JTEKT INDIA LIMITED
(Formerly known as Sona Koyo Steering Systems Limited)

Head Office : M3M Cosmopolitan,
1st Floor, Sector-66, Ramgarh Road,
(Adjacent to Golf Course Extension Road),
Gurugram - 122 002, Haryana, India.
Tel : +91 124 478 3100, **Fax :** +91 124 478 3199.

10th August, 2018

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

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

Sub : 34th Annual General Meeting ('AGM') and voting results.

Dear Sir(s),

In continuation to our letter dated 16th July, 2018, the 34th Annual General Meeting of the Company was held on 10th August, 2018 and the business mentioned in the Notice dated 18th May, 2018 was transacted.

In this regard, please find enclosed the following-

- Proceedings as required under the Regulation 30, Part A of Schedule - III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure – I
- Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure – II.
- Report of Scrutinizer dated August 10, 2018, pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration), Rules 2014 as Annexure – III
- Annual Report for the financial year 2017-18 as required under the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved by the members as per the provisions of the Companies Act, 2013 as Annexure – IV

This is for your information and records.

Thanking you,

Yours faithfully,
For **JTEKT India Limited**

Sudhir Chopra
Director (Corporate Affairs) & Company Secretary

JTEKT

JTEKT INDIA LIMITED
(Formerly known as Sona Koyo Steering Systems Limited)

Head Office : M3M Cosmopolitan,
1st Floor, Sector-66, Ramgarh Road,
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JTEKT
Koyo | TOYODA

SUMMARY OF PROCEEDINGS OF THE 34TH ANNUAL GENERAL MEETING OF JTEKT INDIA LIMITED (FORMERLY KNOWN AS SONA KOYO STEERING SYSTEMS LIMITED) HELD ON FRIDAY, 10TH AUGUST, 2018 AT 10.00 A.M. AT AIR FORCE AUDITORIUM, SUBROTO PARK, NEW DELHI 110 010

The following were present:

DIRECTORS PRESENT:

Mr. Hidekazu Omura	:	Chairman
Mr. Akihiko Kawano	:	Managing Director
Mr. Seiho Kawakami	:	Director
Mr. Toshiya Miki	:	Director
Mr. Sudhir Chopra	:	Director (Corporate Affairs) & Company Secretary
Mr. Ravi Bhoothalingam	:	Director (Chairman-Audit & Nomination
	:	& Remuneration Committees)
Lt.Gen.(Retd.) S.S. Mehta	:	Director
Mrs. Geeta Mathur	:	Director

IN ATTENDANCE

Mr. Rajiv Chanana	:	Chief Financial Officer
Mr. Shashank Agarwal	:	Partner, B.S.R. & Co.LLP, Statutory Auditors
Mr. Manish Gupta	:	Representative of SS Gupta, Secretarial Auditors

MEMEBERS PRESENT

1. IN PERSON	:	1894
2. BY PROXY	:	5

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

Mr. Sudhir Chopra, Director (Corporate Affairs) & Company Secretary welcomed the members present at the meeting and introduced all the Directors, Statutory Auditors and Secretarial Auditor to the members of the Company. The quorum being present, called the meeting to order. The Chairman addressed the shareholders and spoke about Financial Performance of the Company, current economic situations and its impact.

As part of the proceedings, the Auditors' Report was read out to the members. Mr. Chopra thereafter declared that the copies of audited financial statements for the year ended 31st March, 2018, Auditors' and Directors' Report had been posted/emailed, as the case may be, to all the members and that original documents along with the statutory registers and Secretarial Auditor's Report were available for inspection. It was further informed to the shareholders that e-voting facility was provided to all Members to vote electronically along with physical ballot facility at the meeting.

Clarifications were provided to the queries raised by the members.

JTEKT INDIA LIMITED JTEKT

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.jtekt.co.in

Works : 38/6, Delhi-Jaipur Road, NH-8, Gurugram - 122 001, Haryana, India.
Tel : +91 124 468 5000, **Fax :** +91 124 410 4611 / 410 4621.

Deming Application Prize-2003

The following items of business, as per the Notice of the AGM were transacted:

Ordinary Business

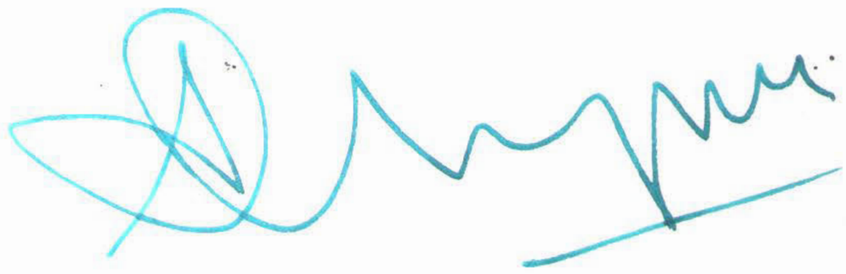
1. Adoption of Accounts for the year ended 31st March, 2018.
2. Declaration of Dividend on equity shares for the year ended 31st March, 2018.
3. Re-appointment of Mr. Toshiya Miki who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s. B.S.R. & Co. LLP, Chartered Accountants as Statutory Auditors of the Company.

Special Business

5. Appointment of Mrs. Geeta Mathur as an Independent Women Director of the Company.
6. Appointment of Mr. Akihiko Kawano as Managing Director of the Company.
7. Payment of commission up to 1% among the Independent Directors of the Company.

The Shareholders were informed that in compliance with the requirements of law, the Board of Directors of the Company had appointed Mr. S.K. Luthra, Advocate as scrutinizer to supervise the remote e-voting and poll process and to report combined voting results of e-voting and the poll for each of the items as per the notice of the AGM. The scrutinizers's report was received and accordingly the resolutions as set out in the notice of the AGM were declared as passed.

For **JTEKT India Limited**



Sudhir Chopra
Director (Corporate Affairs) & Company Secretary

	JTEKT INDIA LIMITED
Date of the AGM/EGM	10-08-2018
Total number of shareholders on record date	50280
No. of shareholders present in the meeting either in person or through proxy:	
Promoters and Promoter Group:	0
Public:	1899
No. of Shareholders attended the meeting through Video Conferencing	
Promoters and Promoter Group:	Not Applicable
Public:	Not Applicable

Resolution No.	1							
Resolution required: (Ordinary/ Special)	ORDINARY - Adoption of Accounts for the year ended 31st March, 2018.							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	63,36,629	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	63,36,629	0	100.0000	0.0000
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,400	0	100.0000	0.0000
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,607	0	100.0000	0.0000
	Total	19,87,41,832	14,39,80,610	72.4461	14,39,80,610	0	100.0000	0.0000

Resolution No.	2							
Resolution required: (Ordinary/ Special)	ORDINARY - Declaration of dividend on equity shares.							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	63,36,629	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	63,36,629	0	100.0000	0.0000
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,400	0	100.0000	0.0000
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,607	0	100.0000	0.0000
	Total	19,87,41,832	14,39,80,610	72.4461	14,39,80,610	0	100.0000	0.0000

JTEKT INDIA LIMITED JTEKT

Resolution No.	3							
Resolution required: (Ordinary/ Special)	ORDINARY - Re-appointment of Mr. Toshiya Miki (holding DIN 07505339), who retires by rotation and, being eligible, offers himself for re-appointment.							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	61,50,000	1,86,629	97.0547	2.9452
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	61,50,000	1,86,629	97.0548	2.9452
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,400	0	100.0000	0.0000
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,607	0	100.0000	0.0000
	Total	19,87,41,832	14,39,80,610	72.4461	14,37,93,981	1,86,629	99.8704	0.1296

Resolution No.	4							
Resolution required: (Ordinary/ Special)	ORDINARY - To ratify the appointment of M/s. B.S.R. & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022), as Statutory Auditors of the Company.							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	63,36,629	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	63,36,629	0	100.0000	0.0000
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,400	0	100.0000	0.0000
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,607	0	100.0000	0.0000
	Total	19,87,41,832	14,39,80,610	72.4461	14,39,80,610	0	100.0000	0.0000

JTEKT INDIA LIMITED

Resolution No.	5							
Resolution required: (Ordinary/ Special)	SPECIAL - Appointment of Mrs. Geeta Mathur (holding DIN 02139552) as Independent Director of the Company.							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	63,36,629	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	63,36,629	0	100.0000	0.0000
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,400	0	100.0000	0.0000
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,607	0	100.0000	0.0000
	Total	19,87,41,832	14,39,80,610	72.4461	14,39,80,610	0	100.0000	0.0000

Resolution No.	6							
Resolution required: (Ordinary/ Special)	SPECIAL - Appointment of Mr. Akihiko Kawano as Managing Director of the Company							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	63,36,629	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	63,36,629	0	100.0000	0.0000
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,400	0	100.0000	0.0000
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,607	0	100.0000	0.0000
	Total	19,87,41,832	14,39,80,610	72.4461	14,39,80,610	0	100.0000	0.0000

JTEKT INDIA LIMITED JTEKT

Resolution No.	7							
Resolution required: (Ordinary/ Special)	SPECIAL - Payment of commission to the Independent Directors of the Company.							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	63,36,629	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	63,36,629	0	100.0000	0.0000
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,340	60	99.6551	0.3448
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,547	60	99.7346	0.2654
	Total	19,87,41,832	14,39,80,610	72.4461	14,39,80,550	60	100.0000	0.0000

JTEKT INDIA LIMITED JTEKT

S.K. LUTHRA
ADVOCATE

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

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

To,

The Chairman
34th Annual General Meeting of Equity Shareholders of
JTEKT India Limited
UGF-6, Indra Prakash
21, Barakhamba Road
New Delhi 110 001.

Sub : Consolidated Scrutinizers' Report on remote e-voting and Poll on the agenda items transacted at the Thirty Fourth Annual General Meeting (AGM) of JTEKT India Limited held on Friday, 10th August, 2018 at 10.00 AM at the Air Force Auditorium, Subroto Park, New Delhi 110010.

Dear Sir,

I, S.K. Luthra, Advocate (Enrollment Number - D 70/75), having office at 1046, Sector 14, Gurgaon 122001, had been appointed as Scrutinizer by the Board of Directors of JTEKT India Limited (the Company) pursuant to Section 108 of the Companies Act, 2013 ("the Act") read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, to scrutinize the remote e-voting process and physical poll process at the 34th Annual General Meeting held on Friday, 10th August, 2018 at The Air Force Auditorium, Subroto Park, New Delhi 110010, submit my report as under :

1. The management of the Company is responsible to ensure the compliance with the requirements of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014 relating to e-voting and poll on the resolutions contained in the Notice to the Thirty Fourth AGM of the members of the Company. My responsibility as Scrutinizer for the remote e-voting process and for poll at the AGM is restricted to make a Scrutinizer's Report of the votes cast "in favour" or "against" the resolutions stated above, based on the reports generated from the e-voting system provided by Karvy Computershare Private Limited (Karvy), the authorized agency engaged by the Company to provide e-voting facilities for e-voting and also at the time of poll at AGM.

2. The shareholders of the Company holding shares as on the 'cut-off' date i.e. Friday, 3rd August, 2018 were entitled to vote on the resolutions as contained in the notice of the Annual General Meeting.

3. The remote e-voting was opened between 9.00 A.M. to 5.00 P.M. for three days from 7th August, 2018 to 9th August, 2018 (both days inclusive) thereafter the e-voting platform was blocked.

4. The facility for voting through physical ballot papers was made available at the meeting for the members who were present and had not casted their vote by remote e-voting. Such members exercised their right to vote at the meeting through ballot papers.

S.K. LUTHRA ADVOCATE

New Delhi Office : 517, 5th flr., Ansal Chamber II, Bhikaji Cama Place, New Delhi - 110066, Telefax: 66629887
Delhi Office : X-19, Eastern Wing, Tis Hazari, Delhi
Gurgaon Office : 1046, Sector-14, Gurgaon-122001 (Haryana). Telefax : 95-124-2332340
E-mail: skluthra@gmail.com, Website : www.skluthra.com
E. N. - D - 70/75
M : 9811164604

5. Immediately after conclusion of voting at the meeting, the polling boxes containing the ballot papers were opened in the presence of two witnesses who are not in employment of the Company and votes were counted.

6. Thereafter, the results of remote e-voting was unblocked from the website of M/s. Karvy Computershare Private Limited in the presence of two witnesses who are not in the employment of the Company.

7. Accordingly, I hereby submit my Consolidated Report as under on the results of the remote e-voting and poll conducted at the meeting in respect of the following resolutions :

Resolution No.	1							
Resolution required: (Ordinary/ Special)	ORDINARY - Adoption of Accounts for the year ended 31st March, 2018.							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	63,36,629	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	63,36,629	0	100.0000	0.0000
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,400	0	100.0000	0.0000
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,607	0	100.0000	0.0000
	Total	19,87,41,832	14,39,80,610	72.4461	14,39,80,610	0	100.0000	0.0000

Based on the aforesaid results, we report that the Ordinary Resolution as contained in Item No. 1 of the Notice of the AGM dated 18th May, 2018 has been ***passed with requisite majority.***

Resolution No.	2							
Resolution required: (Ordinary/ Special)	ORDINARY - Declaration of dividend on equity shares.							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	63,36,629	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	63,36,629	0	100.0000	0.0000
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,400	0	100.0000	0.0000
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,607	0	100.0000	0.0000
	Total	19,87,41,832	14,39,80,610	72.4461	14,39,80,610	0	100.0000	0.0000

Based on the aforesaid results, we report that the Ordinary Resolution as contained in Item No. 2 of the Notice of the AGM dated 18th May, 2018 has been ***passed with requisite majority.***

S. K. LUTHRA ADVOCATE

Resolution No.	3							
Resolution required: (Ordinary/ Special)	ORDINARY - Re-appointment of Mr. Toshiya Miki (holding DIN 07505339), who retires by rotation and, being eligible, offers himself for re-appointment.							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	61,50,000	1,86,629	97.0547	2.9452
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	61,50,000	1,86,629	97.0548	2.9452
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,400	0	100.0000	0.0000
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,607	0	100.0000	0.0000
	Total	19,87,41,832	14,39,80,610	72.4461	14,37,93,981	1,86,629	99.8704	0.1296

Based on the aforesaid results, we report that the Ordinary Resolution as contained in Item No. 3 of the Notice of the AGM dated 18th May, 2018 has been ***passed with requisite majority****.*

Resolution No.	4							
Resolution required: (Ordinary/ Special)	ORDINARY - To ratify the appointment of M/s. B.S.R. & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022), as Statutory Auditors of the Company.							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	63,36,629	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	63,36,629	0	100.0000	0.0000
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,400	0	100.0000	0.0000
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,607	0	100.0000	0.0000
	Total	19,87,41,832	14,39,80,610	72.4461	14,39,80,610	0	100.0000	0.0000

Based on the aforesaid results, we report that the Ordinary Resolution as contained in Item No. 4 of the Notice of the AGM dated 18th May, 2018 has been ***passed with requisite majority****.*

S. K. LUTHRA ADVOCATE

Resolution No.	5							
Resolution required: (Ordinary/ Special)	SPECIAL - Appointment of Mrs. Geeta Mathur (holding DIN 02139552) as Independent Director of the Company.							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	63,36,629	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	63,36,629	0	100.0000	0.0000
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,400	0	100.0000	0.0000
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,607	0	100.0000	0.0000
	Total	19,87,41,832	14,39,80,610	72.4461	14,39,80,610	0	100.0000	0.0000

Based on the aforesaid results, we report that the Special Resolution as contained in Item No. 5 of the Notice of the AGM dated 18th May, 2018 has been ***passed with requisite majority.***

Resolution No.	6							
Resolution required: (Ordinary/ Special)	SPECIAL - Appointment of Mr. Akihiko Kawano as Managing Director of the Company							
Whether promoter/ promoter group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	63,36,629	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	63,36,629	0	100.0000	0.0000
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,400	0	100.0000	0.0000
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,607	0	100.0000	0.0000
	Total	19,87,41,832	14,39,80,610	72.4461	14,39,80,610	0	100.0000	0.0000

Based on the aforesaid results, we report that the Special Resolution as contained in Item No. 6 of the Notice of the AGM dated 18th May, 2018 has been ***passed with requisite majority.***

S. K. LUTHRA ADVOCATE

Resolution No.	7							
Resolution required: (Ordinary/ Special)	SPECIAL - Payment of commission to the Independent Directors of the Company.							
Whether promoter/ promoter group are interested in the agenda/resolution?	NO							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	13,76,21,374	13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		13,76,21,374	100.0000	13,76,21,374	0	100.0000	0.0000
Public- Institutions	E-Voting	1,22,90,892	63,36,629	51.5555	63,36,629	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		63,36,629	51.5555	63,36,629	0	100.0000	0.0000
Public- Non Institutions	E-Voting	4,88,29,566	17,400	0.0356	17,340	60	99.6551	0.3448
	Poll		5,207	0.0107	5,207	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total		22,607	0.0463	22,547	60	99.7346	0.2654
	Total	19,87,41,832	14,39,80,610	72.4461	14,39,80,550	60	100.0000	0.0000

Based on the aforesaid results, we report that the Ordinary Resolution as contained in Item No. 7 of the Notice of the AGM dated 18th May, 2018 has been ***passed with requisite majority.***

8. I hereby confirm that I am maintaining the registers in respect of the votes casted through poll at the AGM and remote e-voting exercised by the shareholders of the Company to record the assent or dissent received.

9. I shall arrange to hand over these records to the Company Secretary of the Company for safe keeping after the chairman considers, approves and signs the minutes.

Thanking you,

Yours faithfully,

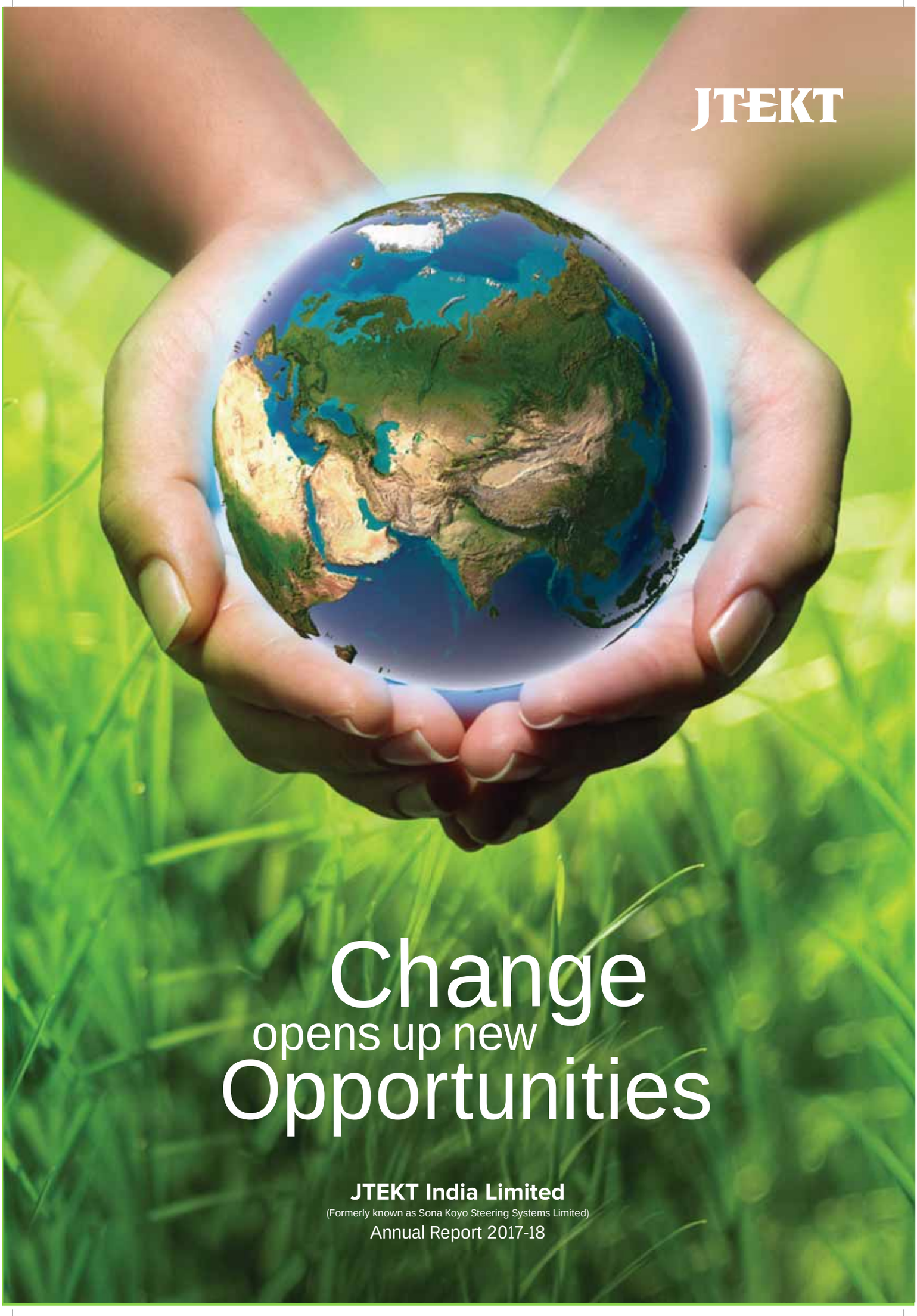
S.K. LUTHRA
Advocate (Enrollment No. D 70/75)
Scrutinizer

Place : Gurugram
Dated : 10th August, 2018

Witnesses :

1) Vishal Goswami .....
Vishal Goswami
779, Sector 4
Gurugram.

2) .....
Bhajan Singh
1369/3, Street No. 6, Rajeev Nagar
Gurugram.


JTEKT
Change
opens up new
Opportunities
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)
Annual Report 2017-18

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CHANGE OPENS UP NEW OPPORTUNITIES

Change is nothing but a constant endeavour to stay relevant and competitive. With change comes new opportunities and a persistent zeal to stay upbeat with the latest trends. A company that readily embraces change and keeps reinventing itself in a dynamic environment is certainly destined for a brighter future. We at JTEKT India are the torch bearer of this spirit and are on the path of revamping our core competencies by aligning ourselves to our philosophy of being 'No. 1 & Only One'. In order to become part of JTEKT Group, the name of the Company was changed from Sona Koyo Steering Systems Limited to JTEKT India Limited on 7th April, 2018. The new name truly reflects the Company's global identity and its worldwide presence. This change in name, associated with JTEKT's strong global branding will enable us to strengthen our market position and also open up a plethora of opportunities. As the baton is handed over from Sona Koyo to JTEKT India, we are energised and commit ourselves to contribute to the happiness of people and the abundance of society through product manufacturing that wins the trust of society.

Through superior offerings and technical support, we will continue to contribute towards building safer vehicles and bring value through focused cost-effectiveness and skill-development. We also firmly believe in and lay stress on environmental sustainability.

This change of identity has brought in a positive change in business management through the adoption of 'Hoshin Management System'. The new system involves setting strategic organization goals and their deployment across all functions to realise complete integration of the Organisation.

Through the acquisition of management control of Sona Koyo Steering Systems Limited by JTEKT Corporation, we have comfortably positioned ourselves in the market as a Company that leads from the front, with a bouquet of best-in-class and innovative offerings for the automotive sector. This has been driven by our core five values of the JTEKT Way, viz., Customer First, Ownership, Teamwork and Self-Discipline, Continuous Kaizen and the Aspiration for Innovation and Technique. All these are aimed at bringing in a positive change, which will not only pave a way for a better quality and service, but also open up new business opportunities.

WE ARE JTEKT INDIA

JTEKT India Limited (formerly known as Sona Koyo Steering Systems Limited) is a subsidiary of JTEKT Corporation Japan and operates as part of JTEKT Group India. It is engaged in the business of manufacturing / production, supply and sale of steering systems, axles and other auto ancillaries to almost all Indian passenger car and utility vehicle manufacturers.

JTEKT India Limited has seven plants strategically located across Gurugram, Dharuhera, Sanand and Sriperumbudur from where it caters to key customers across India and in major auto clusters across the country. Its customers include major vehicle manufacturers in India such as Maruti Suzuki, Toyota, Honda, Tata Motors and Mahindra & Mahindra etc. to name a few. Independently, as well as through its network of overseas joint-venture partners, JTEKT India Limited exports high quality precision products to USA, Europe and Japan.

JTEKT Group India is present across four major product technologies - steering systems, bearings, driveline components and machine tools. Under the banner of ONE JTEKT, five companies comprising a strong workforce of over 5,000 employees form JTEKT Group India:

JTEKT India Limited - Manufactures Steering Systems (EPS, HPS), axle assemblies and other auto ancillaries

JTEKT Sona Automotive India Limited (JSAI) – Manufactures Column type Electric Power Steering, which is a next generation technology for Automobiles

Sona Fuji Kiko Automotive India Limited (SFAL) - Manufactures Jacket Assembly for CEPS and Manual Steering Columns

Koyo Bearing India Pvt. Ltd. - Manufactures Hub Unit, Tapered Roller Bearings and Single Ball Bearings

Toyoda Micromatic Machinery India Pvt. Ltd. – Sells machines, machine tools and provides sales and service thereof

With Sona Koyo officially changing to JTEKT India Limited as of 7th April, 2018, there has been a strategic shift in the way the Company is looking towards shaping a better future. We have institutionalized 'Hoshin Management System', which focuses on:

- Creating a strong corporate constitution that is capable of sustained high performance;
- By setting Mid/Long-term/ Annual plans
- Prioritising activities and resources;
- Involving all members from top to bottom who clarify targets and activities from their own positions;

- Turning over the management cycle of Plan, Do, Check and Act (PDCA) during implementation of Hoshin.

Being at the helm of affairs, we have dedicated ourselves to augmenting our offerings and products through value-addition and quality control. In our pursuit to introduce innovative products in the Indian market, we have invested in capability building and getting closer to the customer.

The steerings market is proof of our focus on innovation and technological precision, and has seen us producing steering systems par excellence for the Utility Vehicle (UV) and Passenger Vehicle (PV) segments. While leveraging our position in the market remains our priority in terms of quality production, enhancing our management efficiencies remains the main stay of the Company's management; which, in turn, will streamline daily operations and fast track the growth curve.

PROUD TO BE PART OF JTEKT CORPORATION

Globally, JTEKT dominates the domain of manufacturing and sale of steering systems, driveline components, bearings, machine tools, electronic control devices and home accessory equipment. JTEKT's global footprint spans almost all continents. JTEKT Corporation, Japan has 149 subsidiaries in 28 countries across the Globe supported by a strong team of approx. 49,589 employees.

JTEKT is committed to focus on India as a critical centre of its operations in the South Asian market. As a global brand, JTEKT will be working towards further addressing the evolving needs and customer dynamics. The Company will continue to grow its emphasis on India becoming a key manufacturing and distribution hub.

FROM CHAIRMAN'S DESK

Dear Shareholders,

The only constant in a dynamic world is change. Interwoven in the fine tapestry of time, change allows for new life and novel ideas to germinate. Taking a leaf from the book, we at JTEKT India Limited, have embraced change with open arms and have rechristened Sona Koyo Steering Systems Limited as JTEKT India Limited on 7th April, 2018.

The new name spells hope and optimism as this will align us with JTEKT's philosophy and create global identity. I am delighted to inform you that your Company has stayed the course and built on its core values of creating a sustainable and bright future through the spirit of 'No.1 & Only One'. JTEKT India Limited has always adhered to quality benchmarking in terms of deliverables, research and development, policies and optimising existing systems and processes. Our offerings are at par with global standards and during 2017-18, we have focused on building our momentum towards creating safer vehicles, cost-effectiveness, skill-development and manufacturing steering systems of high-quality as well as environmental sustainability. Besides, our priority area of emphasis, 'Customer First' continues to remain at the top of our list and we have continuously upgraded our technology to keep up with customer's expectations.

You will be pleased to note that your Company has improved its financial results by continuously focusing on improving its operational efficiencies. In FY'18, your Company reported 4.1% growth in revenue from operations. PBDIT improved by 6.46% as a result of continuous improvement in material cost as well as decline in the fixed costs.

Furthermore, the re-organisation of JTEKT India Limited will help your Company pave its way in further fortifying its position in the market. Keeping up with the change, your Company adopted Hoshin Management System, which aims at:

- Creating a strong corporate constitution that is capable of sustained high performance
- Setting Mid/Long-term/ Annual plans By
- Prioritizing activities and resources
- Involving all members from top to bottom who define activities and set targets for their respective positions
- Turning over the management cycle (PDCA) during the implementation of Hoshin

Under Hoshin Management, the whole organization is aligned to go in one direction, thus, leading to better institutionalisation of a

system that puts an evolved work culture in place. This would also aid in promulgating JTEKT Group's vision, of being "No.1 & Only One", in your Company. Under the vision, we put the focus on:

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

Through its state-of-the-art offerings, JTEKT India, is well-positioned in India's auto-ancillary market. The positive reforms by the Government such as the roll-out of GST, 'Make in India' initiative and building India as a preferred destination through 'Ease of doing business' are all paving the way towards a brighter future for the industry as a whole. These changes have reaped a good dividend for the Indian automotive industry and helped register one of its fastest annual growth rates at 14.2% during FY2018.

While the passenger car segment witnessed a growth of 7.9%, the 2-wheeler segment leapfrogged to grow by 14.8%. Additionally, the commercial vehicle segment has also seen a robust growth of 19.9%. Despite a slowdown in investment momentum, the Indian economy was supported by strong private consumption and registered a growth of 6.7% during FY2018. This growth can also be attributed to a good monsoon season, persistent soft interest regime and the Government's continuous investment to perk up the infrastructure.

According to the Society of Indian Automobile Manufacturers (SIAM), the Indian automotive industry is all set to have a healthier FY2018-19 as the sales growth of passenger vehicles in FY19 is pegged at 8-10%. Utility vehicles growth is pegged at 14-15% and cars between 8-9% in the domestic market. Of all, the commercial vehicle continues to grow in double-digit at 10-12% with M&HCVs sales going up by 10-11% and light commercial vehicles growing at 10-12%.

The auto ancillary industry in India has undergone transformation and has changed into an increasingly focused sector from a fragmented one, emphasizing on the competitive strengths and improving technology. Some of the benefits India enjoys in the auto ancillary sector over other countries are that it is a low-cost manufacturing base and a highly skilled manpower resource.

The needs of the market today are changing with the evolution of new concepts and technologies. Factors such as enhanced safety and comfort are a hygiene requirement with an increased demand being seen for features like advanced infotainment and gesture control systems, telematics, steering-mounted controls, heads-up displays, and central controllers in passenger vehicles. The government focus on stricter emission norms are also pushing Indian OEMs to build eco-friendly cars. JTEKT has always been at the fore front of inventions such as Column type Electric Power Steering (C-EPS) and continues to innovate with a view to not only the current but also the future needs of mobility.

Keeping the Customer in focus, your Company made its presence felt at the Auto Expo held at Pragati Maidan from the 8th to the 12th of February, this year. JTEKT Group India demonstrated its proficiency and showcased innovative offerings through stall designs and product displays. It exhibited its steering, bearing and driveline products along with a cut model of a Prius at the venue. The booth design was inspired by the present and future needs of mobility. Here, all five group companies were present at the exhibition and successfully grabbed the opportunity to spread the message of "ONE JTEKT" to the customers at large. The presence of senior leadership from Japan and India further reinforced the Company's commitment.

JTEKT India also conducted 'Tech Days' at Maruti Suzuki India Limited and at the Renault Nissan Technology Business Centre in November 2017 and February 2018, respectively. We exhibited our design and technology capabilities at the two events, which was well-received by our customers.

As far as the Intra Company Transfers "ICTs" are concerned, we at JTEKT India have made a good capital investment and promoted the exchange of human resources between India and Japan. We firmly believe in the idea of providing an ideal environment for our employees to grow and flourish. The cross-pollination of employees from both the countries will help them learn from each other culturally and professionally. Under the umbrella of JTEKT Group in India, we are cultivating a culture of inclusive diversity and would like to provide as much exposure to our employees through our ICT programme.

With an experienced board at the helm of affairs and focus on a well-structured corporate governance framework, your Company has taken all corporate decisions in compliance with laws and regulations. The Independent Directors of the Company are well-accomplished in their respective fields and have guided the Company in the right direction in governance and operations. Their able direction has helped to grow our business and efficiencies on the whole.

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

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

We are looking forward to our collective journey driving into the future with new opportunities.

Thank you
Yours sincerely

Hidekazu Omura
Chairman

BOARD OF DIRECTORS

Mr. Hidekazu Omura

Mr. Kiyozumi Kamiki

Mr. Sudhir Chopra

Mr. Seiho Kawakami

Mr. Toshiya Miki

Mr. Ravi Bhoothalingam

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

Mr. Ramesh Suri

Mrs. Geeta Mathur

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Hidekazu Omura
Chairman

Mr. Kiyozumi Kamiki
Managing Director

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

Mr. Seiho Kawakami
Director

Mr. Toshiya Miki
Nominee of Maruti Suzuki India Limited

Mr. Ravi Bhoothalingam
Independent Director

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

Mr. Ramesh Suri
Independent Director

Mrs. Geeta Mathur
Independent Director

COMPANY SECRETARY

Mr. Sudhir Chopra

OPERATING MANAGEMENT

Mr. Kiyozumi Kamiki
Mr. Sudhir Chopra
Mr. A.D. Rao
Mr. Rajiv Chanana
Mr. Rakesh Gaind
Mr. Deepak Arora
Mr. Neeraj Mahajan
Mr. Ravinder Narula
Mr. Sudhir Kumar Sharma
Mr. Akhil Kumar Jain
Mr. S.Senthil Kumar
Mr. Jaydeep Kumar
Mr. Anil Tiwari

TECHNICAL PARTNER

JTEKT Corporation, Japan

AUDITORS

M/s. B S R & Co. LLP
Chartered Accountants
Building No. 10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurugram 122002 (Haryana).

BANKERS

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

REGISTRAR AND TRANSFER AGENT

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

REGISTERED OFFICE

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21, Barakhamba Road
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HEAD OFFICE

M3M Cosmopolitan, First Floor
Sector - 66, Ramgarh Road
(Adjacent to Golf Course Extension Road)
Gurugram 122002 (Haryana).

WORKS

1. 38/6, NH-8, Delhi-Jaipur Road,
   Gurugram - 122001 (Haryana).
2. 32, HUDA Industrial Area Phase II,
   Dharuhera, Dist. Rewari - 122106 (Haryana).
3. 19, HUDA Industrial Area Phase II,
   Dharuhera, Dist. Rewari - 122106 (Haryana).
4. 39/2/2, 3/2 4/2, 7, 8 Village Malpura,
   Tehsil Dharuhera, Dist. Rewari - 123401 (Haryana).
5. 731, Sector 37 C, Pace City – II,
   Gurugram - 122001 (Haryana).
6. P.O. Box 14, Chennai-Bangalore Highway,
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   Chennai - 602 105 (Tamil Nadu).
7. D-9, Tata Motors Vendor Park, Survey No. 1,
   Village North Kotpura, Sanand, Viroch Nagar,
   Amhedabad - 382170 (Gujarat).

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY

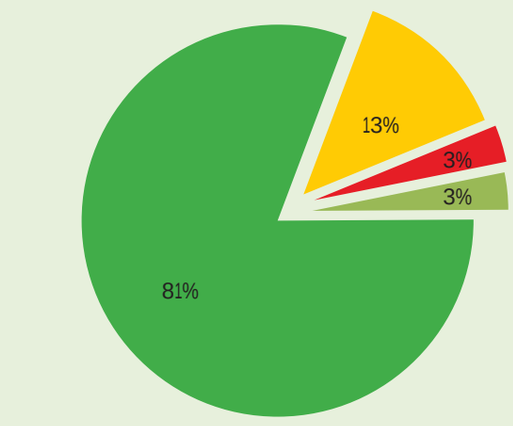
FY18 was an incredible year for the Indian Automobile industry. With the industry producing a total of 29 million vehicles in FY18, against 25 million in FY17, the sector registered a growth of 14.78 per cent, according to the data released by Society of Indian Automobile Manufacturers (SIAM).

Domestic Sales

In FY18, Passenger Vehicles (PV) segment crossed the 3 million sales mark for the second year in a row growing at 7.89% Year-on-Year (YoY) to reach 3,287,965 units. PVs saw a strong growth across segments with surging demand for Utility Vehicles (UV) (up 20.97% to 921,780 units), Passenger Cars (up 3.3% YoY 2,173,950 units), and Vans (5.78% to 192,235 units).

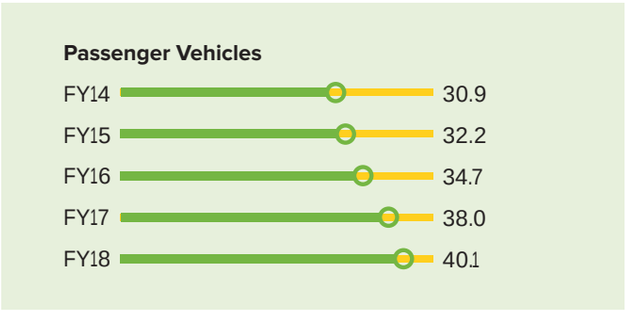
Good times returned for Commercial Vehicles (CV) with robust growth of 19.9% YoY to 856,453 units driven by strong growth in Medium and Heavy Commercial Vehicles (M&HCV) segment that grew by 12.48% YoY to 340,313 units, and recovery in Light Commercial Vehicle (LCV) segment, which witnessed a growth of 25.42% YoY to 516,140 units.

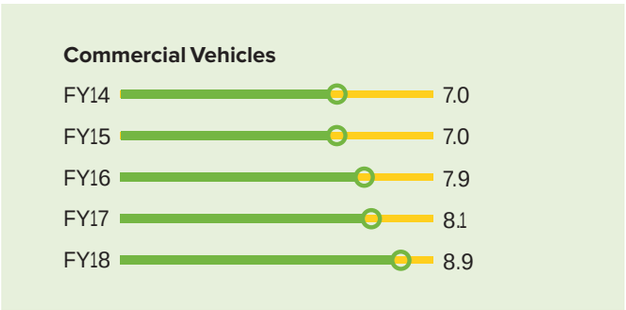
Domestic Market Share for 2017-18

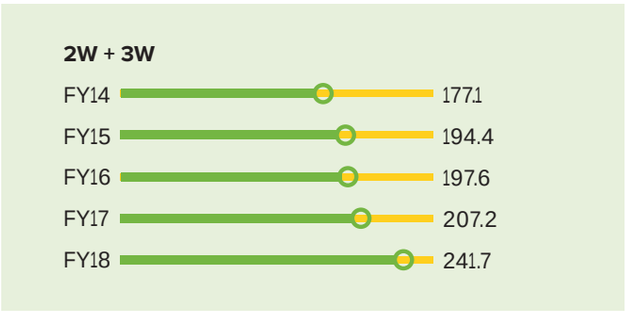


Source SIAM

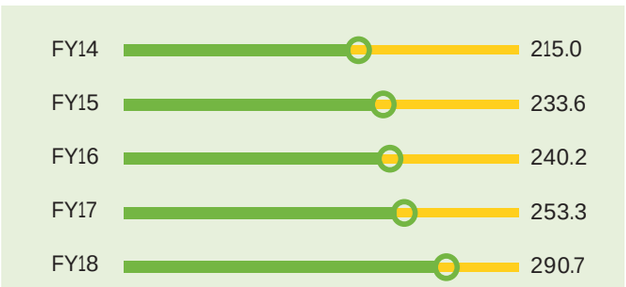
India Automobile Production, in Lakhs







Total Production (PV + CV + 2W + 3W)



ECONOMIC SCENARIO

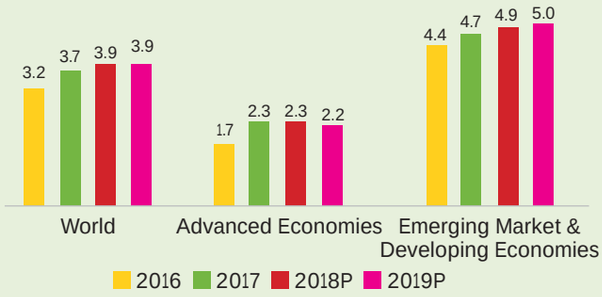
With the negative impact of demonetisation, and initial disruption caused by GST roll-out eventually fading away, the Indian economy is on a recovery path.

In its World Economic Outlook, published in April 2018, International Monetary Fund (IMF) has stated that the GDP growth in India is projected to increase from 6.7% in 2017 to 7.4% in 2018 and 7.8% in 2019, surpassing China's projected GDP growth. As per IMF, the key growth drivers would be an increase in private consumption backed by fading impacts of demonetisation and streamlining of the Goods & Services Tax. Besides, a proposed higher investment in the infrastructure development and an expectation of a normal monsoon by IMD are all set to further strengthen India's GDP growth.

India GDP Growth (%)

Source: IMF's World Economic Outlook April 2018

As per IMF's 'World Economic Outlook' published in April 2018, the world GDP growth of 3.8 per cent in the year 2017 has been seen gaining momentum, over 3.2 per cent growth in 2016. The growth in GDP in 2017 has surpassed expectations and is highest since 2011. It has been largely steered by a surge in global trade and the revival of investments across advanced economies. The steady economic growth across emerging Asia and recovery in several commodity exporting nations has also strengthened the world economic growth in 2017. The advanced economies have witnessed a sharp increase in economic growth of 2.3 per cent in 2017 as compared to 1.7 per cent in 2016. The economic growth in the emerging markets and developing economies continue to remain stable and is estimated to have been around 4.8 per cent in 2017 compared to 4.4 per cent in 2016. Nevertheless, the outlook remains a mixed bag across emerging markets and developing economies. The global growth going forward is expected to remain stable with IMF's projection of 3.9 per cent for 2018 and 2019, supported majorly by strong momentum across various economies and recovery in commodity prices. However, the inclination towards protectionist policies of governments across advanced economies leading to an increase in trade tensions remains a key downside risk to the world economic growth.



Source: IMF's World Economic Outlook Update, January 2018

OUTLOOK

According to SIAM, Indian automotive sector today is a US $74 billion industry and by 2026, the industry is expected to achieve a turnover of US $300 billion- clocking a CAGR of ~ 15 per cent.

The Indian automotive industry is all set to have a rosier FY2018-19 as SIAM forecasts the sales growth of PVs in FY19 to be at 8-10 per cent, along with CVs growing at 14-15 per cent and cars up between 8-9 per cent in the domestic market. Whilst, the CV is pegged to continue to grow in double-digit at 10-12 per cent, M&HCVs sales is going to go up by 10-11 per cent and light commercial vehicles to grow at 10-12 per cent.

The revenue growth of auto ancillaries is expected to be at 11-13 per cent for FY2019, given healthy growth expected across key automotive sub-segments as well as commodity price impact on realization, says SIAM.

Though the rising commodity price trends over the last 4-5 quarters have pressurised profitability of auto ancillaries due to YoY increase in raw material expenses, most players have been able to o□set the commodity pressure by improved operating leverage benefits.

It is also expected that industry-wide credit trends will remain stable, supported by a robust demand from the OEM segment in the near term. Gearing as well as coverage indicators for the industry have improved considerably over the past two years. This, despite the fact that the industry has been in a consolidation mode over the last two years, taking steps towards de-leveraging their balance sheet, has resulted in surplus capacity.

OPERATIONS

Once again, the Company was able to report improved financial results as an outcome of its continuous focus on improving

operating e□ciencies. Material cost as a percentage of sales declined again this year due to sustained e□orts towards localization, backward integration, VA-VE (Value analysis and value engineering) and active involvement with suppliers. The profit margins improved as the EBITDA at consolidated level improved from 12.1 per cent in FY17 to 12.8 per cent in FY18. Fixed costs including Depreciation, Interest and Administrative expenses declined in FY18, adding to the overall profitability.

With control on additional capex, there was a reduction in external borrowings, resulting in the improvement in Debt Equity ratio from 0.82 in FY17 to 0.72 in FY18 for the standalone entity. During the year, ICRA, the rating agency for JTEKT India, upgraded the long-term credit rating from LAA- (pronounced ICRA double A minus) to LAA (pronounced ICRA double A). The revised rating is considered to have a high degree of safety regarding timely servicing of financial obligations. The short-term rating was re-a□rmed at ICRA A1+ (pronounced ICRA A one plus).

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

Company's Abridged Profit & Loss Account (INR in Million)

Particulars	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Net Income from operations	12,425	11,996	12,005	11,531
Other Operating Income	120	119	117	115
Total Revenue	**12,545**	**12,114**	**12,122**	**11,646**
Raw Material	8,112	7,873	8,030	7,724
Staff Cost	1,556	1,450	1,462	1,361
Other Expenditure	1,292	1,336	1,223	1,279
EBITDA	**1,586**	**1,456**	**1,408**	**1,281**
Other Income	27	63	25	65
Depreciation & Amortisation	772	788	731	748
EBIT	**841**	**731**	**702**	**598**
Finance Charges	209	252	207	243
PBT before Exceptional Items	**632**	**479**	**495**	**356**
Share of Profit of Associates	130	81		
PBT	**762**	**559**	**495**	**356**
Tax	233	154	170	105
PAT	**530**	**405**	**324**	**251**
Other Comprehensive Income	(16)	(19)	(16)	(18)
Total Comprehensive Income	514	386	308	233
Profit Attributable to Owner	**467**	**351**	**308**	**233**
Profit Attributable to non controlling Owner	47	35		
Capital Expenditure	366	673	315	671
EPS	2.66	2.04	1.63	1.26
D/E Ratio	0.52	0.60	0.72	0.82

SUBSIDIARIES AND ASSOCIATES

In terms of the provisions of Section 2(87) of the Companies Act, 2013, the Company has two subsidiaries, JTEKT SONA Automotive India Limited (JSAI) and Sona Fuji Kiko Automotive Ltd. (SFAL). However, as per the provisions of new Accounting Standards - Ind-AS 110, JSAI is considered as an Associate Company for the purpose of accounting.

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

JTEKT Sona Automotive India Limited (JSAI):

During the year under review, although the revenues of JTEKT India's associate company, JTEKT Sona Automotive India Limited (JSAI), declined by 6.4 % YoY at Rs 5,672 Mn, EBITDA and PAT margins appreciated to 13.2 % and 5.5%, respectively, compared to 11.% and 4.4% in FY17, mainly on account of reduction in Material cost due to Localization, VA/VE and APR from suppliers and tooling compensation from Customers.

JSAI (INR Mn)	2017-18	2016-17
Revenue	5,672	6,057
EBITDA	747	665
EBITDA Margin	13.2%	11%
PAT	312	266
PAT Margin	5.5.%	4.4%

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

Safety:

- Received Global Safety Excellence Award from JTEKT Corporation, Japan among all JTEKT companies across the globe
- Implemented Fire Detection, Prevention & Suppression system in the plant across all the location
- System installed for timely update of Water Level for Fire Hydrant System
- Safely installed Solar Power Plant (150 KW) with a Horizontal Lifeline
- Achieved 2,822 accident-free days by continuously identifying and eliminating unsafe and near-miss conditions across the organization

Quality:

- Received Zero PPM Award from Toyota Kirloskar Motor Limited
- Achieved 1st position in 'Quality Circle Competition' conducted by Honda Cars India Limited for all of its suppliers in India

Production:

- Accomplished smooth "Start of Production" of C-EPS for Toyota's 'Yaris'
- Increased Parts per Labour Hour (PPLH) to 8.3 vis-a-viz 7.8 of last year and further actions are being taken to achieve 9.3 in the coming year
- Established System Durability Machine and proto production with a mass production line

Customer Satisfaction:

- Received the 'Comprehensive Excellence Award' from Maruti Suzuki
- Garnered the 'Best Vendor System Audit Award' from Maruti Suzuki

Environment:

- We were able to reduce carbon emission by 384 Ton in the previous year through the installation of additional Solar Plant, installation of timers for ACs etc.

Technology:

- Established system Durability Testing Machine and ECU Software Re-flashing capabilities and enhancing our capabilities for proto parts development in India
- Set-up New Future Technology of ABLS (Anti Back Lash Steering) type C-EPS for One of the models of Maruti

Future Business:

- Awarded New business from Maruti, Honda and M&M

Cost :

- Achieved Pure Localization Level target of 66 per cent and expected to increase the same to 80 per cent by FY 19-20
- Cost saving through in-house designed Servo based Clearance & Overall Inspection Machine

Sona Fuji Kiko Automotive Limited (SFAL):

During the year under review, this subsidiary's revenue increased by 1% to reach Rs. 895 mn. PAT increased by 33% to reach Rs.95 mn.

