12th August, 2016

The Corporate Relationship Department
Mumbai Stock Exchange
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers
Dalal Street, Fort, Mumbai 400 001.

National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G
Bandra – Kurla Complex, Bandra (E)
Mumbai 400 051.

Scrip Code - 520057

Symbol – SONASTEER; Series – EQ.

Sub : Annual Report for the year ended 31st March, 2016.

Dear Sir,

Pursuant to the provisions of Regulation 34 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Annual Report for the year ended 31st March, 2016, duly approved and adopted by the Shareholders of the Company in the 32nd Annual General Meeting held on 5th August, 2016, is enclosed herewith.

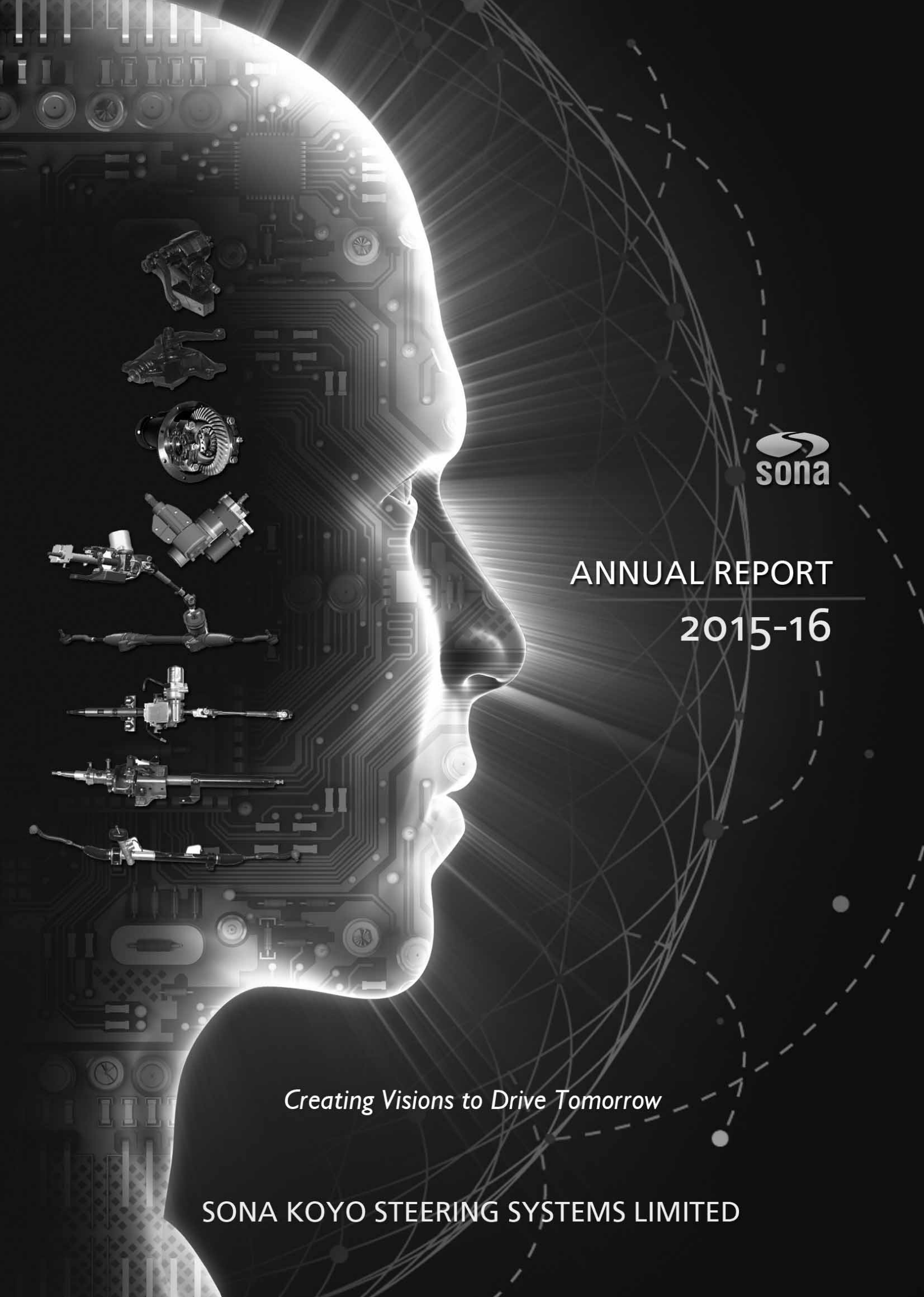
Thanking you,

Yours faithfully,
For **SONA KOYO STEERING SYSTEMS LIMITED**

SUDHIR CHOPRA
PRESIDENT & 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, Gurgaon-122 001 Haryana India
Tel : +91 124 468 5000, **Fax:** +91 124 410 4611 / 410 4621

Deming Application Prize- 2003

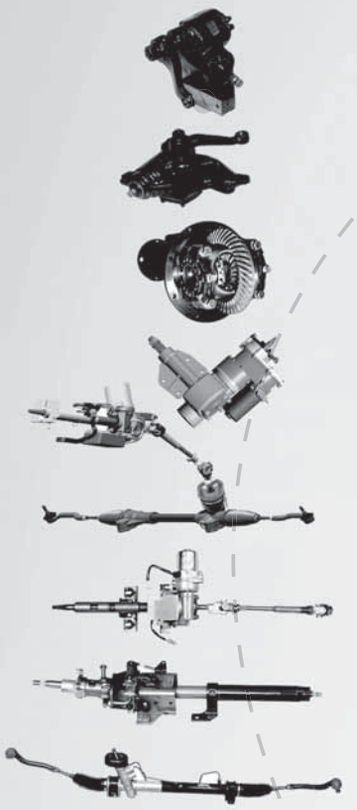


ANNUAL REPORT 2015-16

Creating Visions to Drive Tomorrow

SONA KOYO STEERING SYSTEMS LIMITED

sona
Driving Tomorrow



Sona's DNA comprises of following Values:

- Respect for the individual

- Service to the customer

- Excellence in pursuit of our goals

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FROM CHAIRMAN'S DESK



Dear Shareholders,

I take great pride to share with you that Sona Koyo continues to be India's largest supplier for steering systems for passenger cars and utility vehicles. Your Company is present on almost all top-selling models.

Last year, the Company made decision to debut at the prestigious 'AutoMechanika' held in Frankfurt, Dubai, and New Delhi. The aim was to showcase designs and technologies to domestic and global players alike. In May 2016, we participated at the Dubai Automechanika, the piqued interest level of the target audience and the enquiries thereafter, indicates new business opportunities in the future.

As always, Sona Koyo participated in February 2016 Auto Expo at New Delhi. The Company displayed an array of its future oriented steering systems. This was well received by our customers and the media.

The technological advancement at Sona Koyo has been the result of continuous nurturing of in-house research & development. Drawing upon the technical strength of our Joint Venture Partners, which include JTEKT Corporation, Maruti Suzuki and Fuji Kiko. We have been able to soar to new heights. The Company has grown its product range beyond providing mechanical steering system. Sona Koyo now offers all major steering systems–mechanical, hydraulic, and electromechanical.

The success of our Electric Power Assist Module (EPAM) technology in the North American market is a testimony of the efforts put in by our in-house R&D team. Going forward, it is this focus on innovation and our perseverance that will provide us a competitive edge in the global market place.

In FY16, the passenger cars segment grew by 7.9% Year-on-Year (YoY), the highest domestic sales growth seen in five years. The surge was driven by low commodity prices, a slew of new model launches, and lucrative offers by OEMs. On consolidated basis, Sona Koyo reported net sales of ₹ 15,183 million for FY16, a YoY marginal decline of 2.1%.

The Society of Indian Automobile Manufacturers (SIAM) has predicted a growth rate of ~6-8% in FY17 for the overall PV segment. ICRA also foresees an improving economic environment implying domestic PV sales to grow by 8.5-9.5% rooting from replacement demand and offtake from first-time buyers. Taking this into account, Sona Koyo is ready for growth. It gets a further lift from its existence in several upcoming models, new product launches in new market segments, and an increase in exports.

On the operations front, the Company continued to reduce dependence on imported materials for critical parts. Efforts towards localization and backward integration have progressed well. Simultaneously, there is an improvement in capacity utilization of the aluminum die casting facility. Cumulatively, the result of these efforts led to raw material cost of consolidated revenue improving from 67% in FY15 to 66.3% in FY16. Also, during the year, the Company deployed a cloud based e-Procurement platform, which will serve as a reverse auction platform to procure materials from suppliers at low cost.

Sona Koyo's culture encompasses a focus to go beyond the ordinary and make products that will supersede customer expectations. At present, the Company is working with several OEMs for new launches planned for the near future. An upgraded version of EPAM with enhanced features, such as brushless motors, is in the final stage of development. It is a standardized module with reprogrammable capabilities and hence, unlike the previous version, it will have the ability to cater to multiple clients. The target markets for upgraded EPAM are special, off-road, armored, and sports vehicles. Sona Koyo is well positioned at a time when the industry is set on an exciting growth curve.

For the year FY16, Sona Koyo has been awarded prestigious recognition by Maruti Suzuki for 'Quality Improvement' and 'Design and Development' at Bangkok supplier conference. Mahindra & Mahindra has recognized valuable contribution by Sona Koyo in its two new launches in FY16, TUV 300 and KUV 100 at the Barcelona Supplier conference. Above awards reinforce the trust that OEMs places in us, their key partner for steering systems.

Skilled employees lay the foundation for the success of any company. The opportunity to upgrade their skills acts as a motivator for them. In 2013, with a clear objective to enhance the skills of employees, the Company established the Sona Skill Development Centre (SSDC). At SSDC, our major social intervention initiative is Project 'Praveen'. It is a four-month program undertaken to facilitate underprivileged youth for vocational training. The aim is to make them self-reliant and employable. This project is registered with the Automotive Skills Development Council (ASDC). This Council is promoted by the automobile industry through the Society of Indian Automobile Manufacturers (SIAM), and the Federation of Automobile Dealers Association (FADA), as well as Government of India represented by the Department of Heavy Industry and National Skill Development Corporation (NSDC). After completion of the course, the participants take tests, and evaluation by ASDC-approved assessors. Based on this assessment, successful candidates are issued ASDC certificates that enable them to secure jobs in the automotive industry. Since its inception, SSDC has concluded six batches, and trained 168 individuals under the 'Praveen' program with track record of 100% student successfully qualifying the ASDC certification.

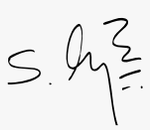
Sona Koyo firmly promotes clean and sustainable technology. The Company has already established 450 KWp of roof top solar plant, thus saving 600 Tonnes of CO_2 per annum. The plan for harnessing solar energy for electricity generation is shaping up well. The Company plans to have 2MWp of rooftop solar plant in the next one year.

The Indian automotive industry is set for another year of positive growth. The Company continues to strengthen leadership in India, and augment presence globally to be geared for the same.

I take this opportunity to thank our partners for their encouragement: JTEKT, Maruti Suzuki and Fuji Kiko. I thank our customers, at SONA KOYO we are grateful to be of service to them: Maruti Suzuki, Mahindra & Mahindra, Tata Motors, Honda, Hyundai, Fiat India, Toyota Kirloskar, General Motors, John Deere, Club Car, Ezgo and Renault-Nissan India. And, of course, I would like to thank our bankers for their confidence: State Bank of India, Corporation Bank, Standard Chartered Bank, Yes Bank, Kotak Mahindra Bank, Allahabad Bank, Indian Bank, IndusInd Bank and State Bank of Hyderabad.

I thank the strength of SONA KOYO, all the 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.

'We think it today, you drive it tomorrow.'
This statement defines Sona Koyo's commitment to future and to you.



Sunjay Kapur
Chairman

BOARD OF DIRECTORS



(Left to Right) Mr. Ramesh Suri; Mr. Ravi Bhoothalingam; Mr. Kiran Manohar Deshmukh; Lt. Gen (Retd.) Shamsher Singh Mehta; Mrs. Rani Kapur; Mr. Sunjay Kapur; Mrs. Ramni Nirula; Mr. Prasan Abhaykumar Firodia; Mr. P. K. Chadha; Mr. Hidekazu Omura; Mr. Kiyozumi Kamiki

BOARD OF DIRECTORS



Mr. Sunjay Kapur



Mr. K. M. Deshmukh



Mr. Kiyozumi Kamiki



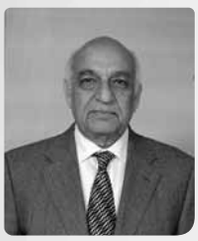
Mr. Hidekazu Omura



Mr. Kazuhiko Ayabe



Mrs. Rani Kapur



Mr. Ramesh Suri



Mr. Ravi Bhoothalingam



Mr. P. K. Chadha



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



Mrs. Ramni Nirula



Mr. Prasan A. Firodia

BOARD OF DIRECTORS

Mr. Sunjay Kapur
Chairman

Mr. Kiran Manohar Deshmukh
Executive Vice-Chairman

Mr. Kiyozumi Kamiki
Dy. Managing Director

Mr. Hidekazu Omura
Nominee of JTEKT Corporation, Japan

Mr. Kazuhiko Ayabe
Nominee of Maruti Suzuki India Limited

Mrs. Rani Kapur
Mr. Ramesh Suri
Mr. Ravi Bhoothalingam
Mr. P. K. Chadha
Lt. Gen. (Retd) Shamsher Singh Mehta
Mrs. Ramni Nirula
Mr. Prasan Abhaykumar Firodia

PRESIDENT & COMPANY SECRETARY

Mr. Sudhir Chopra

EXECUTIVE MANAGEMENT

Mr. Kiran Manohar Deshmukh
Mr. Kiyozumi Kamiki
Mr. Sudhir Chopra

OPERATING MANAGEMENT

Mr. Kiran Manohar Deshmukh
Mr. Kiyozumi Kamiki
Mr. Sudhir Chopra
Mr. A. D. Rao
Mr. Rajiv Chanana
Mr. R. Balaji
Mr. Vikas Marwah
Mr. Shoichiro Fujikawa
Mr. G. R. Yadav
Mr. Sudhir Kumar Sharma
Mr. Akhil Kumar Jain
Mr. S. Senthil Kumar
Mr. Balakrishnan Ramasamy
Mr. Jaydeep Kumar

TECHNICAL PARTNERS

JTEKT Corporation, Japan
Fuji Autotech AB, Sweden

AUDITORS

M/s S P Puri & Co.
Chartered Accountants
4/18, Asaf Ali Road
New Delhi 110 002

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
State Bank of Hyderabad
Allahabad Bank
Indian Bank
Yes Bank
Kotak Mahindra Bank
IndusInd Bank

REGISTRAR AND TRANSFER AGENT

Karvy Computershare Pvt. Ltd.
305, New Delhi House,
27, Barakhamba Road, Connaught Place,
New Delhi 110 001

REGISTERED OFFICE

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

WORKS

1) 38/6, NH-8, Delhi-Jaipur Road,
Gurgaon 122 002 (Haryana)
2) P. O. Box 14,
Chennai-Bangalore Highway, Sriperumbudur,
Distt. Chinglepet 602 105
3) Plot No. 32, Industrial Area Ph II
Dharuhera, Distt. Rewari (Haryana)
4) Plot No. D9, TML Vendor Park,
Survey No. 1, Village Northcotepura,
Sanand, Ahmedabad (Gujarat)
5) Plot No. 19, Industrial Area, Dharuhera,
Distt. Rewari (Haryana)
6) Village Malpura, Tehsil Dharuhera,
Distt. Rewari (Haryana)
7) Plot No. 731, Sector 37C, Pace City II,
Gurgaon (Haryana)

Financial year 2016 saw the Indian automobile industry maintain positive growth across all segments. The Passenger Vehicle (PV) segment, in particular, witnessed high growth of 6.9% during the year, mainly driven by new launches. Sona Koyo Steering Systems Ltd. (Sona Koyo) faced the situation of stagnant sales in the last financial year caused due to shift in customer preference for few Car Models which performed exceptionally well and where the Company didn't participate. At the same time certain platforms, where the Company is participating such as KUV100/TUV300 (by M&M), Innova/Fortuner (by Toyota) and Vitara Brezza (by Maruti Suzuki), were launched either in the last quarter of the financial year or are being launched in the first quarter of FY17. As a result, the Company on standalone basis reported sales of ₹ 10,690 million (mn) compared to sales of ₹ 10,684 mn in the previous financial year. On Consolidated basis, the Company reported net sales of ₹ 15,183 mn for FY16, a marginal decline of 2.1% YoY. Considering that Sona Koyo is participating in many exciting upcoming launches, the Company is expected to achieve better performance in future years.

Sona Koyo continued to broaden its product portfolio across all steering systems. During the year, Sona Koyo made new inroads into the off-highway segments, modifying its internationally proven Electric Power Assist Module (EPAM) to new product markets, namely, the domestic tractor segment, sports vehicles and special vehicles.

Sona Koyo also continued to build relationships with existing clients while adding new customers. During the year, the Company started supplying steering assembly to Eicher Pollaris. The column division of the Company won business from Tafe and the work on new product development is progressing well.

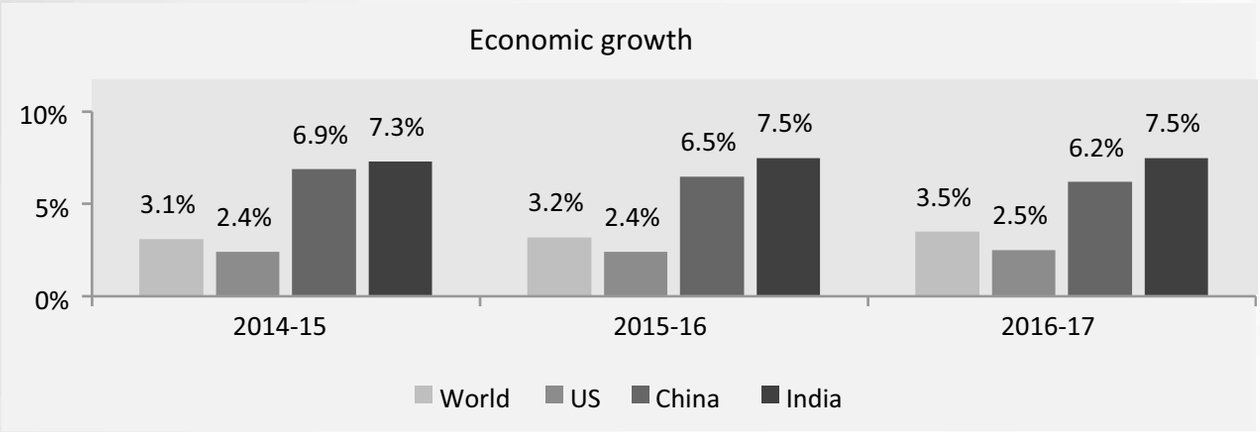
The Society of Indian Automobile Manufacturers (SIAM) has predicted a growth rate of ~6-8% in FY17 for the overall PV segment. ICRA also expects domestic PV sales to grow by 8.5-9.5% in FY17 backed by replacement demand and off-take from first-time buyers, thanks to the improving economic environment. Sona Koyo is now well-positioned to grow given its presence in several upcoming models; new product launches that will open new market segments; and growth in exports.

ECONOMIC SCENARIO

Improving outlook for Global and Indian economy

In FY16, India was the fastest-growing economy. The International Monetary Fund (IMF) has predicted a growth of 7.5% for FY16 and FY17 for India, while it expects the world economy to grow at 3.2% and 3.5% for FY16 and FY17, respectively.

In India, lower commodity prices and a relatively tight monetary stance have resulted in a faster-than-expected fall in inflation, making room for nominal interest rate cuts. According to the IMF, India's growth will be driven by increase in private consumption, benefited from lower energy prices, higher real incomes and a pick-up in industrial activity followed by a recovery of private investment.



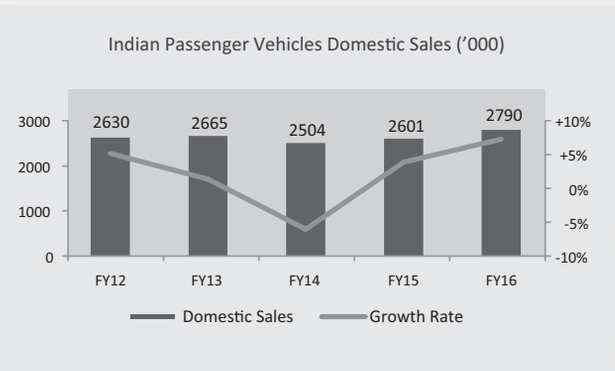
Source : IMF

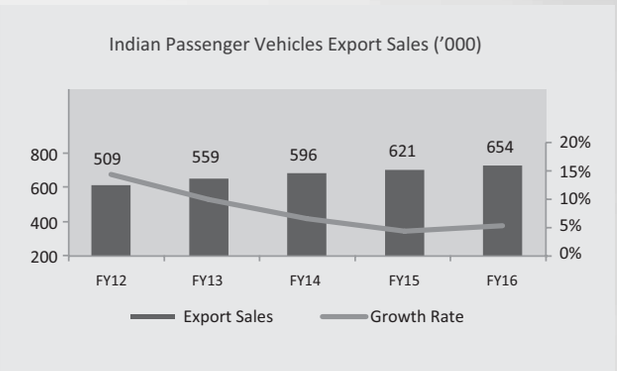
For FY16, the Index of Industrial Production (IIP) witnessed a growth of 2.4% against a growth of 2.8% in FY15. Manufacturing, which is the largest segment, grew 2% in FY16 against 2.3% last year. Industrial production in FY17 is expected to pick up on the back of increased infrastructure spending by government and improvement in both the consumer goods and capital goods segments.

MARKET OVERVIEW

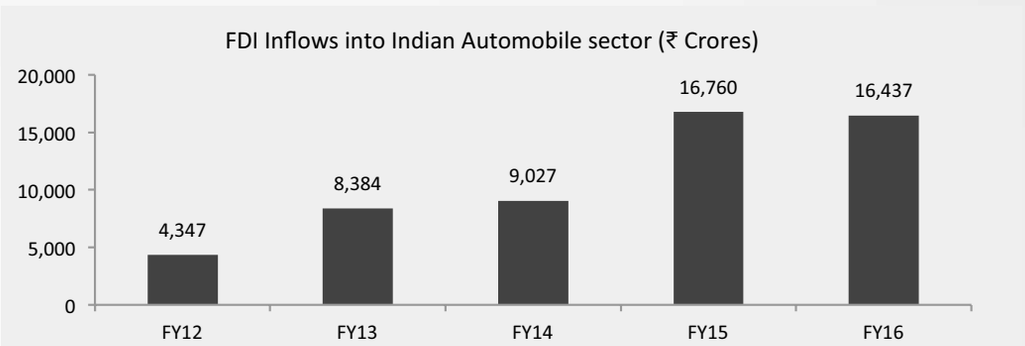
Overall PV volumes grew by 6.9% to 3.4 mn units, with domestic sales and exports registering growth of 7.2% to 2.8 mn units and 5.2% to 0.7 mn units, respectively, compared to 3.9% and 4.2% in FY15. Within the PV segment, passenger cars grew by 7.9% YoY, posting their highest domestic sales growth rate in five years. Low commodity prices, improved performance in markets like the UK, the US, Germany and France, coupled with new model launches and incentive schemes for customers, helped boost growth.

The domestic commercial vehicles (CVs) segment reported 11.5% growth with medium and heavy commercial vehicles (M&HCVs) clocking 29.9% and light commercial vehicles (LCVs) growing by a marginal 0.3%. Domestic three-wheelers posted a growth of 1% with passenger carriers seeing a step up of 2.1% and goods carriers declining by 3.6%.





The government's thrust on 'Make in India', with a view to transform India into a manufacturing and technology hub, has attracted new foreign direct investment (FDI) into the automotive sector. The industry has seen investments from both global and local OEMs with the effect of building/expanding capacity and research and development (R&D).



Source: Report from Ministry of Commerce & Industry

OUTLOOK

Sustained growth for automotive industry in FY17

SIAM is expecting positive performance by the automotive industry in FY17, forecasting growth of 6-8% in PV sales. Further, prediction by the Indian Meteorological Department (IMD) of an above-average monsoon is expected to revive rural demand. Announcement of the 7th Pay Commission of wage hikes, easing of interest rates and rising disposable incomes in the hands of individuals will provide further fillip to demand. OEMs have lined up a slew of new launches for

FY17, which, coupled with lucrative customer incentives, will boost demand. ICRA is expecting domestic sales to grow by 8.5-9.5%, driven mainly by replacement demand and improved overall economic environment.

Both SIAM and ICRA have predicted M&HCV to be the flag-bearer of the Commercial Vehicle (CV) segment with a growth rate of 12-15% in FY17, driven by replacement demand of ageing fleet, pre-buying before BS-IV gets implemented across India, increased focus on infrastructure growth, improved spend on National Highways and lifting of the ban on sand mining in various regions.

PV density expected to become 1.5 times of current vehicle penetration by 2020

India has the largest population of young people in the world, yet a low vehicle penetration (PV) (32 vehicles per 1,000 people in 2015) makes it one of the world's most attractive auto markets. Owing to its unique demographic dividend, and government initiatives, such as 'Make in India' and 'Smart Cities', the Indian auto industry holds immense growth potential. According to E&Y analysis, India's PVs are expected to grow from around 29 mn during 2015 to more than 48 mn vehicles by 2020.

Automotive Mission Plan (AMP) envisages autocomponent sector to be $150 bn by 2026

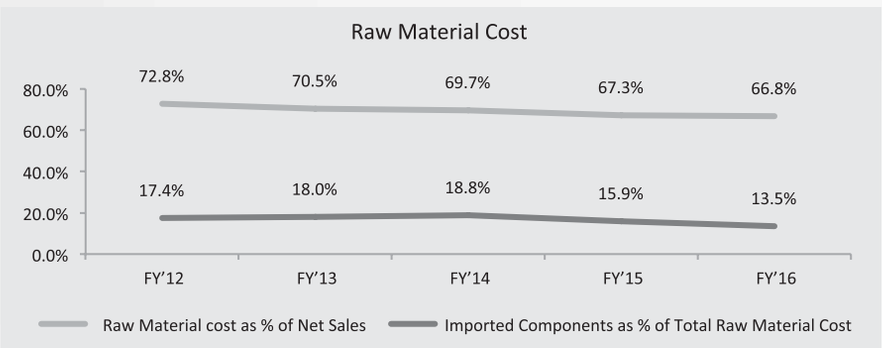
The AMP 2026 envisages that the Indian automotive industry will grow 3.5-4 times in value from its current level of output by 2026, comprising over 12% of the national GDP. By 2026, India would stand first in the world in production/ sale of small cars, two-wheelers, tractors and buses, and third in PVs and heavy trucks.

Vehicle sales are expected to touch 66 million units by FY26. To achieve this projection, the auto industry will require additional investment of ₹ 4.5–5.5 trillion. The growth of the automotive market will translate into huge potential for the auto component sector. According to AMP 2016-26, the autocomponent sector is expected to grow at a CAGR of 13% from $38 billion in FY15 to more than $150 billion by 2026.

OPERATIONS

With improving operating efficiencies at the top of its agenda, Sona Koyo has seen effective results every year. Localization efforts, backward integration, VA/VE (value analysis and value engineering) activities and active involvement with suppliers have helped in lowering the raw material cost as a percentage of net sales to 66.8% in FY16 from 67.3% in FY15 on standalone basis. On a consolidated basis, raw material cost as a percentage of net sales declined from 67% in FY15 to 66.3% in FY16.

Operations at the Aluminum Pressure Die Casting (PDC) facility are improving and the Company is now achieving 80% capacity utilization. The graph below depicts the continuous decline in raw material cost as a percentage of revenue on standalone basis.



With decline in material cost, Sona Koyo, on standalone basis, was able to improve its contribution levels (Sales – Variable Cost) from 26.9% in FY15 to 27.5% in FY16. However, the Company suffered at the PBT level due to increase in fixed costs. There was a significant increase in Employee cost which was due to change in regulations such as retrospective change in Payment of Bonus Act and two times increase in Minimum Wages. These changes were beyond the control

of the Company. The impact of these changes was upward of ₹ 50 mn and this adversely impacted the profitability of the Company.

Sona Koyo continues to invest in future growth and with that objective the Company has invested in a land bank of ~30 acres in Gujarat in order to be closer to the customer as most of the automotive customers expand in the state of Gujarat. The land is ideally located on main highway SH-7 and is about 12 km from the Suzuki plant and 6 km from the Honda plant. During FY16, total capital expenditure towards new product development, achieving manufacturing excellence, R&D, civil work for construction of additional bay at Dharuhera facility, IT software, and purchase of land in Gujarat was ₹ 850 mn.

During the year, the Company sold a long-term non-strategic investment resulting in extraordinary profit of ₹ 99 mn at the PBT level. The cash generated from the transaction was used to reduce bank borrowings; thus improving the financial position of the Company. The Debt Equity ratio was maintained at the last year level of 1.07 despite higher capex spend in the current year.

