fund</b>	
	<b>Current Year</b>	<b>Previous Year</b>
Major category of investments as a percentage in case of provident fund trust :		
Central Government Securities	-	2.19%
State Government Securities	-	15.00%
Securities of Public Financial Institutions	-	67.94%
Private Sector Bonds / Securities	-	14.87%

The gratuity trust has taken up a group policy with Life Insurance Corporation of India(LIC). The detail of investments maintained by Life Insurance Corporation are not made available to the Company and have therefore not been disclosed.

(₹ in Lakhs)

	31st March 2015		31st March 2014		31st March 2013	
	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave
iv) Reconciliation of fair value of assets and obligations for the past years						
a. Present value of obligation	1629.30	481.64	1467.19	459.71	1380.07	442.06
b. Fair value of plan (assets)	(1663.61)	-	(1473.51)	-	(1387.51)	-
c. Unfunded (asset) /liability recognised in the balance sheet	- *	481.64	- *	459.71	- *	442.06
d. Experience adjustments on plan liabilities - (loss)/gain	(26.65)	0.93	43.35	3.86	(28.44)	(20.11)
e. Experience adjustments on plan assets - (loss)/gain	(20.78)	-	(2.09)	-	5.87	-

\* The excess of assets over liabilities in respect of gratuity has not been recognised as the same is lying in an income tax approved irrevocable trust fund.

**Note:**

Disclosures included are limited to the extent of information provided by the actuary.

**Note 28 - Leases****(a) Operating lease: company as lessee**

- (i) The Company has taken various residential and office premises under operating lease on lease and license agreements. These are cancellable; have a term of 11 to 36 months. The lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement. The company has taken vehicles for its employees under operating lease agreement have a term of 48 months. Lease payments are recognised in the statement of profit and loss in the year incurred.

An amount of ₹ 131.49 Lakhs (Previous Year ₹ 149.49 Lakhs) is recognized in the Statement of Profit and Loss for the year ended March 31, 2017. The future minimum lease for vehicle payments are as follows:

	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)
Within one year	14.41	15.56
After one year but not more than five years	19.98	3.57
	34.39	19.13

- (ii) The company had taken office premises under non cancellable operating lease agreement for a term of five years and the said agreement was terminated during the year. An amount of ₹ 102.22 Lakhs (Previous Year ₹ 87.80 Lakhs) is recognized in the Statement of Profit and Loss for the year ended March 31, 2017. The future minimum lease payments are as follows:

	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)
Within one year	-	24.35
After one year but not more than five years	-	34.50
	-	58.85

**(b) Operating lease: company as lessor \***

The Company has given part of its factory building at Chennai under operating lease on lease and license agreement for the period of four years. The lease arrangement is renewable on the expiry of lease period subject to mutual agreement. Lease receipts of ₹ 44.96 Lakhs (Previous Year ₹ 42.82 Lakhs) are recognised in the statement of profit and loss as per terms of agreement. The future lease receipts are as follows:

	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)
Within one year	30.96	44.96
After one year but not more than five years	-	30.96
	30.96	75.92

\* Above reported lease rentals are net of service tax.

**Note 29 - Fixed Assets / Capital Work in Progress Incurred During the Year Includes :**

	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)
a) Professional charges	580.13	247.17
b) Technical support charges	16.58	118.66
c) Components, tools & spares	884.34	1,463.85
d) Traveling expenses	28.96	110.99
e) Finance cost	132.14	203.10
f) Others	80.28	126.44
g) Salary	223.65	276.65
	<b>1946.08</b>	<b>2546.86</b>

**Note 30 - Segment Reporting**

The Company is primarily engaged in the business of auto components of four wheelers, which are governed by the same set of risk and returns, and hence there is only one primary segment. The Company operates mainly to the needs of domestic market and export turnover is less than ten percent of the total turnover and hence there are no reportable secondary geographical segments.

**Note 31 - Contingent Liabilities**

	Period Covered	Current Year* (₹/Lakhs)	Previous Year (₹/Lakhs)
I) Claims against the Company not acknowledged as debt on account of :			
<b>(a) Excise Duty</b>			
i) Show cause notices received and pending with Adjudication Authority	2000-01 to 2006-07	1682.65	1681.07
ii) Cases pending before Appellate authorities in respect of which the company has filed appeals.	2007-08 to 2011-12	442.31	420.65
	<b>Total</b>	<b>2124.96</b>	<b>2101.72</b>
<b>(b) Service Tax</b>			
i) Show cause notices received and pending with Adjudication Authority	2004-05 to 2013-14	64.96	60.75
ii) Cases pending before Appellate authorities in respect of which the company has filed appeals.	2005-06 to 2008-09	-	79.46
	2009-10 to 2015-16	8.77	82.65
	<b>Total</b>	<b>73.73</b>	<b>222.85</b>
<b>(c) VAT Haryana</b>			
Local Area Development Tax ( LADT) levied by Assessing Authority Gurgaon. The Constitutional bench of the Supreme Court in its order dated 11.11.2016 has given certain guidelines relating to power of States to levy tax on entry of goods into local area. The pending cases, including that of the company is yet to be decided by the regular benches of Supreme Court.	2007-08 to 2016-17	1273.69	1106.51
<b>(d) Customs Duty</b>			
Show cause notice received from Adjudication Authority (DGFT) for advance license	2012-13	7.64	7.24
* Includes penalty wherever indicated in the order and interest calculated up to the year end			
<b>(e) Income Tax</b>			
Cases pending before Appellate Authorities in respect of which the Company has filed appeal	2011-12 to 2013-14	-	7.94
The Company has been advised that the above demands are likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.			
II) Customer bills discounted		2113.53	1743.88
III) Letter of credit opened by banks for purchase of inventory / capital goods		55.06	84.63

## Note 32 - Exposures in foreign currency

	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign Currency ₹/Lakhs	Amount in ₹/Lakhs	Exchange Rate	Amount in Foreign Currency ₹/Lakhs	Amount in ₹/Lakhs
<b>I. Assets</b>							
Receivable (Trade & Others)	JPY	0.5695	0.29	0.17	0.58	6.96	4.07
	EURO	68.11	2.41	163.82	74.50	1.96	145.85
	USD	64.10	22.11	1417.21	65.70	26.22	1722.86
Total Receivables (A)		-	-	1581.20	-	-	1872.78
Hedges by derivative contracts (B)		-	-	-	-	-	-
Unhedged receivables C=A-B		-	-	1581.20	-	-	1872.78
<b>II. Liabilities</b>							
Payables (trade & other)	CHF	65.76	0.40	26.62	69.49	0.20	13.60
	JPY	0.5876	3564.71	2094.62	0.5965	2593.51	1547.03
	EURO	70.36	0.42	29.25	76.00	0.49	37.31
	USD	65.60	7.21	472.80	66.58	8.33	554.34
	SGD	-	-	-	49.47	0.02	1.13
	GBP	-	-	-	96.09	0.00	0.35
Borrowings (ECB and Others)	USD	-	-	-	66.58	5.00	332.90
	USD	-	-	-	66.58	12.50	832.25
	USD	65.60	22.50	1476.00	66.58	37.50	2496.75
	USD	65.60	57.65	3781.65	66.58	65.00	4327.70
	USD	65.60	22.81	1496.05	66.58	88.73	5907.92
Total Payables (D)		-	-	9376.99	-	-	16051.28
Hedges by derivative contracts	JPY	0.5876	2721.38	1599.08	0.5965	2068.04	1233.59
	USD	65.60	4.42	289.66	66.58	70.98	4725.64
	CHF	65.76	0.34	22.40	69.49	0.15	10.26
	USD	-	-	-	66.58	5.00	332.90
	USD	-	-	-	66.58	12.50	832.25
	USD	65.60	22.50	1476.00	66.58	37.50	2496.75
	USD	65.60	57.65	3781.65	66.58	65.00	4327.70
Total hedges by derivative contract (E)		-	-	7168.79	-	-	13959.09
Unhedged Payables F=D-E		-	-	2208.20	-	-	2092.19
<b>III. Contingent Liabilities and Commitments</b>							
Contingent Liabilities	USD	65.60	0.17	11.08	66.58	0.07	4.46
	EURO	70.36	0.63	43.98	-	-	-
	JPY	-	-	-	0.5965	134.40	80.17
Commitments	USD	65.60	22.32	1464.09	66.58	1.53	101.68
	EURO	70.36	1.61	113.05	-	-	-
	CHF	65.76	0.50	33.12	-	-	-
	JPY	0.5876	2752.34	1617.27	0.5965	363.07	216.57
Total (G)		-	-	3282.59	-	-	402.88
Hedges by derivative contracts (H)		-	-	-	-	-	-
Unhedged Payables (I=G-H)		-	-	3282.59	-	-	402.88
Total unhedged FC Exposures (J=C+F+I)		-	-	7071.99	-	-	4367.85

### Note 33 - Deferral / Capitalization of Exchange Differences

MCA vide its circular dated 29th December 2011 and 9th August 2012 amended AS -11, The Effects of changes in foreign exchange rates, to allow companies deferral / capitalization of exchange differences arising on long term foreign currency monetary items.

The net amount of exchange loss capitalized to depreciable assets and remaining to be amortized as on March 31, 2017 is ₹ 235.12 Lakhs (Previous Year ₹ 259.47 Lakhs)

### Note 34 - Capital and other Commitments

	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	1001.28	1542.52

### Note 35 - Value of Imports Calculated on CIF Basis

	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)
Capital goods	1224.31	826.27
Raw material	141.64	237.88
Components, spares & tools	8106.26	9407.18
	9472.21	10471.33

### Note 36 - Expenditure in Foreign Currency

	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)
Books and periodicals	1.44	1.37
Royalty	571.91	436.04
Technical services	467.27	130.99
Foreign travels	48.92	100.78
Legal and professional charges	104.96	177.40
Warehouse charges	49.49	46.66
Interest	692.69	566.10
Others	197.93	74.77
	2134.61	1534.11

### Note 37 - Remittance in Foreign Currency

	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)
Dividend	210.26	273.47
Nos. of non resident shareholders	286	304
Nos. of shares held by non resident shareholders	42051860	42071700
Year to which the dividend relates	2015-16	2014-15

### Note 38 - Earnings in Foreign Exchange

	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)
FOB value of export of goods	7189.09	7601.53

### Note 39 - (A) Particulars of Materials Consumed \*

Particulars	Current Year (₹/Lakhs)	Previous Year (₹/Lakhs)
Raw material : steel bars	4118.19	3603.72
Components	69159.98	66121.71
<b>Total</b>	<b>73278.17</b>	<b>69725.43</b>

\* Cost of material consumed includes components

b) Value of consumption of imported and indigenous raw materials, components, tools, stores & spares and percentage of each to total consumption.

Particulars	Current Year (₹/ Lakhs)	%	Previous Year (₹/ Lakhs)	%
<b>Raw material &amp; components</b>				
Imported	7562.30	10.32%	7616.48	10.92%
Indigenous	65715.87	89.68%	62108.95	89.08%
	73278.17	100%	69725.43	100%
<b>Stores &amp; spares</b>				
Imported	58.38	3.54%	81.88	5.30%
Indigenous	1590.65	96.46%	1462.22	94.70%
	1649.03	100%	1544.10	100%
<b>Tools (includes loose tools)</b>				
Imported	313.21	23.86%	233.42	19.57%
Indigenous	999.51	76.14%	959.57	80.43%
	1312.72	100%	1192.99	100%

c) Details of products sold

Particulars	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
Steering gear assembly	93841.48	90661.16
Axle assembly including components	18408.89	17598.92
Others include sale of stock-in-trade and components	18972.16	13692.72
	131222.53	121952.80

d) Stock-in-trade (current year)

Description of Goods	Opening Stock (₹/ Lakhs)	Purchase (₹/ Lakhs)	Sales (₹/ Lakhs)	Closing Stock (₹/ Lakhs)
Reservoir	9.57	1107.87	1319.94	4.35
Column	-	2464.56	2728.13	-
Others	-	550.38	710.43	-
<b>Stock-in-trade (previous year)</b>				
Description of Goods	Opening Stock (₹/ Lakhs)	Purchase (₹/ Lakhs)	Sales (₹/ Lakhs)	Closing Stock (₹/ Lakhs)
Reservoir	3.58	1642.32	1866.76	9.57
Others	-	394.77	527.05	-

**Note 40** - The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except excise duty related to difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed as excise duty expense in "Changes in inventories of finished goods, work-in-progress and stock-in-trade -excise duty on Increase/(decrease) in finished goods" under note 20 annexed and forming part of statement of profit and loss.

**Note 41 - Information in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

(₹/ Lakhs)

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	31st March, 2017	31st March, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	<b>Principal - 130.78</b> <b>Interest - 0.00</b>	Principal - 0.00 Interest - 0.00
The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year, and 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 enterprises for the purpose of disallowance as deductible expenditure under Section 23 of the Micro Small and Medium Enterprises Development Act, 2006.	-	-

**Note 42** - Raw Material and Components Consumed are net of ₹ 893.77 Lakhs (Previous year ₹ 1129.77 Lakhs) being the value of dispatches made to vendors for job work.

**Note 43 (a)** - A provision is recognized for expected warranty claims on products sold during the last two to three years, based on past experience of the level of returns. It is expected that significant portion of these cost will be incurred in the next financial year and all will have been incurred within three years after reporting date. Assumptions used to calculate the provision for warranties were based on current sales level and current information available about returns based on the three year warranty period for products sold. The table below gives information about movement in warranty provisions.

Provision for product warranty details as required by Accounting Standard AS - 29 (Refer note 7)

Description	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
Opening Balance	330.00	290.00
Add: Addition During The Year	243.13	316.03
Less: Charged off to the Statement of Profit & Loss	233.13	276.03
Closing Balance	340.00	330.00

The warranty expenses of ₹ 233.13 Lakhs (Previous Year ₹ 276.03 Lakhs) are charged off to Profit & Loss included under the head forwarding expenses.

#### b) Other Provisions

Provision for slow moving inventory

Description	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
Opening Balance	-	28.52
Add: Addition During The Year	-	-
Less: Charged off to the Statement of Profit & Loss	-	28.52
Closing Balance	-	-

**Note 44** - Disclosures in respect of Specified Bank Notes (SBN) or other denomination notes as per the Ministry of Corporate Affairs (MCA) notification No. G.S.R. 308 (E) dated March 31, 2017 is as under :

Particulars	SBNs (₹/ Lakhs)	Other Denomination Notes (₹/ Lakhs)	Total (₹/ Lakhs)
Closing cash in hand as on 08-11-2016	5.91	2.69	8.60
(+) Permitted Receipts	-	20.97	20.97
(-) Permitted Payments	-	17.65	17.65
(-) Amount Deposited in Bank	5.91	-	5.91
Closing cash in hand as on 30-12-2016	-	6.01	6.01

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

#### Note 45 - Expenditure on Corporate Social Responsibility (CSR)

(a) Gross amount required to be spent by the Company during the year ended 31 March, 2017 ₹ 46.09 Lakhs (Previous Year ₹ 62.48 Lakhs)

(b) Amount spent during the year ended 31 March, 2017:

Particulars	Current Year (₹/ Lakhs)			Previous Year (₹/ Lakhs)		
	Paid (A)	Yet to be paid (B)	Total (A+B)	Paid (A)	Yet to be paid (B)	Total (A+B)
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	21.00	-	21.00	53.00	-	53.00

(c) Details of related party transactions:

(i) Contribution during the year ended 31 March, 2017 ₹ 21.00 Lakhs (Previous Year ₹ 43.00 Lakhs)

(ii) Payable as at 31 March, 2017 - Nil (Previous Year - Nil)

**Note 46** - The Company has a process whereby periodically all long term contracts including derivative contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts including derivative contracts has been made in the books of accounts.