SFAL (INR in mn)	2017-18	2016-17
Revenue	895	875
EBITDA	183	161
EBITDA Margin	20.6%	18.4%
PAT	95	71
PAT Margin	10.6%	8.1%

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

Production:

- Accomplished smooth 'Start of Production' (launch) of Jacket Column Assembly for TMKL YAARIS

Safety:

- Achieved 1461 accident-free days

Training & Development:

- Continued training employees in Production, Product Design, and Manufacturing Engineering to enhance knowledge and skills

Environment:

- In process to increase the Solar Power plant from installed 150KVA to 300 KVA

Delivery:

- Achieved 100% OTIF delivery for our star customer-JSAI

RECOGNITION

During the year, JTEKT India Limited (Formerly known as Sona Koyo Steering Systems Limited) has been appreciated by customers for its contribution and commitment to excellence in delivery of products and customer satisfaction. Time and again, we have been honoured for the e□orts we have made in quality delivery. During the year, we have been recognised by our customer Toyota Kirloskar Motor Pvt. Ltd. with four awards.

We received awards in the following categories:
(a) For achieving zero defect supplies (b) Best Gemba Improvement Activity (c) Achieving targets in the category of Quality and (d) Achieving targets in the category of Delivery.

Additionally, Japan Institute of Plant Maintenance (JIPM) has recognised the Company with an award for TPM excellence, 'Category A'.

EXHIBITIONS AND EVENTS

AUTO EXPO 2018

This year, the Company participated in the Auto Expo and displayed its steering and driveline products along with a cut model of a Prius. The exhibits aimed at addressing the present and future needs of mobility.

At the Auto Expo' 2018, JTEKT Group, India, represented itself through its five group companies and successfully grabbed the opportunity to broadcast and promote its 'ONE JTEKT' message among the customers. In order to convey a positive message and show its commitment to India, the Company had the presence of the senior leadership from Japan and India at the Expo.

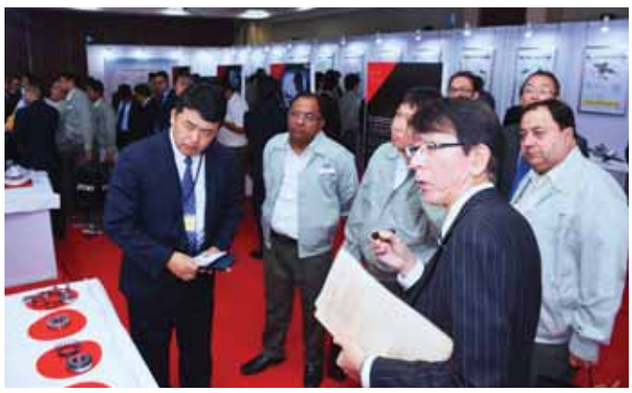
Our designs and technologies were well-received by both the domestic and global OEMs who visited us at the Expo. Several key customers and their leadership such as Maruti Suzuki, Mahindra & Mahindra, Toyota, Tata Motors, Renault Nissan and Honda Cars visited our stall. The total number of visitors stood at 2,297, exceeding our estimated target by 53 per cent.

TECH DAYS

With a view to establish better relationships and demonstrate our design and technology capabilities, two 'Tech Days' were organised with Maruti Suzuki India Limited and Renault Nissan Technology at the Business Centre India in November, 2017 and February 2018, respectively.

Tech Day at Maruti Suzuki India Limited:

This was the first of the two Tech Days and was well- received by Maruti Suzuki India Limited management. The event was divided into parts where presentations were made by JTEKT representatives from Japan, followed by the exhibition of product samples. Over 200 members including the top management from Maruti Suzuki attended the event, which showcased our steering technologies. The success of tech days, inspired us to consider organizing more such events with other customers, going forward.



Tech Day at Renault Nissan Technology & Business Centre India:

The day was separated into two sessions; one included an introduction of "JTEKT India reborn" and technologies (particularly EPS and HUB) to top-level technical members and the other consisted of a detailed presentation of JTEKT's EPS (C-EPS) products for the engineers, covering the performance, features, future technical trends etc. The approximate 250 guests that participated in Tech Day asked many questions, thus creating an environment of interactive discussion, through which JTEKT was able to demonstrate its technological strengths.

HUMAN RESOURCES

The human capital element is a critical one that drives our Company forward. At JTEKT India, 'people' are our strength and make up for who we are and what we are. 'Teamwork' is an integral part of the 'JTEKT Way' without which our organisation cannot be complete. Human resource is an imperative part of our priorities and we have been continuously investing in people to make JTEKT India a preferred employer of choice.

We have been building programmes across areas that encompass personality development, communications and soft skills as well as managerial capability building aptitude, such as leadership training, problem-solving, motivation, behavioural issues, selling and negotiation..

JTEKT has made considerable amount of investments in Intra Company Transfers (ICTs) where we have looked at cross-pollination of human resources between India and Japan to provide a holistic exposure for employees from both countries in the fields of learning and development.

ICT programme has been kick-started as part of JTEKT's Post Merger Integration programme, enabling a seamless blending of business processes and providing a better understanding of our parent company, technology and operations, and to learn,

and emulate the best practices of Japanese manufacturing. In addition, the objective of this programme has also been to enourage the Indian employees to immerse, understand and appreciate Japanese culture and life. There has also been an influx of Japanese personnel from various JTEKT geographies who have been brought to India at various levels to learn from and contribute to Indian operations.

The Company clocked a total of 96,633 man hours of training in the year. Several specialised training workshops on Heat Treatment, Quality, Safety, CSR and JTEKT Way were conducted across the organisation. Besides, certified experts from JTEKT Japan, visited JTEKT India to conduct training in Heat Treatment and Safety. Two Indian employees were sent to Japan for QCC certification as part of the 'Train the Trainer' initiative, for a week. These two employees have successfully completed their training and are now conducting workshops for the Indian employees. Around 283 groups were trained under the programme covering 90 per cent of the identified employee base. As part of the Safety training programme, 75 Safety Leaders have been certified across the organisation. About 140 sessions on 'JTEKT WAY,' covering 4,656 employees and 75 sessions on CSR and expected behaviour covering 3,589 employees were conducted across the company. Additionally, in order to promote fair practices at the work place, Prevention of Sexual Harassment workshops were also conducted, covering 2,795 employees across 38 sessions.

SUPPLY CHAIN MANAGEMENT

The priority of supply chain is critical to the profitability and success of a business. At JTEKT India, we make concerted efforts to build value with a robust supply chain mechanism for both external and internal stakeholders, built on the principles of knowledge and research, enhanced systems and processes, as well as insights.

We continue to build on agility and real -time data availability through our cloud e-procurement platform for sourcing of goods and services to ensure seamless procurement flow for the third consecutive year. The area of e-procurement was extended to cover Logistic services relating to import and exports.

The 'Visionary Small Medium Enterprise Programme' under the 'Visionary Leaders for Manufacturing' (VLFM) umbrella has been further extended to 20 additional suppliers. Furthermore, 20 critical Tier-2 suppliers were also selected for approval under the Maruti Suzuki Centre for Excellence (MSCE) for evaluation and certification under this programme. Most of the selected suppliers were qualified as 'Green', which means meeting customer's expectations.

We are also working closely with the suppliers and will be organising our 1st 'Annual Supplier Conference' for the JTEKT Group in July, this year, to communicate the JTEKT Philosophy, explain key deliverables and setting the expectations in alignment with global best practices. This shall bring opportunity to the suppliers to meet face to face with the JTEKT's top management and share their views for a long-term win-win relationship.

RESEARCH & DEVELOPMENT

The Research and Development (R&D) is the first and foremost step for the development of any innovative product or advanced technology. A strong R&D team at JTEKT India Limited has developed innovative products and Electric Control Unit Technology for power steering application. Over the years, the Company has made significant investments in this department and carried out different Projects of National and international interest in automotive and off-road vehicle segment in collaboration with national research institutes as well as international research institutes.

The above R&D initiatives would enable the Company to explore new business opportunities for future growth through technological innovations by developing new concepts and futuristic electro-mechanical products, with indigenous technology, designs and patents.

The Company has also developed advanced product technologies, having collaborative research work with the potential customer. R&D work for speed-sensitive steering assist, having Controller Area Network (CAN) Interface for off-highway vehicles has been completed and EPAM 1.5 is in production for two variants of off-road vehicles. EPAM 1.5 is now used by customers in Heavy duty vehicles, in addition to the conventional off-road Vehicle. The collaborative research work with Council of Scientific and Industrial Research Institute has been completed and study results suggest the potential use of learning in future production.

Technology Absorption and Innovation

We have been persistent towards new technology absorption and innovation, and have taken e□orts in creating high-performance Rack & Pinion Steering Gear for CEPS application equipped with advanced features of noise and friction control, designing and developing Double Crimping Collapsible I-shaft for CEPS application; developing high-performance Sliding shaft for high power column EPS application and designing and Development of Sliding IMS for CV segment. The development of high-performance Rack & Pinion Steering Gear helps in o□ering a superior product to customers for a smooth driving experience. Besides gaining a competitive advantage for new business, the development is also aimed at reducing warranty cost in future, better control in the tuning of I-shaft collapse and for High Torque Transmitting IMS.

Moreover, the high -performance sliding shaft for column EPS provides a solution to achieve optimal sliding friction with almost no free play, necessary for overcoming typical noise problems experienced while driving, light-weight and low-cost sliding IMS for CV segments. It is lobe design, having Nylon coating for low -sliding load and high-performance.

INFORMATION TECHNOLOGY

In alignment with the evolving environment, JTEKT has continued to maintain a robust and agile IT set- up with a high focus on backup and information security. The Company has continued to strengthen its investments in improvements across the organization.

In FY18, the Company was able to successfully upgrade and configure its financial system to comply with new GST regulations. During the year, the Company also successfully completed a project in the area of Business Intelligence (BI) with help from Qlik Sense, resulting in the development of two BI solutions in the area of Sales and Material cost. Another system, in the area of NPD budget control was put into use to provide visibility of cost incurred on new product development.

The Company is now looking at building on existing platforms to integrate into the larger JTEKT Group Ecosystem. IT has embarked on a journey to standardize the application and infrastructure to leverage better alignment with the global systems of JTEKT Group.

JTEKT Risk Categories

JTEKT India's risk management policies have been designed in a manner that the Company can respond swiftly and implement the necessary mitigation actions. In compliance with the prudential norms, it has constituted a risk management committee. It has developed a risk management framework through the help of the committee. The objective was to identify and analyse internal and external risks on the business while minimising the impact of the risk on operations.

The committee meets periodically to review the framework in the view of a dynamic business environment. This risk management policy has helped enhance process robustness, ensuring that business risks are addressed e□ectively.

It classifies the Company's business risks broadly into the following four major categories:

- Economic risk: Refer to the risks resulting from the economic and political scenario in the country
- Operational risk: Refers to the risks that are inherent to the business and includes manufacturing and distribution operations
- Financial risk: Refers to the risk that results from fluctuations in the currency market

- Human resource risk: Refers to the risk of losing out on skilled workforce due to competition

It recognises that risk management is an integral part of good management practices. Thus, it has made risk management an essential element that help in achieving business goals and deriving benefits from market opportunities. While JTEKT India cannot completely rule out the possibility of a negative impact owing to risks, the Company continues to take cautious steps to mitigate risks.

INTERNAL CONTROL AND ADEQUACY

JTEKT India has an e□ective and reliable internal control system commensurate with its size and operations. The internal controls are aligned with global standards and processes while adhering to local statutory requirements. The internal controls systems are supported through management reviews, verification by internal auditors, and verification by statutory auditors. The audit committee reviews its internal audit plan, adequacy of the internal controls system, significant audit observations, and monitors the sustainability of remedial measures.

In addition to policies, procedures, and guidelines, the internal controls system is facilitated by an automated 'Compliance Manager Tool'. This enables self-assessment by the process owners on the status of all applicable regulatory compliances and internal controls. This comprises the following:

- Safeguarding its assets and prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Controls relating to adherence to the Company's policies
- Timely preparation of reliable financial information
- Each self-assessment is approved by an immediate superior
- Senior management reviewing and deliberating upon and review self-assessments periodically
- Verifying the accuracy of sample self-assessments through periodic internal audits

JTEKT India's internal control system provides a high degree of assurance with respect to e□ectiveness and e□ciency of operations, adequacy, and adherence to internal financial controls and compliance with laws and regulations.

JTEKT India's Management Policy

The Company's management policy is highly evolved and it follows Hoshin Management, a system that aims to create a strong corporate constitution that is capable of a sustained high -performance by setting Mid/Long-term/ Annual plans by:

- Prioritizing activities and resources
- Involving all the members right from top to bottom, who clarify targets and activities from their own positions
- Turning over the management cycle Plan, Do, Check and Act (PDCA) during the implementation of Hoshin, the whole organization goes in one direction with members taking the initiative.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is at the heart of our business as we seek to contribute to the happiness of people and the abundance of society through product manufacturing that wins the trust of society. This can only be achieved when we work in harmony with the economy, society, and the environment. As a good corporate citizen, we strive to resolve social issues and contribute to the sustainable development of society and the environment.

Health Care:

This year, JTEKT India partnered with Bharat Vikas Parishad (BVP), a non-political, socio-cultural voluntary organisation registered as a Society. BVP is currently running over 1,600 permanent projects, with almost 400 of which include Hospitals, Clinics, Physiotherapy Centres, Mobile Vans, Pathology Labs, Ultrasound Centres and Blood Banks.

As part of its CSR Initiative, the Company identified one such project, viz., Vivekanand Arogya Kendra, a diagnostic centre established by BVP which needed help with infrastructure. The Company financed the purchase of an Ambulance as well as a portable Ultra-Sound Machine at a total cost of Rs. 25.62 lakhs. The ambulance is equipped with amenities that are crucial to deliver adequate emergency medical services, addressing the needs of immediate medical attention and critical care.

Adoption of Green Energy:

The Company made further e□orts towards harnessing solar energy for generating electricity for its manufacturing units. At present five manufacturing locations have solar power generating facilities and the total solar power generating capacity has gone up from 450 KWp to 1297 KWp in FY18. In addition to this all other energy saving e□orts such as adoption of energy e□cient fixtures & equipment zero water discharge through water recycling etc. continue to receive the focus of the management.

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 di□er substantially from those expressed or implied. Important developments that could a□ect the Company's operations include a downtrend in the automobile sector, significant changes in the political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest cost.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

At JTEKT Corporation, Japan (JTEKT), Corporate Governance is a way of doing business every day. With the highest standards committed to transparency, disclosure of information, unbiased monitoring management and ethics; we continue to win the trust and respect of our investors and society.

JTEKT India Limited's ('JIN') corporate governance philosophy is realized through the company's commitment to upholding trust and confidence of all stakeholders. This is achieved through compliance, transparency, professionalism, honest communication, continuous improvement, discipline, ownership and ambition to be "No. 1 & Only One" in all that we do.

We would like to be recognized as a role model by benchmarking our policies and best practices; we would want to be respected for our open culture and sustain our positive reputation; we strive to be trend setters for our ability to transform business results through innovation and efficiency. We would want to achieve all this by building value, building excellent products and building excellent professionals, which is the JTEKT Way.

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 JIN'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, 2018, the Board of JIN comprised of nine Directors. The Managing Director and Director (Corporate Affairs) were the executive directors of the Company. The Chairman and remaining six directors were non-executive directors, of which four were independent directors (including one independent woman director).

b) Number of Board Meetings

In the year ended 31st March, 2018, JIN held six Board Meetings on 18th May, 2017, 24th May, 2017, 11th August, 2017, 10th November, 2017, 2nd February, 2018 and 9th February, 2018. 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, 2018

Name of Directors	Position	Board Meetings during the year / tenure of a director		Whether attended last AGM	Directorships held in other public limited companies incorporated in India ①	Membership of Committees of other Companies②	
		Held	Attended			Member	Chairperson
Mr. Hidekazu Omura ③	Chairman	6	6	Yes	2(0)	-	-
Mr. Kiyozumi Kamiki ④	Managing Director	6	6	Yes	2(0)	-	-
Mr. Sudhir Chopra ⑤	Director (Corporate Affairs) & Company Secretary	5	5	Yes	3(0)	-	1
Mr. Seiho Kawakami ⑥	Non-executive Director	5	5	Yes	0(0)	-	-
Mr. Sunjay Kapur ⑦	Chairman	1	1	N.A	N.A.	N.A.	N.A.
Mr. K.M. Deshmukh⑦	Executive Vice Chairman	1	1	N.A	N.A.	N.A.	N.A.
Mrs. Rani Kapur ⑦	Non-executive Director	1	1	N.A	N.A.	N.A.	N.A.
Mr. Toshiya Miki	Non-executive Director (Nominee of MSIL)	6	4	Yes	2(1)	-	-
Mr. P. K. Chadha⑧	Independent Director	2	2	N.A	N.A.	N.A.	N.A.
Mr. Ravi Bhoothalingam	Independent Director	6	6	Yes	0(0)	-	-
Mr. Ramesh Suri	Independent Director	6	2	Yes	8(1)	1	2

Name of Directors	Position	Board Meetings during the year / tenure of a director		Whether attended last AGM	Directorships held in other public limited companies incorporated in India ①	Membership of Committees of other Companies②	
		Held	Attended			Member	Chairperson
Lt.Gen.(Retd.) S.S.Mehta	Independent Director	6	6	Yes	2(0)	2	-
Mr. Prasan A. Firodia⑨	Independent Director	2	0	N.A.	N.A.	N.A.	N.A.
Mrs. Ramni Nirula⑩	Independent Director	3	2	No	N.A.	N.A.	N.A.
Mrs. Geeta Mathur ⑪	Independent Director	3	3	N.A.	10(3)	5	3

Notes:

① Figures in ( ) denotes listed Companies.

② Only covers Membership / Chairmanship of Audit Committee and Stakeholders Relationship Committee of public limited companies.

③ Appointed as Chairman of the Company effective from the close of business hours of 18th May, 2017.

④ Appointed as Managing Director of the Company effective from the close of business hours of 18th May, 2017.

⑤ Appointed as Director (Corporate Affairs) & Company Secretary of the Company effective from the close of business hours of 18th May, 2017.

⑥ Appointed as an Additional Director of the Company effective from the close of business hours of 18th May, 2017.

⑦ Resigned from the directorship of the Company effective from the close of business hours of 18th May, 2017.

⑧ Ceased to be a Director of the Company with effect from 23rd June, 2017 due to his demise.

⑨ Resigned from the directorship of the Company with effect from 31st May, 2017.

⑩ Resigned from the directorship of the Company with effect from 30th October, 2017.

⑪ Appointed as an Independent Director of the Company with effect from 10th November, 2017.

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

d) Information supplied to the Board

Among others, this includes:

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) Materially significant related party transactions

The Company supplies auto components to Maruti Suzuki India Limited (MSIL), the co-promoter of the Company and pays royalty, technical know-how fees and other charges to JTEKT, Promoter of the Company, for extending technology for manufacturing various auto components and for providing/availing other services and for procuring various components. All transactions are conducted at an arm's length, in loauto.1(ending807.4()5.9(vailing otho80nat))TJ0T(,)38.1(')58.)]TJ()5118

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is available on the website of the Company (web link: www.jtekt.co.in/policies).

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

f) Familiarization Programme of Independent Directors

The Independent Directors of the Company are eminent personalities having wide experience in the field of business, finance, education, industry and commerce. Their presence on the Board has been advantageous and fruitful in taking business decisions.

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

Periodic presentations are made at the Board/Committee meetings on business and performance updates of the Company, business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors. For the purpose, the Company has prepared a policy on familiarization programme for Independent Directors which is displayed on the website of the Company (web link:www.jtekt.co.in/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 INR) paid or payable to Directors for the year ended 31st March, 2018

Name of Directors	Relationship with other Director	Sitting Fee①	Commission on profits	Salary	Perquisites	Provident & Superannuation Fund	Total
Mr. Hidekazu Omura	None	16,00,000	Nil	N.A.	N.A.	N.A.	16,00,000
Mr. Kiyozumi Kamiki	None	N.A.	Nil	48,90,000	24,87,023	7,20,000	80,97,023
Mr. Sudhir Chopra②	None	N.A.	50,00,000	94,83,000	47,408	14,06,612	1,59,37,020
Mr. Seiho Kawakami③	None	5,00,000	Nil	N.A.	N.A.	N.A.	5,00,000
Mr. Sunjay Kapur ④	Son of Mrs. Rani Kapur	3,00,000	Nil	N.A.	N.A.	N.A.	3,00,000
Mr. K.M. Deshmukh④	None	N.A.	Nil	17,54,770	8,576	1,80,144	19,43,490
Mrs. Rani Kapur ④	Mother of Mr. Sunjay Kapur	2,00,000	Nil	N.A.	N.A.	N.A.	2,00,000
Mr. Toshiya Miki ⑤	None	4,00,000	Nil	N.A.	N.A.	N.A.	4,00,000⑤
Mr. P.K. Chadha ⑥	None	8,00,000	Nil	N.A.	N.A.	N.A.	8,00,000
Mr.Ravi Bhoothalingam	None	25,00,000	21,60,000	N.A.	N.A.	N.A.	46,60,000
Mr. Ramesh Suri	None	2,00,000	2,50,000	N.A.	N.A.	N.A.	4,50,000
Lt.Gen.(Retd.)S.S.Mehta	None	21,00,000	21,00,000	N.A.	N.A.	N.A.	42,00,000
Mr. Prasan A. Firodia ⑦	None	Nil	Nil	N.A.	N.A.	N.A.	Nil
Mrs. Ramni Nirula ⑧	None	4,00,000	Nil	N.A.	N.A.	N.A.	4,00,000
Mrs. Geeta Mathur⑨	None	7,00,000	4,90,000	N.A.	N.A.	N.A.	11,90,000

Notes:

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

② Appointed as Director (Corporate Affairs) & Company Secretary of the Company effective from the close of business hours of 18th May, 2017.

③ Appointed as an Additional Director of the Company effective from the close of business hours of 18th May, 2017.

④ Resigned from the directorship of the Company effective from the close of business hours of 18th May, 2017.

⑤ Sitting Fee for attending the Board Meetings was paid to the nominating Company MSIL.

⑥ Ceased to be a Director of the Company with effect from 23rd June, 2017 due to his demise.

⑦ Resigned from the directorship of the Company with effect from 31st May, 2017.

⑧ Resigned from the directorship of the Company with effect from 30th October, 2017.

⑨ Appointed as an Independent Director of the Company with effect from 10th November, 2017.

Apart from the above, there were no pecuniary transactions between the Company and its directors.

The Company has not issued any Stock Option Shares.

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

Service contract of the Managing Director and Director (Corporate Affairs)

As approved by the Shareholders of the Company in the Thirty Third Annual General Meeting held on 22nd August, 2017, an Agreement dated 10th November, 2017 was executed between the Company and Mr. Kiyozumi Kamiki, Managing Director of the Company for his appointment (from 1st April, 2017 till the close of business hours of 18th May, 2017 as Dy. Managing Director and from the close of business hour of 18th May, 2017 till 31st March, 2020 as Managing Director), with remuneration, upon the terms and conditions as approved by the Shareholders. The severance fee shall be as per the provisions of the Companies Act, 2013.

As approved by the Shareholders of the Company in the Thirty Third Annual General Meeting held on 22nd August, 2017, an Agreement dated 10th November, 2017 was executed between the Company and Mr. Sudhir Chopra, Director (Corporate Affairs) & Company Secretary of the Company for his appointment, with remuneration, upon the terms and conditions as approved by the Shareholders. The severance fee shall be as per the provisions of the Companies Act, 2013.

Basis for compensation payment to the Independent 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, accordingly the Board of Directors of the Company in its meeting held on 18th May, 2018 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, 2018 of the Company. The details of payment of commission are given in Table 2 above.

The approval granted by the shareholders of the Company for payment of commission up to a sum not exceeding 1% of the net profits of the Company to the Independent Directors of the Company was valid till 31st March, 2018. Since, the Independent Directors on the Board, besides attending the meetings of the Board and/or Committee(s) thereof, are also devoting their valuable time in rendering various services including counseling, guidance and advise on technical, financial, HR and other related matters of the Company, and for that the aforesaid Directors have not been paid any remuneration for their services except the sitting fee for each meeting of the Board and/or Committee(s) thereof attended by them. In order to adequately compensate said Directors, the Board of Directors in their meeting held on 18th May, 2018 decided to continue to pay such commission to the Independent Directors, subject to the approval of the shareholders of the Company. The resolution for payment of commission up to a sum not exceeding 1% of the net profits of the Company to the Independent Directors is mentioned at Sl. No. 7 of the Notice of the 34th Annual General Meeting.

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, 2018

Name of Directors	Number of Equity Shares held	Number of convertible instruments① / Stock Option Shares② held
Mr. Hidekazu Omura	Nil	N.A.
Mr. Seiho Kawakami	Nil	N.A.
Mr. Toshiya Miki	Nil	N.A.
Mr. Ravi Bhoothalingam	Nil	N.A.
Mr. Ramesh Suri	Nil	N.A.
Lt. Gen. (Retd.) S.S.Mehta	Nil	N.A.
Mrs. Geeta Mathur	Nil	N.A.

Notes:

① As on date JIN has not issued any Convertible Instruments to its Non-Executive Directors.

② JIN has not issued any Stock Option Shares to its Non-Executive Directors.

i) Committees of the Board

i) Audit Committee

As on 31st March, 2018, the Audit Committee comprises of Mr. Ravi Bhoothalingam, Lt. Gen. (Retd.) S. S. Mehta, Mr. Kiyozumi Kamiki and Mrs. Geeta Mathur. Except Mr. Kiyozumi Kamiki who is Managing Director of the Company, 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 seven times i.e., on 18th May, 2017, 24th May, 2017, 10th August, 2017, 9th November, 2017, 8th February, 2018, 9th February, 2018 and 23rd March, 2018. 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 deliberated 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, 2018

Name of Members	Position	Audit Committee Meetings held during the period of Membership	Audit Committee Meetings attended
Mr. Ravi Bhoothalingam (Independent Director)	Chairman	7	7
Lt. Gen. (Retd.) S.S.Mehta (Independent Director)	Member	7	7
Mr. Kiyozumi Kamiki (Managing Director)	Member	7	7
Mr. Sunjay Kapur ① (Chairman)	Member	1	1
Mrs. Ramni Nirula① (Independent Director)	Member	1	1
Mr. P.K. Chadha ② (Independent Director)	Member	2	2
Mrs. Geeta Mathu③ (Independent Director)	Member	1	1

① Ceased to be a member of the Committee with effect from close of business hours of 18th May, 2017.

② Ceased to be a member of the Committee with effect from 23rd June, 2017 due to his demise.

③ Appointed as one of the Audit Committee Members with effect from 28th February, 2018.

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

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    b) Changes, if any, in accounting policies and practices and reasons for the same;
    c) Major accounting entries involving estimates based on exercise of judgement by management;
    d) Significant adjustments made in the financial statements arising out of audit findings;
    e) Compliance with listing and other legal requirements relating to financial statements;
    f) Disclosure of any related party transactions;
    g) Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer documents / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of CFO (i.e. whole time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee of JIN reviews the following information:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of Chief Internal Auditor shall be subject to review by the Audit Committee.

The Audit Committee is also empowered with the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee is also apprised on information with regard to related party transactions, by being presented:

1. A statement in summary form of transactions with related parties in the ordinary course of business;
2. Details of material individual transactions, if any, with related parties which are not in the normal course of business;

3. Details of material individual transactions, if any, with related parties or others, which are not on an arm's length basis together with management's justification for the same.

The Chairman of the Audit Committee was present at the last Annual General Meeting to answer shareholders' queries. The Audit Committee is regularly apprised of the various follow-up actions taken on the direction of the Audit Committee. Mr. Sudhir Chopra, Director (Corporate Affairs) & Company Secretary of the Company, 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, 2018, the Stakeholders Relationship Committee comprises of Mr. Hidekazu Omura, Mr. Kiyozumi Kamiki and Mr. Sudhir Chopra. 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, issue of duplicate share certificates etc. Minutes of the Stakeholders Relationship Committee meetings were placed before and deliberated by the Board. The Committee met four times during the year i.e., on 10th April 2017, 19th July, 2017, 24th October, 2017 and 19th January, 2018. 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, 2018

Name of Members	Position	Stakeholders Relationship Committee Meetings held during the period of Membership	Stakeholders Relationship Committee Meetings Attended
Mr. Hidekazu Omura① (Non-Executive Chairman)	Chairman	3	3
Mr. Kiyozumi Kamiki① (Managing Director)	Member	3	3
Mrs. Rani Kapur② (Non-Executive Director)	Chairperson	1	1
Mr. Sunjay Kapur② (Chairman)	Member	1	1
Mr. Sudhir Chopra ③ Director (Corporate Affairs) & Company Secretary	Member	1	1

① Appointed as one of the Committee Members with effect from close of business hours of 18th May, 2017.

② Ceased to be a member of the Committee with effect from close of business hours of18th May, 2017.

③ Appointed as one of the Committee Members with effect from 10th November, 2017.

iii) Nomination and Remuneration Committee

As on 31st March, 2018, the Nomination and Remuneration Committee comprises of Mr. Ravi Bhoothalingam, Mr. Hidekazu Omura and Lt.Gen. (Retd) S.S. Mehta.

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.

f) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

During the year, the Committee met five times i.e., on 18th May, 2017, 24th May, 2017, 11th August, 2017, 9th November, 2017 and 23rd March, 2018. Minutes of the Nomination and Remuneration Committee were placed before and deliberated 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, 2018

Name of Members	Position	Nomination and Remuneration Committee Meetings held during the period of Membership	Nomination and Remuneration Committee Meetings Attended
Mr. Ravi Bhoothalingam (Independent Director)	Chairman	5	5
Mr. Hidekazu Omura ① (Non-Executive Chairman)	Member	4	4
Mrs. Rani Kapur② (Non-Executive Director)	Member	1	0
Mr. P.K. Chadha ③ (Independent Director)	Chairman	2	2
Lt.Gen.(Retd.) S.S. Mehta④ (Independent Director)	Member	3	3

① Appointed as one of the Committee Members with effect from close of business hours of 18th May, 2017.

② Ceased to be a member of the Committee with effect from close of business hours of 18th May, 2017.

③ Ceased to be a member of the Committee with effect from 23rd June, 2017 due to his demise.

④ Appointed as one of the Committee Members with effect from 11th August, 2017.

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.jtekt.co.in/policies).

iv) Risk Management Committee

As on 31st March, 2018, the Risk Management Committee comprises of Lt.Gen.(Retd.) Shamsher Singh Mehta and Mr. Kiyozumi Kamiki.

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 five times i.e., on 24th May, 2017, 10th August, 2017, 04th October, 2017, 17th October, 2017 and 23rd March, 2018. Minutes of the Risk Management Committee were placed before and deliberated 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, 2018

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	5	5
Mr. Kiyozumi Kamiki① (Managing Director)	Member	5	5
Mr. Sunjay Kapur② (Chairman)	Member	0	0
Mr. Prasan A. Firodia② (Independent Director)	Member	0	0
Mr. P.K. Chadha ③ (Independent Director)	Member	1	1

① Appointed as one of the Committee Members with effect from close of business hours of 18th May, 2017.

② Ceased to be a member of the Committee with effect from close of business hours of 18th May, 2017.

③ Ceased to be a Director of the Company with effect from 23rd June, 2017 due to his demise.

v) Corporate Social Responsibility Committee

As on 31st March, 2018, the Corporate Social Responsibility (CSR) Committee comprises of Mr. Ravi Bhoothalingam, Mr. Hidekazu Omura and Mr. Kiyozumi Kamiki 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 four times i.e., on 24th May, 2017, 11th August, 2017, 9th November, 2017 and 2nd February, 2018. Minutes of the Corporate Social Responsibility Committee were placed before and deliberated 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, 2018

Name of Members	Position	CSR Committee Meetings held during the period of Membership	CSR Committee Meetings Attended
Mr. Ravi Bhoothalingam① (Independent Director)	Chairman	4	4
Mr. Hidekazu Omura① (Non-Executive Chairman)	Member	4	3
Mr. Kiyozumi Kamik① (Managing Director)	Member	4	4
Mrs. Ramni Nirula② (Independent Director)	Chairperson	0	0
Mr. Sunjay Kapur ② (Chairman)	Member	0	0
Mr. P.K. Chadha ③ (Independent Director)	Member	1	1

① Appointed as one of the Committee Members with effect from close of business hours of 18th May, 2017.

② Ceased to be a member of the Committee with effect from close of business hours of 18th May, 2017.

③ Ceased to be a Director of the Company with effect from 23rd June, 2017 due to his demise.

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 JIN 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.jtekt.co.in/policies). All Board members and designated management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

As a step towards good corporate governance, your Company has also implemented the 'Anti-Corruption & Anti-Bribery Policy' and 'Anti-Trust Policy' in line with the global practices and accordingly the scope of the previous Code of Conduct is further enlarged.

d) Whistle Blower Policy

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

e) Subsidiary Companies

As per provisions of Regulation 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 JIN. The Audit Committee of JIN 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.jtekt.co.in/policies).

f) Disclosure of accounting treatment in preparation of financial statements

JIN has followed the guidelines of Indian Accounting Standards issued by the Ministry of Corporate Affairs (MCA) in preparation of its financial statements.

g) CEO/ CFO Certification

The CEO and CFO certification on the financial statements for the year is enclosed 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. Toshiya Miki, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company, in its meeting held on 10th November, 2017, have appointed Mrs. Geeta Mathur as an Additional Director, in the capacity of an Independent Woman Director of the Company, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting.

The Board of Directors of the Company, on the recommendation of the Nomination & Remuneration Committee, has appointed Mr. Akihiko Kawano as Managing Director, with remuneration, of the Company, for a period of three (3) years, with effect from 1st July, 2018.

As required, a brief profile and other particulars of the Directors seeking appointment/re-appointment are given in the Notice of the 34th Annual General Meeting.

b) Communication to Shareholders

All important information relating to the Company and its performance, including quarterly financial results and shareholding pattern are posted on the web-site of the Company www.jtekt.co.in/policies. The web-site also displays all official press releases and presentation to analysts made by the Company.

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

c) Investor Grievances

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

d) Share Transfer

M/s. Karvy Computershare Pvt. Ltd. (Karvy), the Registrar and Transfer Agent of the Company handles all share transfers and related matters viz. physical transfer of securities, 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, 2015	14th September, 2015	10.00 A.M.	Air Force Auditorium Subroto Park New Delhi-110 010.
31st March, 2016	5th August, 2016	10.00 A.M.	Air Force Auditorium Subroto Park New Delhi-110 010
31st March, 2017	22nd August, 2017	10.00 A.M.	Air Force Auditorium Subroto Park New Delhi-110 010.

g) Special Resolutions

In the ensuing 34th Annual General Meeting of the Company to be held on 10th August, 2018, the shareholders' consent is being sought by way of Special Resolution for:

- Appointment of Mrs. Geeta Mathur as an Independent Director of the Company.
- Appointment of Mr. Akihiko Kawano as Managing Director of the Company.
- Remuneration to Independent Directors.

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

33rd Annual General Meeting held on 22nd August, 2017

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

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

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

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

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

h) Postal Ballots

At the ensuing Annual General Meeting to be held on 10th August, 2018 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 33rd Annual General Meeting of the Company.

During the year, two Special Resolutions were passed through Postal Ballot on 21st June, 2017 and 27th March, 2018 respectively. Mr. S.K. Luthra, Advocate, was appointed as the Scrutinizer for overseeing the postal ballot voting process. The details are as follows:

1. To approve de-classification of Sona Autocomp Holding Limited as a Promoter and of Mr.Subash Chopra, Ms.Esha Chopra as members of the promoter group of the Company & re-classification of other 10 members of promoter group as Public Shareholders as mentioned in the resolution pursuant to Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Total No. of Shareholders	49,073	
Total No. of Equity Shares	19,87,41,832	
Particulars	**Number of Votes**	**% of Votes**
Total Number of Equity Shares	19,87,41,832	100.0000%
No. of Votes Polled	2,15,74,824	10.8557%
• No. of Votes – in favour	2,15,74,721	99.9995%
• No. of Votes – against	103	0.0005%

2. To approve change in name of the Company from `Sona Koyo Steering Systems Limited' to `JTEKT India Limited' with consequential alteration to Memorandum of Association and Articles of Association of the Company.

Total No. of Shareholders	51,192	
Total No. of Equity Shares	19,87,41,832	
Particulars	**Number of Votes**	**% of Votes**
Total Number of Equity Shares	19,87,41,832	100.0000%
No. of Votes Polled	15,41,93,473	75.5848%
• No. of Votes – in favour	15,41,88,494	99.9968%
• No. of Votes – against	4,979	0.0032%

The Company has complied with the procedures for the postal ballot in terms of Section 108 and Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

COMPLIANCE

Mandatory requirements

JIN is compliant with the applicable mandatory requirements of Listing Regulations applicable to the company during the year under review.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of,
JTEKT India Limited (formerly known as "Sona Koyo Steering Systems Limited")

Independent Auditors' certificate on Corporate Governance

1. This report is issued in accordance with the terms of our engagement letter dated 10 May, 2018.

2. The accompanying Corporate Governance Report (the 'Report') contains details of compliance of conditions of Corporate Governance, as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') by JTEKT India Limited (formerly known as "Sona Koyo Steering Systems Limited") (the 'Company') for the year ended 31 March 2018. We have initialed the Report for identification purpose only.

ADDITIONAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Date	:	10th August, 2018
Venue	:	The Air Force Auditorium, Subroto Park New Delhi 110 010.
Time	:	10.00 A.M.

FINANCIAL CALENDAR

Financial year	:	1st April 2017 to 31st March 2018

For the year ended 31st March, 2018, results were announced on:

• 11th August, 2017	:	First Quarter
• 10th November, 2017	:	Second Quarter
• 9th February, 2018	:	Third Quarter
• 18th May, 2018	:	Annual

BOOK CLOSURE

The dates of book closure are from 4th August, 2018 to 10th August, 2018 inclusive of both days.

DIVIDEND RATE

The Board of Directors of JIN, in their meeting held on 18th May, 2018, has recommended the dividend of INR 0.50 per Equity Share of INR 1/- each for the year ended 31st March, 2018. The same shall be paid between 17th August, 2018 and 24th August, 2018, if approved by the Shareholders at the ensuing Annual General Meeting.

LISTING

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

STOCK CODES

Table 1: Stock Codes

Name of the Stock Exchanges	Stock Code
BSE Limited	520057
National Stock Exchange of India Limited	JTEKTINDIA

The ISIN Number of JIN (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 JIN at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2018.

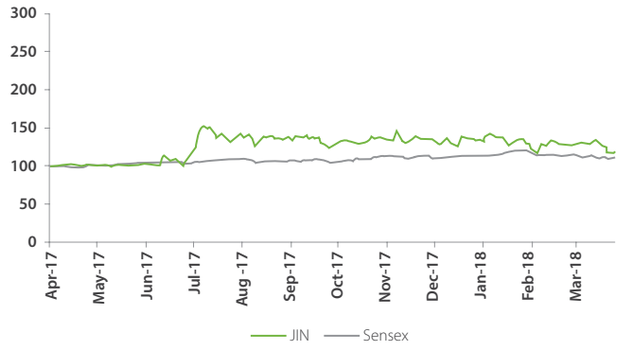
Table 2: Monthly share price* (In INR) data and volumes on BSE and NSE

Month and year	BSE			NSE		
	High	Low	Volumes	High	Low	Volumes
April, 2017	86.65	81.65	1430661	85.55	81.65	5684656
May, 2017	84.00	82.10	1566972	84.00	82.10	6698215
June, 2017	97.20	75.00	4338814	96.75	81.50	16435391
July, 2017	131.40	93.65	5944978	131.90	93.60	15284382
August, 2017	118.90	97.50	1727537	119.00	97.10	4350304
Sept., 2017	118.00	98.80	1169147	118.00	98.55	3354713
October, 2017	118.95	104.00	837941	119.00	102.20	2922677
Nov., 2017	128.00	105.00	1741609	128.25	104.50	6903633
Dec., 2017	115.85	101.00	880841	116.15	100.00	3635058
January, 2018	118.75	102.50	1480487	118.55	101.35	4523259
Feb., 2018	112.60	93.00	812311	112.50	93.00	4040775
March, 2018	112.00	92.00	664911	111.85	92.65	3100191

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 JIN's shares on the BSE & NSE.

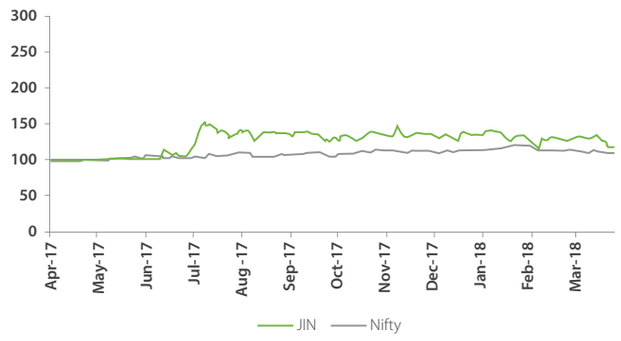
* Face Value of JIN's Share is INR 1/- each.

Chart A: JIN's adjusted closing share price with BSE Sensex for 2017-2018.



Note: JIN share price at the BSE and the BSE Sensex have been indexed to 100 as on the first working day of 2017-18.

Chart B: JIN's adjusted closing share price with Nifty for 2017-2018.



Note: JIN share price at the NSE and the NSE Nifty have been indexed to 100 as on the first working day of 2017-18.

DISTRIBUTION OF SHAREHOLDING

Table 3 and 4 give the distribution pattern of shareholding of JIN as on 31st March, 2018.

Table 3 : Distribution of shareholding by size class as on 31st March, 2018.

Amount	Number of shareholders	Number of shares held	Shareholding %
Upto 5000	50080	17921838	9.02
5001-10000	695	5138007	2.58
10001-20000	269	3934613	1.98
20001-30000	77	1932752	0.97
30001-40000	28	976667	0.49
40001-50000	16	731935	0.37
50001-100000	34	2621291	1.32
100001 & above	32	165484729	83.27
Total	**51231**	**198741832**	**100.00**

Table 4: Distribution of shareholding by ownership as on 31st March, 2018

Category	No. of Shareholders	No. of Shares held	Shareholding %
Promoter & Promoter Group (A)	2	152571253	76.77
Public Shareholding (B)			
Bodies Corporate	502	4383239	2.21
Individuals	49126	31922651	16.06
HUF	944	1455653	0.73
Non resident Indians	557	1995547	1.00
Foreign Nationals	1	3134	0.00
Mutual Funds	3	152000	0.08
Foreign Portfolio Investors	5	349438	0.18
Financial Institutions / Banks	5	36400	0.02
Insurance Companies	1	1200000	0.60
NBFC	3	2665	0.00
Trusts	3	6600	0.00
Clearing Members	77	110325	0.06
IEPF	1	1392912	0.70
Unclaimed Suspense Account*	1	3160015	1.59
Total	**51231**	**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, 2018, 99.20% of JIN's shares were held in dematerialized form and the rest in physical form. The promoter & co-promoter own 76.77% of JIN'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 'JTEKT India 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 INR 10/- or INR 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, 2018

Particulars	No. of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the time of dematerialization.	3467	5582603
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account after dematerialization of unclaimed shares.	815	1190332
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account after dematerialization of unclaimed shares.	815	1190332
No. of shareholders, who did not paid/ claimed the dividend for consecutive seven years, their shares have been transferred to Investor Education and Protection Fund.	935	1232256
Aggregate number of shareholders and the outstanding shares in the Suspense Account as on 31st March, 2018.	1717	3160015

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

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

DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS

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

SHARE TRANSFER SYSTEM

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

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

Investor correspondence should be addressed to:

The Company Secretary
JTEKT India Limited
UGF-6, Indra Prakash
21, Barakhamba Road
New Delhi – 110 001.
e-mail : investorgrievance@jtekt.co.in

Karvy Computershare Pvt. Ltd.
(Unit : JTEKT India Limited)
305, New Delhi House
27, Barakhamba Road, Connaught Place
New Delhi – 110 001.

Karvy Computershare Private Limited
(Unit : JTEKT India Limited)
Karvy Selenium Tower-B, Plot No. 31 & 32,
Financial District, Gachibowli,
Nanakramguda, Serilingampally,
Hyderabad 500 008
e-mail : einward.ris@karvy.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 2011 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
2011	Final	2nd August, 2011	1st September, 2018
2012	Final	1st August, 2012	31st August, 2019
2013	Final	10th August, 2013	9th September, 2020
2014	Final	23rd September, 2014	23rd October, 2021
2015	Final	14th September, 2015	14th October, 2022
2016	Final	5th August, 2016	8th September, 2023
2017	Final	22nd August, 2017	25th September, 2024

During the financial year under review, the Company has transferred INR 7,82,512/- to Investor Education and Protection Fund towards unclaimed dividend pertaining to the year ended 31st March, 2010.

Table 7: Unclaimed dividend as on 31st March, 2018

Year	Type	No. of warrants issued	No. of warrants unclaimed	% unclaimed	Amount of dividend (INR Lakhs)	Dividend unclaimed (INR Lakhs)	% unclaimed
2011	Final	49286	4328	8.78	1291.85	17.40	1.35
2012	Final	48779	4925	10.22	1291.87	36.31	2.92
2013	Final	53987	9134	16.92	1291.89	35.76	2.77
2014	Final	53202	10024	18.84	1589.98	42.15	2.65
2015	Final	53041	10952	20.65	1291.91	34.06	2.64
2016	Final	53430	11225	21.01	993.83	26.69	2.69
2017	Final	49988	9136	18.28	993.82	29.09	2.93

NUMBER AND NATURE OF COMPLAINTS REGARDING SHARES

Table 8: Details of Investor complaints regarding shares for the year 2017-2018.

Nature of complaint	Number of complaints	Number redressed
Non-receipt of dividend / Interest / Redemption	11	11
Non-receipt of Annual Report	3	3
Non-receipt of Share Certificates	5	5
Others	0	0
Total	**19**	**19**

PLANTS' LOCATION

- 38/6, NH-8, Delhi-Jaipur Road, Gurugram - 122001 (Haryana).
- 32, HUDA Industrial Area Phase II, Dharuhera, Dist. Rewari - 122106 (Haryana).
- 19, HUDA Industrial Area Phase II, Dharuhera, Dist. Rewari - 122106 (Haryana).
- 39/2/2, 3/2 4/2, 7, 8 Village Malpura, Tehsil Dharuhera, Dist. Rewari - 123401 (Haryana).
- 731, Sector 37 C, Pace City – II, Gurugram - 122001(Haryana).
- P.O. Box 14, Chennai-Bangalore Highway, Sriperumbudur, Distt. Chinglepet, Chennai - 602 105 (Tamil Nadu).
- D-9, Tata Motors Vendor Park, Survey No. 1, Village North Kotpura, Sanand, Viroch Nagar, Amhedabad - 382170 (Gujarat).

REGISTERED OFFICE

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

HEAD OFFICE

M3M Cosmopolitan, First Floor, Sector 66, Ram Garh Road, Adjacent to Golf Course Extn. Road, Gurugram - 122002 (Haryana).

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

To the Board of Directors
JTEKT India Limited

We, Kiyozumi Kamiki, Managing Director and Rajiv Chanana, Chief Financial Officer of JTEKT India Limited, hereby certify to the Board that:

a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 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 JTEKT India Limited during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

   i) Significant changes in internal control over financial reporting during the year;

   ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **JTEKT India Limited**

Place : Gurugram
Dated : 18th May, 2018

Rajiv Chanana
Chief Financial Officer

Kiyozumi Kamiki
Managing Director

DECLARATION OF THE CHIEF EXECUTIVE OFFICER

This is to certify that the Company had laid down Code of Conduct of the Board Members and the Senior Management Personnel of the Company and the same is uploaded on the website (www.jtekt.co.in/policies).

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, 2018.

For **JTEKT India Limited**

Place : Gurugram
Dated : 18th May, 2018

Kiyozumi Kamiki
Managing Director

BOARD's REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting their 34th Annual Report together with audited accounts of the Company for the year ended 31st March, 2018.