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

PARTICULARS	CONSOLIDATED		STANDALONE	
	2015-16	2014-15	2015-16	2014-15
Net Income from Operations	15,089	15,418	10,690	10,684
Other Operating Income	94	112	84	103
Total Revenue	15,183	15,530	10,774	10,786
Raw Material	9,998	10,335	7,138	7,190
Staff Cost	1,667	1,458	1,303	1,197
Other Expenditure	1,579	1,580	1,168	1,174
EBITDA	1,940	2,157	1,164	1,225
Other Income	61	49	61	42
Depreciation & Amortisation	988	1,037	719	780
EBIT	1,013	1,169	506	487
Finance Charges	317	311	282	249
PBT before Exceptional Items	696	857	224	238
Exceptional Items Loss/(Gain)	(99)	-	(99)	-
PBT	795	857	322	238
Tax	253	267	72	58
PAT	542	590	250	180
Minority interest and share of associate	171	211	-	-
PAT after minority interest and share of associate	370	379	250	180
Capital Expenditure	903	824	800	669
EPS (In ₹)	1.9	1.9	1.3	0.9
D/E Ratio	0.6	0.6	1.07	1.07

During the year, ICRA, the rating agency for Sona Koyo, upgraded the Short Term Rating from [ICRA]A1 (pronounced ICRA A one) to [ICRA]A1+ (pronounced ICRA A one plus). The long-term rating was reaffirmed at [ICRA]A+ (pronounced ICRA A plus) With 'Stable' outlook.The credit rating of A1 is the highest credit quality rating assigned by ICRA to short-term debt instruments. The credit rating is a reflection of the strong liquidity and solvency position of the Company.

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 and Sona Fuji Kiko Automotive Ltd.

JTEKT Sona Automotive India Limited (JSAI): During the year under review, revenues of Sona Koyo's key subsidiary, JTEKT Sona Automotive India Limited (JSAI), declined by 5.09% YoY at ₹ 6,120 mn. Correspondingly, EBITDA and PAT margins also declined to 11.8% and 4.7%, respectively, compared to 12.7% and 5.5% in FY15. JSAI's Financial Highlights from its operations are as follows:

JSAI (₹ MN)	2015-16	2014-15
Revenue	6,119.6	6,447.9
EBITDA	722.8	819.8
EBITDA Margin	11.81%	12.7%
PAT	291.3	356.2
PAT Margin	4.7%	5.5%

Some key performance highlights of JSAI's operations are as follows:

- **Production:**
  - Accomplished smooth "Start of Production" of C-EPS for Mahindra's KUV 100.
  - Received global excellence award for "Best improvement in Productivity" from JTEKT Corporation, Japan, by maintaining high level of Bekido rate throughout 2015-16 among all JTEKT companies across the globe.
- **Safety:** Achieved **2,092** accident-free days by continuously identifying and eliminating unsafe conditions across the organization.
- **Customer Satisfaction:** Achieved 100% delivery rating from all customers.
- **Environment:**
  - Successfully installed additional capacity of 220KW solar power and increased solar power generation to >1,000 units per day.
  - Solar power capacity is now at 270KW. Also implemented independent feeder this year and increased use of state power from 75% to 95%.
  - 100% implementation of LED lights across the plant.
  - With the above factors, we were able to reduce carbon emission by 223 t-CO_2
- **Quality:**
  - Training & Development: Received National Award for Excellence in Training & Development from World HRD Congress; and NCCI Award of Excellence in Automobile Manufacturing from the NCR Chamber of Commerce and Industry.
- **Technology:** Successful in-house up-gradation of Oracle Database & Application from R12.1.1 to R12.1.3.

Sona Fuji Kiko Automotive Ltd. (SFAL): During the year under review, this subsidiary's revenue increased by 3.1% to reach ₹ 620.2 mn. PAT remains flat compared to previous year.

SFAL (₹ MN)	2015-16	2014-15
Revenue	630.2	611.4
EBITDA	114.7	122.9
EBITDA Margin	18.2%	20.1%
PAT	46.6	46.6
PAT Margin	7.4%	7.6%

Some of the key highlights of SFAL's operations are as follows:

- **Production:**
  - Accomplished smooth 'Start of Production' (launch) of Jacket Column Assembly for Mahindra KUV100.
  - Accomplished smooth 'Start of production' (launch) of Manual Column Assembly for TKML Innova Crysta.
- **Safety:** Achieved 731 accident-free days.

- **Training & Development:** Continued training to employees in Production, Product Design, and Manufacturing Engineering to enhance knowledge and skills.

SUPPLY CHAIN MANAGEMENT

A lean and efficient Supply Chain Management (SCM) is the crux of any successful company. Sona Koyo has always strived for optimum operational management.

During the year, the Company deployed a cloud-based e-Procurement platform which will serve as a Reverse Auction platform to procure materials from suppliers at low cost. This will further automate the process and bring in transparency, visibility and improve compliance and audit trail. This was the first year of working with the new platform and the results are encouraging.

During the year, the Company selected 20+ suppliers and worked with them to enhance their offerings by helping them upgrade their technology, capacity, etc.

TRAINING & DEVELOPMENT AND HUMAN RESOURCES

Human resource has always been a priority for Sona Koyo and the Company has continuously been investing in different HR initiatives and employee training with a single goal of increasing employee productivity. The Company organizes regular skill enhancement workshops for all level of employees internally and at the Sona Skill Development Centre (SSDC). Apart from technical programs, in FY16 the Company focused on multiple soft skills building programs with the aim of improving the current capabilities of our employees and make them better at solving problems. A total of 80 programs were conducted in FY16. To make skilled manpower readily available and to reduce the hiring, training cost of employees, we started a six month development program for our operators (off-roll), to arm them with the knowledge and skills for future growth in the organization.

To bring in new thinking, we conducted TRIZ ('TeorijaRezbenijaIzobretatelskibZadach' Russian), an analysis and forecasting tool, for all the senior management to help in inventive problem solving. A program on Value Analysis/Value Engineering (VA/VE) was specially organized for the Supply Chain Management (SCM), Production Engineering (PE), Design & Development (D&D) & Research & Development (R&D) teams to equip them with operational tools to manage the Company's suppliers efficiently and guide them in varied manufacturing processes to increase their product quality. In line with the salary restructuring study conducted last year, a new salary structure was created for all employee grades during the year, which received positive feedback from the employees. Also, post a survey that was conducted in FY16, the Group Term Life Insurance (GTLI) amount was increased from the existing ₹ 10 Lakh to ₹ 20 Lakh for all on-roll employees in all grades.

Sona Koyo continues to emerge as an 'Employer of Choice' for its people and, with this thought; the Company has decided to initiate the 'Stay Interview' process in FY17 across all locations.

INFORMATION TECHNOLOGY

Sona Koyo has always focused on adopting new technologies that will help its business to become more robust and agile. During the year, the focus was on improving the design capability of the organization.

- The Company implemented the Product Life Cycle Management system software and also used design analysis tools to improve the quality of its products right from the design stage. This will provide Sona Koyo with an edge in terms of achieving customer milestones for new launches.
- To strengthen Supply Chain Management, the Company implemented a Material Requirement Planning (MRP) module in ERP to enable automation of suppliers' schedule generation.

RECOGNITIONS

During the year, Sona Koyo was conferred with several awards as a testimony to its commitment towards excellence and superiority. These include:

- o Toyota Kirloskar Motor 'Zero PPM' award for achieving Zero Defect Supplies for the year 2015.
- o Maruti Suzuki Quality Award for the year 2015.



RESEARCH AND DEVELOPMENT

Till 2005, Sona Koyo was present only in the mechanical steering systems space. However, it has now moved into all major steering systems, namely mechanical, hydraulic, and electromechanical. Over the years, the Company has devoted significant resources towards R&D. The success of EPAM (Electric Power Assist Module) technology in the North American market is an example. Following major initiatives were taken in FY16:

- Upgradation of EPAM 1.0 to EPAM 1.5, enabling it with new reprogrammable capabilities, and diagnostic features. Prototyping and testing of EPAM 1.5 has been completed and is scheduled to go into production by the second half of FY17.
- EPAM 2.0 technology is ready and has more enhanced features, such as brushless motors. It is a standardized module with reprogrammable capabilities and hence will have the capability to cater to multiple clients unlike its previous version which had to be specific to the client needs. The target markets for EPAM 2.0 are special, off-road, armored and sports vehicles.
- During the year, Sona Koyo also expanded its testing capabilities by incorporating virtual technology. The Company will now be able to test its products by capturing real field conditions and virtually simulating it in-house to test its products in real-life scenarios. This will facilitate quick testing, that too, under a vast number of real-life scenarios which earlier utilized more resources and time.
- A project was undertaken jointly with the Central Mechanical Engineering Research Institute (CMERI) aimed at identifying the factors that affect the life of the Hydraulic Power Steering (HPS) systems and the manner in which it can be improved, thus helping in further quality enhancement of the Company's HPS product line.

RISKS AND CONCERNS

Sona Koyo recognizes 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. Accordingly, the Board has approved and adopted the Risk Management Policy. The Company has constituted a Risk Management Committee. The Committee meets periodically and reviews the framework so as to effectively address the emerging challenges in a dynamic business environment.

The Committee also reviews the Company's management activities on a regular basis, in addition to monitoring any new risks that could arise due to changes in the external or business environments. The Risk Committee met 4 times during FY16. While the possibility of negative impact due to one or more such risks cannot be completely ruled out, the Company proactively takes conscious and reasonable steps, making efforts to mitigate the significant risks that may affect it.

INTERNAL CONTROL AND ADEQUACY

Sona Koyo has an effective and reliable internal control system commensurate with the size of its operations. The internal controls are aligned to global standards and processes while also adhering to local statutory requirements. The efficacy of the internal checks and control systems are validated by self-audits and verified by Internal as well as Statutory Auditors. The Audit Committee of the Board reviews the internal audit plan, adequacy and effectiveness of the internal control system, significant audit observations and monitors the sustainability of remedial measures.

During the year, with the objective of automating the documentation and reporting of compliance status for online and independent verification, the Company deployed "Compliance Manager" Tool. The tool was developed and deployed with assistance from E&Y in September 2015 and will help in periodic documentation of compliances due for all process owners mapped in the system. It contains an automated system of information to owners about the Compliances becoming due in their respective functional areas. The status reported by each owner is approved by his immediate superior. In addition, the overall status of compliance is available online with senior management personnel mapped as reviewers in the system.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

Sona Koyo has always believed in giving back to society and community. This sense of Corporate Social Responsibility (CSR) is engrained in the Company's value system and has been evident over the years. Education is the most powerful weapon which can be used to change the world. And so, the Company has actively contributed towards its educational initiatives.

This led to the foundation of the Sona Skill Development Centre (SSDC) in October 2013 with an initial investment of ₹ 50 mn. This state-of-the-art Centre consists of five classrooms, a well-equipped workshop, a metrology lab and a computer lab. SSDC came into being with one objective, promoting vocational education, and providing suitable skills to the youth from underprivileged background in a world-class environment, to make them job ready and to help them earn a livelihood and a respectable life.





Another successful social intervention initiative is Project "Praveen" at SSDC. It is a project undertaken to facilitate underprivileged youth to undergo vocational training for a period of 4 months to make them self-reliant and employable. This project is registered with the Automotive Skills Development Council (ASDC), which is promoted by the automobile industry through SIAM, and the Federation of Automobile Dealers Association (FADA), as well as Government of India represented by the Department of Heavy Industry and National Skill Development Corporation (NSDC). After completion of the course, the participants undergo test and evaluation by ASDC-approved assessors. Based on this assessment, successful candidates are issued ASDC certificates that enable them to secure jobs in the automotive industry.

Since the inception of SSDC, it has concluded six batches and trained 168 individuals under the Praveen program with track record of 100% students successfully qualifying the ASDC certification.

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. Two new factory buildings are rated by the Indian Green Building Council, with one being rated Silver, and the other is certified as 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 450KWp of roof-top solar plant, thus avoiding emission of 600 Tonnes of CO_2 per annum. The Company plans to have 2MWp of roof-top solar plant. It also plans to replace existing energy-inefficient electrical equipment with more efficient gadgets, an intervention which will lead to significant reduction in the Company's carbon foot print.

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

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, 2016, the Board of Sona consisted of twelve Directors. The Executive Vice Chairman & Deputy Managing Director are the executive directors of the Company. The Chairman and remaining nine directors are non-executive directors, of which six are independent directors.

JTEKT Corporation, Japan (JTEKT), the financial and technical collaborator of Sona, has nominated one executive and one non-executive director on the Board of the Company. Maruti Suzuki India Limited (MSIL), which is the co-promoter of Sona as well as its major customer, has also nominated one non-executive director on the Board of the Company.

b) Number of Board Meetings

In the year ended 31st March, 2016, Sona held six Board Meetings on 15th May 2015, 13th August 2015, 14th September 2015, 5th November 2015, 5th February 2016 and 8th March 2016. 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, 2016

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 ①
Dr. Surinder Kapur ②	N.A.	1	1	N.A.	N.A.
Mr. Sunjay Kapur	Chairman	6	6	Yes	5(-)
Mr. K. M. Deshmukh ③	Executive Vice Chairman	3	3	N.A.	3(-)
Mr. Kiyozumi Kamiki	Dy. Managing Director (Nominee of JTEKT)	6	6	Yes	1(-)
Mr. Kazuhiko Ayabe	Non-executive Director (Nominee of MSIL)	6	4	Yes	2(1)
Mr. Hidekazu Omura	Non-executive Director (Nominee of JTEKT)	6	5	Yes	1(-)
Mr. J. M. Kapur ④	Non-executive Director	4	3	Yes	Nil
Mrs. Rani Kapur ⑤	Non-executive Director	3	3	N.A.	4(-)
Mr. P. K. Chadha	Independent Director	6	5	No	2(1)
Mr. Ravi Bhoothalingam	Independent Director	6	6	Yes	1(1)
Mr. Ramesh Suri	Independent Director	6	5	Yes	9(1)
Lt.Gen.(Retd.) S.S.Mehta	Independent Director	6	6	Yes	2(-)
Mrs. Ramni Nirula	Independent Director	6	4	Yes	9(6)
Mr. Prasan A. Firodia	Independent Director	6	3	Yes	2(1)

Notes :

① Figures in ( ) denotes listed Companies.

② Due to the sad demise Dr. Surinder Kapur ceased to be Director of the Company w.e.f. 30th June, 2015.

③ The Board of Directors of the Company in its meeting held on 14th September, 2015 appointed Mr. K.M. Deshmukh as Executive Vice Chairman of the Company for a period of two years, w.e.f. 15th September, 2015.

④ Resigned from the Directorship of the Company w.e.f. 5th November, 2015.

⑤ The Board of Directors of the Company in its meeting held on 5th November, 2015 appointed Mrs. Rani Kapur as Director of the Company to fill the casual vacancy caused to the resignation of Mr. J. M. Kapur.

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 the Listing Regulations.

d) Information supplied to the Board

Among others, this includes:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results of the Company and its operating divisions or business segments.
4. Minutes of meetings of Audit Committee and other Committees of the Board.
5. 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.
6. Show cause, demand, prosecution notices and penalty notices, which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

8. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
9. 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.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
12. 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.
13. Sale, of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. 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. 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).

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. The requisite resolution in order to comply with the aforesaid requirements of Listing Regulations, as detailed at Item No. 7 of the AGM Notice and relevant Explanatory Statement is commended for the members' approval.

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 and a familiarization programme which is displayed on the website of the Company (web link: 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, 2016

Name of Directors	Relationship with other Director	Sitting Fee ①	Commission on profits	Salary	Perquisites	Provident & Superannuation Fund	Total
Dr. Surinder Kapur ②	Brother of Mr. J. M. Kapur	N.A.	Nil	27,00,000	3,52,479	2,70,000	33,22,479
Mr. Sunjay Kapur	Son of Dr. S. Kapur	8,00,000	Nil	33,23,077	51,26,689	4,98,769	89,48,535
Mr. K. M. Deshmukh ③	None	N.A.	Nil	54,74,329	5,400	3,92,308	58,72,037
Mr. Kiyozumi Kamiki	None	N.A.	Nil	36,90,000	24,78,935	5,32,000	67,00,935
Mr. Kazuhiko Ayabe	None	4,00,000	Nil	N.A.	N.A.	N.A.	4,00,000④
Mr. Hidekazu Omura	None	5,00,000	Nil	N.A.	N.A.	N.A.	5,00,000
Mr. J. M. Kapur ⑤	Brother of Dr. S. Kapur	9,00,000	Nil	N.A.	N.A.	N.A.	9,00,000
Mrs. Rani Kapur ⑥	Mother of Mr. Sunjay Kapur	4,00,000	Nil	N.A.	N.A.	N.A.	4,00,000
Mr. P. K. Chadha	None	23,00,000	5,50,000	N.A.	N.A.	N.A.	28,50,000
Mr. Ravi Bhoothalingam	None	19,00,000	5,50,000	N.A.	N.A.	N.A.	24,50,000
Mr. Ramesh Suri	None	5,00,000	2,60,000	N.A.	N.A.	N.A.	7,60,000
Lt.Gen.(Retd.) S.S.Mehta	None	16,00,000	5,10,000	N.A.	N.A.	N.A.	21,10,000
Mrs. Ramni Nirula	None	11,00,000	3,60,000	N.A.	N.A.	N.A.	14,60,000
Mr. Prasan A. Firodia	None	4,00,000	1,70,000	N.A.	N.A.	N.A.	5,70,000

Notes:

① Sitting Fee includes the fee paid for attending the Committee Meetings.

② Due to the sad demise Dr. Surinder Kapur ceased to be Director of the Company w.e.f. 30th June 2015.

③ The Board of Directors of the Company in its meeting held on 14th September, 2015 appointed Mr. K.M. Deshmukh as Executive Vice Chairman of the Company for a period of two years, w.e.f. 15th September, 2015.

④ Sitting Fee for attending the Board Meetings was paid to the nominating Company MSIL.

⑤ Resigned from the directorship of the Company w.e.f. 5th November 2015.

⑥ The Board of Directors of the Company in its meeting held on 5th November 2015 appointed Mrs. Rani Kapur as Director of the Company to fill the casual vacancy caused to the resignation of Mr. J.M. Kapur.

The Company has not issued any Stock Option Shares.

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

Service contract of the Chairman, Managing Director and Dy. Managing Director

The Shareholders of the Company in its Thirtieth Annual General Meeting held on 23rd September 2014 approved the reappointment of Mr. Sunjay Kapur as Managing Director of the Company, with remuneration, for a further period of three years, with effect from 22nd October 2014. The Company has obtained approval of the Central Government vide their letter no. C36724326/03/2014-CL-VII dated 31st March 2015 for payment of remuneration to Mr. Sunjay Kapur, in

case of inadequacy of profits in any year during the period of his tenure. During the year under review, Mr. Sunjay Kapur demitted the position of Managing Director of the Company but continue to hold the position of Chairman of the Company, without remuneration.

As approved by the Shareholders of the Company in the Twenty Ninth Annual General Meeting held on 10th August 2013, an Agreement dated 6th November 2013 was executed between the Company and Mr. Kiyozumi Kamiki, Dy. Managing Director of the Company for his appointment, with remuneration, for a period of three years, with effect from 15th May 2013, upon the terms and conditions as approved by the Shareholders. The severance fee shall be as per the provisions of the Companies Act, 2013.

The Board of Directors of the Company in its meeting held on 5th February 2016, considering the recommendation of the 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 effective from 15th May 2016 to 31st March 2017. The resolution for the re-appointment of Mr. Kiyozumi Kamiki is mentioned at Sl. No. 6 of the Notice of the ensuing Annual General Meeting.

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 13th May 2016 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 2016 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, 2016

Name of Directors	Number of Equity Shares held	Number of convertible instruments① / Stock Option Shares② held
Mr. Sunjay Kapur	3,300	N.A.
Mr. Kazuhiko Ayabe	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.

i) Committees of the Board

i) Audit Committee

As on 31st March 2016, the Audit Committee comprises of Mr. Ravi Bhoothalingam, Mr. P. K. Chadha, Mr. Sunjay Kapur, Lt. Gen. (Retd.) S. S. Mehta and Mrs. Ramni Nirula. Except Mr. Sunjay Kapur, who is a Non Executive 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 six times i.e. on 14th May 2015, 12th August 2015, 4th November 2015, 4th February 2016, 15th March 2016 and 28th March 2016. 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 2016

Name of Members	Position	Audit Committee Meetings held during the period of Membership	Audit Committee Meetings attended
Mr. Ravi Bhoothalingam (Independent Director)	Chairman	6	6
Mr. P.K. Chadha (Independent Director)	Member	6	5
Lt. Gen. (Retd.) S.S.Mehta (Independent Director)	Member	6	6
Mrs. Ramni Nirula (Independent Director)	Member	6	5
Mr. Sunjay Kapur (Chairman)	Member	6	4

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, have 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 auditors' report thereon before submission to the Board for approval, with particular reference to:
    a) Matters required to be included in the Directors' 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 auditors' 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:

i. To investigate any activity within its terms of reference.
ii. To seek information from any employee.
iii. To obtain outside legal or other professional advice.
iv. 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:

i. A statement in summary form of transactions with related parties in the ordinary course of business;
ii. Details of material individual transactions with related parties which are not in the normal course of business;
iii. Details of material individual transactions 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, President & 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 2016, 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 15th April 2015, 17th July 2015, 10th October 2015 and 11th January, 2016. 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 2016

Name of Members	Position	Stakeholders Relationship Committee Meetings held during the period of Membership	Stakeholders Relationship Committee Meetings Attended
Mr. J. M. Kapur ① (Non-Executive Director)	Chairman	3	3
Dr. Surinder Kapur ② (Chairman)	Member	1	1
Mrs. Rani Kapur ③ (Non-Executive Director)	Chairman	1	1
Mr. Sunjay Kapur ④ (Chairman)	Member	3	3

Notes:

① Resigned from the directorship of the Company w.e.f. 5th November 2015.

② Due to the sad demise Dr. Surinder Kapur ceased to be Director of the Company w.e.f. 30th June 2015.

③ The Board of Directors of the Company in its meeting held on 5th November 2015 appointed Mrs. Rani Kapur as Director of the Company to fill the casual vacancy caused to the resignation of Mr. J.M. Kapur. She was also appointed as one of the members of the Committee in place of Mr. J.M. Kapur.

④ In place of Dr. Surinder Kapur, Mr. Sunjay Kapur was appointed as one of the members of the Committee.

iii) Nomination and Remuneration Committee

As on 31st March 2016, 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:

a) 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;

b) Formulation of criteria for evaluation of independent directors and the Board;

c) Devising a policy on Board diversity;

d) 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;

e) Nominating suitable candidates on the Boards of subsidiary and associate companies in terms of Joint Venture / Shareholder or other Agreements.

During the year, the Committee met seven times i.e., on 28th April 2015, 26th May 2015, 12th August 2015, 14th September 2015, 5th November 2015, 4th February 2016 and 15th March 2016. 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 2016

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	7	7
Mr. Ravi Bhoothalingam (Independent Director)	Member	7	7
Dr. Surinder Kapur ① (Chairman)	Member	2	2
Mr. J.M. Kapur ② (Non-Executive Director)	Member	5	3
Mrs. Rani Kapur ③ (Non-Executive Director)	Member	2	0

Notes:

① Due to the sad demise Dr. Surinder Kapur ceased to be Director of the Company w.e.f. 30th June, 2015.

② Resigned from the directorship of the Company w.e.f. 5th November, 2015.

③ The Board of Directors of the Company in its meeting held on 5th November 2015 appointed Mrs. Rani Kapur as Director of the Company to fill the casual vacancy caused to the resignation of Mr. J.M. Kapur. She was also appointed as one of the members of the Committee in place of Mr. J.M. Kapur.

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 2016, the Risk Management Committee comprises of Lt.Gen.(Retd.) Shamsher 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 27th April 2015, 13th August 2015, 5th November 2015 and 15th March 2016. 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 2016

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	4
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 2016, 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 twice i.e., on 14th September 2015 and 12th January 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 2016

Name of Members	Position	CSR Committee Meetings held during the period of Membership	CSR Committee Meetings Attended
Mrs. Ramni Nirula (Independent Director)	Chairperson	2	2
Mr. P. K. Chadha (Independent Director)	Member	2	2
Mr. Sunjay Kapur (Chairman)	Member	2	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 Sona 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 Executive Vice Chairman 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 Clause 49 of the Listing Agreement, 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 Sona 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 Sona. The Audit Committee of Sona 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

Sona 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 and 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. Kazuhiko Ayabe, 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 14th September 2015 have appointed Mr. Kiran Manohar Deshmukh as Executive Vice Chairman, with remuneration, for a period of two years with effect from 15th September 2015, to fill the casual vacancy caused due to the sad demise of Dr. Surinder Kapur.

The Board of Directors in their meeting held on 5th February 2016 have re-appointed Mr. Kiyozumi Kamiki as Dy. Managing Director of the Company, with remuneration, for a period effective from 15th May 2016 to 31st March 2017.

As required, a brief profile and other particulars of the Directors seeking appointment/re-appointment are given in the Notice of the 32nd 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 website: 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'/'The Pioneer' (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, President & 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, de-materialisation / 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, 2013	10th August, 2013	10:00 A.M.	Air Force Auditorium Subroto Park New Delhi-110 010.
31st March, 2014	23rd September, 2014	03.00 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.

g) Special Resolutions

In the ensuing 32nd Annual General Meeting of the Company to be held on 5th August 2016, the shareholders' consent is being sought by way of Special Resolution for:

- 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.

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

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.

29th Annual General Meeting held on 10th August 2013

- Appointment of Mr. Kiyozumi Kamiki as Dy. Managing Director of the Company.
- Remuneration to non-whole time directors.

h) **Postal Ballots**

At the ensuing Annual General Meeting to be held on 5th August 2016 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 31st Annual General Meeting of the Company.

COMPLIANCE

Mandatory requirements

Sona is compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement as applicable till 30th November 2015 and Listing Regulations from 1st December 2015 onwards. The Company has executed the fresh Agreement with NSE and BSE as required under the newly enacted Listing Regulations.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CHAPTER IV OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

To

The Members of **SONA KOYO STEERING SYSTEMS LIMITED**,

We have examined the compliance of the conditions of Corporate Governance by SONA KOYO STEERING SYSTEMS LIMITED ("the Company") for the year ended 31st March 2016 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulation. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

We further state that such compliance is neither an assurance as to the future viability of the Company nor 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. 001152 N

Place : Dharuhera
Dated: 13th May 2016

(Rajiv Puri - Partner)
Membership No. 084318

ADDITIONAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Date	:	5th August 2016
Venue	:	The Air Force Auditorium Subroto Park New Delhi 110 010.
Time	:	10.00 A.M.

FINANCIAL CALENDAR

Financial year	:	1st April to 31st March

For the year ended 31st March 2016, results were announced on:

• 15th May 2015	:	First Quarter
• 13th August 2015	:	Second Quarter
• 5th November 2015	:	Third Quarter
• 5th February 2016	:	Annual

BOOK CLOSURE

The dates of book closure are from 30th July 2016 to 5th August 2016 inclusive of both days.

DIVIDEND RATE

The Board of Directors of Sona, in their meeting held on 13th May 2016, has recommended payment of 50% dividend on Equity Share Capital. The same shall be paid between 12th August 2016 and 17th August 2016, 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

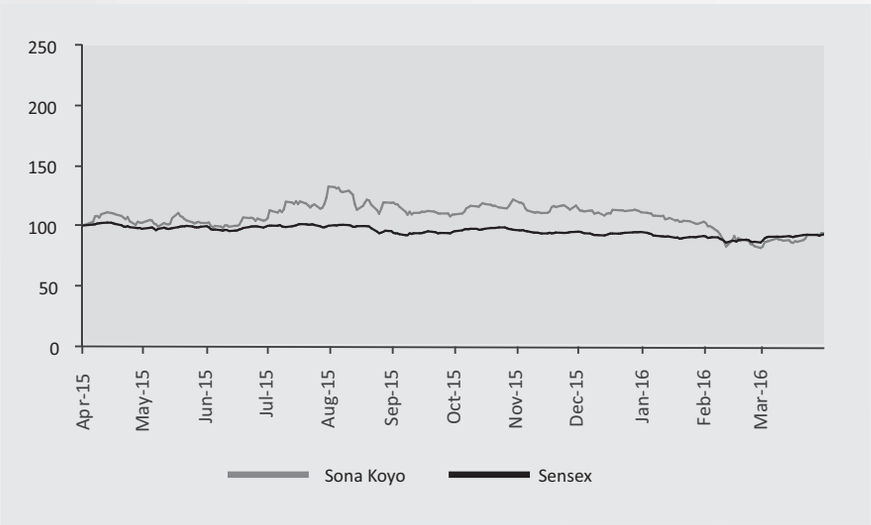
Table 2 gives the monthly high and low prices and volumes of Equity Shares of Sona at Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Limited (NSE) for the year ended 31st March 2016.

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, 2015	59.50	50.10	1505699	59.50	50.00	2489626
May, 2015	59.90	48.05	1182674	60.00	55.25	3393827
June, 2015	57.60	49.10	1090620	56.70	49.00	1757081
July, 2015	74.35	52.55	4544922	74.50	52.50	11367504
August, 2015	74.40	55.00	3711159	74.50	55.00	7849050
September, 2015	65.85	55.35	915153	66.00	55.30	2006962
October, 2015	67.80	56.20	1457714	67.80	56.25	3615236
November, 2015	65.70	56.75	1040291	65.00	56.10	2876092
December, 2015	62.50	55.50	1003178	62.65	55.50	2945709
January, 2016	59.40	50.75	583649	59.30	50.50	1916648
February, 2016	53.65	37.15	5911693	53.90	37.05	2808289
March, 2016	48.00	38.00	1047502	48.00	38.00	2310674

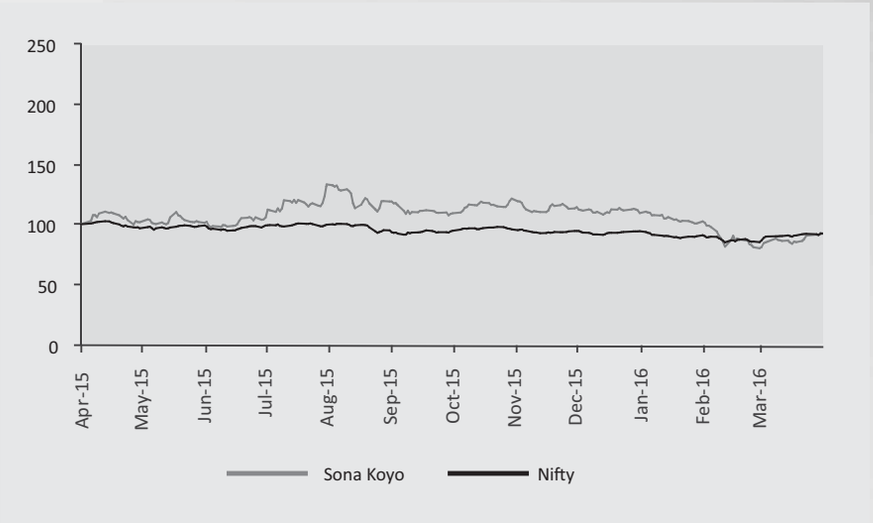
Note: High and Low are in rupees per traded share. These are simple, un-weighted average.
Volume is the total monthly volume of trade (in number) in Sona's shares on the BSE & NSE.
* Face Value of Sona's Share is ₹ 1/- each.