## 47 (a) - Related Party Disclosures (Transaction with Related Parties)

(₹/Lakhs)

Particulars	Significant Control	Substantial Interest	Others (Significant Influence)	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Associates	Total
Advance Paid	-	-	-	-	-	-	-	-
Advance Paid (Previous Year)	-	-	-	(21.00)	-	-	-	(21.00)
Advance Received	-	-	-	266.82	-	-	-	266.82
Advance Received (Previous Year)	-	-	-	(69.44)	-	-	-	(69.44)
Cash Discount Paid	-	-	0.91	26.65	-	-	-	27.56
Cash Discount Paid (Previous Year)	-	-	(11.16)	-	-	-	-	(11.16)
Cash Discount Received	-	-	-	-	-	-	-	-
Cash Discount Received (Previous Year)	-	-	(0.13)	-	-	-	-	(0.13)
Remuneration*	-	-	31.00	-	467.06	-	-	498.06
Remuneration* (Previous Year)	(33.22)	-	-	-	(582.27)	(3.00)	-	(618.49)
CSR Expenses	-	-	21.00	-	-	-	-	21.00
CSR Expenses (Previous Year)	-	-	43.00	-	-	-	-	43.00
Dividend Paid	-	449.31	69.05	-	0.12	-	-	518.48
Dividend Paid (Previous Year)	-	(584.10)	(89.70)	-	(0.18)	(0.22)	-	(674.20)
Dividend Received	-	-	-	371.59	-	-	-	371.59
Dividend Received (Previous Year)	-	-	-	(250.00)	-	-	-	(250.00)
Donation	-	-	22.00	-	-	-	-	22.00
Donation (Previous Year)	-	-	(20.00)	-	-	-	-	(20.00)
Contribution to PF Trust	-	-	26.93	-	-	-	-	26.93
Contribution to PF Trust (Previous Year)	-	-	(16.69)	-	-	-	-	(16.69)
Interest Income	-	-	5.64	-	-	-	-	5.64
Interest Income (Previous Year)	-	-	(0.29)	-	-	-	-	(0.29)
Leasing of Premises Paid	-	-	38.14	-	-	-	-	38.14
Leasing of Premises Paid (Previous Year)	-	-	(30.23)	-	-	-	-	(30.23)
Leasing of Premises Received	-	-	-	51.67	-	-	-	51.67
Leasing of Premises Received (Previous Year)	-	-	-	(48.79)	-	-	-	(48.79)
Purchase of Capital Goods	-	-	-	28.27	-	-	-	28.27
Purchase of Capital Goods (Previous Year)	-	(285.51)	-	-	-	-	-	(285.51)
Purchase of Goods	-	4,572.27	2,508.31	9,803.71	-	-	-	16,884.29
Purchase of Goods (Previous Year)	-	(4,205.53)	(1,401.36)	(5,716.80)	-	-	-	(11,323.68)
Receiving of Services	-	9.05	7.98	-	-	-	72.47	89.50
Receiving of Services (Previous Year)	-	-	-	-	-	-	(52.33)	(52.33)
Reimbursement of Expenses Recovered	-	12.62	75.52	14.38	-	-	-	102.52
Reimbursement of Expenses recovered (Previous Year)	-	(9.66)	(43.70)	(8.66)	-	-	-	(62.01)
Reimbursement of Expenses Paid	-	24.60	17.10	51.83	-	-	-	93.52
Reimbursement of Expenses Paid (Previous Year)	-	(7.43)	(13.05)	(23.31)	-	-	-	(43.79)
Rendering of Services	-	-	140.73	41.37	-	-	-	182.10
Rendering of Services (Previous Year)	-	-	(162.48)	(43.80)	-	-	-	(206.29)
Royalty paid	-	566.40	-	-	-	-	-	566.40
Royalty paid (Previous Year)	-	(430.67)	-	-	-	-	-	(430.67)

(₹/Lakhs)

Particulars	Significant Control	Substantial Interest	Others (Significant Influence)	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Associates	Total
Sale of Capital Goods	-	-	0.63	-	-	-	-	0.63
Sale of Capital Goods (Previous Year)	-	-	-	(61.87)	-	-	-	(61.87)
Sale of Goods	-	7.51	71049.93	15242.87	-	-	-	86300.30
Sale of Goods (Previous Year)	-	(20.78)	(68599.93)	(14666.92)	-	-	-	(83287.62)
Director Sitting Fee	-	-	25.00	-	69.30	-	-	94.30
Director Sitting Fee (Previous Year)	-	-	(8.56)	-	(83.00)	(9.00)	-	(100.56)
Technical Support Fee	-	455.27	-	-	-	-	-	455.27
Technical Support Fee (Previous Year)	-	(130.99)	-	(424.64)	-	-	-	(555.63)
Outstanding Balance as on 31.3.2017 (Debit)	-	-	6529.70	77.46	-	-	-	6607.16
Outstanding balance as on 31.03.2016 (Debit)	-	-	(7767.89)	(126.02)	-	-	-	(7893.91)
Outstanding Balance as on 31.3.2017 (Credit)	-	1636.48	113.73	85.62	-	-	17.00	1852.82
Outstanding balance as on 31.03.2016 (Credit)	-	(1500.07)	(118.74)	(220.64)	-	-	(1.64)	(1841.09)

1. Figures in bracket are in respect of the previous year

2. \* Remuneration includes director commission, contribution to superannuation and provident fund

**Name of related party & description of relationship is as below:**

1. The entity having substantial interest in the Company

- 1 Sona Autocomp Holdings Ltd
- 2 JTEKT Corporation

2. Others ( Significant Influence )

- 1 Sona BLW Precision Forgings Ltd
- 2 Mahindra Sona Limited
- 3 Sona E design & Technologies Limited upto 17-May-16
- 4 Kapur Properties & Investment
- 5 Mandira Marketing Limited
- 6 Koyo Bearings India Pvt Ltd
- 7 Sona BLW Prazisionsschmiede GMBH
- 8 Sona BLW Precision Forge INC
- 9 Sona Koyo Steering Systems Ltd EPF Trust
- 10 Sona Charitable Trust
- 11 Sona Management Services Limited
- 12 Sona Autocomp Germany GMBH
- 13 Mrs Rani Kapur
- 14 Mr. Sunjay Kapur (Relative of individual having significant influence)  
Additional Related Party as per Companies Act 2013
- 15 Maruti Suzuki India Ltd
- 16 Avian Media Pvt Ltd

3. Subsidiaries

- 1 Sona Fuji Kiko Automotive Ltd
- 2 JTEKT Sona Automotive India Ltd

4. Key Management Personnel

- 1 Mr Kiyozumi Kamiki – Executive Director
- 2 Mr K.M. Deshmukh – Executive Director  
Additional Related Party as per Companies Act 2013
- 3 Mr Sudhir Chopra - Company Secretary
- 4 Mr. Rajiv Chanana - Chief Financial Officer
- 5 Mr. Sunder Rajan upto 31.01.2016
- 6 Mr. Ramesh Suri - Non Executive Director
- 7 Mr Ravi Bhoothalingam - Non Executive Director
- 8 Mr. P.K. Chadha - Non Executive Director
- 9 Lt Gen (Retd) S.S. Mehta - Non Executive Director
- 10 Mrs. Ramni Nirula - Non Executive Director
- 11 Mr. Prasan A. Firodia - Non Executive Director
- 12 Mr. Kazuhiko Ayabe - Non Executive Director
- 13 Mr. Hidekazu Omura - Non Executive Director

5. Associates

- 1 Sona Skill Development Centre Ltd

## 47 (b) - Transaction in excess of 10% of the total Related Party Transaction

(₹/Lakhs)

Relationship	Name of Party	Description of the nature of transaction	For the Year Ended 31-Mar-17	For the Year Ended 31-Mar-16
Subsidiaries	Sona Fuji Kiko Automotive Ltd	Advance Paid	-	21.00
Subsidiaries	JTEKT Sona Automotive India Ltd	Advance Received	259.94	69.44
Subsidiaries	JTEKT Sona Automotive India Ltd	Cash Discount Paid	26.65	-
Other Significant influence	Maruti Suzuki India Ltd	Cash Discount Paid	5.64	2.85
Other Significant influence	Mandira Marketing Ltd	Cash Discount Paid	-	8.32
Other Significant influence	Sona BLW Precision Forgings Ltd	Cash Discount Received	-	0.13
Relative to Key Management Personnel	Mr. J.M. Kapur	Commission	-	3.00
KMP	Mr. Ramesh Suri	Commission	2.60	2.00
KMP	Mr. Ravi Bhoothlingam	Commission	5.50	5.00
KMP	Mr. P.K. Chadha	Commission	5.50	6.00
KMP	Mr. S.S. Mehta	Commission	5.10	5.00
KMP	Mrs. Ramni Nirula	Commission	3.60	5.00
KMP	Mr. Prasan Firodia	Commission	1.70	1.00
Other Significant influence	Sona Charitable Trust	CSR Expenses	21.00	43.00
Other Significant influence	Maruti Suzuki India Ltd	Dividend Paid	69.00	89.70
Substantial Interest	JTEKT Corporation	Dividend Paid	199.74	259.66
Substantial Interest	Sona Autocomp Holdings Ltd	Dividend Paid	249.57	324.45
Subsidiaries	Sona Fuji Kiko Automotive Ltd	Dividend Received	38.25	-
Subsidiaries	JTEKT Sona Automotive India Ltd	Dividend Received	333.34	250.00
Other Significant influence	Sona Charitable Trust	Donation	22.00	20.00
Other Significant influence	Sona Koyo Steering Systems Ltd EPF Trust	Contribution to PF Trust	26.93	16.69
Other Significant influence	Maruti Suzuki India Ltd	Interest Income	-	0.29
Other Significant influence	Sona BLW Precision Forgings Ltd	Leasing of Premises Paid	38.14	26.27
Other Significant influence	Kapur Properties & Investment	Leasing of Premises Paid	-	3.96
Subsidiaries	JTEKT Sona Automotive India Ltd	Leasing of Premises Received	51.67	48.79
Subsidiaries	Sona Fuji Kiko Automotive Limited	Purchase of Fixed Assets	28.27	-
Substantial Interest	Jtekt Corporation	Purchase of Fixed Assets	-	285.51
Other Significant influence	Sona BLW Precision Forgings Ltd	Purchase of Goods	1764.06	-
Subsidiaries	Sona Fuji Kiko Automotive Limited	Purchase of Goods	2817.32	-
Subsidiaries	JTEKT Sona Automotive India Ltd	Purchase of Goods	6986.39	5697.48
Substantial Interest	JTEKT Corporation	Purchase of Goods	4572.27	4205.53
Associates	Sona Skill Development Centre Ltd	Receiving of Services	72.47	52.33
Substantial Interest	JTEKT Corporation	Receiving of Services	9.05	-
Other Significant influence	Sona BLW Precision Forgings Ltd	Reimbursement of Expense Recovered	-	41.53
Other Significant influence	Sona Management Services Limited	Reimbursement of Expense Recovered	28.25	-
Other Significant influence	Sona Autocomp Germany GMBH	Reimbursement of Expense Recovered	39.15	-
Subsidiaries	JTEKT Sona Automotive India Ltd	Reimbursement of Expense Recovered	13.80	8.66
Substantial Interest	JTEKT Corporation	Reimbursement of Expense Recovered	-	9.61
Other Significant influence	Sona BLW Precision Forgings Ltd	Reimbursement of Expenses Paid	14.26	6.40
Other Significant influence	Koyo Bearing India Ltd	Reimbursement of Expenses Paid	-	6.59
Subsidiaries	JTEKT Sona Automotive India Ltd	Reimbursement of Expenses Paid	51.52	23.31
Substantial Interest	JTEKT Corporation	Reimbursement of Expenses Paid	24.60	7.43
Other Significant influence	Sona BLW Precision Forgings Ltd	Rendering of Services	140.73	159.73
Subsidiaries	JTEKT Sona Automotive India Ltd	Rendering of Services	41.37	43.80
Substantial Interest	JTEKT Corporation	Royalty Paid	566.40	430.67
Significant Control	Dr. Surinder Kapur	Remuneration	-	33.22
Other Significant Influence	Mr. Sunjay Kapur	Remuneration	31.00	89.49
Key Management Personnel	Mr. Kiyozumi Kamiki	Remuneration	85.90	67.01
Key Management Personnel	Mr. Sudhir Chopra	Remuneration	133.08	132.72

(₹/Lakhs)

Relationship	Name of Party	Description of the nature of transaction	For the Year Ended 31-Mar-17	For the Year Ended 31-Mar-16
Key Management Personnel	Mr. Rajiv Chanana	Remuneration	85.29	75.07
Key Management Personnel	Mr. Govindrajan Sunder Rajan	Remuneration	-	135.27
Key Management Personnel	Mr. Kiran M Deshmukh	Remuneration	138.79	58.72
Other Significant influence	Sona BLW Precision Forgings Ltd	Sale of Fixed Assets	0.63	-
Subsidiaries	Sona Fuji Kiko Automotive Limited	Sale of Fixed Assets	-	61.87
Other Significant influence	Maruti Suzuki India Ltd	Sales	68664.23	67286.93
Other Significant influence	Sona Fuji Kiko Automotive Limited	Sales	-	-
Subsidiaries	JTEKT Sona Automotive India Ltd	Sales	13299.50	13685.79
Other Significant influence	Mr. Kazuhiko Ayabe	Director Sitting Fee	2.30	4.56
Relative to Key Management Personnel	Mr. J.M. Kapur	Director Sitting Fee	-	9.00
Other Significant influence	Mr. Sunjay Kapur	Director Sitting Fee	15.00	-
Other Significant influence	Mrs. Rani Kapur	Director Sitting Fee	10.00	4.00
KMP	Mr. Ramesh Suri	Director Sitting Fee	4.00	5.00
KMP	Mr. Ravi Bhoothlingam	Director Sitting Fee	12.00	19.00
KMP	Mr. P.K. Chadha	Director Sitting Fee	20.00	23.00
KMP	Mr. S.S. Mehta	Director Sitting Fee	13.00	16.00
KMP	Mrs. Ramni Nirula	Director Sitting Fee	11.00	11.00
KMP	Mr. Prasan Firodia	Director Sitting Fee	3.00	4.00
KMP	Mr. H.Omura	Director Sitting Fee	4.00	5.00
Subsidiaries	Sona Fuji Kiko Automotive Limited	Technical Support Fee	-	125.85
Subsidiaries	JTEKT Sona Automotive India Ltd	Technical Support Fee	-	298.79
Substantial Interest	JTEKT Corporation	Technical Support Fee	455.27	130.99
Substantial Interest	JTEKT Corporation	Technician Expenses	8.07	-
Subsidiaries	JTEKT Sona Automotive India Ltd	Balances (Debit)	-	-
Other Significant influence	Sona BLW Precision Forgings Ltd	Balances (Debit)	-	104.29
Other Significant influence	Maruti Suzuki India Ltd	Balances (Debit)	6077.63	7031.96
Other Significant influence	Mandira Marketing Ltd	Balances (Debit)	-	606.46
Subsidiaries	Sona Fuji Kiko Automotive Limited	Balances (Debit)	-	126.02
Subsidiaries	JTEKT Sona Automotive India Ltd	Balances (Credit)	-	220.64
Other Significant Influence	Koyo Bearings India Pvt Ltd	Balances (Credit)	-	107.09
Substantial Interest	JTEKT Corporation	Balances (Credit)	1636.48	1500.07

**Note 48** - The Board of Directors of the Company has recommended a final dividend of ₹ 0.50 per equity share of ₹ 1/-each subject to approval of the shareholders at the ensuing Annual General Meeting.