1) Financial Results

STANDALONE AND CONSOLIDATED PREFORMANCE OF THE COMPANY

(INR in Lakhs)

	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Total Income (net of excise duty)	1,21,479.49	1,17,107.37	1,25,725.29	1,21,777.38
Profit before interest , depreciation & tax	14,331.79	13,462.12	16,130.28	15,192.00
- Interest	2,073.53	2,425.91	2,085.33	2,522.26
- Depreciation & write offs	7,312.73	7,477.36	7,723.21	7,883.47
Profit before share of profit of Associates	4,945.53	3,558.85	6,321.74	4,786.27
Add : Share of profit of associates			1,301.53	805.07
Profit before tax	4,945.53	3,558.85	7,623.27	5,591.34
Less : Provision for tax	2,403.21	1,543.13	2,911.25	1,936.47
Provision for deferred tax liability/(assets)	(701.95)	(493.37)	(583.33)	(391.92)
Profit after tax	3,244.27	2,509.09	5,295.35	4,046.79
Less : Share of profit transferred to minority			464.84	349.35
Profit for the year	3,244.27	2,509.09	4,830.51	3,697.44
Retained Earnings				
Balance at the beginning of the year	11,792.35	10,479.26	20,234.29	17,740.63
Other opening adjustment			0.36	
Profit for the year	3,244.27	2,509.09	4,830.51	3,697.44
Payment of Dividend on equity shares	(993.82)	(993.70)	(993.82)	(993.70)
Corporate Dividend Tax paid	(194.53)	(202.30)	(202.30)	(210.08)
Balance at the end of the year	13,848.27	11,792.35	23,869.04	20,234.29

2) State of Affairs of the Company

Revenue from operations increased by 4.1% to INR 12,122.46 million. PBDIT improved by 6.46% to INR 1,433.18 million. The Company reported PAT of INR 308.10 million. Improvement in profitability reflects the success of Company's efforts in controlling the fixed costs.

3) Change of Promoter and Name of the Company

During the year under review, JTEKT Corporation, Japan, one of the Promoters of the Company, acquired the complete stake of 25.12% held by Sona Autocomp Holding Limited, the Company's Indian Promoter. The said acquisition of shares had triggered an 'Open Offer' in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto. Post conclusion of the said Open Offer, the shareholding of JTEKT Corporation, Japan increased to a level of 70.45% and along with Maruti Suzuki India Limited, the total Promoter Group shareholding was increased to 77.39%.

In order to bring public shareholding to the minimum threshold level of 25%, JTEKT Corporation, Japan sold excess Promoters' shareholding of 2.39%, by way of 'Offer for Sale' (OFS) in accordance with the guidelines issued by Securities & Exchange Board of India, in two tranches completed on 20th March, 2018 and 9th April, 2018. The second OFS transaction concluded on 9th April, 2018, received an excellent response from the market with bids received were more than 6 times of the Issue size.

'JTEKT' is a registered Trade Mark owned by JTEKT Corporation, Japan. JTEKT is a leading global brand having footprint spanning to almost all continents by having more than 149 subsidiaries worldwide. After the aforesaid transaction your Company became subsidiary of JTEKT Corporation, Japan and consequently became a member of The "JTEKT Group". The brand "JTEKT" will bring international recognition to your Company and communicate one identity, particularly to global customers of JTEKT Group. Accordingly to leverage on brand "JTEKT", the name of your Company has been changed from 'Sona Koyo Steering Systems Limited' to 'JTEKT India Limited' with effect from 7th April, 2018.

4) Dividend

Your directors are pleased to recommend a dividend of 50% on equity share capital of the Company for the financial year 2017-18, same as last financial year.

5) Reserves

(INR in Lakhs)

	31-Mar-18	31-Mar-17
Balance as per last financial statements	11,792.35	10,479.26
Add: Profit for the year	3,244.27	2,509.09
Less: Appropriations		
Proposed dividend	993.82	993.70
Tax on proposed dividend	194.53	202.30
Net surplus in the statement of profit and loss	13,848.27	11,792.35

6) Change of nature of Business (if any)

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

7) Share Capital

The Paid Up Equity Share Capital of the Company as at March 31, 2018 stood at INR 1987.42 lakhs. During the year under review, the Company has not issued any shares / securities. As on March 31, 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

8) 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.

9) 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.

10) Details in respect of adequacy of internal controls

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

In addition to policies, procedures, and guidelines, the internal controls system is facilitated by an automated "Compliance Manager Tool", which enables self-assessment by process owners on status of all applicable regulatory compliances and Internal Controls including, controls relating to adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information. The status of each self-assessment is approved by an immediate superior. The status of self-assessment is periodically deliberated and reviewed by the Senior Management. Further, the accuracy of sample self-assessments is verified through periodic internal audits.

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

11) Details and Performance of Subsidiary Companies / Associate Company

In terms of the provisions of Section 2(87) of the Companies Act, 2013, the Company has two subsidiaries namely JTEKT SONA Automotive India Limited (JSAI) and Sona Fuji Kiko Automotive Ltd. (SFAL). However, as per the provisions of new Accounting Standards - Ind-AS 110, JSAI is considered as an Associate Company for the purpose of accounting.

- JTEKT SONA Automotive India Limited (JSAI)

  In JSAI, the Company is holding 49% of the equity capital and controls the composition of the Board of Directors. This Company was established in technical and financial collaboration 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), and Chennai. During the year ended 31st March, 2018, JSAI has achieved total revenue of INR 5,8147.71 Lakhs and earned net profit of INR 3,118.95 Lakhs. The Board of Directors of JSAI in their meeting held on 15th May, 2018 has recommended a dividend at the rate of 30% for the financial year ended on 31st March, 2018.

- Sona Fuji Kiko Automotive Limited (SFAL)

  In SFAL, the Company is holding 51% of the Equity Capital. This Company was established in technical and financial collaboration with FUJI KIKO Co. Ltd., Japan with a business objective of manufacturing Columns / Column parts to be primarily used in the manufacturing of C-EPS by JTEKT Sona Automotive India Limited. The Plant of SFAL is located in Bawal, Haryana. During the year ended 31st March, 2018, SFAL has achieved total revenue of INR 8,946.85 Lakhs and earned net profit of INR 952.42 Lakhs. The Board of Directors of SFAL in their meeting held on 16th May, 2018 has recommended a dividend at the rate of 30% for the financial year ended on 31st March, 2018.

During the year, the Company has disposed off its entire investment in Sona Skill Development Centre Limited (SSDCL), accordingly, SSDCL ceased to be an Associate Company of JTEKT India Limited with effect from 18th May, 2017.

The Board of Directors of the Company have, vide resolution dated 9th February, 2018 have approved Scheme of Amalgamation of involving JTEKT SONA Automotive India Limited (Amalgamating Company) and JTEKT India Limited (Amalgamated Company) and their respective shareholders and creditors. The proposed merger is expected to bring business and operational synergies. The aforesaid Scheme was submitted to National Stock Exchange of India Limited and BSE Limited for necessary approvals. The aforesaid Scheme has been returned by Stock Exchanges with an advice to re-submit the scheme post compliance with the provisions of Clause (I)(A)(3)(b) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

12) Subsidiary Companies Accounts

During the year, the Board of Directors reviewed the affairs of the subsidiary 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 subsidiary and associate company in the prescribed Form AOC-1 is attached along with financial statement. The statement also provides the details of performance, financial position of the subsidiary and associate companies.

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.jtekt.co.in. 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 subsidiary and associate company to the shareholders upon their request.

In accordance with the Accounting Standard 'AS-110' on Consolidated Financial Statements read with Accounting Standard 'AS-28' on Investment in Associates and Joint Ventures, the Audited Consolidated Financial Statements are provided in the Annual Report.

13) 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.

14) 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.

This year, the Company partnered with Bharat Vikas Parishad (BVP), a non-political, socio-cultural voluntary organisation registered as a Society. BVP is currently running over 1,600 permanent projects, with almost 400 of which include Hospitals, Clinics, Physiotherapy Centres, Mobile Vans, Pathology Labs, Ultrasound Centres and Blood Banks.

As part of CSR Initiative, the Company identified Vivekanand Arogya Kendra, a diagnostic centre established by BVP, which needed help in establishing the facility. The Company financed the purchase of an Ambulance as well as a portable Ultra-Sound Machine at a total cost of INR 25.62 lakhs. The ambulance is equipped with amenities that are crucial to deliver adequate emergency medical services addressing the needs of immediate medical attention and critical care.

In the past few years, the CSR Team of the Company identified projects in the area of skill development. By using the services of Sona Skill Development Centre (Skill Centre), the team implemented several projects to impart vocational training to underprivileged children. During FY 2018, the Skill Centre stopped conducting the skill development program and therefore the CSR Team explored other CSR options. It took some time to conclude on Preventive Health Care as one of the areas of contribution. While the Company has started making contribution in this area, however due to constrain of time it was difficult to finalize other projects and hence the entire amount could not be deployed.

15) Number of meetings of the Board of Directors

The Board of Directors met 6 (six) times in the year ended 31st March, 2018. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

16) 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.

17) 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.

18) 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 2017-18. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2017-18 is annexed to this report as Annexure – III. The report does not contain any qualification.

19) 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.

20) 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.

21) 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.

22) 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.

23) Deposits

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

24) Loans, Guarantees and Investments

During the year under review, no loans, guarantees and investments were made by the Company under Section 186 of the Companies Act, 2013, hence the said provision is not applicable.

25) Directors & Key Managerial Personnel

As on 31st March, 2018, your Company has nine (9) Directors consisting of four (4) Independent Directors (including one Woman Director), two (2) Non-executive Directors, a Non-executive Chairman, one Executive Director and an Executive Managing Director.

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

1) Mr. Ravi Bhoothalingam
2) Lt.Gen.(Retd.) Shamsher Singh Mehta
3) Mr. Ramesh Suri
4) Mrs. Geeta Mathur

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, Mr. Sunjay Kapur, Mrs. Rani Kapur and Mr. Kiran Manohar Deshmukh have resigned from the Board of the Company and Mr. Seiho Kawakami and Mr. Sudhir Chopra were appointed as additional directors by close of the business hours of 18th May, 2017. Further, Mr. Hidekazu Omura and Mr. Kiyozumi Kamiki were elevated to the position of Non-Executive Chairman and Managing Director respectively.

During the year, one of the senior members of the Board, Mr. Prem Kumar Chadha, was ceased to be a director of the Company due to his sudden sad demise on 23rd June, 2017. Mr. Prasan Abhaykumar Firodia and Mrs. Ramni Nirula, Independent Directors of the Company have resigned from the Board of the Company effective from 31st May, 2017 and 30th October, 2017 respectively.

Upon recommendations of Nomination and Remuneration Committee, the Board of Directors in their meeting held on 10th November, 2017 have appointed Mrs. Geeta Mathur, as an Independent Woman Director on the Board of the Company.

Your Directors take this opportunity to place on record the appreciation of services rendered by Mr. Sunjay Kapur, Mrs. Rani Kapur, Mr. Kiran Manohar Deshmukh, Mr. Prasan Kumar Firodia and Mrs. Ramni Nirula during their association with the Company and also pay homage to the departed soul of Mr. Prem Kumar Chadha.

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

The Managing Director and Director (Corporate Affairs) & Company Secretary of the Company have not received any remuneration or commission, except Sitting Fee, if any, from any of the subsidiaries of the Company.

Pursuant to the provisions of Section 152(6) and Articles of Association of the Company, Mr. Toshiya Miki (DIN: 07505339) will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

26) Board Evaluation

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

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

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

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

27) Audit Committee

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

1) Mr. Ravi Bhoothalingam, Chairman
2) Lt. Gen. (Retd.) Shamsher Singh Mehta, Member
3) Mr. Kiyozumi Kamiki, Member
4) Mrs. Geeta Mathur, Member

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

28) 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 2017-18, 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.

29) Statutory Auditors and their Report

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company in its 33rd Annual General Meeting held on 22nd August, 2017 approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No - 101248W/W-100022), as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting).

Accordingly, the appointment of M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors of the Company, is being placed before the shareholders at the 34th Annual General Meeting, for the ratification.

The Report given by M/s. B S R & Co. LLP, Chartered Accountants on the financial statements of the Company for the year 2018 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

30) 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.

31) 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 showing the details of employees of the Company who are drawing salary as per the limits prescribed under rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the Financial Year 2017-18 or part thereof, is attached herewith as Annexure - V(b) to this Report.

32) Acknowledgements

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

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

For and on behalf of the Board

Place : Gurugram
Dated : 18th May, 2018

Hidekazu Omura
Chairman

ANNEXURE - I

FORM MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2018

[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	-	JTEKT India Limited [formerly known as Sona Koyo Steering Systems Limited]
iv)	Category / Sub-Category of the Company	-	Manufacturing Automotive Components
v)	Address of the Registered office and contact details	-	UGF-6, Indra Prakash, 21, Barakhamba Road, New Delhi 110001 Tel : 91 11 23311924 email : investorgrievance@jtekt.co.in
vi)	Whether listed company Yes / No	-	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	-	M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032. Tel: 91 40 67162222, Fax: 91 40 23001153 email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1.	Steering gear assembly	29301	73%
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 Corporation** No. 5 - 8 , Minamisemba, 3-Chome, Chuo-Ku, Osaka, 5428502 Japan 110033	Not Applicable	Holding Company	69.82%	2(46)
2.	**JTEKT Sona Automotive India Ltd.** UGF-6, Indra Prakash, 21, Barakhamba Road, New Delhi 110 001.	U29268DL2007PLC165741	Subsidiary Company	49%	2(87)(i)
3.	**Sona Fuji Kiko Automotive Ltd.** UGF-6, Indra Prakash, 21, Barakhamba Road, New Delhi 110 001.	U35122DL2007PLC166496	Subsidiary Company	51%	2(87)(ii)

Note : The Company has disposed off its entire investment in Sona Skill Development Centre Limited (SSDCL) on 18th May, 2017, accordingly SSDCL ceased to be an Associate Company of JTEKT India Limited effective from 18th May, 2017.

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

i) Category-wise shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				%Change during the year
	Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
	1 Indian									
	a) Individual/HUF	320629	0	320629	0.16	0	0	0	0	(0.16)
	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.	63718304	0	63718304	32.06	13800000	0	13800000	6.94	(25.12)
	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)	**64038933**	**0**	**64038933**	**32.22**	**13800000**	**0**	**13800000**	**6.94**	**(25.28)**
	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	138771253	0	138771253	69.82	49.72
	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**	**138771253**	**0**	**138771253**	**69.82**	**49.72**
	Total shareholding of Promoter & Promoter Group [(A) = (A)(1)+(A)(2)]	**103986041**	**0**	**103986041**	**52.32**	**152571253**	**0**	**152571253**	**76.76**	**24.44**
B.	**Public Shareholding**									
	1 Institutions									
	a) Mutual Funds	2000	0	2000	0	152000	0	152000	0.08	0.08
	b) Banks / FI	50579	6000	56579	0.03	30400	6000	36400	0.02	(0.01)
	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	0	0	0	0.00	0	0	0	0	0
	h) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
	i) Others (Foreign Portfolio Investors)	1215252	0	1215252	0.61	349438	0	349438	0.18	(0.43)
	Sub-total (B)(1)	**2467831**	**6000**	**2473831**	**1.24**	**1731838**	**6000**	**1737838**	**0.88**	**(0.36)**
	2 Non-Institutions									
	a) Bodies Corp.									
	i) Indian	26014560	152420	26166980	13.17	4230619	152620	4383239	2.21	(10.96)
	ii) Overseas	0	0	0	0	0	0	0	0	0
	b) Individuals									
	i) holding shares upto INR 2 lakh	31952402	1574900	33527302	16.87	28703077	1341810	30044887	15.12	(1.75)
	ii) holding shares above INR 2 lakh	25261625	0	25261625	12.71	3333417	0	3333417	1.68	(11.03)
	c) Others	7228853	97200	7326053	3.69	6578098	93100	6671198	3.35	(0.34)
	Sub-total (B)(2)	**90457440**	**1824520**	**92281960**	**46.44**	**42845211**	**1587530**	**44432741**	**22.36**	**(24.08)**
	Total Public Shareholding [(B)=(B)(1)+(B)(2)]	**92925271**	**1830520**	**94755791**	**47.68**	**44577049**	**1593530**	**46170579**	**23.24**	**(24.44)**
C.	**Shares held by Custodian for GDRs & ADRs**	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	**196911312**	**1830520**	**198741832**	**100.00**	**197148302**	**1593530**	**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 ①	49914664	25.12	0.00	N.A.	N.A.	N.A.	(25.12)
2.	JTEKT Corporation	39947108	20.10	0.00	138771253	69.82	0.00	49.72
3.	Maruti Suzuki India Limited	13800000	6.94	0.00	13800000	6.94	0.00	0.00
4.	Mr. Sunjay Kapur ②	3300	0.00	0.00	N.A.	N.A.	N.A.	N.A.
5.	Mrs. Rani Kapur ②	6000	0.00	0.00	N.A.	N.A.	N.A.	N.A.
6.	Jug Mohan Kapur (HUF) ②	329	0.00	0.00	N.A.	N.A.	N.A.	N.A.
7.	Mrs. Esha Chopra ①	150000	0.08	0.00	N.A.	N.A.	N.A.	(0.08)
8.	Mr. Subhash Chopra ①	75000	0.04	0.00	N.A.	N.A.	N.A.	(0.04)
9.	Mr. J.M. Kapur ②	34000	0.02	0.00	N.A.	N.A.	N.A.	(0.02)
10.	Mrs. Sumitra Kapur ②	2000	0.00	0.00	N.A.	N.A.	N.A.	N.A.
11.								

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
4.	Mr. Sunjay Kapur ②				
	At the beginning of the year	3300	0.00	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.
5.	Mrs. Rani Kapur ②				
	At the beginning of the year	6000	0.00	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.
6.	Jug Mohan Kapur (HUF) ②				
	At the beginning of the year	329	0.00	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.
7.	Mrs. Esha Chopra ①				
	At the beginning of the year	150000	0.08	0.00	0.00
	Disposed off during the year	150000	0.08	0.00	0.00
	At the end of the year	N.A.	N.A.	N.A.	N.A.
8.	Mr. Subhash Chopra ①				
	At the beginning of the year	75000	0.04	0.00	0.00
	Disposed off during the year	75000	0.04	0.00	0.00
	At the end of the year	N.A.	N.A.	N.A.	N.A.
9.	Mr. J.M. Kapur ②				
	At the beginning of the year	34000	0.02	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.
10.	Mrs. Sumitra Kapur ②				
	At the beginning of the year	2000	0.00	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.
11.	Sumish Finance & Investment Co. Pvt. Ltd. ②				
	At the beginning of the year	3640	0.00	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.
12.	Mr. Aman Chopra②				
	At the beginning of the year	21000	0.01	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.
13.	Ms. Sangeeta Chopra ②				
	At the beginning of the year	15000	0.01	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.
14.	Mrs. Mandira Koirala ②				
	At the beginning of the year	8000	0.00	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.
15.	Mrs. Superna Motwane ②				
	At the beginning of the year	6000	0.00	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.

① De-classified as part of Promoter Group of the Company vide approval letter no. NSE/LIST/13108 dated 18th July, 2017 issued by National Stock Exchange of India Limited and letter no. LIST/COMP/MI/284/2017-18 issued by BSE Limited.

② Re-classified as public shareholders of the Company vide approval letter no. NSE/LIST/13108 dated 18th July, 2017 issued by National Stock Exchange of India Limited and letter no. LIST/COMP/MI/284/2017-18 issued by BSE Limited.

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 01.04.2017		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 wise increase decrease in shareholding during the year	Increase / (Decrease) (No. of Shares)		No. of Shares	% of total shares of the Company
1.	Nemish S. Shah *	8680000	4.37	01.04.2017	-	-	8680000	4.37
				23.06.2017	(8680000)	Transfer	0	0.00
				31.03.2018	0	-	0	0.00
2.	Gagandeep Credit Capital Pvt. Ltd. *	6893611	3.47	01.04.2017	-	-	6893611	3.47
				23.06.2017	(6893611)	Transfer	0	0.00
				31.03.2018	0	-	0	0.00
3.	Anuj Anantrai Sheth *	1361037	0.68	01.04.2017	-	-	1361037	0.68
				09.06.2017	(1361037)	Transfer	0	0.00
				31.03.2018	0	-	0	0.00
4.	Dhruvi Manish Acharya *	1424000	0.72	01.04.2017	-	-	1424000	0.72
				14.04.2017	(4443)	Transfer	1419557	0.71
				23.06.2017	(1419557)	Transfer	0	0.00
				31.03.2018	0	-	0	0.00
5.	General Insurance Corporation of India	1200000	0.60	01.04.2017	-	-	1200000	0.60
				31.03.2018	-	-	1200000	0.60
6.	Opportune Advisory Services LLP *	1000000	0.50	01.04.2017	-	-	1000000	0.50
				09.06.2017	(1000000)	Transfer	0	0.00
				31.03.2018	0	-	0	0.00
7.	Siddharth Iyer	1000000	0.50	01.04.2017	-	-	1000000	0.50
				16.06.2017	292632	Transfer	1292632	0.65
				23.06.2017	7368	Transfer	1300000	0.65
				30.06.2017	(300000)	Transfer	1000000	0.50
				31.03.2018	-	-	1000000	0.50
8.	Rajasthan Global Securities Pvt. Ltd. *	7522039	3.78	01.04.2017	-	-	7522039	3.78
				07.04.2017	515144	Transfer	8037183	4.04
				28.04.2017	202710	Transfer	8239893	4.15
				05.05.2017	21975	Transfer	8261868	4.16
				12.05.2017	295706	Transfer	8557574	4.31
				26.05.2017	544508	Transfer	9102082	4.58
				02.06.2017	2129550	Transfer	11231632	5.65
				09.06.2017	1100313	Transfer	12331945	6.21
				16.06.2017	284149	Transfer	12616094	6.35
				23.06.2017	(12616094)	Transfer	0	0.00
				31.03.2018	-	-	0	0.00
9.	Amit Goel *	1646160	0.83	01.04.2017	-	-	1646160	0.83
				07.04.2017	(69926)	Transfer	1576234	0.79
				14.04.2017	(10850)	Transfer	1565384	0.79
				09.06.2017	(1565384)	Transfer	0	0.00
				31.03.2018	-	-	0	0.00

Sl. No.	Name of the shareholders	Shareholding at the beginning of the year as on 01.04.2017		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 wise increase decrease in shareholding during the year	Increase / (Decrease) (No. of Shares)		No. of Shares	% of total shares of the Company
10.	Harmony Advisory Services LLP	2851000	1.43	01.04.2017	-	-	2851000	1.43
				09.06.2017	(1224)	Transfer	2849776	1.43
				16.06.2017	(1400000)	Transfer	1449776	0.73
				30.06.2017	(140400)	Transfer	1309376	0.66
				07.07.2017	(649600)	Transfer	659776	0.33
				14.07.2017	(110000)	Transfer	549776	0.28
				31.03.2018	-	-	549776	0.28
11.	Atul Goel ***	594153	0.30	01.04.2017	-	-	594153	0.30
				07.04.2017	3000	Transfer	597153	0.30
				28.04.2017	15890	Transfer	613043	0.31
				05.05.2017	10000	Transfer	623043	0.31
				12.05.2017	134305	Transfer	757348	0.38
				19.05.2017	155741	Transfer	913089	0.46
				26.05.2017	300266	Transfer	1213355	0.61
				02.06.2017	788589	Transfer	2001944	1.01
				09.06.2017	91907	Transfer	2093851	1.05
				16.06.2017	(2093851)	Transfer	0	0.00
				31.03.2018	-	-	0	0.00
12.	IL&FS Trust Company Limited-Forefront Alternative Investment Trust-Forefront Alternative Equity Scheme ***	943632	0.47	01.04.2017	-	-	943632	0.47
				07.04.2017	(2345)	Transfer	941287	0.47
				14.04.2017	(206980)	Transfer	734307	0.37
				21.04.2017	(45154)	Transfer	689153	0.35
				19.05.2017	(29338)	Transfer	659815	0.33
				26.05.2017	116784	Transfer	776599	0.39
				02.06.2017	840749	Transfer	1617348	0.81
				09.06.2017	115278	Transfer	1732626	0.87
				23.06.2017	(1732626)	Transfer	0	0.00
				31.03.2018	-	-	0	0.00
13.	Sharda Goyal ***	0	0.00	01.04.2017	-	-	0	0.00
				02.06.2017	981912	Transfer	981912	0.49
				16.06.2017	(981912)	Transfer	0	0.00
				31.03.2018	-	-	0	0.00
14.	Mayank Jaswantlal Shah ***	949295	0.48	01.04.2017	-	-	949295	0.48
				23.06.2017	(949295)	Transfer	0	0.00
				31.03.2018	-	-	0	0.00
15.	Vallabh Roopchand Bhanshal ***	850000	0.43	01.04.2017	-	-	850000	0.43
				23.06.2017	(850000)	Transfer	0	0.00
				31.03.2018	-	-	0	0.00

Sl. No.	Name of the shareholders	Shareholding at the beginning of the year as on 01.04.2017		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 wise increase decrease in shareholding during the year	Increase / (Decrease) (No. of Shares)		No. of Shares	% of total shares of the Company
16.	Rajani Tarun Jain **	100000	0.05	01.04.2017	-	-	100000	0.05
				14.04.2017	169810	Transfer	269810	0.14
				21.04.2017	30190	Transfer	300000	0.15
				16.06.2017	300000	Transfer	600000	0.30
				23.06.2017	34387	Transfer	634387	0.32
				07.07.2017	(59387)	Transfer	575000	0.29
				31.03.2018	-	-	575000	0.29
17.	Reetha Shetty ***	525000	0.26	01.04.2017	-	-	525000	0.26
				30.06.2017	(250000)	Transfer	275000	0.14
				01.09.2017	(51000)	Transfer	224000	0.11
				08.09.2017	(142000)	Transfer	82000	0.04
				15.09.2017	(65000)	Transfer	17000	0.01
				22.09.2017	(3500)	Transfer	13500	0.01
				24.11.2017	(13500)	Transfer	0	0.00
				02.02.2018	120000	Transfer	120000	0.06
				23.03.2018	25000	Transfer	145000	0.07
				30.03.2018	50000	Transfer	195000	0.10
				31.03.2018	-	-	195000	0.10
18.	SI Investment & Broking Pvt. Ltd.***	0	0.00	01.04.2017	-	-	0	0.00
				07.04.2017	50000	Transfer	50000	0.03
				21.04.2017	(50000)	Transfer	0	0.00
				16.06.2017	500000	Transfer	500000	0.25
				30.06.2017	(500000)	Transfer	0	0.00
				30.03.2018	250000	Transfer	250000	0.13
				31.03.2018	-	-	250000	0.13
19.	P and Y Estates LLP **	100000	0.05	01.04.2017	-	-	100000	0.05
				14.04.2017	100000	Transfer	200000	0.10
				21.04.2017	40000	Transfer	240000	0.12
				02.06.2017	20000	Transfer	260000	0.13
				09.06.2017	40000	Transfer	300000	0.15
				15.12.2017	300000	Transfer	600000	0.30
				17.12.2017	(300000)	Transfer	300000	0.15
				31.03.2018	-	-	300000	0.15
20.	Deep J Master **	402500	0.20	01.04.2017	-	-	402500	0.20
				19.05.2017	(2500)	Transfer	400000	0.20
				26.05.2017	(100000)	Transfer	300000	0.15
				04.08.2017	(30000)	Transfer	270000	0.14
				11.08.2017	(7500)	Transfer	262500	0.13
				25.08.2017	(2500)	Transfer	260000	0.13
				27.10.2017	(1500)	Transfer	258500	0.13
				10.11.2017	(3500)	Transfer	255000	0.13

Sl. No.	Name of the shareholders	Shareholding at the beginning of the year as on 01.04.2017		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 wise increase decrease in shareholding during the year	Increase / (Decrease) (No. of Shares)		No. of Shares	% of total shares of the Company
				24.11.2017	(2000)	Transfer	253000	0.13
				01.12.2017	(1000)	Transfer	252000	0.13
				22.12.2017	(2500)	Transfer	249500	0.13
				29.12.2017	500	Transfer	250000	0.13
				12.01.2018	50000	Transfer	300000	0.15
				02.02.2018	52500	Transfer	352500	0.18
				09.02.2018	32500	Transfer	385000	0.19
				16.02.2018	16000	Transfer	401000	0.20
				23.02.2018	4000	Transfer	405000	0.20
				16.03.2018	1000	Transfer	406000	0.20
				23.03.2018	2500	Transfer	408500	0.21
				31.03.2018	-	-	408500	0.21
21.	Sachi Jagdish Master ***	400000	0.20	01.04.2017	-	-	400000	0.20
				26.05.2017	(100000)	Transfer	300000	0.15
				07.07.2017	(12500)	Transfer	287500	0.14
				14.07.2017	(45000)	Transfer	242500	0.12
				21.07.2017	(167500)	Transfer	75000	0.04
				28.07.2017	(70000)	Transfer	5000	0.00
				04.08.2017	(5000)	Transfer	0	0.00
				31.03.2018	-	-	0	0.00
22.	Vinay Mittal ***	461882	0.23	01.04.2017	-	-	461882	0.23
				21.04.2017	(17036)	Transfer	444846	0.22
				05.05.2017	(7200)	Transfer	437646	0.22
				02.06.2017	(114662)	Transfer	322984	0.16
				09.06.2017	(1649)	Transfer	321335	0.16
				16.06.2017	(25000)	Transfer	296335	0.15
				14.07.2017	(43088)	Transfer	253247	0.13
				27.10.2017	(25000)	Transfer	228247	0.11
				29.12.2017	(36528)	Transfer	191719	0.10
				05.01.2018	(9909)	Transfer	181810	0.09
				30.03.2018	(21989)	Transfer	159821	0.08
				31.03.2018	-	-	159821	0.08
23.	Vanjana Sunder Iyer ***	0	0.00	01.04.2017	-	-	0	0.00
				30.06.2017	800000	Transfer	800000	0.40
				07.07.2017	197516	Transfer	997516	0.50
				14.07.2017	2481	Transfer	999997	0.50
				04.08.2017	3	Transfer	1000000	0.50

Sl. No.	Name of the shareholders	Shareholding at the beginning of the year as on 01.04.2017		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 wise increase decrease in shareholding during the year	Increase / (Decrease) (No. of Shares)		No. of Shares	% of total shares of the Company
				17.11.2017	400000	Transfer	1400000	0.70
				12.01.2018	(355141)	Transfer	1044859	0.53
				19.01.2018	(343769)	Transfer	701090	0.35
				25.01.2018	(29860)	Transfer	671230	0.34
				02.02.2018	(82952)	Transfer	588278	0.30
				09.02.2018	(88278)	Transfer	500000	0.25
				16.02.2018	(500000)	Transfer	0	0.00
				31.03.2018	-	-	0	0.00
24.	Mukul Agrawal **	0	0.00	01.04.2017	-	-	0	0.00
				14.07.2017	600050	Transfer	600050	0.30
				24.11.2017	(13755)	Transfer	586295	0.30
				01.12.2017	(9537)	Transfer	576758	0.29
				15.12.2017	(2708)	Transfer	574050	0.29
				22.12.2017	(74050)	Transfer	500000	0.25
				31.03.2018	-	-	500000	0.25
25.	Chanda Sachdeva **	200000	0.10	01.04.2017	-	-	200000	0.10
				21.04.2017	44764	Transfer	244764	0.12
				28.04.2017	15236	Transfer	260000	0.13
				08.12.2017	260000	Transfer	520000	0.26
				08.12.2017	(260000)	Transfer	260000	0.13
				31.03.2018	-	-	260000	0.13
26.	D. Srimathi **	136706	0.07	01.04.2017	-	-	136706	0.07
				11.08.2017	22000	Transfer	158706	0.08
				18.08.2017	35000	Transfer	193706	0.10
				01.09.2017	20000	Transfer	213706	0.11
				08.09.2017	14851	Transfer	228557	0.12
				15.09.2017	5000	Transfer	233557	0.12
				22.09.2017	28000	Transfer	261557	0.13
				06.10.2017	5000	Transfer	266557	0.13
				10.11.2017	13360	Transfer	279917	0.14
				08.12.2017	10000	Transfer	289917	0.15
				31.03.2018	-	-	289917	0.15
27.	M.C. Jain Infoservices Private Limited ***	0	0.00	01.04.2017	-	-	0	0.00
				27.10.2017	125000	Transfer	125000	0.06
				10.11.2017	139394	Transfer	264394	0.13
				09.02.2018	(250000)	Transfer	14394	0.01
				31.03.2018	-	-	14394	0.01

Sl. No.	Name of the shareholders	Shareholding at the beginning of the year as on 01.04.2017		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 wise increase decrease in shareholding during the year	Increase / (Decrease) (No. of Shares)		No. of Shares	% of total shares of the Company
28.	Twenty First Century Management Services Ltd.***	0	0.00	01.04.2017	-	-	0	0.00
				19.01.2018	500000	Transfer	500000	0.25
				23.02.2018	(37557)	Transfer	462443	0.23
				02.03.2018	(240986)	Transfer	221457	0.11
				23.03.2018	(221457)	Transfer	0	0.00
				31.03.2018	-	-	0	0.00
29.	Progressive Share Brokers Pvt. Ltd.***	400	0.00	01.04.2017	-	-	400	0.00
				05.05.2017	(400)	Transfer	0	0.00
				19.05.2017	8000	Transfer	8000	0.00
				26.05.2017	1500	Transfer	9500	0.00
				26.05.2017	(1669)	Transfer	7831	0.00
				02.06.2017	(3000)	Transfer	4831	0.00
				09.06.2017	(3231)	Transfer	1600	0.00
				16.06.2017	5000	Transfer	6600	0.00
				16.06.2017	(1000)	Transfer	5600	0.00
				23.06.2017	(600)	Transfer	5000	0.00
				30.06.2017	(5000)	Transfer	0	0.00
				07.07.2017	3000	Transfer	3000	0.00
				14.07.2017	(3000)	Transfer	0	0.00
				21.07.2017	4200	Transfer	4200	0.00
				28.07.2017	(90)	Transfer	4110	0.00
				11.08.2017	(3000)	Transfer	1110	0.00
				18.08.2017	(36)	Transfer	1074	0.00
				25.08.2017	(110)	Transfer	964	0.00
				01.09.2017	(6)	Transfer	958	0.00
				08.09.2017	(958)	Transfer	0	0.00
				27.10.2017	2095	Transfer	2095	0.00
				31.10.2017	(2085)	Transfer	10	0.00
				10.11.2017	(10)	Transfer	0	0.00
				17.11.2017	5	Transfer	5	0.00
				22.12.2017	500	Transfer	505	0.00
				29.12.2017	(500)	Transfer	5	0.00
				05.01.2018	(5)	Transfer	0	0.00
				12.01.2018	150	Transfer	150	0.00
				09.02.2018	251500	Transfer	251650	0.13
				16.02.2018	(50)	Transfer	251600	0.13

Sl. No.	Name of the shareholders	Shareholding at the beginning of the year as on 01.04.2017		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 wise increase decrease in shareholding during the year	Increase / (Decrease) (No. of Shares)		No. of Shares	% of total shares of the Company
				23.02.2018	(216)	Transfer	251384	0.13
				02.03.2018	100000	Transfer	351384	0.18
				02.03.2018	(100000)	Transfer	251384	0.13
				09.03.2018	(1309)	Transfer	250075	0.13
				23.03.2018	400	Transfer	250475	0.13
				30.03.2018	(475)	Transfer	250000	0.13
				31.03.2018	-	-	250000	0.13
30.	Pace Stock Broking Services Pvt. Ltd. ***	85160	0.04	01.04.2017	-	-	85160	0.04
				07.04.2017	50000	Transfer	135160	0.07
				14.04.2017	(55582)	Transfer	79578	0.04
				21.04.2017	63998	Transfer	143576	0.07
				28.04.2017	(49654)	Transfer	93922	0.05
				05.05.2017	6458	Transfer	100380	0.05
				12.05.2017	6956	Transfer	107336	0.05
				19.05.2017	2744	Transfer	110080	0.06
				26.05.2017	7372	Transfer	117452	0.06
				09.06.2017	(11052)	Transfer	106400	0.05
				16.06.2017	(12700)	Transfer	93700	0.05
				23.06.2017	(65449)	Transfer	28251	0.01
				30.06.2017	8503	Transfer	36754	0.02
				07.07.2017	(29072)	Transfer	7682	0.00
				14.07.2017	2787	Transfer	10469	0.01
				21.07.2017	6134	Transfer	16603	0.01
				21.07.2017	(1158)	Transfer	15445	0.01
				28.07.2017	(5302)	Transfer	10143	0.01
				04.08.2017	(18)	Transfer	10125	0.01
				11.08.2017	(250)	Transfer	9875	0.00
				18.08.2017	(1558)	Transfer	8317	0.00
				25.08.2017	(2695)	Transfer	5622	0.00
				01.09.2017	180	Transfer	5802	0.00
				08.09.2017	15000	Transfer	20802	0.01
				15.09.2017	(308)	Transfer	20494	0.01
				22.09.2017	3100	Transfer	23594	0.01
				29.09.2017	450	Transfer	24044	0.01
				06.10.2017	(100)	Transfer	23944	0.01
				13.10.2017	15000	Transfer	38944	0.02
				27.10.2017	1514	Transfer	40458	0.02

Sl. No.	Name of the shareholders	Shareholding at the beginning of the year as on 01.04.2017		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 wise increase decrease in shareholding during the year	Increase / (Decrease) (No. of Shares)		No. of Shares	% of total shares of the Company
				27.10.2017	(14230)	Transfer	26228	0.01
				31.10.2017	27330	Transfer	53558	0.03
				31.10.2017	(801)	Transfer	52757	0.03
				03.11.2017	(9500)	Transfer	43257	0.02
				10.11.2017	400	Transfer	43657	0.02
				10.11.2017	(11732)	Transfer	31925	0.02
				17.11.2017	26400	Transfer	58325	0.03
				17.11.2017	(100)	Transfer	58225	0.03
				24.11.2017	46194	Transfer	104419	0.05
				01.12.2017	24000	Transfer	128419	0.06
				08.12.2017	700	Transfer	129119	0.06
				08.12.2017	(23326)	Transfer	105793	0.05
				15.12.2017	(13921)	Transfer	91872	0.05
				22.12.2017	44600	Transfer	136472	0.07
				22.12.2017	(49347)	Transfer	87125	0.04
				05.01.2018	4615	Transfer	91740	0.05
				05.01.2018	(10500)	Transfer	81240	0.04
				12.01.2018	19175	Transfer	100415	0.05
				19.01.2018	60472	Transfer	160887	0.08
				26.01.2018	43271	Transfer	204158	0.10
				02.02.2018	13850	Transfer	218008	0.11
				02.02.2018	(4000)	Transfer	214008	0.11
				09.02.2018	(22021)	Transfer	191987	0.10
				16.02.2018	(74000)	Transfer	117987	0.06
				23.02.2018	(502)	Transfer	117485	0.06
				09.03.2018	88826	Transfer	206311	0.10
				16.03.2018	8674	Transfer	214985	0.11
				16.03.2018	(23800)	Transfer	191185	0.10
				23.03.2018	272840	Transfer	464025	0.23
				30.03.2018	(299800)	Transfer	164225	0.08
				31.03.2018	-	-	164225	0.08
31.	Yodhan Sachdev **	0	0.00	01.04.2017	-	-	0	0.00
				30.03.2018	300000	Transfer	300000	0.15
				31.03.2018	-	-	300000	0.15

Notes

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 31.03.2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2017.

** Not in the list of Top 10 shareholders as on 01.04.2017. The same has been reflected above since the shareholders were one of the Top 10 shareholders as on 31.03.2018.

*** Not in the list of Top 10 shareholders as on 31.03.2018 but was part of Top 10 shareholders during 2017-18.

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 01.04.2017		Change in shareholding during the year		Shareholding at the end of the year as on 31.03.2018	
		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. Sudhir Chopra, Director (Corporate Affairs) & Company Secretary	1,500	0.00%	0	0.00%	1,500	0.00%
2	Mr. Sunjay Kapur, Chairman [1]	3,300	0.00%	N.A.	N.A.	N.A.	N.A.
3	Mr. Kiran Manohar Deshmukh, Executive Vice Chairman [1]	19,700	0.01%	N.A.	N.A.	N.A.	N.A.
4	Mrs. Rani Kapur, Director [1]	6,000	0.00%	N.A.	N.A.	N.A.	N.A.
5	Mr. P.K. Chadha, Director [2]	15,000	0.01%	N.A.	N.A.	N.A.	N.A.
KMPs							
1	Mr. Sudhir Chopra, Director (Corporate Affairs) & Company Secretary	1,500	0.00%	0	0.00%	1,500	0.00%
2	Mr. Kiran Manohar Deshmukh, Executive Vice Chairman [3]	19,700	0.01%	N.A.	N.A.	N.A.	N.A.
3	Mr. Rajiv Chanana, Chief Financial Officer	3,000	0.00%	0	0.00%	3,000	0.00%

[1] Resigned from the directorship of the Company with effect from the close of business hours of 18th May, 2017.

[2] Ceased to be a director of the Company with effect from 23rd June, 2017 due to his demise.

[3] Ceased to be KMP effective from the close of business hours of 18th May, 2017.

vi) **Indebtedness**

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

(INR / Lakhs)

Particulars		Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year					
i)	Principle Amount	22435.00	2113.53	-	24548.52
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	79.93	-	-	79.93
Total (i+ii+iii)		**22514.93**	**2113.53**	**-**	**24628.45**
Change in Indebtedness during the Financial Year					
•	Addition	5191.69	1820.35	-	7012.04
•	Reduction	(7121.92)	(1570.66)	-	(8692.57)
Net Change		**(1930.22)**	**249.69**	**-**	**(1680.53)**
Indebtedness at the end of the Financial Year					
i)	Principle Amount	20504.77	2363.22	-	22867.99
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	48.35	-	-	48.35
Total (i+ii+iii)		**22553.12**	**2363.22**	**-**	**22916.34**

vii) Remuneration of Directors and Key Managerial Personnel

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

(INR / Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Kiyozumi Kamiki Managing Director	Mr. Sudhir Chopra Director (Corporate Affairs) & Company Secretary	Mr. K.M. Deshmukh * Executive Vice Chairman	Total Amount
1.	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	48.90	94.83	37.30*	181.03
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	16.55	6.86	0.07*	23.48
	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	-	50.00	-	50.00
	• Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	**65.45**	**151.69**	**37.37***	**254.51**

* Indicates earnings for part of the financial year.

B. Remuneration to other directors:

(INR / Lakhs)

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole time Directors

(INR / Lakhs)

Sl. No.	Particulars of Remuneration	Chief Financial Officer	Total Amount
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	75.14	75.14
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4.33	4.33
	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	**79.47**	**79.47**

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 JTEKT India Limited are carried out by the company itself 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.jtekt.co.in
2.	The Composition of the CSR Committee	1) Mr. Ravi Bhoothalingam, Independent Director [Chairman] 2) Mr. Hidekazu Omura, Chairman [Member] 3) Mr. Kiyozumi Kamiki, Managing Director [Member]
3.	Average net profit of the Company for last three financial years (Amount in Lakhs)	INR 2,774.31 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) [Amount in Lakhs]	INR 55.48 Lakhs
5.	Details of CSR spent during the financial year	
	a) Total amount to be spent for the financial year	INR 55.48 Lakhs
	b) Amount unspent, if any.	INR 29.86 Lakhs
	c) Manner in which the amount spent during the financial year	The manner in which the amount spent is detailed below :

Sl. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs : Local area or other Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise (INR / Lakhs)	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs Overheads (INR / Lakhs)	Cumulative Expenditure up to the reporting period (INR / Lakhs)	Amount Direct or through implementing agency
1.	Contribution towards purchase of Ambulance and Ultrasound Machine	Promoting healthcare including preventive healthcare	Delhi, NCR	25.62	25.62	25.62	Implementing Agency
	Total CSR Spent			**25.62**	**25.62**	**25.62**	

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

Place : Gurugram
Dated : 18th May, 2018

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

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

ANNEXURE - III

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2018

[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,
JTEKT India Limited,
(Formerly known as 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 JTEKT India Limited (Formerly known as 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 JTEKT India 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, 2018 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 JTEKT India Limited for the financial year ended on 31st March, 2018, according to the provisions of:

(i) The Companies Act, 2013 read with the applicable provisions of Companies (Amendment) Act, 2017 (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 being replaced by Goods and Service Tax Act w.e.f 01.07.2017;

(ix) The Service Tax being replaced by Goods and Service Tax Act w.e.f 01.07.2017;

(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:

- Secretarial Standards with respect to meetings of the Board of Directors (SS-1) and General Meetings (SS-2), withdrawn by Institute of Company Secretaries of India w.e.f. 30th September, 2017 and revised Secretarial Standards SS-1 and SS-2 , were issued and made applicable from 1st October, 2017.
- The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

I further report that

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

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

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

I further report that

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

I further report that during the audit period

there were no specific events/actions having a major bearing on the Company's affairs except the following :

- During the Period under review, shareholding of JTEKT Corporation, Japan increased in the Company, which resulted in the change of management control. Consequently, the Company and its subsidiaries have become part of JTEKT Corporation, Japan.
- During the Period under review, due to the aforesaid change in shareholding of JTEKT Corporation, Japan in the Company, the Board of Directors of the Company was reconstituted and Mr. Hidekazu Omura was elected Chairman of the Company, Mr. Kiyozumi Kamiki was elevated to the position of Managing Director, Mr. Seiho Kawakami was appointed as Additional Director and Mr. Sudhir Chopra was elevated to the position of Director (Corporate Affairs) & Company Secretary.
- Name of the Company was changed from Sona Koyo Steering Systems Limited to JTEKT India Limited with effect from 7th April, 2018 vide a fresh Certificate of Incorporation issued by the Registrar of Companies, N.C.T. of Delhi & Haryana dated 7th April, 2018.
- The Board of Directors of the Company have, vide resolution dated 9th February, 2018, approved Scheme of Amalgamation of involving JTEKT Sona Automotive India Limited (Amalgamating Company) and JTEKT India Limited (formerly known as Sona Koyo Steering Systems Limited) (Amalgamated Company) and their respective shareholders and creditors. The Company has filed an application with National Stock Exchange and BSE Limited on 14.02.2018 for approving the said Scheme of Amalgamation. As on date, application is pending with SEBI for its approval.

For S.S. Gupta, Company Secretaries

S.S. GUPTA
[Proprietor]
FCS No. 936
CP No. 4907

Place:- New Delhi
Date:- 15th May, 2018

ANNEXURE - IV

FORM – A : PARTICULARS WITH RESPECT TO CONSERVATION

FOR THE FINANCIAL YEAR ENDED 2018

Power and Fuel Consumption			2017-2018						
			Gurugram[1]	Dharuhera[2]	Chennai[3]	Sanand[4]	Dharuhera- 2[5]	Dharuhera-3[6]	Stamping Unit[7]
	State Electricity Board								
1.	Power Units purchased (KWH)	(Units)	7018746	3894823	2628060	576608	2185773	4562410	382530
	Total Amount	INR	54537274	29138555	22387544	4553609	17141143	35989362	3409638
	Rate per unit	INR	7.77	7.48	8.52	7.90	7.84	7.89	8.91
2.	Captive Generation DG Set (KWH)	(Units)	209186	257392	152373	-	141832	349158	14616
	Amount	INR	3506357	4375606	2703174	-	2356796	5448071	303836
	Rate per unit	INR	16.76	17.00	17.74	-	16.61	15.60	20.78
	Fixed Cost	INR	5175960	3780560	157307	-	1876440	2424060	264880
3.	Diesel consumption	(Litres)	70578	81691	48196	-	44941	103135	5532
	Total Amount	INR	3506357	4291881	2703174	-	2260856	5448071	303836
	Rate per litre	INR	49.68	52.54	56.09	-	50.30	52.82	54.92
	Litre per unit	INR	0.34	0.32	0.32	-	0.33	0.30	0.38
4.	Solar Power	(Units)	180264	419678	155192	-	328300	337214	-
	Total Amount	INR	1114031	2572630	935890	-	2045786	2035070	-
	Rate per unit	INR	6.18	6.13	6.03	-	6.23	6.03	-

Power and Fuel Consumption			2016-2017						
			Gurugram[1]	Dharuhera[2]	Chennai[3]	Sanand[4]	Dharuhera- 2[5]	Dharuhera-3[6]	Stamping Unit[7]
	State Electricity Board								
1.	Power Units purchased (KWH)	(Units)	6991709	3514350	2652270	444832	2113410	4183235	409449
	Total Amount	INR	54873544	27939712	22447001	3608247	16898710	33273597	3860921
	Rate per unit	INR	7.84	7.95	8.46	8.11	7.96	7.95	9.43
2.	Captive Generation DG Set (KWH)	(Units)	265082	287252	157901	-	167753	393246	20596
	Total Amount	INR	3949513	4015667	3490437	-	2262061	5439260	373271
	Rate per unit	INR	14.90	13.98	22.11	-	13.48	13.83	18.12
	Fixed Cost	INR	5231520	3843360	-	-	1782060	2490260	316192
3.	Diesel Consumption	(Litres)	91842	90676	62305	-	51216	120498	7185
	Total Amount	INR	3949513	3950667	3203485	-	2255311	5439260	373271
	Rate per litre	INR	43.00	43.57	51.42	-	44.04	45.14	51.95
	Litre per unit		0.35	0.32	0.39	-	0.31	0.31	0.35
4.	Solar Power	(Units)	238237	331335	37019	-	55913	-	-
	Total Amount	INR	1429425	1988008	222114	-	335478	-	-
	Rate per unit	INR	6.00	6.00	6.00	-	6.00	-	-

① Total saving achieved at Gurugram Plant during financial year 2017-18 – INR 0.77 million.