Chart A: Sona's adjusted closing share price with BSE Sensex for 2015-2016.



Note: Sona Koyo share price at the BSE and the BSE Sensex have been indexed to 100 as on the first working day of 2015-2016.

Chart B: Sona's adjusted closing share price with Nifty for 2015-2016.



Note: Sona Koyo share price at the NSE and the NSE Nifty have been indexed to 100 as on the first working day of 2015-16.

DISTRIBUTION OF SHAREHOLDING

Table 3 and 4 give the distribution pattern of shareholding of Sona as on 31st March 2016.

Table 3 : Distribution of shareholding by size class as on 31st March 2016.

Amount	Number of shareholders	Number of shares held	Shareholding %
Upto 5000	51702	20132978	10.13
5001-10000	859	6451744	3.25
10001-20000	396	5823656	2.93
20001-30000	124	3055485	1.54
30001-40000	51	1812635	0.91
40001-50000	26	1225757	0.62
50001-100000	56	4176892	2.10
100001 & above	82	156062685	78.52
Total	53296	198741832	100.00

Table 4 : Distribution of shareholding by ownership as on 31st March 2016.

Category	No. of Shareholders	No. of Shares held	Shareholding %
Promoter & Promoter Group (A)	**18**	**104018246**	**52.34**
Public Shareholding (B)			
Bodies Corporate	529	12978851	6.53
Individuals	52257	71253609	35.85
Non Resident Indians	401	2689919	1.35
Mutual Funds	4	956963	0.48
Foreign Portfolio Investors	7	627628	0.32
Financial Institutions / Banks	5	102520	0.05
Insurance Companies	1	1200000	0.60
Foreign Institutional Investors	6	179884	0.09
NBFC	4	3365	0.00
Trusts	3	4000	0.00
Clearing Members	60	69354	0.04
Unclaimed Suspense Account*	1	4657493	2.34
	53296	198741832	100.00

*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 2016, 99% of Sona's shares were held in dematerialized form and the rest in physical form. The promoter, co-promoter and their associates own 52.34% 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 2016

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	5582603
2.	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account after dematerialization of unclaimed shares.	304	925110
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account after dematerialization of unclaimed shares.	304	925110
4.	Aggregate number of shareholders and the outstanding shares in the Suspense Account as on 31st March 2016	3163	4657493

OUTSTANDING GDRs/ADRs/WARRANTs/CONVERTIBLE INSTRUMENTS & 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:

Karvy Computershare Pvt. Ltd
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 Company Secretary
Sona Koyo Steering Systems Ltd.
UGF-6, Indra Prakash
21, Barakhamba Road
New Delhi – 110 001.
e-mail: investorgrievance@sonagroup.com

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	22nd October 2021
2015	Final	14th September 2015	13th October 2022

During the financial year under review, the Company has transferred ₹ 616385/- to Investor Education and Protection Fund towards Unclaimed Dividend pertaining to the year ended 31st March 2008.

Table 7: Unclaimed dividend as on 31st March 2016

Year	Type	No. of warrants issued	No. of warrants unclaimed	% unclaimed	Amount of dividend (₹ Lacs)	Dividend unclaimed (₹ Lacs)	% unclaimed
2010	Final	39648	3085	7.78	596.23	7.97	1.34
2011	Final	49286	4496	9.12	1291.85	17.72	1.37
2012	Final	48779	5033	10.32	1291.87	38.15	2.95
2013	Final	53987	9391	17.39	1291.89	37.56	2.91
2014	Final	53202	10203	19.18	1589.98	44.53	2.80
2015	Final	53041	11095	20.92	1291.91	36.24	2.81

NUMBER AND NATURE OF COMPLAINTS REGARDING SHARES

Table 8: Details of Investor complaints regarding shares for the year 2015-2016.

Nature of complaint	Number of complaints	Number redressed
Non-receipt of dividend / Interest / Redemption	5	5
Non-receipt of Annual Report	6	6
Non-receipt of Share Certificates	1	1
Total	12	12

PLANTS' LOCATION

- 38/6, NH-8, Delhi-Jaipur Road, Gurgaon-122001 (Haryana).
- P.O. Box 14, Chennai-Bangalore Highway, Sriperumbudur, Distt. Chinglepet, Tamil Nadu – 602 105.
- Plot No. 32, Industrial Area Phase II, Dharuhera, Dist. Rewari (Haryana).
- Plot No. D-9, TML Vendor Park, Survey No. 1, Village Northcotepura, Sanand, Ahmedabad, Gujarat.
- 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, Gurgaon (Haryana)

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the CEO and CFO declaration is given below:

To the Board of Directors
Sona Koyo Steering Systems Limited

We, Kiran Manohar Deshmukh, Executive Vice Chairman 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 2016 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 are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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:
   - Significant changes in internal control over financial reporting during the year;
   - Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
   - 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 : Dharuhera	Rajiv Chanana	K. M. Deshmukh
Dated : 13th May 2016	Chief Financial Officer	Executive Vice Chairman

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).

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 2016

For Sona Koyo Steering Systems Limited

Place : Dharuhera
Dated : 13th May 2016

Kiran Manohar Deshmukh
Executive Vice Chairman

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting their 32nd Annual Report together with audited accounts of the Company for the year ended 31st March, 2016.

1) Financial Results

STANDALONE AND CONSOLIDATED PERFORMANCE OF THE COMPANY				
				(₹ / Lacs)
	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Sales (Net of Excise Duty) and other income	**109337.55**	108281.42	**153427.69**	155784.08
Profit before interest & depreciation	**13237.50**	12669.30	**20993.35**	22053.49
- Interest	**2822.86**	2492.59	**3172.80**	3114.48
- Depreciation & write offs	**7190.24**	7799.74	**9875.20**	10368.33
Profit before tax	**3224.40**	2376.97	**7945.35**	8570.68
Less : Provision for tax	**1301.00**	1251.00	**3310.86**	3380.79
Provision for deferred tax liability / (assets)	**(581.94)**	(671.75)	**(785.99)**	(704.40)
Earlier years excess provision of tax written back	**5.61**	-	**5.44**	(0.71)
Minimum alternate tax (MAT) credit entitlement	**-**	-	**-**	(4.37)
Profit after tax	**2499.73**	1797.72	**5415.04**	5899.37
Less : Share of profit transferred to minority	**-**	-	**1697.07**	2044.79
Less : Share of loss of an associate	**-**	-	**(13.37)**	(64.78)
Consolidated profit for the year	**2499.73**	1797.72	**3704.60**	3789.80
Add : Profit brought forward	**7966.10**	8394.51	**14092.76**	12640.96
Less : Adjustment of depreciation change as per schedule II of the Companies Act, 2013	**-**	(648.33)	**-**	(760.20)
Profit available for appropriations	**10465.83**	9543.90	**17797.36**	15670.56
Appropriations				
Proposed Dividend	**993.71**	1291.82	**993.71**	1291.82
Tax on Dividend	**202.30**	262.98	**322.59**	262.98
Transfer to General Reserve	**-**	-	**-**	-
Corporate Social Responsibility Exp.	**-**	23.00	**-**	23.00
Balance Carried Forward	**9269.82**	7966.10	**16481.06**	14092.76

2) State of Affairs of the Company

Total revenue increased by 0.98% to ₹ 10933.75 million. PBDIT increased by 4.48% to ₹ 1324 million. The Company reported PAT of ₹ 250 million including profit of ₹ 77 million realized on sale of non strategic investment.

FY16 was a good year for domestic Passenger Vehicles that grew by 7.2% YoY to reach 2.8 million units driven by new launches, discount push by OEMs, and improved consumer sentiments with recovery in overall economy. The growth was broad-based across segments with Passenger Cars (up 7.9% YoY to 2.0 million units), utility vehicles (up 6.3% to 0.6 million units) and Vans (3.6% to 0.2 million units) recording growth in FY16. Sona Koyo faced the situation of stagnant sales in the last financial year as there was a shift in customer preference for few Car Models which performed exceptionally well last year. In the current financial year, the Company riding on the success of new Car Models such as KUV100/TUV300 (by M&M), Innova/Fortuner (by Toyota) and Vitara brezza (by Maruti Suzuki) expects to perform better. Sona Koyo is closely working with OEMs for several new platforms which are likely to be launched in the current financial year to increase its sales volumes.

The Capital Expenditure for 2015-16 was ₹ 806.12 million. The capital expenditure was principally incurred towards New Product Development, backward integration at Dharuhera-3 unit, civil work at Dharuhera-2 unit, Testing Equipments for R&D, and purchase of land in Gujarat.

3) Dividend

Your directors are pleased to recommend a dividend of 50% on equity share capital of the Company for the financial year 2015-16 as against the dividend paid at the rate of 65% on the equity share capital for the previous financial year.

4) Reserves

(₹ / Lacs)

	31-Mar-16	31-Mar-15
Balance as per last financial statements	7966.10	8394.51
Add: Profit for the year	2499.73	1797.72
Less: Adjustment of depreciation charge	-	648.33
Less: Appropriations		
Proposed dividend	993.71	1291.82
Tax on proposed dividend	202.30	262.98
Transfer to general reserve	-	-
CSR expenses	-	23.00
Net surplus in the statement of profit and loss	9269.82	7966.10

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, 2016 stood at ₹ 1987.42 lacs. During the year under review, the Company has not issued any shares / securities. As on March 31, 2016, 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

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to Ernst & Young LLP (EY), a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

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, 2016, JSAI has achieved total revenue of ₹ 61515.47 lacs and earned net profit of ₹ 2913.83 lacs. The Board of Directors of JSAI in their meeting held on 9th May, 2016 has recommended a dividend at the rate of 12% for the financial year ended on 31st March, 2016. During the year an interim dividend of 9% was also declared by the Board of Directors of JSAI.

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, 2016, SFAL has achieved total revenue of ₹ 6327.24 lacs and earned net profit of ₹ 430.64 lacs. The Board of Directors of SFAL in their meeting held on 6th May, 2016 has recommended a dividend at the rate of 7.5% for the financial year ended on 31st March, 2016.

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, 2016, SSDCL has achieved total income of ₹ 206.97 lacs and has incurred a loss of ₹ 26.73 lacs.

No company has become / ceased to be a Subsidiary or Associate during the financial year 2015-16.

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 companies 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. 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 5 (five) times in the year ended 31st March, 2016. 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. The requisite resolution in order to comply with the aforesaid requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as detailed at item no. 7 of the AGM Notice and relevant Explanatory Statement is commended for the members' approval.

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 2015-16. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2015-16 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, 2016, 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), 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 are 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, Dr. Surinder Kapur, the Founder Promoter and Chairman of the Company, passed away on 30th June, 2015. Your Directors pay homage to the departed Chairman Dr. Surinder Kapur.

Due to the sad demise of Dr. Surinder Kapur, Mr. Sunjay Kapur, the then Managing Director was also appointed as the Chairman of the Company effective from 13th August, 2015. With effect from 15th September, 2015, Mr. Sunjay Kapur demitted the position of Managing Director of the Company, but continues to hold the position of the Chairman of the Company, without remuneration. To further strengthen the management of the Company, the Board co-opted Mr. Kiran Manohar Deshmukh on the Board of Directors of the Company in the casual vacancy caused by the demise of Dr. Surinder Kapur and appointed him as the Executive Vice Chairman of the Company for a period of two years with effect from 15th September, 2015. Our colleague Mr. Jug Mohan Kapur, who has been on the Board of the Company since 1994, has resigned from the Board with effect from 5th November, 2015. The Board of Directors in their meeting held on 5th November, 2015 has appointed Mrs. Rani Kapur, as Director of the Company in the casual vacancy caused due to the resignation of Mr. Jug Mohan Kapur. Your Directors take this opportunity to place on record the appreciation of services rendered by Mr. Jug Mohan Kapur during his association with the Company.

The Chairman & Managing Director (up to 14th September, 2015), Executive Vice Chairman and Dy. Managing Director of the Company have not received any remuneration or commission, except Sitting Fee, from any of the subsidiaries of the Company.

Pursuant to the provisions of Section 152(6) and Articles of Association of the Company, Mr. Kazuhiko Ayabe (DIN 02917011) will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Consequent upon demitting the position of Managing Director by Mr. Sunjay Kapur, the Board of Directors of the Company appointed Mr. Govindrajan Sunder Rajan, Chief Executive Officer, as one of the whole-time Key Managerial Personnel of the Company effective from 15th September, 2015. Pursuant to the resignation of Mr. Govindrajan Sunder Rajan, the Board of Directors in their meeting held on 5th February, 2016, appointed Mr. Kiran Manohar Deshmukh, Executive Vice Chairman of the Company as one of the whole-time Key Managerial Personnel effective from 5th February, 2016.

25) Board Evaluation

The Company has devised a Policy for performance evaluation of Independent Directors, the Board, its Committees and other individual Directors which includes 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 consists of the following members:

1) Mr. Ravi Bhoothalingam, Chairman
2) Mr. Prem Kumar Chadha, Member
3) Mr. Sunjay Kapur, Member
4) Lt. Gen. (Retd.) Shamsher Singh Mehta, Member
5) Mrs. Ramni Nirula, 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 2015-16, 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

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. S.P. Puri & Co., Chartered Accountants (ICAI Registration No. 001152N), were appointed as statutory auditors of the Company from the conclusion of the 30th Annual General Meeting of the Company held on 23rd September, 2014 till the conclusion of the 33rd Annual General Meeting to be held in the year 2017, subject to ratification of their appointment at every Annual General Meeting.

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.

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 ₹ 60 lacs or more, or employed for part of the year and in receipt of ₹ 5 lacs 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, Hyundai, Fiat India, Toyota Kirloskar, General Motors, John Deere, Club Car, E-z-go and Renault-Nissan, the Financial Institutions, Banks, various agencies of the Government, SONA's collaborators – JTEKT Corporation, Japan and Fuji Autotech AB, Sweden.

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 : Dharuhera
Dated : 13th May, 2016

Sunjay Kapur
Chairman

Annexure - I

FORM MGT-9

Extract of Annual Return as on the Financial year ended on 31st March, 2016
[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 - 110 001 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 - 500 032. 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	74%
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.	**JTEKT Sona Automotive India Ltd.** UGF-6, Indra Prakash, 21, Barakhamba Road, New Delhi 110 001.	U29268DL2007PLC165741	Subsidiary Company	49%	2(87)(i)
2.	**Sona Fuji Kiko Automotive Ltd.** UGF-6, Indra Prakash, 21, Barakhamba Road, New Delhi 110 001.	U35122DL2007PLC166496	Subsidiary Company	51%	2(87)(ii)
3.	**Sona Skill Development Centre Limited** A-12/1, Ground Floor Infocity, Sector-34, Gurgaon-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 (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				%Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A)	**Promoters**									
	1. Indian									
	a) Individual/HUF	819848	0	819848	0.41	347834	0	347834	0.18	(0.23)
	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.	63748304	0	63748304	32.08	63723304	0	63723304	32.06	(0.02)
	e) Banks / FI	0	0	0	0	0	0	0	0	0
	f) Any Other	0	0	0	0	0	0	0	0	0
	Sub-total (A) (1):-	**64568152**	**0**	**64568152**	**32.49**	**64071138**	**0**	**64071138**	**32.24**	**(0.25)**
	2. Foreign									
	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
	Sub-total (A) (2):-	39947108	0	39947108	20.10	39947108	0	39947108	20.10	0
	Total shareholding of Promoter & Promoter Group [(A) =(A)(1)+(A)(2)]	**104515260**	**0**	**104515260**	**52.59**	**104018246**	**0**	**104018246**	**52.34**	**(0.25)**
B)	**Public Shareholding**									
	1. Institutions									
	a) Mutual Funds	1093424	0	1093424	0.55	956963	0	956963	0.48	(0.07)
	b) Banks / FI	154403	6000	160403	0.08	96520	6000	102520	0.05	(0.03)
	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) FIIs	512446	0	512446	0.26	179884	0	179884	0.09	(0.17)
	h) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
	i) Others (Foreign Portfolio Investors)	10099	0	10099	0.01	627628	0	627628	0.31	0.30
	Sub-total (B)(1):-	**2970372**	**6000**	**2976372**	**1.50**	**3060995**	**6000**	**3066995**	**1.53**	**0.03**
	2. Non-Institutions									
	a) Bodies Corp.									
	i) Indian	12961006	158420	13119426	6.60	12820431	158420	12978851	6.53	(0.07)
	ii) Overseas	0	0	0	0	0	0	0	0	0
	b) Individuals									
	i) holding shares upto ₹ 2 lakh	38754528	1898892	40653420	20.45	39929168	1679600	41608768	20.94	0.49
	ii) holding shares above ₹ 2 lakh	30107397	0	30107397	15.15	29644841	0	29644841	14.92	(0.23)
	c) Others	7369957	0	7369957	3.71	7284131	140000	7424131	3.74	0.03
	Sub-total (B)(2):-	**89192888**	**2057312**	**91250200**	**45.91**	**89678571**	**1978020**	**91656591**	**46.13**	**0.22**
	Total Public Shareholding [(B)=(B)(1)+(B)(2)]	**92163260**	**2063312**	**94226572**	**47.41**	**92739566**	**1984020**	**94723586**	**47.66**	**0.25**
C)	**Shares held by Custodian for GDRs & ADRs**	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)		**196678520**	**2063312**	**198741832**	**100.00**	**196757812**	**1984020**	**198741832**	**100.00**	**0**

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	486548	0.24	0.00	14534	0.01	0.00	(0.23)
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.	33640	0.02	0.00	8640	0.00	0.00	(0.02)
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	13000	0.01	0.00	0.00
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	6000	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
	Total	**104515260**	**52.59**	**0.00**	**104018246**	**52.34**	**0.00**	**(0.25)**

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	486548	0.24	486548	0.24
	Disposed off during the year	(472014)	(0.23)	14534	0.01
	At the end of the year	14534	0.01	14534	0.01
2.	Sumish Finance & Investment Co. Pvt. Ltd.				
	At the beginning of the year	33640	0.02	33640	0.02
	Disposed off during the year	(25000)	(0.02)	8640	0.00
	At the end of the year	8640	0.00	8640	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	Shareholding at the beginning of the year as on 01.04.2015		Date wise increase/decrease in shareholding 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	Mr. Nemish S. Shah	8680000	4.37%	01.04.2015	-	-	8680000	4.37%
				31.03.2016	-	-	8680000	4.37%
2	Gagandeep Credit Capital Pvt. Ltd.	3093611	1.56%	01.04.2015	-	-	3093611	1.56%
				19.02.2016	3800000	Transfer	6893611	3.47%
				31.03.2016	-	-	6893611	3.47%
3	Prescient Securities Private Limited *	3430560	1.73%	01.04.2015	-	-	3430560	1.73%
				10.04.2015	30087	Transfer	3460647	1.74%
				21.08.2015	1764	Transfer	3462411	1.74%
				28.08.2015	198236	Transfer	3660647	1.84%
				12.02.2016	133157	Transfer	3793804	1.91%
				19.02.2016	(3783157)	Transfer	10647	0.01%
				31.03.2016	-	-	10647	0.01%
4	Mr. Anuj Anantrai Sheth	3312091	1.67%	01.04.2015	-	-	3312091	1.67%
				31.03.2016	-	-	3312091	1.67%
5	Mr. Dhruvi Manish Acharya	1424000	0.72%	01.04.2015	-	-	1424000	0.72%
				31.03.2016	-	-	1424000	0.72%
6	Mr. Zafar Ahmadullah	1206575	0.61%	01.04.2015	-	-	1206575	0.61%
				31.03.2016	-	-	1206575	0.61%
7	General Insurance Corporation of India	1200000	0.60%	01.04.2015	-	-	1200000	0.60%
				31.03.2016	-	-	1200000	0.60%
8	Mr. Rajiv M. Doshi	1099999	0.55%	01.04.2015	-	-	1099999	0.55%
				31.03.2016	-	-	1099999	0.55%
9	Opportune Advisory Services LLP **	1000000	0.50%	26.02.2016	1000000	Transfer	1000000	0.50%
				31.03.2016	-	-	1000000	0.50%
10	UTI – Childrens Career Balanced Plan	1000000	0.50%	01.04.2015	-	-	1000000	0.50%
				25.03.2016	(46416)	Transfer	953584	0.48%
				31.03.2016	-	-	953584	0.48%
11	Mr. Anuj A. Sheth	900000	0.45%	01.04.2015	-	-	900000	0.45%
				31.03.2016	-	-	900000	0.45%

Note : The above information is based on the weekly beneficiary position received from depositories.
* Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2015.
** Not in the list of Top 10 shareholders as on 01.04.2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2016.

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 01.04.2015		Change in shareholding during the year		Shareholding at the end of the year as on 31.03.2016	
		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
Directors							
1	Mr. Sunjay Kapur, Chairman	3300	0.00%	0	0.00%	3300	0.00%
2	Mr. Kiran Manohar Deshmukh, Executive Vice Chairman	19700	0.01%	0	0.00%	19700	0.01%
3	Mrs. Rani Kapur, Director*	6000	0.00%	0	0.00%	6000	0.00%
4	Mr. P.K. Chadha, Director	15000	0.01%	0	0.01%	15000	0.01%
KMPs							
1	Mr. Kiran Manohar Deshmukh, Executive Vice Chairman**	19700	0.01%	0	0.01%	19700	0.01%
2	Mr. Sudhir Chopra, President & Company Secretary	1500	0.00%	0	0.00%	1500	0.00%
3	Mr. Rajiv Chanana, Chief Financial Officer	3000	0.00%	0	0.00%	3000	0.00%

* Holds shares jointly with her husband.

** The Board of Directors in their meeting held on 5th February, 2016 have appointed Mr. Kiran Manohar Deshmukh as one of Key Managerial Personnel of the Company with effect from 5th February, 2016, in place of Mr. Govindrajan Sunder Rajan, who was earlier appointed as KMP in place of Mr. Sunjay Kapur.

vi) Indebtedness

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

(₹ / Lacs)

Particulars	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principle Amount	25664.61	-	-	25664.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	94.09	-	-	94.09
Total (i+ii+iii)	**25758.70**	**-**	**-**	**25758.70**
Change in Indebtedness during the Financial Year				
• Addition	10840.03	-	-	10840.03
• Reduction	8546.44	-	-	8546.44
Net Change	**2293.59**	**-**	**-**	**2293.59**
Indebtedness at the end of the Financial Year				
i) Principle Amount	27938.45	-	-	27938.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	113.84	-	-	113.84
Total (i+ii+iii)	**28052.29**	**-**	**-**	**28052.29**

vii) Remuneration of Directors and Key Managerial Personnel

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

(₹ / Lacs)

Sl.No.	Particulars of Remuneration	Name of Chairman, Chairman & Mg. Director, Executive Vice Chairman & Dy. Managing Director				Total Amount
		Dr. Surinder Kapur①	Mr. Sunjay Kapur②	Mr. K.M. Deshmukh③	Mr. Kiyozumi Kamiki	
1.	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	27.00	33.23	54.27	36.90	151.40
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3.32	18.30	0.05	7.88	29.55
	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	-	-	-	-	-
	Total (A)	**30.32**	**51.53**	**54.32**	**44.78**	**180.95**

① Due to sad demise, Dr. Surinder Kapur ceased to be the Chairman of the Company with effect from 30th June, 2015.

② Demitted the position of Managing Director and continuing only as Non Executive Chairman of the Company with effect from 15th September, 2015.

③ Appointed as an Executive Vice Chairman of the Company with effect from 15th September, 2015.

B. Remuneration to other directors:

(₹ / Lacs)

Sl.No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	**Independent Directors**	**Mr. R. Bhoothalingam**	**Mr. P.K. Chadha**	**Mr. Ramesh Suri**	**Mr. S.S. Mehta**	**Mrs. Ramni Nirula**	**Mr. Prasan Firodia**	
	Fee for attending Board / Committee Meetings	19.00	23.00	5.00	16.00	11.00	4.00	78.00
	Commission	5.50	5.50	2.60	5.10	3.60	1.70	24.00
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**24.50**	**28.50**	**7.60**	**21.10**	**14.60**	**5.70**	**102.00**
2.	**Other Non Executive Directors**	**Mr. J.M. Kapur**	**Mr. H. Omura**	**Mr. Kazuhiko Ayabe**	**Mrs. Rani Kapur**	**Mr. Sunjay Kapur**		
	Fee for attending Board / Committee Meetings	9.00	5.00	4.00	4.00	8.00		30.00
	Commission	-	-	-	-	-		-
	Others, please specify	-	-	-	-	-		-
	Total (2)	**9.00**	**5.00**	**4.00**	**4.00**	**8.00**		**30.00**
	Total (B) = (1+2)							**132.00**
	Total Managerial Remuneration (A+B)							**312.95**
	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 remuneratin 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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel					Total Amount (₹/ Lacs)
		Managing Director①	**Chief Executive Officer②**	**Executive Vice Chairman③**	**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	33.23	118.58	54.27	120.11	66.29	392.48
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	18.30	14.44	0.05	5.70	3.69	42.18
	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	-	-	-	-	-	-
	Total	**51.53**	**133.02**	**54.32**	**125.81**	**69.98**	**434.66**

① Due to demitting the position of Managing Director, ceased to be one of Key Managerial Personnel of the Company with effect from 15th September, 2015.
② Appointed as one of the Key Managerial Personnel of the Company for the period from 15th September, 2015 to 5th February, 2016 in place of Mr. Sunjay Kapur.
③ Appointed as one of the Key Managerial Personnel in place of Mr. Govindrajan Sunder Rajan with effect from 5th February, 2016.

viii) Penalties / Punishment / Compounding of Offences : NONE

Annexure - II

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.	CSR Activities of Sona Koyo Steering Systems Limited are carried out through : 1) Sona Charitable Trust 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
2.	The Composition of the CSR Committee	1) Mrs. Ramni Nirula, Independent Director [Chairperson] 2) Mr. P.K. Chadha, Independent Director [Member] 3) Mr. Sunjay Kapur, Chairman [Member]
3.	Average net profit of the Company for last three financial years [₹ / Lacs]	₹ 3123.96 lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) [₹ / Lacs]	₹ 62.48 lacs
5.	Details of CSR spent during the financial year a) Total amount to be spent for the financial year [₹ / Lacs] b) Amount unspent, if any. [₹ / Lacs] c) Manner in which the amount spent during the financial c) year	 ₹ 62.48 lacs ₹ 9.48 lacs The manner in which the amount spent is detailed below :

Sl. No	CSR project or activity identiûed	Sector in which the Project is covered	Projects or programs : (1) Local area or other (2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise (₹ / Lacs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ / Lacs)	Cumulative Expenditure up to the reporting period (₹ / Lacs)	Amount Direct or through implementing agency
1.	Vocational Skill Development	Skill Development	Delhi, NCR	43.00	43.00	43.00	Implementing Agency
2.	Promotion of all designated Olympic Sports within India	Sports Promotion	Delhi, NCR	10.00	10.00	10.00	Amount Direct
	Total CSR Spent			53.00	53.00	53.00	

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014, Mrs. Ramni Nirula, Independent Director (Chairperson – CSR Committee) and Mr. Sunjay Kapur, Chairman (Member – CSR Committee) do confirm that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the Company.

Place : Dharuhera
Dated : 13th May, 2016

Ramni Nirula
Independent Director
[Chairperson-CSR Committee]
(DIN : 00015330)

Sunjay Kapur
Chairman
[Member-CSR Committee]
(DIN : 00145529)

Annexure - III

~~FORM NO. MR-3~~

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 2016

[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 the **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, 2016 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, 2016, 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; 1992;

  (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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable, since the Company has not granted any option to its employees 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 & Transboundry 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 and made effective from 1st July, 2015.