**Note 49** - Previous year's figures have been regrouped/reclassified, wherever necessary.

Significant accounting policies &  
Notes on financial statements

1 to 49

As per our report of even date  
For S. P. Puri & Co  
Chartered Accountants  
Firm Registration Number 001152N

For and on behalf of the Board

(Rajiv Puri)  
Partner  
Membership no : 084318

Hidekazu Omura  
Chairman  
DIN 06865724

Kiyozumi Kamiki  
Managing Director  
DIN 06536243

Sudhir Chopra  
Director (Corporate Affairs) &  
Company Secretary  
DIN 00058148

Place : Gurugram  
Dated : 24th May, 2017

Ravi Bhoothalingam  
Director  
DIN 00194530

Rajiv Chanana  
Chief Financial Officer

# Independent Auditor's Report

To the Members of

**SONA KOYO STEERING SYSTEMS LIMITED**

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SONA KOYO STEERING SYSTEMS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate company, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on other financial information of a subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate company as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matter

We did not audit the financial statements/financial information of one subsidiary whose financial statements/financial information reflect total assets of ₹ 31569.15 Lakhs as at 31st March, 2017, total revenues of ₹ 61206.28 Lakhs, total net profit after tax of ₹ 2616.64 Lakhs and net cash inflows amounting to ₹ 2107.17 Lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements/financial information have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, insofar as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit

and on the consideration of report of other auditor on separate financial statements and on other financial information of a subsidiary as noted in the 'Other Matter' paragraph above, 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 purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the relevant assertion contained in the audit reports on standalone financial statements of each subsidiary company and associate company which are incorporated in India, none of the directors of the such Company is disqualified as on 31st March, 2017 from being appointed as a director of that company in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

- I. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate company – Refer Note 31 to the consolidated financial statements.
- II. The Group has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses if any, as required on long-term contracts including derivative contracts – Refer Note 38 to the consolidated financial statements and its associate company did not have any material foreseeable losses on long-term contracts including derivative contracts.
- III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by its subsidiary companies and associate company incorporated in India.
- IV. The Group and its associate company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based upon audit procedures and relying on management representation, we report that the such disclosures are in accordance with the books of account maintained by the Holding Company, and its subsidiary company and associate company incorporated in India and also based on the corresponding report of the auditor of subsidiary company of the Group - Refer Note 36 to the consolidated financial statements.

**For S. P. PURI & CO.,**  
Chartered Accountants  
Firm Registration No. 001152N

**(Rajiv Puri)**  
Partner

Place: Gurugram  
Dated: May 24, 2017

Membership No. 084318

# Annexure “A” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of SONA KOYO STEERING SYSTEMS LIMITED (“the Holding Company”) and its subsidiary company, its Associate Company and considered the report of other auditor on internal financial controls of a subsidiary, which are companies incorporated in India, as of that date.

## Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies and its Associate Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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 its business, including adherence to 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 Companies Act, 2013.

## Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s and its subsidiary companies and its Associate Company’s internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting includes 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion and based on the consideration of report of other auditor on internal financial controls of a subsidiary, the Holding Company, its subsidiary companies and its Associate Company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on “the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

## Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For S. P. PURI & CO.,  
Chartered Accountants  
Firm Registration No. 001152N

(Rajiv Puri)  
Partner

Place: Gurugram  
Dated: May 24, 2017

Membership No. 084318

# Consolidated Balance Sheet

as at 31st March, 2017

Particulars	Note No.	As at 31st March, 2017 (₹/ Lakhs)	As at 31st March, 2016 (₹/ Lakhs)
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	2	1987.42	1987.42
Reserves and surplus	3	36391.59	32742.97
<b>Sub-Total</b>		<b>38379.01</b>	<b>34730.39</b>
<b>Minority interest</b>		<b>12458.97</b>	<b>11159.39</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	12356.20	15588.32
Deferred tax liabilities (net)	5	2618.53	3378.08
Other long term liabilities	6	3.00	9.15
Long-term provisions	7	888.24	732.26
<b>Sub-Total</b>		<b>15865.97</b>	<b>19707.81</b>
<b>Current liabilities</b>			
Short-term borrowings	8	3951.03	6759.98
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises;		182.28	32.67
Total outstanding dues of creditors other than micro enterprises and small enterprises		21126.04	19409.41
Other current liabilities	10	11281.51	11402.19
Short-term provisions	7	528.26	2,007.78
<b>Sub-Total</b>		<b>37069.12</b>	<b>39612.03</b>
<b>Total</b>		<b>103773.07</b>	<b>105209.62</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	53991.40	55368.52
Intangible assets	11	5383.35	4594.98
Capital work-in-progress		1701.14	2221.90
Intangible assets under development		1110.02	1827.04
Non-current investments	12	-	84.76
Long-term loans and advances	13	1021.21	1288.38
Other non-current assets	14	-	45.21
<b>Sub-Total</b>		<b>63207.12</b>	<b>65430.79</b>
<b>Current assets</b>			
Current investments	12	74.57	-
Inventories	15	10005.48	9912.12
Trade receivables	16	20988.46	21526.47
Cash and bank balances	17	5567.01	3629.04
Short-term loans and advances	13	2094.28	2550.70
Other current assets	14	1836.15	2160.50
<b>Sub-Total</b>		<b>40565.95</b>	<b>39778.83</b>
<b>Total</b>		<b>103773.07</b>	<b>105209.62</b>

Significant accounting policies &  
Notes on financial statements

1 to 43

As per our report of even date  
For S. P. Puri & Co  
Chartered Accountants  
Firm Registration Number 001152N

For and on behalf of the Board

(Rajiv Puri)  
Partner  
Membership no : 084318

Hidekazu Omura  
Chairman  
DIN 06865724

Kiyozumi Kamiki  
Managing Director  
DIN 06536243

Sudhir Chopra  
Director (Corporate Affairs) &  
Company Secretary  
DIN 00058148

Place : Gurugram  
Dated : 24th May, 2017

Ravi Bhoothalingam  
Director  
DIN 00194530

Rajiv Chanana  
Chief Financial Officer



# Consolidated Statement of Profit and Loss

for the Year ended 31st March, 2017

Particulars	Note No.	Year ended 31st March, 2017 (₹/ Lakhs)	Year ended 31st March, 2016 (₹/ Lakhs)
<b>Income</b>			
Revenue from operations (gross)	18	178526.54	171294.55
Less : Excise duty		20207.33	19464.10
Revenue from operations (net)		158319.21	151830.45
Other income	19	908.30	1597.24
<b>Total Revenue ( I )</b>		<b>159227.51</b>	<b>153427.69</b>
<b>Expenses</b>			
Cost of materials consumed		102260.20	98418.22
Purchase of stock-in-trade		1670.48	1719.33
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(189.83)	(158.80)
Employee benefits expense	21	17798.67	16665.59
Finance costs	22	2853.93	3172.80
Depreciation and amortization expenses	23	10299.59	9875.20
Research expense		229.22	261.48
Other expenses	24	16220.71	15528.52
<b>Total Expenses (II)</b>		<b>151142.97</b>	<b>145482.34</b>
<b>Consolidated profit before tax ( I - II )</b>		<b>8084.54</b>	<b>7945.35</b>
<b>Tax expense</b>			
- Current year		3566.39	3310.86
- Earlier years excess provision of tax written back		(64.39)	5.44
- Deferred tax		(759.55)	(785.99)
<b>Total tax expenses</b>		<b>2742.45</b>	<b>2530.31</b>
<b>Consolidated profit after tax (before adjustment for Minority interest and Share of profit / (loss) of associate)</b>		<b>5342.09</b>	<b>5415.04</b>
Add : Share of profit / (loss) of associate		(10.20)	(13.37)
Less : Share of profit transferred to minority		1683.27	1697.07
<b>Consolidated profit for the year (after adjustment for Minority interest and Share of profit / (loss) of associate)</b>		<b>3648.62</b>	<b>3704.60</b>
<b>Earnings per equity share (face value of ₹ 1/-each):</b>			
Basic & Diluted	25	1.84	1.86

Significant accounting policies &  
Notes on financial statements

1 to 43

As per our report of even date  
For S. P. Puri & Co  
Chartered Accountants  
Firm Registration Number 001152N

For and on behalf of the Board

(Rajiv Puri)  
Partner  
Membership no : 084318

Hidekazu Omura  
Chairman  
DIN 06865724

Kiyozumi Kamiki  
Managing Director  
DIN 06536243

Sudhir Chopra  
Director (Corporate Affairs) &  
Company Secretary  
DIN 00058148

Place : Gurugram  
Dated : 24th May, 2017

Ravi Bhoothalingam  
Director  
DIN 00194530

Rajiv Chanana  
Chief Financial Officer

# Consolidated Cash Flow Statement

for the Year Ended 31st March, 2017

Particulars	Year ended 31st March, 2017 (₹/ Lakhs)		Year ended 31st March, 2016 (₹/ Lakhs)
<b>A Cash flow from operating activities :</b>			
Profit before tax and minority interest & share of profit/loss of associate		8084.54	7945.35
Adjustment for :			
Depreciation & amortization	10299.59		9875.20
(Profit)/loss on sale of fixed assets (net)	22.62		3.47
(Gain)/loss on sale of long term investments	-		(990.00)
Dividend income	-		(35.00)
Provision for slow moving inventory written back	-		(28.52)
Impairment loss	16.34		-
Unrecovered advances written off	18.65		-
Fixed assets written off/Discarded	205.49		-
Unrealized foreign exchange (gain)/loss	(355.65)		(123.78)
Premium on forward contract amortized	123.87		133.99
Interest expense	2783.52		3118.22
Interest income	(382.01)	12732.42	(315.93)
<b>Operating profit before working capital changes</b>		<b>20816.96</b>	<b>19583.00</b>
(Increase)/decrease in trade receivables	540.11		(2616.38)
(Increase)/decrease in inventories	(93.34)		127.74
(Increase)/decrease in long term loans & advances	799.05		(588.38)
(Increase)/decrease in other current assets	324.89		(424.74)
(Increase)/decrease in short term loans & advances	437.77		394.36
Increase/(decrease) in trade payables	2129.69		241.01
Increase/(decrease) in other current liabilities	804.42		(823.74)
Increase/(decrease) in other long term liabilities	(6.15)		(4.65)
Increase/(decrease) in long term provisions	155.98		54.42
Increase/(decrease) in short term provisions	(1.08)	5091.34	65.78
<b>Cash generated from operations</b>		<b>25908.30</b>	<b>16008.42</b>
<b>Income tax paid (net of income tax refunds)</b>		<b>(4162.56)</b>	<b>(2861.66)</b>
<b>Net cash from operating activities</b>		<b>21745.74</b>	<b>13146.76</b>
<b>B. Cash flows from investing activities</b>			
Dividend paid to minority shareholders	(383.69)		(260.21)
Purchase of fixed assets (including cwip)	(8627.68)		(9031.26)
Proceeds from sale of fixed assets	46.50		84.62
Proceeds from sale of long term investments	-		1010.00
(Investments) / Redemptions in bank deposits having original maturity of more than 3 months	17.73		(5.52)
Dividend received	-		35.00
Interest received	381.55		296.73
<b>Net cash (used) / raised from investing activities</b>		<b>(8565.59)</b>	<b>(7870.64)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from long term borrowings	4677.93		8572.84

Particulars	Year ended 31st March, 2017 (₹/ Lakhs)	Year ended 31st March, 2016 (₹/ Lakhs)
Repayment of long term borrowings	(8815.28)	(9596.94)
Proceeds /(Repayment) of short term borrowings	(2842.74)	2524.24
Interest paid	(2965.05)	(3312.93)
Dividend paid	(993.71)	(1291.82)
Tax on dividend paid	(356.05)	(366.85)
<b>Net cash (used) / raised from financing activities</b>	<b>(11294.90)</b>	<b>(3471.46)</b>
<b>Increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>1885.25</b>	<b>1804.66</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>3446.87</b>	<b>1642.21</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>5332.12</b>	<b>3446.87</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks:		
Current accounts	214.35	248.24
Fixed deposits	5110.00	2975.00
Cash on hand	7.77	10.90
Cheque on hand	-	212.73
<b>Total cash and cash equivalents</b>	<b>5332.12</b>	<b>3446.87</b>

### Notes To The Cash Flow Statement

1. Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

As per our report of even date  
For S. P. Puri & Co  
Chartered Accountants  
Firm Registration Number 001152N

For and on behalf of the Board

(Rajiv Puri)  
Partner  
Membership no : 084318

Hidekazu Omura  
Chairman  
DIN 06865724

Kiyozumi Kamiki  
Managing Director  
DIN 06536243

Sudhir Chopra  
Director (Corporate Affairs) &  
Company Secretary  
DIN 00058148

Place : Gurugram  
Dated : 24th May, 2017

Ravi Bhoothalingam  
Director  
DIN 00194530

Rajiv Chanana  
Chief Financial Officer

# Notes to Consolidated financial statements

for the year ended 31st March, 2017

## Note 1 - SIGNIFICANT ACCOUNTING POLICIES

### I General Information

The Group is primarily engaged in the manufacture of steering systems & other auto components for the passenger car and utility vehicle manufacturers. Automobile manufacturers are its primary customers.

### II Group Companies

Sona Koyo Steering Systems Limited has Consolidated the financial Statements of two Subsidiaries and one Associate as given in Table below:

Sl. No.	Name of Company	Relationship	Country of Incorporation	% of ownership interest as on 31st March, 2017
1	Sona Fuji Kiko Automotive Ltd	Subsidiary	India	51
2	JTEKT Sona Automotive India Ltd	Subsidiary	India	49*
3	Sona Skill Development Centre Ltd	Associate	India	49.99

\* Subsidiary due to control of the composition of the Board of Directors.

#### Notes:

- Each of the above Companies is incorporated in India & financials statements are drawn up to the same reporting date as that of the parent Company i.e March 31, 2017
- The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
- The Consolidated financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together of like items of asset, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized Profits/Losses.
- Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.  
  
Minority Interest in the net assets of consolidated subsidiaries consist of:
  - The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
  - The minority share of movements in equity since the date parent subsidiary relationship came in existence.

e) Minority interest's share of Net Profit/(Loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

f) Investment in associates where the Company holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23-"Accounting for Investments in Associates in Consolidated financial Statements" notified by Companies (Accounting Standards) Rules,2006 (as amended).

### III Accounting Convention

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these consolidated financial statements to comply in all material respect with the notified accounting standards under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies(Accounts) Rules, 2014

### IV Basis for preparation and principal of consolidation

The consolidated financial statements of the Group have been prepared and presented under the historical cost convention on accrual basis. The Financial statements of the parent company and the subsidiaries have been combined on a line to line basis by adding together the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances/ transactions in full as per Accounting Standard -21 on Consolidated Financial Statements notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies(Accounts) Rules, 2014. Appropriate disclosures are made for significant deviations from the company's accounting policies, which have not been adjusted.

### V Other Significant Accounting Policies

Significant accounting policies followed by Sona Koyo Steering Systems Ltd are annexed to the independent standalone financial statements. The accounting policies of the subsidiaries are not in major variance.

#### - Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### - Tangible fixed assets

Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost comprises of the purchase price, incidental expenses, erection/commissioning expenses and borrowing cost on qualifying assets upto the date the asset is ready for its intended use, and initial estimate of decommissioning, restoring and similar liabilities.

When significant parts of plant and equipment are required to be replaced at intervals, the group depreciates them separately based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of Spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

The group adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed asset are total differences, arising on long term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words the group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

#### Capital Work-in-progress:

Projects under which Tangible fixed assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

The group identifies and determines cost of component/part of asset separately, if the component/part has a cost which is significant to the total cost of asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful life; the remaining asset is depreciated over the life of the principal asset.