Above saving achieved by taking the following initiatives:

1) Provided LED tube light 13 watt instead of simple tube light 18x2 =36 watt in plant-2. It gives the saving of INR 0.35 million.
2) Provided 8x4=32 watt LED tube light instead of simple tube light 72 watt. It gives the saving of INR 0.036 million.
3) Provided VFD (Variable Frequency Drive) on FDV. It gives the saving of INR 0.36 million.
4) Provided 10 watt LED downloader instead of simple tube light 18x4=72 watt in office area. It gives the saving of INR 0.03 million.

② Total saving achieved at Dharuhera Plant (1) during financial year 2017-18 – INR 0.33 million.

Above saving achieved by taking the following initiatives:

1) Installation of 140KW solar power plant to reduce power cost (saving of INR 0.20 million).
2) Installation of LED Light of CEPS Assy. to reduce power consumption of lights (saving of INR 0.03 million).
3) Replace 15KW pump with 7.5KW pump to reduce power consumption of DD Forming machine (saving of INR 0.09 million).
4) Reduce air pressure of Air guns to reduce power consumption (saving of INR 0.01 million).

③ Total saving achieved at Chennai Plant during financial year 2017-18 – INR 0.787 million.

Above saving achieved by taking the following initiatives:

1) In house generation with 98 kw Solar PV panel (1.18 lakhs units) (saving of INR 0.295 million).
2) Conversion of Fluorescent lamp into LED lamp in Office area, standard room, IT room (saving of INR 0.248 million).
3) Introducing Light & Fan in the floor Auto cut off while going for lunch & Tea time (saving of INR 0.183 million).
4) Conversion of CFL Lamps to LED High Bay lamp FGS area (saving of INR 0.019 million).
5) Conversion of Sodium vapor lamp to LED street lights (saving of INR 0.042 million).

④ Total saving achieved at Sanand Plant during financial year 2017-18 – INR 0.133 million.

Above saving achieved by taking the following initiatives:

1) A saving of 6131 units achieved by maintain power factor 0.97 to 0.98 for instrument efficiency improvement to a saving of INR 0.046 million.
2) A saving of 1724 units achieved by switching off street light alternatively (22 light, 250w) to a saving of INR 0.012 million.
3) A saving of 9482 units achieved by stop FDV in lunch time to a saving of INR 0.066 million.
4) A saving of 1293 units achieved by use 22kw compressor in place of 37kw compressor when air demand is low to saving of INR 0.009 million.

⑤ Total saving achieved at Dharuhera Plant (2) during financial year 2017-18 – INR 0.0269 million.

Above saving achieved by taking the following initiatives:

1. On Pinion line -3B, two wall mount fan provided instead of FDV (saving of INR 0.017 million).
2. Separate the Tube light on gangway of line-3 (saving of INR 0.0096 million).
3. Motion sensor install on Pantry wall fan (saving of INR 0.00038 million).

⑥ Total saving achieved at Dharuhera Plant (3) during financial year 2017-18 – INR 0.17 million.

Above saving achieved by taking the following initiatives:

1) Melting furnace diesel consumption by optimization of molten metal temperature to 730°C (savings of INR 0.15 million).

⑦ Total saving achieved at Stamping Unit during financial year 2017-18 – INR 0.13 million**.**

Above saving achieved by taking the following initiatives:

1) Installed LED lights in place of CFL lights in Press Shop area (saving of INR 0.025 million).
2) Replaced conventional lights with LED lights in Standard Room, Weld Shop, Press Shop and Main office (saving of INR 0.005 million).
3) RO waste water uses in pots and Desert Cooler (saving of INR 0.05 million).
4) Changing of Press m/c friction liners quality and improve life from 6 month to 9 month (saving of INR 0.05 million).

Form - B : Particulars with respect to Technology Absorption

A. Technology Absorption

1.	Efforts in brief towards Technology Absorption and Innovation	a)	Design of high performance Rack & Pinion Steering gear for CEPS application with advance features of noise and friction control completed and implemented.
		b)	Design and Development of Double crimping Collapsible I shaft for CEPS application completed and implemented.
		c)	Development of high performance Sliding shaft for high power column EPS application completed and implemented.
		d)	Design and Development of Sliding IMS for CV segment completed and implemented.
2.	Benefits derived as a results of above efforts e.g. Product Improvement, Cost Reduction, Product Development, Import Substitution etc.	a)	Development of high performance Rack & Pinion steering gear is aimed at offering superior product to customers for smooth driving experience. Besides gaining competitive edge for new business, the development will also help in reducing warranty cost in future.
		b)	Better control in tuning of I shaft collapse and for High Torque transmitting IMS.
		c)	High performance sliding shaft for column EPS provides solution to achieve optimal sliding friction with almost no free play which is necessary condition to overcome typical noise problems experienced while driving.
		d)	Light weight and low cost sliding IMS for CV segment. It is lobe design having Nylon coating for low sliding load and high NVH Performance.
3.	Information regarding imported technology (Imported during last three years), if any a) Details of technology imported b) Technology import from c) Year of import d) Whether the technology been fully absorbed e) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof		Not Applicable

B. Research and Development

1.	Specific areas in which R&D carried out by the Company.	a)	Research and Development work for speed sensitive steering assist having CAN Interface for off highway vehicles has been completed. The developed technology is currently used in production.
		b)	Development of functional prototype of electric power steering based on brushless motor for off-road vehicle is completed.
		c)	Development of cost effective EPAS technologies for off-road vehicle application with advanced safety features 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 for future growth through technological innovations by developing new concepts and futuristic electro-mechanical products with indigenous technology, designs and patents.
		b)	The Company has developed advanced product technologies having collaborative research work with academic/industrial institutes as well as with potential customers.
3.	Expenditure on R&D	a)	Capital Expenditure of INR 14.13 lakhs.
		b)	Revenue expenditure of INR 187.93 lakhs.

Form - C : Foreign Exchange Earning and Outgo

During the year the Company's export sales amounted to INR 9252.77 lakhs. Foreign Exchange outflow on account of import of raw material, spares and tools during the year was INR 10093.13 lakhs.

ANNEXURE - V(a)

DETAILS PERTAINING TO REMUNERATION

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

1. PARTICULARS OF REMUNERATION

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

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

Directors	Ratio to Median Remuneration
Mr. Kiyozumi Kamiki, Managing Director	25.36
Mr Sudhir Chopra, Director (Corporate Affairs)	50.98
Mr. Kiran Manohar Deshmukh, Executive Vice Chairman *	6.09

* Mr Kiran Manohar Deshmukh was executive vice chairman up to 18-May-17

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

Name of Person	% Increase in remuneration
Mr. Kiyozumi Kamiki, Dy. Managing Director	-5.76 %
Mr. Sudhir Chopra, Director (Corporate Affairs) & Company Secretary	22.31 %
Mr. Kiran Manohar Deshmukh, Executive Vice Chairman *	-85.99%
Mr. Rajiv Chanana, Chief Financial Officer	0.29 %

* Mr Kiran Manohar Deshmukh was executive vice chairman up to 18-May-17

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

-18.39 %

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

1409

(e) 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 2017-18 was 8.31%. Percentage increase (+) / decrease (-) in the managerial remuneration for the year was (17.56%).

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

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

ANNEXURE - V(b)

STATEMENT OF PARTICULARS OF EMPLOYEES

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

Sl. No.	Name	Age (Years)	Designation / Nature of Employment	Remuneration (INR)	Qualification	Experience (Years)	Date of Employment	Last Employment	% of shares held in the Co.	Whether related to any director
1.	Mr. A.D. Rao	58	Sr. Vice President - Process Engineering & Production (Permanent)	80,74,525	M.Sc (H) & B.Tech.	31	16.02.1987	Machine Tools P Ltd (Design Engineer)	0.00%	No
2.	Mr. Ashish Singh	44	Asst. Vice President - Design & Development (Permanent)	43,05,694	Advance Diploma in Design	22	15.10.1997	Minda Rika Limited (Engineer - Product Development)	0.00%	No
3.	Mr. Dinesh Kumar Agarwal	45	Sr. Vice President - Corporate Taxation (Permanent)	97,12,975	B.Com, FCA.	22	05.01.2017	Sona Management Services Ltd. (Sr. VP Corporate Tax	0.00%	No
4.	Mr. K.M. Deshmukh*	64	Executive Vice Chairman	19,43,490	B.Tech (Metallurgy)	41	15.09.2015	Sona Skill Development Centre (Managing DirectorD)	0.00%	No
5.	Mr. Kiyozimi Kamiki	62	Managing Director (Permanent)	80,97,023	Master Degree of Engineering - Metallurgy	36	07.03.2013	JTEKT Corporation, Japan, Plant Managar (Plant Head) of Tadomisaki Plant	0.00%	No
6.	Mr. Manoj Kumar Sharma	54	Vice President - Process Engineering (Permanent)	44,03,778	M.Sc (H) & B.Tech	29	01.08.1986	Joined Fresher	0.00%	No
7.	Mr. Rajiv Chanana	52	Chief Financial officer (Permanent)	85,78,627	B.Com, FCA.	28	25.03.2009	Deutsche Post Bank Home Finance Ltd (VP - Treasury)	0.00%	No
8.	Mr. Rakesh Kumar Gaind	59	Sr. Vice President - Supply Chain & Production Administration (Permanent)	87,22,700	Diploma, B.com	35	18.04.2016	JTEKT Sona Automotive India Limited (Sr. VP - General Affairs)	0.00%	No
9.	Mr. Ravinder Kumar Narula	51	Corporate Head - Human Resources (Permanent)	52,84,923	PGDPM-HR	29	01.04.2017	Koyo Bearing India Pvt. Ltd. (Head- Human Resources)	0.00%	No
10.	Mr. Ravindra Nath Sharma	52	Asst. Vice President - Research & Development (Permanent)	44,90,313	P.H.D	29	01.02.2005	Usha India Limited (Director - Production & Tech.)	0.00%	No
11.	Mr. Sudhir Chopra	60	Director Corporate Affairs & Company Secretary (Permanent)	1,62,77,438	B.Com, FCS, LL.B.	40	15.05.1993	Samtel India Limited (Company Secretary)	0.00%	No

Notes :

* Indicates earnings for part of the financial year 2017-18.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JTEKT INDIA LIMITED ('FORMERLY KNOWN AS SONA KOYO STEERING SYSTEMS LIMITED')

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of JTEKT India Limited ('formerly known as Sona Koyo Steering Systems Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS Financial Statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS 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 of the Standalone Ind AS Financial Statements 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 Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 31 March 2018 and its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 01 April 2016 included in these Standalone Ind AS Financial Statements, are based on the previously issued Statutory Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 24 May 2017 and 13 May 2016 respectively expressed an unmodified opinion on those Standalone Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

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 "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, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 with reference to Standalone Ind AS Financial Statements 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 Ind AS Financial Statements - Refer Note 38 to the Standalone Ind AS 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 47 to the Standalone Ind AS 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; and

      iv. The disclosures in the Standalone Ind AS Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited Standalone Financial Statements for the year ended 31 March 2017 have been disclosed. - Refer Note 11 to the Standalone Ind AS Financial Statements.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W / W-100022

Shashank Agarwal
Partner
Membership number: 095109

Place: Gurugram
Date: 18 May 2018

ANNEXURE A REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JTEKT INDIA LIMITED ('FORMERLY KNOWN AS SONA KOYO STEERING SYSTEMS LIMITED) ON THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all fixed assets (property, plant and equipment) are verified, in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain assets have been physically verified by the management during the current year. As informed to us, 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 the immovable property is held in the name of the Company, except for:

Land situation	Whether leasehold / freehold	Gross block as at 31 March 2018 (INR In Lakhs)	Net block as at 31 March 2018 (INR In Lakhs)	Remarks
Haryana	Freehold	72.83	72.83	The deed of conveyance is in the erstwhile name of the subsidiary company which had amalgamated with the Company and the mutation of name is pending

(ii) According to the information and explanations given to us, the inventories, except good-in-transit and stock lying with third parties, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. For stocks lying with third parties as at the year-end, written confirmation have been obtained. As informed to us, the discrepancies noticed on comparison of physical verification of inventories with book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, 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, paragraph 3 (iii) of the Order is not applicable.

(iv) 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 the provisions of Section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for 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 records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services Tax ('GST'), Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company 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, GST, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Sales tax, Duty of customs 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 with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of dues	Financial year to which amount relates	Forum where dispute is pending	Amount (INR in Lacs)	Amount paid under protest (INR in Lacs)
The Finance Act, 1994	Service Tax	2009-10	Commissioner of Appeals (Service Tax)	6.96	-
The Finance Act, 1994	Service Tax	2014-15 to 2015-16	Commissioner of Appeals (Service Tax)	1.77	0.06
Central Excise Act, 1944	Excise Duty	2007-08 & 2008-09	Commissioner of Appeals (Central Excise)	4.97	-
Central Excise Act, 1944	Excise Duty	2008-09	CESTAT, Chennai (Central Excise)	110.90	2.36
Central Excise Act, 1944	Excise Duty	2007-08 to 2011-12	CESTAT, New Delhi (Central Excise)	349.38	8.36
Income Tax Act, 1961	Disallowance under Section 14A	2014-15	Commissioner of Appeals (Income Tax)	49.91	49.91

(viii) According to the information and explanations given to us, there is no default existing at the balance sheet date in repayment of loans or borrowings to banks. The Company did not have any outstanding debentures, or loans or borrowings from any financial institution or government during the year.

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

(x) According to the information and explanations given to us, no material fraud by the Company and neither any material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 read with Schedule V of the Act.

(xii) 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 explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and on the basis of 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, the Company has not entered into any non-cash transactions with directors or person connected with him as referred to in Section 192 of the Companies Act, 2013. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, 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 B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W / W-100022

Shashank Agarwal
Partner
Membership number: 095109

Place: Gurugram
Date: 18 May 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF JTEKT INDIA LIMITED ('FORMERLY KNOWN AS SONA KOYO STEERING SYSTEMS LIMITED)

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 statements of JTEKT India Limited ('formerly known as Sona Koyo Steering Systems Limited) ("the Company") as of 31 March 2018 in conjunction with our audit of the Standalone Ind AS 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 statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial statements based on our audit. We conducted our audit in accordance with 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 ICAI.

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 statements 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 statements and their operating effectiveness. Our audit of internal financial controls over financial statements included obtaining an understanding of internal financial controls over financial statements, 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 Standalone Ind AS 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 statements.

Meaning of Internal Financial Controls Over Financial Statements

A company's internal financial control over financial statements is a process designed to provide reasonable assurance regarding the reliability of Financial Statements and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial statements 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 Statements

Because of the inherent limitations of internal financial controls over financial statements, 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 statements to future periods are subject to the risk that the internal financial control over financial statements 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 statements and such internal financial controls over financial statements were operating effectively as at 31 March 2018, based on the internal control over financial statements 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 B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W / W-100022

Shashank Agarwal
Partner
Membership number: 095109

Place: Gurugram
Date: 18 May 2018

STANDALONE BALANCE SHEET
AS AT 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Assets				
Non-current assets				
Property, plant and equipment	3A	37,546.91	40,503.55	40,683.16
Capital work-in-progress	3A	876.11	1,345.49	1,985.35
Intangible assets	3B	3,780.17	3,842.48	3,151.93
Intangible assets under development	3B	101.87	783.05	1,721.75
Financial assets				
(i) Investments	4	3,287.81	3,287.81	3,528.19
(ii) Loans	5	127.55	120.20	138.64
(iii) Other financial assets	6	-	-	17.81
Income tax assets	7	157.62	446.62	-
Other non-current assets	8	349.53	225.74	1,088.92
Total non-current assets		**46,227.57**	**50,554.94**	**52,315.75**
Current assets				
Inventories	9	7,594.18	7,808.50	7,171.04
Financial assets				
(i) Investments	10	-	85.34	-
(ii) Trade receivables	11	18,172.82	14,952.98	15,579.42
(iii) Cash and cash equivalents	12	257.17	257.54	453.80
(iv) Loans	5	93.70	86.87	73.15
(v) Other financial assets	6	31.23	-	-
Other current assets	13	1,305.82	2,727.39	3,248.64
Total current assets		**27,454.92**	**25,918.62**	**26,526.05**
Total assets		**73,682.49**	**76,473.56**	**78,841.80**
Equity and Liabilities				
Equity				
Equity share capital	14	1,987.42	1,987.42	1,987.42
Other equity	15	29,764.13	27,871.51	26,741.16
Total equity		**31,751.55**	**29,858.93**	**28,728.58**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	16A	9,851.15	12,019.11	14,315.10
(ii) Other financial liabilities	17	68.46	23.06	29.21
Provisions	18	620.31	601.51	505.78
Deferred tax liabilities (net)	19	939.01	1,730.11	2,320.21
Total non-current liabilities		**11,478.93**	**14,373.79**	**17,170.30**
Current liabilities				
Financial liabilities				
(i) Borrowings	16B	7,416.66	5,883.96	8,130.50
(ii) Trade payables	20	14,634.78	16,280.23	15,153.69
(iii) Other financial liabilities	17	7,317.37	8,736.28	8,839.43
Provisions	18	299.19	303.63	302.96
Other current liabilities	21	784.01	1,036.74	491.04
Income tax liabilities (net)	22	-	-	25.30
Total current liabilities		**30,452.01**	**32,240.84**	**32,942.92**
Total liabilities		**41,930.94**	**46,614.63**	**50,113.22**
Total equity and liabilities		**73,682.49**	**76,473.56**	**78,841.80**
Significant accounting policies	2			

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration no. : 101248W/W-100022

Shashank Agarwal
Partner
Membership no. : 095109

Place : Gurugram
Date : 18 May 2018

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hidekazu Omura
Chairman
DIN 06865724

Kiyozumi Kamiki
Managing Director
DIN 06536243

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

Rajiv Chanana
Chief Financial Officer

Place : Gurugram
Date : 18 May 2018

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	23	125,091.20	132,346.97
Other income	24	254.87	647.39
Total income (I)		**125,346.07**	**132,994.36**
Expenses			
Cost of raw materials and components consumed	25	75,983.92	73,499.85
Purchases of stock-in-trade	26	4,096.63	4,122.81
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	222.66	(377.80)
Excise duty on sale of goods		3,866.59	15,886.99
Employee benefit expenses	28	14,617.10	13,607.35
Finance costs	29	2,073.53	2,425.91
Depreciation and amortisation expense	30	7,312.73	7,477.36
Other expenses	31	12,227.38	12,793.04
Total expenses (II)		**120,400.54**	**129,435.51**
Profit before tax (III = I - II)		**4,945.53**	**3,558.85**
Tax expenses			
- Current tax		2,403.21	1,543.13
- Deferred tax credit		(701.95)	(493.37)
Total tax expenses (IV)	32	**1,701.26**	**1,049.76**
Profit for the year (V = III - IV)		**3,244.27**	**2,509.09**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurement loss on defined benefit plans		(73.14)	(279.46)
Income tax relating to the above		26.50	96.72
Items that will be reclassified to profit and loss			
Effective portion of loss on cash flow hedge instruments		(179.33)	-
Income tax relating to above		62.67	-
Total other comprehensive income for the year (net of tax) (VI)		**(163.30)**	**(182.74)**
Total comprehensive income for the year (VII = V - VI) (Comprising Profit and Other Comprehensive Income for the year)		**3,080.97**	**2,326.35**
Earnings per equity share :	33		
Basic - Par value of INR 1 per share		1.63	1.26
Diluted - Par value of INR 1 per share		1.63	1.26
Significant accounting policies	2		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration no. : 101248W/W-100022

Shashank Agarwal
Partner
Membership no. : 095109

Place : Gurugram
Date : 18 May 2018

For and on behalf of the Board of Directors of
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Director (Corporate Affairs) & Company Secretary
DIN 00058148

Rajiv Chanana
Chief Financial Officer

Place : Gurugram
Date : 18 May 2018

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

A Equity share capital

Particulars	Note	Equity Shares	
		No. of shares in Lakhs	Amount
Balance as at 01 April 2016	14	**1,987.42**	**1,987.42**
Changes during the year		-	-
Balance as at 31 March 2017		**1,987.42**	**1,987.42**
Changes during the year		-	-
Balance as at 31 March 2018		**1,987.42**	**1,987.42**

B. Other equity

Particulars	Reserves and surplus				Items of other comprehensive income		Total
	Security Premium	General reserve	Capital reserve	Retained Earnings	Remeasurement of employee benefit obligations	Effective portion of cash flow hedges	
Balance as at 1 April 2016	**8,070.76**	**8,190.71**	**0.43**	**10,479.26**	**-**	**-**	**26,741.16**
Profit for the year	-	-	-	2,509.09	-	-	2,509.09
Other comprehensive income (net of tax)	-	-	-	-	(182.74)	-	(182.74)
Total comprehensive income for the year	**-**	**-**	**-**	**2,509.09**	**(182.74)**	**-**	**2,326.35**
Transferred to retained earnings				**(182.74)**	**182.74**		**-**
Contribution by and distribution to owner							
Dividend on equity shares	-	-	-	(993.70)	-	-	(993.70)
Dividend distribution tax	-	-	-	(202.30)	-	-	(202.30)
Balance as at 31 March 2017	**8,070.76**	**8,190.71**	**0.43**	**11,609.61**	**-**	**-**	**27,871.51**
Profit for the year	-	-	-	3,244.27	-	-	3,244.27
Other comprehensive income (net of tax)	-	-	-	-	(46.64)	(116.66)	(163.30)
Total comprehensive income for the year	**-**	**-**	**-**	**3,244.27**	**(46.64)**	**(116.66)**	**3,080.97**
Transferred to retained earnings				**(46.64)**	**46.64**		**-**
Contribution by and distribution to owner							
Dividend on equity shares	-	-	-	(993.82)	-	-	(993.82)
Dividend distribution tax	-	-	-	(194.53)	-	-	(194.53)
Balance as at 31 March 2018	**8,070.76**	**8,190.71**	**0.43**	**13,618.89**	**-**	**(116.66)**	**29,764.13**

Notes:

1. During the year ended 31 March 2018 and 31 March 2017, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. DDT represents additional payment to taxation authorities on behalf of the shareholders. Hence DDT paid is charged to equity.
2. Refer note 15 for nature and purpose of other equity.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration no. : 101248W/W-100022

Shashank Agarwal
Partner
Membership no. : 095109

Place : Gurugram
Date : 18 May 2018

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hidekazu Omura
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Managing Director
DIN 06536243

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

Rajiv Chanana
Chief Financial Officer

Place : Gurugram
Date : 18 May 2018

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
1.	**Profit before tax**	**4,945.53**	**3,558.85**
2.	**Adjustments for:**		
	Depreciation and amortisation expense	7,312.73	7,477.36
	Dividend income	(38.25)	(371.59)
	Interest income	(9.77)	(7.48)
	(Gain)/loss on disposal of property, plant and equipment (net)	(22.78)	22.62
	Property, plant & equipment written off/discarded	-	204.73
	Provision for diminution of investments	-	155.04
	Provision for obsolescence of inventory	285.59	-
	Interest expenses	2,018.18	2,368.41
	Unrealized foreign exchange gain	(134.99)	(346.28)
3.	**Operating profit before working capital changes (1+2)**	**14,356.24**	**13,061.66**
4.	**Movement in working capital**		
	(Increase) / decrease in loans	(14.18)	4.72
	Increase in inventories	(71.27)	(637.46)
	Increase in other financial assets	(31.23)	-
	(Decrease) in other assets	1,298.50	1,571.43
	(Increase) / decrease in trade receivables	(3,179.46)	629.20
	(Decrease) / increase in other financial liabilities	(380.30)	515.87
	(Decrease) / increase in other liabilities	(260.43)	539.27
	(Decrease) / increase in trade payables	(1,550.83)	1,503.84
	Decrease in provision	(58.78)	(183.06)
5.	**Cash generated from operating activities (3+4)**	**10,108.26**	**17,005.47**
6.	Income tax paid (net of refunds)	(2,114.19)	(2,015.06)
7.	**Net cash flow from operating activities (5-6)**	**7,994.07**	**14,990.41**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(3,297.43)	(5,891.90)
	Proceeds from property, plant and equipment	522.73	43.98
	Purchase of intangible assets	(319.00)	(657.02)
	Proceeds from redemption of deposit with maturity after 12 months from the reporting date	-	17.81
	Proceeds from sale of investment	85.34	-
	Dividend received	38.25	371.59
	Interest received	9.77	7.56
	Net cash used in investing activities	**(2,960.34)**	**(6,107.98)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	2,736.14	4,661.94
	Repayment of long term borrowings	(6,046.25)	(7,544.37)
	Proceeds / (repayment) of short-term borrowings (net)	1,532.70	(2,280.33)
	Dividend paid (including dividend distribution tax)	(1,188.35)	(1,196.00)
	Interest paid	(2,068.34)	(2,719.93)
	Net cash used in financing activities	**(5,034.10)**	**(9,078.69)**
D.	**Decrease in cash and cash equivalents (A+B+C)**	**(0.37)**	**(196.26)**
	Cash and cash equivalents at the beginning of the year	257.54	453.80
	Cash and cash equivalents at the end of the year	**257.17**	**257.54**

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash and cash equivalents include :		
Balances with banks:		
– In current accounts	28.09	43.13
– In dividend accounts#	221.46	207.49
Cash on hand	7.62	6.92
Cash and cash equivalents at the end of the year	**257.17**	**257.54**

INR 221.46 lakhs (31 March 17 : INR 207.49 lakhs) has restricted use.

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non current borrowings*	Current borrowings
Opening balance as at 01 April 2017	**18,744.50**	**5,883.96**
Add: non-cash changes due to		
- Interest expense	1,704.42	313.76
- Mark to market on foreign contracts	95.68	-
- Others	19.77	-
Add : cash inflows during the year	2,736.14	4,180.21
Less: cash outflows during the year (including interest)	(7,800.83)	(2,961.27)
Closing balance as at 31 March 2018	**15,499.68**	**7,416.66**

* Includes current maturities of non-current borrowings and interest accrued thereon, refer note 17.

Notes:

1. The standalone cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".
2. Refer note 2 for significant accounting policies.
3. The Company paid in cash INR 25.62 Lakhs for the year ended 31 March 2018 and INR 21.00 Lakhs for the year ended 31 March 2017 towards Corporate Social Responsibility (CSR) expenditure (refer note 35).

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration no. : 101248W/W-100022

Shashank Agarwal
Partner
Membership no. : 095109

Place : Gurugram
Date : 18 May 2018

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hidekazu Omura
Chairman
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Kiyozumi Kamiki
Managing Director
DIN 06536243

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

Rajiv Chanana
Chief Financial Officer

Place : Gurugram
Date : 18 May 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

1. Corporate Information

JTEKT India Limited (formerly known as Sona Koyo Steering Systems Limited) ("the Company") is a public limited company incorporated and domiciled in India and having its registered office at UGF-6, Indraprakash 21, Barakhamba Road, New Delhi, 110001. The Company's name got changed via Certificate of Incorporation dated 7 April 2018 received from the Registrar of Companies, New Delhi. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Company is engaged in the business of manufacturing steering systems & other auto components for the passenger car and utility vehicle manufacturers in the automobile sector.

2. Significant accounting policies and basis of preparation

2.1 Basis of preparation

(i) Statement of compliance

These Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act"), Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended and other relevant provisions of the Act.

For all the periods up to and including 31 March 2017, these standalone financial statements were prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act. As these Standalone Financial Statements for the year ended 31 March 2018 are the Company's first standalone financial statements prepared in accordance with Ind AS, Ind AS 101, First time adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 50.

The standalone financial statements of the Company for the year ended 31 March 2018 are approved by the Company's Audit Committee on 17 May 2018 and by the Board of Directors on 18 May 2018.

(ii) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(iii) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items which have been measured at fair value amount –

Items	Measurement basis
Certain financial assets and financial liability (including derivative instrument)	Fair value
Net defined benefit plan (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation.

(iv) Use of estimates and judgements

In preparation of these standalone financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements is included in the following notes.

Judgements

- Lease classification – Note 42

Estimates

- Recognition and estimation of tax expense including deferred tax– Note 32
- Estimated impairment of financial assets and non-financial assets – Note 2.2(e) and (n)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.2(a) and (b)
- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 40
- Valuation of Inventories – Note 2.2(f)
- Recognition and measurement of provision and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 39
- Fair value measurement – Note 2.1(vi)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

(v) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-noncurrent classification of assets and liabilities.

(vi) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 47 – Financial instrument.

2.2 Summary of significant accounting policies

a) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2.1 (iv) regarding significant accounting judgements, estimates and assumptions.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

A property, plant and equipment is eliminated from the standalone financial statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising on disposal of property, plant and equipment is recognized in the Statement of Profit and Loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment (refer note 50).

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis to allocate their cost, net of their estimated residual values, over the estimated useful lives and is recognized in the Statement of Profit and Loss. The identified components are depreciated over their useful life, the remaining asset is depreciated over the life of the principal asset. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The Company has used the following rates to provide depreciation which coincides with the rates indicated in Schedule II of the Act on its property, plant and equipment, except for vehicles.

Asset category	Management estimate of useful life (in years)
Factory buildings	30
Roads	5
Sheds	3
Plant and machinery	4-15
Furniture and fixtures	10
Jigs and fixtures	10
Office equipment	5
Vehicles	5.3
Electrical installations	10
IT equipment	6
Computers	3
Tools and dies	4

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

The management has estimated, supported by independent assessment by technical experts, professionals, the useful lives of the following classes of assets:

- The useful life of vehicles is estimated as 5.3 years, which is lower than those indicated in Schedule II.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

b) Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an item of intangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Statement of Profit or Loss in the period in which the expenditure is incurred.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 01 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets (refer note 50).

Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Amortization

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

- Software

Software purchased by the Company are amortized on a straight line basis in six years.

- New product development

Amounts paid towards technical know-how fees and other expenses for specifically identified projects/products being development expenditure is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 6 years on straight line basis based on past trends, commencing from the month of commencement of commercial production.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Amortization method, useful lives and residual lives are reviewed at the end of each financial year and adjusted, if appropriate.

c) Leases

(i) Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the incremental borrowing rate.

For arrangements entered into prior to 01 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

(ii) Assets held under lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policies applicable to similar owned assets. Assets held under leases that do not transfer to the Company substantially all the risk and rewards of ownership (i.e. operating lease) are not recognized in the Company's Balance Sheet.

(iii) Lease payments

Payments made under operating leases are generally recognized in the Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentive received are recognized as an integral part of the total lease expense over the term of the lease.

Payments made under finance lease are allocated between the outstanding liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

d) Borrowing Costs

Borrowing cost includes interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs), amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

e) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An asset's recoverable amount is the higher of an individual asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognized in the Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

In regard to assets for which impairment loss has been recognized in prior period, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

f) Inventories

Inventories which includes raw materials, components, stores, work in progress, finished goods and spares are valued at the lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and components: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw material, components, stores and spares is determined on weighted average basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average basis. Finished goods inventory as at 31 March 2017 and 01 April 2016 is inclusive of excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realizable value is made on an item-by-item basis.

g) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with

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the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or the Statement of Profit and Loss are also recognized in OCI or the Statement of Profit and Loss, respectively).

h) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/ Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, inclusive of excise duty and exclusive of Goods and Services tax (GST), Sales Tax, Value Added Taxes (VAT) and is net of returns, allowances, trade discounts and volume rebates.

Revenue is recognized;

- when the significant risks and rewards of ownership have been transferred to the buyer,
- recovery of the consideration is probable,
- the associated costs and possible return of goods can be estimated reliably,
- there is no continuing effective control over, or managerial involvement with, the goods, and
- the amount of revenue can be measured reliably.

The timing of transfers of risks and rewards varies depending on the individual terms of sale.

Rendering of services

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in the statement of profit and loss.

Export Income

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. These are presented as other operating revenue in the Statement of Profit and Loss.

Dividends

Revenue is recognized when the Company's right to receive the payment is established by the reporting date.

Rental Income

Rental income is recognized as a part of other income in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

i) Income tax

Income tax expense comprises current and deferred tax. It is recognized in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

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Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

j) Segment reporting

Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is primarily engaged in the manufacturing of auto components of four wheeler industry. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

k) Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding at the end of the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive.

l) Provisions (Other than employee benefits)

General provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed the expense relating to a provision is

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presented in the statement of profit and loss net of any reimbursement. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty provisions

Provision for warranty related costs are recognized when the product is sold or service provided and is based on historical experience. The provision is based on technical evaluation/ historical warranty data and after weighting of all possible outcomes by their associated probabilities. The estimate of such warranty related costs is revised annually. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

m) Employee benefits

i. Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions to the Regional Provident Fund Commissioner towards provident fund, superannuation fund scheme and employee state insurance scheme ('ESI'). Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

iii. Defined benefit plans

The Company operates a defined benefit gratuity plan, which requires contributions to be made to LIC of India. There are no other obligations other than the contribution payable to the respective trust.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

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Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

iv. Other long term employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

As per the compensated absence encashment policy, the Company does not have an unconditional right to defer the compensated absence of employees, accordingly the entire compensated absence obligation as determined by an independent actuary has been classified as current liability as at the period/ year end.

n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. Company has recognized financial assets viz. security deposit, trade receivables, employee advances at amortized cost.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in associates

Investments in associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in joint ventures, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in associates at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 01 April 2016.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e.,01 April 2016.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

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- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingents events that would change the amounts or timings of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non - recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, as feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains

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and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Company uses derivative instruments such as foreign exchange forward contracts and currency swaps to hedge its foreign currency and interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognized in profit and loss.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item. Any ineffective portion of changes in fair value of the derivatives is recognised immediately in the Statement of Profit and Loss.

If a hedge no longer meets the criteria for hedge accounting or the hedge instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included directly in the initial cost of the non-financial item on its initial recognition or, for other cash flow edges, it is reclassified to profit or loss in the same period or periods as the hedged expected cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

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For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to Statement of the Profit and Loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for the recovery of amount due.

Impairment of financial instruments

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for the measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits and advances

b. Trade receivables that result from transactions that are within the scope of Ind AS 18

c. Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

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- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

o) Recognition of interest expense

Interest expense is recognized using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to:

- the amortized cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortized cost of the liability.

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and cheques on hand, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash on hand and cheques on hand as they are considered an integral part of the Company's cash management.

q) Cash dividend and non-cash distribution to equity holders of the parent

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

r) Corporate Social Responsibility ("CSR") expenditure:

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss.

s) Research and development:

Expenditure on research and development activities is recognized in the Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

t) Recent accounting pronouncements

A. Ind AS 115- Revenue from Contract with Customers: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers.

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue. Ind AS 115 is effective for annual periods beginning on or after 01 April 2018 and will be applied accordingly.

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its standalone financial statements. The quantitative impact of adoption of Ind AS 115 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

i. Sales of goods

For the sale of products, revenue is currently recognised when the goods are delivered to the customers' premises, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

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Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. For some made-to-order product contracts, the customer controls all of the work in progress as the products are being manufactured. The revenue from these contracts will be recognised as the products are being manufactured. The Company's initial assessment indicates that this will result in revenue, and some associated costs, for these contracts being recognised earlier than at present – i.e. before the goods are delivered to the customers' premises.

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under Ind AS 115, revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery will be recognised for these contracts and presented separately in the balance sheet.

The Company provides extended warranties in certain contracts that are currently accounted for under Ind AS 37. Under Ind AS 115, such extended warranties will be accounted for as separate performance obligations and a portion of the transaction price will be allocated to it and deferred.

ii. Rendering of services

The Company is in the business of providing Job work as well as performing related services. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Revenue is currently recognised using the stage-of-completion method.

Under Ind AS 115, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the Company sells the services in separate transactions.

Based on the Company's initial assessment, the fair value and the stand-alone selling prices of the services are broadly similar.

iii. Transition

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 01 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

Based on the Company's initial assessment, there is no material impact on account of the aforesaid amendment.

B **Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:** On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

Based on the Company's initial assessment, there is no material impact on account of the aforesaid amendment.

The amendment will come into force from 01 April 2018.

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3A. Property, plant and equipment

Particulars	Gross carrying value				Accumulated depreciation				Net block	
Description	As at 01 April 2017*	Additions	Sales/ Disposition	As at 31 March 2018	As at 01 April 2017*	Depreciation for the Year	Disposals	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Freehold Land	4,662.96	-	-	4,662.96	-	-	-	-	4,662.96	4,662.96
Lease hold land**	-	-	-	-	-	-	-	-	-	-
Building***	15,260.51	58.91	-	15,319.42	562.05	615.51	-	1,177.56	14,141.86	14,698.46
Lease Hold Improvements	8.83	-	-	8.83	5.35	3.23	-	8.58	0.25	3.48
Plant & Machinery	23,767.56	3,045.79	601.82	26,211.53	5,134.79	5,007.86	423.18	9,719.47	16,492.06	18,632.77
Jigs & Fixture	392.85	56.04	3.17	445.72	78.16	71.91	2.83	147.24	298.48	314.69
Electric Installation	1,243.94	96.92	5.08	1,335.78	248.89	230.25	5.02	474.12	861.66	995.05
Furniture & Fixture	247.48	43.49	16.38	274.59	79.96	49.26	3.31	125.91	148.68	167.52
Office Equipment	542.47	427.37	5.90	963.94	211.39	164.95	2.48	373.86	590.08	331.08
Vehicles	671.81	53.97	383.44	342.34	136.48	73.60	95.37	114.71	227.63	535.33
R&D-Plant & Machinery	197.22	7.02	22.43	181.81	40.53	31.18	6.09	65.62	116.19	156.69
R&D-Office Equipment	7.25	4.03	-	11.28	1.73	2.49	-	4.22	7.06	5.52
Total	**47,002.88**	**3,793.54**	**1,038.22**	**49,758.20**	**6,499.33**	**6,250.24**	**538.28**	**12,211.29**	**37,546.91**	**40,503.55**

3A. Capital work-in-progress

Particulars	As at 1 April 2017	Additions	Capitalised	As at 31 March 2018
Total	**1,345.49**	**3,324.16**	**3,793.54**	**876.11**

3A. Property, plant and equipment

Particulars	Gross carrying value				Accumulated depreciation				Net block	
Description	As at 01 April 2016*	Additions	Sales/ Disposition	As at 31 March 2017	As at 01 April 2016*	Depreciation for the Year	Disposals	As at 31 March 2017	As at 31 March 2017	As at 01 April 2016*
Freehold Land	3,614.35	1,048.61	-	4,662.96	-	-	-	-	4,662.96	3,614.35
Lease hold land**	205.99	-	205.99	-	-	1.27	1.27	-	-	205.99
Building***	13,034.03	2,226.48	-	15,260.51	-	562.05	-	562.05	14,698.46	13,034.03
Lease Hold Improvements	8.83	-	-	8.83	-	5.35	-	5.35	3.48	8.83
Plant & Machinery	21,194.80	2,669.26	96.50	23,767.56	-	5,192.01	57.22	5,134.79	18,632.77	21,194.80
Jigs & Fixture	285.69	110.93	3.77	392.85	-	80.35	2.19	78.16	314.69	285.69
Electric Installation	1,223.65	20.29	-	1,243.94	-	248.89	-	248.89	995.05	1,223.65
Furniture & Fixture	218.48	29.46	0.46	247.48	-	80.09	0.13	79.96	167.52	218.48
Office Equipment	406.04	137.09	0.66	542.47	-	211.48	0.09	211.39	331.08	406.04
Vehicles	289.25	419.34	36.78	671.81	-	148.44	11.96	136.48	535.33	289.25
R&D-Plant & Machinery	197.22	-	-	197.22	-	40.53	-	40.53	156.69	197.22
R&D-Office Equipment	4.83	2.42	-	7.25	-	1.73	-	1.73	5.52	4.83
Total	**40,683.16**	**6,663.88**	**344.16**	**47,002.88**	**-**	**6,572.19**	**72.86**	**6,499.33**	**40,503.55**	**40,683.16**

3A. Capital work-in-progress

Particulars	As at 1 April 2016	Additions	Capitalised	As at 31 March 2017
Total	**1,985.35**	**6,024.02**	**6,663.88**	**1,345.49**

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(All amount are in INR lakhs, unless otherwise stated)

(i) Contractual obligations.

Refer note 39A for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Capitalised borrowing cost.

Borrowing costs capitalised during the year ended INR 20.05 lakhs (previous year 31 March 2017 INR 181.29 lakhs and previous year 01 April 2016 INR 264.89 lakhs).

(iii) Property, plant and equipment other than immovable property at Chennai, Malpura, Sanand and Stamping unit at Gurugram have been pledged as security for liabilities, for details refer note 46.

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets (refer note-50).

** During the previous year ended 31 March 2017, the Hon'ble Supreme Court of India has quashed the Singur land acquisition proceedings of the West Bengal Government and directed the State Government to return the land to its original owners and therefore the Company has written off the cost of the leasehold land appearing in the books amounting to INR 205.99 lakhs during the financial year ended 31 March 2017.

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

*** Building (Gross block) amounting to INR 1570.56 lakhs (previous year 31 March 2017 INR 1570.56 lakhs and previous year 01 April 2016 INR 1542.96 lakhs), net block INR 1270.11 lakhs (previous year 31 March 2017 INR 1322.45 lakhs and previous year 01 April 2016 INR 1346.43 lakhs) is constructed on lease hold land.

3B. Intangible assets

Particulars	Gross carrying value				Amortisation				Net block	
Description	As at 01 April 2017	Additions	Sales/ Disposition	As at 31 March 2018	As at 01 April 2017	Amortisation for the Year	Disposals	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
R&D-Computer Softwares	19.89	3.09	-	22.98	5.02	4.48	-	9.50	13.48	14.87
Computer Softwares	585.98	246.85	-	832.83	194.38	181.42	-	375.80	457.03	391.60
New Product Development	4,130.26	750.24	24.85	4,855.65	694.25	876.59	24.85	1,545.99	3,309.66	3,436.01
As at 31 March 2017	**4,736.13**	**1,000.18**	**24.85**	**5,711.46**	**893.65**	**1,062.49**	**24.85**	**1,931.29**	**3,780.17**	**3,842.48**

3B. Intangible assets under development

Particulars	As at 1 April 2017	Additions	Capitalised	As at 31 March 2018
Total	**783.05**	**319.00**	**1,000.18**	**101.87**

3B. Intangible assets

Particulars	Gross carrying value				Amortisation				Net block	
Description	As at 01 April 2016	Additions	Sales/ Disposition	As at 31 March 2017	As at 01 April 2016	Amortisation for the Year	Disposals	As at 31 March 2017	As at 31 March 2017	As at 01 April 2016
R&D-Computer Softwares	19.89	-	-	19.89	-	5.02	-	5.02	14.87	19.89
Computer Softwares	490.33	95.65	-	585.98	-	194.38	-	194.38	391.60	490.33
New Product Development	2,641.71	1,500.07	11.52	4,130.26	-	705.77	11.52	694.25	3,436.01	2,641.71
As at 31 March 2017	**3,151.93**	**1,595.72**	**11.52**	**4,736.13**	**-**	**905.17**	**11.52**	**893.65**	**3,842.48**	**3,151.93**

3B. Intangible assets under development

Particulars	As at 1 April 2016	Additions	Capitalised	As at 31 March 2017
Total	**1,721.75**	**657.02**	**1,595.72**	**783.05**

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets. (refer note 50)

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(All amount are in INR lakhs, unless otherwise stated)

4. Investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non-current investments			
Investments at cost			
(I) Investment in subsidiary*			
Investments in equity shares (Unquoted)			
Sona Fuji Kiko Automotive Limited	510.00	510.00	510.00
5,099,993 (31 Mar 2017: 5,099,993 and 1 Apr 2016: 5,099,993) Equity Shares of INR 10 each fully paid up			
(II) Investment in associates:*			
Investments in equity shares (Unquoted)			
Sona Skill Development Centre Limited# (refer note 10)	-	-	240.38
Nil (31 Mar 2017: Nil and 1 Apr 2016: 2,257,591) Equity Shares of INR 10 each fully paid up			
JTEKT Sona Automotive India Limited (refer note 37)	2,777.81	2,777.81	2,777.81
27,778,094 (31 Mar 2017: 27,778,094 and 1 Apr 2016: 27,778,094) Equity Shares of INR 10 each fully paid up			
Total investments	**3,287.81**	**3,287.81**	**3,528.19**
Aggregate amount of unquoted investments	**3,287.81**	**3,287.81**	**3,528.19**

* Investments in subsidiary and associates are stated at cost using the exemption provided as per Ind AS 27 'Separate Financial Statements'

\# The company has decided to disinvest the equity shares with effect from 18 May 2017.

5. Loans

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
(Unsecured considered good, unless stated otherwise)						
Security deposits	66.30	121.94	56.28	114.48	37.49	132.95
Loans to employees	27.40	5.61	30.59	5.72	35.66	5.69
Total	**93.70**	**127.55**	**86.87**	**120.20**	**73.15**	**138.64**

6. Other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Deposits with maturity after 12 months from the reporting date*	-	-	-	-	-	17.81
Forward exchange contracts used for hedging	31.23	-	-	-	-	-
Total	**31.23**	**-**	**-**	**-**	**-**	**17.81**

* Held as margin money deposits against bank guarantees

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those cross currency interest rate swaps and principal swaps that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for external currency borrowings.

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(All amount are in INR lakhs, unless otherwise stated)

7. Income tax assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance income tax and tax deducted at source [net of provisions INR 7,770.35 lakhs (31 March 2017 INR 5,370.13 lakhs; 01 April 2016 : Nil)	157.62	446.62	-
Total	**157.62**	**446.62**	**-**

8. Other non-current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(Unsecured considered good, unless stated otherwise)			
Capital advances	308.35	198.32	1,061.72
Balances with statutory / government authorities	-	0.06	1.78
Prepaid expenses	41.18	27.36	25.42
Total	**349.53**	**225.74**	**1,088.92**

9. Inventories

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(Valued at lower of cost and net relisable value)			
Raw materials and components *	2,771.29	2,621.97	2,350.51
Work-in-progress **	1,042.29	1,488.70	1,303.44
Finished goods ***	2,331.15	2,111.88	1,914.12
Stock-in-trade	8.83	4.35	9.57
Stores and spares	715.13	672.41	659.04
Loose tools	1,011.08	909.19	934.36
Total	**7,879.77**	**7,808.50**	**7,171.04**
Less: Provision of inventory obsolence	(285.59)	-	-
Total	**7,594.18**	**7,808.50**	**7,171.04**

* Includes material in transit INR 186.1 lakhs (31 March 2017 INR 133.23 lakhs : 01 April 2016 INR 66.94 lakhs)

** Includes material with the vendors sent for job work INR 137.72 lakhs (31 March 2017 INR 103.16 lakhs: 01 April 2016 INR 84.83 lakhs)

*** Includes goods in transit INR 1,607.10 lakhs (31 March 2017 INR 1,425.58 lakhs :01 April 2016 INR 1,344.92 lakhs)

Note:

(i) Inventories have been pledged as security for liabilities, for details refer note 46.

10. Investments (current)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Investment in equity shares (at cost)			
Unquoted investments (fully paid up)			
Investment in Associate:			
Sona Skill Development Centre Limited	-	85.34	-
Nil (31 Mar 2017: 2,257,591 and 1 Apr 2016: Nil) Equity Shares of INR 10 each fully paid up			
Total	**-**	**85.34**	**-**
Aggregate amount of unquoted investments	**-**	**85.34**	**-**

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In earlier years, the company has invested in Sona Skill Development Centre Ltd. with an intention of holding the same for more than one year from the date on which such investments was made. Accordingly, it classified the same as long-term investment till 01 April 2016 under Ind AS-39 Financial Instruments: Recognition and Measurement. Since the company has decided to disinvest these shares before 31 May, 2017, the company has presented its investment in equity shares as "Investment held for sale" in the financial statement for the year ended 31 March 2017.

11. Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(unsecured and considered good, unless otherwise stated)			
Trade receivables	18,172.82	14,952.98	15,579.42
Total	**18,172.82**	**14,952.98**	**15,579.42**

Notes :

(i) Trade receivables have been pledged as security for liabilities, for details refer note 46.

(ii) For explanations on the company's exposure to credit, currency and liquidity risk, refer note 48.

12. Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Cash on hand	7.62	6.92	9.68
Cheques on hand	-	-	212.73
Balances with banks			
- in current accounts	28.09	43.13	49.22
- in dividend accounts	221.46	207.49	182.17
Total	**257.17**	**257.54**	**453.80**

Notes :

(i) Cash and cash equivalents have been pledged as security for liabilities, for details refer note 46.

(ii) There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.

(iii) Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of Corporate Affairs.

The specified bank notes as defined under the notification issued by the Ministry of Finance, Department of Economic Affairs dated 8 November, 2016 are no longer in existence. Hence, the Company has not provided the corresponding disclosures as prescribed in Schedule III to the Companies Act, 2013. Disclosure made in the previous year ended 31 March 2017 financial statements is as below:

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	5.91	2.69	8.60
(+) Permitted receipts	-	20.97	20.97
(-) Permitted payments	-	(17.65)	(17.65)
(-) Amount deposited in Banks	(5.91)	-	(5.91)
Closing cash in hand as on 30 December 2016	**-**	**6.01**	**6.01**

For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November, 2016.

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(All amount are in INR lakhs, unless otherwise stated)

13. Other current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(Unsecured considered good, unless stated otherwise)			
Advance to suppliers	55.50	89.89	107.15
Balances with statutory/government authorities	183.68	631.38	1,032.76
Prepaid expenses	456.65	461.35	353.95
Claims receivable	216.37	588.47	790.89
Unbilled revenue	334.83	824.52	780.39
Other receivable	58.79	131.78	183.50
Total	**1,305.82**	**2,727.39**	**3,248.64**

Note : (i) Other current assets have been pledged as security for liabilities, for details refer note 46.

14. Equity share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Authorised capital			
271,000,000 (31 March 2017 271,000,000: 01 April 2016 271,000,000) Equity Shares of INR 1/- each	2,710.00	2,710.00	2,710.00
	2,710.00	**2,710.00**	**2,710.00**
Issued, subscribed and fully paid up equity share capital			
198,741,832 (31 March 2017 198,741,832: 01 April 2016 198,741,832) Equity Shares of INR 1/- each fully paid up	1,987.42	1,987.42	1,987.42
	1,987.42	**1,987.42**	**1,987.42**

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning of the year	198,741,832	1,987.42	198,741,832	1,987.42
Movement during the year	-	-	-	-
Equity shares at the end of the year	**198,741,832**	**1,987.42**	**198,741,832**	**1,987.42**

b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of INR 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) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 1/- each fully paid up						
Sona Autocomp Holding Ltd.	-	-	49,914,664	25.12%	49,914,664	25.12%
JTEKT Corporation, Japan	138,771,253	69.82%	39,947,108	20.10%	39,947,108	20.10%
Maruti Suzuki India Ltd.	13,800,000	6.94%	13,800,000	6.94%	13,800,000	6.94%

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d) Details of shares held by ultimate holding Company/holding Company and/or their subsidiaries/associates

Name of shareholder	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 1/- each fully paid up						
Sona Autocomp Holding Ltd.	-	-	49,914,664	25.12%	49,914,664	25.12%
JTEKT Corporation, Japan	138,771,253	69.82%	39,947,108	20.10%	39,947,108	20.10%

e) Others

During the year ended 31 March 2018, JTEKT Corporation, Japan acquired promoters' stake of 25.12% from Sona Autocomp Holding Limited. Further in compliance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, JTEKT Corporation, Japan acquired additional stake of 25.23% by making an Open Offer for acquisition of shares held by Public Shareholders. Further to meet the public share holding requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957, JTEKT Corporation, Japan sold 0.63% share to Public Shareholders via Offer For Sales (OFS) of shares by Promoters through the Stock Exchange Mechanism.

f) During the period of five years immediately preceding the date at which the Balance Sheet is prepared, the Company has not

- allotted fully paid up shares pursuant to contract without payment being received in cash;

- allotted fully paid up sahres by way of bonus shares; and

- bought back shares.

15. Other equity

Particulars	As at 31 March 2018	As at 31 March 2017
Security Premium		
Opening balance	8,070.76	8,070.76
Additions during the year	-	-
Closing balance	**8,070.76**	**8,070.76**
General reserve		
Opening balance	8,190.71	8,190.71
Amount transferred from Statement of Profit and Loss	-	-
Closing balance	**8,190.71**	**8,190.71**

The general reserve is created from time to time on transfer of profit from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to Statement of Profit and Loss.

Surplus in the Statement of Profit and Loss		
Opening balance	11,609.61	10,479.26
Add: profit for the year	3,244.27	2,509.09
Less: dividend on equity shares	(993.82)	(993.70)
Less: dividend distribution tax	(194.53)	(202.30)
Add: transferred from OCI (remeasurement of employee benefit obligations)	(46.64)	(182.74)
Closing balance	**13,618.89**	**11,609.61**
Capital reserve		
Opening balance	0.43	0.43
Amount transferred from Statement of Profit and Loss	-	-
Closing balance	**0.43**	**0.43**

The capital reserve is the accumulated surplus not availble for distribution of dividend and expected to remain invested permanently.

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Particulars	As at 31 March 2018	As at 31 March 2017
Item of other comprehensive income		
Remeasurement of employee benefit obligations		
Balance as at the beginning of the year	-	-
Recognised during the period	(46.64)	(182.74)
Closing balance	**(46.64)**	**(182.74)**
Less: transferred to retained earnings	46.64	182.74
Closing balance	**-**	**-**

The remeasurements of defined benefit obligation comprises acturial gains and losses.

Effective portion of cash flow hedges		
Balance as at the beginning of the year	-	-
Recognised during the period	(116.66)	-
Closing balance	**(116.66)**	**-**
Total	**29,764.13**	**27,871.51**

The cash flow hedging reserve represents the cumiliative effective portion of gains and losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumiliative gains or loss arising on changes in the value of designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to Statement of Profit and Loss, or included as a basis adjustment to the non-financial hedging item.

16. Borrowings

16A. Non-current borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Secured loans			
Term loans			
Indian rupee loan from banks	12,146.08	13,558.74	9,704.18
Foreign currency loan from bank	3,305.25	5,105.83	11,847.64
Total borrowings (including current maturities)	**15,451.33**	**18,664.57**	**21,551.82**
Less: Current maturities of borrowings (refer note 17):			
Indian rupee loan from banks	4,088.93	4,749.20	5,340.46
Foreign currency loan from bank	1,511.25	1,896.26	1,896.26
Total current maturities of borrowings	**5,600.18**	**6,645.46**	**7,236.72**
Total borrowings (excluding current maturities)	**9,851.15**	**12,019.11**	**14,315.10**

Notes:

1. Refer note 48 - Financial risk management for liquidity risk.
2. Refer note 46 - Assets pledged as security.

16B. Current borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Secured			
Cash Credit	7,416.66	5,883.96	8,130.50
Total	**7,416.66**	**5,883.96**	**8,130.50**

Notes:

1. Refer note 48 - Financial risk management for liquidity risk.
2. Refer note 46 - Assets pledged as security.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

Repayment terms of non current borrowings as specified in note 16A (including current maturities) and security disclosure for the outstanding non current borrowings as on balance sheet date :

Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Indian rupee loans from banks						
1.	Corporation Bank	Repayable in 24 Installements (quarterly installments INR -3.75 crores)Last Due On Nov-16	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dhauhera, District Rewari (Haryana).	-	-	751.35
2.	Corporation Bank	Repayable in 24 Installements (quarterly installments INR -2.292 crores)Last Due On Nov-16	Pari passu first charge over the Entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dhauhera, District Rewari (Haryana).	-	-	311.80
3.	State Bank of India	Repayable in 16 Installements quarterly - 8 Installements INR 2 crores each, and - 8 Instalements INR 3 crores each	Primary: First Pari-Passu charge on the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, NH-8 Delhi Jaipur Road Gurugram-122001, immovable property land situated at Plot no-32 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana), Plot no-19 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabd, Gujarat. Collateral : Second charge on current assets of the Company.	2,400.00	3,200.00	295.74
4.	Corporation Bank	Repayable in 17 Installements quarterly - 1 Instalement INR - 1 crores - 8 Instalements INR - 2 crores each - 4 Instalements INR - 3 crores each - 4 Instalements INR - 2.75 crores each	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, national highway no.8 Delhi Jaipur highway Gurugram 122001 and land situated at plot no. 32 and 19 Dharuhera Industrial Areas, Phase-2, Dhauhera, district Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabd, Gujarat.	2,300.00	3,100.00	3,900.00

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Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
5.	State Bank of Hyderbad Bank	Repayable in 12 Installements quarterly - 11 Instalements INR - 0.83 crores - 1 Instalement INR - 0.87 crores each Last Due on Jun-17	Primary: First Pari-Passu charge on the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, NH-8 Delhi Jaipur Raod Gurugram-122001, immovable property land situated at Plot no-32 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana), Plot no-19 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana). and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabd, Gujarat. Collateral : Second charge on current assets of the Company.	-	419.00	668.00
6.	Indian Bank	Repayable in 20 Installements (quarterly installments INR - 1.50 crores). Last due in Aug-16	First charge on the entire movable fixed assets on the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and Propety situated at Plot no. 32 and 19. Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	-	-	166.96
7.	Allahabad Bank	Repayable in 24 Installements quarterly of INR 1.25 crores each Last Due in Nov-17	Pari passu first charge over the Entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dhauhera, District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabd, Gujarat.	-	375.00	750.00
8.	IndusInd Bank	Repayable in 16 Installements quarterly of INR 1.875 crores each Last Due in Oct-17	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dhauhera, District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabd, Gujarat.	-	562.50	937.50

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Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
9.	Allahabad Bank	Repayable in 20 Installements quarterly of INR 2.00 crores each	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dhauhera, District Rewari (Haryana) and .Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabd, Gujarat.	2,600.00	3,400.00	1,850.00
10.	Allahabad Bank	Monthly Repayment	Allahabad Bank is secured by way of exclusive charge on the vechicles financed out of the said term loan.	5.53	17.75	40.21
11.	Allahabad Bank	Monthly Repayment	Allahabad Bank is secured by way of exclusive charge on the vechicles financed out of the said term loan.	94.18	189.31	32.62
12.	IDFC Bank	Repayable in 20 Installements quarterly - 4 instalements of INR - 1.5 crores each - 12 instalements INR - 2 crores - 4 instalements of INR - 2.5 crores each	Pari passu first charge over the Entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dhauhera, District Rewari (Haryana).	3,846.37	1,295.18	-
13.	Indusind Bank	Repayable in 20 Installements - 4 instalments of INR 1.05 crores each - 4 instalments of INR 1.28 crores each - 4 instalments of INR 1.50 crores each - 4 instalments of INR 1.73 crores each - 4 instalments of INR 1.95 crores each	Pari passu first charge over the Entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dhauhera, District Rewari (Haryana).	900.00	1,000.00	-
	Total			**12,146.08**	**13,558.74**	**9,704.18**

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(All amount are in INR lakhs, unless otherwise stated)

Foreign currency loans from banks

Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
1.	Standard Chartered Bank ECB	Repayable in 16 installements (quarterly installment of INR - 1.37 crores). Last Due On July-16	Pari passu first charge over the entire movable assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dhauhera, District Rewari (Haryana).	-	-	274.00
2.	Standard Chartered Bank ECB	Repayable in 16 Installements (quarterly installment INR -1.57 crores) Last Due On Dec-16	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dhauhera, District Rewari (Haryana) and .Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabd, Gujarat Second Charge pari passu charge on all present and future current assets of the Company.	-	-	628.13
3.	Standard Chartered Bank ECB	Repayable in 16 Installements (quarterly installment INR -2.25 crores) Last Due On JUL-18	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dhauhera, District Rewari (Haryana) and .Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabd, Gujarat.	497.25	1,349.55	2,249.25
4.	Standard Chartered Bank ECB	Repayable in 17 Installements Details below:- (1) Loan Amt-USD-2 Million- Repayment INR 0.76 crores in 17 Installements. (2) Loan Amt USD-2 Million Repayment INR 0.76 crores in 17 Installements. (3) Loan Amt USD-2.5 Million Repayment INR 0.96 crores 17 Installements.	Pari passu first charge over the entire movable fixed assets of the Company. Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dhauhera, District Rewari (Haryana) and .Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabd, Gujarat Second Charge pari passu charge on all present and future current assets of the Company.	2,808.00	3,756.28	4,235.40

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Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
5.	State Bank of India Corporate Loan	Repayable in 16 Installements quarterly of INR 1.875 crores each Last Due in Nov-16	Primary: First Pari-Passu charge on the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, NH-8 Delhi Jaipur Road Gurugram-122001, immovable property land situated at Plot no-32 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana), Plot no-19 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana)	-	-	732.38
6.	State Bank of India	Repayable in 16 Installments quarterly - 8 Installments INR 2 crores each, and - 8 Installments INR 3 crores each	Primary: First Pari-Passu charge on the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, NH-8 Delhi Jaipur Road Gurugram-122001, immovable property land situated at Plot no-32 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana), Plot no-19 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat Collateral : Second charge on current assets of the Company.	-	-	3,728.48
Total				**3,305.25**	**5,105.83**	**11,847.64**
Grand Total				**15,451.33**	**18,664.57**	**21,551.82**

Rate of interest: The Company's long term borrowings have weighted average rate of 10.17% p.a. (31 March 2017 : 10.69% p.a., 01 April 2016 : 10.96% p.a.).

17. Other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Current maturities of long-term borrowings (refer note no 16A)	5,600.18	-	6,645.46	-	7,236.72	-
Interest accrued but not due on borrowings	48.35	-	79.93	-	113.84	-
Security deposits	28.74	23.06	25.94	23.06	24.09	22.06
Unclaimed dividends #	221.46	-	207.49	-	182.17	-
Forward exchange contracts used for hedging	-	-	65.14	-	29.28	-
Interest rate swaps used for hedging	38.25	45.40	-	-	-	-
Employee dues	1,113.36	-	1,102.75	-	846.78	7.15
Creditors for capital goods	267.03	-	609.57	-	406.55	-
Total	**7,317.37**	**68.46**	**8,736.28**	**23.06**	**8,839.43**	**29.21**

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

The Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 48.

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18. Provisions

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Provision for employee benefits						
Compensated absences (refer note no 40)	119.19	572.77	56.13	529.91	55.46	441.80
Others						
Provision for warranties*	180.00	47.54	247.50	71.60	247.50	63.98
Total	**299.19**	**620.31**	**303.63**	**601.51**	**302.96**	**505.78**

***Movement in provision related to warranty during the year:**

Particulars	As at 31 March 2018	As at 31 March 2017
At the beginning of the year	319.10	311.48
(Deletions) / additions during the year	(32.50)	10.00
(Deletions) / additions in the discounted amount arising from passage of time	(59.06)	(2.38)
At the end of the year	**227.54**	**319.10**

The provision for warranties relates mainly to inventories sold during the year ended 31 March 2018, 31 March 2017 and 31March 2016. The provision is based on estimates made from historical warranty data asociated with similar products. The company expects to incur the related expenditure over the next few years.

19. Deferred tax liabilities (net)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Deferred tax liability arising on account of :			
Property, plant and equipment and intangible assets	1,406.70	1,964.49	2,545.26
Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the Statement of Profit and Loss in the subsequent year.	20.72	44.18	15.16
Discounting of long term warranty	4.35	7.23	6.41
Adjustment for fair valuation of derivative	-	-	10.50
Adjustment related to borrowings	1.27	1.67	-
Deferred tax asset arising on account of :			
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	321.99	268.69	247.36
Provision of inventory obsolence	99.89	-	-
Others	9.48	9.01	-
Adjustment for fair valuation of derivative	62.67	-	-
Adjustment for capitalisation of stores and spares	-	9.76	9.76
Total	**939.01**	**1,730.11**	**2,320.21**

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Movement in deferred tax liability for the year ended 31 March 2017

Particulars	01 April 2016	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	31 March 2017
Deferred tax liability:				
Property, plant and equipment, investment property and intangible assets	(2,545.26)	-	580.77	(1,964.49)
Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the Statement of Profit and Loss in the subsequent year.	(15.16)	96.72	(125.75)	(44.18)
Discounting of long term warranty	(6.41)	-	(0.82)	(7.23)
Adjustment for fair valuation of derivative	(10.50)	-	19.51	9.01
Adjustment related to borrowings	-	-	(1.67)	(1.67)
Deferred tax asset				
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	247.36	-	21.33	268.69
Adjustment for capitalisation of stores and spares	9.76	-	-	9.76
Total	**(2,320.21)**	**96.72**	**493.37**	**(1,730.11)**

Movement in deferred tax liability for the year ended 31 March 2018

Particulars	31 March 2017	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	31 March 2018
Deferred tax liability:				
Property, plant and equipment, investment property and intangible assets	(1,964.49)	-	557.79	(1,406.70)
Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the Statement of Profit and Loss in the subsequent year.	(44.18)	26.50	(3.02)	(20.72)
Discounting of long term warranty	(7.23)	-	2.88	(4.35)
Adjustment for fair valuation of derivative	9.01	-	0.47	9.48
Adjustment related to borrowings	(1.67)	-	0.40	(1.27)
Deferred tax asset				
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	268.69	-	53.30	321.99
Provision of inventory obsolence	-	-	99.89	99.89
Adjustment for fair valuation of derivative	-	62.67	-	62.67
Adjustment for capitalisation of stores and spares	9.76	-	(9.76)	-
Total	**(1,730.11)**	**89.17**	**701.95**	**(939.01)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount are in INR lakhs, unless otherwise stated)

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22. Income tax liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Provision for income tax (net of advance tax and TDS) (31 March 2017 Nil: 01 April 2016 INR 3807.31 lakhs)	-	-	25.30
Total	-	**-**	**25.30**

23. Revenue from operations

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products (including excise duty)*	123,902.27	131,193.93
Sale of services	15.20	1.77
Other operating revenues		
Scrap sale	763.33	749.09
Export income	410.40	402.18
Total	**125,091.20**	**132,346.97**

* Revenue from operations, computed in accordance with Ind AS 18 'Revenue', for the current year is not comparable with previous year since the same is net of Goods and Service Tax (GST) whereas excise duty form part of expenses in previous year and current year (uptill 30 June 2017). The comparative revenue from operations of the Company is given below:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations (as reported)	125,091.20	132,346.97
Less : excise duty on sales	3,866.59	15,886.99
Revenue from operations (net of excise duty)	**121,224.61**	**116,459.98**

24. Other income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Other non operating income		
Interest income on:		
-Bank deposits	-	0.24
-Others	9.77	7.24
Rental income	46.43	44.96
Dividend from equity investment	38.25	371.59
Gain on sale of property, plant & equipment (net)	22.78	-
Miscellaneous income	137.64	223.36
Total	**254.87**	**647.39**

25. Cost of raw material and components consumed

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventory at the beginning of the year	2,621.97	2,350.51
Add: purchases during the year	76,133.24	73,771.31
Less: inventory at the end of the year	2,771.29	2,621.97
Total	**75,983.92**	**73,499.85**

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(All amount are in INR lakhs, unless otherwise stated)

26. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchases of stock-in-trade	4,096.63	4,122.81
Total	**4,096.63**	**4,122.81**

27. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening inventories		
Work-in-progress	1,488.70	1,303.44
Finished goods	2,111.88	1,914.12
Stock-in-trade	4.35	9.57
Closing inventories		
Work-in-progress	1,042.29	1,488.70
Finished goods	2,331.15	2,111.88
Stock-in-trade	8.83	4.35
Net decrease/(increase)	**222.66**	**(377.80)**

28. Employee benefit expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries wages and bonus	12,052.20	11,142.33
Contribution to provident and other funds (refer note 40)	842.59	863.86
Staff welfare expenses	1,722.31	1,601.16
Total	**14,617.10**	**13,607.35**

29. Finance costs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest to banks*	2,014.08	2,331.29
Interest to other	1.70	25.39
Other borrowing costs	2.40	11.73
Bank charges	55.35	57.50
Total	**2,073.53**	**2,425.91**

* Net of interest capitalized of INR 20.05 lakhs (previous year INR 181.29 lakhs)

30. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation on property, plant and equipment (refer note 3A)	6,250.24	6,572.19
Amortisation on intangible assets (refer note 3B)	1,062.49	905.17
Total	**7,312.73**	**7,477.36**

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(All amount are in INR lakhs, unless otherwise stated)

31. Other expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Consumption of stores and spares	1,792.97	1,649.03
Loose tools consumed	1,523.58	1,312.72
Power and fuel	2,260.76	2,128.80
Excise duty on (decrease) / increase in finished goods	(96.57)	16.09
Repairs and maintenance		
- Plant & machinery	598.47	507.61
- Buildings	165.10	139.87
- Others	724.93	807.87
Royalty	637.23	606.27
Rent (refer note 42)	181.57	200.65
Rates and taxes	44.17	48.06
Insurance	102.84	87.92
Travelling, conveyance and vehicle expenses	561.11	616.46
Communication & stationery expenses	189.33	189.31
Legal and professional charges	608.49	999.53
Security charges	217.01	213.60
Foreign exchange loss including mark to market valuation (net)	19.43	317.10
Selling expenses	1,159.17	1,366.09
Packing material	603.82	472.66
CSR expenditure (refer note 35)	25.62	21.00
Provision for obsolence of inventory	285.59	-
Provision for diminution in value of long term investment in associate company	-	155.04
Loss on sale of property, plant & equipment (net)	-	22.62
Property, plant & equipment written off/discarded	-	204.73
Payments to auditors		
As Auditor		
Statutory audit fee	31.00	19.15
Tax audit fee	4.00	3.53
Limited review *	10.50	12.00
Other matters	11.14	7.93
Reimbursement of expenses	2.60	-
Miscellaneous expenses	563.52	667.40
Total	**12,227.38**	**12,793.04**

* Include fees paid to predecessor auditor amounting to INR 2.50 lakhs.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

32. Tax expense

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Income tax recognised in the statement of profit or loss:		
Current income tax		
- Current tax	2,403.21	1,543.13
Deferred tax		
- Relating to origination and reversal of temporay differences	(701.95)	(493.37)
Income tax expenses reported in the statement of profit or loss	**1,701.26**	**1,049.76**

Reconciliation of effective tax rate :

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.608% and the reported tax expense in Statement of Profit and Loss are as follows:

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
Profit for the year		**4,945.53**		**3,558.85**
Statutory income tax rate of 34.608% (31 March 2017: 34.608%)	34.61%	1,711.55	34.61%	1,231.65
Additional deduction allowed in Income tax Act for certain expenditure	-0.74%	(36.68)	-6.46%	(229.93)
Expenditure for which deduction is not allowed under income tax Act	0.33%	16.42	2.37%	84.43
Capital expenditure not allowed under Income Tax Act		-	3.28%	116.62
Tax on exempt income	-0.27%	(13.24)	-3.61%	(128.60)
Change in tax rate for future period considered for deferred tax	0.36%	17.74		-
Tax pertaining to earlier years		-	-1.03%	(36.55)
Other deductions	0.11%	5.47	0.34%	12.14
Effective tax rate	**34.40%**	**1,701.26**	**29.50%**	**1,049.76**

Income tax recognised in Other Comprehensive Income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Deferred tax related to items recognised in OCI during the year:		
Re-measurement of defined benefit plans	26.50	96.72
Effective portion of loss on cash flow hedge instruments	62.67	-
Income tax expenses reported in Other Comprehensive Income	**89.17**	**96.72**

33. Earnings per equity share

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit attributable to equity shareholders	3,244.27	2,509.09
Weighted average number of equity shares outstanding during the year (Nos.)	198,741,832	198,741,832
Nominal value of equity shares in INR	1.00	1.00
Earnings per equity share in INR		
Basic	1.63	1.26
Diluted	1.63	1.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

34. Group Information

The Company has following investment, in subsidiary and associates:

Name of the entity	Principal place of business	Relationships	Percentage of ownership interest		
			As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Sona Fuji Kiko Automotive Limited	India	Subsidiary	51%	51%	51%
JTEKT Sona Automotive India Limited	India	Associate	49%	49%	49%
Sona Skill Development Centre Limited*	India	Associate	0%	49.99%	49.99%

* The company has decided to disinvest the equity shares with effect from 18 May 2017.

35. Expenditure on Corporate Social Responsibility (CSR)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Gross amount required to be spent by the Company as per Section 135 of the Companies Act, 2013	55.48	46.09
Amount spent during the year on:		
a) Construction / acquisition of any asset	-	-
b) On purposes other than (a) above	25.62	21.00

36. Research & development expenses (R&D expenses)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Travelling expenses	5.63	7.58
Salary and allowance	168.62	192.76
Components, tools and spares	12.36	28.27
Others	1.32	0.61
Total	**187.93**	**229.22**

37. Merger information

The Board of Directors of JTEKT India Limited ('JIN') and JTEKT Sona Automotive India Limited ('JSAI') have approved a Scheme of Amalgamation in their respective Board meetings held on February 9, 2018, wherein, JSAI is proposed to be amalgamated with JIN, w.e.f. the appointed date i.e. April 1, 2018. The said draft Scheme of Amalgamation has been submitted with the concerned Stock Exchanges and SEBI for their approval in February 2018. SEBI has, however, returned this draft Scheme of Amalgamation vide its letter dated May 16, 2018 and has advised the Company to resubmit the same after ensuring compliance with the requirement stated in Clause No. (I)(A)(3)(b) of Annexure 1 of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

38. Name change information

The Company have received approval from Registrar of Companies as on 7 April 2018, for change of its name to JTEKT India Limited from Sona Koyo Steering Systems Limited.

39. Contingent liabilities and commitments (to the extent not provided for)

A. Capital commitments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Estimated amount of contracts remaining to be executed on capital account(net of advances) and not provided for	3,035.05	1,001.28	1,542.52
Total	**3,035.05**	**1,001.28**	**1,542.52**

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B. Contingent liabilities

Particulars	Period covered	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
a. Contingent liabilities, not acknowledged as debt, include:				
1. Claims against the Company not acknowledged as debt on account of #:				
(a) Excise duty matters				
Show cause notices received and pending with Adjudication Authority	2000-01 to 2017-18	1,759.08	1,682.65	1,681.07
Cases pending before Appellate authorities in respect of which the company has filed appeals.	2007-08 to 2011-12	465.26	442.31	420.65
		2,224.34	**2,124.96**	**2,101.72**
(b) Service tax matters				
Show cause notices received and pending with Adjudication Authority	2004-05 to 2017-18	64.94	64.96	60.75
Cases pending before Appellate authorities in respect of which the company has filed appeals.	2005-06 to 2008-09	-	-	79.46
	2009-10 to 2015-16	8.73	8.77	82.65
		73.67	**73.73**	**222.86**
(c) VAT matters				
Local Area Development Tax (LADT) levied by Assessing Authority Gurugram. The Constitutional bench of the Supreme Court in its order dated 11.11.2016 has given certain guidelines relating to power of States to levy tax on entry of goods into local area. The pending cases, including that of the company is yet to be decided by the regular benches of Supreme Court.	2007-08 to 2017-18	1413.47	1,273.69	1,106.51
(d) Customs duty matters				
Show cause notice received from Adjudication Authority (DGFT) for advance license	2011-12 to 2012-13	-	7.64	7.24
(e) Income tax matters				
Cases pending before Appellate Authorities in respect of which the Company has filed appeal	2011-12 to 2015-16	49.91	-	7.94
The Company has been advised that the above demands are likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.				
2. Customer bills discounted		2,363.22	2,113.53	1,743.88
3. Letter of credit opened by banks for purchase of inventory / capital goods		170.72	55.06	84.63
Total		**6,295.33**	**5,648.61**	**5,274.78**

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.

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(All amount are in INR lakhs, unless otherwise stated)

40. Employee benefit obligations

A. Defined Contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, towards Provident Fund, Superannuation Fund, Punjab Labour Welfare Fund (PLWF) and Employee State Insurance scheme ('ESI') which are collectively defined as defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrued. The amount recognized as an expense includes following:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Employer's contribution to Provident Fund	453.76	486.70
b) Employer's contribution to Superannuation Fund	214.18	384.46
c) Employer's contribution to Employee State Insurance Corporation	31.76	22.17
d) Punjab labour welfare fund (PLWF)	2.43	2.65
	702.13	**895.98**

B. Defined benefit plan

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

(i) Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Liability for gratuity	2,204.74	1,922.76	1,530.17
Plan assets for gratuity	2,253.60	2,014.72	1,806.98
Net defined benefit liability /(assets)	**(48.86)**	**(91.96)**	**(276.81)**

As per Ind-AS 19, the Company does not recognise net defined benefit assets due to absences of any right to claim the surplus as refund or expected reduction in future contribution to the plan.

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(All amount are in INR lakhs, unless otherwise stated)

(ii) Amount recognised in the Statement of Profit and Loss is as under:

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost *	152.59	103.46
Net interest cost	(6.62)	(22.42)
Decrease in unrecoginsed assets	(43.09)	(184.85)
Expense recognised in the Statement of Profit and Loss	**102.88**	**(103.81)**
Actuarial loss/(gain) recognised during the year	73.14	279.46
Amount recognised in the total comprehensive income	**176.02**	**175.65**

* Current service cost includes contribution of LIC premium amounting to INR 6.61 lakhs (previous year INR 5.90 lakhs). Further, during the year ended 31 March 2017, the current service cost excludes the contribution to gratuity fund amounting to INR 38.03 lakhs for the employees who were transferred from Sona Managements Services Limited.

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under :

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Present value of defined benefit obligation as at the start of the year	**1,922.77**	**1,530.17**	**1,629.30**
Current service cost	145.98	135.60	115.87
Interest cost	138.44	123.94	131.98
Actuarial loss/(gain) on obligation	79.56	250.67	(121.79)
Benefits paid	(82.01)	(117.62)	(225.19)
Present value of defined benefit obligation as at the end of the year	**2,204.74**	**1,922.76**	**1,530.17**

(iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Fair Value of plan assets at start of the year	**2,014.72**	**1,806.98**	**1,663.61**
Interest income	145.06	146.36	134.75
Employer contribution	169.41	207.79	201.61
Benefit Paid	(82.01)	(117.62)	(225.19)
Actuarial gain/(loss) on plan assets	6.42	(28.79)	32.20
Fair Value of plan assets at the end of the year	**2,253.60**	**2,014.72**	**1,806.98**

(v) Remeasurement recognised in other comprehensive income is as under:

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial loss on defined benefit obligation	79.56	250.67
Return on plan assets excluding interest income	(6.42)	28.79
Amount recognised in Other Comprehensive Income	**73.14**	**279.46**

(vi) Bifurcation of actuarial (gain)/loss on defined benefit obligation:

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial loss from change in demographic assumption	141.97	-
Actuarial (gain)/loss from change in financial assumption	(69.34)	143.13
Actuarial loss from experience adjustment	6.93	107.54
Amount recognised in the Other Comprehensive Income	**79.56**	**250.67**

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(vii) Actuarial assumptions

a. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company :

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Discount rate	7.60%	7.20%	8.10%
Rate of increase in compensation level	5.50%	5.50%	5.50%

b. Demographic assumptions

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Retirement age			
- Mr. K. M. Deshmukh	-	65	65
- Mr. Sudhir Chopra	65	65	58
- Mr. Kiyozumi Kamiki	65	65	58
- Mr. A.D. Rao	65	58	58
- Mr. Rakesh Gaind	65	58	58
- Others	58	58	58
Attrition rate			
- Up to 30 years	9.50%	3.00%	3.00%
- 31 to 44 years	9.50%	2.00%	2.00%
- Above 44 years	9.50%	1.00%	1.00%

(viii) Sensitivity analysis for gratuity liability

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Impact of the change in discount rate			
Present value of obligation at the end of the year	2,204.74	1,922.76	1,530.17
- Impact due to increase of 1%	(106.10)	(157.97)	(124.47)
- Impact due to decrease of 1%	116.51	181.67	143.19
Impact of the change in salary increase			
Present value of obligation at the end of the year	2204.74	1,922.76	1,530.17
- Impact due to increase of 1%	117.77	182.95	145.50
- Impact due to decrease of 1%	(109.10)	(161.77)	(128.46)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Sensevities due to mortality and withdrawals are not material and hence impact of change is not calculated. Sensivity as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy not applicable being a lump sum benefit on retirement.

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(ix) Maturity profile of defined benifit obligation

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Within next 12 months	264.80	116.63	117.78
Between 1-2 years	265.74	61.00	93.07
Between 2-3 years	230.55	92.23	49.40
Between 3-4 years	227.57	86.56	71.74
Between 4-5 years	208.26	120.40	63.25
Above 5 years	1,007.82	1,445.94	1,134.93
Total	**2,204.74**	**1,922.76**	**1,530.17**

(x) Enterprise best estimate of contribution during next year is INR 134.95 lakhs (previous year INR 133.98 lakhs).

C. Other long-term employee benefits

During the year ended 31 March 2018, the Company has created provision for compensated absences towards earned leave amounting to INR 209.94 lakhs (previous year expense of INR 176.06 lakhs). The Company has written back provision towards sick leave amounting to INR 4.71 lakhs (previous year INR 2.12 lakhs). The Company determines the expense for compensated absences basis the actuarial valuation of present value of the obligation, using the Projected Unit Credit Method.

41. Related party disclosures

For the purpose of these standalone financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

i) Parent and ultimate controlling party:

Name of party	Period
1. JTEKT Corporation, Japan	After 18-May-17

ii) Entity with significant influence:

Name of party	Period
1. Sona Autocomp Holdings Ltd	Upto 18-May-17

iii) Subsidiary:

Name of party	Period
1. Sona Fuji Kiko Automotive Limited	Full year

iv) Associates:

Name of party	Period
1. Sona Skill Development Centre Ltd	Upto 18-May-17
2. JTEKT Sona Automotive India Limited	Full year

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(All amount are in INR lakhs, unless otherwise stated)

v) Key management personnel:

Name	Period	Designation
1. Mr. Hidekazu Omura	After 18-May-17	Chairman
2. Mr. Kiyozumi Kamiki	Full year	Dy. Managing Director upto 18-May-17, Managing Director after 18-May-17
3. Mr. K.M. Deshmukh	Upto 18-May-17	Executive Vice-Chairman
4. Mr. Sudhir Chopra	Full year	President & Company Secretary up to 18-May-17, Director (Corporate Affairs) & Company Secretary after 18-May-17
5. Mr. Rajiv Chanana	Full year	Chief Financial Officer
6. Mr. Hidekazu Omura	Upto 18-May-17	Nominee of JTEKT Corporation, Japan
7. Mr.Seiho Kawakami	Full year	Director
8. Mr. Ravi Bhoothalingam	Full year	Independent Director
9. Lt. Gen (Retd) S.S. Mehta	Full year	Independent Director
10. Mr. Ramesh Suri	Full year	Independent Director
11. Ms. Geeta Mathur	After 10-Nov-17	Independent Director
12. Mr. P.K. Chadha	Upto 23-Jun-17	Independent Director
13. Ms. Ramni Nirula	Upto 30-Oct-17	Independent Director
14. Ms. Rani Kapur	Upto 18-May-17	Director
15. Mr. Sunjay Kapur	Upto 18-May-17	Director

vi) Other related parties:

Fellow subsidiaries and enterprises over which key management personnel or relative of key management personnel are able to exercise significant influence

Name of party	Period
1. Sona BLW Precision Forgings Ltd	Upto 18-May-17
2. Mahindra Sona Limited	Upto 18-May-17
3. Kapur Properties & Investment	Upto 18-May-17
4. Mandira Marketing Limited	Upto 18-May-17
5. Sona BLW Prazisionsschmiede GMBH	Upto 18-May-17
6. Sona BLW Precision Forge INC	Upto 18-May-17
7. Sona Koyo Steering Systems Ltd EPF Trust	Upto 18-May-17
8. Sona Charitable Trust	Upto 18-May-17
9. Sona Management Services Limited	Upto 18-May-17
10. Sona Autocomp Germany GMBH	Upto 18-May-17
11. Avian Media Pvt Ltd	Upto 18-May-17
12. Koyo Bearings India Pvt Ltd	Full year
13. Maruti Suzuki India Limited	Full year
14. JTEKT Thailand Co. Ltd	After 18-May-17
15. JTEKT Automotive (Thailand) Co Ltd	After 18-May-17
16. Koyo Joint (Thailand) Co Ltd	After 18-May-17
17. Koyo Machine Industries Co. Ltd	After 18-May-17
18. Koyo Kowa Co. Ltd	After 18-May-17
19. Toyoda Machine Works	After 18-May-17
20. Fuji Autotech France	After 18-May-17
21. Fuji Auto Sweden AB	After 18-May-17
22. Fuji Kiko Co. Ltd.	After 18-May-17
23. Koyo Joint (XIAMEN) Co. Ltd.	After 18-May-17

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Transactions with the above parties:

Particulars	Parent and ultimate controlling party	Entity with significant influence	Subsidiary	Associates	Key management personnel	Other related parties	Total
Advance received	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Advance received (previous year)	-	-	(6.88)	(259.94)	-	-	(266.82)
Cash discount paid	**-**	**-**	**-**	**92.72**	**-**	**0.63**	**93.35**
Cash discount paid (previous year)	-	-	-	(26.65)	-	(0.91)	(27.56)
Commission to director	**-**	**-**	**-**	**-**	**50.00**	**-**	**50.00**
Commission to director (previous year)	-	-	-	-	(24.00)	-	(24.00)
CSR expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CSR expenses (previous year)	-	-	-	-	-	(21.00)	(21.00)
Director sitting fee	**-**	**-**	**-**	**-**	**93.00**	**4.69**	**97.69**
Director sitting fee (previous year)	-	-	-	-	(94.30)	-	(94.30)
Dividend paid	**700.06**	**-**	**-**	**-**	**0.10**	**69.00**	**769.16**
Dividend paid (previous year)	(199.74)	(249.57)	-	-	(0.17)	(69.00)	(518.48)
Dividend received	**-**	**-**	**38.25**	**-**	**-**	**-**	**38.25**
Dividend received (previous year)	-	-	(38.25)	(333.34)	-	-	(371.59)
Donation	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Donation (previous year)	-	-	-	-	-	(22.00)	(22.00)
Contribution to PF Trust	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Contribution to PF Trust (previous year)	-	-	-	-	-	(26.93)	(26.93)
Interest income	**-**	**-**	**-**	**-**	**-**	**5.75**	**5.75**
Interest income (previous year)	-	-	-	-	-	(5.64)	(5.64)
Rent paid	**-**	**-**	**-**	**-**	**-**	**1.20**	**1.20**
Rent paid (previous year)	-	-	-	-	-	(38.14)	(38.14)
Rent received	**-**	**-**	**-**	**54.44**	**-**	**-**	**54.44**
Rent received (previous year)	-	-	-	(51.67)	-	-	(51.67)
Post-employment gratuity	**-**	**-**	**-**	**-**	**93.33**	**-**	**93.33**
Post-employment gratuity (previous year)	-	-	-	-	(72.10)	-	(72.10)
Purchase of capital goods	**4.50**	**-**	**-**	**-**	**-**	**32.57**	**37.07**
Purchase of capital goods (previous year)	-	-	(28.27)	-	-	-	(28.27)
Purchase of goods	**4,320.46**	**-**	**3,641.38**	**6,445.27**	**-**	**2,586.02**	**16,993.13**
Purchase of goods (previous year)	(4,572.27)	-	(2,817.32)	(6,986.39)	-	(2,508.31)	(16,884.29)
Receiving of services	**7.45**	**-**	**-**	**-**	**-**	**-**	**7.45**
Receiving of services (previous year)	(9.05)	-	-	(72.47)	-	(7.98)	(89.50)
Reimbursement of expenses recovered	**36.62**	**-**	**0.32**	**10.80**	**-**	**0.27**	**48.01**
Reimbursement of expenses recovered (previous year)	(12.62)	-	(0.58)	(13.80)	-	(75.52)	(102.52)
Reimbursement of expenses paid	**36.99**	**-**	**-**	**6.68**	**2.03**	**0.53**	**46.23**
Reimbursement of expenses paid (previous year)	(24.60)	-	(0.30)	(51.52)	-	(17.10)	(93.52)
Rendering of services	**-**	**-**	**-**	**6.90**	**-**	**-**	**6.90**
Rendering of services (previous year)	-	-	-	(41.37)	-	(140.73)	(182.10)
Royalty	**634.66**	**-**	**-**	**-**	**-**	**1.87**	**636.53**
Royalty (previous year)	(566.40)	-	-	-	-	-	(566.40)
Sale of capital goods	**-**	**-**	**18.80**	**-**	**-**	**2.58**	**21.38**
Sale of capital goods (previous year)	-	-	-	-	-	(0.63)	(0.63)
Sale of goods	**3.59**	**-**	**2,280.56**	**14,898.38**	**-**	**71,782.33**	**88,964.86**
Sale of goods (previous year)	(7.51)	-	(1,943.37)	(13,299.50)	-	(71,049.93)	(86,300.31)
Short-term employee benefits	**-**	**-**	**-**	**-**	**255.64**	**-**	**255.64**
Short-term employee benefits (previous year)	-	-	-	-	(401.96)	-	(401.96)
Technical support fee	**10.43**	**-**	**-**	**-**	**-**	**-**	**10.43**
Technical support fee (previous year)	-	-	-	-	-	-	-
Technicians expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Technicians expenses (previous year)	(455.27)	-	-	-	-	-	(455.27)

Figures in bracket are in respect of the previous year

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Outstanding balances	Parent and ultimate controlling party	Entity with significant influence	Subsidiary	Associates	Key management personnel	Other related parties	Total
Outstanding balance as on 31-Mar-2018 (debit)	**0.08**	**-**	**216.11**	**369.58**	**-**	**6,992.75**	**7,578.52**
Outstanding balance as on 31-Mar-2017 (debit)	-	-	(186.50)	(1,180.91)	-	(6,529.70)	(7,897.11)
Outstanding balance as on 1-Apr-2016 (debit)	-	-	(126.02)	(1,043.09)	-	(7,767.89)	(8,937.00)
Outstanding balance as on 31-Mar-2018 (credit)	**1,755.86**	**-**	**344.23**	**957.67**	**-**	**387.46**	**3,445.22**
Outstanding balance as on 31-Mar-2017 (credit)	(1,636.48)	-	(272.12)	(1,120.45)	-	(113.73)	(3,142.78)
Outstanding balance as on 1-Apr-2016 (credit)	(1,500.07)	-	-	(1,265.37)	-	(118.74)	(2,884.18)

Figures in bracket are in respect of the previous year

42. Leases

In case of assets taken on lease

Operating Lease:

The company had taken residential properties, cars for its employees, factory and office premise under operating lease agreement having a lease term ranging from 11 months to 60 months. These leases are renewable by mutual consent on mutually agreed terms. The minimum lease payments are as follows:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Lease payments for the year recognised in the Statement of Profit and Loss	181.57	200.65
Minimum lease payments:		
- Not later than one year	27.46	-
- Later than one year but not later than five years	55.22	-
Total	**82.68**	**-**

43. Segment information

The Company is engaged in the business of manufacturing and assembling of automotive components. The Board of Directors being the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments' operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component. Further, the economic environment in which the company operates is significantly similar and not subject to materially different risk and rewards. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

Geographical information

The Company's revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

Revenue from Operations

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from external customers		
India	115,838.43	125,296.40
Abroad	9,252.77	7,050.57
Total	**125,091.20**	**132,346.97**

Non current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
India	46,227.57	50,554.94	52,315.75
Abroad	-	-	-
Total	**46,227.57**	**50,554.94**	**52,315.75**

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Major customer

Revenue from transactions of the Company with some of its OEM customers exceed 10 per cent or more of the Company's total revenue

44. Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the international transactions entered into with the associated enterprises from April 2017 and expects such records to be in existence latest by November 2018 as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

45. Dividend

The board of directors of the Company in its meeting held on 18 May 2018, proposed a dividend of INR 993.71 (INR 0.50 per share) to the equity shareholders. The dividend will be remitted post the approval of shareholders in the ensuing Annual General Meeting ('AGM').

46. Assets pledged as security

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current assets			
Financial assets			
Pari-passu charge			
- Trade receivables	18,172.82	14,952.98	15,579.42
- Cash and cash equivalents	257.17	257.54	453.80
- Loans	93.70	86.87	73.15
- Other financial assets	31.23	-	-
Inventories	7,594.18	7,808.50	7,171.04
Other current assets	1,305.82	2,727.39	3,248.64
Total current assets pledged as security	**27,454.92**	**25,833.28**	**26,526.05**
Non-current assets			
Pari-passu charge			
Property, plant and equipment	31,151.65	33,871.94	34,287.90
Capital work-in-progress	876.11	1,345.49	1,985.35
Intangible assets	3,780.17	3,842.48	3,151.93
Intangible assets under development	101.87	783.05	1,721.75
Total non-current assets pledged as security	**35,909.80**	**39,842.96**	**41,146.93**
Total assets pledged as security	**63,364.72**	**65,676.24**	**67,672.98**

47. Fair value disclosures

i) Fair values hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial statements that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

All financial instruments for which fair value is recognised or disclosed are categorised with in the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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ii) Financial instruments by category & fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

Particulars	Note	Level of hierarchy	As at 31 March 2018				As at 31 March 2017				As at 01 April 2016			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial assets														
Non current														
Loans														
- Security deposits	b		121.94	-	-	121.94	114.48	-	-	114.48	132.95	-	-	132.95
- Loan to employees	b		5.61	-	-	5.61	5.72	-	-	5.72	5.69	-	-	5.69
Other financial assets														
- Deposits with maturity after 12 months from the reporting date	b		-	-	-	-	-	-	-	-	17.81	-	-	17.81
Current														
Trade receivables	a		18,172.82	-	-	18,172.82	14,952.98	-	-	14,952.98	15,579.42	-	-	15,579.42
Cash and cash equivalents	a		257.17	-	-	257.17	257.54	-	-	257.54	453.80	-	-	453.80
Loans														
- Security deposits	a		66.30	-	-	66.30	56.28	-	-	56.28	37.49	-	-	37.49
- Loan to employees	a		27.40	-	-	27.40	30.59	-	-	30.59	35.66	-	-	35.66
Other financial assets														
- Forward exchange contracts used for hedging	d	2	31.23	31.23	-	-	-	-	-	-	-	-	-	-
Total			**18,682.47**	**31.23**	**-**	**18,651.24**	**15,417.59**	**-**	**-**	**15,417.59**	**16,262.82**	**-**	**-**	**16,262.82**

Note: Investment in equity instrument of subsidiary and associates are measured at cost as per Ind AS 27, "Separate financial statements" and hence, not presented here.