(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 (effective from 1st December, 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 adopted a new set of Articles of Association of the Company as per provisions of Companies Act, 2013. 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:- 10th May, 2016

Annexure - IV

Form - A : Particulars with respect to Conservation of Energy

Power and Fuel Consumption			2015-2016							2014-2015						
			Gurgaon[1]	Dharuhera[2]	Chennai[3]	Sanand[4]	Dharuhera-2[5]	Dharuhera-3[6]	Stamping Unit[7]	Gurgaon	Dharuhera-1	Chennai	Sanand	Dharuhera-2	Dharuhera-3	Stamping Unit
1	HSEB / TNEB Power / UGVCL Power Units purchased (KWH)	(Units)	7467263	4043237	2237490	536143	2055890	3794059	381327	7074064	3857364	2121030	526616	2018220	3235944	327630
	Total Amount	₹	61084071	33189886	19090232	3733134	16604217	31615801	3781231	54663176	30375690	15894358	3481974	16211455	26330136	2842855
	Rate per unit	₹	8.18	8.21	8.53	6.963	8.07	8.33	9.91	7.73	7.87	7.49	6.61	8.03	8.14	8.68
2	Captive Generation DG Set (KWH)	(Units)	277112	137132	278097	-	75360	163147	15689	540462	397491	521938	-	63967	157829	19019
	Amount	₹	4040589	1962065	5083512	-	1151891	2251205	284636	9380507	7152294	10425305	-	1196251	2760590	309360
	Rate per unit	₹	14.58	14.31	18.28	-	15.28	13.80	18.14	17.35	17.99	19.97	-	18.70	17.49	16.26
	Fixed Cost	₹	5206800	4293360	-	-	2020280	2766240	297720	5188000	4800840	-	-	2173236	2504920	272774
3	Diesel Consumption	(Litres)	90507	44086	88141	-	24107	51180	5507	271355	130833	201464	-	20873	311192	6043
	Total Amount	₹	3946309	1925215	4347781	-	1138933	2126206	284636	14622232	6977594	11775671	-	1147442	15797803	320544
	Rate per litre	₹	43.60	43.67	49.33	-	47.24	41.54	51.68	53.89	53.33	58.45	-	54.97	50.77	53.04
	Litre per unit	₹	0.32	0.32	0.32	-	0.32	0.31	0.35	0.50	0.33	0.31	-	0.33	0.33	0.32

1. Total saving achieved at Gurgaon Plant during financial year 2015-16 – ₹ 1.5 million.
   Above saving achieved by taking the following initiatives :
   1) Provided LED tube light 15 watt instead of simple tube light 36 watt in Plant-1 & 4. It gives the saving of ₹ 0.6 million.
   2) Provided energy efficient pump in pump house, FDV area in plant. It gives the saving of ₹ 0.7 million.
   3) Provided corrugated poly carbonate sheet (PVC) in stores area. It gives the saving of ₹ 0.2 million.

2. Total saving achieved at Dharuhera Plant (1) during financial year 2015-16 - ₹ 1.73 million.
   Above saving achieved by taking the following initiatives :
   1) Installation of wall fan in office to reduce power consumption of office AC (saving of ₹ 0.12 million).
   2) Installation of LED street light 2080 watts against 3744 watts (saving of ₹ 0.046 million).
   3) Installation of servo-stabilizer for lights to reduce supply voltage from 230 volts to 190 volts (saving of ₹ 0.034 million).

3. Total saving achieved at Chennai Plant during financial year 2015-16 - ₹ 0.188 million.
   Above saving achieved by taking the following initiatives :
   1) All office A/c's power auto cut-off by using simple automation (saving of ₹ 0.074 million).
   2) Conversion of fluorescent lamp to LED tube light in Ford Shaft Line, Cylinder Tube line, Power rackbar, pinion line, CS rackbar line (saving of ₹ 0.053 million).
   3) Conversion of mercury lamp to induction high bay lamp in FGS area (saving of ₹ 0.034 million).
   4) Conversion of mercury lamp to LED high bay lamp in FGS area (saving of ₹ 0.027 million).

4. Total saving achieved at Sanand Plant during financial year 2015-16 - ₹ 0.133 million.
   Above saving achieved by taking the following initiatives :
   1) A saving of 6131 units achieved by maintaining power factor 0.97 to 0.98 for instrument efficiency improvement and achieved saving of ₹ 0.046 million.
   2) A saving of 1724 units achieved by switching off the street lights alternatively (22 light, 250w) and achieved saving of ₹ 0.012 million.
   3) A saving of 9482 units achieved by stopping FDV in lunch time and achieved saving of ₹ 0.066 million.
   4) A saving of 1293 units achieved by use 22kw compressor in place of 37kw compressor when air demand is low and saving of ₹ 0.009 million.

5. Total saving achieved at Dharuhera Plant (2) during financial year 2015-16 - ₹ 0.48 million.
   Above saving achieved by taking the following initiatives :
   1) A.C drive installed on canteen exhaust fan to reduce RPM (saving of ₹ 0.054 million).
   2) Temperature controller installed on cooling tower fan motor (saving of ₹ 0.028 million).
   3) Main transformer replaced from 2500 KVA to 1500 KVA from DHR1 plant (saving of ₹ 0.33 million).
   4) PLC installed on canteen A.C. to ON/OFF A.C at lunch/tea timings (saving of ₹ 0.067 million).

6. Total saving achieved at Dharuhera Plant (3) during financial year 2015-16 – ₹ 0.34 million.
   Above saving achieved by taking the following initiatives :
   1) Reduce compressor pressure from 6.3 bar to 5.8 bar (saving of ₹ 0.19 million).
   2) Auto cut for cooling towers, FDVs & scrubber automation (saving of ₹ 0.15 million).

7. Total saving achieved at Stamping Unit during financial year 2015-16 – ₹ 0.23 million.
   Above saving achieved by taking the following initiatives :
   1) 250 Ton Press m/c main motor connection change delta to star (saving of ₹ 0.17 million).
   2) Provided motor stop timer to stop idle condition power wastage (saving ₹ 0.03 million).
   3) Replaced sodium lights with LED lights for street lights (saving ₹ 0.03 million).

Form - B : Particulars with respect to Technology Absorption

A. Technology Absorption

1. Efforts in brief towards technology absorption and innovation	a) Development of high performance Rack & Pinion Steering gear for CEPS application with advance features of noise and friction control. b) Development of Tilt and collapsible steering column with integrated CNI (Compact Noise Isolator) coupling. c) Development of an advance tilt retention mechanism in steering column for superior crash performance. d) Development of high performance sliding shaft for high power column EPS application. e) Development of an advanced multi-axis simulation and experimentation test facility.
2. Benefits derived as a result 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) Development of advance tilt mechanism is aimed at improving crash performance of steering column and provides additional safety to the driver during collision. d) 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. e) Development of advance simulation and experimentation facility will help validation of 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) 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.
b) Technology import from	b) JTEKT Corporation, Japan
c) Year of import;	c) FY 15 (2014)
d) Whether the technology been fully absorbed;	d) The same is fully absorbed
e) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	e) Not applicable

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. b) Research and Development work for speed sensitive steering assist having CAN Interface for off highway vehicles is in progress. The production trials have been carried out and testing and validation is in progress. c) Extensive study on advanced driver assistance systems and steering systems for automated vehicles have been carried out. d) Prototype development of electric power steering based on brushless motor for off-road vehicles is in progress. e) Research work on investigating factors responsible for degradation of oil in hydraulic power steering is under progress. f) Research work on processing JIS ADC12 aluminium alloy through Rheo Pressure die casting is in progress. g) Concept prototype control system for a smart farm vehicle is in progress.
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 in the field of farm equipments and commercial vehicles for future growth through technological innovations by developing new concepts and futuristic electro-mechanical products with indigenous technology, designs and patents. b) Business interest indicated by small/medium size tractor manufacturers. c) 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 ₹ 14.71 lacs b) Revenue expenditure of ₹ 261.48 lacs

Form - C : Foreign Exchange Earning and Outgo

During the year the Company's export sales amounted to ₹ 7601.53 lacs. Foreign Exchange outflow on account of import of raw material, spares and tools during the year was ₹ 9645.06 lacs

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 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
Dr. Surinder Kapur, Chairman①	8.85
Mr. Sunjay Kapur, Managing Director②	23.83
Mr. Kiran Manohar Deshmukh, Executive Vice Chairman③	15.64
Mr. Kiyozumi Kamiki, Dy. Managing Director	17.84

① Due to sad demise, Dr. Surinder Kapur ceased to be the Chairman of the Company with effect from 30th June, 2015 (salary taken up to 30-06-2015).
② Demitted the position of Managing Director and continuing only as Non Executive Chairman of the Company with effect from 15th September, 2015 (salary taken Upto 14-09-2015).
③ Appointed as an Executive Vice Chairman of the Company with effect from 15th September, 2015 (salary taken from 15-09-2015).

(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
Dr. Surinder Kapur, Chairman①	(75.26%)
Mr. Sunjay Kapur, Managing Director②	(42.19%)
Mr. Kiran Manohar Deshmukh, Executive Vice Chairman③	-
Mr. Kiyozumi Kamiki, Dy. Managing Director	4.00%
Mr. Sudhir Chopra, President & Company Secretary	3.24%
Mr. Govindrajan Sunder Rajan, Chief Executive Officer④	5.22%
Mr. Rajiv Chanana, Chief Financial Officer	4.58%

① Due to sad demise, Dr. Surinder Kapur ceased to be the Chairman of the Company with effect from 30th June, 2015 (salary taken up to 30-06-2015).
② Demitted the position of Managing Director and continuing only as Non Executive Chairman of the Company with effect from 15th September, 2015 (salary taken Upto 14-09-2015).
③ Appointed as an Executive Vice Chairman of the Company with effect from 15th September, 2015 (salary taken from 15-09-2015).
④ Appointed as one of the Key Managerial Personnel of the Company for the period from 15th September, 2015 to 5th February, 2016.

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

2.6%

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

1368

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

Employees salary cost increased by 10.62%. The increase in remuneration is in the line with the market trends.

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

Particulars	₹/Lacs
Remuneration of Key Managerial Personnel (KMP) during financial year 2015-16 (aggregated)	491.27*
Revenue from operations	107739.11
Remuneration (as % of revenue)	0.46%
Profit before tax (PBT)	3224.40
Remuneration (as % of PBT)	15.24%

*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 31.03.2016	As at 31.03.2015	Variation (%)
Closing rate of share at BSE	₹	46.50	50.40	(7.74%)
EPS (Consolidated)	₹	1.86	1.91	(2.62%)
Market Capitalization	₹/Lacs	92414.95	100165.88	(7.74%)
Price Earnings ratio	Ratio	25.00	26.38	(5.23%)

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 2015-16 was 9.64%. Percentage increase(+)/ decrease (-) in the managerial remuneration for the year was 38.34%.

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

Particulars	Managing Director①	Chief Executive Officer②	Executive Vice Chairman③	President & Company Secretary	Chief Financial Officer
Remuneration	89.49 *	135.27 *	58.72 *	132.72 *	75.07 *
Revenue	107739.12	107739.12	107739.12	107739.12	107739.12
Remuneration (as % of revenue)	0.08%	0.13%	0.05%	0.12%	0.07%
Profits before tax (PBT)	3224.40	3224.40	3224.40	3224.40	3224.40
Remuneration (as % of PBT)	2.78%	4.20%	1.82%	4.12%	2.33%

① Due to demitting the position of Managing Director, ceased to be one of Key Managerial Personnel of the Company with effect from 15th September, 2015.
② Appointed as one of the Key Managerial Personnel of the Company for the period from 15th September, 2015 to 5th February, 2016 in place of Mr. Sunjay Kapur.
③ Appointed as one of the Key Managerial Personnel in place of Mr. Govindrajan Sunder Rajan with effect from 5th February, 2016.
* Cost to company / actual payment made during the year is considered for the purpose of computation of remuneration.

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

As permitted under the Companies, 2013 the payment of commission upto a sum not exceeding 1% of the net profit of Company calculated in accordings with the provision 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 performance evaluation which is based on attendance and contribution 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;

0.66

(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 the provisions of Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Age (Years)	Designation/ Nature of Eployment	Remuneration (₹)	Qualification	Experience (Years)	Date of Employment	Last Employment	% of Shares held in the Co.	Whether related to any director
Dr. Surinder Kapur *	72	Chairman (Whole-time)	3322479	Ph.D. (Mech. Engg) Michigan State University, U.S.A.	42	01.10.1990	Bharat Gears Ltd. (Vice Chairman & Managing Director)	Nil	N.A.
Mr. Sunjay Kapur *	45	Chairman (Whole-time)	8948535	Graduate in Business Admn. from Buckingham University, U.K.	20	22.10.2008	Sona Management Services Ltd. (Managing Director)	0.00%	Related to Mrs. Rani Kapur
Mr. K.M. Deshmukh	62	Vice Chairman (Whole-time)	5872037	B.tech (Metallurgy)	39	15.09.2015	Sona Skill Development Centre (Managing Director)	0.00%	No
Mr. Kiyozumi Kamiki	60	Dy. Managing Director (Whole-time)	6700935	Masters Degree in Engineering –Metallurgy	34	07.03.2013	JTEKT CORPORATION -Japan	Nil	No
Mr. Sudhir Chopra	58	President & Company Secretary (Permanent)	13271843	B.Com, FCS, LL.B.	38	15.05.1993	Samtel India Limited (Company Secretary)	0.00%	No
Mr. Govindrajan Sunder Rajan *	53	Chief Executive Officer (Permanent)	13526776	B.Sc., MBA & Master of Information Management	31	01.12.2008	Sona Autocomp Holding Private Limited (V.P. – Strategy & Innovations)	Nil	No
Mr. A D Rao	56	Chief Technology Officer (Permanent)	6930100	BE Honours and MSC Honours	34	16.02.1987	Ameteep Machine Tools Pvt. Ltd. (Executive Engineer)	Nil	No
Mr. Rajiv Chanana	50	Chief Financial Officer (Permanent)	7506575	B.Com, FCA	26	25.03.2009	Deutsche Postbank Home Finance Limited. (V.P. Treasury)	0.00%	No
Mr. Vikas Marwah	48	Chief Marketing Officer (Permanent)	6432123	B.Com (Hons), MBA	26	26.03.2012	Orix Auto and Infrastructure Services Limited. (VP-Operations)	0.00%	No
Mr. Vivek Vikram Singh	36	Group Head-Strategy & CFO (Permanent)	7565855	BE, MBA	11	02.04.2015	Grant Thornton India (Consultant)	Nil	No

NOTE :
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.
* Worked part of the financial year 2015-16

Independent Auditors' 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, 2016, 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.

Auditors' 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2016, and 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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"; and

   (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.

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

Place : Dharuhera
Dated : 13th May, 2016

(Rajiv Puri - Partner)
Membership No. 084318

Annexure - 'A' to the Independent Auditors' 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, 2016.

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 are held in the name of the Company

ii. Physical verification of inventory, except goods-in-transit has been conducted by the management at reasonable intervals by the management 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 Act. Accordingly, the paragraphs 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 Act. 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 and rules framed thereunder. 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 with 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, service tax, duty of custom, duty of excise, value added tax and cess and other material statutory dues were outstanding, as on 31st March, 2016 for a period of more than six months from the date they became payable.

(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	6.75	2009-10	Commissioner of Appeals (Service Tax)
The Finance Act,1994 (Service Tax)	Wrong availment of Cenvat Credit & Penalty (Net of deposit of ₹ 0.90 lakhs)	23.96	2009-10 to 2015-16	Commissioner of Appeals (Service Tax)
The Finance Act,1994 (Service Tax)	Wrong availment of Cenvat Credit & Penalty (Net of deposit of ₹ 0.14 lakhs)	4.56	2012-13 to 2015-16	Commissioner of Appeals (Service Tax)
Central Excise Act,1944	Wrong availment of Cenvat Credit & Penalty	4.59	2007-08 & 2008-09	Commissioner of Appeals (Central Excise)
Central Excise Act,1944	Excise duty & Penalty (Net of deposit of ₹ 2.36 lakhs)	100.28	2008-09	Cestat, Chennai (Central Excise)
Central Excise Act,1944	Wrong availment of Cenvat Credit & Penalty (Net of deposit of ₹ 8.36 lakhs)	305.06	2007-08 to 2011-12	Cestat, New Delhi (Central Excise)
Central Excise Act,1944	Wrong availment of Cenvat Credit & Penalty (Net of deposit of ₹ 6.50 lakhs)	100.25	2005-06 to 2010-11	Cestat, New Delhi (Service Tax)
Central Excise Act,1944	Wrong availment of Cenvat Credit & Penalty (Net of deposit of ₹ 0.61 lakhs)	18.43	2009-10 to 2011-12	Cestat, New Delhi (Service Tax)
Income Tax Act,1961	Income Tax demand	170.57	2011-12	Assessing Officer, New Delhi
Income Tax Act,1961	Income Tax demand (Net of deposit of ₹ 7.94 lakhs)	0.00	2011-12 to 2013-14	Commissioner of Income Tax (Appeals), Rohtak

* Includes 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 financial institutions banks or to any banks. The Company did not have any outstanding debentures, or loans or borrowings from 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 course of our audit.

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 except for the remuneration paid/provided to Company's Executive Vice Chairman appointed during the year which is subject to the approval by special resolution of the shareholders.

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 Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give 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, paragraph 3(xiv) of the Order is not applicable.

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. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

Place : Dharuhera
Dated : 13th May, 2016

(Rajiv Puri - Partner)
Membership No. 084318

Annexure - 'B' to the Independent Auditors' 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, 2016 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.

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 ICAI 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 2016, 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. 001152 N

Place : Dharuhera
Dated : 13th May, 2016

(Rajiv Puri - Partner)
Membership No. 084318

Balance Sheet
As at 31st March, 2016

Particulars	Note No.	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**1987.42**	1987.42
Reserves and surplus	3	**25531.73**	24228.01
	Sub-total	**27519.15**	26215.43
Non-current liabilities			
Long-term borrowings	4	**14315.10**	14536.41
Deferred tax liabilities (net)	5	**2313.05**	2895.00
Other long-term liabilities	6	**29.21**	33.86
Long-term provisions	7	**524.30**	510.37
	Sub-total	**17181.66**	17975.64
Current liabilities			
Short-term borrowings	8	**6386.63**	3884.34
Trade payables	9		
Total outstanding dues of micro enterprises & small enterprises		**-**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		**15420.45**	14310.06
Other current liabilities	10	**9301.19**	9461.37
Short-term provisions	7	**1524.27**	1816.06
	Sub-total	**32632.54**	29471.83
	Total	**77333.35**	73662.90
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	**40629.41**	38253.68
Intangible assets	11	**3151.93**	2313.95
Capital work-in-progress		**1985.33**	4797.30
Intangible assets under development		**1827.11**	1418.02
Non-current investments	12	**3528.19**	3548.19
Long-term loans and advances	13	**1216.49**	651.64
Other non-current assets	14	**17.81**	16.47
	Sub-total	**52356.27**	50999.25
Current assets			
Inventories	15	**7147.74**	7162.38
Trade receivables	16	**13835.55**	11664.77
Cash and bank balances	17	**453.80**	234.79
Short-term loans and advances	13	**1578.08**	1941.05
Other current assets	14	**1961.91**	1660.66
	Sub-total	**24977.08**	22663.65
	Total	**77333.35**	73662.90
Significant accounting policies & Notes on financial statements	**1 to 48**		

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

Sunjay Kapur
Chairman
(DIN - 00145529)

K.M. Deshmukh
Executive Vice Chairman
(DIN 01807023)

Ravi Bhoothalingam
Director
(DIN 00194530)

Place : Dharuhera
Dated : 13th May, 2016

Sudhir Chopra
President & Company Secretary

Rajiv Chanana
Chief Financial Officer

Statement of Profit & Loss
For the year ended 31st March, 2016

Particulars	Note No.	Year ended 31st March, 2016 (₹ / Lacs)	Year ended 31st March, 2015 (₹ / Lacs)
Income			
Revenue from operations (gross)	**18**	**122931.72**	122881.57
Less : Excise duty		**15192.61**	15018.06
Revenue from operations (net)		**107739.11**	107863.51
Other income	**19**	**1598.44**	417.91
Total revenue (I)		**109337.55**	108281.42
Expenses			
Cost of materials consumed [refer note 39(a)]		**69725.43**	69946.55
Purchases of stock-in-trade [refer note 39(d)]		**2037.09**	1973.14
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**20**	**(380.04)**	(16.86)
Employee benefits expense	**21**	**13033.36**	11968.72
Finance costs	**22**	**2822.86**	2492.59
Depreciation and amortization expense	**23**	**7190.24**	7799.74
Research & development expenses	**24**	**261.48**	219.87
Other expenses	**25**	**11422.73**	11520.70
Total expenses (II)		**106113.15**	105904.45
Profit before tax (I - II)		**3224.40**	2376.97
Tax expense			
- Current year		**1301.00**	1251.00
- Earlier year		**5.61**	**-**
- Deferred tax		**(581.94)**	(671.75)
Total tax expenses		**724.67**	579.25
Profit for the year		**2499.73**	1797.72
Earnings per equity share (face value of ₹ 1/- each) :			
Basic & Diluted (in ₹)	**26**	**1.26**	0.90

Significant accounting policies & Notes on financial statements **1 to 48**

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

Sunjay Kapur
Chairman
(DIN - 00145529)

K.M. Deshmukh
Executive Vice Chairman
(DIN 01807023)

Ravi Bhoothalingam
Director
(DIN 00194530)

Place : Dharuhera
Dated : 13th May, 2016

Sudhir Chopra
President & Company Secretary

Rajiv Chanana
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars		Year ended 31st March, 2016 (₹ / Lacs)		Year ended 31st March, 2015 (₹ / Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before tax		**3224.40**		2376.97
Adjustment for :				
Depreciation & amortization	**7190.24**		7799.74	
CSR Expenses	**-**		(23.00)	
(Profit)/loss on sale of fixed assets (net)	**(23.32)**		(1.25)	
(Gain)/loss on sale of long term investment	**(990.00)**		-	
Dividend income	**(285.00)**		(61.58)	
Unrealized foreign exchange (gain)/loss	**(154.46)**		(387.68)	
Provision for slow moving inventory written back	**(28.52)**		10.00	
Premium on forward contract amortized	**133.99**		347.03	
Interest expense	**2771.25**		2427.43	
Interest income	**(16.17)**	**8598.01**	(2.67)	10108.02
Operating profit before working capital changes		**11822.41**		12484.99
(Increase)/decrease in trade receivables	**(2179.69)**		2312.58	
(Increase)/decrease in inventories	**14.65**		(53.94)	
(Increase)/decrease in long term loans & advances	**(556.86)**		194.71	
(Increase)/decrease in other current assets	**(301.31)**		(738.77)	
(Increase)/decrease in short term loans & advances	**83.58**		(63.20)	
Increase/(decrease) in trade payables	**1195.10**		(976.17)	
Increase/(decrease) in other current liabilities	**(198.83)**		220.00	
Increase/(decrease) in other long term liabilities	**(4.65)**		(16.93)	
Increase/(decrease) in long term provisions	**13.93**		57.47	
Increase/(decrease) in short term provisions	**41.70**	**(1892.38)**	71.62	1007.37
Cash generated from operations		**9930.03**		13492.36
Income tax paid (net of income tax refund)		**(1009.92)**		(546.67)
Net cash from operating activities		**8920.11**		12945.69
B. CASH FLOWS FROM INVESTING ACTIVITIES :				
Purchase of fixed assets (including CWIP)	**(7868.23)**		(6368.94)	
Proceeds from sale of fixed assets	**83.64**		38.35	
Proceeds from sale of long term investment	**1010.00**		-	
Purchase of non current investment	**-**		(85.38)	
Bank deposit having original maturity of more than 3 months	**(1.26)**		4.22	
Dividend received from subsidiaries	**250.00**		38.25	
Dividend received from others	**35.00**		23.33	
Interest received	**16.17**		2.68	
Net cash (used)/raised from investing activities		**(6474.68)**		(6347.49)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from long term borrowings	**8337.74**		6810.59	
Repayment of long term borrowings	**(8592.99)**		(7808.77)	
Proceeds / (Repayment) of short term borrowings	**2502.29**		(938.67)	
Interest paid	**(2944.70)**		(2807.16)	
Dividend paid	**(1291.82)**		(1589.93)	
Tax on dividend paid	**(262.98)**		(270.21)	
Net cash (used)/raised from financing activities		**(2252.46)**		(6604.15)
Increase/(decrease) in cash & cash equivalents (A+B+C)		**192.97**		(5.95)
Cash & cash equivalents at the begining of the year		**78.66**		84.61
Cash & cash equivalents at the end of the year		**271.63**		78.66
Components of cash & cash equivalent				
Balances with banks:				
Current accounts		**49.22**		65.56
Cash on hand		**9.68**		13.10
Cheque on hand		**212.73**		-
Total cash and cash equivalents		**271.63**		78.66

NOTES TO THE CASH FLOW STATEMENT :

1. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 "Cash flow statement".
2. Figures in brackets indicate cash outflow and without brackets indicate cash inflow.
3. Change in short term borrowings reflects change in utilization of bank cash credit limits during the year.

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

Sunjay Kapur
Chairman
(DIN - 00145529)

K.M. Deshmukh
Executive Vice Chairman
(DIN 01807023)

Ravi Bhoothalingam
Director
(DIN 00194530)

Place : Dharuhera
Dated : 13th May, 2016

Sudhir Chopra
President & Company Secretary

Rajiv Chanana
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

I. **General 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 accrual basis under the historical cost convention except derivative financial instruments in loss, which are measured at fair value. 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 policy explained under Clause (V) below.

IV. **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.

V. **Component Accounting**

The Company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life rate/depreciation rate was used to depreciate each item of fixed asset. Due to application of component accounting of Schedule II to the Companies Act, 2013 becoming mandatory during the year, the Company has changed the manner of depreciation for its fixed assets. Now, the Company identifies and determines separate useful life of each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. This change in accounting policy did not have any material impact on financial statements of the company for the current year.

VI. **Tangible Fixed Assets and Depreciation/Amortisation :**

Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price, incidental expenses, erection/commissioning expenses and financial charges upto the date the fixed asset is ready for its intended use.

Exchange differnces arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

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 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.

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 into account the nature of the assets and estimated usage of the asset, past history of replacement and anticipated technological changes etc.:

- Dies 4 Years
- Vehicles 5.3 Years

Asset costing less than ₹ 5000 each are fully depreciated in the year of capitalisation.

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 & 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.

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 & loss on a straight-line basis over the lease term.

- Where the Company is the lessor

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

IX. **Investments**

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

X. **Inventory valuation**

a) Inventories are value 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.

c) 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.

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 weighted average basis.

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:

  A) 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 & 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 & Development is capitalised in the year of installation and depreciated accordingly.

b) Revenue expenses incurred for Research & Development is charged to Statement of Profit & Loss of the year in which it is incurred.

XIV. **Income**

Revenue recognition - 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.

All export benefits are recognised as income when there is substantial certainty as their realisability e.g.

a) Focused Product Scheme and Merchandise Exports from India Scheme are recognized as income on filing the relevant application with the respective authorities.
b) Duty draw back is accounted in the year of export.

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 relatable 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 & loss as incurred. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust is mandated not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, is made good by the Company. The remaining 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 LIC. The Company accounts for the liability of Gratuity Benefits payable in future based on an independent actuarial valuation.

- 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. **Taxation**

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 alternative 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 taxation to the basic/weighted average number of 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.

Particulars	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
NOTE 2 - SHARE CAPITAL		
Authorised shares (in nos.)		
27,10,00,000 (previous year 27,10,00,000) equity shares of ₹ 1/- each	**2710.00**	2710.00
Issued, subscribed and paid up shares (in nos.)		
19,87,41,832 (previous year 19,87,41,832) 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 31st March, 2016		As at 31st March, 2015	
	(Nos.)	(₹ / Lacs)	(Nos.)	(₹ / Lacs)
Shares outstanding at the beginning of the year	**19,87,41,832**	**1987.42**	19,87,41,832	1987.42
Shares issued during the year	**-**	**-**	-	-
Shares bought back during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**19,87,41,832**	**1987.42**	19,87,41,832	1987.42

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 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 shareholders 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 31st March, 2016		As at 31st March, 2015	
	No. of shares	% of holding	No. of shares	% of holding
Equity share of ₹ 1/- each fully paid				
• Sona Autocomp Holding Ltd.	**4,99,14,664**	**25.12%**	4,99,14,664	25.12%
• JTEKT Corporation, Japan	**3,99,47,108**	**20.10%**	3,99,47,108	20.10%
• Maruti Suzuki India Ltd.	**1,38,00,000**	**6.94%**	1,38,00,000	6.94%

Particulars	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
NOTE 3 - RESERVES & SURPLUS		
Capital reserve	**0.44**	0.44
(On account of reissue of forfeited equity shares)		
Securities premium account		
Balance as per the last financial statements	**8070.76**	8070.76
	8070.76	8070.76
General reserve		
Balance as per the last financial statements	**8190.71**	8190.71
Closing balance	**8190.71**	8190.71
Surplus in the statement of profit & loss		
Balance as per last financial statements	**7966.10**	8394.51
Add: Profit for the year	**2499.73**	1797.72
Less: Adjustment of depreciation charge	**-**	648.33
Less: Appropriations		
Proposed dividend (refer note below)	**993.71**	1291.82
Tax on proposed dividend	**202.30**	262.98
CSR expenses	**-**	23.00
Net surplus in the statement of profit & loss	**9269.82**	7966.10
Total reserve and surplus	**25531.73**	24228.01

For the year ended 31st March, 2016, the amount of dividend proposed to be distributed to equity shareholders is ₹ 0.50 per share (previous year ₹ 0.65 per share).

	Non-current portion		Current maturities	
	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
NOTE 4 - LONG TERM BORROWINGS				
Term loans				
From banks				
Indian rupee loans from banks (secured)	**6280.79**	10635.88	**3423.40**	4303.60
Foreign currency loans from banks (secured)	**8034.31**	3900.53	**3813.32**	2843.04
From others				
Indian rupee loan from NBFC (secured)	**-**	-	**-**	97.22
	14315.10	14536.41	**7236.72**	7243.86
Amount disclosed under the head "other current liabilities" (refer note 10)	**-**	-	**(7236.72)**	7243.86
	14315.10	14536.41	**-**	-

1. Indian rupee loans from banks include:

(a) Rupee term loans of ₹ 9631.35 lacs (previous year ₹ 14871.55 lacs) 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 ₹ 963.74 lacs (previous year ₹ 4220.00 lacs) 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.