Depreciation on Tangible fixed assets has been provided on a pro-rata basis from the month the assets are put to use on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking in to account the nature of the assets and estimated usage of the assets, past history of replacement and anticipated technological changes etc.:

- Dies	4 Years
- Vehicles	5.3 Years
- Spares	5 Years

Asset costing less than ₹ 5000 each are depreciated at the rate of 100%.

Leasehold improvements are depreciated over a period of 5 years or over the period of lease if less than five years.

- Depreciation has been provided on straight line method at the life different from the parent company (impact of which is not material), for a subsidiary company as follows:

Tools	- 1 to 4 Years
Furnishing with Employees	- 3 Years

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount

#### Classification of items of store and spare

Pre-revised Accounting Standard AS 10 required that standby and servicing equipment should normally be capitalized as fixed assets. It required that machinery spares are usually treated as inventory and charged to profit or loss on consumption. However, spare parts that can be only used in connection with a particular item of plant and machinery, and whose use was expected to be irregular, were capitalized. Such spare parts were depreciated over a period not exceeding use full life of the principal asset.

According to revised Accounting Standard AS 10, all spare parts, standby servicing equipment qualify as property, plant and equipment (PPE) if they meet the definition of PPE i.e if the group intends to use these during more than a period of 12 months. The spare parts capitalized on this manner are depreciated as per group policy.

The group has changed its accounting policy of fixed assets to comply with revised Accounting Standard AS 10. Had the group continued to use the earlier policy of classifying spares as inventories, its financial statements for the year ended 31st March, 2017 would have been impacted as below:

Inventories would have been higher by ₹ 212.44 Lakhs, plant and machinery (net of depreciation) would have been lower by ₹ 279.78 Lakhs, depreciation for the year would have been lower by ₹ 58.44 Lakhs and other expenses would have been higher by ₹ 142.36 Lakhs, Profit for the current year (net of tax) would have been lower by ₹ 54.88 Lakhs.

#### - Intangible Assets and Amortization thereof :

Intangible assets comprise of product development expenses and computer software and are stated at cost less accumulated amortization and impairment losses, if any.

Product development costs incurred including technical fees paid to collaborator for the development of new products for which letters of intent have been received from customers are accumulated and recognised as intangible assets, (included under fixed assets) and are amortized over a period of six years. Unamortized products development fee in respect of models discontinued during the year is fully charged off in Statement of Profit & Loss.

Software, which is not an integral part of the related computer hardware is classified as an intangible assets and is being amortized over a period of 72 months, being the estimated useful life.

Amortization expenses is charged on a pro-rata basis for assets purchased during the year. The appropriateness of the amortization period and the amortization method is reviewed at each financial year end.

## Leases:

### Where the Group is the lessee

Leases where the lessor effectively retain substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

### Where the Group is the lessor

Leases in which the group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Cost including depreciation is recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

### - Investments :

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investment.

Long term investments are stated at cost. Provision for diminution, other than temporary, is made wherever necessary for each individual non current investment.

### - Inventory Valuation :

- a) Inventories are valued at the lower of weighted average cost and net realisable value.
- b) All tools (including loose tools) are written off over their useful life and un-issued tools are valued at lower of weighted average cost and net realisable value. Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- c) Finished goods and work in progress include all cost of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods includes excise duty.
- d) Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighed average basis.  
Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

### - Foreign Currency Transactions :

#### Initial Recognition:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction.

#### Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

#### Exchange Difference:

- A) With respect to long-term foreign currency monetary items, from April 1, 2011 onwards, the Group has adopted the following policy:

- Foreign exchange difference on account of acquisition of depreciable fixed asset, is adjusted in the cost of the depreciable fixed asset, which would be depreciated over the remaining useful life of the asset.
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortized over the remaining life of the concerned long term monetary item.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the monetary asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of its origination.

- B) Other gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and loss.

#### Forward Exchange Contracts:

In case of Forward Exchange Contracts, the premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset / liability, is amortized as expense or income over the life of the contract. Exchange differences on such a contract are recognized in the Statement of Profit & Loss in the reporting period in which the exchange rate change.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognized in the Statement of Profit & Loss while gains are ignored.

#### - Excise :

Excise duty on finished goods manufactured is accounted on the basis of production of goods.

#### - Research & Development ;

- a) Capital Expenditure for Research is capitalised in the year of installation and depreciated accordingly.
- b) Revenue expenses incurred for Research is charged to Statement of Profit & Loss of the year in which it is incurred.

#### - Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- Sale of goods - Revenue from domestic and export sales are recognised on transfer of all significant risks and rewards or ownership to the buyer as per terms of contract.
- Price escalation claims from customers and discounts from suppliers are accounted in the year under audit, only if they are settled with the customers and suppliers respectively up to the date of finalisation of accounts.
- Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.
- Interest income is recognised on a time proportion basis taking in to account the amount invested and the rate of interest.

- Export benefit under various schemes notified by the government are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

#### - Expenses :

- Discounts to customers and price escalation to suppliers to the extent not settled at the Balance Sheet date are accounted on the basis of reasonable estimates made after considering negotiations with vendors/customers.
- Jigs and fixtures costing less than ₹ 5,000/- each are written off in the year of purchase.

#### - Borrowing Cost

Borrowing costs on loans relating to qualifying assets are capitalized to the extent incurred prior to these assets are ready for their intended use. Other borrowing costs are written off in the year to which they pertain. Borrowing cost include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

#### - Employee Benefits:

##### Provident Fund & Employees State Insurance Corporation etc.

Contributions to defined contribution schemes such as Provident Fund, Employees State Insurance Corporation and Punjab Labour Welfare Fund etc. are charged to the Statement of Profit and Loss as incurred. The contributions are made to a government administered Provident Fund towards which the group has no further obligations beyond its monthly contributions.

##### Gratuity

The group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The group has an Employee Gratuity Fund managed by Life Insurance Corporation of India. The group accounts for the liability of Gratuity Benefits payable in future based on an independent actuarial valuation at each balance sheet date.

##### Superannuation

Certain employees are also participants in the superannuation plan ('the Plan') which is a defined contribution plan. The group has no obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

##### Leave Encashment

The encashment of leave with pay is provided subject to certain rules for certain grade of employees. The eligible employees are entitled to accumulate leave subject to certain limits, for future encashment/availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

##### Termination Benefits

Termination benefits are recognised as an expense as and when incurred or only when the obligation can be reliably estimated.

#### - Taxes on income :

Taxes on income for the current year are determined on the basis of provisions of Income Tax Act.

Deferred Tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax asset are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax asset, in case there are taxable unabsorbed depreciation or losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Minimum Alternate Tax Credit (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the respective entities will pay normal tax during the specified period.

#### - Provisions & Contingencies

Loss contingencies arising from claims, litigations, assessments, fines, penalties, etc. are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated.

Warranty cost is provided on the basis of cost of warranty claims received from the customers and a reasonable estimate for future claims is made based on empirical data.

#### - Earning Per Share

Annualised Basic earning per equity share is arrived at based on net profit/(loss) after tax attributable to the equity shareholders.

Annualised Diluted earning per equity share is arrived at based on net profit/loss after tax attributable to the equity shareholders adjusted for the effects of all dilutive potential equity shares.

#### - Cash and Cash Equivalents :

Cash and cash equivalents for the purposes of cash flow statements comprise cash at bank and in hand and short-term highly liquid investment with an original maturity of three month or less.

#### - Accounting for proposed dividend

As per the requirements of pre-revised Accounting Standard AS-4, the group used to create a liability for dividend proposed/ declared after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per revised Accounting Standard AS 4, the group cannot create provision for dividend proposed/declared after the balance sheet date unless a statute requires otherwise. The group is required to disclose the same in notes to the financial statements.

Accordingly, the group has disclosed dividend proposed by board of directors after the balance sheet date in the notes.

Had the group continued with creation of provision for proposed dividend, its surplus in the statement profit and loss account for the year ended 31st March, 2017 would have been lower by ₹1196.00 Lakhs and current provision would have been higher by ₹1996.00 Lakhs (including dividend distribution tax of ₹ 202.29 Lakhs)

## Note 2 - Share capital

Particulars	As at	As at
	31st March, 2017 (₹ / Lakhs)	31st March, 2016 (₹ / Lakhs)
<b>Authorised Shares (in nos)</b>		
271000000 (Previous Year 271000000) Equity Shares of ₹ 1/- each	2710.00	2710.00
<b>Issued, Subscribed and Paid up Shares (in nos)</b>		
198741832 (Previous Year 198741832) Equity Shares of ₹ 1/- each fully paid up	1987.42	1987.42
	1987.42	1987.42

### a) Reconciliation of the equity shares outstanding at the beginning and at the end of reporting year

Reconciliation	As at		As at	
	31st March, 2017		31st March, 2016	
	No.	(₹/Lakhs)	No.	(₹/Lakhs)
Shares outstanding at the beginning of the year	198741832	1987.42	198741832	1987.42
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>198741832</b>	<b>1987.42</b>	<b>198741832</b>	<b>1987.42</b>

### b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

### c) Detail of shareholders holding more than 5% shares in the company

Name of Shareholder	As at		As at	
	31st March, 2017		31st March, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity share of ₹ 1/- each fully paid</b>				
Sona Autocomp Holding Ltd.	49914664	25.12%	49914664	25.12%
JTEKT Corporation, Japan	39947108	20.10%	39947108	20.10%
Maruti Suzuki India Ltd.	13800000	6.94%	13800000	6.94%

## Note 3 - Reserves & surplus

Particulars	As at	As at
	31st March, 2017 (₹/Lakhs)	31st March, 2016 (₹/Lakhs)
<b>Capital Reserve</b>	<b>0.44</b>	<b>0.44</b>
(On account of re-issue of forfeited equity shares)		
<b>Securities Premium Account</b>		
Balance as per the last financial statements	8070.76	8070.76
<b>Closing Balance</b>	<b>8070.76</b>	<b>8070.76</b>
<b>General Reserve</b>		
Balance as per the last financial statements	8190.71	8190.71
<b>Closing Balance</b>	<b>8190.71</b>	<b>8190.71</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	16481.06	14092.76
Add: Profit for the year	3648.62	3704.60
Less: Appropriations		
Proposed dividend	-	993.71
Tax on proposed dividend	-	277.94
Group's share of subsidiary dividend tax	-	44.65
<b>Net surplus in the statement of profit and loss</b>	<b>20129.68</b>	<b>16481.06</b>
<b>Total reserve and surplus</b>	<b>36391.59</b>	<b>32742.97</b>



## Note 4 - Long term borrowings

Particulars	Non-current portion		Current maturities	
	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
<b>Term Loans</b>				
<b>* From Banks</b>				
Indian rupee loans from banks (secured)	8824.11	6586.46	4939.53	3927.69
Foreign currency loans from banks (secured)	3209.57	8034.31	1896.26	3813.32
Foreign currency loans from banks (unsecured)	322.52	967.55	645.03	645.03
	<b>12356.20</b>	<b>15588.32</b>	<b>7480.82</b>	<b>8386.04</b>
Amount disclosed under the head "other current liabilities" (Refer note 10)	-	-	(7480.82)	(8386.04)
	<b>12356.20</b>	<b>15588.32</b>	<b>-</b>	<b>-</b>

### 1. Indian rupee loans from banks include:

- Rupee term loans of ₹ 13356.50 Lakhs (Previous year ₹ 9631.35 Lakhs) are secured by first pari passu charge over the entire movable and immovable fixed assets of the company, both present and future, except the assets exclusively charged. Loans to the extent of ₹ 3619.00 Lakhs (Previous Year ₹ 963.74 Lakhs) are further secured by way of second charge on current assets, on pari passu basis. The rate of interest on aforesaid loans are linked to the specific bank's base rate.
- Rupee term loan of ₹ 207.06 Lakhs ( Previous Year ₹ 72.84 Lakhs ) from Allahabad Bank is secured by way of exclusive charge on the vehicles financed out of the said term loan. The rate of interest on aforesaid loan is linked to bank's base rate.
- Rupee term loans of ₹ 186.63 Lakhs (Previous year ₹ 803.73 Lakhs) are secured by first pari passu charge over the entire movable and immovable fixed assets of the company and second charge on the current assets of the company. The loan carries fixed interest rate of 9.40% p.a. Further the shareholder company "Fuji Kiko Company Limited had issued "Letter of Guarantee" to the concerned bank for 49% of outstanding of above mentioned Rupee term loan.
- Rupee term loans of ₹ 13.45 Lakhs (Previous year ₹ 6.23 Lakhs) are secured by specific asset financed. The loan carries fixed interest rate of 9.65% p.a.

### 2. Foreign currency loans from banks include :

- Foreign currency loan of USD Nil equivalent to ₹ Nil (Previous year USD 5.00 Lakhs equivalent to ₹ 274.00 Lakhs ) from Standard Chartered Bank was secured by first pari passu charge on movable and immovable fixed assets except assets exclusively charged to other banks. The loan carries interest @ LIBOR plus 3% and was fully hedged.
- Foreign currency loan of USD Nil equivalent to ₹ Nil (Previous year USD 12.50 Lakhs equivalent to ₹ 628.12 Lakhs) from Standard Chartered Bank was secured by first pari passu charge on movable and immovable fixed assets except assets exclusively charged to other banks. The loan carries interest @LIBOR plus 3.5% and was fully hedged.
- Foreign currency loan of USD 22.50 Lakhs equivalent to ₹ 1349.55 Lakhs (Previous year USD 37.50 Lakhs equivalent to ₹ 2249.25 Lakhs) from Standard Chartered Bank is secured by first pari passu charge on movable and immovable fixed assets except assets exclusively charged to other banks. The loan carries interest @LIBOR plus 3.5% and was fully hedged.
- Foreign currency loan of USD 57.65 Lakhs equivalent to ₹ 3756.28 Lakhs (Previous year USD 65.00 Lakhs equivalent to ₹ 4235.40 Lakhs) from Standard Chartered Bank is secured by first pari passu charge on movable and immovable fixed assets except assets exclusively charged to other banks and further secured by way of second charge on current assets, on pari passu basis. . The loan carries interest @LIBOR plus 2.25% and is fully hedged.
- FCNR loan of USD Nil equivalent to ₹ Nil (Previous year USD 67.00 Lakhs equivalent to ₹ 4460.86 Lakhs ) from State Bank of India was secured by first pari passu charge on movable and immovable fixed assets except assets exclusively charged to other banks & Loans to the extent of ₹ Nil (Previous Year ₹ 3728.48 Lakhs) were further secured by way of second charge on current assets, on pari passu basis. The loan carries interest @LIBOR plus 3.25% and was fully hedged.
- Foreign currency loans (unsecured) of USD 16.00 Lakhs equivalent to ₹ 967.55 Lakhs (Previous year USD 2.67 Million equivalent to ₹ 1612.58 Lakhs ) against corporate guarantee given by the JTEKT Corporation, Japan. The loan carries interest @ USD LIBOR + 0.65% and fully hedged during the year.