Particulars	Note	Level of hierarchy	As at 31 March 2018				As at 31 March 2017				As at 01 April 2016			
			Carrying Amount	FVTPL	FVOCI	Amortised cost	Carrying Amount	FVTPL	FVOCI	Amortised cost	Carrying Amount	FVTPL	FVOCI	Amortised cost
Financial liabilities														
Non current														
Borrowings	c		9,851.15	-	-	9,851.15	12,019.11	-	-	12,019.11	14,315.10	-	-	14,315.10
Other financial liabilities														
- Security deposits	b		23.06	-	-	23.06	23.06	-	-	23.06	22.06	-	-	22.06
- Interest rate swaps used for hedging	d	2	45.40	-	45.40	-	-	-	-	-	-	-	-	-
- Employee dues	b		-	-	-	-	-	-	-	-	7.15	-	-	7.15
Current														
Borrowings	a		7,416.66	-	-	7,416.66	5,883.96	-	-	5,883.96	8,130.50	-	-	8,130.50
Trade payable	a		14,634.78	-	-	14,634.78	16,280.23	-	-	16,280.23	15,153.69	-	-	15,153.69
Other financial liabilities														
- Current maturities of long-term borrowings	a		5,600.18	-	-	5,600.18	6,645.46	-	-	6,645.46	7,236.72	-	-	7,236.72
- Interest accrued but not due on borrowings	a		48.35	-	-	48.35	79.93	-	-	79.93	113.84	-	-	113.84
- Security deposits	a		28.74	-	-	28.74	25.94	-	-	25.94	24.09	-	-	24.09
- Unclaimed dividends	a		221.46	-	-	221.46	207.49	-	-	207.49	182.17	-	-	182.17
- Forward exchange contracts used for hedging	d	2	-	-	-	-	65.14	65.14	-	-	29.28	29.28	-	-
- Interest rate swaps used for hedging	d	2	38.25	-	38.25	-	-	-	-	-	-	-	-	-
- Employee dues	a		1,113.36			1,113.36	1,102.75			1,102.75	846.78			846.78
- Creditors for capital goods	a		267.03			267.03	609.57			609.57	406.55			406.55
Total			**39,288.42**	**-**	**83.65**	**39,204.77**	**42,942.64**	**65.14**	**-**	**42,877.50**	**46,467.93**	**29.28**	**-**	**46,438.65**

a. Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

b. Fair value of non-current financial assets and liabilities have not been disclosed as there is no significant differences between carrying value and fair value.

c. Fair value of borrowing is considered to be the same as its carrying value, as there is an no change in the lending rates.

d. Fair value of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The model incorporate various inputs include the credit quality of counter-parties and foreign exchange forward rates.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2018 and 31 March 2017.

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48. Financial risk management

The Company is primarily engaged in the manufacturing steering systems and other auto componets for passenger and utlity vehicle manufactures. The Company's principal financial liabilities, comprises loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to support the Company's operations. The Company's principal financial assets include investments in equity, trade and other receivables, security deposits, cash and employee advances that derive directly from its operations. The Company also enters into derivative transactions viz. Cost Currency Interest Rate Swap and Principal and Interest Swaps.

The Company has exposure to the following risks arising from financial instruments

- Credit risk [see (A)];
- Liquidity risk [see (B)]; and .
- Market risk [see (C)]

Risk Management Framework

The Company's activities makes it susceptible to various risks. The company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Company's senior management oversee the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis,Credit ratings	Diversification of bank deposits, credit limits and letter of credit.
Liquidity Risk	Borrowings and liabilities	Cash flow forecasting, sensitivity analysis	Availability of borrowing facilities, forward contracts, CCIRS.
Market risk - foreign currency risk	Future commercial transactions, recognised financial liabilities not denominates in Indian Rupee (INR)	Cash flow forecasting, sensitivity analysis	Cross currency principal interest swaps
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Cross currency principal interest swaps

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), including foreign exchange transactions and other financial instruments

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Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of balance sheet position whether a financial asset or a company of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Company's exposure to customers is diversified and more than 90% revenue is recognised from OEM's. However there was no default on account of these customers in the history of Company.

Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits to customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The Company performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis lifetime expected losses and where receivables are due for more than six months.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(a) Financials assets for which allowance is measured using 12 months Expected credit losses.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Loans	93.70	86.87	73.15
Other financials assets	31.23	-	-

(b) The ageing analysis of trade receivables for which loss allowance is measured using Life time Expeceted credit losses as at the reporting data is as follows:

Particulars	As at 31 March 2018	0-6 months	6-12 months	More than 12 months
Carrying amount of trade receivables	18,172.82	18,103.16	54.53	15.13

Particulars	As at 31 March 2017	0-6 months	6-12 months	More than 12 months
Carrying amount of trade receivables	14,952.98	14,933.56	7.37	12.05

Particulars	As at 01 April 2016	0-6 months	6-12 months	More than 12 months
Carrying amount of trade receivables	15,579.42	15,544.67	4.03	30.72

(c) The Company's exposure to credit risk for trade receivable by geographic region is as follows:

Particulars	"As at 31 March 2018"	"As at 31 March 2017"	"As at 1 April 2016"
India	16,550.45	13,371.78	13,706.65
USA	1,477.84	1,417.21	1,722.86
France	144.53	163.82	**145.85**
Japan	-	0.17	**4.07**
Total	**18,172.82**	**14,952.98**	15,579.43

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Corporate finance department in accordance with the Company's policy. Investments of surplus funds are made only in schemes of alternate investment fund/or other appropriate avenues including term and recurring deposits with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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The Company places its cash and cash equivalents and term deposits with banks with high investment grade ratings, limits the amount of credit exposure with any one bank and conducts ongoing evaluation of the credit worthiness of the banks with which it does business. Given the high credit ratings of these banks, the Company does not expect these banks to fail in meeting their obligations. The maximum exposure to credit risk for the components of the balance sheet at 31 March 2018, 31 March 2017 and 01 April 2016 is represented by the carrying amount of each financial asset.

B) Liquidity risk

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, buyers credit and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments and includes contractual interest payments:

31 March 2018	Contractual cash flows				
	Carrying value as at 31 March 2018	Less than 1 year	1-2 years	2-3 years	More than 3 years
Non derivative financial liabilities					
Borrowings	22,867.99	14,254.07	5,846.30	2,911.46	2,279.41
Trade payables	14,634.78	14,634.78	-	-	-
Other financial liabilities					
- Security deposits	51.80	28.74	-	-	23.06
- Unclaimed dividends	221.46	221.46	-	-	-
- Employee dues	1,113.36	1,113.36	-	-	-
- Creditors for capital goods	267.03	267.03	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Interest rate swaps used for hedging	83.65	83.65	-	-	-
Total	**39,240.07**	**30,603.09**	**5,846.30**	**2,911.46**	**2,302.47**

31 March 2017	Contractual cash flows				
	Carrying value as at 31 March 2017	Less than 1 year	1-2 years	2-3 years	More than 3 years
Non derivative financial liabilities					
Borrowings	24,548.53	13,645.40	6,258.86	5,194.76	2,931.16
Trade payables	16,280.23	16,280.23	-	-	-
Other financial liabilities					
- Security deposits	49.00	25.94	-	-	23.06
- Unclaimed dividends	207.49	207.49	-	-	-
- Employee dues	1,102.75	1,102.75	-	-	-
- Creditors for capital goods	609.57	609.57	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Forward exchange contracts used for hedging	65.14	65.14	-	-	-
Total	**42.862.71**	**31,936.52**	**6,258.86**	**5,194.76**	**2,954.22**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

31 March 2016	Contractual cash flows				
	Carrying value as at 01 April 2016	Less than 1 year	1-2 years	2-3 years	More than 3 years
Non derivative financial liabilities					
Borrowings	29,682.32	21,734.30	8,765.62	6,594.65	6,651.25
Trade payables	15,153.69	15,153.69	-	-	-
Other financial liabilities					
- Security deposits	46.15	24.09	-	-	22.06
- Unclaimed dividends	182.17	182.17	-	-	-
- Employee dues	853.93	853.93	-	-	-
- Creditors for capital goods	406.55	406.55	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Forward exchange contracts used for hedging	29.28	29.28	-	-	-
Total	**46,354.09**	**38,384.01**	**8,765.62**	**6,594.65**	**6,673.31**

C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risk: interest rate risk, currency risk and price risk. Financial instruments affected by market risk include loans and borrowings, investment, deposits, advances and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2018.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings in foreign currency (ECB borrowings).

The Company manages its foreign currency risk by entering into derivatives. When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

(i) **Foreign currency risk exposure**

Details of unhedged foreign currency exposures is as follows:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial assets						
Receivables (trade & others)						
USD	22.98	1,477.84	22.11	1,417.21	26.22	1,722.86
EURO	1.83	144.53	2.41	163.82	1.96	145.85
JPY	-	-	0.29	0.17	6.96	4.07
Financial liabilities						
Payables (trade & others)						
USD	3.99	262.47	2.79	183.14	4.35	289.56
EURO	0.31	25.16	0.42	29.25	0.49	37.31
JPY	477.53	296.98	843.33	495.54	525.47	313.45
CHF	0.05	3.22	0.06	4.23	0.05	3.34
SGD	-	-	-	-	0.02	1.13
GBP	-	-	-	-	0.00	0.35
Borrowings - others						
USD	10.26	675.18	22.81	1,496.05	21.73	1,447.06

The outstanding forward exchange contracts and currency swap & interest rate swap contracts as at the end of the year entered by the Company for the purpose of hedging its foreign currency exposures are as follows:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial liabilities						
Payables (trade & other)						
USD	5.80	381.82	4.42	289.66	3.98	264.78
EURO	-	-	-	-	-	-
JPY	2,421.50	1,505.93	2,721.38	1,599.08	2,068.04	1,233.59
CHF	0.21	14.32	0.34	22.40	0.15	10.26
SGD	-	-	-	-	-	-
GBP	-	-	-	-	-	-
Borrowings - ECB						
USD	49.85	3,305.25	80.15	5,257.65	120.00	7,989.60
Borrowings - Others						
USD					67.00	4,460.86

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

The following significant exchange rates were applied at the year end:

Particulars	Year end rates		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Financial assets			
Receivables (trade & others)			
USD / INR	64.30	64.10	65.70
EURO / INR	78.77	68.11	74.50
JPY / INR	0.60	0.57	0.58
Financial liabilities			
Payables (trade & others)			
USD / INR	65.80	65.60	66.58
EURO / INR	81.26	70.36	76.00
JPY / INR	0.62	0.59	0.60
CHF / INR	69.26	65.76	69.49
SGD / INR	-	-	49.47
GBP / INR	-	-	96.09
Borrowings - ECB & Others			
USD / INR	65.80	65.60	66.58

Sensitivity analysis

Any changes in the exchange rate of foreign currency against INR is not expected to have significant impact on the Company's profit due to the short credit period. Accordingly, a 1% appreciation/depreciation of the INR as indicated below, against the foreign currencies would have increased/reduced profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant.

Particulars	Statement of profit and loss or Other comprehensive income	Currency	Exchange rate increase by 1%			Exchange rate decrease by 1%		
			As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Receivables (trade & others)	Statement of profit and loss	USD	14.78	14.17	17.23	(14.78)	(14.17)	(17.23)
	Statement of profit and loss	EURO	1.45	1.64	1.46	(1.45)	(1.64)	(1.46)
	Statement of profit and loss	JPY	-	0.00	0.04	-	(0.00)	(0.04)
Payables (trade & other)	Statement of profit and loss	USD	2.62	1.83	2.90	(2.62)	(1.83)	(2.90)
	Statement of profit and loss	EURO	0.25	0.29	0.37	(0.25)	(0.29)	(0.37)
	Statement of profit and loss	JPY	2.97	4.96	3.13	(2.97)	(4.96)	(3.13)
	Statement of profit and loss	CHF	0.03	0.04	0.03	(0.03)	(0.04)	(0.03)
	Statement of profit and loss	SGD	-	-	0.01	-	-	(0.01)
	Statement of profit and loss	GBP	-	-	0.00	-	-	(0.00)
Borrowings - others	Statement of profit and loss	USD	6.75	14.96	14.47	(6.75)	(14.96)	(14.47)

(ii) Foreign exchange derivative contracts

The Company tries to mitigate foreign exchange risk by entering into appropriate hedging instruments as considered necessary from time to time. Depending on the future outlook on currencies, the Company may keep the exposures unhedged or hedged only as a part of the total exposure. The Company does not enter into a foreign exchange derivative transactions for speculative purposes.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Category of derivative instrument	Purpose of derivative instrument	Currency	Outstanding principal (in Foreign currency) As at 31 March 2018	Outstanding principal (in Foreign currency) As at 31 March 2017	Outstanding principal (in Foreign currency) As at 01 April 2016
Currency swap & interest rate swap	Hedge against exposure on loan repayment for USD loan and its interest payments. The interest rate has been swapped to pay fixed interest	USD	49.85	80.14	187.00
Forward contacts	Hedge against exposure on loan repayment for USD loan and its interest payments. The interest rate has been swapped to pay fixed interest	USD	5.80	4.42	3.98
Forward contacts	Hedge against exposure on loan repayment for USD loan and its interest payments. The interest rate has been swapped to pay fixed interest	JPY	2421.50	2721.38	2068.04
Forward contacts	Hedge against exposure on loan repayment for USD loan and its interest payments. The interest rate has been swapped to pay fixed interest	CHF	0.21	0.34	0.15

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates.

The Company enters Cross Currency Interest Rate Swaps to manage its Forex and interest rate risk, in which it agrees to exchange, at specified intervals, the difference between floating and fixed rate interest amounts calculated by reference to an agreed-upon notional principal amount.

(i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2017, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits all pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Variable rate borrowing	19,562.74	19,442.70	17,834.68
Fixed rate borrowing	3,305.25	5,105.83	11,847.64
Total borrowings	**22,867.99**	**24,548.53**	**29,682.32**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Interest sensitivity*			
Interest rates – increase by 50 bps basis points	97.81	97.21	89.17
Interest rates – decrease by 50 bps basis points	(97.81)	(97.21)	(89.17)

** Holding all other variables constant*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

(ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Equity Price risk

The Company's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

49. Capital management

i) The Company' s capital management objectives are

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed, as well as the level of dividends to equity shareholders. The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. The Company uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Total borrowings (includes Non-Current borrowings, current borrowings and current maturities of non current borrowings)	22,867.99	24,548.53	29,682.32
Less : cash and cash equivalent	(257.17)	(257.54)	(453.80)
Net debt	**22,610.82**	**24,290.99**	**29,228.52**
Total equity	31,751.55	29,858.93	28,728.58
Debt ratio	**0.71**	**0.81**	**1.02**

ii) Loan covenants

The term loan arrangements contain certain capital restrictions to be complied including debt-service coverage ratio, interest coverage ratio, current ratio, fixed asset coverage ratio, return on capital employed, net borrowings to EBITDA ratio etc. In case of any deviation from the capital restrictions as defined in the loan agreements, the Company is liable to communicate the same to respective banks, which may either be waived by the banks if not material or Company shall take necessary action to meet the requisite conditions. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period which would require the banks to recall any borrowings.

iii) Dividend

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Dividend not recognised at the end of the reporting period:	993.71	993.71	993.71
Proposed final dividend per share INR 0.50 (31 March 2017: INR 0.50 per share, 01 April 2016: INR 0.50 per share)			

50. First time adoption of Ind AS

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, including the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS Balance Sheet as at 01 April 2016 (the Company's date of transition).

In preparing its Ind AS balance sheet as at 01 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

A. Ind AS optional exemptions

1. Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 *Intangible Assets*. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

Information relating to gross carrying amount of assets and accumulated depreciation as on the transaction dates per previous GAAP is as follows:

Property, plant and equipment

Description	Gross block as on 01 April 2016	Accumulated depreciation as on 01 April 2016	Net block as on 01 April 2016
Free hold land	3,614.35	-	3,614.35
Land leased	221.50	15.51	205.99
Buildings	16,069.01	3,034.98	13,034.03
Lease hold improvements	46.28	37.45	8.83
Plant and equipment	54,400.47	33,205.67	21,194.80
Jigs and fixtures	712.50	426.81	285.69
Electric installation	3,054.07	1,830.42	1,223.65
Furniture and fixtures	706.49	488.01	218.48
Office equipment (including computers)	2,606.63	2,200.59	406.04
Vehicles	568.54	279.29	289.25
R&D Plant and equipment	477.66	280.44	197.22
R&D office equipment	107.60	102.77	4.83
Total	**82,585.10**	**41,901.94**	**40,683.16**

Intangible assets

Description	Gross block as on 01 April 2016	Accumulated depreciation as on 01 April 2016	Net block as on 01 April 2016
R&D computers softwares	85.79	65.90	19.89
Computer softwares	1,053.19	562.86	490.33
New product development	5,391.89	2,750.18	2,641.71
Total	**6,530.87**	**3,378.94**	**3,151.93**

2. Determining whether an arrangement contains a lease

Appendix C to the Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with the Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to avail of the above exemption.

3. Deemed cost for investments in subsidiary and associates

The Company has elected to continue with the carrying value of all of its investments in subsidiary and associates recognised as of 01 April 2016 (transition date) measured as per the Previous GAAP as its deemed cost as at the date of transition.

B. Ind AS mandatory exceptions

1. Estimates

The estimates at 1 April 2016 and 31 March 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reffect any differences in accounting policies) apart from the following items where applications of Indian GAAP did not require estimation :

- Fare valuation of financial instruments carried at FVTPL and /or FVOCI.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

- Impairment of financial assets based on the expected credit loss model.

- Determination of the discounted value for financial instruments carried at amortised cost.

The estimates used by the Company to present these amount in accordance with Ind-AS reflect condition at 1 April 2016, the date of transaction to Ind-AS and as of 31 March 2017.

2. Classification and measurement of financial assets and liabilities

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable

3. Hedge accounting

Ind AS 101 requires an entity, at the date of transition, to measure all derivatives at fair value and eliminate all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP as if they were assets or liabilities.

4. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transaction to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from the date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financials assets and liabilities derecognised as a result of past transaction was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind-AS 109 prospectively from the date of transition to Ind-AS.

C. Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

1. Equity reconciliation

Particulars	Notes	As at 31 March 2017	As at 01 April 2016
Total equity (shareholder's funds) as per Previous GAAP		**29,877.67**	**27,519.15**
Adjustments:			
Measurement of financial liabilities carried at amortised cost	1	4.82	-
Adjustment for derivative recognised at fair value	2	(26.04)	30.30
Adjustment for capitalisation of major spares as Property, plant and equipment	3	-	(28.24)
Adjustment for reversal of Proposed dividend	4	-	1,196.00
Adjustment for discounting of long term provisions	5	(7.32)	18.48
Deferred tax on above adjustments	6	9.80	(7.11)
Total adjustments		**(18.74)**	**1,209.43**
Total equity as per Ind AS		**29,858.93**	**28,728.58**

2 Impact of Ind AS adoption on the Statement of cash flows for the year ended 31 March 2017

Particulars	Notes	As per Previous GAAP	Ind AS adjustments	As per Ind AS
Net cash flow from operating activities		15,638.50	(648.09)	14,990.41
Net cash flow from investing activities		(6,411.71)	303.73	(6,107.98)
Net cash flow from financing activities		(9,448.37)	369.68	(9,078.69)
Net increase in cash and cash equivalents		(221.58)	25.32	(196.26)
Cash and cash equivalents as at 01 April 2016		271.63	182.17	453.80
Cash and cash equivalents as at 31 March 2017	**8**	**50.05**	**207.49**	**257.54**

The transition from previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

3. Reconciliation of equity as reported under previous GAAP to Ind AS as at 01 April 2016 (Date of transition) is as follows:

Particulars	Notes	As per Previous GAAP	Ind AS adjustments	As per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	3	40,629.41	53.75	40,683.16
Capital work-in-progress		1,985.35	-	1,985.35
Intangible assets		3,151.93	-	3,151.93
Intangible assets under development	8	1,827.11	(105.36)	1,721.75
Financial assets				
Investments		3,528.19	-	3,528.19
Loans	8	127.57	11.07	138.64
Other financial assets		17.81	-	17.81
Income tax assets		-	-	-
Other non-current assets		1,088.92	-	1,088.92
Total non-current assets		**52,356.29**	**(40.54)**	**52,315.75**
Current assets				
Inventories	3 & 8	7,147.74	23.30	7,171.04
Financial assets				
Trade receivables	8	13,835.55	1,743.87	15,579.42
Cash and cash equivalents		453.80	-	453.80
Loans	8	84.22	(11.07)	73.15
Other current assets	2	3,455.75	(207.11)	3,248.64
Total current assets		**24,977.06**	**1,548.99**	**26,526.05**
Total assets		**77,333.35**	**1,508.45**	**78,841.80**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,987.42	-	1,987.42
Other equity	1,2,3,4,5 & 6	25,531.73	1,209.43	26,741.16
Total equity		**27,519.15**	**1,209.43**	**28,728.58**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings		14,315.10	-	14,315.10
Other financial liabilities		29.21	-	29.21
Provisions	5	524.30	(18.52)	505.78
Deferred tax liabilities (net)	6	2,313.05	7.16	2,320.21
Total non-current liabilities		**17,181.66**	**(11.36)**	**17,170.30**
Current liabilities				
Financial liabilities				
Borrowings	8	6,386.63	1,743.87	8,130.50
Trade payables	2	15,420.45	(266.76)	15,153.69
Other financial liabilities	2	8,810.15	29.28	8,839.43
Provisions	4	1,498.97	(1,196.01)	302.96
Other current liabilities		491.04	-	491.04
Income tax liabilities		25.30	-	25.30
Total current liabilities		**32,632.54**	**310.38**	**32,942.92**
Total liabilities		**49,814.20**	**299.02**	**50,113.22**
Total equity and liabilities		**77,333.35**	**1,508.45**	**78,841.80**

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

4. Reconciliation of equity as reported under previous GAAP to Ind AS as at 31 March 2017 is as follows:

Particulars	Notes	As per Previous GAAP	Ind AS adjustments	As per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	3	40,531.78	(28.23)	40,503.55
Capital work-in-progress		1,345.49	-	1,345.49
Intangible assets		3,842.48	-	3,842.48
Intangible assets under development	8	1,110.04	(326.99)	783.05
Financial assets				
Investments		3,287.81	-	3,287.81
Loans		120.20	-	120.20
Income tax assets		446.62	-	446.62
Other non-current assets		225.74	-	225.74
Total non-current assets		**50,910.16**	**(355.22)**	**50,554.94**
Current assets				
Inventories	3 & 8	7,481.53	326.97	7,808.50
Financial assets				
Investments		85.34	-	85.34
Trade receivables	8	12,839.45	2,113.53	14,952.98
Cash and cash equivalents		257.54	-	257.54
Loans		86.87	-	86.87
Other current assets	2	2,747.51	(20.12)	2,727.39
Total current assets		**23,498.24**	**2,420.38**	**25,918.62**
Total assets		**74,408.40**	**2,065.16**	**76,473.56**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,987.42	-	1,987.42
Other equity	1,2,3,4,5 & 6	27,890.25	(18.74)	27,871.51
Total equity		**29,877.67**	**(18.74)**	**29,858.93**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	1	12,023.93	(4.82)	12,019.11
Other financial liabilities		23.06	-	23.06
Provisions	5	622.41	(20.90)	601.51
Deferred tax liabilities (net)	6	1,739.98	(9.87)	1,730.11
Total non-current liabilities		**14,409.38**	**(35.59)**	**14,373.79**
Current liabilities				
Financial liabilities				
Borrowings	8	3,770.43	2,113.53	5,883.96
Trade payables	2	16,339.41	(59.18)	16,280.23
Other financial liabilities	2	8,671.14	65.14	8,736.28
Provisions		303.63	-	303.63
Other current liabilities		1,036.74	-	1,036.74
Total current liabilities		**30,121.35**	**2,119.49**	**32,240.84**
Total liabilities		**44,530.73**	**2,083.90**	**46,614.63**
Total equity and liabilities		**74,408.40**	**2,065.16**	**76,473.56**

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

5. Reconciliation of total comprehensive income for the year ended 31 March 2017:

Particulars	Notes	As per Previous GAAP	Ind AS adjustments	As per Ind AS
Income				
Revenue from operations		132,346.97	-	132,346.97
Other income		647.39	-	647.39
Total Income		**132,994.36**	**-**	**132,994.36**
Expenses				
Cost of materials consumed		73,499.85	-	73,499.85
Purchases of stock-in-trade		4,122.81	-	4,122.81
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(377.80)	-	(377.80)
Excise duty		15,886.99	-	15,886.99
Employee benefits expense	7	13,886.81	(279.46)	13,607.35
Finance costs	2 & 5	2,646.87	(220.96)	2,425.91
Depreciation and amortisation expense		7,477.36	-	7,477.36
Other expenses	1, 2 & 5	12,522.90	270.14	12,793.04
Total expenses		**129,665.79**	**(230.28)**	**129,435.51**
Profit before tax		**3,328.57**	**230.28**	**3,558.85**
Income tax expenses				
Current tax		1,543.13	-	1,543.13
Deferred tax credit	6	(573.08)	79.71	(493.37)
Total tax expenses		**970.05**	**79.71**	**1,049.76**
Net profit for the year		**2,358.52**	**150.57**	**2,509.09**
Other comprehensive income				
Items that will not be reclassified to profit and loss				
Re-measurement gains on defined benefit plans	7	-	(279.46)	(279.46)
Income tax relating to above	6	-	96.72	96.72
Total other comprehensive income for the year (net of tax)		**-**	**(182.74)**	**(182.74)**
Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the year)		**2,358.52**	**(32.17)**	**2,326.35**

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

50. First time adoption of Ind AS (Contd..)

Note – 1

Financial liabilities carried at amortised cost

Under previous GAAP, financial liabilities were carried at cost. Under Ind AS, certain financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability. Accordingly financial liabilities reduced by INR 4.82 lakhs as at 31 March 2017 (1 April 2016 : Nil) and consequently increase the retained earnings by an equivalent amount.

Note – 2

Derivative recognised at fair value

Under previous GAAP the premium or discount arising at the inception of the forward contract is amortised as expense or income over the life of the contract and the exchange differences on such a contract is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Under Ind AS, all derivative contracts are measured at fair value through profit and loss at each reporting date resulting in recognision of mark to market loss of INR 26.04 lakhs as at 31 March 2017 and mark to market gain of INR 30.30 lakhs as at 1 April 2016.

Note – 3

Capitalisation of major spares as Property, plant and equipment

Under Previous GAAP, spares which can be used only in connection with an item of fixed asset were capitalised however under Ind AS all spares which meet the definition of property, plant and equipment are capitalised and depreciated over its useful life amounting to INR nil (previous year INR 110.22 lakhs) and depreciation of INR 28.24 lakhs as computed from the date of purchase of such spares up to 1 april 2016 was recognised in the statement of profit and loss .

Note – 4

Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability and appropriation. Under Ind AS, such dividends

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend has been reversed with corresponding adjustment to retained earnings. Accordingly, the liability for proposed dividend of INR 1,196.00 lakhs as at 1 April 2016 included under provisions has been reversed with corresponding adjustment to retained earnings and recognised upon approval by shareholders in the general meeting. Consequently, the total equity as at 1 April 2016 increased by an equivalent amount.

Note – 5

Discounting of long term provisions

Under the previous GAAP, provisions were recorded at their carrying value. Under Ind AS, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. Difference on day one between carrying value and present value is recognised as charge to the Statement of Profit and Loss. This increased the warranty provision by INR 7.32 as at 31 March 2017 and reduced by INR 18.48 lakhs as at 1 April 2016. Consequently, the total equity as at 31 March 2017 and 1 April 2016 increased and decreased by an equivalent amount.

Note – 6

Deferred tax on above adjustments

Under Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences. On the date of transition, the net impact of deferred tax liabilities is of INR 9.08 lakhs (1 April 2016 : INR 7.11 lakhs).

Note – 7

Other comprehensive income

Items of income and expense that are not recognised in profit and loss are shown in the Statement of Profit and Loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations etc. The concept of other comprehensive income did not exist under previous GAAP.

Note – 8

Reclassification

A) Company has entered into recourse factoring. Per Ind AS 109, it's an indication that the Company has retained substantially all risks and rewards relating to the receivables and would not be permitted to derecognise these financial assets under Ind AS 109.

Under previous GAAP, amount of trade receivable was netted off against the amount of factoring loan.

B) Under Previous GAAP, one of the security deposit given by the Company, was classified as current, has been shown as non-current under Ind AS, being long term in nature.

C) Reclassification of 'Intangibles under development' to 'Inventory - work in progress'.

D) Cash flow reclassification of unclaimed dividend.

51. The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 01 April 2016 included in these Standalone Ind AS Financial Statements, are based on the previously issued Statutory Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 24 May 2017 and 13 May 2016 respectively expressed an unmodified opinion on those Standalone Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by statutory auditors.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration no. : 101248W/W-100022

Shashank Agarwal
Partner
Membership no. : 095109

Place : Gurugram
Date : 18 May 2018

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hidekazu Omura
Chairman
DIN 06865724

Kiyozumi Kamiki
Managing Director
DIN 06536243

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

Rajiv Chanana
Chief Financial Officer

Place : Gurugram
Date : 18 May 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JTEKT INDIA LIMITED ('FORMERLY KNOWN AS SONA KOYO STEERING SYSTEMS LIMITED')

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of JTEKT India Limited ('formerly known as Sona Koyo Steering Systems Limited') (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and its associates which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS 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 State of Affairs, Consolidated Profit and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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 Consolidated Ind AS 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.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 Ind AS 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 Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its associates to cease to continue as a going concern.

We believe that the audit evidence obtained by us is sufficient and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph 2 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS 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 the other financial information of an associate, the aforesaid Consolidated Ind AS 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 associates as at 31 March 2018 and their Consolidated Profit and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flows for the year ended on that date.

Other Matters

1. The comparative financial information of the Group and its associates for the year ended 31 March 2017 and the transition date opening

balance sheet as at 01 April 2016 included in these Consolidated Ind AS Financial Statements are based on the previously issued Statutory Financial Statements prepared in accordance with the Companies(Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 24 May 2017 and 13 May 2016 respectively expressed an unmodified opinion on those Consolidated Financial Statements, as adjusted for the differences in the accounting principles adopted by the Group and its associates on transition to the Ind AS, which have been audited by us.

2. The Consolidated Ind AS Financial Statements also include the Group's share of net loss of INR 7.60 Lacs and other comprehensive income of INR NIL for the year ended 31 March 2018, as considered in the Consolidated Ind AS Financial Statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this associate and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the reports of the other auditor.

   Our opinion above on the Consolidated Ind AS 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.

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 the report of other auditor on separate financial statements and the other financial information of associate, as noted in the 'other matters' 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 Ind AS Financial Statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

   d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and on the basis of the relevant assertion contained in the audit reports on standalone financial statements of the Holding Company, its subsidiary company and its associate company incorporated in India, none of the directors of the Group companies and associate incorporated in India is disqualified as on 31 March 2018 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 with reference to financial statements of the Holding Company, its subsidiary company and associate incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Financial Statements as also the other Financial Information of the subsidiary and associate incorporated in India, as noted in the 'Other matter' paragraph:

   i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the Consolidated Financial Position of the Group and its associate. – Refer Note 38 to the Consolidated Ind AS Financial Statement;

   ii. The Group and its associate 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 during the year ended 31 March 2018. – Refer Note 47 to the Consolidated Ind AS Financial Statement;

   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 company and associate incorporated in India during the year ended 31 March 2018 and;

   iv. The disclosures in the Consolidated Ind AS Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited Consolidated Financial Statements for the year ended 31 March 2017 have been disclosed. – Refer Note 12 to the Consolidated Ind AS Financial Statement.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W / W-100022

Shashank Agarwal
Partner
Membership number: 095109

Place: Gurugram
Date: 18 May 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF JTEKT INDIA LIMITED ('FORMERLY KNOWN AS SONA KOYO STEERING SYSTEMS LIMITED')

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 Ind AS Financial Statements of the Group as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial statements of JTEKT India Limited ('formerly known as Sona Koyo Steering Systems Limited') (hereinafter referred to as "the Holding Company"), its subsidiary company and associate, 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, its subsidiary company and associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial statements based on our audit. We conducted our audit in accordance with 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 ICAI.

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 statements 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 statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial statements, 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 Consolidated Ind AS 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 statements.

Meaning of Internal Financial Controls Over Financial Statements

A company's internal financial control over financial statements is a process designed to provide reasonable assurance regarding the reliability of financial statements and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial statements 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 Statements

Because of the inherent limitations of internal financial controls over financial statements, 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 statements

to future periods are subject to the risk that the internal financial control over financial statements 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 Holding Company, its subsidiary company and associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial statements and such internal financial controls over financial statements were operating effectively as at 31 March 2018, based on the internal control over financial statements criteria established by the Holding 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 B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W / W-100022

Shashank Agarwal
Partner
Membership number: 095109

Place: Gurugram
Date: 18 May 2018

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Assets				
Non-current assets				
Property, plant and equipment	3A	40,848.13	43,809.27	44,169.41
Capital work-in-progress	3A	1,063.96	1,477.11	2,020.10
Intangible assets	3B	3,833.67	3,843.60	3,153.87
Intangible assets under development	3B	101.87	783.05	1,721.75
Financial assets				
(i) Investments	4	11,535.19	10,226.06	9,495.55
(ii) Loans	5	138.06	125.45	143.89
(iii) Other financial assets	6	-	-	17.81
Income tax assets	7	157.62	446.62	-
Other non-current assets	8	365.48	237.54	1,088.92
Total non-current assets		**58,043.98**	**60,948.70**	**61,811.30**
Current assets				
Inventories	9	8,330.41	8,382.73	7,727.07
Financial assets				
(i) Investments	10	-	74.56	-
(ii) Trade receivables	11	18,484.29	15,477.40	16,138.44
(iii) Cash and cash equivalents	12	613.10	260.90	457.49
(iv) Loans	5	94.12	87.29	73.33
(v) Other financial assets	6	31.23	-	-
Other current assets	13	1,352.70	2,814.58	3,330.33
Total current assets		**28,905.85**	**27,097.46**	**27,726.66**
Total assets		**86,949.83**	**88,046.16**	**89,537.96**
Equity and Liabilities				
Equity				
Equity share capital	14	1,987.42	1,987.42	1,987.42
Other equity	15	39,784.52	36,312.27	34,002.53
Equity attributable to the owners of the company		**41,771.94**	**38,299.69**	**35,989.95**
Non-controlling interests		**2,059.33**	**1,635.73**	**1,331.75**
Total Equity		**43,831.27**	**39,935.42**	**37,321.70**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	16A	9,856.83	12,028.86	14,620.77
(ii) Other financial liabilities	17	68.46	23.06	29.21
Provisions	18	668.88	653.05	541.99
Deferred tax liabilities (net)	19	1,457.48	2,128.61	2,618.27
Total non-current liabilities		**12,051.65**	**14,833.58**	**17,810.24**
Current liabilities				
Financial liabilities				
(i) Borrowings	16B	7,416.66	6,064.56	8,503.86
(ii) Trade payables	20	15,023.57	16,682.58	15,559.43
(iii) Other financial liabilities	17	7,390.32	9,005.95	9,393.76
Provisions	18	323.02	331.47	330.49
Other current liabilities	21	895.01	1,161.48	567.46
Income tax liabilities	22	18.33	31.12	51.02
Total current liabilities		**31,066.91**	**33,277.16**	**34,406.02**
Total liabilities		**43,118.56**	**48,110.74**	**52,216.26**
Total equity and liabilities		**86,949.83**	**88,046.16**	**89,537.96**
Significant accounting policies	2			

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration no. : 101248W/W-100022

Shashank Agarwal
Partner
Membership no. : 095109

Place : Gurugram
Date : 18 May 2018

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hidekazu Omura
Chairman
DIN 06865724

Kiyozumi Kamiki
Managing Director
DIN 06536243

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

Rajiv Chanana
Chief Financial Officer

Place : Gurugram
Date : 18 May 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	23	129,592.48	138,144.18
Other income	24	273.13	633.55
Total income (I)		**129,865.61**	**138,777.73**
Expenses			
Cost of raw materials and components consumed	25	79,760.33	77,471.74
Purchases of stock-in-trade	26	1,133.86	1,709.34
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	223.97	(453.16)
Excise duty on sale of goods		4,140.32	17,000.35
Employee benefit expenses	28	15,561.46	14,497.59
Finance costs	29	2,085.33	2,522.26
Depreciation and amortisation expense	30	7,723.21	7,883.47
Other expenses	31	12,915.39	13,359.87
Total expenses (II)		**123,543.87**	**133,991.46**
Profit from continuing operations before share of profit of equity accounted investees and income tax (III = I - II)		**6,321.74**	**4,786.27**
Share of profit of associates accounted for using equity method, net (IV)		**1,301.53**	**805.07**
Profit before tax (V= III + IV)		**7,623.27**	**5,591.34**
Tax expenses			
- Current tax		2,911.25	1,936.47
- Deferred tax credit		(583.33)	(391.92)
Total tax expenses (VI)	32	**2,327.92**	**1,544.55**
Profit for the year (VII = V - VI)		**5,295.35**	**4,046.79**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurement loss on defined benefit plans		(67.77)	(282.99)
Income tax relating to the above		24.94	97.94
Items that will be reclassified to profit and loss			
Effective portion of loss on cash flow hedge instruments		(179.33)	-
Income tax relating to above		62.67	-
Total other comprehensive income for the year (net of tax) (VIII)		**(159.49)**	**(185.05)**
Total comprehensive income for the year (IX=VII-VIII) (Comprising Profit and Other Comprehensive Income for the year)		**5,135.86**	**3,861.74**
Profit for the year attributable to			
(a) Owners of the Company		4,830.51	3,697.44
(b) Non controlling interest		464.84	349.35
		5,295.35	**4,046.79**
Other comprehensive income for the year attributable to			
(a) Owners of the Company		(161.36)	(183.92)
(b) Non controlling interest		1.87	(1.13)
		(159.49)	**(185.05)**
Total comprehensive income for the year			
(a) Owners of the Company		4,669.15	3,513.52
(b) Non controlling interest		466.71	348.22
		5,135.86	**3,861.74**
Earnings per equity share :	33		
Basic - Par value of INR 1 per share		2.66	2.04
Diluted - Par value of INR 1 per share		2.66	2.04
Significant accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration no. : 101248W/W-100022

Shashank Agarwal
Partner
Membership no. : 095109

Place : Gurugram
Date : 18 May 2018

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hidekazu Omura
Chairman
DIN 06865724

Kiyozumi Kamiki
Managing Director
DIN 06536243

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

Rajiv Chanana
Chief Financial Officer

Place : Gurugram
Date : 18 May 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in3INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Note	Equity Shares	
		No. of shares in Lakhs	Amount
Balance as at 01 April 2016	14	**1,987.42**	**1,987.42**
Changes during the year		-	-
Balance as at 31 March 2017		**1,987.42**	**1,987.42**
Changes during the year		-	-
Balance as at 31 March 2018		**1,987.42**	**1,987.42**

B. Other equity

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
1.	**Profit before tax**	**6,321.74**	**4,786.27**
2.	**Adjustments for:**		
	Depreciation and amortisation expense	7,723.21	7,883.47
	Dividend income	-	(333.34)
	Interest income	(17.84)	(8.03)
	(Gain)/loss on disposal of property, plant and equipment (net)	(19.97)	22.62
	Property, plant & equipment written off/discarded	-	221.07
	Provision for obsolescence of inventory	285.59	-
	Gain on sale of trade investment held for sales	(18.38)	-
	Interest expenses	2,028.18	2,453.38
	Unrealized foreign exchange gain	(135.34)	(346.91)
3.	**Operating profit before working capital changes (1+2)**	**16,167.19**	**14,678.53**
4.	**Movement in working capital**		
	(Increase) / decrease increase in loans	(19.44)	4.48
	Increase in inventories	(233.27)	(655.66)
	Increase in other financial assets	(31.23)	-
	(Decrease) in other assets	1,340.13	1,443.37
	(Increase) / decrease in trade receivables	(2,966.51)	663.79
	(Decrease) / increase in other financial liabilities	(390.73)	543.10
	(Decrease) / increase in other liabilities	(274.17)	587.59
	(Decrease) / increase in trade payables	(1,564.05)	1,503.13
	Decrease in provision	(60.39)	(170.95)
5.	**Cash generated from operating activities (3+4)**	**11,967.53**	**18,597.38**
6.	Income tax paid (net of refunds)	(2,635.35)	(2,403.00)
7.	**Net cash flow from operating activities (5-6)**	**9,332.18**	**16,194.38**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(3,750.47)	(6,118.62)
	Proceeds from property, plant and equipment	506.79	43.98
	Purchase of intangible assets	(372.76)	(657.31)
	Proceeds from redemption of deposit with maturity after 12 months from the reporting date	-	17.81
	Proceeds from sale of investment	85.34	-
	Dividend received	-	333.34
	Interest received	17.84	8.11
	Net cash used in investing activities	**(3,513.26)**	**(6,372.69)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	2,736.14	4,677.94
	Repayment of long term borrowings	(6,236.58)	(8,170.26)
	Proceeds / (repayment) of short-term borrowings (net)	1,352.10	(2,473.09)
	Dividend paid (including dividend distribution tax)	(1,240.01)	(1,248.02)
	Interest paid	(2,078.37)	(2,804.85)
	Net cash used in financing activities	**(5,466.72)**	**(10,018.28)**
D.	**Increase / (decrease) in cash and cash equivalents (A+B+C)**	**352.20**	**(196.59)**
	Cash and cash equivalents at the beginning of the year	260.90	457.49
	Cash and cash equivalents at the end of the year	**613.10**	**260.90**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

(₹ in lakhs, except share data, per share data and unless otherwise stated)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash and cash equivalents include :		
Balances with banks:		
– In current accounts	30.28	45.64
– In dividend accounts#	221.46	207.49
– on deposit accounts with original maturity upto 3 months	353.50	-
Cash on hand	7.86	7.77
Cash and cash equivalents at the end of the year	**613.10**	**260.90**

INR 221.46 lakhs (31 March 17 : INR 207.49 lakhs) has restricted use.

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non current borrowings*	Current borrowings
Opening balance as at 01 April 2017	**18,944.69**	**6,064.56**
Add: non-cash changes due to		
- Interest expense	1,714.42	313.76
- Mark to market on foreign contracts	95.68	-
- Others	19.77	-
Add : cash inflows during the year	2,736.14	3,999.61
Less: cash outflows during the year (including interest)	(8,001.19)	(2,961.27)
Closing balance as at 31 March 2018	**15,509.51**	**7,416.66**

* Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 17.

Notes:

1. The consolidated cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard -7 on "Statement on Cash Flows ".
2. Refer note 2 for significant accounting policies.
3. The Group paid in cash INR 34.47 Lakhs for the year ended 31 March 2018 and INR 30.83 Lakhs for the year ended 31 March 2017 towards Corporate Social Responsibility (CSR) expenditure (refer note 35).

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration no. : 101248W/W-100022

Shashank Agarwal
Partner
Membership no. : 095109

Place : Gurugram
Date : 18 May 2018

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hidekazu Omura
Chairman
DIN 06865724

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

Rajiv Chanana
Chief Financial Officer

Place : Gurugram
Date : 18 May 2018

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. Corporate Information

JTEKT India Limited (formerly known as Sona Koyo Steering Systems Limited) ('the Company' or 'the Parent Company') is a public limited company incorporated and domiciled in India and having its registered office at UGF-6, Indraprakash 21, Barakhamba Road, New Delhi 110001. The Company's name got changed via Certificate of Incorporation dated 7 April 2018 received from the Registrar of Companies, New Delhi. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. JTEKT India Limited group (the Parent Company and its subsidiary company, together referred to as "the Group") and its associate is principally engaged in the business of manufacturing steering systems & other auto components for the passenger car and utility vehicle manufacturers in the automobile sector.

2. Significant accounting policies, basis of consolidation and Basis of preparation

2.1 Basis of preparation

(i) Statement of compliance

These Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act"), Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended and other relevant provisions of the Act.

For all the periods up to and including 31 March 2017, these consolidated financial statements were prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act. As these consolidated Financial Statements for the year ended 31 March 2018 are the Group's first consolidated financial statements prepared in accordance with Ind AS, Ind AS 101, First time adoption of Indian Accounting standards has been applied. An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 51.

TheseConsolidated Financial Statements for the year ended 31 March 2018 are approved by the Parent Company's Audit Committee on 17 May 2018 and its Board of Directors on 18 May 2018.

Details of the Group's accounting policies are included in Note 2.3

(ii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(iii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items which have been measured at fair value amount –

Items	Measurement basis
Certain financial assets and financial liability (including derivative instrument)	Fair value
Net defined benefit plan (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation.

(iv) Use of estimates and judgements

In preparation of these consolidated financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes.

Judgements

- Lease classification – Note 43

Estimates

- Recognition and estimation of tax expense including deferred tax– Note 32
- Estimated impairment of financial assets and non-financial assets – Note 2.3(f) and 2.3(o)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.3(b) and 2.3(c)
- Estimation of obligations relating to employee benefits:key actuarial assumptions – Note 41

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

- Valuation of Inventories – Note 2.3(g)
- Recognition and measurement of provision and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 40
- Fair value measurement – Note 2.1(vi)

(v) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current-noncurrent classification of assets and liabilities.

(vi) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Parent Company's audit committee.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 48 – Financial instrument.

2.2 Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment ('PPE'), are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

i. Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statement of subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The subsidiary company which is included in the consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the Subsidiary Company	Nature of relation	Ownership in %			Country of Incorporation and Principal place of Business
			2017-18	2016-17	2015-16	
1.	Sona Fuji Kiko Automotive Limited (SFAL)	Subsidiary	51.00	51.00	51.00	India

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

ii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

iv. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in its associates.

The associate companies which are included in the consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the Associate Company	Nature of relation	Ownership in %			Country of Incorporation and Principal place of Business
			2017-18	2016-17	2015-16	
1	JTEKT Sona Automotive India Limited (JSAI)	Associate	49.00	49.00	49.00	India
2	Sona Skill Development Centre	Associate	49.99*	49.99	49.99	India

*Upto 18 May 2018

An associate is an arrangement in which the Group has significant influence, but not control or joint control, over the financial and operating policies.Interests in associates are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in associates.

If an entity's share of losses of a associate equals or exceeds its interest in associate (which includes any long term interest that, in substance, form part of the Group's net investment in associate), the entity discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of associate. If the associate subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence ceases.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as 'Share of profit of associate' in the statement of profit or loss.

2.3 Summary of significant accounting policies

a. Business combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 01 April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date. The same first time adoption exemption is also used for associates.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

(a) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively.

(b) Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

(c) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

b. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2.1 (iv) regarding significant accounting judgements, estimates and assumptions.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

A property, plant and equipment is eliminated from the consolidated financial statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising on disposal of property, plant and equipment is recognized in the Statement of Profit and Loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment (refer note 51).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis to allocate their cost, net of their estimated residual values, over the estimated useful lives and is recognized in the Statement of Profit and Loss. The identified components are depreciated over their useful life, the remaining asset is depreciated over the life of the principal asset. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The Group has used the following rates to provide depreciation which coincides with the rates indicated in Schedule II of the Act on its property, plant and equipment, except for vehicles.

Asset category	Management estimate of useful life (in years)
Factory buildings	30
Roads	5
Sheds	3
Plant and machinery	4-15
Furniture and fixtures	10
Jigs and fixtures	10
Office equipment	5
Vehicles	5.3
Electrical installations	10
IT equipment	6
Computers	3
Tools and dies	4

The management has estimated, supported by independent assessment by technical experts, professionals, the useful lives of the following classes of assets:

- The useful life of vehicles is estimated as 5.3 years, which is lower than those indicated in Schedule II.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

c. Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an item of intangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Statement of Profit or Loss in the period in which the expenditure is incurred.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognized as at 01 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets (refer note 51).

Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Amortization

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

- Software

Software purchased by the Group are amortized on a straight line basis in six years.

- New product development

Amounts paid towards technical know-how fees and other expenses for specifically identified projects/products being development expenditure is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 6 years on straight line basis based on past trends, commencing from the month of commencement of commercial production.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Amortization method, useful lives and residual lives are reviewed at the end of each financial year and adjusted, if appropriate.

d. Leases

(i) Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the incremental borrowing rate.

For arrangements entered into prior to 01 April 2016, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

(ii) Assets held under lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policies applicable to similar owned assets. Assets held under leases that do not transfer to the Group substantially all the risk and rewards of ownership (i.e. operating lease) are not recognized in the Group's Balance Sheet.

(iii) Lease payments

Payments made under operating leases are generally recognized in the Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentive received are recognized as an integral part of the total lease expense over the term of the lease.

Payments made under finance lease are allocated between the outstanding liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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e. Borrowing Costs

Borrowing cost includes interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs), amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

f. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An asset's recoverable amount is the higher of an individual asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

The Group's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognized in the Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

In regard to assets for which impairment loss has been recognized in prior period, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

g) Inventories

Inventories which includes raw materials, components, stores, work in progress, finished goods and spares are valued at the lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down

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below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and components: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw material, components, stores and spares is determined on weighted average basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average basis. Finished goods inventory as at 31 March 2017 and 01 April 2016 is inclusive of excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realizable value is made on an item-by-item basis.

h) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date the transaction first qualifies for recognition or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or the Statement of Profit and Loss are also recognized in OCI or the Statement of Profit and Loss, respectively).

i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/ Goods and Services Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, inclusive of excise duty and exclusive of Goods and Services tax (GST), Sales Tax, Value Added Taxes (VAT) and is net of returns, allowances, trade discounts and volume rebates.