(b) Rupee term loan of ₹ 72.84 lacs (previous year ₹ 67.93 lacs) 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. Indian rupee loan from NBFC include:

Term loan ₹ Nil (previous year ₹ 97.22 lacs) was secured by way of second charge on entire assets of the Company situated at Sanand, Gujarat to be purchased or constructed out of said term loan. The rate of interest on aforesaid loan is linked to NBFC's prime lending rate (PLR).

3. Foreign currency loans from banks include :

(a) Foreign currency loan of USD 0.50 millions equivalent to ₹ 274.00 lacs (previous year USD 1.5 millions equivalent to ₹ 822.00 lacs) 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% and is fully hedged.

(b) Foreign currency loan of USD 1.25 million equivalent to ₹ 628.12 lacs (previous year USD 2.5 million equivalent to ₹ 1256.25 lacs) 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 is fully hedged.

(c) Foreign currency loan of USD 3.75 million equivalent to ₹ 2249.25 lacs (previous year USD 5.25 million equivalent to ₹ 3148.95 lacs) 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 is fully hedged.

(d) Foreign currency loan of USD 6.5 million equivalent to ₹ 4235.40 lacs (previous year USD Nil & ₹ Nil) 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.

(e) FCNR loan of USD 6.7 million equivalent to ₹ 4460.86 lacs (previous year USD 2.41 million equivalent to ₹ 1516.37 lacs) from State Bank of India is secured by first pari passu charge on movable and immovable fixed assets except assets exclusively charged to other banks & loans to the extent of ₹ 3728.48 lacs (previous year ₹ Nil) are further secured by way of second charge on current assets, on pari passu basis. The loan carries interest @ LIBOR plus 3.25% and is fully hedged.

4. Terms of repayment :

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

(₹ / Lacs)

S.No.	Loan Amount	No. of Installments Due	Each Installment Amount	Periodicity	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1.	751.35	2.00	375.00	Quarterly	751.35	-	-	-	-	-
2.	311.80	2.00	229.20	Quarterly	311.80	-	-	-	-	-
3.	166.96	1.00	172.00	Quarterly	166.96	-	-	-	-	-
4.	750.00	6.00	125.00	Quarterly	375.00	375.00	-	-	-	-
5.	274.00	2.00	274.00	Half Yearly	274.00	-	-	-	-	-
6.	628.13	4.00	157.03	Quarterly	628.13	-	-	-	-	-
7.	937.50	5.00	187.50	Quarterly	375.00	562.50	-	-	-	-
8.	732.38	4.00	187.50	Quarterly	732.38	-	-	-	-	-
9.	2249.25	10.00	224.93	Quarterly	899.70	899.70	449.85	-	-	-
10.	3900.00	16.00	200.00	Quarterly	800.00	800.00	1200.00	1100.00	-	-
11.	4024.22	16.00	200.00	Quarterly	800.00	800.00	1200.00	1224.22	-	-
12.	668.00	8.00	85.00	Quarterly	332.00	336.00	-	-	-	-
13.	1303.20	17.00	76.66	Quarterly	229.98	306.64	306.64	306.64	153.30	-
14.	1303.20	17.00	76.66	Quarterly	153.32	306.64	306.64	306.64	229.96	-
15.	1629.00	17.00	95.82	Quarterly	95.81	383.29	383.30	383.30	383.30	-
16.	1850.00	20.00	92.50	Quarterly	277.50	370.00	370.00	370.00	370.00	92.50
17.	32.62	8.00	0.82	Monthly	9.79	9.79	9.79	3.25	-	-
18.	40.21	27.00	4.22	Monthly	24.00	16.21	-	-	-	-
	21551.82				7236.72	5165.77	4226.22	3694.05	1136.56	92.50

Particulars	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
NOTE 5 - DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability		
Depreciation	**2545.25**	3100.51
Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the statement of profit & loss in the subsequent year.	**15.16**	21.47
Gross deferred tax liability	**2560.41**	3121.98
Deferred tax assets		
Impact of expenditure charged to the statement of profit & loss in the current year but allowed for tax purposes in subsequent years.	**247.36**	217.11
Provision for slow moving inventory	-	9.87
Gross deferred tax assets	**247.36**	226.98
Net deferred tax liability	**2313.05**	2895.00
NOTE 6 - OTHER LONG TERM LIABILITIES		
Security deposit	**22.06**	21.16
Other payables *	**7.15**	12.70
	29.21	33.86

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

	Long-term		Short-term	
	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)	**As at 31st March, 2016 (₹ / Lacs)**	As at 31st March, 2015 (₹ / Lacs)
NOTE 7 - PROVISIONS				
Provision for employee benefits				
Leave Encashment (refer note 27)	**441.80**	437.87	**55.46**	43.76
	441.80	437.87	**55.46**	43.76
Other provisions				
Provision for income tax [net of advance tax and TDS of ₹ 3807.30 lacs (previous year ₹ Nil)]	**-**	-	**25.30**	-
Proposed dividend	**-**	-	**993.71**	1291.82
Corporate dividend tax	**-**	-	**202.30**	262.98
Product warranty [refer note 43(a)]	**82.50**	72.50	**247.50**	217.50
	82.50	72.50	**1468.81**	1772.30
	524.30	510.37	**1524.27**	1816.06

	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
NOTE 8 - SHORT TERM BORROWINGS		
Cash credit / other loans repayable on demand from banks (secured)	**6386.63**	3884.34
	6386.63	3884.34

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.

Particulars	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
NOTE 9 - TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises (refer note 41)	**-**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	**15420.45**	14310.06
	15420.45	14310.06
NOTE 10 - OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (refer note 4)	**7236.72**	7243.86
Interest accrued but not due on borrowings	**113.84**	94.09
Unclaimed dividends *	**182.17**	156.13
Security deposits	**24.09**	23.59
Advance from customer	**156.16**	186.67
Taxes payable **	**334.88**	378.42
Other payables***	**1253.33**	1378.61
	9301.19	9461.37

* There is no amount due and outstanding to be credited to Investor Education & Protection Fund under Section 205C of the Companies Act, 1956 as at the year end. Section 125 of Companies Act, 2013 which corresponds to Section 205C of Companies Act, 1956 has not yet been enforced.

** 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

(₹ / Lacs)

Sl. No.	Assets	Gross BLock					Depreciation				Net Block	
		As at 01.04.2015	Additions	Sales/ Disposition	Other Adjustments #	**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**	As at 31.03.2015
Tangible Assets												
1.	Freehold Land	2021.87	1592.48	-	-	**3614.35**	-	-	-	**-**	**3614.35**	2021.87
2.	Land-Leased*	221.50	-	-	-	**221.50**	12.96	2.55	-	**15.51**	**205.99**	208.54
3.	Building**	13085.38	2858.35	-	125.28	**16069.01**	2509.13	525.85	-	**3034.98**	**13034.03**	10576.25
4.	Lease Hold Improvements	46.28	-	-	-	**46.28**	32.10	5.35	-	**37.45**	**8.83**	14.19
5.	Plant & Machinery	51051.84	3669.41	538.17	135.45	**54318.53**	28634.12	5045.20	501.84	**33177.48**	**21141.05**	22417.72
6.	Jigs & Fixture	659.18	99.39	46.07	-	**712.50**	384.32	76.77	34.28	**426.81**	**285.69**	274.86
7.	Electric Installation	2872.95	176.96	-	4.16	**3054.07**	1500.41	330.01	-	**1830.42**	**1223.65**	1372.54
8.	Furniture & Fixture	687.99	31.72	13.22	-	**706.49**	400.96	97.94	10.89	**488.01**	**218.48**	287.03
9.	Office Equipment	2461.55	160.45	15.37	-	**2606.63**	1962.78	252.91	15.10	**2200.59**	**406.04**	498.77
10.	Vehicles	697.08	63.93	192.47	-	**568.54**	358.48	103.67	182.86	**279.29**	**289.25**	338.61
11.	R&D-Plant & Machinery	470.83	6.83	-	-	**477.66**	229.25	51.19	-	**280.44**	**197.22**	241.58
12.	R&D-Office Equipment	103.33	4.27	-	-	**107.60**	101.61	1.16	-	**102.77**	**4.83**	1.72
Sub Total		74379.78	8663.79	805.30	264.89	**82503.16**	36126.12	6492.60	744.97	**41873.75**	**40629.41**	38253.68
Previous Year		68413.69	5939.14	186.59	213.54	**74379.78**	28162.97	8112.64	149.49	**36126.12**	**38253.66**	
Intangible Assets												
1.	R&D-Computer Softwares	82.19	3.60	-	-	**85.79**	61.13	4.77	-	**65.90**	**19.89**	21.06
2.	Computer Softwares	803.76	249.43	-	-	**1053.19**	395.55	167.31	-	**562.86**	**490.33**	408.21
3.	New Product Development***	4109.33	1282.56	-	-	**5391.89**	2224.64	525.54	-	**2750.18**	**2641.71**	1884.68
Sub Total		4995.28	1535.59	-	-	**6530.87**	2681.32	697.62	-	**3378.94**	**3151.93**	2313.95
Previous Year		3908.46	1086.82	-	-	**4995.28**	2012.05	669.27	-	**2681.32**	**2313.96**	
Total		79375.06	10199.37	805.30	264.89	**89034.02**	38807.44	7190.22	744.97	**45252.69**	**43781.34**	40567.63
Previous Year		72322.15	7025.96	186.59	213.54	**79375.06**	30175.02	8781.91	149.49	**38807.44**	**40567.62**	

Capital Work In Progress - Tangible assets	**1985.33**	4797.30
Capital Work In Progress - Intangible assets under development	**1827.11**	1418.02
	3812.44	6215.32

* Leasehold land includes ₹ 221.50 lacs (previous year ₹ 221.50 lacs) in respect of which lease deed is pending for execution.

** 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 seggregated.

** Building (Gross block) amounting to ₹ 1542.96 lacs (previous year ₹ 1542.96 lacs), net block ₹ 1346.43 lacs (previous year ₹ 1397.85 lacs) is constructed on leasehold land.

*** Internally generated intangible assets.

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

Particulars	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
NOTE 12 - NON CURRENT INVESTMENTS		
Long-term investments (at cost)		
Trade investments		
Unquoted equity instruments, fully paid up		
In Subsidiary Companies:		
50,99,993 (previous year 50,99,993) equity shares of ₹ 10/- each, in Sona Fuji Kiko Automotive Ltd.	**510.00**	510.00
2,77,78,094 (previous year 2,77,78,094) equity shares of ₹ 10/- each, in JTEKT Sona Automotive India Ltd.	**2777.81**	2777.81
In Associate Company:		
22,57,591 (previous year 22,57,591) equity shares of ₹ 10/- each in Sona Skill Development Centre Ltd.	**240.38**	240.38
Nil (previous year 4,66,669) equity shares of ₹10/- each in Roop Automotive Ltd. (sold during the year)	**-**	20.00
	3528.19	3548.19
Aggregate amount of quoted investment	**-**	-
Aggregate amount of unquoted investments	**3528.19**	3548.19

	Non-current		Current	
	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)	**As at 31st March, 2016 (₹ / Lacs)**	As at 31st March, 2015 (₹ / Lacs)
NOTE 13 - LOANS AND ADVANCES				
(Unsecured, considered good)				
Capital advances	**1061.72**	486.08	**-**	**-**
	1061.72	486.08	**-**	**-**
Security deposits	**121.88**	120.74	**48.56**	74.24
	121.88	120.74	**48.56**	74.24
Other loans and advances				
Advance recoverable in cash or kind	**-**	-	**107.15**	81.55
Loans and advances to employees	**5.69**	13.92	**35.66**	34.10
Prepaid expenses	**25.42**	22.01	**353.95**	299.10
Balance with custom, excise, sales tax and other government authorities etc.	**1.78**	0.89	**1,032.76**	1,172.67
Minimum Alternate Tax (MAT) credit entitlement	**-**	-	**-**	279.39
Advance income tax [Net of provision for income tax ₹ Nil (previous year of ₹ 3661.41 lacs)]	**-**	8.00	**-**	-
	32.89	44.82	**1529.52**	1866.81
	1216.49	651.64	**1578.08**	1941.05

Particulars	Non-current		Current	
	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)	**As at 31st March, 2016 (₹ / Lacs)**	As at 31st March, 2015 (₹ / Lacs)
NOTE 14 - OTHER ASSETS				
(Unsecured, considered good)				
Non-current bank balances (refer note 17)*	**17.73**	16.47	**-**	-
Unamortized premium on forward contracts	**-**	-	**207.13**	80.61
Interest accrued but not due on fixed deposits with banks	**0.08**	-	**-**	0.07
Claims receivable	**-**	-	**803.20**	190.79
Unbilled revenue	**-**	-	**780.39**	991.46
Other receivable	**-**	-	**171.19**	397.73
	17.81	16.47	**1961.91**	1660.66

* Held as margin money deposits against bank guarantees

	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
NOTE 15 - INVENTORIES		
(At cost or net realisable value, whichever is lower)		
Raw materials and components *	**2350.51**	2806.51
Work-in-progress **	**1198.15**	1078.34
Finished goods ***	**1914.12**	1637.82
Stock-in-trade	**9.57**	3.58
Stores and spares	**741.03**	702.69
Loose tools	**934.36**	933.44
	7147.74	7162.38

* Includes material in transit ₹ 55.07 lacs (previous year ₹ 98.86 lacs)
** Includes material with the vendors sent for job work ₹ 78.47 lacs (previous year ₹ 57.04 lacs)
*** Includes goods in transit ₹ 1151.80 lacs (previous year ₹ 1219.90 lacs)

NOTE 16 - TRADE RECEIVABLES		
(Unsecured, considered good)		
Receivables outstanding for a period exceeding six months from the date they are due for payment	**35.68**	67.88
Other receivables	**13799.87**	11596.89
	13835.55	11664.77

	Non-current		Current	
	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)	**As at 31st March, 2016 (₹ / Lacs)**	As at 31st March, 2015 (₹ / Lacs)
NOTE 17 - CASH AND BANK BALANCES				
Cash and cash equivalents				
Balances with banks:				
Current accounts	**-**	-	**49.22**	65.56
Cash on hand	**-**	-	**9.68**	13.10
Cheques on hand	**-**	-	**212.73**	0.00
Sub total	**-**	-	**271.63**	78.66
Other bank balances				
Fixed deposits with original maturity for more than 12 months *	**17.73**	16.47	**-**	-
Unpaid dividend accounts	**-**	-	**182.17**	156.13
Sub total	**17.73**	16.47	**182.17**	156.13
Amount disclosed under non-current assets (refer note 14)	**(17.73)**	(16.47)	-	-
Total	**-**	-	**453.80**	234.79

* Held as margin money deposits against bank guarantees.

Particulars	Year ended 31st March, 2016 (₹ / Lacs)	Year ended 31st March, 2015 (₹ / Lacs)
NOTE 18 - REVENUE FROM OPERATIONS		
Sale of products [refer note 39(c)]	**121952.80**	121849.94
Sale of services - job work	**62.51**	3.74
Other operating revenues :		
Scrap sales	**721.28**	795.53
Others	**195.13**	232.36
Revenue from operations (gross)	**122931.72**	122881.57
Less: Excise duty (refer note 40)	**15192.61**	15018.06
Revenue from operations (net)	**107739.11**	107863.51
NOTE 19 - OTHER INCOME		
Interest income	**16.17**	2.67
Foreign exchange gain (net)	**22.92**	58.55
Dividend from subsidiary company	**250.00**	38.25
Dividend from long term investments	**35.00**	23.33
Lease rental income (refer note 28b)	**42.82**	40.78
Gain on sale of fixed assets (net)	**23.32**	1.25
Gain on sale of long term trade investment	**990.00**	-
Other non-operating income	**218.21**	253.08
	1598.44	417.91
NOTE 20 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the beginning of the year		
Work-in-progress	**1078.34**	829.47
Finished goods	**1637.82**	1894.35
Stock-in-trade	**3.58**	2.19
	2719.74	2726.01
Inventories at the end of the year		
Work-in-progress	**1198.15**	1078.34
Finished goods	**1914.12**	1637.82
Stock-in-trade	**9.57**	3.58
	3121.84	2719.74
Changes in inventories	**(402.10)**	6.27
Excise duty on increase / (decrease) in finished goods (refer note 40)	**22.06**	(23.13)
	(380.04)	(16.86)
NOTE 21 - EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and allowances	**10604.72**	9568.54
Contribution to provident and other funds	**923.99**	853.59
Employees welfare expenses	**1504.65**	1546.59
	13033.36	11968.72
NOTE 22 - FINANCE COSTS		
Interest on loans	**2734.90**	2402.63
Other borrowing costs	**10.10**	2.70
Other interest	**26.25**	22.10
Bank and other finance charges	**48.76**	62.53
Cash discount	**2.85**	2.63
	2822.86	2492.59

Particulars		Year ended 31st March, 2016 (₹ / Lacs)	Year ended 31st March, 2015 (₹ / Lacs)
NOTE 23 - DEPRECIATION AND AMORTIZATION EXPENSES			
Depreciation of tangible assets		**6492.61**	7130.47
Amortization of intangible assets		**697.63**	669.27
		7190.24	7799.74
NOTE 24 - RESEARCH & DEVELOPMENT EXPENSES			
Salary & allowances		**171.76**	134.65
Components, tools & spares		**76.14**	76.78
Travelling expenses		**12.79**	7.89
Other expenses		**0.79**	0.55
		261.48	219.87
NOTE 25 - OTHER EXPENSES			
Stores and spare parts consumed		**1544.10**	1459.35
Loose tools consumed		**1192.99**	1209.45
Power and fuel		**2123.79**	2153.81
Repairs and maintenance - plant & machinery		**480.54**	460.16
Royalty		**460.87**	390.13
Rent		**216.95**	269.29
Rates and taxes		**69.83**	82.50
Insurance		**70.73**	67.51
Repair and maintenance - buildings		**89.43**	79.83
Repair and maintenance - others		**624.27**	570.54
Travelling, conveyance and vehicle expenses		**537.00**	641.78
Communication & stationery expenses		**179.87**	181.52
Legal & professional charges		**1045.59**	906.23
Security charges		**201.18**	183.95
Business promotion		**239.82**	270.54
Premium on forward exchange contract amortized		**133.99**	347.03
Forwarding expenses		**1254.10**	1435.10
Packing material		**552.58**	497.00
CSR expenses		**53.00**	-
Commission to non whole time directors		**24.00**	27.00
Directors sitting fees		**108.21**	74.80
Loss on sale of long term trade investment (current year - Nil, previous year ₹ 1.95 only)		**-**	-
Payments to auditors			
As Auditor			
Audit fee		**18.10**	16.70
Tax audit fee		**3.25**	3.20
Limited review & consolidation		**10.90**	10.54
In other capacity			
Other services (certifications fee)		**5.98**	1.98
Miscellaneous expenses		**181.66**	180.76
		11422.73	11520.70
NOTE 26 - EARNINGS PER SHARE			
Profit after tax		**2499.73**	1797.72
Profit/(loss) attributable to the equity shareholders	(A)	**2499.73**	1797.72
Basic/Weighted average number of equity shares outstanding during the year (nos.)	(B)	**198,741,832**	198,741,832
Nominal value of equity shares (in ₹)		**1.00**	1.00
Earnings per equity share (in ₹)			
Basic	(A/B)	**1.26**	0.90
Diluted	(A/B)	**1.26**	0.90

Particulars	Current year (₹ / Lacs)	Previous year (₹ / Lacs)

NOTE 27 - EMPLOYEES BENEFIT

Defined contribution plans:

i) The Company has recognised, in the statement of profit & loss for the year ended March 31, 2016 an amount of ₹ 661.16 lacs (previous year ₹ 603.75 lacs) as expenses under defined contribution plans. Expenses under defined contribution plans include:

a)	Employer's contribution to provident fund	**466.36**	404.64
b)	Employer's contribution to superannuation fund	**173.83**	180.71
c)	Employer's contribution to Employee State Insurance Corporation	**18.34**	15.82
d)	Punjab labour welfare fund (PLWF)	**2.63**	2.58
		661.16	603.75

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

Define 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) The Company makes contribution for certain employees to the Sona Koyo Steering Systems Ltd- Employees Provident Fund Trust (''the Trust"), which is a defined benefit plan. The Company contributed ₹ 16.69 lacs (previous year ₹ 35.21 lacs) during the year to the Trust.

The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Company's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

The guidance note on implementing AS 15 Employee Benefits (revised 2005), issued by Accounting Standards Board (ASB) of The Institute of Chartered Accountants of India, states that benefits involving employer established provident fund trust, which require interest shortfall to be compensated by the employer is required to be considered as defined benefits plans. The actuary has provided a valuation and based on the below mentioned assumptions, determined that there is no short fall as at March 31, 2016.

ii) Detail of the post retirement funded provident fund, gratuity plan and unfunded leaves are as follows :

	Provident fund (funded)		Gratuity (funded)		Leaves (unfunded)	
	Current year (₹ / Lacs)	Previous year (₹ / Lacs)	Current year (₹ / Lacs)	Previous year (₹ / Lacs)	Current year (₹ / Lacs)	Previous year (₹ / Lacs)
1. Reconciliation of opening and closing balances of obligations :						
a) Opening defined benefit obligation	**618.86**	434.65	**1629.30**	1,467.19	**481.64**	459.71
b) Current service cost	**16.69**	35.21	**115.87**	128.16	**86.13**	68.03
c) Interest cost	**68.32**	48.58	**131.97**	118.49	**39.01**	37.09
d) Actuarial (gain) / loss	**(28.85)**	218.39	**(121.78)**	21.63	**(38.98)**	(0.53)
e) Benefits paid	**(281.87)**	(161.99)	**(225.19)**	(106.18)	**(70.54)**	(82.66)
f) Employee contribution	**25.24**	44.03	**-**	-	**-**	-
g) Settlements	**-**	-	**-**	-	**-**	-
h) Change in reserves	**-**	-	**-**	-	**-**	-
i) Closing defined benefit obligation	**418.39**	618.86	**1,530.17**	1,629.30	**497.26**	481.64
2. Change in plan assets (reconciliation of opening and closing balances) :						
a) Opening fair value of plan assets	**663.58**	440.61	**1,663.61**	1,473.51	**-**	-
b) Prior period adjustment	**-**	-	**-**	-	**-**	-
c) Expected return on plan asset	**72.23**	49.11	**149.72**	138.51	**-**	-
d) Employer contributions	**16.69**	35.21	**201.61**	178.54	**-**	-
e) Benefits paid	**(281.87)**	(161.99)	**(225.19)**	(106.18)	**-**	-
f) Employee contribution	**25.24**	44.03	**-**	-	**-**	-
g) Settlements	**-**	-	**-**	-	**-**	-
h) Actuarial gain / (loss) on plan assets	**(71.82)**	256.61	**17.23**	(20.78)	**-**	-
i) Closing fair Value of plan assets	**424.05**	663.58	**1806.98**	1663.61	**-**	-

	Provident fund (funded)		Gratuity (funded)		Leaves (unfunded)	
	Current year (₹ / Lacs)	Previous year (₹ / Lacs)	**Current year (₹ / Lacs)**	Previous year (₹ / Lacs)	**Current year (₹ / Lacs)**	Previous year (₹ / Lacs)
3. Reconciliation of fair value of assets and obligations :						
a) Present value of obligation	**418.39**	618.86	**1530.17**	1629.30	**497.26**	481.64
b) Fair value of plan (assets)	**(424.05)**	(663.58)	**(1806.98)**	(1663.61)	-	-
c) Unfunded (asset) / liability recognised in the balance sheet	**-***	-*	**-***	-*	**497.26**	481.64
d) Experience adjustments on plan liabilities-(loss)/gain	**-**	-	**(23.59)**	(26.65)	**2.39**	0.93
e) Experience adjustments on plan assets-(loss)/gain	**-**	-	**17.23**	(20.78)	**-**	-
4. Expense recognised during the year :						
a) Current service cost	**16.69**	35.21	**115.87**	128.16	**86.13**	68.03
b) Interest cost	**68.32**	48.58	**131.97**	118.49	**39.01**	37.09
c) Expected return on plan assets	**(72.23)**	(49.11)	**(149.72)**	(138.51)	**-**	-
d) Actuarial (gain) / loss	**42.97**	(38.22)	**(139.01)**	42.41	**(38.98)**	(0.53)
e) Expenses recognised during the year	**55.75**	(3.54)	**(40.89)**	150.55	**86.16**	104.59
5. Assumptions :						
a) Discount rate (per annum)	**7.60%**	7.77%	8.10%	8.10%	8.10%	8.10%
b) Expected rate of return on plan assets (per annum)	8.80%	8.75%	8.50%	9.00%	N.A.	N.A.
c) Rate of increase in compensation level (per annum)			5.50%	6.50%	5.50%	6.50%

*The excess of assets over liabilities in respect of provident fund and gratuity have not been recognised as the same are lying in an income tax approved irrevocable trust funds.

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 (₹ / Lacs)	Leave (₹ / Lacs)
Estimate of contribution next year	-	109.96

	Provident fund	
	Current year	Previous year
iii) Investment details of plan assets :		
Major category of investments as a percentage in case of provident fund trust :		
- Central government securities	**2.19%**	11.47%
- State government securities	**15.00%**	19.28%
- Securities of Public financial institutions	**67.94%**	57.32%
- Private sector bonds / securities	**14.87%**	11.93%

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

(₹ / Lacs)

	31st March 2014		31st March 2013		31st March 2012	
	Gratuity	Leaves	Gratuity	Leaves	Gratuity	Leaves
iv) Reconciliation of fair value of assets and obligations for the past years						
a) Present value of obligation	1467.19	459.71	1380.07	442.06	1131.02	366.43
b) Fair value of plan (assets)	(1473.51)	-	(1387.51)	-	(1150.71)	-
c) Unfunded (asset)/liability recognised in the balance sheet	- *	459.71	- *	442.06	- *	366.43
d) Experience adjustments on plan liabilities- (loss) / gain	43.35	3.86	(28.44)	(20.11)	(69.75)	28.76
e) Experience adjustments on plan assets-(loss) / gain	(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 & 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 ₹ 149.49 lacs (previous year ₹ 220.03 lacs) is recognized in the statement of profit & loss for the year ended March 31, 2016. The future minimum lease for vehicle payments are as follows:

	Current year (₹/ Lacs)	Previous year (₹/ Lacs)
Within one year	**15.56**	22.68
After one year but not more than five years	**3.57**	18.89
	19.13	41.57

(ii) The company has taken office premises under non cancellable, have a term of five years, operating lease agreement. An amount of ₹ 87.80 lacs (previous year ₹ 81.47 lacs) is recognized in the satatement of profit & loss for the year ended March 31, 2016. The future minimum lease payments are as follows:

Within one year	**24.35**	23.06
After one year but not more than five years	**34.50**	58.86
	58.85	81.92

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 Rs. 42.82 Lacs (Previous Year Rs. 40.78 Lacs) are recognised in the statement of profit and loss as per terms of agreement. The future lease receipts are as follows:

With in one year	**44.96**	42.82
After one year but not more than five years	**30.96**	75.92
	75.92	118.74

* Above reported lease rentals are net of service tax.

NOTE 29 - FIXED ASSETS / CAPITAL WORK IN PROGRESS INCURRED DURING THE YEAR INCLUDES :

a)	Professional charges	**247.17**	48.27
b)	Technical support charges	**118.66**	72.67
c)	Components, tools & spares	**1463.85**	1204.95
d)	Traveling expenses	**110.99**	57.66
e)	Interest to bank	**203.10**	342.71
f)	Others	**126.44**	121.77
g)	Salary	**276.65**	281.13
		2546.86	2129.16

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* (₹/ Lacs)	Previous year (₹/ Lacs)
I) Claims against the Company 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	**1681.07**	1546.40
ii) Cases pending before Appellate authorities in respect of which the company has filed appeals	2007-08 to 2011-12	**420.65**	371.86
	Total	**2101.72**	1918.26
b) Service Tax			
i) Show cause notices received and pending with Adjudication Authority	2004-05 to 2013-14	**60.75**	53.15
ii) Cases pending before Appellate authorities in respect of which the company has filed appeals/ show cause notices	2005-06 to 2015-16	**162.10**	290.76
	Total	**222.85**	343.91
c) VAT Haryana			
i) Local area development tax (LADT) levied by Assessing Authority Gurgaon. Writ petition civil pending with Supreme Court.	2007-08 to 2015-16	**1106.51**	963.09

	Period covered	Current year* (₹/ Lacs)	Previous year (₹/ Lacs)
d) Customs Duty			
i) Show cause notice received from adjudication authority (DGFT) for advance license	2012-13	**7.24**	6.74
ii) Case of valuation of goods imported from related party with Special Valuation Branch under Custom Act	2013-14 to 2014-15	**-**	160.24
*Includes penalty wherever indicated in the order and interest calculated up to the year end.			
e) Income Tax			
i) Cases pending before Appellate Authorities in respect of which the Company has filed appeal.	2011-12 to 2013-14	**7.94**	7.94
f) Property Tax			
Municipal Corporation Gurgaon Property Tax	Arrears before 2010-11	**-**	19.00

The Company has been advised that the above demand are likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

II)	Customer bills discounted	**1743.88**	2430.69
III)	Letter of credit opened by banks for purchase of inventory / capital goods	**84.63**	213.30

IV) The Government of West Bengal is in appeal in Hon'ble Supreme Court for validity of the Singur Land Rehabilitation And Development Act, 2011. Pending finalization of the case, the Company has not made any provision for the impairment of its value of land at Singur.