### 3. Terms of repayment:

The above said loans are repayable as per the repayment schedule below :

(₹/Lakhs)

S. No.	Loan amount	No of Installments Due	Periodicity	2017-18	2018-19	2019-20	2020-21	2021-22
1	375.00	3	Quarterly	375.00	-	-	-	-
2	562.50	3	Quarterly	562.50	-	-	-	-
3	1349.55	6	Quarterly	899.70	449.85	-	-	-
4	3100.00	12	Quarterly	800.00	1,200.00	1,100.00	-	-
5	3200.00	12	Quarterly	800.00	1,200.00	1,200.00	-	-
6	419.00	5	Quarterly	332.00	87.00	-	-	-
7	1073.22	14	Quarterly	306.63	306.63	306.63	153.33	-
8	1149.88	15	Quarterly	306.63	306.63	306.63	229.99	-
9	1533.18	16	Quarterly	383.30	383.30	383.29	383.29	-
10	3400.00	17	Quarterly	800.00	800.00	800.00	800.00	200.00
11	1000.00	20	Quarterly	420.00	510.00	70.00	-	-
12	1300.00	20	Quarterly	600.00	700.00	-	-	-
13	189.31	48	Monthly	48.00	48.00	45.00	36.00	12.31
14	17.75	25	Monthly	11.70	5.70	0.35	-	-
15	186.63	2	Quarterly	186.63	-	-	-	-
16	8.41	39	Monthly	2.31	2.55	2.80	0.75	-
17	5.04	39	Monthly	1.39	1.53	1.68	0.44	-
18	967.55	3	Half Yearly	645.03	322.52	-	-	-
	19837.02			7480.82	6323.71	4216.38	1603.80	212.31

### Note 5 - Deferred tax liabilities (net)

Particulars	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
<b>Deferred tax liability</b>		
Depreciation	2988.63	3730.75
Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the statement of profit and loss in the subsequent year.	44.18	15.16
<b>Gross deferred tax liability</b>	<b>3032.81</b>	<b>3745.91</b>
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years.	414.28	367.83
<b>Gross deferred tax assets</b>	<b>414.28</b>	<b>367.83</b>
<b>Net deferred tax liability</b>	<b>2618.53</b>	<b>3378.08</b>

### Note 6 - Other long term liabilities

Particulars	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
Others		
Security deposit	3.00	2.00
Other payables *	-	7.15
	<b>3.00</b>	<b>9.15</b>

\* Comprises of dues on account of capital items.

**Note 7 - Provisions**

Particulars	Long-term		Short-term	
	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
<b>Provision for employee benefits</b>				
Gratuity (Refer note 26)	-	-	72.04	64.33
Leave encashment (Refer note 26)	790.31	646.14	97.23	87.14
	<b>790.31</b>	<b>646.14</b>	<b>169.27</b>	<b>151.47</b>
<b>Other provisions</b>				
Income Tax [Net of advance tax and TDS of ₹ 367.00 Lakhs (Previous Year ₹ 5683.38 Lakhs)]	-	-	31.12	159.80
Proposed dividend	-	-	-	993.71
Corporate dividend tax	-	-	-	356.05
Product warranty (Refer note 35 (a))	97.93	86.12	327.87	346.75
	<b>97.93</b>	<b>86.12</b>	<b>358.99</b>	<b>1856.31</b>
	<b>888.24</b>	<b>732.26</b>	<b>528.26</b>	<b>2007.78</b>

**Note 8 - Short term borrowings**

Particulars	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
Cash Credit/Other loans repayable on demand from banks (secured)	3951.03	6759.98
	<b>3951.03</b>	<b>6759.98</b>

Cash Credit/Other loans repayable on demand from banks are secured by hypothecation of inventories, book debts and other receivables both present & future and second pari passu charge on movable and immovable fixed assets of the company.

**Note 9 - Trade payables**

Particulars	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
Total outstanding dues of micro enterprises and small enterprises (Refer note 39)	182.28	32.67
Total outstanding dues of creditors other than micro enterprises and small enterprises	21126.04	19409.41
	<b>21308.32</b>	<b>19442.08</b>

**Note 10 - Other current liabilities**

Particulars	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
Current maturities of long-term borrowings (Refer note 4)	7480.82	8386.04
Interest accrued but not due on borrowings	95.13	140.33
Unclaimed dividends #	207.49	182.17
Security deposits	25.94	24.09
Taxes payable *	954.16	688.17
Interest free advances from customers	61.55	86.75
Other payables **	2456.42	1894.64
	<b>11281.51</b>	<b>11402.19</b>

# There are no amounts due for payment to the investor education & protection fund under section 125 of the Companies Act, 2013 as at the year end.

\* Taxes payable includes withholding tax, excise, sales tax etc.

\*\* Other payables includes, payment due to employees, dues on account of capital items, contribution to PF, ESI, etc.

## Note 11 - Fixed Assets - Current Year

(₹/Lakhs)

SI No	Particulars	Gross Block (At Cost)				As at 31.03.2017	Depreciation / Amortization				Impairment		Net Block		
		As at 01.04.2016	Additions	Sales/ Disposal	Other Adjustments#		up to 01.04.2016	For the Year	Written Back	Up to 31.03.2017	Up to 01.04.2016	For the Year	Up to 31.03.2017	As at 31.03.2017	
<b>Tangible assets</b>															
1	Freehold land	4811.04	1048.61	-	-	5859.65	-	-	-	-	-	-	-	-	5859.65
2	Lease hold land	221.50	0.00	221.50	0.00	-*	15.51	1.27	16.78	-	-	-	-	-	-
3	Buildings	20601.07	2054.54	-	179.24	22834.85**	3992.65	714.99	-	4707.64	-	-	-	-	18127.21
4	Lease hold improvements	46.28	-	-	-	46.28	37.44	5.35	-	42.79	-	-	-	-	3.49
5	Plant & equipments	70898.12	3731.28	1491.04	6.11	73144.47	40620.84	7174.47	1432.74	46362.57	-	16.34	16.34	26765.56	
6	Jigs & fixtures	860.02	110.79	32.91	0.14	938.04	504.37	97.70	31.33	570.74	-	-	-	367.30	
7	Electric installations	3951.49	31.73	-	-	3983.22	2232.44	354.16	-	2586.60	-	-	-	1396.62	
8	Furniture & fixtures	866.91	33.66	12.44	-	888.13	565.53	98.20	11.88	651.85	-	-	-	236.28	
9	Office equipments	3220.14	209.96	28.87	-	3401.23	2667.64	274.06	28.27	2913.43	-	-	-	487.80	
10	Vehicles	626.08	444.79	105.48	-	965.39	299.76	161.01	80.66	380.11	-	-	-	585.28	
11	R&D-Plant & equipments	477.66	-	-	-	477.66	280.45	40.53	-	320.98	-	-	-	156.68	
12	R&D-Office equipments	107.60	2.42	-	-	110.02	102.76	1.73	-	104.49	-	-	-	5.53	
<b>Sub total</b>		106687.91	7667.78	1892.24	185.49	112648.94	51319.39	8923.47	1601.66	58641.20	-	16.34	16.34	53991.40	
<b>Intangible assets</b>															
1	R&D-Computer softwares	85.79	-	-	-	85.79	65.90	5.02	-	70.92	-	-	-	14.87	
2	Computer softwares	1454.38	99.99	-	-	1554.37	798.02	247.77	-	1045.79	-	-	-	508.58	
3	Technical know-how	2590.34	564.43	-	-	3154.77	1313.31	417.56	-	1730.87	-	-	-	1423.90	
4	Product development cost	5391.90	1500.07	918.75	-	5973.22***	2750.20	705.77	918.75	2537.22	-	-	-	3436.00	
<b>Sub total</b>		9522.41	2164.49	918.75	-	10768.15	4927.43	1376.12	918.75	5384.80	-	-	-	5383.35	
<b>Total</b>		116210.32	9832.27	2810.99	185.49	123417.09	56246.82	10299.59	2520.41	64026.00	-	16.34	16.34	59374.75	
Capital work in progress - Tangible assets														1701.14	
Capital work in progress - Intangible assets under development														1110.02	
														2811.16	

\* During the year, the Supreme Court has quashed the Singur land acquisition proceedings of the West Bengal Government and directed the State Government to return the land to its original owners and therefore the Company has written off the cost of the leasehold Land appearing in the books.

\*\* Building (Gross block) amounting to Rs 1570.56 Lakhs, net block Rs 1322.45 Lakhs is constructed on leasehold land.

\*\*\* Internally generated intangible assets.

# Other adjustments comprises of borrowing cost and foreign currency exchange differences.

## Note 11 - Fixed Assets - Previous Year

(₹/Lakhs)

SI No	Particulars	Gross Block (At Cost)				As at 31.03.2016	Depreciation / Amortization				Impairment		Net Block	
		As at 01.04.2015	Additions	Sales/ Disposal	Other Adjustments#		Up to 01.04.2015	For the Year	Written Back	Up to 31.03.2016	Up to 01.04.2015	For the Year	Up to 31.03.2016	As at 31.03.2016
<b>Tangible assets</b>														
1	Freehold land	3218.56	1592.48	-	-	4811.04	-	-	-	-	-	-	-	4811.04
2	Lease hold land	221.50	-	-	-	221.50*	12.96	2.55	-	15.51	-	-	-	205.99
3	Buildings	17605.27	2870.52	-	125.28	20601.07**	3315.33	677.32	-	3992.65	-	-	-	16608.42
4	Lease hold improvements	46.28	-	-	-	46.28	32.09	5.35	-	37.44	-	-	-	8.84
5	Plant & equipments	67229.86	4111.90	592.01	148.37	70898.12	34205.81	6944.40	529.37	40620.84	-	-	-	30277.28
6	Jigs & fixtures	806.70	99.39	46.07	-	860.02	444.52	94.13	34.28	504.37	-	-	-	355.65
7	Electric installations	3730.97	216.36	-	4.16	3951.49	1799.59	432.85	-	2232.44	-	-	-	1719.05
8	Furniture & fixtures	835.68	47.26	16.03	-	866.91	463.48	115.29	13.24	565.53	-	-	-	301.38
9	Office equipments	3042.80	214.65	37.31	-	3220.14	2390.90	312.79	36.05	2667.64	-	-	-	552.50
10	Vehicles	745.12	73.43	192.47	-	626.08	370.88	111.74	182.86	299.76	-	-	-	326.32
11	R&D-Plant & equipments	470.83	6.83	-	-	477.66	229.26	51.19	-	280.45	-	-	-	197.21
12	R&D-Office equipments	103.33	4.27	-	-	107.60	101.60	1.16	-	102.76	-	-	-	4.84
<b>Sub total</b>		98056.90	9237.09	883.89	277.81	106687.91	43366.42	8748.77	795.80	51319.39	-	-	-	55368.52
<b>Intangible assets :</b>														
1	R&D-Computer softwares	82.19	3.60	-	-	85.79	61.13	4.77	-	65.90	-	-	-	19.89
2	Computer softwares	1177.41	276.97	-	-	1454.38	554.94	243.08	-	798.02	-	-	-	656.36
3	Technical know-how	2156.95	433.39	-	-	2590.34	960.27	353.04	-	1313.31	-	-	-	1277.03
4	Product development cost	4109.33	1282.57	-	-	5391.90***	2224.66	525.54	-	2750.20	-	-	-	2641.70
<b>Sub total</b>		7525.88	1996.53	-	-	9522.41	3801.00	1126.43	-	4927.43	-	-	-	4594.98
<b>Total</b>		105582.78	11233.62	883.89	277.81	116210.32	47167.42	9875.20	795.80	56246.82	-	-	-	59963.50
Capital work in progress - Tangible assets														2221.90
Capital work in progress - Intangible assets under development														1827.04
														4048.94

\* Leasehold land includes ₹ 221.50 Lakhs in respect of which lease deed is pending for execution.

\*\* Building (gross block) amounting to ₹ 1542.96 Lakhs, net block ₹ 1346.43 Lakhs is constructed on leasehold land.

\*\*\* Internally generated intangible assets.

# Other adjustments comprises of borrowing cost and foreign currency exchange differences.

**Note 12 - Non current investments**

Particulars	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
<b>Long-term investments (at cost unless stated otherwise)</b>		
<b>Trade investments</b>		
<b>Unquoted equity instruments, fully paid up</b>		
<b>In Associate Company:</b>		
Nil (Previous Year 2257591) Equity Shares of ₹10/- each in Sona Skill Development Centre Ltd.	-	240.38
Add : Group share of profits / (losses) up to 31-March-2017 (The group/ company has decided to disinvest the equity shares by 31st May, 2017.)	-	(155.62)
		84.76
Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	-	84.76

**Note 12 - Current investments**

Particulars	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
<b>Current portion of long term investments (at cost unless stated otherwise)</b>		
<b>Trade investments</b>		
<b>Unquoted equity instruments, fully paid up</b>		
<b>In Associate Company:</b>		
2257591 (Previous Year Nil) Equity Shares of ₹10/- each in Sona Skill Development Centre Ltd.*	240.38	-
Add : Group share of profits / (losses) up to 31-March-2017	(165.81)	74.57
		-
		-
	74.57	-
Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	74.57	-

\*(In earlier years, the group/ company has invested in Sona Skill Development Centre Ltd. with an intention of holding the same for more than one year from the date on which such investments was made. Accordingly, it classified the same as long-term investment under AS-13 Accounting For Investments. Since the group/ company has decided to disinvest these shares before 31st May, 2017., the group/ company has presented its investment in equity shares as "current investments" in the financial statement for the year ended 31st March 2017. However, for measurement purposes, the investment continues to be treated as long-term investments.)

**Note 13 - Loans and advances**

Particulars	Non-current		Current	
	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
<b>(Unsecured, considered good)</b>				
<b>Capital advances</b>	286.43	1083.13	-	-
	286.43	1083.13	-	-
<b>Security deposits</b>	164.96	172.36	56.69	48.56
	164.96	172.36	56.69	48.56
<b>Other loans and advances</b>				
Advance recoverable in cash or kind	-	-	224.05	175.78
Loans and advances to employees	5.72	5.69	30.59	35.75
Prepaid expenses	32.16	25.42	530.32	429.60
Balance with custom, excise and sales tax and other government authorities	0.06	1.78	1252.63	1861.01
Advance income tax [Net of provision for Income Tax ₹ 12579.65 Lakhs (Previous Year ₹ Nil)]	531.88	-	-	-
	569.82	32.89	2037.59	2502.14
	1021.21	1288.38	2094.28	2550.70

## Note 14 - Other assets

Particulars	Non-current		Current	
	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
<b>(Unsecured, considered good)</b>				
Non-current bank balances (Refer note 17)*	-	45.13	-	-
Unamortized premium on forward contracts	-	-	20.05	207.13
Interest receivable	-	-	17.64	0.47
Claims receivable	-	-	593.93	803.20
Interest accrued but not due on fixed deposits with banks	-	0.08	7.09	23.73
Unbilled revenue	-	-	1068.83	915.38
Other receivables	-	-	128.61	210.59
	-	45.21	1836.15	2160.50

\* Held as margin money deposits against bank guarantees and letter of credit.

## Note 15 - Inventories

Particulars	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
(At cost or net realisable value, whichever is lower)		
Raw materials and components *	4164.38	3977.52
Work-in-progress **	1430.91	1473.58
Finished goods ***	2485.71	2223.69
Stock-in-trade	5.21	11.10
Stores and spares	1010.08	1280.74
Loose tools	909.19	945.49
	10005.48	9912.12

\* Includes material in transit ₹ 133.23 Lakhs (Previous Year ₹ 124.45 Lakhs)

\*\* Includes goods in transit ₹ 143.80 Lakhs (Previous Year ₹ 48.41 Lakhs)

\*\* Includes material with the vendors sent for job work ₹ 103.17 Lakhs (Previous Year ₹ 84.84 Lakhs)

\*\*\* Includes goods in transit ₹ 1462.48 Lakhs (Previous Year ₹ 1356.73 Lakhs)

## Note 16 - Trade receivables

Particulars	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
<b>(Unsecured, considered good)</b>		
Receivables outstanding for a period exceeding six months from the date they are due for payment	19.41	35.68
Other receivables	20969.05	21490.79
	20988.46	21526.47

## Note 17 - Cash and bank balances

Particulars	Non-current		Current	
	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)	As at 31st March, 2017 (₹/Lakhs)	As at 31st March, 2016 (₹/Lakhs)
<b>(Unsecured, considered good)</b>				
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
Current accounts	-	-	214.35	248.24
Fixed deposits	-	-	5110.00	2975.00
Cash on hand	-	-	7.77	10.90
Cheque on hand	-	-	-	212.73
<b>Sub Total</b>	-	-	5332.12	3446.87
<b>Other bank balances</b>				
Fixed deposits with original maturity for more than 3 months and less than 12 months	-	-	27.40	-
Fixed deposits with original maturity for more than 12 months *	-	45.13	-	-
Unpaid dividend accounts	-	-	207.49	182.17
<b>Sub Total</b>	-	45.13	234.89	182.17
Amount disclosed under non-current assets (Refer note 14)	-	(45.13)	-	-
<b>Total</b>	-	-	5567.01	3629.04

\* Held as margin money deposits against bank guarantees and letter of credit.