Revenue is recognized;

- when the significant risks and rewards of ownership have been transferred to the buyer,
- recovery of the consideration is probable,
- the associated costs and possible return of goods can be estimated reliably,
- there is no continuing effective control over, or managerial involvement with, the goods, and
- the amount of revenue can be measured reliably.

The timing of transfers of risks and rewards varies depending on the individual terms of sale.

Rendering of services

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected

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life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in the statement of profit and loss.

Export Income

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. These are presented as other operating revenue in the Statement of Profit and Loss.

Dividends

Revenue is recognized when the Group's right to receive the payment is established by the reporting date.

Rental Income

Rental income is recognized as a part of other income in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

j) Income tax

Income tax expense comprises current and deferred tax. It is recognized in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

k) Segment reporting

Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial

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information is available. The Group is primarily engaged in the manufacturing of auto components of four wheeler industry. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

The Group and its associates are governed by the same set of risks and returns but subject to the geographical industry trends and hence the Group and its associate's business activities fall within a single primary business segment.

l) Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding at the end of the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive.

m) Provisions (Other than employee benefits)

General provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty provisions

Provision for warranty related costs are recognized when the product is sold or service provided and is based on historical experience. The provision is based on technical evaluation/historical warranty data and after weighing of all possible outcomes by their associated probabilities. The estimate of such warranty related costs is revised annually. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

n) Employee benefits

i. Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions to the Regional Provident Fund Commissioner towards provident fund, superannuation fund scheme and employee state insurance scheme ('ESI'). Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services

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received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

iii. Defined benefit plans

The Group operates a defined benefit gratuity plan, which requires contributions to be made to LIC of India. There are no other obligations other than the contribution payable to the respective trust.

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

iv. Other long term employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment.

Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

As per the compensated absence encashment policy, the Group does not have an unconditional right to defer the compensated absence of employees, accordingly the entire compensated absence obligation as determined by an independent actuary has been classified as current liability as at the period/ year end.

o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

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A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. Group has recognized financial assets viz. security deposit, trade receivables, employee advances at amortized cost.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

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Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingents events that would change the amounts or timings of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non - recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, as feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

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Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to Statement of the Profit and Loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Group's procedures for the recovery of amount due.

Impairment of financial instruments

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for the measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits and advances

b. Trade receivables that result from transactions that are within the scope of Ind AS 18

c. Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

p) Recognition of interest expense

Interest expense is recognized using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

- the amortized cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortized cost of the liability.

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and cheques on hand, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash on hand and cheques on hand as they are considered an integral part of the Group's cash management.

r) Cash dividend and non-cash distribution to equity holders of the parent

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

s) Corporate Social Responsibility ("CSR") expenditure:

CSR expenditure incurred by the Group is charged to the Statement of the Profit and Loss.

t) Research and development:

Expenditure on research and development activities is recognized in the Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

u) Recent accounting pronouncements

A. Ind AS 115- Revenue from Contract with Customers: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers.

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue. Ind AS 115 is effective for annual periods beginning on or after 01 April 2018 and will be applied accordingly.

The Group has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its consolidated financial statements. The quantitative impact of adoption of Ind AS 115 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

i. Sales of goods

For the sale of products, revenue is currently recognised when the goods are delivered to the customers' premises, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. For some made-to-order product contracts, the customer controls all of the work in progress as the products are being manufactured. The revenue from these contracts will be recognised as the products are being manufactured. The Group's initial assessment indicates that this will result in revenue, and some associated costs, for these contracts being recognised earlier than at present – i.e. before the goods are delivered to the customers' premises.

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under Ind AS 115, revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Group is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery will be recognised for these contracts and presented separately in the balance sheet.

The Group provides extended warranties in certain contracts that are currently accounted for under Ind AS 37. Under Ind AS 115, such extended warranties will be accounted for as separate performance obligations and a portion of the transaction price will be allocated to it and deferred.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

ii. Rendering of services

The Group is in the business of providing Job work as well as performing related services. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Revenue is currently recognised using the stage-of-completion method.

Under Ind AS 115, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the Group sells the services in separate transactions.

Based on the Group's initial assessment, the fair value and the stand-alone selling prices of the services are broadly similar.

iii. Transition

The Group plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 01 April 2018) in retained earnings. As a result, the Group will not present relevant individual line items appearing under comparative period presentation.

Based on the Group's initial assessment, there is no significant impact on account of the aforesaid amendment.

B. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

Based on the Group's initial assessment, there is no material impact on account of the aforesaid amendment.

The amendment will come into force from 01 April 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

3A. Property, plant and equipment

Particulars	Gross carrying value					Accumulated depreciation and impairment losses					Net block	
Description	As at 01 April 2017	Additions	Sales/ Disposition	Other adjustments	As at 31 March 2018	As at 01 April 2017	Depreciation for the Year	Disposals	Impairment	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Freehold Land	5,063.02	82.47	-	-	5,145.49	-	-	-	-	-	5,145.49	5,063.02
Lease hold land**	-	-	-	-	-	-	-	-	-	-	-	-
Building***	16,384.59	66.59	-	-	16,451.18	607.60	661.15	-	-	1,268.75	15,182.43	15,776.99
Lease Hold Improvements	8.83	-	-	-	8.83	5.35	3.23	-	-	8.58	0.25	3.48
Plant & Machinery	25,764.80	3,336.29	601.82	-	28,499.27	5,464.02	5,321.77	423.18	-	10,362.61	18,136.66	20,300.78
Jigs & Fixture	392.85	56.04	3.17	-	445.72	78.16	71.91	2.83	-	147.24	298.48	314.69
Electric Installation	1,359.94	99.36	5.08	-	1,454.22	275.62	257.08	5.02	-	527.68	926.54	1,084.32
Furniture & Fixture	271.76	49.57	16.38	-	304.95	83.93	54.82	3.31	-	135.44	169.51	187.83
Office Equipment	563.95	433.30	5.90	-	991.35	218.85	172.07	2.48	-	388.44	602.91	345.10
Vehicles	715.73	63.47	383.44	-	395.76	144.88	83.64	95.37	-	133.15	262.61	570.85
R&D-Plant & Machinery	197.22	7.02	22.43	-	181.81	40.53	31.18	6.09	-	65.62	116.19	156.69
R&D-Office Equipment	7.25	4.03	-	-	11.28	1.73	2.49	-	-	4.22	7.06	5.52
Total	**50,729.94**	**4,198.14**	**1,038.22**	**-**	**53,889.86**	**6,920.67**	**6,659.34**	**538.28**	**-**	**13,041.73**	**40,848.13**	**43,809.27**

3A. Capital work-in-progress

Particulars	As at 01 April 2017	Additions	Capitalised	Other adjustments	As at 31 March 2018
Total	**1,477.11**	**3,784.99**	**4,198.14**		**1,063.96**

3A. Property, plant and equipment

Particulars	Gross carrying value					Accumulated depreciation and impairment losses					Net block	
Description	As at 01 April 2016*	Additions	Sales/ Disposition	Other adjustments	As at 31 March 2017	As at 01 April 2016*	Depreciation for the Year	Disposals	Impairment	As at 31 March 2017	As at 31 March 2017	As at 01 April 2016*
Freehold Land	4,014.41	1,048.61	-	-	5,063.02	-	-	-	-	-	5,063.02	4,014.41
Lease hold land**	205.99	-	205.99	-	-	-	1.27	1.27	-	-	-	205.99
Building***	14,154.53	2,230.06	-	-	16,384.59	-	607.60	-	-	607.60	15,776.99	14,154.53
Lease Hold Improvements	8.83	-	-	-	8.83	-	5.35	-	-	5.35	3.48	8.83
Plant & Machinery	22,986.22	2,870.89	96.50	4.19	25,764.80	-	5,504.90	57.22	16.34	5,464.02	20,300.78	22,986.22
Jigs & Fixture	285.69	110.93	3.77	-	392.85	-	80.35	2.19	-	78.16	314.69	285.69
Electric Installation	1,339.65	20.29	-	-	1,359.94	-	275.62	-	-	275.62	1,084.32	1,339.65
Furniture & Fixture	241.55	30.67	0.46	-	271.76	-	84.06	0.13	-	83.93	187.83	241.55
Office Equipment	422.77	141.84	0.66	-	563.95	-	218.94	0.09	-	218.85	345.10	422.77
Vehicles	307.72	444.79	36.78	-	715.73	-	156.84	11.96	-	144.88	570.85	307.72
R&D-Plant & Machinery	197.22	-	-	-	197.22	-	40.53	-	-	40.53	156.69	197.22
R&D-Office Equipment	4.83	2.42	-	-	7.25	-	1.73	-	-	1.73	5.52	4.83
Total	**44,169.41**	**6,900.50**	**344.16**	**4.19**	**50,729.94**	**-**	**6,977.19**	**72.86**	**16.34**	**6,920.67**	**43,809.27**	**44,169.41**

3A. Capital work-in-progress

Particulars	As at 1 April 2016	Additions	Capitalised	Other adjustments	As at 31 March 2017
Total	**2,020.10**	**6,361.70**	**6,900.50**	**4.19**	**1,477.11**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

(i) Contractual obligations

Refer note 40A for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Capitalised borrowing cost

Borrowing costs capitalised during the year ended INR 20.05 lakhs (previous year 31 March 2017 INR 185.48 lakhs and previous year 01 April 2016 INR 264.89 lakhs)

(iii) Property, plant and equipment other than immovable property at Chennai, Malpura, Sanand and Stamping unit at Gurugram have been pledged as security for liabilities, for details refer note 47.

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets. (refer note-51)

** During the previous year ended 31 March 2017, the Hon'ble Supreme Court of India has quashed the Singur land acquisition proceedings of the West Bengal Government and directed the State Government to return the land to its original owners and therefore the Group has written off the cost of the leasehold land appearing in the books amounting to INR 205.99 lakhs during the financial year ended 31 March 2017.

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

*** Building (Gross block) amounting to INR 1570.56 lakhs (previous year 31 March 2017 INR 1570.56 lakhs and previous year 01 April 2016 INR 1542.96 lakhs), net block INR 1270.11 lakhs (previous year 31 March 2017 INR 1322.45 lakhs and previous year 01 April 2016 INR 1346.43 lakhs) is constructed on leasehold land.

3B. Intangible assets

Particulars	Gross carrying value					Amortisation and impairment losses					Net block	
Description	As at 01 April 2017	Additions	Sales/ Disposition	Other adjustments	As at 31 March 2018	As at 01 April 2017	Amortisation for the year	Disposals	Impairment	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
R&D-Computer softwares	19.89	3.09	-	-	22.98	5.02	4.48	-	-	9.50	13.48	14.87
Computer softwares	588.21	247.97	-	-	836.18	195.49	182.24	-	-	377.73	458.45	392.72
New product development	4,130.26	802.88	24.85	-	4,908.29	694.25	877.15	24.85	-	1,546.55	3,361.74	3,436.01
Total	**4,738.36**	**1,053.94**	**24.85**	**-**	**5,767.45**	**894.76**	**1,063.87**	**24.85**	**-**	**1,933.78**	**3,833.67**	**3,843.60**

3B. Intangible assets under development

Particulars	As at 01 April 2017	Additions	Capitalised	Other adjustments	As at 31 March 2018
Total	**783.05**	**372.76**	**1,053.94**	**-**	**101.87**

3B. Intangible assets

Particulars	Gross carrying value					Amortisation and impairment losses					Net block	
Description	As at 01 April 2016*	Additions	Sales/ Disposition	Other adjustments	As at 31 March 2017	As at 01 April 2016*	Amortisation for the year	Disposals	Impairment	As at 31 March 2017	As at 31 March 2017	As at 01 April 2016*
R&D-Computer softwares	19.89	-	-	-	19.89	-	5.02	-	-	5.02	14.87	19.89
Computer softwares	492.27	95.94	-	-	588.21	-	195.49	-	-	195.49	392.72	492.27
New product development	2,641.71	1,500.07	11.52	-	4,130.26	-	705.77	11.52	-	694.25	3,436.01	2,641.71
Total	**3,153.87**	**1,596.01**	**11.52**	**-**	**4,738.36**	**-**	**906.28**	**11.52**	**-**	**894.76**	**3,843.60**	**3,153.87**

3B. Intangible assets under development

Particulars	As at 01 April 2016	Additions	Capitalised	Other adjustments	As at 31 March 2017
Total	**1,721.75**	**657.31**	**1,596.01**	**-**	**783.05**

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets. (refer note 51)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

4. Investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 Non--15.51(curr)85(esnt i)15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

8. Other non-current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(Unsecured considered good, unless stated otherwise)			
Capital advances	320.70	205.32	1,061.72
Balances with statutory/government authorities	-	0.06	1.78
Prepaid expenses	44.78	32.16	25.42
Total	**365.48**	**237.54**	**1,088.92**

9. Inventories

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(Valued at lower of cost and net realisable value)			
Raw materials and components *	3,389.01	3,045.10	2,792.31
Work-in-progress **	1,042.29	1,488.70	1,303.44
Finished goo53.6mponents 3C3 m⊠491.34611(ess **)-271.770	2,219.08		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

11. Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(unsecured and considered good, unless otherwise stated)			
Trade receivables	18,484.29	15,477.40	16,138.44
Total	**18,484.29**	**15,477.40**	**16,138.44**

Notes :

(i) Trade receivables have been pledged as security for liabilities, for details refer note 47.

(ii) For explanations on the Group's exposure to credit, currency and liquidity risk, refer note 49.

12. Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Cash on hand	7.86	7.77	10.22
Cheques on hand	-	-	212.73
Balances with banks			
- in current accounts	30.28	45.64	52.37
- in dividend accounts	221.46	207.49	182.17
- Deposits with original maturity upto 3 months	353.50	-	-
Total	**613.10**	**260.90**	**457.49**

Notes :

(i) Cash and cash equivalents have been pledged as security for liabilities, for details refer note 47.

(ii) There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.

(iii) Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of Corporate Affairs.

The specified bank notes as defined under the notification issued by the Ministry of Finance, Department of Economic dated 8 November, 2016 are no longer in existence. Hence, the Group has not provided the corresponding disclosures as prescribed in Schedule III to the Companies Act, 2013. Disclosure made in the previous year ended 31 March 2017 financial statements is as below:

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	6.45	2.70	9.15
(+) Permitted receipts	-	22.21	22.21
(-) Permitted payments	-	(17.83)	(17.83)
(-) Amount deposited in Banks	(6.45)	-	(6.45)
Closing cash in hand as on 30 December 2016	-	7.08	7.08

For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

13. Other current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(Unsecured considered good, unless stated otherwise)			
Advance to suppliers	60.24	99.66	95.13
Balances with statutory/government authorities	207.31	678.12	1,080.09
Prepaid expenses	473.37	473.17	360.93
Claims receivable	216.37	588.47	790.89
Unbilled revenue	334.83	824.52	780.39
Other receivable	60.58	150.64	222.90
Total	**1,352.70**	**2,814.58**	**3,330.33**

Note :

(i) Other current assets have been pledged as security for liabilities, for details refer note 47.

14. Equity share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Authorised capital			
271,000,000 (31 March 2017 : 271,000,000 01 April 2016 : 271,000,000) Equity Shares of INR 1/- each	2,710.00	2,710.00	2,710.00
	2,710.00	**2,710.00**	**2,710.00**
Issued, subscribed and fully paid up equity share capital			
198,741,832 (31 March 2017 : 198,741,832 01 April : 2016 198,741,832) Equity Shares of INR 1/- each fully paid up	1,987.42	1,987.42	1,987.42
	1,987.42	**1,987.42**	**1,987.42**

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning of the year	198,741,832	1,987.42	198,741,832	1,987.42
Movement during the year	-	-	-	-
Equity shares at the end of the year	**198,741,832**	**1,987.42**	**198,741,832**	**1,987.42**

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

c) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 1/- each fully paid up						
Sona Autocomp Holding Ltd.	-	-	49,914,664	25.12%	49,914,664	25.12%
JTEKT Corporation, Japan	138,771,253	69.82%	39,947,108	20.10%	39,947,108	20.10%
Maruti Suzuki India Ltd.	13,800,000	6.94%	13,800,000	6.94%	13,800,000	6.94%

d) Details of shares held by ultimate holding Company/holding Company and/or their subsidiaries/associates

Name of shareholder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 1/- each fully paid up						
Sona Autocomp Holding Ltd.	-	-	49,914,664	25.12%	49,914,664	25.12%
JTEKT Corporation, Japan	138,771,253	69.82%	39,947,108	20.10%	39,947,108	20.10%

e) Others

During the year ended 31 March 2018, JTEKT Corporation, Japan has acquired promoters' stake of 25.12% from Sona Autocomp Holding Limited. Further in compliance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, JTEKT Corporation, Japan acquired additional stake of 25.23% by making an Open Offer for acquisition of shares held by Public Shareholders. Further to meet the public share holding requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957, JTEKT Corporation, Japan sold 0.63% share to Public Shareholders via Offer For Sales (OFS) of shares by Promoters through the Stock Exchange Mechanism.

f) During the period of five years immediately preceding the date at which the Balance Sheet is prepared, the Company has not -

- allotted fully paid up shares pursuant to contract without payment being received in cash;
- allotted fully paid up shares by way of bonus shares; and
- bought back shares.

15. Other equity

Particulars	As at 31 March 2018	As at 31 March 2017
Security premium		
Opening balance	8,070.76	8,070.76
Additions during the year	-	-
Closing balance	**8,070.76**	**8,070.76**
General reserve		
Opening balance	8,190.71	8,190.71
Amount transferred from Statement of Profit and Loss	-	-
Closing balance	**8,190.71**	**8,190.71**

The general reserve is created from time to time on transfer of profit from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017
Surplus in the Statement of Profit and Loss		
Opening balance	20,050.37	17,740.63
Add: profit for the year	4,830.51	3,697.44
Less: dividend on equity shares	(993.82)	(993.70)
Less: dividend distribution tax	(201.95)	(210.08)
Add: transferred from OCI (remeasurement of employee benefit obligations)	(45.83)	(183.92)
Closing balance	**23,639.28**	**20,050.37**
Capital reserve		
Opening balance	0.43	0.43
Amount transferred from Statement of Profit and Loss	-	-
Closing balance	**0.43**	**0.43**
The capital reserve is the accumulated surplus not available for distribution of dividend and expected to remain invested permanently.		
Items of other comprehensive income, net of tax		
Remeasurement of employee benefit obligations		
Balance as at the beginning of the year	-	-
Recognised during the period	(45.83)	(183.92)
Total	**(45.83)**	**(183.92)**
Less: transferred to retained earnings	45.83	183.92
Closing balance	**-**	**-**
The remeasurements of defined benefit obligation comprises actuarial gains and losses.		
Effective portion of cash flow hedges		
Balance as at the beginning of the year	-	-
Recognised during the period	(116.66)	-
Closing balance	**(116.66)**	**-**
Total	**39,784.52**	**36,312.27**

The cash flow hedging reserve represents the cumulative effective portion of gains and losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gains or loss arising on changes in the value of designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to Statement of Profit and Loss, or included as a basis adjustment to the non-financial hedging item.

16. Borrowings

16A. Non-current borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Secured loans			
Term loans			
Indian rupee loan from banks	12,155.83	13,758.82	10,514.16
Foreign currency loan from banks	3,305.25	5,105.83	11,847.63
Total borrowings (including current maturities)	**15,461.08**	**18,864.65**	**22,361.79**
Less: Current maturities of borrowings (refer note 17):			
Indian rupee loan from banks	4,093.00	4,939.53	5,844.76
Foreign currency loan from banks	1,511.25	1,896.26	1,896.26
Total current maturities of borrowings	**5,604.25**	**6,835.79**	**7,741.02**
Total borrowings (excluding current maturities)	**9,856.83**	**12,028.86**	**14,620.77**

Notes:

1. Refer note 49 - Financial risk management for liquidity risk.
2. Refer note 47 - Assets pledged as security.

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16B. Current borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Secured			
Cash Credit	7,416.66	6,064.56	8,503.86
Total	**7,416.66**	**6,064.56**	**8,503.86**

Notes:

1. Refer note 49 - Financial risk management for liquidity risk.
2. Refer note 47 - Assets pledged as security.

Repayment terms of non current borrowings as specified in note 16A (including current maturities) and security disclosure for the outstanding non current borrowings as on balance sheet date :

Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Indian rupee loans from banks						
1.	Corporation Bank	Repayable in 24 Installments (quarterly installments INR -3.75 crores) Last Due On Nov-16	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	-	-	751.35
2.	Corporation Bank	Repayable in 24 Installments (quarterly installments INR -2.292 crores) Last Due On Nov-16	Pari passu first charge over the Entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	-	-	311.80
3.	State Bank of India	Repayable in 16 Installments quarterly - 8 Installments INR 2 crores each, and - 8 Installments INR 3 crores each	Primary: First Pari-Passu charge on the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, NH-8 Delhi Jaipur Raod Gurugram-122001, immovable property land situated at Plot no-32 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana), Plot no-19 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat. Collateral : Second charge on current assets of the Company.	2,400.00	3,200.00	295.74

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Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
4.	Corporation Bank	Repayable in 17 Installments quarterly - 1 Installment INR - 1 crores - 8 Installments INR - 2 crores each - 4 Installments INR - 3 crores each - 4 Installments INR - 2.75 crores each	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, district rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat.	2,300.00	3,100.00	3,900.00
5.	State Bank of Hyderabad Bank	Repayable in 12 Installments quarterly - 11 Installments INR - 0.83 crores - 1 Installment INR - 0.87 crores each Last Due on Jun-17	Primary: First Pari-Passu charge on the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, NH-8 Delhi Jaipur Raod Gurugram-122001, immovable property land situated at Plot no-32 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana), Plot no-19 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana). and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat. Collateral : Second charge on current assets of the Company.	-	419.00	668.00
6.	Indian Bank	Repayable in 20 Installments (quarterly installments INR - 1.50 crores). Last due in Aug-16	First charge on the entire movable fixed assets on the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and Property situated at Plot no. 32 and 19. Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	-	-	166.96
7.	Allahabad Bank	Repayable in 24 Installments quarterly of INR 1.25 crores each Last Due in Nov-17	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat.	-	375.00	750.00

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Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
8.	IndusInd Bank	Repayable in 16 Installments quarterly of INR 1.875 crores each Last Due in Oct-17	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat.	-	562.50	937.50
9.	Allahabad Bank	Repayable in 20 Installments quarterly of INR 2.00 crores each	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana) and .Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat.	2,600.00	3,400.00	1,850.00
10.	Allahabad Bank	Monthly Repayment	Allahabad Bank is secured by way of exclusive charge on the vehicles financed out of the said term loan.	5.53	17.75	40.21
11.	Allahabad Bank	Monthly Repayment	Allahabad Bank is secured by way of exclusive charge on the vehicles financed out of the said term loan.	94.18	189.31	32.62
12.	IDFC Bank	Repayable in 20 Installments quarterly - 4 installments of INR - 1.5 crores each - 12 installments INR - 2 crores - 4 installments of INR - 2.5 crores each	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	3,846.37	1,295.18	-
13.	Indusind Bank	Repayable in 20 Installments - 4 installments of INR 1.05 Crores each - 4 installments of INR 1.28 Crores each - 4 installments of INR 1.50 Crores each - 4 installments of INR 1.73 Crores each - 4 installments of INR 1.95 Crores each	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	900.00	1,000.00	-

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Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
14.	HDFC Bank INR Loan	Balance repayable in 27 installments (monthly installments). Last due on June-2020	Secured by specific assets financed of subsidiary company.	6.09	8.41	-
15.	HDFC Bank INR Loan	Balance repayable in 27 installments (monthly installments). Last due on June-2020	Secured by specific assets financed of subsidiary company.	3.66	5.04	-
16.	Mizuho Bank INR Loan	Balance repayable in 2 installments (quarterly installments). Last due on July-2017.	First charge on the entire movable & immovable fixed assets and second charges on current assets of the subsidiary company. The shareholder of the subsidiary company "Fuji Kiko Company Limited" had issued "Letter of Guarantee" to the concerned bank for 49% of outstanding of above mentioned Rupee term loan.	-	186.63	-
17.	Dena Bank INR Loan	Balance repayable in 6 installment (quarterly installments). Last due on July-2017.	First charge on the entire movable & immovable fixed assets on the subsidiary company and second charge on current assets of the subsidiary company.	-	-	568.65
18.	Dena Bank INR Loan	Balance repayable in 8 installments (quarterly installments). Last due on March-2018.	First charge on the entire movable & immovable fixed assets on the subsidiary company and second charge on current assets of the subsidiary company.	-	-	235.10
19.	Axis Bank INR Loan	Balance repayable in 30 installments (monthly installments). Last due on September-2018.	Secured by specific assets financed of subsidiary company.	-	-	6.23
				12,155.83	**13,758.82**	**10,514.16**

Foreign currency loans from banks

Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
1.	Standard Chartered Bank	Repayable in 16 installments (quarterly installments of INR - 1.37 crores). Last Due On July-16	Pari passu first charge over the entire movable assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	-	-	274.00

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Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
2.	Standard Chartered Bank ECB	Repayable in 16 Installments (quarterly installments INR -1.57 crores) Last Due On Dec-16	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat Second Charge pari passu charge on all present and future current assets of the Company.	-	-	628.12
3.	Standard Chartered Bank ECB)	Repayable in 16 Installments (quarterly installments INR -2.25 crores) Last Due On Jul-18	Pari passu first charge over the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat.	497.25	1,349.55	2,249.25
4.	Standard Chartered Bank ECB)	Repayable in 17 Installments Details below:- (1) Loan Amt-USD-2 Million- Repayment INR 0.76 crores in 17 Installements. (2) Loan Amt USD-2 Million Repayment INR 0.76 crores in 17 Installements. (3) Loan Amt USD-2.5 Million Repayment INR 0.96 crores in17 Installments.	Pari passu first charge over the entire movable fixed assets of the Company. Equitable mortgage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana) and .Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat Second Charge pari passu charge on all present and future current assets of the Company.	2,808.00	3,756.28	4,235.40
5.	State Bank of India Corporate Loan	Repayable in 16 Installments quarterly of INR 1.875 crores each Last Due in Nov-16	Primary: First Pari-Passu charge on the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, NH-8 Delhi Jaipur Road Gurugram-122001, immovable property land situated at Plot no-32 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana), Plot no-19 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana)	-	-	732.38

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Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
6.	State Bank of India	Repayable in 16 Installments quarterly - 8 Installments INR 2 crores each, and - 8 Installments INR 3 crores each	Primary: First Pari-Passu charge on the entire movable fixed assets of the Company and Equitable mortgage of land situated at 38/6, NH-8 Delhi Jaipur Road Gurugram-122001, immovable property land situated at Plot no-32 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana), Plot no-19 Dharuhera Industrial Area, Phase-2, Dharuhera District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat Collateral : Second charge on current assets of the Company.	-	-	3,728.48
				3,305.25	**5,105.83**	**11,847.63**
Total				**15,461.08**	**18,864.65**	**22,361.79**

Rate of interest: The Group's long term borrowings have weighted average rate of 10.17% p.a. (31 March 2017 : 10.69% p.a.; 01 April 2016 : 10.96% p.a.).

17. Other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Current maturities of long-term borrowings (refer note no 16A)	5,604.25	-	6,835.79	-	7,741.02	-
Interest accrued but not due on borrowings	48.43	-	80.04	-	113.90	-
Security deposit payables	28.74	23.06	25.94	23.06	24.09	22.06
Unclaimed dividends #	221.46	-	207.49	-	182.17	-
Forward exchange contracts used for hedging	-	-	65.14	-	29.28	-
Interest rate swaps used for hedging	38.25	45.40	1.95	-	-	-
Employee dues	1,182.16	-	1,180.03	-	896.75	7.15
Creditors for capital goods	267.03	-	609.57	-	406.55	-
Total	**7,390.32**	**68.46**	**9,005.95**	**23.06**	**9,393.76**	**29.21**

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

The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 49.

18. Provisions

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Provision for employee benefits						
Gratuity (refer note 41)	-	-	8.65	-	14.96	-
Compensated absences (refer note 41)	123.13	614.61	59.02	576.02	57.17	474.39
Others						
Provision for warranties*	199.89	54.27	263.80	77.03	258.36	67.60
Total	**323.02**	**668.88**	**331.47**	**653.05**	**330.49**	**541.99**

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***Movement in provision related to warranty during the year:**

Particulars	As at 31 March 2018	As at 31 March 2017
At the beginning of the year	340.83	325.96
(Deletions) / additions during the year	(25.66)	17.25
(Deletions) / additions in the discounted amount arising from passage of time	(61.01)	(2.38)
At the end of the year	**254.16**	**340.83**

The provision for warranties relates mainly to inventories sold during the year ended 31 March 2018, 31 March 2017 and 31March 2016. The provision is based on estimates made from historical warranty data associated with similar products. The company expects to incur the related expenditure over the next few years.

19. Deferred tax liabilities (net)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Deferred tax liability arising on account of :			
Property, plant and equipment and intangible assets	1,599.22	2,212.15	2,793.62
Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the Statement of Profit and Loss in the subsequent year.	20.72	44.18	15.16
Discounting of long term warranty	4.35	7.23	6.41
Adjustment of undistributed profit of subsidiary and associates	348.86	177.44	75.65
Adjustment for fair valuation of derivative	-	-	10.50
Adjustment related to borrowings	1.27	1.67	-
Deferred tax asset arising on account of :			
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	334.54	288.64	264.60
Provision of inventory obsolescence	99.89	-	-
Adjustment of unrealized gain / loss	10.36	6.23	8.71
Others	9.48	0.42	-
Adjustment for fair valuation of derivative	62.67	9.01	-
Adjustment for capitalisation of stores and spares	-	9.76	9.76
Total	**1,457.48**	**2,128.61**	**2,618.27**

Movement in deferred tax liability for the year ended 31 March 2017

Particulars	01 April 2016	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	31 March 2017
Deferred tax liability:				
Property, plant and equipment, investment property and intangible assets	(2,793.62)	-	581.47	(2,212.15)
Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the Statement of Profit and Loss in the subsequent year.	(15.16)	97.94	(126.96)	(44.18)
Discounting of long term warranty	(6.41)	-	(0.82)	(7.23)
Adjustment of undistributed profit of subsidiary and associates	(75.65)		(101.79)	(177.44)
Adjustment for fair valuation of derivative	(10.50)	-	10.50	-
Adjustment related to borrowings	-	-	(1.67)	(1.67)
Deferred tax asset				
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	264.60	-	24.24	288.64
Adjustment of unrealized gain / loss	8.71		(2.48)	6.23
Others	-		0.42	0.42
Adjustment for fair valuation of derivative	-	-	9.01	9.01
Adjustment for capitalisation of stores and spares	9.76	-	-	9.76
Total	**(2,618.27)**	**97.94**	**391.92**	**(2,128.61)**

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Movement in deferred tax liability for the year ended 31 March 2018

Particulars	31 March 2017	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	31 March 2018
Deferred tax liability:				
Property, plant and equipment, investment property and intangible assets	(2,212.15)	-	612.93	(1,599.22)
Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the Statement of Profit and Loss in the subsequent year.	(44.18)	24.94	(1.67)	(20.72)
Discounting of long term warranty	(7.23)	-	2.88	(4.35)
Adjustment of undistributed profit of subsidiary and associates	(177.44)	-	(171.42)	(348.86)
Adjustment for fair valuation of derivative	-	-	-	-
Adjustment related to borrowings	(1.67)	-	0.40	(1.27)
Deferred tax asset				
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	288.64	-	45.90	334.54
Provision of inventory obsolescence	-	-	99.89	99.89
Adjustment of unrealized gain / loss	6.23	-	4.13	10.36
Others	0.42	-	9.06	9.48
Adjustment for fair valuation of derivative	9.01	62.67	(9.01)	62.67
Adjustment for capitalisation of stores and spares	9.76	-	(9.76)	-
Total	**(2,128.61)**	**87.61**	**583.33**	**(1,457.48)**

20. Trade payables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Total outstanding dues of micro enterprises and small enterprises	107.41	130.78	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,916.16	16,551.80	15,559.43
Total	**15,023.57**	**16,682.58**	**15,559.43**

The Group exposure to currency and liquidity risk related to trade payables is disclosed in note 49.

21. Other current liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance from customer	58.76	452.47	181.16
Statutory dues*	836.25	709.01	386.30
Total	**895.01**	**1,161.48**	**567.46**

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

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22. Income tax liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Provision for income tax [net of advance tax and TDS INR 491.03 lakhs (31 March 2017 INR 367.07 lakhs : 01 April 2016 INR 3998.36 lakhs)]	18.33	31.12	51.02
Total	**18.33**	**31.12**	**51.02**

23. Revenue from operations

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products (including excise duty)*	128,374.71	136,955.57
Sale of services	15.20	1.77
Other operating revenues		
- Scrap sale	776.05	762.77
- Export income	426.52	424.07
Total	**129,592.48**	**138,144.18**

* Revenue from operations, computed in accordance with Ind AS 18 'Revenue', for the current year is not comparable with previous year since the same is net of Goods and Service Tax (GST) whereas excise duty form part of expenses in previous year and current year (uptill 30 June 2017). The comparative revenue from operations of the Group is given below:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations (as reported)	129,592.48	138,144.18
Less : excise duty on sales	4,140.32	17,000.35
Revenue from operations (net of excise duty)	**125,452.16**	**121,143.83**

24. Other income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Other non operating income		
Interest income on:		
- Bank deposits	8.02	0.47
- Others	9.82	7.56
Foreign exchange gain	27.86	12.80
Rental income	46.43	44.96
Dividend from equity investment	-	333.34
Gain on sale of property, plant & equipment (net)	19.97	-
Gain on sale of trade investment held for sales	18.38	-
Miscellaneous income	142.65	234.42
Total	**273.13**	**633.55**

25. Cost of raw material and components consumed

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventory at the beginning of the year	3,045.10	2,792.31
Add: purchases during the year	80,104.24	77,724.53
Less: inventory at the end of the year	3,389.01	3,045.10
Total	**79,760.33**	**77,471.74**

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26. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchases of stock-in-trade	1,133.86	1,709.34
Total	**1,133.86**	**1,709.34**

27. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening inventories		
Work-in-progress	1,488.70	1,303.44
Finished goods	2,219.83	1,946.71
Stock-in-trade	4.35	9.57
Closing inventories		
Work-in-progress	1,042.29	1,488.70
Finished goods	2,437.79	2,219.83
Stock-in-trade	8.83	4.35
Net decrease/(increase)	**223.97**	**(453.16)**

28. Employee benefit expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries wages and bonus	12,818.83	11,869.20
Contribution to provident and other funds (refer note 41)	906.06	919.49
Staff welfare expenses	1,836.57	1,708.90
Total	**15,561.46**	**14,497.59**

29. Finance costs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest to banks*	2,022.49	2,411.21
Interest to others	3.29	30.44
Other borrowing costs	2.40	11.73
Bank charges	57.15	68.88
Total	**2,085.33**	**2,522.26**

* Net of interest capitalized of INR 20.05 lakhs (previous year INR 185.48 lakhs)

30. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation on property, plant and equipment (refer note 3A)	6,659.34	6,977.19
Amortisation on intangible assets (refer note 3B)	1,063.87	906.28
Total	**7,723.21**	**7,883.47**

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31. Other expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Consumption of stores and spares	1,891.76	1,711.45
Loose tools consumed	1,523.58	1,312.72
Power and fuel	2,340.70	2,231.78
Excise duty on (decrease) / increase in finished goods	(114.43)	27.40
Repairs and maintenance		
- Plant & machinery	757.30	639.65
- Buildings	177.27	153.85
- Others	754.83	830.41
Royalty	797.69	756.66
Rent (refer note 43)	184.48	200.65
Rates and taxes	48.27	66.78
Insurance	107.41	92.38
Travelling, conveyance and vehicle expenses	601.76	654.22
Communication & stationery expenses	199.88	199.57
Legal and professional charges	623.53	1,033.06
Security charges	236.53	232.25
Foreign exchange loss including mark to market valuation	19.43	319.13
Selling expenses	1,175.40	1,383.83
Packing material	607.81	481.18
CSR expenditure (refer note 35)	34.47	30.83
Provision for obsolescence of inventory	285.59	-
Loss on sale of property, plant & equipment (net)	-	22.62
Property, plant & equipment written off/discarded	-	221.07
Payments to auditors		
As Auditor		
Statutory audit fee	37.00	24.40
Tax audit fee	6.00	5.03
Limited review *	13.60	15.30
Other matters	13.14	16.67
Reimbursement of expenses	3.00	-
Miscellaneous expenses	589.39	696.98
Total	**12,915.39**	**13,359.87**

* Includes fees paid to predecessor auditor amounting to INR 3.60 lakhs

32. Tax expense

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Income tax recognised in the statement of profit or loss:		
Current income tax		
- Current tax	2,911.25	1,936.47
Deferred tax		
- Relating to origination and reversal of temporay differences	(583.33)	(391.92)
Income tax expenses reported in the statement of profit or loss	**2,327.92**	**1,544.55**

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(All amount are in INR lakhs, unless otherwise stated)

Reconciliation of effective tax rate :

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.608% and the reported tax expense in Statement of Profit and Loss are as follows:

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
Profit for the year		**7,623.27**		5,591.34
Statutory income tax rate of 34.608% (31 March 2017: 34.608%)	**34.61%**	2,638.26	**34.61%**	1,935.05
Additional deduction allowed in Income tax Act for certain expenditure	**-0.48%**	(36.68)	**-5.07%**	(283.58)
Expenditure for which deduction is not allowed under income tax Act	**0.23%**	17.86	**1.60%**	89.56
Capital expenditure not allowed under Income Tax Act		-	**2.09%**	116.62
Tax on exempt income		-	**-2.06%**	(115.36)
Share in profit of associates accounted for using equity method	**-4.05%**	(308.73)	**-3.16%**	(176.81)
Change in tax rate for future period	**-0.21%**	(16.18)		-
Deferred tax created on undistributed profit of subsidiary	**0.31%**	23.36		-
Tax pertaining to earlier years		-	**-0.65%**	(36.55)
Other deductions	**0.13%**	10.03	**0.28%**	15.62
Effective tax rate	**30.54%**	**2,327.92**	**27.62%**	**1,544.55**

Income tax recognised in Other Comprehensive Income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Deferred tax related to items recognised in OCI during the year:		
Re-measurement of defined benefit plans	24.94	97.94
Effective portion of loss on cash flow hedge instruments	62.67	-
Income tax expenses reported in Other Comprehensive Income	**87.61**	**97.94**

33. Earnings per equity share

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit attributable to equity shareholders	5,295.35	4,046.79
Basic / weighted average number of equity shares outstanding during the year (Nos.)	198,741,832	198,741,832
Nominal value of equity shares in INR	1.00	1.00
Earnings per equity share in INR		
Basic	2.66	2.04
Diluted	2.66	2.04

34. Group Information

(a) Information about subsidiary

The Group's details at 31 March 2018 is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal place of business	Country of incorporation	% equity Interest		
			As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Sona Fuji Kiko Automotive Limited	Automobile industry	India	51.00%	51.00%	51.00%

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(All amount are in INR lakhs, unless otherwise stated)

(b) Interests in Associate

Set out below is the details of Associate of the Group as at 31 March 2018. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Principal activities	Place of business	% equity Interest	Relationship	Accounting method
JTEKT Sona Automotive India Limited	Automobile industry	India	49.00%	Associate	Equity method
Sona Skill Development Centre Limited*	Skill development	India	49.99%	Associate	Equity method

* The company has decided to disinvest the equity shares with effect from 18 May 2017.
JTEKT Sona Automotive India Limited is primarily engaged in the business of manufacturing Electric Power Steering Systems ('EPSS') for the passenger car automobile segment in India.

(i) Commitments and contingent liabilities in respect of associate for which the Group is liable.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Contingent liabilities			
Excise Duty	0.50	6.84	6.84
Custom Duty	77.59	-	-
Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	354.70	331.30	284.50

(ii) Summarised financial information for associate

The tables below provide summarised financial information for the joint venture. The information disclosed reflects the amounts presented in the financial statements of the Associate and not JTEKT India Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method.

Summarised balance sheet	JTEKT Sona Automotive India Limited		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current assets			
Cash and cash equivalents	122.01	5,278.71	3,171.55
Other assets	19,353.18	13,427.13	13,063.18
Total current assets	**19,475.21**	**18,705.84**	**16,234.73**
Total non-current assets	**11,953.20**	**12,508..46**	**13,047.77**
Current liabilities			
Financial liabilities(excluding trade payables)	1,189.01	1,366.11	1,235.85
Other liabilities	5,698.56	7,814.90	7,098.73
Total current liabilities	**6,887.57**	**9,181.01**	**8,334.58**
Non-current liabilities			
Financial liabilities	-	322.52	967.55
Other liabilities	549.58	838.46	957.53
Total non-current liabilities	**549.58**	**1,160.98**	**1,925.08**
Net assets	**23,991.25**	**20,872.31**	**19,022.84**

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(All amount are in INR lakhs, unless otherwise stated)

Reconciliation to carrying amounts

	JTEKT Sona Automotive India Limited	
	31 March 2018	31 March 2017
Opening net assets	20,872.31	19,022.84
Profit for the year	3,112.68	2,679.17
Other comprehensive income	6.27	(10.93)
Dividends	-	(818.77)
Closing net assets	**23,991.26**	**20,872.30**
Inter-company elimination (net)	450.05	2.80
Group's share in %	49.00%	49.00%
Group's share in Indian Rupees	11,535.19	10,226.06
Carrying amount	11,535.19	10,226.06

Summarised statement of profit and loss

	JTEKT Sona Automotive India Limited	
	Year ended 31 March 2018	Year ended 31 March 2017
Revenue	58,147.71	67,221.79
Profit for the year	3,112.68	2,679.17
Other comprehensive income(net of tax)	6.27	(10.93)
Total comprehensive income	**3,118.95**	**2,668.24**
Inter-company elimination (net)		
Group's share in %	49.00%	49.00%
Group's share in Indian Rupees	1,528.29	1,307.44
Dividends	-	(818.77)
Group's share in %	49.00%	49.00%
Group's share in Indian Rupees	-	(401.20)

iii) Summarised financial information for subsidiary that has non-controlling interest that are material to the Group:

The tables below provide summarised financial information for the subsidiary. The information disclosed reflects the amounts presented in the financial statements of the subsidiary and not JTEKT India Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method.

Summarised balance sheet	Sona Fuji Kiko Automotive Limited		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current assets	2,025.96	1,651.77	1,248.29
Current liabilities	1,175.88	1,495.04	1,612.88
Net current assets	**850.07**	**156.73**	**(364.59)**
Non-current assets	3,584.56	3,469.86	3,655.43
Non-current liabilities	234.22	288.38	573.00
Net non-current assets	**3,350.34**	**3,181.48**	**3,082.43**
Net Assets	**4,200.41**	**3,338.21**	**2,717.84**
Accumulated NCI	**2,058.20**	**1,635.72**	**1,331.74**

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(All amount are in INR lakhs, unless otherwise stated)

Summarised statement of profit and loss

	Sona Fuji Kiko Automotive Limited	
	Year ended 31 March 2018	Year ended 31 March 2017
Revenue	9,179.39	9,862.36
Profit/(loss) for the year	948.66	713.18
Other comprehensive income(net of tax)	3.81	(2.54)
Total comprehensive income	**952.47**	**710.64**
Total comprehensive income allocated to NCI	466.71	348.21

Summarised cash flow statements

	Sona Fuji Kiko Automotive Limited	
	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities	1,333.17	1,182.55
Cash flows from investing activities	(510.96)	(210.13)
Cash flows from financing activities	(469.64)	(972.77)
Net increase/(decrease) in cash and cash equivalents	**352.57**	**(0.35)**

35. Expenditure on Corporate Social Responsibility (CSR)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Gross amount required to be spent by the Group as per Section 135 of the Companies Act, 2013	71.77	61.36
Amount spent during the year on:		
a) Construction / acquisition of any asset	-	-
b) On purposes other than (a) above	34.47	30.83

36. Research and development expenses (R&D expenses)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Travelling expenses	5.63	7.58
Salary and allowance	168.62	192.76
Components, tools and spares	12.36	28.27
Others	1.32	0.61
Total	**187.93**	**229.22**

37. Merger information

The Board of Directors of JTEKT India Limited ('JIN') and JTEKT Sona Automotive India Limited ('JSAI') have approved a Scheme of Amalgamation in their respective Board meetings held on February 9, 2018, wherein, JSAI is proposed to be amalgamated with JIN, w.e.f. the appointed date i.e. April 1, 2018. The said draft Scheme of Amalgamation has been submitted with the concerned Stock Exchanges and SEBI for their approval in February 2018. SEBI has, however, returned this draft Scheme of Amalgamation vide its letter dated May 16, 2018 and has advised the Company to resubmit the same after ensuring compliance with the requirement stated in Clause No. (I)(A)(3)(b) of Annexure 1 of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

38. Name change information

The Company have received approval from Registrar of Companies as on 7 April 2018, for change of its name to JTEKT India Limited from Sona Koyo Steering Systems Limited.

39. Change in accounting of associate

Under previous GAAP, JTEKT Sona Automotive India Limited (JSAI) was accounted as Subsidiary in Consolidated Accounts. Based on control assessment carried out by the Group under Ind AS 110 and Ind AS 28, JSAI shall now be considered as an Associate company and shall be accounted through Equity method in Consolidated Accounts.

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(All amount are in INR lakhs, unless otherwise stated)

40. Contingent liabilities and commitments (to the extent not provided for)

A. Capital commitments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Estimated amount of contracts remaining to be executed on capital account(net of advances) and not provided for	3,093.69	1,197.21	1,543.52
Total	**3,093.69**	**1,197.21**	**1,543.52**

B. Contingent liabilities

Particulars	Period covered	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
a. Contingent liabilities, not acknowledged as debt, include:				
1. Claims against the Group not acknowledged as debt on account of #:				
(a) Excise duty matters				
Show cause notices received and pending with Adjudication Authority	2000-01 to 2017-18	1,759.08	1,682.65	1,681.07
Cases pending before Appellate authorities in respect of which the Group has filed appeals.	2007-08 to 2011-12	465.26	442.31	420.65
		2,224.34	**2,124.96**	**2,101.72**
(b) Service tax matters				
Show cause notices received and pending with Adjudication Authority	2004-05 to 2017-18	64.94	64.96	60.75
Cases pending before Appellate authorities in respect of which the Group has filed appeals.	2005-06 to 2008-09	-	-	79.46
	2009-10 to 2015-16	8.73	8.77	82.65
		73.67	**73.73**	**222.86**
(c) VAT matters				
Local Area Development Tax (LADT) levied by Assessing Authority Gurugram. The Constitutional bench of the Supreme Court in its order dated 11.11.2016 has given certain guidelines relating to power of States to levy tax on entry of goods into local area. The pending cases, including that of the Group is yet to be decided by the regular benches of Supreme Court.	2007-08 to 2017-18	1413.47	1,273.69	1,106.51
(d) Customs duty matters				
Show cause notice received from Adjudication Authority (DGFT) for advance license	2011-12 to 2012-13	-	7.64	7.24
(e) Income tax matters				
Cases pending before Appellate Authorities in respect of which the Group has filed appeal	2011-12 to 2015-16	49.91	-	7.94
The Group has been advised that the above demands are likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.				
2. Customer bills discounted		**2,363.22**	**2,113.53**	**1,743.88**
3. Letter of credit opened by banks for purchase of inventory / capital goods		**170.72**	**55.06**	**84.63**
Total		**6,295.33**	**5,648.61**	**5,274.78**

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.

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41 Employee benefit obligations

A Defined Contribution Plan

The Group makes contributions, determined as a specified percentage of employee salaries, towards Provident Fund, Superanuation Fund, Punjab Labour Welfare Fund (PLWF) and Employee State Insurance scheme ('ESI') which are collectively defined as defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrued. The amount recognized as an expense includes following::

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Employer's contribution to Provident Fund	485.32	520.12
b) Employer's contribution to Superannuation Fund	214.18	384.46
c) Employer's contribution to Employee State Insurance Corporation	35.73	25.27
d) Punjab labour welfare fund (PLWF)	2.67	2.90
	737.90	**932.75**

B Defined benefit plan

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Group made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Group to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

(i) Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Liability for gratuity	2,302.30	2,004.75	1,590.99
Plan assets for gratutiy	2,362.51	2,088.41	1,852.84
Net defined benefit liability /(assets)	**(60.21)**	**(83.66)**	**(261.85)**

As per Ind-AS 19, the Group does not recognise net defined benefit assets due to absences of any right to claim the surplus as refund or expected reduction in future contribution to the plan.