NOTE 32 - FORWARD CONTRACTS OUTSTANDING AND UN-HEDGED FOREIGN CURRENCIES EXPOSURES ARE AS GIVEN BELOW

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates.These foreign exchange contracts are not used for trading or speculation purposes.

The Company has a risk of foreign currency exposure on the following derivative Instruments that are outstanding at the year end:

		Current year		Previous year	
Nature of contracts	Buy / Sell	Contracts (nos.)	Amount (in Lacs)	Contracts (nos.)	Amount (in Lacs)
Forward contracts (JPY)	Buy	64	2068.04	85	2724.90
Rupee equivalent value	Buy	64	1253.70	85	1470.59
Forward contracts (USD)	Buy	28	70.98	11	26.18
Rupee equivalent value	Buy	28	4973.85	11	1722.38
Currency cum interest rates swaps (ECB) (USD)	Buy	4	120.00	3	92.50
Rupee equivalent value (ECB)	Buy	4	7386.78	3	5227.20
Forward contracts (CHF)	Buy	1	0.17	3	0.68
Rupee equivalent value	Buy	1	10.24	3	44.78

Un-hedged foreign currency exposure : (In Lacs)

	Current year					
	CHF	EURO	USD	YEN	GBP	SGD
Payables	0.05	0.49	26.08	525.47	0.00	0.02
Rupee equivalent value	3.34	37.31	1736.61	313.45	0.35	1.13
Receivables	-	1.96	26.22	6.96	-	-
Rupee equivalent value	-	145.85	1722.86	4.07	-	-

	Previous year					
	CHF	EURO	USD	YEN	GBP	SGD
Payables	0.24	1.11	4.35	1053.54	-	0.13
Rupee equivalent value	15.81	75.95	273.58	555.11	-	5.84
Receivables	-	1.42	37.39	27.26	-	-
Rupee equivalent value	-	94.49	2326.86	14.02	-	-

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, 2016 is ₹ 259.47 lacs (previous year ₹ 283.82 lacs).

	Current year (₹ / Lacs)	Previous year (₹ / Lacs)
NOTE 34 - CAPITAL AND OTHER COMMITMENTS		
I) Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	**1542.52**	1586.68
NOTE 35 - VALUE OF IMPORTS CALCULATED ON CIF BASIS		
Capital goods	**826.27**	858.32
Raw material	**237.88**	252.15
Components, spares & tools	**9407.18**	11188.56
	10471.33	12299.03
NOTE 36 - EXPENDITURE IN FOREIGN CURRENCY		
Books and periodicals	**1.37**	1.30
Royalty	**436.04**	390.13
Technical services	**130.99**	72.67
Foreign travels	**100.78**	145.50
Legal and professional charges	**177.40**	166.19
Warehouse charges	**46.66**	38.44
Interest	**566.10**	303.32
Others	**74.77**	7.02
	1534.11	1124.57
NOTE 37 - REMITTANCE IN FOREIGN CURRENCY		
Dividend	**273.47**	340.42
No. of non resident shareholders	**304**	291
No. of shares held by non resident shareholders	**42071700**	42552328
Year to which the dividend relates	**2014-15**	2013-14
NOTE 38 - EARNINGS IN FOREIGN EXCHANGE		
FOB value of export of goods	**7601.53**	6025.25
NOTE 39 (a) - PARTICULARS OF MATERIALS CONSUMED *		
Raw material : steel bars	**3603.71**	3612.88
Components	**66121.72**	66333.67
Total	**69725.43**	69946.55

* 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 (₹ / Lacs)	%	Previous year (₹ / Lacs)	%
Raw material & components				
Imported	**7616.48**	**10.92%**	11382.91	16.27%
Indigenous	**62108.95**	**89.08%**	58563.64	83.73%
	69725.43	**100.00%**	69946.55	100.00%
Stores & spares				
Imported	**81.88**	**5.30%**	86.57	5.93%
Indigenous	**1462.22**	**94.70%**	1372.78	94.07%
	1544.10	**100.00%**	1459.35	100.00%
Tools (includes loose tools)				
Imported	**233.42**	**19.57%**	284.20	23.50%
Indigenous	**959.57**	**80.43%**	925.25	76.50%
	1192.99	**100.00%**	1209.45	100.00%

	Current year (₹ / Lacs)	Previous year (₹ / Lacs)
c) DETAILS OF PRODUCTS SOLD		
Steering gear assembly	**90661.16**	91372.04
Axle assembly including components	**17598.92**	15882.87
Others include sale of stock-in-trade and bought out components	**13692.72**	14595.03
	121952.80	121849.94

d) STOCK-IN-TRADE (CURRENT YEAR)

Description of Goods	Opening Stock (₹/Lacs)	Purchase (₹/Lacs)	Sales (₹/Lacs)	Closing Stock (₹/Lacs)
Reservoir	3.58	1642.32	1866.76	9.57
Others	-	394.77	527.05	-

STOCK-IN-TRADE (PREVIOUS YEAR)

Description of Goods	Opening Stock (₹/Lacs)	Purchase (₹/Lacs)	Sales (₹/Lacs)	Closing Stock (₹/Lacs)
Reservoir	2.19	1614.43	1883.30	3.58
Others	-	358.71	478.20	-

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 & loss.

NOTE 41 - DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	31st March, 2016 (₹ / Lacs)	31st March, 2015 (₹ / Lacs)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	**Principle - 0.00 Interest - 0.00**	Principle - 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.	**0.00**	0.00
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.	**0.00**	0.00
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, untill such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Entrprises Development Act, 2006.	**0.00**	0.00

NOTE 42 - Raw material and components consumed are net of ₹ 1129.77 lacs (previous year ₹ 1479.03 lacs) 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 AS - 29 (Refer note 7)

Description	**Current year (₹/Lacs)**	Previous year (₹/Lacs)
Opening balance	**290.00**	170.00
Add: addition during the year	**316.03**	699.60
Less: charged off to the statement of profit & loss	**276.03**	579.60
Closing balance	**330.00**	290.00

The warranty expenses of ₹ 276.03 lacs (previous year ₹ 579.60 lacs) are charged off to profit & loss account included under the head forwarding expenses.

(b) Other Provisions

Provision for slow moving inventory

Description	**Current year (₹/Lacs)**	Previous year (₹/Lacs)
Opening balance	**28.52**	75.48
Add: addition during the year	**-**	10.00
Less: charged off to the statement of profit & loss	**28.52**	56.95
Closing balance	**-**	28.53

NOTE 44 - EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

(a) Gross amount required to be spent by the Company during the year ended 31st March, 2016 ₹ 62.48 lacs
(b) Amount spent during the year ended 31st March, 2016:

(₹/Lacs)

Particulars	Paid (A)	Yet to be paid (B)	Total (A+B)
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	53.00	-	53.00

(c) Details of related party transactions:
(i) Contribution during the year ended 31st March, 2016 ₹ 43.00 lacs
(ii) Payable as at 31st March, 2016 – ₹ Nil.

NOTE 45 - Executive Vice Chairman of the Company was appointed by the Board of Directors at its meeting held on 14-09-2015 with effect from 15-09-2015, and the remuneration paid is subject to the approval of shareholders by way of special resolution due to inadequacy of profits. The Company will take the approval of shareholders by special resolution in the forthcoming Annual General Meeting for the payment of minimum remuneration as per provision of Schedule V of the Companies Act, 2013.

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)

(₹ /Lacs)

PARTICULARS	SIGNIFICANT CONTROL	SUBSTANTIAL INTEREST	OTHERS (SIGNIFICANT INFLUENCE)	SUBSIDIARIES	KEY MANAGEMENT PERSONNEL	RELATIVE OF KEY MANAGEMENT PERSONNEL	ASSOCIATES	TOTAL
Advance paid	-	-	-	21.00	-	-	-	21.00
Advance paid (previous year)	-	-	(2.54)	(180.63)	-	-	-	(183.17)
Advance received	-	-	-	69.44	-	-	-	69.44
Advance received (previous year)	-	-	-	-	-	-	-	-
Cash discount paid	-	-	11.16	-	-	-	-	11.16
Cash discount paid (previous year)	-	-	(1.90)	-	-	-	-	(1.90)
Remuneration *	33.22	-	-	-	558.27	3.00	-	594.49
Remuneration (previous year)	(134.28)	-	-	-	(401.42)	(4.25)	-	(539.95)
CSR expenses	-	-	43.00	-	-	-	-	43.00
CSR expenses (previous year)	-	-	(23.00)	-	-	-	-	(23.00)
Dividend received	-	-	-	250.00	-	-	-	250.00
Dividend received (previous year)	-	-	-	(38.25)	-	-	-	(38.25)
Dividend paid	-	584.10	89.70	-	0.18	0.22	-	674.20
Dividend paid (previous year)	(0.05)	(718.89)	(110.40)	-	(0.04)	-	-	(829.38)
Donation	-	-	20.00	-	-	-	-	20.00
Donation (previous year)	-	-	(18.00)	-	-	-	-	(18.00)
Contribution to PF trust	-	-	16.69	-	-	-	-	16.69
Contribution to PF trust (previous year)	-	-	(31.29)	-	-	-	-	(31.29)
Interest income	-	-	0.29	-	-	-	-	0.29
Interest income (previous year)	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-
Investment (previous year)	-	-	-	-	-	-	(85.38)	(85.38)
Leasing of premises paid	-	-	30.23	-	-	-	-	30.23
Leasing of premises paid (previous year)	-	-	(28.84)	-	-	-	-	(28.84)
Leasing of premises received	-	-	-	48.79	-	-	-	48.79
Leasing of premises received (previous year)	-	-	-	(45.82)	-	-	-	(45.82)
Purchase of capital goods	-	285.51	-	-	-	-	-	285.51
Purchase of capital goods (previous year)	-	-	-	-	-	-	-	-
Purchase of goods	-	4205.53	1401.36	5716.80	-	-	-	11323.69
Purchase of goods (previous year)	-	(5004.90)	(1391.03)	(3818.69)	-	-	-	(10214.62)
Receiving of services	-	-	-	-	-	-	52.33	52.33
Receiving of services (previous year)	-	-	-	-	-	-	(19.66)	(19.66)
Reimbursement of expenses recovered	-	9.66	43.70	8.66	-	-	-	62.02
Reimbursement of expenses recovered (previous year)	-	(15.88)	(47.73)	(117.61)	-	-	-	(181.22)
Reimbursement of expenses paid	-	7.43	13.05	23.31	-	-	-	43.79
Reimbursement of expenses paid (previous year)	-	(1.92)	(11.63)	(20.18)	-	-	-	(33.73)
Rendering of services	-	-	162.48	43.80	-	-	-	206.28
Rendering of services (previous year)	-	-	(96.35)	(77.35)	-	-	-	(173.70)
Royalty	-	430.67	-	-	-	-	-	430.67
Royalty (previous year)	-	(390.13)	-	-	-	-	-	(390.13)
Sale of capital goods	-	-	-	61.87	-	-	-	61.87
Sale of capital goods (previous year)	-	-	(5.64)	-	-	-	(10.68)	(16.32)
Sale of goods	-	20.78	68599.93	14666.92	-	-	-	83287.63
Sale of goods (previous year)	-	(14.45)	(68474.75)	(15173.58)	-	-	-	(83662.78)
Security deposit received Back	-	-	-	-	-	-	-	-
Security deposit received Back (previous year)	-	-	(200.00)	-	-	-	-	(200.00)
Director sitting fee	-	-	8.56	-	-	9.00	-	17.56
Director sitting fee (previous year)	-	-	-	-	-	(9.41)	-	(9.41)
Technical support fee	-	130.99	-	424.64	-	-	-	555.63
Technical support fee (previous year)	-	(75.80)	-	(2.02)	-	-	-	(77.82)
Technicians expenses	-	-	-	-	-	-	-	-
Technicians expenses (previous year)	-	1.75	-	-	-	-	-	1.75
Cash discount received	-	-	0.13	-	-	-	-	0.13
Cash discount received (previous year)	-	-	-	-	-	-	-	-
Outstanding balance as on 31.03.2016 (debit)	-	-	(7742.72)	(126.02)	-	-	-	(7868.74)

(₹ /Lacs)

PARTICULARS	SIGNIFICANT CONTROL	SUBSTANTIAL INTEREST	OTHERS (SIGNIFICANT INFLUENCE)	SUBSIDIARIES	KEY MANAGEMENT PERSONNEL	RELATIVE TO KEY MANAGEMENT PERSON	ASSOCIATES	TOTAL
Outstanding balance as on 31.03.2015 (debit)	-	-	(7877.93)	(853.83)	-	-	-	(8731.76)
Outstanding balance as on 31.03.2016 (credit)	-	1500.07	114.79	220.64	-	-	1.64	1837.14
Outstanding balance as on 31.03.2015 (credit)	-	(1558.44)	(176.61)	-	-	-	(2.51)	(1737.56)

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 individual/entity exercise control over the Group	1. Dr. Surinder Kapur upto 30-Jun-2015
2. The entity having substantial interest in the Group	1. Sona Autocomp Holding Ltd. 2. JTEKT Corporation
3. Others (significant influence)	1. Sona BLW Precision Forgings Ltd. 2. Mahindra Sona Ltd. 3. Maruti Suzuki India Ltd. 4. Sona e-design & Technologies Ltd. 5. Pune Heat Treat Pvt Ltd. 6. Kapur Properties & Investment 7. Mandira Marketing Ltd. 8. Koyo Bearings India Pvt Ltd. 9. Sona BLW Prazisionsschmiede GmbH 10. Sona BLW Precision Forge INC 11. Sona Koyo Steering Systems Ltd. EPF Trust 12. Sona Charitable Trust 13. Sona Management Services Ltd. 14. Raghuvanshi Investment Private Ltd. 15. Mandira Systems Components Ltd. 16. BRS Finance and Investment Co. Pvt. Ltd. 17. Mrs. Rani Kapur w.e.f. 05-Nov-2015
4. Subsidiaries	1. Sona Fuji Kiko Automotive Ltd. 2. JTEKT Sona Automotive India Ltd.
5. Key Management Personnel	1. Dr. Surinder Kapur - (transactions disclosed under category (1) above) upto 30-Jun-2015 2. Mr. Sunjay Kapur upto 14-Sep-2015 3. Mr. Kiyozumi Kamiki 4. Mr. Sudhir Chopra 5. Mr. Govindrajan Sunder Rajan upto 31-Jan-2016 6. Mr. Rajiv Chanana 7. Mr. K.M. Deshmukh w.e.f. 15-Sep-2015
6. Relative to Key Management Personnel	1. Mr. J.M. Kapur upto 05-Nov-2015
7. Associates	1. Sona Skill Development Centre Ltd.

NOTE 47(b) - TRANSACTION IN EXCESS OF 10% OF THE TOTAL RELATED PARTY TRANSACTIONS

(₹ /Lacs)

Relationship	Name of Party	Description of the nature of transaction	**For the year ended 31-Mar-16**	For the year ended 31-Mar-15
Subsidiaries	Sona Fuji Kiko Automotives Ltd.	Advance paid	**21.00**	55.63
Subsidiaries	JTEKT Sona Automotive India Ltd.	Advance paid	**-**	125.00
Subsidiaries	JTEKT Sona Automotive India Ltd.	Advance received	**69.44**	-
Other significant influence	Maruti Suzuki India Ltd.	Cash discount paid	**2.85**	1.90
Other significant influence	Mandira Marketing Ltd.	Cash discount paid	**8.32**	-
Relative to Key Management Personnel	Mr. J.M. Kapur	Commission	**3.00**	4.25
Other significant influence	Sona BLW Precision Forgings Ltd.	Cash discount received	**0.13**	-
Significant control	Dr. Surinder Kapur	Remuneration	**33.22**	134.28
Key Management Personnel	Mr. Sunjay Kapur	Remuneration	**89.49**	154.79
Key Management Personnel	Mr. Kiyozumi Kamiki	Remuneration	**67.01**	65.06
Key Management Personnel	Mr. Sudhir Chopra	Remuneration	**132.72**	123.82
Key Management Personnel	Mr. Rajiv Chanana	Remuneration	**75.07**	57.76
Key Management Personnel	Mr. Govindrajan Sunder Rajan	Remuneration	**135.27**	-
Key Management Personnel	Mr Kiran M Deshmukh	Remuneration	**58.72**	-
Subsidiaries	Sona Fuji Kiko Automotives Ltd.	Dividend received	**-**	38.25
Subsidiaries	JTEKT Sona Automotives India Ltd.	Dividend received	**250.00**	-
Other significant influence	Maruti Suzuki India Ltd.	Dividend paid	**89.70**	110.40
Substantial interest	Sona Autocomp Holdings Ltd.	Dividend paid	**324.45**	399.32
Substantial interest	JTEKT Corporation	Dividend paid	**259.66**	319.58
Associates	Sona Skill Development Centre Ltd.	Investment	**-**	85.38
Other significant influence	Maruti Suzuki India Ltd.	Interest income	**0.29**	-
Other significant influence	Sona BLW Precision Forgings Ltd.	Leasing of premises paid	**26.27**	24.88
Other significant influence	Kapur Properties & Investment	Leasing of premises paid	**3.96**	3.96
Subsidiaries	JTEKT Sona Automotives India Ltd.	Leasing of premises received	**48.79**	45.82
Substantial interest	JTEKT Corporation	Purchase of fixed assets	**285.51**	-
Subsidiaries	JTEKT Sona Automotives India Ltd.	Purchase of goods	**5697.48**	3816.48
Substantial interest	JTEKT Corporation	Purchase of goods	**4205.53**	5004.90
Associates	Sona Skill Development Centre Ltd.	Receiving of services	**52.33**	19.66
Other significant influence	Sona BLW Precision Forgings Ltd.	Reimbursement of expense recovered	**41.53**	45.32
Subsidiaries	JTEKT Sona Automotives India Ltd.	Reimbursement of expense recovered	**8.66**	117.61
Substantial interest	JTEKT Corporation	Reimbursement of expense recovered	**9.61**	-
Other significant influence	Sona BLW Precision Forgings Ltd.	Reimbursement of expenses paid	**6.40**	7.46
Other significant influence	Koyo Bearings India Pvt. Ltd.	Reimbursement of expenses paid	**6.59**	-
Subsidiaries	JTEKT Sona Automotives India Ltd.	Reimbursement of expenses paid	**23.31**	19.93
Substantial interest	JTEKT Corporation	Reimbursement of expenses paid	**7.43**	-
Other significant influence	Sona Fuji Kiko Automotive Ltd.	Rendering of services	**-**	23.66
Other significant influence	Sona BLW Precision Forgings Ltd.	Rendering of services	**159.73**	96.35
Subsidiaries	JTEKT Sona Automotives India Ltd.	Rendering of services	**43.80**	53.69
Substantial interest	JTEKT Corporation	Royalty	**430.67**	390.13
Associates	Sona Skill Development Centre Ltd.	Sale of fixed assets	**-**	10.68
Other significant influence	Sona BLW Precision Forgings Ltd.	Sale of fixed assets	**-**	5.64
Other significant influence	Sona Fuji Kiko Automotives Ltd.	Sale of fixed assets	**61.87**	-
Other significant influence	Maruti Suzuki India Ltd.	Sales	**67286.93**	66547.30
Subsidiaries	JTEKT Sona Automotives India Ltd.	Sales	**13685.79**	14983.82
Other significant influence	Pune Heat Treat Pvt. Ltd.	Security deposit received back	**-**	200.00
Other significant influence	Maruti Suzuki India Ltd.	Director sitting fee	**4.56**	-
Relative to Key Management Personnel	Mr. J.M. Kapur	Director sitting fee	**9.00**	9.41
Other significant influence	Mrs. Rani Kapur	Director sitting fee	**4.00**	-
Subsidiaries	Sona Fuji Kiko Automotives Ltd.	Technical support fee	**125.85**	-
Subsidiaries	JTEKT Sona Automotive India Ltd.	Technical support fee	**298.79**	-
Substantial interest	JTEKT Corporation	Technical support fee	**130.99**	75.80
Substantial interest	JTEKT Corporation	Technician expenses	**-**	1.75
Other significant influence	Sona Charitable Trust	CSR	**43.00**	23.00
Other significant influence	Sona Charitable Trust	Donation	**20.00**	18.00
Other significant influence	Sona Koyo Steering Systems Ltd. EPF Trust	Contribution to PF Trust	**16.69**	31.29
Subsidiaries	JTEKT Sona Automotive India Ltd.	Balances (debit)	**-**	707.62
Other significant influence	Sona BLW Precision Forgings Ltd.	Balances (debit)	**104.29**	-
Other significant influence	Maruti Suzuki India Ltd.	Balances (debit)	**7031.96**	6771.31
Other significant influence	Mandira Marketing Ltd.	Balances (debit)	**606.46**	1086.35
Subsidiaries	Sona Fuji Kiko Automotives Ltd.	Balances (debit)	**126.02**	146.21
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)	**1500.07**	1558.44

NOTE 48 - Previous year's figures have been regrouped/reclassified, wherever necessary.

Signature to Note 1 to 48

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

Sunjay Kapur
Chairman
(DIN - 00145529)

K.M. Deshmukh
Executive Vice Chairman
(DIN 01807023)

Ravi Bhoothalingam
Director
(DIN 00194530)

Place : Dharuhera
Dated : 13th May, 2016

Sudhir Chopra
President & Company Secretary

Rajiv Chanana
Chief Financial Officer

Independent Auditors' 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, 2016, 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 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.

Auditors' 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. Those Standards 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 Matters 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, 2016, and their consolidated profits and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements/financial information of one subsidiary whose financial statements/financial information reflect total assets of ₹ 29723.76 lakhs as at 31st March, 2016, total revenues of ₹ 61515.47 lakhs and net cash inflows amounting to ₹ 2290.71 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 reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these 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 reports 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 matters with respect to our reliance on the work done and the report of the other auditor and the financial statements/financial information certified by the Management.

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, 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, 2016 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, 2016 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"; and

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.

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

Place : Dharuhera
Dated : 13th May, 2016

(Rajiv Puri - Partner)
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 2016, 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 ICAI 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 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 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 authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 2016, 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 Matters

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. 001152 N

Place : Dharuhera
Dated : May 13, 2016

(Rajiv Puri - Partner)
Membership No. 084318

Consolidated Balance Sheet
As at 31st March, 2016

Particulars	Note No.	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	**2**	**1987.42**	1987.42
Reserves and surplus	**3**	**32742.97**	30354.67
	Sub-Total	**34730.39**	32342.09
Minority interest		**11159.39**	9859.86
Non-current liabilities			
Long-term borrowings	**4**	**15588.32**	16747.15
Deferred tax liabilities (net)	**5**	**3378.08**	4164.07
Other long term liabilities	**6**	**9.15**	13.81
Long-term provisions	**7**	**732.26**	677.85
	Sub-total	**19707.81**	21602.88
Current liabilities			
Short-term borrowings	**8**	**6759.98**	4235.74
Trade payables	**9**		
Total outstanding dues of micro enterprises & small enterprises		**32.67**	-
Total outstanding dues of creditors other than micro enterprises & small enterprises		**19409.41**	19255.24
Other current liabilities	**10**	**11402.19**	12022.90
Short-term provisions	**7**	**2007.78**	1990.39
	Sub-total	**39612.03**	37504.27
	Total	**105209.62**	101309.10
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	**11**	**55368.52**	54690.48
Intangible assets	**11**	**4594.98**	3724.88
Capital work-in-progress		**2221.90**	4901.02
Intangible assets under development		**1827.04**	1417.98
Non-current investments	**12**	**84.76**	118.13
Long-term loans and advances	**13**	**1288.38**	718.59
Other non-current assets	**14**	**45.21**	39.61
	Sub-total	**65430.79**	65610.69
Current assets			
Inventories	**15**	**9912.12**	10039.86
Trade receivables	**16**	**21526.47**	18919.13
Cash and bank balances	**17**	**3629.04**	1798.34
Short-term loans and advances	**13**	**2550.70**	3224.44
Other current assets	**14**	**2160.50**	1716.64
	Sub-total	**39778.83**	35698.41
	Total	**105209.62**	101309.10
Significant accounting policies & Notes on financial statements	**1 to 42**		

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

Sunjay Kapur
Chairman
(DIN - 00145529)

K.M. Deshmukh
Executive Vice Chairman
(DIN 01807023)

Ravi Bhoothalingam
Director
(DIN 00194530)

Place : Dharuhera
Dated : 13th May, 2016

Sudhir Chopra
President & Company Secretary

Rajiv Chanana
Chief Financial Officer

Consolidated Statement of Profit & Loss
For the year ended 31st March, 2016

Particulars	Note No.	Year ended 31st March, 2016 (₹ / Lacs)	Year ended 31st March, 2015 (₹ / Lacs)
Income			
Revenue from operations (gross)	**18**	**171294.55**	175207.94
Less : Excise duty		**19464.10**	19911.38
Revenue from operations (net)		**151830.45**	155296.56
Other income	**19**	**1597.24**	487.52
Total Revenue (I)		**153427.69**	155784.08
Expenses			
Cost of materials consumed		**98418.22**	101592.67
Purchases of stock-in-trade		**1719.33**	1973.14
Changes in inventories of finished goods work-in-progress and stock-in-trade	**20**	**(158.80)**	(216.01)
Employee benefits expense	**21**	**16665.59**	14577.47
Finance costs	**22**	**3172.80**	3114.48
Depreciation and amortization expenses	**23**	**9875.20**	10368.33
Research & development expenses		**261.48**	219.87
Other expenses	**24**	**15528.52**	15583.45
Total expenses (II)		**145482.34**	147213.40
Consolidated profit before tax (I - II)		**7945.35**	8570.68
Tax expense			
- Current year		**3310.86**	3380.79
- Earlier years excess provision of tax written back		**5.44**	(0.71)
- Minimum alternate tax (MAT) credit entitlement		**-**	(4.37)
- Deferred tax		**(785.99)**	(704.40)
Total tax expenses		**2530.31**	2671.31
Consolidated profit after tax [before adjustment for Minority interest and share of profit / (loss) of associate]		**5415.04**	5899.37
Add : Share of profit / (loss) of associate		**(13.37)**	(64.78)
Less : Share of profit transferred to minority		**1697.07**	2044.79
Consolidated profit for the year [after adjustment for Minority interest and share of profit / (loss) of associate]		**3704.60**	3789.80
Earnings per equity share (face value of ₹ 1/- each):			
Basic & Diluted (In ₹)	**25**	**1.86**	1.91

Significant accounting policies & Notes on financial statements **1 to 42**

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

Sunjay Kapur
Chairman
(DIN - 00145529)

K.M. Deshmukh
Executive Vice Chairman
(DIN 01807023)

Ravi Bhoothalingam
Director
(DIN 00194530)

Place : Dharuhera
Dated : 13th May, 2016

Sudhir Chopra
President & Company Secretary

Rajiv Chanana
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars		Year ended 31st March, 2016 (₹ / Lacs)		Year ended 31st March, 2015 (₹ / Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before tax and minority interest & share of profit/loss of associate		**7945.35**		8570.68
Adjustment for :				
Depreciation & amortization	**9875.22**		10368.33	
CSR Expenses	**-**		(23.00)	
(Profit)/loss on sale of fixed assets (net)	**3.47**		(0.05)	
(Gain)/loss on sale of long term investments	**(990.00)**		-	
Dividend income	**(35.00)**		(23.33)	
Provision for slow moving inventory written back	**(28.52)**		10.00	
Unrealized foreign exchange (gain)/loss	**(123.78)**		(387.68)	
Premium on forward contract amortized	**133.99**		347.03	
Interest expense	**3118.22**		3047.14	
Interest income	**(315.93)**	**11637.67**	(161.82)	13176.62
Operating profit before working capital changes		**19583.02**		21747.30
(Increase)/decrease in trade receivables	**(2616.38)**		2247.75	
(Increase)/decrease in inventories	**127.74**		(681.42)	
(Increase)/decrease in long term loans & advances	**(588.38)**		291.07	
(Increase)/decrease in other current assets	**(424.74)**		(769.66)	
(Increase)/decrease in short term loans & advances	**394.36**		(407.81)	
Increase/(decrease) in trade payables	**241.01**		(532.16)	
Increase/(decrease) in other current liabilities	**(823.74)**		450.96	
Increase/(decrease) in other long term liabilities	**(4.65)**		(16.93)	
Increase/(decrease) in long term provisions	**54.42**		72.76	
Increase/(decrease) in short term provisions	**65.78**	**(3574.58)**	70.17	724.73
Cash generated from operations		**16008.44**		22472.03
Income tax paid (net of income tax refunds)		**(2861.66)**		(2608.77)
Net cash from operating activities		**13146.78**		19863.26
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend paid to minority shareholders	**(260.21)**		(36.75)	
Purchase of fixed assets (including CWIP)	**(9031.28)**		(8237.82)	
Proceeds from sale of fixed assets	**84.62**		41.67	
Proceeds from sale of long term investments	**1010.00**		-	
Purchase of long term investments	**-**		(85.38)	
(Investments) / redemptions in bank deposits having original maturity of more than 3 months	**(5.52)**		4.22	
Dividend received	**35.00**		23.33	
Interest received	**296.73**		158.80	
Net cash (used) / raised from investing activities		**(7870.66)**		(8131.93)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowings	**8572.84**		9151.56	
Repayment of long term borrowings	**(9596.94)**		(11817.70)	
Proceeds /(Repayment) of short term borrowings	**2524.24**		(2302.22)	
Interest paid	**(3312.93)**		(3408.31)	
Dividend paid	**(1291.82)**		(1589.93)	
Tax on dividend paid	**(366.85)**		(282.96)	
Net cash (used) / raised from financing activities		**(3471.46)**		(10249.56)
Increase/(decrease) in cash & cash equivalents (A+B+C)		**1804.66**		1481.77
Cash & cash equivalents at the beginning of the year		**1642.21**		160.44
Cash & cash equivalents at the end of the year		**3446.87**		1642.21
Components of cash and cash equivalents				
Balances with banks:				
Current accounts		**248.24**		728.50
Fixed deposits		**2975.00**		900.00
Cash on hand		**10.90**		13.71
Cheque on hand		**212.73**		-
Total cash and cash equivalents		**3446.87**		1642.21

NOTES TO THE CASH FLOW STATEMENT :

1. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 "Cash Flow Statement".
2. Figures in brackets indicate cash outflow and without brackets indicate cash inflow.
3. Change in short term borrowings reflects change in utilization of bank cash credit limits during the year.