**Note 18 - Revenue from operations**

Particulars	Year ended	Year ended
	31st March, 2017	31st March, 2016
	(₹/Lakhs)	(₹/Lakhs)
Sale of products	176665.49	170298.61
Sale of services - Job work	-	52.00
Other operating revenues		
Scrap sales	729.39	699.07
Others	1131.66	244.87
Revenue from operations (gross)	178526.54	171294.55
Less:		
Excise duty (Refer note 34)	20207.33	19464.10
Revenue from operations (net)	158319.21	151830.45

**Note 19 - Other income**

Particulars	Year ended	Year ended
	31st March, 2017	31st March, 2016
	(₹/Lakhs)	(₹/Lakhs)
Interest income	382.01	315.93
Foreign exchange gain (net)	63.23	29.46
Dividend from long term investments	-	35.00
Gain on sale of property fixed assets (net)	-	23.32
Gain on sales of long term trade investment	-	990.00
Other non-operating income	463.06	203.53
	908.30	1597.24

**Note 20 - Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	Year ended	Year ended
	31st March, 2017	31st March, 2016
	(₹/Lakhs)	(₹/Lakhs)
<b>Inventories at the beginning of the year</b>		
Work-in-progress	1473.58	1519.53
Finished goods	2223.69	1998.34
Stock-in-trade	11.10	12.28
	3708.37	3530.15
<b>Inventories at the end of the year</b>		
Work-in-progress	1430.91	1473.58
Finished goods	2485.71	2223.69
Stock-in-trade	5.21	11.10
	3921.83	3708.37
<b>Changes in inventories</b>	(213.46)	(178.22)
<b>Excise duty on increase / (decrease) in finished goods (Refer note 34)</b>	23.63	19.42
	(189.83)	(158.80)

**Note 21 - Employee benefits expense**

Particulars	Year ended	Year ended
	31st March, 2017	31st March, 2016
	(₹/Lakhs)	(₹/Lakhs)
Salaries, wages and allowances etc.	14475.75	13643.53
Contribution to provident and other funds	1337.31	1124.18
Employees welfare expenses	1985.61	1897.88
	17798.67	16665.59

**Note 22 - Finance costs**

Particulars	Year ended	Year ended
	31st March, 2017	31st March, 2016
	(₹/Lakhs)	(₹/Lakhs)
Interest on borrowings	2735.96	3067.07
Other borrowing costs	15.69	21.15
Other interest	31.87	30.00
Bank and other finance charges	68.46	51.73
Cash discount	1.95	2.85
	2853.93	3172.80

## Note 23 - Depreciation and amortization expenses

Particulars	Year ended 31st March, 2017 (₹/Lakhs)	Year ended 31st March, 2016 (₹/Lakhs)
Depreciation / amortization of tangible fixed assets	8923.47	8748.77
Amortization of intangible assets	1376.12	1126.43
	<b>10299.59</b>	<b>9875.20</b>

## Note 24 - Other expenses

Particulars	Year ended 31st March, 2017 (₹/Lakhs)	Year ended 31st March, 2016 (₹/Lakhs)
Stores and spare parts consumed	2064.29	1956.50
Loose tools consumed	1312.72	1192.99
Power and fuel	2473.41	2541.92
Repairs and maintenance - plant & machinery	768.87	714.48
Royalty	2010.24	1941.82
Rent	342.60	357.31
Rates and taxes	259.66	208.58
Insurance	134.46	124.20
Repair and maintenance - buildings	174.53	127.43
Repair and maintenance - others	920.82	733.98
Travelling, conveyance and vehicle expenses	851.99	756.66
Communication & stationery expenses	228.44	222.67
Legal & professional charges	1141.80	1157.91
Security charges	268.04	241.15
Business promotion expenses	141.33	264.14
Premium on forward exchange contracts amortized	123.87	133.99
Foreign exchange loss (net)	115.71	149.19
Forwarding expenses	1579.56	1508.10
Packing material	481.18	573.50
CSR expenses	54.44	86.57
Commission to non whole time directors	37.00	24.00
Directors sitting fees	115.93	128.73
Unrecoverable advances written off	18.65	-
Impairment loss	16.34	-
Loss on sale of fixed assets (net)	22.62	26.79
Fixed assets written off / discarded	205.49	-
Payments to auditors		
As auditor		
Audit fee	42.15	40.35
Tax audit fee	8.03	7.35
Limited review & consolidation	27.30	26.60
In other capacity		
Taxation matters	8.74	3.16
Other services (certifications fee)	15.19	11.48
Miscellaneous expenses	255.31	266.97
	<b>16220.71</b>	<b>15528.52</b>

## Note 25 - Earnings per share

Particulars		Year ended 31st March, 2017	Year ended 31st March, 2016
Profit after tax (₹ Lakhs)		<b>3648.62</b>	3704.60
Profit/(loss) attributable to the Equity Shareholders (₹ Lakhs)	(A)	<b>3648.62</b>	3704.60
Basic/Weighted average number of Equity Shares outstanding during the year (Nos.)	(B)	<b>198741832</b>	198741832
Nominal value of Equity Shares (In ₹)		<b>1.00</b>	1.00
Earnings per equity share (In ₹)			
Basic	(A/B)	<b>1.84</b>	1.86
Diluted	(A/B)	<b>1.84</b>	1.86



## Note 26 - Employees Benefits

	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
<b>Defined Contribution Plans:</b>		
i) The Group has recognised, in the Statement of Profit & Loss for the year ended March 31, 2017 an amount of ₹ 1082.16 Lakhs		
(Previous year ₹ 859.75 Lakhs) as expenses under defined contribution plans. Contribution to defined contribution plans include :		
a) Employer's Contribution to Provident fund	654.94	649.62
b) Employer's Contribution to Superannuation fund	384.46	173.83
c) Employer's Contribution to Employee State Insurance Corporation	39.01	32.55
d) Punjab labour welfare fund (PLWF)	3.75	3.75
	<b>1082.16</b>	<b>859.75</b>

The expense is disclosed in the line item - Contribution to provident and other funds in note 21

### Defined Benefit Plans:

- i) a) The Group operates post retirement defined benefit plan for retirement gratuity, which is funded.
- b) During the year, the Holding Company's Employees Provident Fund Trust has transferred its entire provident fund liability of the certain Company's employees to Government's administered Employees Provident Fund Scheme, 1952 and therefore the Company's obligations is now restricted toward payment of monthly provident fund contributions of the aforesaid employees as per Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- ii) Detail of the post retirement funded provident fund, gratuity plan and unfunded leaves are as follows :

	Provident fund (Funded)		Gratuity (Funded)*		Leave (Unfunded)	
	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
<b>1 Reconciliation of opening and closing balances of obligations :</b>						
a Opening defined benefit obligation	-	618.86	1751.91	1765.17	733.29	669.15
b Current service cost	-	16.69	190.12	159.24	165.29	144.29
c Past service cost	-	-	-	-	-	-
d Interest cost	-	68.32	141.90	142.98	59.40	54.20
e Actuarial (gain) / loss	-	(28.85)	274.30	(85.08)	41.29	(36.18)
f Benefits paid	-	(281.87)	(124.52)	(230.40)	(111.73)	(98.17)
g Employee contribution	-	25.24	-	-	-	-
h Settlements	-	-	-	-	-	-
i Change in reserves	-	-	-	-	-	-
j Closing defined benefit obligation	-	418.39	2233.71	1751.91	887.54	733.29
<b>2 Change in Plan assets ( reconciliation of opening and closing balances) :</b>						
a Opening fair value of plan assets	-	663.58	1964.39	1759.31	-	-
b Prior period adjustment	-	-	-	-	-	-
c Expected return on plan asset	-	72.23	166.43	158.70	-	-
d Employer contributions	-	16.69	276.09	258.39	-	-
e Benefits paid	-	(281.87)	(120.20)	(230.40)	-	-
f Employee contribution	-	25.24	-	-	-	-
g Settlements	-	-	-	-	-	-
h Actuarial gain / (loss) on plan assets	-	(71.82)	(33.08)	18.39	-	-
i Closing fair Value of plan assets	-	424.05	2253.63	1964.39	-	-
<b>3 Reconciliation of fair value of assets and obligations :</b>						
a Present value of obligation	-	418.39	2233.71	1751.91	887.54	733.29
b Fair value of plan (assets)	-	(424.05)	(2253.63)	(1964.39)	-	-
c Unfunded (asset)/liability recognised in the balance sheet	-	-	-*	-*	887.54	733.29

	Provident fund (Funded)		Gratuity (Funded)*		Leave (Unfunded)	
	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
d Experience adjustments on plan liabilities - (loss)/gain	-	-	(107.54)	(23.59)	(2.34)	2.39
e Experience adjustments on plan assets - (loss)/gain	-	-	(36.03)	17.23	-	-
* The excess of assets over liabilities in respect of gratuity have not been recognised as the same are lying in an income tax approved irrevocable trust funds						

#### 4 Expense recognised during the year :

a Current service cost	-	16.69	190.12	159.24	165.29	144.29
b Interest cost	-	68.32	141.90	142.98	59.40	54.20
c Expected return on plan assets	-	(72.23)	(166.43)	(158.70)	-	-
d Actuarial (gain) / loss	-	42.97	307.38	(103.47)	41.29	(36.18)
e Past service cost	-	-	-	-	-	-
f Expenses recognised during the year	-	55.75	472.97	40.05	265.98	162.31

#### 5 Assumptions :

a Discount Rate (per annum)	-	7.60%	7.20% to 7.50%	8.10%	7.20% to 7.50%	8.10%
b Expected rate of return on plan assets (per annum)	-	8.80%	6.82% to 8.25%	7.31% to 8.50%	N.A	N.A
c Rate of increase in compensation level (per annum)	-	-	5.50% to 10%	5.50% to 10%	5.50% to 10%	5.50% to 10%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market. The above information is certified by the actuarial valuer.

The discount rate is based on the prevailing market yield of Govt. bonds as at the date of valuation.

The expected return on assets over the accounting period based on an assumed rate of return.

	Gratuity	Leave
Estimate of contribution next year (₹/ Lakhs)	179.84	200.67

#### iii Investment details of plan assets :

Major category of investments as a percentage in case of provident fund trust :

	Provident fund	
	Current Year	Previous Year
Central Government Securities	-	2.19%
State Government Securities	-	15.00%
Securities of Public Financial Institutions	-	67.94%
Private Sector Bonds / Securities	-	14.87%

The plan assets, as applicable, are maintained with Life Insurance Corporation of India(LIC) / other insurers Gratuity schemes. The detail of investments maintained by respective insurers are not made available to the Group and have therefore not been disclosed.

(₹/ Lakhs)

iv Reconciliation of fair value of assets and obligations for the past years	31st March 2015		31st March 2014		31st March 2013	
	Gratuity	Leaves	Gratuity	Leaves	Gratuity	Leaves
a Present value of obligation	1765.17	669.15	1562.83	625.96	1449.85	540.54
b Fair value of plan (assets)	(1639.83)	-	(1539.62)	-	(1430.47)	-
c Unfunded (asset)/liability recognised in the balance sheet	125.34	669.15	23.21	625.96	19.38	540.54
d Experience adjustments on plan liabilities - (loss)/gain	(30.51)	26.44	46.66	9.46	(33.12)	4.70
e Experience adjustments on plan assets - (loss)/ gain	(20.53)	-	(1.54)	-	5.99	-

\* The excess of assets over liabilities in respect of gratuity has not been recognised as the same is lying in an income tax approved irrevocable trust fund.

#### Note:

Disclosures included are limited to the extent of information provided by the actuary.

**Note 27 - Leases****Operating lease: The Group as lessee**

- (i) The Group has taken various residential and office premises under operating lease on lease and license agreements. These are generally cancellable; have a term of 11 to 36 months. The lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement. The Group has taken vehicles for its employees under operating lease agreement have a term of 48 months. Lease payments are recognised in the statement of profit and loss in the year incurred.

An amount of ₹ 281.87 Lakhs (Previous Year ₹ 300.05 Lakhs) is recognized in the Statement of Profit and Loss for the year ended March 31, 2017. The total future minimum lease payments under the aforesaid leases are as follows:

	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
Lease rentals payable with in one year	114.68	94.62
Lease rentals payable after one year but not more than five years	104.97	14.58
	219.65	109.20

- (ii) The Group has taken office premises under non cancellable operating lease agreement for a term of five years. The lease rental for the current year and future minimum lease payment are as follows:

	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
Lease rentals paid for the year	128.37	118.55
Lease rentals payable with in one year	29.30	49.21
Lease rentals payable after one year but not more than five years	-	59.35
	157.67	227.11

**Note 28 - Fixed Assets / Capital Work in Progress Incurred During the Year Includes**

	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
a) Professional charges	580.13	247.17
b) Technical support charges	581.02	552.45
c) Components, tools & spares	884.34	1463.85
d) Travelling expenses	28.96	111.98
e) Finance cost	136.33	220.09
f) Loss on foreign exchange fluctuations on ECB loan	-	2.97
g) Others	80.28	126.44
h) Salary	788.08	303.71
	3079.14	3028.66

**Note 29 - Segment Reporting**

The Group is primarily engaged in the business of auto components of four wheelers, which are governed by the same set of risk and returns, and hence there is only one primary segment. The Group operates mainly to the needs of domestic market and export turnover is less than ten percent of the total turnover and hence there are no reportable secondary geographical segments

**Note 30 - Capital and other Commitments**

	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
l) Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	1528.50	1828.03

## Note 31 - Contingent Liabilities

	Period Covered	Current Year* (₹/Lakhs)	Previous Year* (₹/Lakhs)
I) Claims against the Group not acknowledged as debt on account of :			
(a) Excise Duty			
i) Show cause notices received and pending with Adjudication Authority	2000-01 to 2006-07	1682.65	1681.07
ii) Cases pending before Appellate authorities in respect of which the holding company / Subsidiary company has filed appeals.	2007-08 to 2011-12	449.15	427.49
<b>Total</b>		<b>2131.80</b>	<b>2108.56</b>
(b) Service Tax			
i) Show cause notices received and pending with Adjudication Authority	2004-05 to 2013-14	64.96	60.75
ii) Cases pending before Appellate authorities in respect of which the holding company / Subsidiary company has filed appeals.	2005-06 to 2008-09	-	79.46
	2009-10 to 2015-16	8.77	82.64
<b>Total</b>		<b>73.73</b>	<b>222.85</b>
(c) VAT Haryana			
Local Area Development Tax ( LADT) levied by Assessing Authority Gurgaon. The Constitutional bench of the Supreme Court in its order dated 11.11.2016 has given certain guidelines relating to power of States to levy tax on entry of goods into local area. The pending cases, including that of holding company is yet to be decided by the regular benches of Supreme Court.	2007-08 to 2016-17	1273.69	1106.51
(d) Customs Duty			
Show cause notice received by holding company from adjudication authority (DGFT) for advance license	2012-13	7.64	7.24
* Includes penalty wherever indicated in the order and interest calculated up to the year end			
(e) Income Tax			
Cases pending before Appellate Authorities in respect of which holding company has filed appeal	2011-12 to 2013-14	-	7.94
The group has been advised that the above demands are likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.			
II) Customer bills discounted		2113.53	1743.88
III) Letter of credit opened by banks for purchase of inventory / capital goods		55.06	84.63