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

Sunjay Kapur
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Executive Vice Chairman
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Ravi Bhoothalingam
Director
(DIN 00194530)

Place : Dharuhera
Dated : 13th May, 2016

Sudhir Chopra
President & Company Secretary

Rajiv Chanana
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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, 2016
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:

a) 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, 2016.

b) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

c) 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.

d) 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:

i) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and

ii) 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.

- **Component Accounting**

  The Group was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life rate/depreciation rate was used to depreciate each item of fixed asset. Due to application of component

accounting of Schedule II to the Companies Act, 2013 becoming mandatory during the year, the Group has changed the manner of depreciation for its fixed assets. Now, the Group identifies and determines separate useful life of each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. This change in accounting policy did not have any material impact on financial statements of the Group for the current year.

- **Tangible Fixed Assets and Depreciation/Amortisation**

Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost comprises of the purchase price, incidental expenses, erection/commissioning expenses and financial charges upto the date the fixed asset is ready for its intended use.

Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

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 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.

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 into account the nature of the assets and estimated usage of the asset, past history of replacement and anticipated technological changes etc.:

–	Dies	4 years
–	Vehicles	5.3 years

Asset costing less than ₹ 5000/- each are fully depreciated in the year of capitalisation.

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 & 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.

- **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 asset 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 & loss on a straight-line basis over the lease term.

Where the Group is the lessor

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

- **Investments**

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

- **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.

  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.

- **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 & 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 & development is capitalised in the year of installation and depreciated accordingly.

  b) Revenue expenses incurred for research & development is charged to statement of profit & loss of the year in which it is incurred.

- **Income**

  Revenue recognition - Revenue from domestic and export sales are recognised on transfer of all significant risks and rewards or ownership to the buyer as per term 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 finalization 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.

  All export benefits are recognised as income when there is substantial certainty as to their realisibility e.g.

  a) Focused Product Scheme and Merchandise Exports from India Scheme are recognized as income on filing the relevant application with the respective authorities.

  b) Duty drawback is accounted in the year of export.

- **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.

- **Borrowing cost**

  Borrowing costs on loans relatable 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 & loss during extended periods when active development activity on the qualifying assets is interrupted.

- **Employee Benefits**

  - Provident Fund & Employees State Insurance Corporation

    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 & loss as incurred. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The interest rate payable to the members of the Trust is mandated not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, is made good by the Group. The remaining contributions are made to a government administered Provident Fund towards which the Group has no further obligations beyond its monthly contributions.

  - Gratuity

    The obligation towards gratuity is a defined benefit retirement plan covering eligible employees. The employee gratuity fund is managed by Insurance Institutions. The liability of gratuity benefits payable in future is accounted or provided based on an independent actuarial valuation.

  - 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 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.

- **Taxation**

  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 Alternative 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.

- **Earnings per share**

  Annualised basic earning per equity share is arrived at based on net profit/(loss) after taxation to the basic/weighted average number of 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.

Particulars	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
NOTE 2 - SHARE CAPITAL		
Authorised shares (in nos.)		
27,10,00,000 (previous year 27,10,00,000) equity shares of ₹ 1/- each	**2710.00**	2710.00
Issued, subscribed and paid up shares (in nos.)		
19,87,41,832 (previous year 19,87,41,832) 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 31st March, 2016		As at 31st March, 2015	
	(Nos.)	**(₹ / Lacs)**	(Nos.)	(₹ / Lacs)
Shares outstanding at the beginning of the year	**19,87,41,832**	**1987.42**	19,87,41,832	1987.42
Shares issued during the year	**-**	**-**	-	-
Shares bought back during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**19,87,41,832**	**1987.42**	19,87,41,832	1987.42

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 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 31st March, 2016		As at 31st March, 2015	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
Equity share of ₹ 1/- each fully paid				
- Sona Autocomp Holding Ltd.	**4,99,14,664**	**25.12%**	4,99,14,664	25.12%
- JTEKT Corporation, Japan	**3,99,47,108**	**20.10%**	3,99,47,108	20.10%
- Maruti Suzuki India Ltd.	**1,38,00,000**	**6.94%**	1,38,00,000	6.94%

Particulars	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
NOTE 3 - RESERVES & SURPLUS		
Capital reserve	**0.44**	0.44
(On account of re-issue of forfeited equity shares)		
Securities premium account		
Balance as per the last financial statements	**8070.76**	8070.76
Closing balance	**8070.76**	8070.76
General reserve		
Balance as per the last financial statements	**8190.71**	8190.71
Closing balance	**8190.71**	8190.71
Surplus in the statement of profit & loss		
Balance as per last financial statements	**14092.76**	12640.96
Add : Profit for the year	**3704.60**	3789.80
Less : Adjustment of depreciation charge	-	760.20
Less : Appropriations		
Less: Proposed dividend (refer note below)	**993.71**	1291.82
Less: Tax on proposed dividend	**277.94**	262.98
Less: Group's share of subsidiary dividend tax	**44.65**	-
Less: CSR Expenses	**-**	23.00
Net surplus in the statement of profit & loss	**16481.06**	14092.76
Total reserve and surplus	**32742.97**	30354.67

For the year ended 31st March 2016, the amount of dividend proposed to be distributed to equity shareholders is ₹ 0.50 per share (previous year ₹ 0.65 per share)

	Non-current portion		Current maturities	
	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)	**As at 31st March, 2016 (₹ / Lacs)**	As at 31st March, 2015 (₹ / Lacs)
NOTE 4 - LONG TERM BORROWINGS				
Term loans				
From banks				
Indian rupee loans from banks (secured)	**6586.46**	11234.04	**3927.69**	4961.74
Foreign currency loans from banks (secured)	**8034.31**	3900.53	**3813.32**	2843.04
Foreign currency loans from banks (unsecured)	**967.55**	1612.58	**645.03**	322.52
From others				
Indian rupee loan from NBFC (secured)	**-**	-	**-**	97.22
	15588.32	16747.15	**8386.04**	8224.52
Amount disclosed under the head ''other current liabilities" (refer note 10)	**-**	-	**(8386.04)**	(8224.52)
	15588.32	16747.15	**-**	-

1. Indian rupee loans from banks include:

(a) Rupee term loans of ₹ 9631.35 lacs (previous year ₹ 14871.55 lacs) 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 ₹ 963.74 lacs (previous year ₹ 4220 lacs) 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.

(b) Rupee term loan of ₹ 72.84 lacs (previous year ₹ 67.93 lacs) 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.

(c) Rupee term loans of ₹ 803.73 lacs (previous year ₹ 1248 lacs) 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 rate of interest on aforesaid loans are linked to the specific banks 'Base Rate'.

(d) Rupee term loans of ₹ 6.23 lacs (previous year ₹ 8.30 lacs) are secured by specific asset financed. The loan carries fixed interest rate of 10.70% p.a.

2. Indian rupee loan from NBFC includes :

Term Loan ₹ Nil (previous year ₹ 97.22 lacs) is secured by way of second charge on entire assets of the Company situated at Sanand, Gujarat to be purchased or constructed out of said term loan. The rate of interest on aforesaid loan is linked to NBFC's prime lending rate (PLR).

3. Foreign currency loans from banks include :

(a) Foreign currency loan of USD 0.50 millions equivalent to ₹ 274.00 lacs (previous year USD 1.5 millions equivalent to ₹ 822.00 lacs) 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% and is fully hedged.

(b) Foreign currency loan of USD 1.25 million equivalent to ₹ 628.12 lacs (previous year USD 2.5 million equivalent to ₹ 1256.25 lacs) 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 is fully hedged.

(c) Foreign currency loan of USD 3.75 million equivalent to ₹ 2249.25 lacs (previous year USD 5.25 million equivalent to ₹ 3148.95 lacs) 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 is fully hedged.

(d) Foreign currency loan of USD 6.5 million equivalent to ₹ 4235.40 lacs (previous year USD Nil & ₹ Nil/-) 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.

(e) FCNR loan of USD 6.7 million equivalent to ₹ 4460.86 lacs (previous year USD 2.41 million equivalent to ₹ 1516.37 lacs) from State Bank of India is secured by first pari passu charge on movable and immovable fixed assets except assets exclusively charged to other banks & loans to the extent of ₹ 3728.48 lacs (previous year ₹ Nil) are further secured by way of second charge on current assets, on pari passu basis. The loan carries interest @ LIBOR plus 3.25% and is fully hedged.

(f) Foreign currency loans (unsecured)of UDS 2.67 million equivalent to ₹ 1612.58 lacs (previous year USD 3.2 million equivalent of ₹ 1935.10 lacs) against corporate guarantee given by the JTEKT Corporation, Japan. The loan carries interest @ USD LIBOR + 0.65% and fully hedged during the year.

4. Terms of repayment:

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

(₹ / Lacs)

S.No.	Loan amount	No of Installments Due	Each Installment Amount	Periodicity	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1.	751.35	2	375.00	Quarterly	751.35	-	-	-	-	-
2.	311.80	2	229.20	Quarterly	311.80	-	-	-	-	-
3.	166.96	1	172.00	Quarterly	166.96	-	-	-	-	-
4.	750.00	6	125.00	Quarterly	375.00	375.00	-	-	-	-
5.	274.00	2	274.00	Half Yearly	274.00	-	-	-	-	-
6.	628.13	4	157.03	Quarterly	628.13	-	-	-	-	-
7.	937.50	5	187.50	Quarterly	375.00	562.50	-	-	-	-
8.	732.38	4	187.50	Quarterly	732.38	-	-	-	-	-
9.	2249.25	10	224.93	Quarterly	899.70	899.70	449.85	-	-	-
10.	3900.00	16	200.00	Quarterly	800.00	800.00	1,200.00	1,100.00	-	-
11.	4024.22	16	200.00	Quarterly	800.00	800.00	1,200.00	1,224.22	-	-
12.	668.00	8	85.00	Quarterly	332.00	336.00	-	-	-	-
13.	1303.20	17	76.66	Quarterly	229.97	306.64	306.64	306.64	153.31	-
14.	1303.20	17	76.66	Quarterly	153.31	306.64	306.64	306.64	229.97	-
15.	1629.00	17	95.82	Quarterly	95.82	383.30	383.30	383.29	383.29	-
16.	1850.00	20	92.50	Quarterly	277.50	370.00	370.00	370.00	370.00	92.50
17.	32.62	8	0.82	Monthly	9.79	9.79	9.79	3.25	-	-
18.	40.21	27	4.22	Monthly	24.00	16.21	-	-	-	-
19.	568.63	6	95.50	Quarterly	382.00	186.63	-	-	-	-
20.	6.23	30	0.19	Monthly	2.30	2.55	1.38	-	-	-
21.	235.10	8	30.00	Quarterly	120.00	115.10	-	-	-	-
22.	1612.58	20	322.52	Half Yearly	645.03	645.03	322.52	-	-	-
	23974.36				8386.04	6115.09	4550.12	3694.04	1136.57	92.50

Particulars	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
NOTE 5 - DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability		
Depreciation	**3730.75**	4433.25
Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the statement of profit & loss in the subsequent year	**15.16**	21.47
Others	**-**	22.80
Gross deferred tax liability	**3745.91**	4477.52
Deferred tax assets		
Impact of expenditure charged to the statement of profit & loss in the current year but allowed for tax purposes in subsequent years.	**367.83**	303.58
Provision for slow moving inventory	**-**	9.87
Gross deferred tax assets	**367.83**	313.45
Net deferred tax liability	**3378.08**	4164.07

	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)
NOTE 6 - OTHER LONG TERM LIABILITIES		
Others		
Security deposit	**2.00**	1.11
Other payables*	**7.15**	12.70
	9.15	13.81

* Comprises of dues on account of capital items.

	Long-term		Short-term	
	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)	**As at 31st March, 2016 (₹ / Lacs)**	As at 31st March, 2015 (₹ / Lacs)
NOTE 7 - PROVISIONS				
Provision for employee benefits				
Gratuity (refer note 26)	**-**	-	**64.33**	40.18
Leave encashment (refer note 26)	**646.14**	601.73	**87.14**	67.43
	646.14	601.73	**151.47**	107.61
Other provisions				
Income tax [net of advance tax and TDS of ₹ 5683.38 lacs (previous year ₹ 147.00 lacs)]	**-**	-	**159.80**	3.14
Proposed dividend	**-**	-	**993.71**	1291.82
Corporate dividend tax	**-**	-	**356.05**	262.98
Product warranty (refer note 35 (a))	**86.12**	76.12	**346.75**	324.84
	86.12	76.12	**1856.31**	1882.78
	732.26	677.85	**2007.78**	1990.39

Particulars	As At 31st March, 2016 (₹ / Lacs)	As At 31st March, 2015 (₹ / Lacs)
NOTE 8 - SHORT TERM BORROWINGS		
Cash credit/other repayable on demand from banks (secured)	**6759.98**	4235.74
	6759.98	4235.74

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		
Total outstanding dues of micro enterprises and small enterprises (refer notes 39)	**32.67**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	**19409.41**	19255.24
	19442.08	19255.24
NOTE 10 - OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (refer note 4)	**8386.04**	8224.52
Interest accrued but not due on borrowings	**140.33**	124.86
Unclaimed dividends *	**182.17**	156.13
Security deposits	**24.09**	23.59
Taxes payable **	**688.17**	743.05
Interest free advances from customers	**86.75**	179.17
Other payables ***	**1894.64**	2571.58
	11402.19	12022.90

* There is no amount due and outstanding to be credited to Investor Education & Protection Fund under Section 205C of the Companies Act, 1956 as at the year end. Section 125 of the companies Act, 2013 which corresponds to Section 205C of Companies Act, 1956 has not yet been enforced.

** 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

(₹ / Lacs)

Sl. No.	**Assets**	Gross block (at cost)					Depreciation/Amortization				Net block	
		As at 01.04.15	Additions	Sales/ disposal	Other adjustments#	**As at 31.03.16**	As at 01.04.15	For the year	Written back	**Up to 31.03.16**	**As at 31.03.16**	As at 31.03.15
Tangible assets :												
1.	Freehold land	3218.56	1592.48	-	-	**4811.04**	-	-	-	**-**	**4811.04**	3218.56
2.	Leasehold land	221.50	-	-	-	**221.50***	12.96	2.55	-	15.51	**205.99**	208.54
3.	Buildings	17605.27	2870.52	-	125.28	**20601.07****	3315.33	677.32	-	3992.65	**16608.42**	14289.94
4.	Lease hold improvements	46.28	-	-	-	**46.28**	32.09	5.35	-	37.44	**8.84**	14.19
5.	Plant & equipments	67229.86	4111.90	592.01	148.37	**70898.12**	34205.81	6944.40	529.37	40620.84	**30277.28**	33024.05
6.	Jigs & fixtures	806.70	99.39	46.07	-	**860.02**	444.52	94.13	34.28	504.37	**355.65**	362.18
7	Electric installations	3730.97	216.36	-	4.16	**3951.49**	1799.59	432.85	-	2232.44	**1719.05**	1931.38
8	Furniture & fixtures	835.68	47.26	16.03	-	**866.91**	463.48	115.29	13.24	565.53	**301.38**	372.20
9	Office equipments	3042.80	214.65	37.31	-	**3220.14**	2390.90	312.79	36.05	2667.64	**552.50**	651.90
10	Vehicles	745.12	73.43	192.47	-	**626.08**	370.88	111.74	182.86	299.76	**326.32**	374.24
11	R&D-Plant & equipments	470.83	6.83	-	-	**477.66**	229.26	51.19	-	280.45	**197.21**	241.57
12	R&D-Office equipments	103.33	4.27	-	-	**107.60**	101.60	1.16	-	102.76	**4.84**	1.73
Sub total		98056.90	9237.09	883.89	277.81	**106687.91**	43366.42	8748.77	795.80	51319.39	**55368.52**	54690.48
Previous year sub total		90190.41	7868.32	215.37	213.54	**98056.90**	33040.62	10499.55	173.75	43366.42	**54690.48**	

(₹ / Lacs)

Sl. No.	Assets	Gross block (at cost)					Depreciation/Amortization				Net block	
		As at 01.04.15	Additions	Sales/ disposal	Other adjustments#	**As at 31.03.16**	As at 01.04.16	For the year	Written back	**Up to 31.03.16**	**As at 31.03.16**	As at 31.03.15
Intangible assets :												
1.	R&D-Computer softwares	82.19	3.60	-	-	**85.79**	61.13	4.77	-	65.90	19.89	21.06
2	Computer softwares	1177.41	276.97	-	-	**1454.38**	554.94	243.08	-	798.02	656.36	622.47
3	Technical know-how	2156.95	433.39	-	-	**2590.34**	960.27	353.04	-	1313.31	1277.03	1196.68
4.	Product development cost	4109.33	1282.57	-	-	**5391.90*** **	2224.66	525.54	-	2750.20	2641.70	1884.67
Sub total		7525.88	1996.53	-	-	**9522.41**	3801.00	1126.43	-	4927.43	4594.98	3724.88
Previous year sub total		5810.00	1715.88	-	-	**7525.88**	2780.76	1020.24	-	**3801.00**	**3724.88**	
Total		105582.78	11233.62	883.89	277.81	**116210.32**	47167.42	9875.20	795.80	**56246.82**	**59963.50**	58415.36
Previous year total		96000.41	9584.20	215.37	213.54	**105582.78**	35821.38	11519.79	173.75	**47167.42**	**58415.36**	
Capital work in progress											**2221.90**	4901.02
Intangible assets under development											**1827.04**	1417.98
											4048.94	6319.00

* Leasehold land includes ₹ 221.50 lacs (previous year ₹ 221.50 lacs) in respect of which lease deed is pending for execution.

** Building (gross block) amounting to ₹ 1542.96 lacs (previous year ₹ 1542.96 lacs), net block ₹ 1346.43 lacs (previous year ₹ 1397.86 lacs) is constructed on leasehold land.

*** Internally generated intangible assets.

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

Particulars		**As At 31st March, 2016 (₹ / Lacs)**		As At 31st March, 2015 (₹ / Lacs)	
NOTE 12 - NON CURRENT INVESTMENTS					
Long-term investments (at cost)					
Trade investments					
Unquoted equity instruments, fully paid up					
In Associate Company:					
22,57,591 (previous year 22,57,591) equity shares of ₹ 10/- each in Sona Skill Development Centre Ltd.	**240.38**		**240.38**		
Add : Group share of profites / (losses) up to 31st March, 2016	**(155.62)**	**84.76**	(142.25)	98.13	
In Others :					
Nil (previous year 4,66,669) equity shares of ₹ 10/- each in Roop Automotive Ltd. (sold during the year)		**-**		20.00	
		84.76		118.13	
Aggregate amount of quoted investment		**-**		-	
Aggretate amount of unquoted investment		**84.76**		118.13	

	Non Current		**Current**	
	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)	**As at 31st March, 2016 (₹ / Lacs)**	As at 31st March, 2015 (₹ / Lacs)
NOTE 13 - LOANS AND ADVANCES				
(Unsecured, considered good)				
Capital advances	**1083.13**	487.45	**-**	-
	1083.13	487.45	**-**	-
Security deposits	**172.36**	174.64	**48.56**	74.24
	172.36	174.64	**48.56**	74.24
Other loans and advances				
Advance recoverable in cash or kind	-	-	**175.78**	228.73
Loans and advances to employees	**5.69**	13.92	**35.75**	56.94
Prepaid expenses	**25.42**	23.10	**429.60**	366.40
Balance with custom, excise and sales tax and other government authorities	**1.78**	0.89	**1861.01**	2218.74
Minimum Alternate Tax (MAT) credit entitlement	**-**	-	-	279.39
Advance income tax [Net of provision for Income Tax ₹ Nil (previous year ₹ 7534.36 lacs)]	**-**	18.59	-	-
	32.89	56.50	**2502.14**	3150.20
	1288.38	718.59	**2550.70**	3224.44

Particulars	Non Current		Current	
	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)	**As at 31st March, 2016 (₹ / Lacs)**	As at 31st March, 2015 (₹ / Lacs)
NOTE 14 - OTHER ASSETS				
(Unsecured, considered good)				
Non-current bank balances (refer note 17)*	**45.13**	39.61	**-**	-
Unamortized premium on forward contracts	**-**	-	**207.13**	80.61
Interest receivable	**-**	-	**0.47**	0.45
Claims receivable	**-**	-	**803.20**	190.79
Interest accrued but not due on fixed deposits with banks	**0.08**	-	**23.73**	4.64
Unbilled revenue	**-**	-	**915.38**	1042.42
Other receivable	**-**	-	**210.59**	397.73
	45.21	39.61	**2160.50**	1716.64

* Held as margin money deposits against bank guarantees and letter of credit.

	As At 31st March, 2016 (₹ / Lacs)	As At 31st March, 2015 (₹ / Lacs)
NOTE 15 - INVENTORIES		
(At cost or net realisable value, whichever is lower)		
Raw materials and components *	**3977.52**	4231.52
Work-in-progress **	**1473.58**	1519.53
Finished goods ***	**2223.69**	1998.34
Stock-in-trade	**11.10**	12.28
Stores and spares	**1280.74**	1315.75
Loose tools	**945.49**	962.44
	9912.12	10039.86

* Includes material in transit ₹ 124.45 lacs (previous year ₹ 230.10 lacs)
** Includes goods in transit ₹ 48.41 lacs (previous year ₹ 62.40 lacs)
** Includes material with the vendors sent for job work ₹ 84.84 lacs (previous year ₹ 57.04 lacs)
*** Includes goods in transit ₹ 1356.73 lacs (previous year ₹ 1221.11 lacs)

	As At 31st March, 2016 (₹ / Lacs)	As At 31st March, 2015 (₹ / Lacs)
NOTE 16 - TRADE RECEIVABLES		
(Unsecured, considered good)		
Receivables outstanding for a period exceeding six months from the date they are due for payment	**35.68**	67.88
Other receivables	**21490.79**	18851.25
	21526.47	18919.13

	Non-current		Current	
	As at 31st March, 2016 (₹ / Lacs)	As at 31st March, 2015 (₹ / Lacs)	**As at 31st March, 2016 (₹ / Lacs)**	As at 31st March, 2015 (₹ / Lacs)
NOTE 17 - CASH AND BANK BALANCES				
(Unsecured, considered good)				
Cash and cash equivalents				
Balances with banks:				
Current accounts	**-**	-	**248.24**	728.50
Fixed deposits	**-**	-	**2975.00**	900.00
Cash on hand	**-**	-	**10.90**	13.71
Cheque on hand	**-**	-	**212.73**	-
Sub Total	**-**	-	**3446.87**	1642.21
Other bank balances				
Fixed deposits with original maturity for more than 12 months*	**45.13**	39.61	**-**	-
Unpaid dividend accounts	**-**	-	**182.17**	156.13
Sub Total	**45.13**	39.61	**182.17**	156.13
Amount disclosed under non-current assets (refer note 14)	**(45.13)**	(39.61)		
Total	**-**	-	**3629.04**	1798.34

* Held as margin money deposits against bank guarantees and letter of credit.

Particulars	Year ended 31st March, 2016 (₹ / Lacs)	Year ended 31st March, 2015 (₹ / Lacs)
NOTE 18 - REVENUE FROM OPERATIONS		
Sale of products	**170298.61**	174087.22
Sale of services - job work	**52.00**	0.37
Other operating revenues		
Scrap sales	**699.07**	858.99
Others	**244.87**	261.36
Revenue from operations (gross)	**171294.55**	175207.94
Less : Excise duty (refer note 34)	**19464.10**	19911.38
Revenue from operations (net)	**151830.45**	155296.56
NOTE 19 - OTHER INCOME		
Interest income	**315.93**	161.82
Foreign exchange gain (net)	**29.46**	80.49
Dividend from long term investments	**35.00**	23.33
Gain on sale of fixed assets	**23.32**	1.25
Gain on sales of long term trade investment	**990.00**	-
Other non-operating income	**203.53**	220.63
	1597.24	487.52
NOTE 20 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the begining of the year		
Work-in-progress	**1519.53**	1228.06
Finished goods	**1998.34**	2083.34
Stock-in-trade	**12.28**	5.00
	3530.15	3316.40
Inventories at the end of the year		
Work-in-progress	**1473.58**	1519.53
Finished goods	**2223.69**	1998.34
Stock-in-trade	**11.10**	12.28
	3708.37	3530.15
Changes in inventories	**(178.22)**	(213.75)
Excise duty on increase / (decrease) in finished goods (refer note 34)	**19.42**	(2.26)
	(158.80)	(216.01)
NOTE 21 - EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and allowances etc.	**13643.53**	11627.01
Contribution to provident and other funds	**1124.18**	988.15
Gratuity expenses	**-**	13.94
Employees welfare expenses	**1897.88**	1948.37
	16665.59	14577.47
NOTE 22 - FINANCE COSTS		
Interest on loans	**3067.07**	2998.90
Other borrowing costs	**21.15**	19.28
Other interest	**30.00**	28.96
Bank and other finance charges	**51.73**	64.71
Cash discount	**2.85**	2.63
	3172.80	3114.48

Particulars		Year ended 31st March, 2016 (₹ / Lacs)	Year ended 31st March, 2015 (₹ / Lacs)
NOTE 23 - DEPRECIATION AND AMORTIZATION EXPENSES			
Depreciation / amortization of tangible assets		**8748.77**	9348.09
Amortization of intangible assets		**1126.43**	1020.24
		9875.20	10368.33
NOTE 24 - OTHER EXPENSES			
Stores and spare parts consumed		**1956.50**	1908.17
Loose tools consumed		**1192.99**	1209.45
Power and fuel		**2541.92**	2583.91
Repairs and maintenance - plant & machinery		**714.48**	724.34
Royalty		**1941.82**	1959.21
Rent		**357.31**	401.32
Rates and taxes		**208.58**	183.28
Insurance		**124.20**	128.44
Repair and maintenance - buildings		**127.43**	97.76
Repair and maintenance - others		**733.98**	649.39
Travelling, conveyance and vehicle expenses		**756.66**	903.97
Communication & stationery expenses		**222.67**	219.76
Legal & professional charges		**1157.91**	984.28
Security charges		**241.15**	221.17
Business promotion		**264.14**	278.56
Premium on forward exchange contract amortized		**133.99**	347.03
Foreign exchange loss (net)		**149.19**	54.67
Forwarding expenses		**1508.10**	1741.87
Packing material		**573.50**	519.09
CSR expenses		**86.57**	-
Commission to non whole time directors		**24.00**	27.00
Directors sitting fees		**128.73**	86.00
Loss on sale of fixed assets		**26.79**	1.20
Loss on sale of long term trade investment (current year-Nil previous year ₹ 1.95 only)		**-**	-
Payments to auditors			
As auditor			
Audit fee		**40.35**	32.45
Tax audit fee		**7.35**	6.95
Limited review & consolidation		**26.60**	23.14
In other capacity			
Taxation matters		**3.16**	0.70
Other services (certifications fee)		**11.48**	7.98
Miscellaneous expenses		**266.97**	282.36
		15528.52	15583.45
NOTE 25 - EARNINGS PER SHARE			
Net profit after tax		**3704.60**	3789.80
Profit/(loss) attributable to the equity shareholders	**(A)**	**3704.60**	3789.80
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)**	**1.86**	1.91
Diluted	**(A/B)**	**1.86**	1.91

Particulars	Current year (₹ / Lacs)	Previous year (₹ / Lacs)

NOTE 26 - EMPLOYEES BENEFIT

Defined Contribution Plans:

i) The Group has recognised, in the statement of profit & loss for the year ended March 31, 2016 an amount of ₹ 859.75 lacs (previous year ₹ 754.49 lacs) as expenses under defined contribution plans.

Contribution to defined contribution plans include :

a) Employer's contribution to provident fund	**649.62**	537.56
b) Employer's contribution to superannuation fund	**173.83**	180.71
c) Employer's contribution to Employee State Insurance Corporation	**32.55**	32.77
d) Punjab labour welfare fund (PLWF)	**3.75**	3.45
	859.75	754.49

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) The Group makes contribution for certain employees to the Sona Koyo Steering Systems Ltd- Employees Provident Fund Trust (''the Trust"), which is a defined benefit plan. The Group contributed ₹ 16.69 lacs (previous year ₹ 35.21 lacs) during the year to the Trust.