## Note 32 - Exposures in foreign currency

I. Assets	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign Currency (₹/Lakhs)	Amount (₹/Lakhs)	Exchange Rate	Amount in Foreign Currency (₹/Lakhs)	Amount (₹/Lakhs)
Receivables (Trade & Others)	JPY	0.5695	39.78	22.66	0.5840	74.36	43.42
	EURO	68.11	2.41	163.82	74.50	1.96	145.85
	USD	64.1	22.11	1417.21	65.70	26.22	1722.86
Total Receivables (A)		-	-	1603.69	-	-	1912.13
Hedges by derivative contracts (B)		-	-	-	-	-	-
Unhedged receivables C=A-B		-	-	1603.69	-	-	1912.13
<b>II. Liabilities</b>							
Payables (trade & other)	CHF	65.76	0.40	26.62	69.49	0.20	13.60
	JPY	0.5952	6500.50	3869.16	0.5951	4666.35	2776.82
	EURO	70.36	0.44	30.95	76.00	0.49	37.31
	USD	65.82	12.47	820.67	-	15.06	1011.00
	SGD	-	-	-	49.47	0.02	1.13
	GBP	-	-	-	96.09	-	0.35
Borrowings (ECB and Others)	USD	-	-	-	66.58	5.00	332.90
	USD	-	-	-	66.58	12.50	832.25
	USD	63.47	38.50	2443.55	64.04	64.17	4109.33
	USD	65.60	57.65	3781.65	66.58	65.00	4327.70
	USD	65.60	22.81	1496.05	66.58	88.73	5907.92
Total Payables (D)		-	-	12468.65	-	-	19350.31
Hedges by derivative contracts	JPY	0.5971	5207.22	3109.22	0.5946	3510.73	2087.49
	USD	65.88	9.65	635.47	66.69	76.76	5119.15
	CHF	65.76	0.34	22.40	69.49	0.15	10.26
	USD	-	-	-	66.58	5.00	332.90
	USD	-	-	-	66.58	12.50	832.25
	USD	63.47	38.50	2443.55	64.04	64.17	4109.33
	USD	65.60	57.65	3781.65	66.58	65.00	4327.70
Total hedges by derivative contracts (E)		-	-	9992.29	-	-	16819.08
Unhedged Payables F=D-E		-	-	2476.36	-	-	2531.23
<b>III. Contingent Liabilities and Commitments</b>							
Contingent Liabilities	USD	65.60	0.17	11.08	66.58	0.07	4.46
	EURO	70.36	0.63	43.98	-	-	-
	JPY	-	-	-	0.60	134.40	80.17
Commitments	USD	65.60	22.52	1477.30	66.58	1.66	110.29
	EURO	70.36	1.66	116.53	-	-	-
	CHF	65.76	0.50	33.12	-	-	-
	JPY	0.59	3371.63	1981.17	-	1439.02	858.37
<b>Total (G)</b>		-	-	3663.18	-	-	1053.29
Hedges by derivative contracts (H)		-	-	-	-	-	-
Unhedged Payables (I=G-H)		-	-	3663.19	-	-	1053.29
<b>Total unhedged FC Exposures (J=C+F+I)</b>		-	-	7743.24	-	-	5496.65

### Note 33 - Deferral / Capitalization of Exchange Differences

MCA vide its circular dated 29th December 2011 and 9th August 2012 amended Accounting Standard AS -11 , The Effects of changes in foreign exchange rates, to allow companies deferral / capitalization of exchange differences arising on long term foreign currency monetary items.

The net amount of exchange loss capitalized to depreciable assets and remaining to be amortized as on March 31, 2017 is ₹ 498.99 Lakhs (Previous Year ₹ 594.28 Lakhs)

**Note 34** - The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except duty related to difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed as excise duty expense in "Raw material and components cost - increase/(decrease) in excise duty on finished goods" under note 20 annexed and forming part of statement of profit and loss.

**Note 35(a)** - A provision is recognized for expected warranty claims on products sold during the last two to three years, based on past experience of the level of returns. It is expected that significant portion of these cost will be incurred in the next financial year and all will have been incurred within three years after reporting date. Assumptions used to calculate the provision for warranties were based on current sales level and current information available about returns based on the three year warranty period for products sold. The table below gives information about movement in warranty provisions.

Provision for product warranty details as required by Accounting Standard AS - 29 (Refer note 7)

Description	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
Opening Balance	432.87	400.96
Add: Addition During The Year	322.19	371.67
Less: Charged off to the Statement of Profit & Loss	329.26	339.75
Closing Balance	425.80	432.87

The warranty expenses of ₹ 329.26 Lakhs (Previous Year ₹ 339.75 Lakhs) are charged off to statement of Profit and Loss included under the head forwarding expenses. (note 24)

### (b) Other Provisions

#### Provision for slow moving inventory

Description	Current Year (₹/ Lakhs)	Previous Year (₹/ Lakhs)
Opening Balance	-	28.52
Add: Addition During The Year	-	-
Less: Charged off to the Statement of Profit & Loss	-	28.52
Closing Balance	-	-

**Note 36** - Disclosures in respect of Specified Bank Notes (SBN) or other denomination notes as per the Ministry of Corporate Affairs (MCA) notification No. G.S.R. 308 (E) dated March 31, 2017 is as under :

Particulars	SBNs (₹/ Lakhs)	Other Denomination Notes (₹/ Lakhs)	Total (₹/ Lakhs)
Closing cash in hand as on 08-11-2016	6.65	2.79	9.44
(+) Permitted Receipts	-	22.34	22.34
(-) Permitted Payments	-	18.49	18.49
(-) Amount Deposited in Bank	5.91	-	5.91
Closing cash in hand as on 30-12-2016	0.74	6.64	7.38

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

### Note 37 - Expenditure on Corporate Social Responsibility (CSR)

(a) Gross amount required to be spent by the group during the year ended 31st March, 2017 ₹ 159.12 Lakhs (Previous Year ₹ 145.17 Lakhs)

(b) Amount spent during the year ended 31st March, 2017:

Particulars	Current Year (₹/Lakhs)			Previous Year (₹/Lakhs)		
	Paid (A)	Yet to be paid (B)	Total (A+B)	Paid (A)	Yet to be paid (B)	Total (A+B)
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	54.44	-	54.44	86.57	-	86.57

(c) Details of related party transactions:

- (i) Contribution during the year ended 31st March, 2017 ₹ 21.00 Lakhs (Previous Year ₹ 43.00 Lakhs)
- (ii) Payable as at 31st March, 2017 – Nil (Previous Year - Nil)

**Note 38** - The Group has a process whereby periodically all long term contracts including derivative contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts including derivative contracts has been made in the books of accounts.

#### Note 39 - Information In Terms Of Section 22 Of The Micro, Small And Medium Enterprises Development Act, 2006

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	31st March, 2017 (₹/Lakhs)	31st March, 2016 (₹/Lakhs)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Principal - 182.28 Interest - 0.00	Principal - 32.67 Interest - 0.00
The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year, and 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 enterprises for the purpose of disallowance as deductible expenditure under Section 23 of the Micro Small and Medium Enterprises Development Act, 2006.	-	-

#### Note 40 - Additional Information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III of Companies Act, 2013.

Name of the entity	Net Assets, i.e., Grand total assets minus Grand total liabilities				Share in profit or loss			
	As at 31st March 2017		As at 31st March 2016		As at 31st March 2017		As at 31st March 2016	
	As % of consolidated net assets	Amount (₹/Lakhs)	As % of consolidated net assets	Amount (₹/Lakhs)	As % of consolidated profit or loss	Amount (₹/Lakhs)	As % of consolidated profit or loss	Amount (₹/Lakhs)
<b>Parent</b>								
Sona Koyo Steering Systems Ltd.	58.77%	29877.58	59.97%	27519.06	64.64%	2358.52	67.48%	2499.73
<b>Subsidiary</b>								
JTEKT Sona Automotive India Limited	41.52%	21109.24	40.30%	18492.60	71.72%	2616.64	78.65%	2913.83
Sona Fuji Kiko Automotive Limited	6.57%	3339.39	5.73%	2627.60	19.51%	711.80	11.62%	430.64
<b>Associate (Investment as per equity method)</b>								
Sona Skill Development Centre Limited	0.15%	74.57	0.18%	84.76	-0.56%	(20.39)	-0.72%	(26.73)
<b>Minority interest in all subsidiaries</b>	24.51%	12458.97	24.32%	11159.39	46.13%	1683.27	45.81%	1697.07
<b>Consolidation Adjustments</b>	-31.52%	(16021.74)	-30.49%	(13993.61)	-101.44%	(3701.20)	-102.84%	(3809.92)
<b>Grand Total</b>	100.0%	50837.98	100.0%	45889.78	100.0%	3648.62	100.0%	3704.60

#### 41 (a) - Related Party Disclosures (Transactions with Related Parties)

(₹/Lakhs)

Particulars	Significant Control	Substantial Interest	Others (Significant Influence)	Key Management Personnel	Relative To Key Management Person	Associates	Total
Advance Paid	-	-	-	-	-	-	-
Advance Paid (Previous Year)	-	-	-	-	-	-	-
Advance Received	-	-	-	-	-	-	-
Advance Received (Previous Year)	-	-	-	-	-	-	-
Cash Discount Paid	-	-	1.24	-	-	-	1.24
Cash Discount Paid (Previous Year)	-	-	(12.84)	-	-	-	(12.84)
Cash Discount Received	-	-	-	-	-	-	-
Cash Discount Received (Previous Year)	-	-	(0.13)	-	-	-	(0.13)
CSR Expenses	-	-	21.00	-	-	-	21.00
CSR Expenses (Previous Year)	-	-	(43.00)	-	-	-	(43.00)
Dividend Paid	-	796.25	69.03	0.14	-	-	865.42
Dividend Paid (Previous Year)	-	(844.31)	(89.70)	(0.18)	(0.22)	-	(934.41)
Dividend Received	-	-	-	-	-	-	-
Dividend Received (Previous Year)	-	-	-	-	-	-	-
Donation	-	-	22.00	-	-	-	22.00
Donation (Previous Year)	-	-	(20.00)	-	-	-	(20.00)
Remuneration*	-	-	-	731.74	-	-	731.74
Remuneration* (Previous Year)	(33.22)	-	-	(650.41)	(3.00)	-	(686.64)
Contribution to PF Trust	-	-	26.93	-	-	-	26.93
Contribution to PF Trust (Previous Year)	-	-	(16.69)	-	-	-	(16.69)
Interest Income	-	-	9.17	-	-	-	9.17
Interest Income(Previous Year)	-	-	(0.29)	-	-	-	(0.29)
Investment	-	-	-	-	-	-	-
Investment (Previous Year)	-	-	-	-	-	-	-
Leasing of Premises Paid	-	-	38.14	-	-	-	38.14
Leasing of Premises Paid (Previous Year)	-	-	(30.23)	-	-	-	(30.23)
Leasing of Premises Received	-	-	-	-	-	-	-
Leasing of Premises Received (Previous Year)	-	-	-	-	-	-	-
Other Income	-	2751.23	-	-	-	-	2751.23
Other Income (Previous Year)	-	-	-	-	-	-	-
Purchase of Capital Goods	-	-	70.73	-	-	-	70.73
Purchase of Capital Goods (Previous Year)	-	(288.83)	(16.21)	-	-	-	(305.05)
Purchase of Goods	-	4572.27	5494.51	-	-	-	10066.79
Purchase of Goods (Previous Year)	-	(6487.92)	(4925.84)	-	-	-	(11413.76)
Receiving of Services	-	55.11	8.51	-	-	73.51	137.13
Receiving of Services (Previous Year)	-	(42.37)	(5.47)	-	-	(54.91)	(102.74)
Reimbursement of Expenses Recovered	-	31.29	75.52	-	-	-	106.82
Reimbursement of Expenses Recovered (Previous Year)	-	(26.56)	(43.70)	-	-	-	(70.25)
Reimbursement of Expenses Paid	-	376.81	20.94	-	-	-	397.74
Reimbursement of Expenses Paid (Previous Year)	-	(376.83)	(22.70)	-	-	-	(399.53)
Rendering of Services	-	-	140.73	-	-	-	140.73
Rendering of Services (Previous Year)	-	-	(162.48)	-	-	-	(162.48)
Royalty Paid	-	1819.98	-	-	-	-	1819.98
Royalty paid (Previous Year)	-	(1794.98)	-	-	-	-	(1794.98)
Sale of Capital Goods	-	-	0.63	-	-	-	0.63
Sale of Capital Goods (Previous Year)	-	-	-	-	-	-	-
Sale of Goods	-	89.31	108545.71	-	-	-	108635.02
Sale of Goods (Previous Year)	-	(75.64)	(94459.36)	-	-	-	(94534.99)
Security Deposit Paid	-	-	-	-	-	-	-
Security Deposit Paid (Previous Year)	-	-	-	-	-	-	-
Director Sitting Fee	-	-	10.00	91.25	-	-	101.25
Director Sitting Fee (Previous Year)	(0.25)	-	(8.56)	(87.60)	(9.00)	-	(105.41)
Technical Support Fee	-	977.16	-	-	-	-	977.16
Technical Support Fee (Previous Year)	-	(547.48)	-	-	-	-	(547.48)
Technicians Expenses	-	-	-	-	-	-	-
Technicians Expenses (Previous Year)	-	-	-	-	-	-	-
Corporate Guarantee On Loans From Bank	-	1615.39	-	-	-	-	1615.39
Corporate Guarantee on loans from bank (Previous Year)	-	(1935.10)	-	-	-	-	(1935.10)



(₹/Lakhs)

Particulars	Significant Control	Substantial Interest	Others (Significant Influence)	Key Management Personnel	Relative To Key Management Person	Associates	Total
Tooling Purchased	-	-	-	-	-	-	-
Tooling Purchased (Previous Year)	-	(6.01)	-	-	-	-	(6.01)
Outstanding Balance as on 31.3.2017 (Debit)	-	-	10252.49	-	-	-	10252.49
Outstanding balance as on 31.03.2016 (Debit)	-	-	(10323.22)	-	-	-	(10323.22)
Outstanding Balance as on 31.3.2017 (Credit)	-	2880.52	371.22	-	-	17.00	3268.75
Outstanding balance as on 31.03.2016 (Credit)	-	(2529.74)	(444.76)	-	-	(1.64)	(2976.14)

1. Figures in bracket are in respect of the previous year

2. \* Remuneration includes director commission, contribution to superannuation and provident fund

**Name of related party & description of relationship is as below:**

1. The entity having substantial interest in the Group
  - 1 Sona Autocomp Holdings Ltd
  - 2 JTEKT Corporation
2. Others ( Significant Influence )
  - 1 Sona BLW Precision Forgings Ltd
  - 2 Mahindra Sona Limited
  - 3 Sona E design & Technologies Limited upto 17-May-16
  - 4 Kapur Properties & Investment
  - 5 Mandira Marketing Limited
  - 6 Koyo Bearings India Pvt Ltd
  - 7 Sona BLW Prazisionsschmiede GMBH
  - 8 Sona BLW Precision Forge INC
  - 9 Sona Koyo Steering Systems Ltd EPF Trust
  - 10 Sona Charitable Trust
  - 11 Sona Management Services Limited
  - 12 Sona Autocomp Germany GMBH
  - 13 Mrs Rani Kapur
  - 14 Koyo Singapore Bearings PTE Ltd
  - 15 Shye FU Koyo Mechanical Industry Co Ltd., China
  - 16 Douglas Autotech Corporation USA
  - 17 PT JTEKT Indonesia
  - 18 JTEKT Automotive Malaysia
  - 19 Toyoda Micromatic Machinery India Pvt. Ltd.
  - 20 Koyo Kowa Co. Ltd.

Additional Related Party as per Companies Act 2013

  - 21 Maruti Suzuki India Limited
  - 22 Avian Media India Ltd
3. Key Management Personnel
  - 1 Mr. Sunjay Kapur
  - 2 Mr Kiyozumi Kamiki – Executive Director
  - 3 Mr. Kiran Manohar Deshmukh – Executive Director
  - 4 Mr. Yoshihiro Takeda
  - 5 Mr. Deepak Arora
  - 6 Mr. Shigemi Takahashi
  - 7 Mr. Y. Hagita

Additional Related Party as per Companies Act 2013

  - 8 Mr Sudhir Chopra – Company Secretary
  - 9 Mr Rajiv Chanana – Chief Financial Officer
  - 10 Mr. Sunder Rajan upto 31.01.2016
  - 11 Mr. Bhagwan Dass Mangla
  - 12 Ms. Neha Malik
  - 13 Mr. Ramesh Suri – Non Executive Director
  - 14 Mr Ravi Bhoothalingam – Non Executive Director
  - 15 Mr. P.K. Chadha – Non Executive Director
  - 16 Lt Gen (Retd) S.S. Mehta – Non Executive Director
  - 17 Mrs. Ramni Nirula – Non Executive Director
  - 18 Mr. Prasan A. Firodia – Non Executive Director
  - 19 Mr. Kazuhiko Ayabe – Non Executive Director
  - 20 Mr. Hidekazu Omura – Non Executive Director
5. Associates
  - 1 Sona Skill Development Centre Ltd

#### 41 (b) - Transaction in excess of 10% of the total Related Party Transactions

			(₹/ Lakhs)	
Relationship	Name of Party	Description of the nature of transaction	For the Year Ended 31-March-17	For the Year Ended 31-March-16
Other Significant influence	Maruti Suzuki India Ltd	Cash Discount Paid	1.24	4.52
Other Significant influence	Mandira Marketing Limited	Cash Discount Paid	-	8.32
Other Significant Influence	Sona Charitable Trust	CSR Expenses	21.00	43.00
Relative to Key Management Personnel	Mr. J.M. Kapur	Commission	-	3.00
Other Significant influence	Maruti Suzuki India Ltd	Dividend Paid	-	89.70
Substantial Interest	JTEKT Corporation	Dividend Paid	546.68	519.86
Substantial Interest	Sona Autocomp Holdings Ltd	Dividend Paid	249.57	324.45
Other Significant Influence	Sona Charitable Trust	Donation	22.00	20.00
Other Significant Influence	Sona Koyo Steering Systems Ltd EPF Trust	Contribution to PF Trust	26.93	16.69
Other Significant influence	Maruti Suzuki India Ltd	Interest Income	9.17	0.29
Other Significant influence	Sona BLW Precision Forgings Ltd	Leasing of Premises Paid	38.14	26.27
Other Significant influence	Kapur Properties & Investment	Leasing of Premises Paid	-	3.96
Substantial Interest	JTEKT Corporation	Other Income	2751.23	-
Substantial Interest	JTEKT Corporation	Purchase of Fixed Assets	-	288.83
Other Significant influence	Koyo Kowa Co Ltd	Purchase of Fixed Assets	70.73	-
Other Significant Influence	Sona BLW Precision Forgings Ltd	Purchase of Goods	1764.06	-
Other Significant Influence	Koyo Bearings India Pvt Ltd	Purchase of Goods	3520.44	3953.68
Substantial Interest	JTEKT Corporation	Purchase of Goods	4572.27	6487.92
Other Significant influence	SKH Global Travels Private Ltd	Receiving of Services	-	-
Associates	Sona Skill Development Centre Ltd	Receiving of Services	73.51	54.91
Substantial Interest	JTEKT Corporation	Receiving of Services	55.11	42.37
Other Significant Influence	Sona Autocomp Germany GMBH	Reimbursement of Expenses Recovered	39.15	-
Other Significant influence	Sona Management Services Limited	Reimbursement of Expenses Recovered	28.25	-
Other Significant influence	Sona BLW Precision Forgings Ltd	Reimbursement of Expenses Recovered	-	41.53
Substantial Interest	JTEKT Corporation	Reimbursement of Expenses Recovered	26.95	26.51
Substantial Interest	JTEKT Corporation	Reimbursement of Expenses Paid	376.81	376.83
Other Significant influence	Sona BLW Precision Forgings Ltd	Rendering of Services	140.73	159.73
Substantial Interest	JTEKT Corporation	Royalty Paid	1819.98	1794.98
Other Significant Influence	Maruti Suzuki India Ltd	Sales	99178.09	92882.84
Other Significant influence	Sona BLW Precision Forgings Ltd	Sale of Fixed Assets	0.63	-
KMP	Mr. Sunjay Kapur	Director Sitting Fee	16.00	-
KMP	Mrs. Rani Kapur	Director Sitting Fee	10.00	4.00
KMP	Mr. J. M. Kapur	Director Sitting Fee	-	9.00
Significant Control	Dr. Surinder Kapur	Director Sitting Fee	-	0.25
KMP	Mr. Kiyozumi Kamiki	Director Sitting Fee	1.25	0.75
KMP	Mr. Sudhir Chopra	Director Sitting Fee	3.25	3.00
KMP	Mr. K. M. Deshmukh	Director Sitting Fee	1.45	0.85
KMP	Mr. Ramesh Suri	Director Sitting Fee	4.00	5.00
KMP	Mr. Ravi Bhoothlingam	Director Sitting Fee	12.00	19.00
KMP	Mr. P.K. Chadha	Director Sitting Fee	20.00	23.00
KMP	Mr. S.S. Mehta	Director Sitting Fee	13.00	16.00
KMP	Mrs. Ramni Nirula	Director Sitting Fee	11.00	11.00
KMP	Mr. Prasan Firodia	Director Sitting Fee	3.00	4.00
KMP	Mr. H.Omura	Director Sitting Fee	4.00	5.00
KMP	Mr. Kazuhiko Ayabe	Director Sitting Fee	2.30	4.56
Substantial Interest	JTEKT Corporation	Technical Support Fee	977.16	543.74
Substantial Interest	JTEKT Corporation	Technician Expenses	-	-

(₹/Lakhs)

Relationship	Name of Party	Description of the nature of transaction	For the Year Ended 31-March-17	For the Year Ended 31-March-16
Other Significant Influence	Sona BLW Precision Forgings Ltd	Cash Discount Received	-	0.13
Substantial Interest	JTEKT Corporation	Corporate Guarantee on Loans from Bank	1615.39	1935.10
Other Significant Influence	Koyo Kowa Co. Ltd.	Purchase of Toolings	-	6.01
Significant Control	Dr. Surinder Kapur	Remuneration	-	33.22
Key Management Personnel	Mr. Sunjay Kapur	Remuneration	31.00	89.49
Key Management Personnel	Mr. Kiyozumi Kamiki	Remuneration	85.90	67.01
Key Management Personnel	Mr. Sudhir Chopra	Remuneration	133.08	132.72
Key Management Personnel	Mr. Rajiv Chanana	Remuneration	85.29	75.07
Key Management Personnel	Mr. Govindrajan Sunder Rajan	Remuneration	-	135.27
Key Management Personnel	Mr. K. M. Deshmukh	Remuneration	138.79	58.72
Key Management Personnel	Mr. Yoshihiro Takeda	Remuneration	8.46	29.56
Key Management Personnel	Mr. Deepak Arora	Remuneration	44.20	38.59
Key Management Personnel	Mr. Shigemi Takahashi	Remuneration	125.39	-
Key Management Personnel	Mr. Ramesh Suri	Remuneration & Commission	2.60	2.00
Key Management Personnel	Mr. Ravi Bhoothlingam	Remuneration & Commission	5.50	5.00
Key Management Personnel	Mr. P.K. Chadha	Remuneration & Commission	5.50	6.00
Key Management Personnel	Mr. S.S. Mehta	Remuneration & Commission	5.10	5.00
Key Management Personnel	Mrs. Ramni Nirula	Remuneration & Commission	3.60	5.00
Key Management Personnel	Mr. Prasan Firodia	Remuneration & Commission	1.70	1.00
Key Management Personnel	Mr. H.Omura	Remuneration & Commission	-	-
Other Significant influence	Maruti Suzuki India Ltd	Balances (Debit)	9800.18	9612.46
Other Significant influence	Mandira Marketings Ltd	Balances (Debit)	-	606.46
Other Significant influence	Koyo Bearings India Pvt Ltd	Balances (Credit)	364.49	412.71
Substantial Interest	JTEKT Corporation	Balances (Credit)	2880.52	2529.74

**Note 42** - The Boare of Director of the company has recommended a final dividend of ₹ 0.50 per equity share of ₹ 1/- each subject to approval of the shareholders at the ensuring Annual General Meeting.

**Note 43** - Previous year's figures have been regrouped/reclassified, wherever necessary.

### 1 to 43

As per our report of even date  
For S. P. Puri & Co  
Chartered Accountants  
Firm Registration Number 001152N

For and on behalf of the Board

(Rajiv Puri)  
Partner  
Membership no : 084318

Hidekazu Omura  
Chairman  
DIN 06865724

Kiyozumi Kamiki  
Managing Director  
DIN 06536243

Sudhir Chopra  
Director (Corporate Affairs) &  
Company Secretary  
DIN 00058148

Place : Gurugram  
Dated : 24th May, 2017

Ravi Bhoothalingam  
Director  
DIN 00194530

Rajiv Chanana  
Chief Financial Officer

# FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries / Associate Companies / Joint Ventures

## Part "A" : Subsidiaries

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Subsidiary Companies

(₹/Lakhs)

1. Name of the subsidiary	JTEKT Sona Automotive India limited	Sona Fuji Kiko Automotive Limited
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N. A.	N. A.
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N. A.	N. A.
4. Share capital	5669	1000
5. Reserves & surplus	15440	2339
6. Total assets	31569	5123
7. Total liabilities	10460	1783
8. Investments	-	-
9. Turnover	60573	8749
10. Profit before taxation	3999	1102
11. Provision for taxation	1382	390
12. Profit after taxation	2617	712
13. Proposed Dividend	-	-
14. % of shareholding	49.00%	51.00%

### Notes:

(a) There is no subsidiary which is yet to commence operations.

(b) There is no subsidiary which has been liquidated or sold during the year.

## Part "B" : Associates

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies

(₹/Lakhs)

1. Name of Associate	Sona Skill Development Centre Limited
2. Latest audited Balance Sheet Date	31.03.2017
3. Shares of Associate held by the company on the year end	
Nos.	2257591
Amount of Investment in Associate	240.38
Extend of Holding %	49.99%
4. Description of how there is significant influence	Note (a)
5. Reason why the associate is not consolidated	-
6. Net worth attributable to shareholding as per latest audited balance sheet	74.57
7. Profit / (Loss) for the year	
Considered in Consolidation	(10.20)
Not Considered in Consolidation	(10.20)

### Notes:

(a) There is significant influence due to percentage (%) of Share Capital.

(b) There is no associate or joint venture which are yet to commence operations.

(c) There is no associate or joint venture which have been liquidated or sold during the year.

For and on behalf of the Board

Hidekazu Omura  
Chairman  
DIN 06865724

Kiyozumi Kamiki  
Managing Director  
DIN 06536243

Sudhir Chopra  
Director (Corporate Affairs) &  
Company Secretary  
DIN 00058148

Place : Gurugram  
Dated : 24th May, 2017

Ravi Bhoothalingam  
Director  
DIN 00194530

Rajiv Chanana  
Chief Financial Officer

## Customer first

We are committed to look at things from customer's viewpoint, and sincerely respond to customer's requests.

We are committed to create values that are new to the world, to deliver products and services that exceed customer's expectation.

## Ownership

We are committed to take everything as our own business.

We are committed to grasp the essence of things and take prompt action.



## Continuous Kaizen

We are committed to go and see for ourselves to thoroughly understand the situation, and identify root causes.

We are committed to, with enthusiasm for imaginativeness and inventiveness, diligently continue Kaizen challenges.

## Teamwork and self-discipline

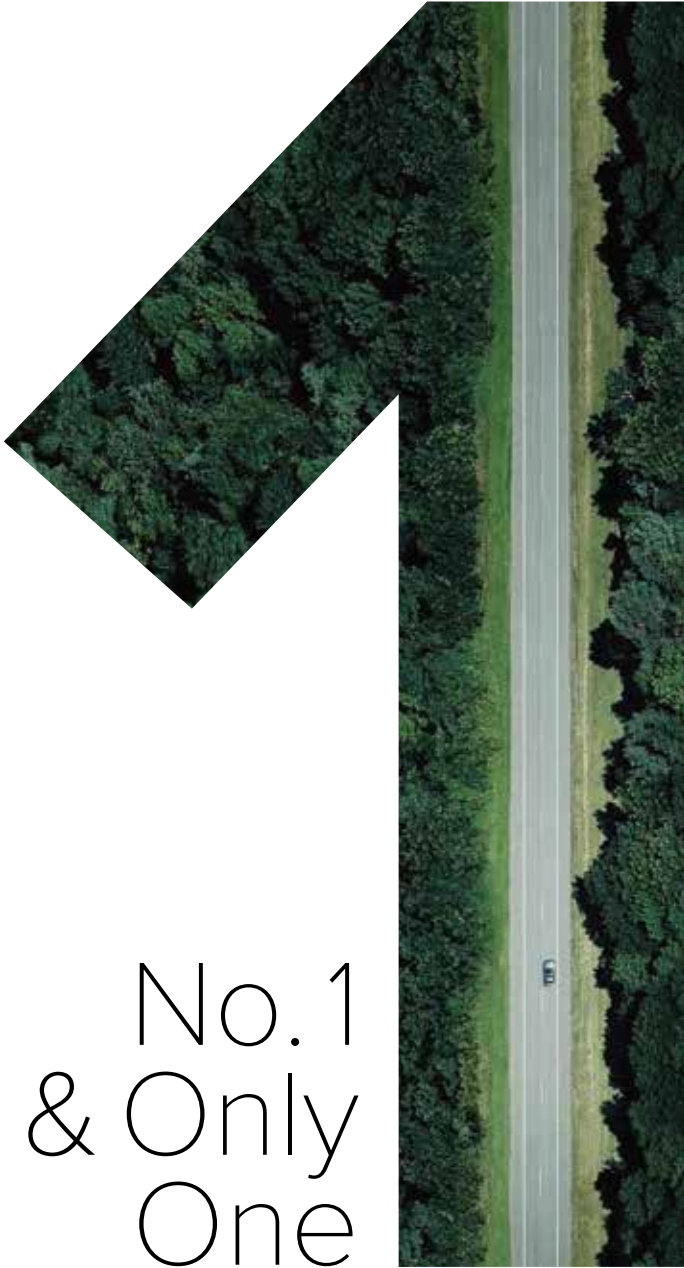
We are committed to be self-disciplined, and perform any task with a sense of urgency.

We are committed to actively communicate to unite the power of each other.

## Aspiration for innovation and for technique

We are committed to limitlessly heighten our technology and skills to become a front runner in innovation.

We are committed to foster a culture to keep each of us humble in learning things and developing each other.



No. 1  
& Only  
One



evolve | innovate | inspire

## SONA KOYO STEERING SYSTEMS LIMITED

(CIN : L29113DL1984PLC018415)

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