The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Group's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

The guidance note on implementing AS 15 Employee Benefits (revised 2005), issued by Accounting Standards Board (ASB) of The Institute of Chartered Accountants of India, states that benefits involving employer established provident fund trust, which require interest shortfall to be compensated by the employer is required to be considered as defined benefits plans. The actuary has provided a valuation and based on the below mentioned assumptions, determined that there is no short fall as at March 31, 2016.

ii) Detail of the post retirement funded provident fund, gratuity plan and unfunded leaves are as follows :

	Provident fund (funded)		Gratuity (funded)*		Leaves (unfunded)	
	Current Year (₹ / Lacs)	Previous Year (₹ / Lacs)	**Current Year (₹ / Lacs)**	Previous Year (₹ / Lacs)	**Current Year (₹ / Lacs)**	Previous Year (₹ / Lacs)
1. Reconciliation of opening and closing balances of obligations :						
a) Opening defined benefit obligation	**618.86**	434.65	**1765.17**	1562.82	**669.15**	625.95
b) Current service cost	**16.69**	35.21	**159.24**	164.08	**144.29**	130.93
c) Past service cost	-	-	**-**	-	**-**	4.01
d) Interest cost	**68.32**	48.58	**142.98**	126.23	**54.20**	50.55
e) Actuarial (gain) / loss	**(28.85)**	218.39	**(85.08)**	36.01	**(36.18)**	(29.69)
f) Benefits paid	**(281.87)**	(161.99)	**(230.40)**	(123.99)	**(98.17)**	(112.61)
g) Employee contribution	**25.24**	44.03	**-**	-	**-**	-
h) Settlements	**-**	-	**-**	-	**-**	-
i) Change in reserves	**-**	-	**-**	-	**-**	-
j) Closing defined benefit obligation	**418.39**	618.86	**1751.91**	1765.17	**733.29**	669.15
2. Change in plan assets (reconciliation of opening and closing balances) :						
a) Opening fair value of plan asset	**663.58**	440.61	**1759.31**	1539.63	**-**	-
b) Prior period adjustment	**-**	-	**-**	-	**-**	-
c) Expected return on plan asset	**72.23**	49.11	**158.70**	144.48	**-**	-
d) Employer contributions	**16.69**	35.21	**258.39**	219.54	**-**	-
e) Benefits paid	**(281.87)**	(161.99)	**(230.40)**	(123.99)	**-**	-
f) Employee contribution	**25.24**	44.03	**-**	-	**-**	-
g) Settlements	**-**	-	**-**	-	**-**	-
h) Actuarial gain / (loss) on plan assets	**(71.82)**	256.61	**18.39**	(20.35)	**-**	-
i) Closing fair Value of plan assets	**424.05**	663.58	**1964.39**	1759.31	**-**	-

	Provident fund (funded)		Gratuity (funded)*		Leaves (unfunded)	
	Current Year (₹ / Lacs)	Previous Year (₹ / Lacs)	**Current Year (₹ / Lacs)**	Previous Year (₹ / Lacs)	**Current Year (₹ / Lacs)**	Previous Year (₹ / Lacs)
3. Reconciliation of fair value of assets and obligations :						
a) Present value of obligation	**418.39**	618.86	**1751.91**	1765.17	**733.29**	669.15
b) Fair value of plan (assets)	**(424.05)**	(663.58)	**(1964.39)**	(1759.31)	**-**	-
c) Unfunded (asset)/liability recognised in the balance sheet	**-***	-*	**-***	5.86	**733.29**	669.15
d) Experience adjustments on plan liabilities - (loss)/gain	**-**	-	**(23.59)**	(26.65)	**2.39**	0.93
e) Experience adjustments on plan assets - (loss)/gain	**-**	-	**17.23**	(20.78)	**-**	-
4. Expense recognised during the year :						
a) Current service cost	**16.69**	35.21	**159.24**	164.08	**144.29**	130.93
b) Interest cost	**68.32**	48.58	**142.98**	126.23	**54.20**	50.55
c) Expected return on plan assets	**(72.23)**	(49.11)	**(158.70)**	(144.48)	**-**	-
d) Actuarial (gain) / loss	**42.97**	(38.22)	**(103.47)**	56.36	**(36.18)**	(29.69)
e) Past service cost	**-**	-	**-**	-	**-**	4.01
f) Expenses recognised during the year	**55.75**	(3.54)	**40.05**	202.20	**162.31**	155.80
5. Assumptions :						
a) Discount rate (per annum)	**7.60%**	7.77%	**8.10%**	8.10%	**8.10%**	8.10%
b) Expected rate of return on plan assets (per annum)	**8.80%**	8.75%	**7.31%to8.50%**	9%to10%	N.A	N.A
c) Rate of increase in compensation level (per annum)			**5.50%to10%**	6.50%to10%	**5.50%to10%**	6.50% to 10%

* The excess of assets over liabilities in respect of provident fund and gratuity have not been recognised as the same are lying in an income tax approved irrevocable trust fund.

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 (₹ / Lacs)	Leaves (₹ / Lacs)
Estimate of contribution next year	52.71	190.89

	Provident fund	
	Current Year	Previous Year
iii) Investment details of plan assets :		
Major category of investments as a percentage in case of provident fund trust :		
- Central Government Securities	**2.19%**	11.47%
- State Government Securities	**15.00%**	19.28%
- Securities of Public Financial Institutions	**67.94%**	57.32%
- Private Sector Bonds / Securities	**14.87%**	11.93%

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.

(₹ /Lacs)

	31st March, 2014		31st March, 2013		31st March, 2012	
	Gratuity	Leaves	Gratuity	Leaves	Gratuity	Leaves
iv) Reconciliatio\n of fair value of assets and obligations for the past years						
a) Present value of obligation	1562.83	625.96	1449.86	540.55	1171.35	446.50
b) Fair value of plan (assets)	(1539.62)	-	(1430.47)	-	(1182.32)	-
c) Unfunded (asset)/liability recognised in the balance sheet	23.21	625.96	19.38	540.55	-*	446.50
d) Experience adjustments on plan liabilities - (loss)/gain	46.66	9.46	(33.12)	4.70	(70.22)	28.25
e) Experience adjustments on plan assets - (loss)/gain	(1.54)	-	5.99	-	1.06	-

* 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 & loss in the year incurred.

An amount of ₹ 300.05 lacs (previous year ₹ 367.54 lacs) is recognized in the statement of profit & loss for the year ended March 31, 2016. The total future minimum lease payments under the aforesaid leases are as follows:

	Current Year (₹ / Lacs)	Previous Year (₹ / Lacs)
Lease rentals payable within one year	**94.62**	116.31
Lease rentals payable after one year but not more than five years	**14.58**	55.85
	109.20	172.16

(ii) The Group has taken office premises under non cancellable; have a term of five years operating lease agreement. The lease rental for the current year and future minimum lease payments are as follows:

Lease rentals paid for the year	**118.55**	107.54
Lease rentals payable within one year	**49.21**	29.66
Lease rentals payable after one year but not more than five years	**59.35**	58.86
	227.11	196.06

NOTE 28 - FIXED ASSETS / CAPITAL WORK IN PROGRESS INCURRED DURING THE YEAR INCLUDES :

a) Professional charges	**247.17**	48.27
b) Technical support charges	**552.45**	72.67
c) Components, tools & spares	**1463.85**	1204.95
d) Travelling expenses	**111.98**	58.06
e) Interest to bank	**220.09**	357.66
f) Loss on foreign exchange fluctuations on ECB loan	**2.97**	-
g) Others	**126.44**	121.77
h) Salary	**303.71**	314.37
	3028.66	2177.75

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

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	**1828.03**	1860.55

NOTE 31 - CONTINGENT LIABILITIES

	Period covered	**Current Year* (₹ / Lacs)**	Previous Year* (₹ / Lacs)
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	**1681.07**	1553.24
ii) Cases pending before appellate authorities in respect of which the Company has filed appeals.	2007-08 to 2011-12	**427.49**	371.86
	Total	**2108.56**	1925.10
(b) Service tax			
i) Show cause notices received and pending with adjudication authority	2004-05 to 2013-14	**60.75**	53.15
ii) Cases pending before appellate authorities in respect of which the Company has filed appeals/ show cause notices.	2005-06 to 2015-16	**162.10**	290.76
	Total	**222.85**	343.91

	Period covered	Current Year (₹ / Lacs)	Previous Year (₹ / Lacs)
(c) VAT Haryana			
Local Area Development Tax (LADT) levied by Assessing Authority Gurgaon. Writ Petition civil pending with Supreme Court	2007-08 to 2015-16	**1106.51**	963.09
(d) Customs Duty			
i) Show cause notice received from adjudication authority (DGFT) for advance license	2012-13	**7.24**	6.74
ii) Case of valuation of goods imported from related party with special valuation branch under Customs Act	2013-14 to 2014-15	**-**	160.24
* 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 the Company has filed appeal		**7.94**	7.94
(f) Property Tax			
Municipal Corporation Gurgaon Property Tax	Arrears before 2010-11	**-**	19.00
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		**1743.88**	2430.69
III) Letter of credit opened by banks for purchase of inventory / capital goods		**84.63**	213.30

IV) The Government of West Bengal is in Appeal in Hon'ble Supreme Court for validity of the Singur Land Rehabilitation And Development Act, 2011. Pending finalization of the case, the Company has not made any provision for the impairment of its value of land at Singur.

NOTE 32-FORWARD CONTRACTS OUTSTANDING AND UN-HEDGED FOREIGN CURRENCIES EXPOSURES ARE AS GIVEN BELOW

The Group uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. These foreign exchange contracts are not used for trading or speculation purposes.

The Group has a risk of foreign currency exposure on the following derivative instruments that are outstanding at the year end:

Nature of Contracts	Buy / Sell	Current Year		Previous Year	
		Contracts (nos.)	Amount (in Lacs)	Contracts (nos.)	Amount (in Lacs)
Forward contracts (JPY)	Buy	98	3510.73	127	4632.71
Rupee equivalent value	Buy	98	2107.60	127	2499.96
Forward contracts (USD)	Buy	36	76.76	20	33.32
Rupee equivalent value	Buy	36	5367.36	20	2171.98
Currency cum interest rates swaps (ECB) (USD)	Buy	4	120.00	3	92.50
Rupee equivalent value (ECB)	Buy	4	7386.78	3	5227.20
Forward contracts (CHF)	Buy	1	0.17	3	0.68
Rupee equivalent value	Buy	1	10.24	3	44.78

Un-hedged Foreign Currency Exposure :

(in Lacs)

	Current Year					
	CHF	EURO	USD	YEN	GBP	SGD
Payables	0.05	0.49	27.03	1155.63	-	0.02
Rupee equivalent value	3.34	37.31	1799.77	689.33	0.35	1.13
Receivables	-	1.96	26.22	134.50	-	-
Rupee equivalent value	-	145.85	1722.86	78.11	-	-

(in Lacs)

	Previous Year					
	CHF	EURO	USD	YEN	GBP	SGD
Payables	0.24	1.11	5.59	2831.66	-	0.13
Rupee equivalent value	15.81	75.95	351.73	1492.00	-	5.84
Receivables	-	1.42	38.89	48.77	-	-
Rupee equivalent value	-	94.49	2420.10	25.09	-	-

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.

During the year, the Group has capitalized / de-capitalized the net exchange loss/gain arising on long term foreign currency loans to depreciable fixed assets amounting to ₹ Nil previous year, the Group had capitalized / de-capitalized the net exchange loss/gain arising on long term foreign currency loans to depreciable assets amounting to ₹ Nil.

The net amount of exchange loss capitalized to depreciable assets and remaining to be amortized as on March 31, 2016 is ₹ 594.28 lacs (previous year ₹ 693.34 lacs).

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 & 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 AS - 29 (refer note 7)

Description	**Current year (₹ / Lacs)**	Previous year (₹ / Lacs)
Opening balance	**400.96**	299.05
Add: addition during the year	**371.67**	764.01
Less: charged off to the statement of profit & loss	**339.75**	662.09
Closing balance	**432.87**	400.96

The warranty expenses of ₹ 339.75 lacs (previous year ₹ 662.09 lacs) are charged off to statement of profit & loss included under the head forwarding expenses. (note 24).

(b) Other Provisions: Provision for slow moving inventory

Description	**Current Year (₹ / Lacs)**	Previous Year (₹ / Lacs)
Opening balance	**28.52**	75.48
Add: addition during the year	**0.00**	10.00
Less: charged off to the statement profit & loss	**28.52**	56.95
Closing balance	**0.00**	28.52

NOTE 36 - Expenditure on Corporate Social Responsibility (CSR)

(a) Gross amount required to be spent by the Company during the year ended 31st March, 2016 ₹ 145.17 lacs

(b) Amount spent during the year ended 31st March, 2016:

Particulars	Paid (A)	Yet to be paid (B)	Total (A+B)
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	86.57	-	86.57

(c) Details of related party transactions:

(i) Contribution during the year ended 31st March, 2016 ₹ 43.00 lacs

(ii) Payable as at 31st March, 2016 – ₹ Nil.

NOTE 37 - Executive Vice Chairman of the Company was appointed by the Board of Directors at its meeting held on 14th September, 2015 with effect from 15th September, 2015, and the remuneration paid is subject to the approval of shareholders by way of special resolution due to inadequacy of profits. The Company will take the approval of shareholders by special resolution in the forthcoming Annual General Meeting for the payment of minimum remuneration as per provision of Schedule V of the Companies Act, 2013.

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 - DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	**31st March, 2016 (₹ / Lacs)**	31st March, 2015 (₹ / Lacs)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	**Principle - 32.67 Interest - 0.00**	Principle - 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.	**0.00**	0.00
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.	**0.00**	0.00
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, untill such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Entrprises Development Act, 2006.	**0.00**	0.00

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 2016		As at 31st March 2015		**As at 31st March 2016**		As at 31st March 2015	
	As % of consolidated net assets	**Amount (₹/Lacs)**	As % of consolidated net assets	Amount (₹/Lacs)	**As % of consolidated net assets**	**Amount (₹/Lacs)**	As % of consolidated net assets	Amount (₹/Lacs)
Parent								
Sona Koyo Steering Systems Ltd.	**59.97%**	**27519.06**	62.12%	26215.34	**67.48%**	**2499.73**	47.44%	1797.70
Subsidiary								
JTEKT Sona Automotive India Ltd.	**40.30%**	**18492.60**	40.31%	17011.62	**78.65%**	**2913.83**	93.98%	3561.58
Sona Fuji Kiko Automotive Ltd.	**5.73%**	**2627.60**	5.42%	2287.23	**11.62%**	**430.64**	12.30%	466.10
Associate (Investment as per equity method)								
Sona Skill Development Centre Ltd.	**0.18%**	**84.76**	0.23%	98.13	**-0.72%**	**(26.73)**	-3.42%	(129.56)
Minority interest in all subsidiaries	**24.32%**	**11159.39**	23.36%	9859.86	**45.81%**	**1697.07**	53.96%	2044.79
Consolidation Adjustments	**-30.49%**	**(13993.61)**	-31.44%	(13270.22)	**-102.84%**	**(3809.92)**	-104.25%	(3950.78)
Grand Total	**100.00%**	**45889.78**	100.00%	42201.95	**100.00%**	**3704.60**	100.00%	3789.80

41(a) - RELATED PARTY DISCLOSURES (TRANSACTION WITH RELATED PARTIES)

(₹ /Lacs)

PARTICULARS	SIGNIFICANT CONTROL	SUBSTANTIAL INTEREST	OTHERS (SIGNIFICANT INFLUENCE)	KEY MANAGEMENT PERSONNEL	RELATIVE TO KEY MANAGEMENT PERSON	ASSOCIATES	TOTAL
Advance paid	-	-	-	-	-	-	-
Advance paid (previous year)	-	-	(2.54)	-	-	-	(2.54)
Cash discount paid	-	-	12.84	-	-	-	12.84
Cash discount paid (previous year)	-	-	(1.90)	-	-	-	(1.90)
CSR expenses	-	-	43.00	-	-	-	43.00
CSR expenses (previous year)	-	-	(23.00)	-	-	-	(23.00)
Dividend paid	-	844.31	89.70	0.18	0.22	-	934.41
Dividend paid (previous year)	(0.05)	(718.89)	(110.40)	(0.04)	-	-	(829.38)
Donation	-	-	20.00	-	-	-	20.00
Donation (previous year)	-	-	(18.00)	-	-	-	(18.00)
Remuneration *	33.22	-	-	626.41	3.00	-	662.63
Remuneration (previous year)	(134.28)	-	-	(489.72)	(4.25)	-	(628.25)
Contribution to PF Trust	-	-	16.69	-	-	-	16.69
Contribution to PF Trust (previous year)	-	-	(31.29)	-	-	-	(31.29)
Interest income	-	-	0.29	-	-	-	0.29
Interest income (previous year)	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-
Investment (previous year)	-	-	-	-	-	(85.38)	(85.38)
Leasing of premises paid	-	-	30.23	-	-	-	30.23
Leasing of premises paid (previous year)	-	-	(28.84)	-	-	-	(28.84)
Purchase of capital goods	-	288.83	16.21	-	-	-	305.04
Purchase of capital goods (previous year)	-	(298.47)	-	-	-	-	(298.47)
Purchase of goods	-	6487.92	4925.84	-	-	-	11413.76
Purchase of goods (previous year)	-	(7843.05)	(4014.79)	-	-	-	(11857.84)
Receiving of services	-	42.37	5.47	-	-	54.91	102.75
Receiving of services (previous year)	-	(110.95)	-	-	-	(19.66)	(130.61)
Reimbursement of expenses recovered	-	26.56	43.70	-	-	-	70.26
Reimbursement of expenses recovered (previous year)	-	(38.22)	(49.17)	-	-	-	(87.39)
Reimbursement of expenses paid	-	376.83	22.70	-	-	-	399.53
Reimbursement of expenses paid (previous year)	-	(1.92)	(13.49)	-	-	-	(15.41)
Rendering of services	-	-	162.48	-	-	-	162.48
Rendering of services (previous year)	-	-	(96.35)	-	-	-	(96.35)
Royalty	-	1794.98	-	-	-	-	1794.98
Royalty (previous year)	-	(1844.35)	-	-	-	-	(1844.35)
Sale of capital goods	-	-	-	-	-	-	-
Sale of capital goods (previous year)	-	-	(5.64)	-	-	(10.68)	(16.32)
Sale of goods	-	75.64	94459.36	-	-	-	94535.00
Sale of goods (previous year)	-	(45.35)	(68948.37)	-	-	-	(68993.72)
Security deposit paid	-	-	-	-	-	-	-
Security deposit paid (previous year)	-	(11.07)	-	-	-	-	(11.07)
Director sitting fee	0.25	-	8.56	4.60	9.00	-	22.41
Director sitting fee (previous year)	(1.30)	-	-	(7.70)	(9.41)	-	(18.41)
Technical support fee	-	547.48	-	-	-	-	547.48
Technical support fee (previous year)	-	(1097.06)	-	-	-	-	(1097.06)
Technicians expenses	-	-	-	-	-	-	-
Technicians expenses (previous year)	-	(1.75)	-	-	-	-	(1.75)
Corporate guarantee on loans from bank	-	1935.10	-	-	-	-	1935.10
Corporate guarantee on loans from banks (previous year)	-	(8859.95)	-	-	-	-	(8859.95)
Cash discount received	-	-	0.13	-	-	-	0.13
Cash discount received (previous year)	-	-	-	-	-	-	-
Tooling purchased	-	-	6.01	-	-	-	6.01
Tooling purchased (previous year)	-	-	-	-	-	-	-
Outstanding balance as on 31.3.2016 (debit)	-	-	10323.22	-	-	-	10323.22

(₹ /Lacs)

PARTICULARS	SIGNIFICANT CONTROL	SUBSTANTIAL INTEREST	OTHERS (SIGNIFICANT INFLUENCE)	KEY MANAGEMENT PERSONNEL	RELATIVE TO KEY MANAGEMENT PERSON	ASSOCIATES	TOTAL
Outstanding balance as on 31.03.2015 (debit)	-	-	(7877.93)	-	-	-	(7877.93)
Outstanding balance as on 31.3.2016 (credit)	-	2529.74	444.76	-	-	1.64	2976.14
Outstanding balance as on 31.03.2015 (credit)	-	(2511.28)	(513.35)	-	-	(2.51)	(3027.14)

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 individual/entity exercise control over the Group
   1. Dr. Surinder Kapur upto 30-Jun-2015

2. The entity having substantial interest in the Group
   1. Sona Autocomp Holding Ltd.
   2. JTEKT Corporation

3. Others (significant influence)
   1. Sona BLW Precision Forgings Ltd.
   2. Mahindra Sona Ltd.
   3. Maruti Suzuki India Ltd.
   4. Sona e design & Technologies Ltd.
   5. Pune Heat Treat Pvt Ltd.
   6. Kapur Properties & Investment
   7. Mandira Marketing Ltd.
   8. Koyo Bearings India Pvt Ltd.
   9. Sona BLW Prazisionsschmiede GmbH
   10. Sona BLW Precision Forge INC
   11. Sona Koyo Steering Systems Ltd EPF Trust
   12. Sona Charitable Trust
   13. Koyo Singapore Bearings PTE Ltd
   14. Shye FU Koyo Mechanical Industry Co Ltd., China
   15. Douglas Autotech Corporation USA
   16. PT JTEKT Indonesia
   17. JTEKT Automotive Malaysia
   18. Toyoda Micromatic Machinery India Pvt. Ltd.
   19. Koyo Kawa Co. Ltd.
   20. Mrs. Rani Kapur w.e.f. 05-Nov-2015

4. Key Management Personnel
   1. Dr. Surinder Kapur - (transactions disclosed under category (1) above) upto 30-Jun-2015
   2. Mr Sunjay Kapur upto 14-Sep-2015
   3. Mr. Kiyozumi Kamiki
   4. Mr Sudhir Chopra
   5. Mr. Rajiv Chanana
   6. Mr. Deepak Arora
   7. Mr. Yoshihiro Takeda
   8. Mr. Govindrajan Sunder Rajan upto 31-Jan-2016
   9. Mr K.M. Deshmukh w.e.f. 15-Sep-2015

5. Relative to Key Management Personnel
   1. Mr. J.M. Kapur upto 05-Nov-2015

6. Associates
   1. Sona Skill Development Centre Ltd.

NOTE 41(b) - TRANSACTION IN EXCESS OF 10% OF THE TOTAL RELATED PARTY TRANSACTIONS

(₹ /Lacs)

Relationship	Name of Party	Description of the nature of transaction	**For the year ended 31-Mar-16**	For the year ended 31-Mar-15
Other significant influence	Mahindra Sona Ltd.	Advance paid	**-**	2.54
Other significant influence	Maruti Suzuki India Ltd.	Cash discount paid	**4.52**	1.90
Other significant influence	Mandira Marketing Ltd.	Cash discount paid	**8.32**	-
Other significant influence	Sona Charitable Trust	CSR	**43.00**	23.00
Relative to Key Management Personnel	Mr. J.M. Kapur	Commission	**3.00**	4.25
Other significant influence	Maruti Suzuki India Ltd.	Dividend paid	**89.70**	110.40
Substantial interest	JTEKT Corporation	Dividend paid	**519.86**	319.58
Substantial interest	Sona Autocomp Holding Ltd.	Dividend paid	**324.45**	399.32
Other significant influence	Sona Charitable Trust	Donation	**20.00**	18.00
Other significant influence	Sona Koyo Steering Systems Ltd. EPF Trust	Contribution to PF Trust	**16.69**	31.29
Other significant influence	Maruti Suzuki India Ltd.	Interest income	**0.29**	-
Associates	Sona Skill Development Centre Ltd.	Investment	**-**	85.38
Other significant influence	Sona BLW Precision Forgings Ltd.	Leasing of premises paid	**26.27**	24.88
Other significant influence	Kapur Properties & Investment	Leasing of premises paid	**3.96**	3.96
Substantial interest	JTEKT Corporation	Purchase of fixed assets	**288.83**	-
Other significant influence	Koyo Bearings India Pvt. Ltd.	Purchase of goods	**3953.68**	3115.97
Substantial interest	JTEKT Corporation	Purchase of goods	**6487.92**	7843.05
Other significant influence	Sona Skill Development Centre Ltd.	Receiving of services	**54.91**	-
Substantial interest	JTEKT Corporation	Receiving of services	**42.37**	110.95
Other significant influence	Sona BLW Precision Forgings Ltd.	Reimbursement of expenses recovered	**41.53**	45.32
Substantial interest	JTEKT Corporation	Reimbursement of expenses recovered	**26.51**	38.16
Other significant influence	Sona BLW Precision Forgings Ltd.	Reimbursement of expenses paid	**-**	8.70
Substantial interest	JTEKT Corporation	Reimbursement of expenses paid	**376.83**	-
Other significant influence	Sona BLW Precision Forgings Ltd.	Rendering of services	**159.73**	96.35
Substantial interest	JTEKT Corporation	Royalty	**1794.98**	1844.35
Other significant influence	Maruti Suzuki India Ltd.	Sales	**92882.84**	66547.30
Other significant influence	Sona BLW Precision Forgings Ltd.	Sale of fixed assets	**-**	5.64
Associates	Sona Skill Development Centre Ltd.	Sale of fixed assets	**-**	10.68
Significant control	Dr. Surinder Kapur	Director sitting fee	**0.25**	1.30
Key Management Personnel	Mr. Sunjay Kapur	Director sitting fee	**-**	4.10
Key Management Personnel	Mr. Kiyozumi Kamiki	Director sitting fee	**0.75**	1.10
Key Management Personnel	Mr. Sudhir Chopra	Director sitting fee	**3.00**	2.50
Relative to Key Management Personnel	Mr. J.M. Kapur	Director sitting fee	**9.00**	9.41
Other significant influence	Mrs. Rani Kapur	Director sitting fee	**4.00**	-
Key Management Personnel	K.M. Deshmukh	Director sitting fee	**0.85**	-
Other significant influence	Maruti Suzuki India Ltd.	Director sitting fee	**4.56**	-
Substantial interest	JTEKT Corporation	Technical support fee	**543.74**	1097.06
Substantial interest	JTEKT Corporation	Technician expenses	**-**	1.75
Other significant influence	Pune Heat Treat Pvt. Ltd.	Security deposit received back	**-**	200.00
Other significant influence	Sona BLW Precision Forgings Ltd.	Cash discount received	**0.13**	-
Substantial interest	JTEKT Corporation	Corporate guarantee on loans from bank	**1935.10**	8859.95
Other significant influence	Koyo Kowa Co. Ltd.	Purchase of toolings	**6.01**	-
Substantial interest	JTEKT Corporation	Service fee	**-**	7.64
Significant control	Dr. Surinder Kapur	Remuneration	**33.22**	134.28
Key Management Personnel	Mr. Sunjay Kapur	Remuneration	**89.49**	154.79
Key Management Personnel	Mr. Kiyozumi Kamiki	Remuneration	**67.01**	65.06
Key Management Personnel	Mr. Sudhir Chopra	Remuneration	**132.72**	123.82
Key Management Personnel	Mr. Rajiv Chanana	Remuneration	**75.07**	57.76
Key Management Personnel	Mr. Govindrajan Sunder Rajan	Remuneration	**135.27**	119.49
Key Management Personnel	Mr. K.M. Deshmukh	Remuneration	**58.72**	-
Key Management Personnel	Mr. Yoshihiro Takeda	Remuneration	**29.56**	29.56
Key Management Personnel	Mr. Deepak Arora	Remuneration	**38.59**	31.54
Other significant influence	Maruti Suzuki India Ltd.	Balances (debit)	**9612.46**	6771.31
Other significant influence	Mandira Marketing Ltd.	Balances (debit)	**606.46**	1086.35
Other significant influence	Koyo Bearings India Pvt. Ltd.	Balances (credit)	**412.71**	342.73
Substantial interest	JTEKT Corporation	Balances (credit)	**2529.74**	2511.28

NOTE 42 - Previous year's figures have been regrouped/reclassified, wherever necessary.

Signature to Note 1 to 42

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

Sunjay Kapur
Chairman
(DIN - 00145529)

K.M. Deshmukh
Executive Vice Chairman
(DIN 01807023)

Ravi Bhoothalingam
Director
(DIN 00194530)

Place : Dharuhera
Dated : 13th May, 2016

Sudhir Chopra
President & Company Secretary

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

(₹ / Lacs)

1.	Name of the subsidiary	JTEKT Sona Automotive India Ltd.	Sona Fuji Kiko Automotive Ltd.
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	12824	1628
6.	Total assets	29724	4904
7.	Total liabilities	11231	2276
8.	Investments	-	-
9.	Turnover	61196	6302
10.	Profit before taxation	4500	650
11.	Provision for taxation	1587	219
12.	Profit after taxation	2913	431
13.	Proposed Dividend	680	75
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

(₹ / Lacs)

1.	Name of Associates	Sona Skill Development Centre Ltd.
2.	Latest audited Balance Sheet Date	31.03.2016
3.	Shares of Associate held by the Company on the year end	
	• Nos.	2257591
	• Amount of Investment in Associate	240.38
	• Extent 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	85.30
7.	Profit / (Loss) for the year	
	• Considered in Consolidation	(13.36)
	• Not Considered in Consolidation	(13.37)

Notes:
(a) There is significant influence due to percentage (%) of share capital.
(b) There is no associates or joint ventures which are yet to commence operations.
(c) There is no associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board

Sunjay Kapur Chairman (DIN - 00145529)	K.M. Deshmukh Executive Vice Chairman (DIN 01807023)	Ravi Bhoothalingam Director (DIN 00194530)
Place : Dharuhera Dated : 13th May, 2016	Sudhir Chopra President & Company Secretary	Rajiv Chanana Chief Financial Officer











▲ Auto Expo 2016, New Delhi
The Sona Group showcased the entire range of automotive components in an innovative display 'Elfa', a concept car designed specifically for components display.

▼ Automechanika 2016, Dubai
International exhibition on Automotive components



▼ Masterpreneur India 2015
Sona Group and CNBC network organized Masterpreneur India to unleash the potential of entrepreneurship in India.





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SONA KOYO STEERING SYSTEMS LIMITED

(CIN : L29113DL1984PLC018415)

Regd. Office: UGF-6, Indraprakash 21, Barakhamba Road, New Delhi 110 001 INDIA

Ph: +91 (11) 2331 1924, 2332 7205 | www.sonakoyosteering.com