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(All amount are in INR lakhs, unless otherwise stated)

(ii) Amount recognised in the Statement of Profit and Loss is as under:

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost *	168.02	120.10
Net interest cost	(0.45)	(17.49)
Decrease in unrecoginsed assets	(32.10)	(184.84)
Expense recognised in the Statement of Profit and Loss	**135.47**	**(82.23)**
Actuarial loss/(gain) recognised during the year	67.77	283.35
Amount recognised in the total comprehensive income	**203.24**	**201.12**

* Current service cost includes contribution of LIC premium amounting to INR 6.61 lakhs (previous year INR 5.90 lakhs). Further, during the year ended 31 March 2017, the current service cost excludes the contribution to gratuity fund amounting to INR 38.03 lakhs for the employees who were transferred from Sona Managements Services Limited.

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Present value of defined benefit obligation as at the start of the year	**2,004.75**	**1,590.99**	**1,673.76**
Current service cost	161.40	152.25	129.64
Interest cost	144.62	128.87	135.58
Actuarial loss/(gain) on obligation	75.27	254.58	(120.95)
Benefits paid	(83.74)	(121.94)	(227.04)
Present value of defined benefit obligation as at the end of the year	**2,302.30**	**2,004.75**	**1,590.99**

(iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Fair Value of plan assets at start of the year	**2,088.41**	**1,852.84**	**1,699.57**
Interest income	150.59	150.07	137.66
Employer contribution	198.02	231.53	210.68
Benefit Paid	(82.01)	(117.62)	(227.04)
Actuarial gain/(loss) on plan assets	7.50	(28.41)	31.97
Fair Value of plan assets at the end of the year	**2,362.51**	**2,088.41**	**1,852.84**

(v) Remeasurement recognised in other comprehensive income is as under:

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial loss on defined benefit obligation	75.27	254.58
Return on plan assets excluding interest income	(7.50)	28.41
Amount recognised in Other Comprehensive Income	**67.77**	**282.99**

(vi) Bifurcation of actuarial (gain)/loss on defined benefit obligation:

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial loss from change in demographic assumption	141.97	-
Actuarial (gain)/loss from change in financial assumption	(72.06)	149.72
Actuarial loss from experience adjustment	5.36	104.86
Amount recognised in the Other Comprehensive Income	**75.27**	**254.58**

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(All amount are in INR lakhs, unless otherwise stated)

(vii) Actuarial assumptions

a. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the Group:

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Discount rate	7.6% to 7.7%	7.2% to 7.5%	8.10%
Rate of increase in compensation level	5.5% to 10.0%	5.5% to 10.0%	5.5% to 10.0%

b. Demographic assumptions

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Retirement age			
- Mr. K.M. Deshmukh	-	65	65
- Mr. Sudhir Chopra	65	65	58
- Mr. Kiyozumi Kamiki	65	65	58
- Mr. A.D. Rao	65	58	58
- Mr. Rakesh Gaind	65	58	58
- Others	58	58	58
Attrition rate			
- Up to 30 years	3.00% to 9.5%	3.00%	3.00%
- 31 to 44 years	3.00% to 9.5%	2.00%	2.00%
- Above 44 years	3.00% to 9.5%	1.00%	1.00%

(viii) Sensitivity analysis for gratuity liability

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Impact of the change in discount rate			
Present value of obligation at the end of the year	2,302.30	2,004.75	1,590.99
- Impact due to increase of 1%	(118.11)	(169.09)	(131.90)
- Impact due to decrease of 1%	131.36	195.51	152.33
Impact of the change in salary increase			
Present value of obligation at the end of the year	2,302.30	2,004.75	1,590.99
- Impact due to increase of 1%	132.13	196.31	154.38
- Impact due to decrease of 1%	(120.98)	(172.75)	(135.83)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holiding all other assumptions constant.

Sensevities due to mortality and withdrawls are not material and hence impact of change is not calculated. Sensivity as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy not applicable being a lump sum benefit on retirement.

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(ix) Maturity profile of defined benefit obligation

Description	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Within next 12 months	266.10	117.52	118.47
Between 1-2 years	267.17	62.00	93.83
Between 2-3 years	259.93	93.39	50.25
Between 3-4 years	228.55	107.61	77.00
Between 4-5 years	209.23	121.25	80.24
Above 5 years	1,071.32	1,502.98	1,171.20
Total	**2,302.30**	**2,004.75**	**1,590.99**

(x) Group's best estimates of contribution during next year is INR 140.21 lakhs (previous year INR 133.98 lakhs).

C. Other long-term employee benefits

During the year ended 31 March 2018, the Group has created provision for compensated absences towards earned leave amounting to INR 222.41 lakhs (previous year expense of INR 193.44 lakhs). The Group has written back provision towards sick leave amounting to INR 4.71 lakhs (previous year INR 2.12 lakhs). The Group determines the expense for compensated absences basis the actuarial valuation of present value of the obligation, using the Projected Unit Credit Method.

42. Related party disclosures

For the purpose of these consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

i) Parent and ultimate controlling party:

Name of party	Period
1. JTEKT Corporation, Japan	After 18-May-17

ii) Entity with significant influence:

Name of party	Period
1. Sona Autocomp Holdings Ltd	Upto 18-May-17

iii) Associates:

Name of party	Period
1. Sona Skill Development Centre Ltd	Upto 18-May-17
2. JTEKT Sona Automotive India Limited	Full year

iv) Key management personnel:

Name	Period	Designation
1. Mr. Hidekazu Omura	After 18-May-17	Chairman
2. Mr. Kiyozumi Kamiki	Full year	Dy. Managing Director upto 18-May-17, Managing Director after 18-May-17
3. Mr. K.M. Deshmukh	Upto 18-May-17	Executive Vice-Chairman
4. Mr. Sudhir Chopra	Full year	President & Company Secretary up to 18-May-17, Director (Corporate Affairs) & Company Secretary after 18-May-17
5. Mr. Rajiv Chanana	Full year	Chief Financial Officer
6. Mr. Hidekazu Omura	Upto 18-May-17	Nominee of JTEKT Corporation, Japan
7. Mr. Seiho Kawakami	Full year	Director
8. Mr. Ravi Bhoothalingam	Full year	Independent Director
9. Lt. Gen (Retd) S.S. Mehta	Full year	Independent Director

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Name	Period	Designation
10. Mr. Ramesh Suri	Full year	Independent Director
11. Ms. Geeta Mathur	After 10-Nov-17	Independent Director
12. Mr. P.K. Chadha	Upto 23-Jun-17	Independent Director
13. Ms. Ramni Nirula	Upto 30-Oct-17	Independent Director
14. Ms. Rani Kapur	Upto 18-May-17	Director
15. Mr. Sunjay Kapur	Upto 18-May-17	Director
16. Mr. Y. Hagita	Full year	Dy. Managing Director

iv) Other related parties:

Fellow subsidiaries and enterprises over which key management personnel or relative of key management personnel are able to exercise significant influence

Name of party	Period
1. Sona BLW Precision Forgings Ltd	Upto 18-May-17
2. Mahindra Sona Limited	Upto 18-May-17
3. Kapur Properties & Investment	Upto 18-May-17
4. Mandira Marketing Limited	Upto 18-May-17
5. Sona BLW Prazisionsschmiede GMBH	Upto 18-May-17
6. Sona BLW Precision Forge INC	Upto 18-May-17
7. Sona Koyo Steering Systems Ltd EPF Trust	Upto 18-May-17
8. Sona Charitable Trust	Upto 18-May-17
9. Sona Management Services Limited	Upto 18-May-17
10. Sona Autocomp Germany GMBH	Upto 18-May-17
11. Avian Media Pvt Ltd	Upto 18-May-17
12. Koyo Bearings India Pvt Ltd	Full year
13. Maruti Suzuki India Limited	Full year
14. JTEKT Thailand Co. Ltd	After 18-May-17
15. JTEKT Automotive (Thailand) Co Ltd	After 18-May-17
16. Koyo Joint (Thailand) Co Ltd	After 18-May-17
17. Koyo Machine Industries Co. Ltd	After 18-May-17
18. Koyo Kowa Co. Ltd	After 18-May-17
19. Toyoda Machine Works	After 18-May-17
20. Fuji Autotech France	After 18-May-17
21. Fuji Auto Sweden AB	After 18-May-17
22. Fuji Kiko Co. Ltd.	After 18-May-17
23. Koyo Joint (XIAMEN) Co. Ltd.	After 18-May-17

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Transactions with the above parties:

Particulares	Parent and ultimate controlling party	Entity with significant influence	Associates	Key management personnel	Other related parties	Total
Advance paid	**-**	**-**	**-**	**-**	**-**	**-**
Advance paid (previous year)	-	-	-	-	-	-
Advance received	**-**	**-**	**-**	**-**	**-**	**-**
Advance received (previous year)	-	-	(259.94)	-	-	(259.94)
Cash discount paid	**-**	**-**	**92.72**	**-**	**0.63**	**93.35**
Cash discount paid (previous year)	-	-	(26.65)	-	(1.24)	(27.89)
Cash discount received	**-**	**-**	**-**	**-**	**-**	**-**
Cash discount received (previous year)	-	-	-	-	-	-
Remuneration	**-**	**-**	**-**	**414.71**	**-**	**414.71**
Remuneration (previous year)	-	-	-	(613.50)	-	(613.50)
CSR expenses	**-**	**-**	**-**	**-**	**-**	**-**
CSR expenses (previous year)	-	-	-	-	(21.00)	(21.00)
Dividend paid	**700.06**	**-**	**-**	**0.10**	**69.00**	**769.16**
Dividend paid (previous year)	(546.68)	(249.57)	-	(0.17)	(69.00)	(865.42)
Dividend received	**-**	**-**	**-**	**-**	**-**	**-**
Dividend received	-	-	(333.34)	-	-	(333.34)
Donation	**-**	**-**	**-**	**-**	**-**	**-**
Donation (previous year)	-	-	-	-	(22.00)	(22.00)
Contribution to PF Trust	**-**	**-**	**-**	**-**	**-**	**-**
Contribution to PF Trust (previous year)	-	-	-	-	(26.93)	(26.93)
Interest income	**-**	**-**	**-**	**-**	**5.75**	**5.75**
Interest income (previous year)	-	-	-	-	(9.17)	(9.17)
Rent paid	**-**	**-**	**-**	**-**	**1.20**	**1.20**
Rent paid (previous year)	-	-	-	-	(38.14)	(38.14)
Rent received	**-**	**-**	**54.44**	**-**	**-**	**54.44**
Rent received (previous year)	-	-	(51.67)	-	-	(51.67)
Other income	**-**	**-**	**-**	**-**	**-**	**-**
Other income (previous year)	(2,751.23)	-	-	-	-	(2,751.23)
Purchase of capital goods	**4.50**	**-**	**-**	**-**	**223.25**	**227.75**
Purchase of capital goods (previous year)	-	-	-	-	(70.73)	(70.73)
Purchase of goods	**4,320.46**	**-**	**6,445.27**	**-**	**4,402.69**	**15,168.42**
Purchase of goods (previous year)	(4,572.27)	-	(6,986.39)	-	(5,494.51)	(17,053.17)
Post-employment gratuity	**-**	**-**	**-**	**129.28**	**-**	**129.28**
Post-employment gratuity (previous year)	-	-	-	(98.49)	-	(98.49)
Receiving of services	**7.45**	**-**	**-**	**-**	**216.14**	**223.59**
Receiving of services (previous year)	(55.11)	-	72.61	-	(8.51)	8.99
Reimbursement of expenses recovered	**36.62**	**-**	**12.27**	**-**	**9.56**	**58.45**
Reimbursement of expenses recovered (previous year)	(31.29)	-	(13.80)	-	(75.52)	(120.61)
Reimbursement of expenses paid	**36.99**	**-**	**16.37**	**2.03**	**0.53**	**55.92**
Reimbursement of expenses paid (previous year)	(376.81)	-	(51.52)	-	(20.94)	(449.27)
Rendering of services	**-**	**-**	**6.90**	**-**	**-**	**6.90**
Rendering of services (previous year)	-	-	(41.37)	-	(140.73)	(182.10)
Royalty	**634.66**	**-**	**-**	**-**	**1.87**	**636.53**
Royalty (previous year)	(1,819.98)	-	-	-	-	(1,819.98)
Sale of capital goods	**-**	**-**	**-**	**-**	**2.58**	**2.58**
Sale of capital goods (previous year)	-	-	-	-	(0.63)	(0.63)

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Particulares	Parent and ultimate controlling party	Entity with significant influence	Associates	Key management personnel	Other related parties	Total
Sale of goods	**3.59**	**-**	**22,621.39**	**-**	**71,789.08**	**94,414.06**
Sale of goods (previous year)	(89.31)	-	(13,299.50)	-	(108,545.71)	(121,934.52)
Director sitting fee	**-**	**-**	**-**	**99.00**	**4.69**	**103.69**
Director sitting fee (previous year)	-	-	-	(101.25)	-	(101.25)
Technical support fee	**10.43**	**-**	**-**	**-**	**-**	**10.43**
Technical support fee (previous year)	(977.16)	-	-	-	-	(977.16)
Technicians expenses	**-**	**-**	**-**	**-**	**-**	**-**
Technicians expenses (previous year)	-	-	-	-	-	-
Corporate guarantee on loans from bank	**-**	**-**	**-**	**-**	**-**	**-**
Corporate guarantee on loans from banks (previous year)	(1,615.39)	-	-	-	-	(1,615.39)

Figures in bracket are in respect of the previous year

Outstanding balances	Parent and ultimate controlling party	Entity with significant influence	Associates	Key management personnel	Other related parties	Total
Outstanding balance as on 31-Mar-2018 (debit)	**0.08**	**-**	**1,044.13**	**-**	**6,996.17**	**8,040.38**
Outstanding balance as on 31-Mar-2017 (debit)	(22.57)	-	(1,180.91)	-	(10,315.11)	(11,518.59)
Outstanding balance as on 1-Apr-2016 (debit)	-	-	(707.63)	-	(10,323.22)	(11,030.85)
Outstanding balance as on 31-Mar-2018 (credit)	**1,755.86**	**-**	**1,001.35**	**-**	**580.79**	**3,338.00**
Outstanding balance as on 31-Mar-2017 (credit)	(2,903.10)	-	(1,120.45)	-	(433.83)	(4,457.38)
Outstanding balance as on 1-Apr-2016 (credit)	(2,529.74)	-	(222.29)	-	(444.76)	(3,196.79)

Figures in bracket are in respect of the previous year

43. Leases

In case of assets taken on lease

Operating Lease:

The Group had taken residential properties, cars for its employees, factory and office premise under operating lease agreement having a lease term ranging from 11 months to 60 months. These leases are renewable by mutual consent on mutually agreed terms. The minimum lease payments are as follows::

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Lease payments for the year recognised in the Statement of Profit and Loss	184.48	200.65
Minimum lease payments:		
- Not later than one year	37.98	-
- Later than one year but not later than five years	58.73	-
Total	**96.71**	**-**

44. Segment information

The Group is engaged in the business of manufacturing and assembling of automotive components. The Board of Directors being the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments' operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component. Further, the economic environment in which the Group operates is significantly similar and not subject

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to materially different risk and rewards. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

Geographical information

The Group's revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

Revenue from Operations

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from external customers		
India	120,332.96	130,929.84
Abroad	9,259.52	7,214.34
Total	**129,592.48**	**138,144.18**

Non current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
India	58,043.98	60,948.70	61,811.30
Abroad	-	-	-
Total	**58,043.98**	**60,948.70**	**61,811.30**

Major customer

Revenue from transactions of the Company with some of its OEM customers exceed 10 per cent or more of the Company's total revenue

45. Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation of the international transactions entered into with the associated enterprises from April 2017 and expects such records to be in existence latest by November 2018 as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

46. Dividend

The board of directors of the Company in its meeting held on 18 May 2018, proposed a dividend of INR 993.71 (INR 0.50 per share) to the equity shareholders. The dividend will be remitted post the approval of shareholders in the ensuing Annual General Meeting ('AGM').

47. Assets pledged as security

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current assets			
Financial assets			
Pari-passu charge			
- Trade receivables	18,172.82	15,929.04	16,267.22
- Cash and cash equivalents	257.17	260.91	457.50
- Loans	93.70	87.29	73.33
- Other financial assets			

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Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non-current assets			
Pari-passu charge			
Property, plant and equipment	31,168.30	37,192.06	37,790.16
Capital work-in-progress	876.11	1,345.49	1,985.35
Intangible assets	3,780.17	3,842.48	3,151.93
Intangible assets under development	101.87	783.05	1,721.75
Total non-current assets pledged as security	**35,926.45**	**43,163.08**	**44,649.19**
Total assets pledged as security	**64,117.60**	**70,644.51**	**72,525.63**

48. Fair value disclosures

i) Fair values hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial statements that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard.

All financial instruments for which fair value is recognised or disclosed are categorised with in the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

ii) Financial instruments by category & fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

Particulars	Note	Level of hierarchy	As at 31 March 2018				As at 31 March 2017				As at 01 April 2016			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial assets														
Non current														
Loans														
- Security deposits	b		132.45	-	-	132.45	119.73	-	-	119.73	138.20	-	-	138.20
- Loan to employees	b		5.61	-	-	5.61	5.72	-	-	5.72	5.69	-	-	5.69
Other financial assets														
- Deposits with maturity afrer 12 months from the reporting date	b		-	-	-	-	-	-	-	-	17.81	-	-	17.81
Current														
Trade receivables	a		18,484.29	-	-	18,484.29	15,477.40	-	-	15,477.40	16,138.44	-	-	16,138.44
Cash and cash equivalents	a		613.10	-	-	613.10	260.90	-	-	260.90	457.49	-	-	457.49
Loans														
- Security deposits	a		66.72	-	-	66.72	56.70	-	-	56.70	37.67	-	-	37.67
- Loan to employees	a		27.40	-	-	27.40	30.59	-	-	30.59	35.66	-	-	35.66
Other financial assets														
- Forward exchange contracts used for hedging	d	2	31.23	31.23	-	-	-	-	-	-	-	-	-	-
Total			**19,360.80**	**31.23**	**-**	**19,329.57**	**15,951.04**	**-**	**-**	**15,951.04**	**16,830.96**	**-**	**-**	**16,830.96**

Note: Investment in equity instrument of subsidiaries and associate are measured at cost as per Ind AS 27, "Separate financial statements" and hence, not presented here.

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Particulars	Note	Level of hierarchy	As at 31 March 2018				As at 31 March 2017				As at 01 April 2016			
			Carrying Amount	FVTPL	FVOCI	Amortised cost	Carrying Amount	FVTPL	FVOCI	Amortised cost	Carrying Amount	FVTPL	FVOCI	Amortised cost
Financial liabilities														
Non current														
Borrowings	c		9,856.83	-	-	9,856.83	12,028.86	-	-	12,028.86	14,620.77	-	-	14,620.77
Other financial liabilities														
- Security deposits	b		23.06	-	-	23.06	23.06	-	-	23.06	22.06	-	-	22.06
- Interest rate swaps used for hedging	d	2	45.40	-	45.40	-	-	-	-	-	-	-	-	-
- Employee dues	b		-	-	-	-	-	-	-	-	7.15	-	-	7.15
Current														
Borrowings	a		7,416.66	-	-	7,416.66	6,064.56	-	-	6,064.56	8,503.86	-	-	8,503.86
Trade payable	a		15,023.57	-	-	15,023.57	16,682.58	-	-	16,682.58	15,559.43	-	-	15,559.43
Other financial liabilities														
- Current maturities of long-term borrowings	a		5,604.25	-	-	5,604.25	6,835.79	-	-	6,835.79	7,741.02	-	-	7,741.02
- Interest accrued but not due on borrowings	a		48.43	-	-	48.43	80.04	-	-	80.04	113.90	-	-	113.90
- Security deposits	a		28.74	-	-	28.74	25.94	-	-	25.94	24.09	-	-	24.09
- Unclaimed dividends	a		221.46	-	-	221.46	207.49	-	-	207.49	182.17	-	-	182.17
- Forward exchange contracts used for hedging	d	2	-	-	-	-	65.14	65.14	-	-	29.28	29.28	-	-
- Interest rate swaps used for hedging	d	2	38.25	-	38.25	-	1.95	1.95	-	-	-	-	-	-
- Employee dues	a		1,182.16			1,182.16	1,180.03			1,180.03	896.75			896.75
- Creditors for capital goods	a		267.03			267.03	609.57			609.57	406.55			406.55
Total			**39,755.84**	**-**	**83.65**	**39,672.19**	**43,805.01**	**67.09**	**-**	**43,737.92**	**48,107.03**	**29.28**	**-**	**48,077.75**

a. Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

b. Fair value of non-current financial assets and liabilities have not been disclosed as there is no significant differences between carrying value and fair value.

c. Fair value of borrowing is considered to be the same as its carrying value, as there is no change in the lending rates.

d. Fair value of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The model incorporate various inputs include the credit quality of counter-parties and foreign exchange forward rates.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2018 and 31 March 2017.

49. Financial risk management

The Group is primarily engaged in the manufacturing steering systems and other auto componets for passenger and utlity vehicle manufactures. The Group's principal financial liabilities, comprises loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to support the Group's operations. The Group's principal financial assets include investments in equity, trade and other receivables, security deposits, cash and employee advances that derive directly from its operations. The Group also enters into derivative transactions viz. Cost Currency Interest Rate Swap and Principal and Interest Swaps.

The Group has exposure to the following risks arising from financial instruments

- Credit risk [see (A)];
- Liquidity risk [see (B)]; and .
- Market risk [see (C)].

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Risk Management Framework

The Group's activities makes it susceptible to various risks. The Group has taken adequate measures to address such concerns by developing adequate systems and practices. The Group's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Group's financial performance.

The Group's senior management oversee the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Group. The board provides assurance to the shareholders that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis,Credit ratings	Diversification of bank deposits, credit limits and letter of credit.
Liquidity Risk	Borrowings and liabilities	Cash flow forecasting, sensitivity analysis	Availability of borrowing facilities, forward contracts, CCIRS.
Market risk - foreign currency risk	Future commercial transactions, recognised financial liabilities not denominates in Indian Rupee (INR)	Cash flow forecasting, sensitivity analysis	Cross currency principal interest swaps
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Cross currency principal interest swaps

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables), including foreign exchange transactions and other financial instruments.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of balance sheet position whether a financial asset or a Group of financial assets is impaired. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. Group's exposure to customers is diversified and more than 90% revenue is recognised from OEM's. However there was no default on account of these customers in the history of Group.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits to customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The Group performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis lifetime expected losses and where receivables are due for more than six months.

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Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(a) Financials assets for which allowance is measured using 12 months Expected credit losses.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Loans	94.12	87.29	73.33
Other financials assets	31.23	-	-

(b) The ageing analysis of trade receivables for which loss allowance is measured using Life time expeceted credit losses as at the reporting data is as follows:

Particulars	As at 31 March 2018	0-6 months	6-12 months	More than 12 months
Carrying amount of trade receivables	18,484.29	18,377.13	92.03	15.13

Particulars	As at 31 March 2017	0-6 months	6-12 months	More than 12 months
Carrying amount of trade receivables	15,477.40	15,457.98	7.37	12.05

Particulars	As at 31 March 2016	0-6 months	6-12 months	More than 12 months
Carrying amount of trade receivables	16,138.44	16,103.69	4.03	30.72

(c) The Group's exposure to credit risk for trade receivable by geographic region is as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
India	16,861.72	13,894.78	14,215.43
USA	1,477.84	1,417.21	1,722.86
France	144.53	163.82	145.85
Japan	0.20	1.59	54.30
Total	**18,484.29**	**15,477.40**	**16,138.44**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Corporate finance department in accordance with the Group's policy. Investments of surplus funds are made only in schemes of alternate investment fund/or other appropriate avenues including term and recurring deposits with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group places its cash and cash equivalents and term deposits with banks with high investment grade ratings, limits the amount of credit exposure with any one bank and conducts ongoing evaluation of the credit worthiness of the banks with which it does business. Given the high credit ratings of these banks, the Group does not expect these banks to fail in meeting their obligations. The maximum exposure to credit risk for the components of the balance sheet at 31 March 2018, 31 March 2017 and 01 April 2016 is represented by the carrying amount of each financial asset.

B) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, buyers credit and bank loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and includes contractual interest payments:

31 March 2018	Contractual cash flows				
	Carrying value as at 31 March 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years
Non derivative financial liabilities					
Borrowings	**22,877.74**	14,258.14	5,850.79	2,912.65	2,279.41
Trade payables	**15,023.57**	15,023.57	-	-	-
Other financial liabilities		-	-	-	-
- Security deposits	**51.80**	28.74	-	-	23.06
- Unclaimed dividends	**221.46**	221.46	-	-	-
- Employee dues	**1,182.16**	1,182.16	-	-	-
- Creditors for capital goods	**267.03**	267.03	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Interest rate swaps used for hedging	**83.65**	83.65	-	-	-
Total	**39,707.41**	**31,064.75**	**5,850.79**	**2,912.65**	**2,302.47**

31 March 2017	Contractual cash flows				
	Carrying value as at 31 March 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years
Non derivative financial liabilities					
Borrowings	**24,929.21**	13,835.73	6,262.93	5,199.25	2,932.35
Trade payables	**16,682.58**	16,682.58	-	-	-
Other financial liabilities					
- Security deposits	**49.00**	25.94	-	-	23.06
- Unclaimed dividends	**207.49**	207.49	-	-	-
- Employee dues	**1,180.03**	1,180.03	-	-	-
- Creditors for capital goods	**609.57**	609.57	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Forward exchange contarcts used for hedging	**65.14**	65.14	-	-	-
- Interest rate swaps used for hedging	**1.95**	1.95	-	-	-
Total	**43,724.97**	**32,608.43**	**6,262.93**	**5,199.25**	**2,955.41**

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01 April 2016	Contractual cash flows				
	Carrying value as at 01 April 2016	**Less than 1 year**	**1-2 year**	**2-3 year**	**More than 3 years**
Non derivative financial liabilities					
Borrowings	**30,865.65**	22,238.60	9,069.91	6,596.03	6,651.25
Trade payables	**15,559.43**	15,559.43	-	-	-
Other financial liabilities					
- Security deposits	**46.15**	24.09	-	-	22.06
- Unclaimed dividends	**182.17**	182.17	-	-	-
- Employee dues	**903.90**	903.90	-	-	-
- Creditors for capital goods	**406.55**	406.55	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Forward exchange contarcts used for hedging	**29.28**	29.28	-	-	-
Total	**47,993.13**	**39,344.02**	**9,069.91**	**6,596.03**	**6,673.31**

C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risk: interest rate risk, currency risk and price risk. Financial instruments affected by market risk include loans and borrowings, investment, deposits, advances and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2018.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings in foreign currency (ECB borrowings).

The Group manages its foreign currency risk by entering into derivatives. When a derivative is entered into for the purpose of hedging, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

(i) **Foreign currency risk exposure**

Details of unhedged foreign currency exposures is as follows:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial assets						
Receivables (trade & others)						
USD	22.98	1,477.84	22.11	1,417.21	26.22	1,722.86
EURO	1.83	144.53	2.41	163.82	1.96	145.85
JPY	0.34	0.20	2.78	1.59	93.72	54.30
Financial liabilities						
Payables (trade & other)						
USD	3.99	262.47	2.79	183.14	4.46	296.77
EURO	0.31	25.16	0.42	29.25	0.49	37.31
JPY	653.18	406.22	865.71	508.69	536.50	320.03
CHF	0.05	3.22	0.06	4.23	0.05	3.34
SGD	-	-	-	-	0.02	1.13
GBP	-	-	-	-	0.00	0.35
Borrowings - others						
USD	10.26	675.18	22.81	1,496.05	21.73	1,447.06

The outstanding forward exchange contracts and currency swap & interest rate swap contracts as at the end of the year entered by the Group for the purpose of hedging its foreign currency exposures are as follows:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial liabilities						
Payables (trade & other)						
USD	5.80	381.82	4.42	289.66	3.98	264.78
EURO	-	-	-	-	-	-
JPY	2,421.50	1,505.93	2,945.87	1,730.99	2,068.04	1,233.59
CHF	0.21	14.32	0.34	22.40	0.15	10.26
SGD	-	-	-	-	-	-
GBP	-	-	-	-	-	-
Borrowings - ECB						
USD	49.85	3,305.25	80.15	5,257.65	120.00	7,989.60
Borrowings - Others						
USD	-	-	-	-	67.00	4,460.86

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(All amount are in INR lakhs, unless otherwise stated)

The following significant exchange rates were applied at the year end:

Particulars	Year end rates		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Financial assets			
Receivables (trade & others)			
USD / INR	64.30	64.10	65.70
EURO / INR	78.77	68.11	74.50
JPY / INR	0.60	0.57	0.58
Financial liabilities			
Payables (trade & other)			
USD / INR	65.80	65.60	66.54
EURO / INR	81.26	70.36	76.00
JPY / INR	0.62	0.59	0.60
CHF / INR	69.26	65.76	69.49
SGD / INR	-	-	49.47
GBP / INR	-	-	96.09
Borrowings - ECB & Others			
USD / INR	65.80	65.60	66.58

Sensitivity analysis

Any changes in the exchange rate of foreign currency against INR is not expected to have significant impact on the Group's profit due to the short credit period. Accordingly, a 1% appreciation/depreciation of the INR as indicated below, against the foreign currencies would have increased/reduced profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant.

Particulars	Statement of profit and loss or Other comprehensive income	Currency	Exchange rate increase by 1%			Exchange rate decrease by 1%		
			As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Receivables (trade & others)	Statement of profit and loss	USD	14.78	14.17	17.23	(14.78)	(14.17)	(17.23)
	Statement of profit and loss	EURO	1.45	1.64	1.46	(1.45)	(1.64)	(1.46)
	Statement of profit and loss	JPY	0.00	0.02	0.54	(0.00)	(0.02)	(0.54)
Payables (trade & other)	Statement of profit and loss	USD	2.62	1.83	2.97	(2.62)	(1.83)	(2.97)
	Statement of profit and loss	EURO	0.25	0.29	0.37	(0.25)	(0.29)	(0.37)
	Statement of profit and loss	JPY	4.06	5.09	3.20	(4.06)	(5.09)	(3.20)
	Statement of profit and loss	CHF	0.03	0.04	0.03	(0.03)	(0.04)	(0.03)
	Statement of profit and loss	SGD	-	-	0.01	-	-	(0.01)
	Statement of profit and loss	GBP	-	-	0.00	-	-	(0.00)
Borrowings - others	Statement of profit and loss	USD	6.75	14.96	14.47	(6.75)	(14.96)	(14.47)

(ii) Foreign exchange derivative contracts

The Group tries to mitigate foreign exchange risk by entering into appropriate hedging instruments as considered necessary from time to time. Depending on the future outlook on currencies, the Group may keep the exposures unhedged or hedged only as a part of the total exposure. The Group does not enter into a foreign exchange derivative transactions for speculative purposes.

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(All amount are in INR lakhs, unless otherwise stated)

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Category of derivative instrument	Purpose of derivative instrument	Currency	Outstanding principal (in Foreign currency) As at 31 March 2018	Outstanding principal (in Foreign currency) As at 31 March 2017	Outstanding principal (in Foreign currency) As at 01 April 2016
Currency swap & interest rate swap	Hedge against exposure on loan repayment for USD loan and its interest payments. The interest rate has been swapped to pay fixed interest	USD	49.85	80.14	187.00
Forward contacts	Hedge against exposure on loan repayment for USD loan and its interest payments. The interest rate has been swapped to pay fixed interest	USD	5.80	4.42	3.98
Forward contacts	Hedge against exposure on loan repayment for USD loan and its interest payments. The interest rate has been swapped to pay fixed interest	JPY	2421.50	2945.87	2068.04
Forward contacts	Hedge against exposure on loan repayment for USD loan and its interest payments. The interest rate has been swapped to pay fixed interest	CHF	0.21	0.34	0.15

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with fixed interest rates.

The Group enters Cross Currency Interest Rate Swaps to manage its Forex and interest rate risk, in which it agrees to exchange, at specified intervals, the difference between floating and fixed rate interest amounts calculated by reference to an agreed-upon notional principal amount.

(i) Liabilities

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The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2017, the Group is eTheD 0n1.6298 0 TD 0 Tc 0
interest rates. s

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

(ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Equity Price risk

The Group's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

50. Capital management

i) The Group' s capital management objectives are

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed, as well as the level of dividends to equity shareholders. The Group manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. The Group uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Total borrowings (includes Non-Current borrowings, current borrowings and current maturities of non current borrowings)	22,877.74	24,929.21	30,865.65
Less : cash and cash equivalent	(613.10)	(260.90)	(457.49)
Net debt	**22,264.64**	**24,668.31**	**30,408.16**
Total equity	41,771.94	38,299.69	35,989.95
Debt ratio	**0.53**	**0.64**	**0.84**

ii) Loan covenants

The term loan arrangements contain certain capital restrictions to be complied including debt-service coverage ratio, interest coverage ratio, current ratio, fixed asset coverage ratio, return on capital employed, net borrowings to EBITDA ratio etc. In case of any deviation from the capital restrictions as defined in the loan agreements, the Company is liable to communicate the same to respective banks, which may either be waived by the banks if not material or Company shall take necessary action to meet the requisite conditions. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period which would require the banks to recall any

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

A. Ind AS optional exemptions

1. Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

Information relating to gross carrying amount of assets and accumulated depreciation as on the transaction date as per previous GAAP is as follows:

Property, plant and equipment

Description	Gross block as on 01 April 2016	Accumulated depreciation as on 01 April 2016	Net block as on 01 April 2016
Free hold land	4,014.41	-	4,014.41
Land leased	221.50	15.51	205.99
Buildings	17,434.72	3,280.19	14,154.53
Lease hold improvements	46.28	37.45	8.83
Plant and equipments	57,157.61	34,171.39	22,986.22
Jigs and fixtures	712.50	426.81	285.69
Electric installation	3,278.91	1,939.26	1,339.65
Furniture and fixtures	750.42	508.87	241.55
Office equipment (including computers)	2,689.35	2,266.58	422.77
Vehicles	591.85	284.13	307.72
R&D Plant and equipments	477.66	280.44	197.22
R&D office equipments	107.60	102.77	4.83
Total	**87,482.81**	**43,313.40**	**44,169.41**

Intangible assets

Description	Gross block as on 01 April 2016	Accumulated depreciation as on 01 April 2016	Net block as on 01 April 2016
R&D computers softwares	85.79	65.90	19.89
Ccmputer softwares	1,062.93	570.66	492.27
New product development	5,401.57	2,759.86	2,641.71
Total	**6,550.29**	**3,396.42**	**3,153.87**

2. Determining whether an arrangement contains a lease

Appendix C to the Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with the Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Group has elected to avail of the above exemption.

B. Ind AS mandatory exceptions

1. Estimates

The estimates at 01 April 2016 and 31 March 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reffect any differences in accounting policies) apart from the following items where applications of Indian GAAP did not require estimation :

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(All amount are in INR lakhs, unless otherwise stated)

- Fare valuation of financial instruments carried at FVTPL and /or FVOCI.

- Impairment of financial assets based on the expected credit loss model.

- Determination of the discounted value for financial instruments carried at amortised cost.

The estimates used by the Company to present these amount in accordance with Ind-AS reflect condition at 01 April 2016, the date of transction to Ind-AS and as of 31 March 2017.

2. Classification and measurement of financial assets and liabilities

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

3. Hedge accounting

Ind AS 101 requires an entity, at the date of transition, to measure all derivatives at fair value and eliminate all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP as if they were assets or liabilities.

4. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transaction to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from the date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financials assets and liabilities derecognised as a result of past transaction was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind-AS 109 prospectively from the date of transition to Ind-AS.

C. Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

1. Equity reconciliation

Particulars	Notes	As at 31 March 2017	As at 01 April 2016
Total equity (shareholder's funds) as per Previous GAAP		**50,837.98**	**45,889.78**
Adjustments:			
Measurement of financial liabilities carried at amortised cost	1	4.82	-
Adjustment for derivative recognised at fair value	2	(27.81)	30.30
Adjustment for capitalisation of spares as property, plant and equipment	3	-	(28.24)
Adjutsment for reversal of Proposed dividend	4	-	1,203.48
Adjustment for discounting of long term provisions	5	-	18.48
Impact of Ind AS adjustments on Non-controlling interest	10	-	4.90
Impact of Ind AS adjustments on assessment in associate	10	(32.43)	33.77
Adjustment in non controlling interest pertaining to associate using equity method	9	(10,631.73)	(9,832.53)
Other		(42.22)	75.81
Deferred tax on above adjustments (including deferred tax on undistributed profits of subsidiary and associate)	6	(173.19)	(74.05)
Total adjustments		**(10,902.56)**	**(8,568.08)**
Total equity as per Ind AS		**39,935.42**	**37,321.70**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

2. Impact of Ind AS adoption on the Statement of cash flows for the year ended 31 March 2017

Particulars	Notes	As per Previous GAAP	Ind AS adjustments	As per Ind AS
Net cash flow from operating activities		21,745.74	(5,551.36)	16,194.38
Net cash flow from investing activities		(8,565.59)	2,192.90	(6,372.69)
Net cash flow from financing activities		(11,294.90)	1,276.62	(10,018.28)
Net increase in cash and cash equivalents		1,885.25	(2,081.84)	(196.59)
Cash and cash equivalents as at 01 April 2016		3,446.87	(2,989.38)	457.49
Cash and cash equivalents as at 31 March 2017	**8**	**5,332.12**	**(5,071.22)**	**260.90**

The transition from previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

3. Reconciliation of equity as reported under previous GAAP to Ind AS as at 01 April 2016 (Date of transition) is as follows:

Particulars	Notes	As per Previous GAAP	Ind AS adjustments	As per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	3, 9	55,368.52	(11,199.11)	44,169.41

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Particulars	Notes	As per Previous GAAP	Ind AS adjustments	As per Ind AS
Current liabilities				
Financial liabilities				
Borrowings	8	6,759.98	1,743.88	8,503.86
Trade payables	2, 9	19,442.08	(3,882.65)	15,559.43
Other financial liabilities	2, 9	10,627.27	(1,233.51)	9,393.76
Provisions	4	2,007.78	(1,677.29)	330.49
Other current liabilities	9	86.75	480.71	567.46
Income tax liabilities	9	688.17	(637.15)	51.02
Total current liabilities		**39,612.03**	**(5,206.01)**	**34,406.02**
Total liabilities		**59,319.84**	**(7,103.58)**	**52,216.26**
Total equity and liabilities		**105,209.62**	**(15,671.66)**	**89,537.96**

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

4. Reconciliation of equity as reported under previous GAAP to Ind AS as at 31 March 2017 is as follows:

Particulars	Notes	As per Previous GAAP	Ind AS adjustments	As per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	3, 9	53,991.40	(10,182.13)	43,809.27
Capital work-in-progress	9	1,701.14	(224.03)	1,477.11
Intangible assets	9	5,383.35	(1,539.75)	3,843.60
Intangible assets under development	8,9	1,110.02	(326.97)	783.05
Financial assets				
Investments	9	-	10,226.06	10,226.06
Loans	8	170.68	(45.23)	125.45
Income tax assets	9	531.88	(85.26)	446.62
Other non-current assets	9	318.65	(81.11)	237.54
Total non-current assets		**63,207.12**	**(2,258.42)**	**60,948.70**
Current assets				
Inventories	3, 8, 9	10,005.48	(1,622.75)	8,382.73
Financial assets				
Investments		74.56	-	74.56
Trade receivables	8,9	20,988.46	(5,511.06)	15,477.40
Cash and cash equivalents	9	5,567.01	(5,306.11)	260.90
Loans	8,9	87.28	0.01	87.29
Other current assets	2,9	3,843.16	(1,028.58)	2,814.58
Total current assets		**40,565.95**	**(13,468.49)**	**27,097.46**
Total assets		**103,773.07**	**(15,726.91)**	**88,046.16**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,987.42	-	1,987.42
Other equity	1,2,3,4,5, 6,9	36,391.59	(79.32)	36,312.27
Equity attributable to the owners of the company		**38,379.01**	**(79.32)**	**38,299.69**
Non-controlling interests	9	**12,458.97**	**(10,823.24)**	**1,635.73**
Total Equity		**50,837.98**	**(10,902.56)**	**39,935.42**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	9	12,356.20	(327.34)	12,028.86
Other financial liabilities	9	3.00	20.06	23.06
Provisions	5, 9	888.24	(235.19)	653.05
Deferred tax liabilities (net)	6, 9	2,618.53	(489.92)	2,128.61
Total non-current liabilities		**15,865.97**	**(1,032.39)**	**14,833.58**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	As per Previous GAAP	Ind AS adjustments	As per Ind AS
Current liabilities				
Financial liabilities				
Borrowings	8	3,951.03	2,113.53	6,064.56
Trade payables	2, 9	21,308.32	(4,625.74)	16,682.58
Other “nancial liabilities	2, 9	10,265.80	(1,259.85)	9,005.95
Provisions	4	528.26	(196.79)	331.47
Other current liabilities	9	61.55	1,099.93	1,161.48
Income tax liabilities	9	954.16	(923.04)	31.12
Total current liabilities		37,069.12	(3,791.96)	33,277.16
Total liabilities		52,935.09	(4,824.35)	48,110.74
Total equity and liabilities		103,773.07	(15,726.91)	88,046.16

The previous GAAP “gures have been reclassi“ed to con“rm to Ind AS presentation requirements for the purpose of this note.

5. Reconciliation of total comprehensive income for the year ended 31 March 2017:

Particulars	Notes	As per Previous GAAP	Ind AS adjustments	As per Ind AS
Income				
Revenue from operations	9	178,526.54	(40,382.36)	138,144.18
Other income	9	908.30	(274.75)	633.55
Total Income		179,434.84	(40,657.11)	138,777.73
Expenses				
Cost of materials consumed	9	102,260.20	(24,788.46)	77,471.74
Purchases of stock-in-trade	9	1,670.48	38.86	1,709.34
Changes in inventories of “nished goods, work-in-progress and stock-in-trade	9	(189.83)	(263.33)	(453.16)
Excise duty	9	20,207.33	(3,206.98)	17,000.35
Employee bene“ts expense	7, 9	17,798.67	(3,301.08)	14,497.59
Finance costs	2, 5 & 9	2,853.93	(331.67)	2,522.26
Depreciation and amortisation expense	9	10,299.59	(2,416.12)	7,883.47
Other expenses	1, 2 & 5, 9	16,449.93	(3,090.06)	13,359.87
Total expenses		171,350.30	(37,358.84)	133,991.46
Pro t from operations before share of pro t of associate		8,084.54	(3,298.27)	4,786.27
Share of pro t of associates accounted for using equity method, net	9,10	(10.20)	815.27	805.07
Pro t before tax		8,074.34	(2,483.00)	5,591.34
Tax expense				
- Current tax	9	3,502.00	(1,565.53)	1,936.47
- Deferred tax credit	6, 9	(759.55)	367.63	(391.92)
Total tax expenses		2,742.45	(1,197.90)	1,544.55
Pro t for the year		5,331.89	(1,285.10)	4,046.79
Other comprehensive income				
Items that will not be reclassi ed to pro t and loss				
Re-measurement loss on de“ned bene“t plans	7, 9	-	(282.99)	(282.99)
Income tax relating to the above	6, 9	-	97.94	97.94
Total other comprehensive income for the year (net of tax)		-	(185.05)	(185.05)
Total comprehensive income for the year (Comprising Pro t and Other Comprehensive Income for the year		5,331.89	(1,470.15)	3,861.74
Total comprehensive income for the year		3,648.62	(135.10)	3,513.52
(a) Owners of the Company		1,683.27	(1,335.05)	348.22
(b) Non controlling interest		5,331.89	(1,470.15)	3,861.74

The previous GAAP “gures have been reclassi“ed to con“rm to Ind AS presentation requirements for the purpose of this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

51. First time adoption of Ind AS (Contd..)

Note – 1

Financial liabilities carried at amortised cost

Under previous GAAP, financial liabilities were carried at cost. Under Ind AS, certain financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability. Accordingly financial liabilities reduced by INR 4.82 lakhs as at 31 March 2017 (01 April 2016 : Nil) and consequently increase the retained earnings by an equivalent amount.

Note – 2

Derivative recognised at fair value

Under previous GAAP the premium or discount arising at the inception of the forward contract is amortised as expense or income over the life of the contract and the exchange differences on such a contract is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Under Ind AS, all derivative contracts are measured at fair value through profit and loss at each reporting date resulting in recognision of mark to market loss of INR 27.81 lakhs as at 31 March 2017 and mark to market gain of INR 30.30 lakhs as at 01 April 2016.

Note – 3

Capitalisation of major spares as Property, plant and equipment

Under Previous GAAP, spares which can be used only in connection with an item of fixed asset were capitalised however under Ind AS all spares which meet the definition of property, plant and equipment are capitalised and depreciated over its useful life amounting to INR nil (previous year INR 110.22 lakhs) and depreciation of INR 28.24 lakhs as computed from the date of purchase of such spares up to 01 April 2016 was recognised in the statement of profit and loss .

Note – 4

Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability and appropriation. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend has been reversed with corresponding adjustment to retained earnings. Accordingly, the liability for proposed dividend of INR 1,203.48 lakhs as at 01 April 2016 included under provisions has been reversed with corresponding adjustment to retained earnings and recognised upon approval by shareholders in the general meeting. Consequently, the total equity as at 01 April 2016 increased by an equivalent amount.

Note – 5

Discounting of long term provisions

Under the previous GAAP, provisions were recorded at their carrying value. Under Ind AS, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. Difference on day one between carrying value and present value is recognised as charge to the Statement of Profit and Loss. This reduced the long term provision by INR 18.48 lakhs as at 01 April 2016. Consequently, the total equity as at 01 April 2016 increased and decreased by an equivalent amount.

Note – 6

Deferred tax on above adjustments

Under Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences. On the date of transition, the net impact of deferred tax liabilities is of INR 173.19 lakhs (01 April 2016 : INR 74.05 lakhs).

Note – 7

Other comprehensive income

Items of income and expense that are not recognised in profit and loss are shown in the Statement of Profit and Loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations etc. The concept of other comprehensive income did not exist under previous GAAP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(All amount are in INR lakhs, unless otherwise stated)

Note – 8

Reclassification

A) Group has entered into recourse factoring. Per Ind AS 109, it's an indication that the Group has retained substantially all risks and rewards relating to the receivables and would not be permitted to derecognise these financial assets under Ind AS 109. Under previous GAAP, amount of trade receivable was netted off against the amount of factoring loan.

B) Under Previous GAAP, one of the security deposit given by the Group, was classified as current, has been shown as non-current under Ind AS, being long term in nature.

C) Reclassification of 'Intangibles under development' to 'Inventory - work in progress'

D) Cash flow reclassification of unclaimed dividend.

Note – 9

Change in accounting of associate

Under previous GAAP, JTEKT Sona Automotive India Limited (JSAI) was accounted as Subsidiary in Consolidated Accounts. Based on control assessment carried out by the Group under Ind AS 110 and Ind AS 28, JSAI shall now be considered as an Associate Group and shall be accounted through Equity method in Consolidated Accounts.

Note – 10

Ind AS adjustments in associates standalone financial statements

The Group has taken additional impact of changes in net assets due to impact of Ind AS adjustments in these entities. Also, the Group has transferred the additional impact to non-controlling interests for changes carried out in these entities consequent to the Ind AS adjustments.

52. The comparative financial information of the Group for the year ended 31 March 2017 and the transition date opening balance sheet as at 01 April 2016 included in these consolidated Ind AS Financial Statements, are based on the previously issued Statutory Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 24 May 2017 and 13 May 2016 respectively expressed an unmodified opinion on those consolidated Financial Statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by statutory auditors.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration no. : 101248W/W-100022

Shashank Agarwal
Partner
Membership no. : 095109

Place : Gurugram
Date : 18 May 2018

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hidekazu Omura
Chairman
DIN 06865724

Kiyozumi Kamiki
Managing Director
DIN 06536243

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

Rajiv Chanana
Chief Financial Officer

Place : Gurugram
Date : 18 May 2018

(All amount are in INR lakhs, unless otherwise stated)

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" : Subsidiary

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to subsidiary company

1.	Name of the subsidiary	**Sona Fuji Kiko Automotive Limited**
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N. A.
3.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiary	N. A.
4.	Equity share capital	1,000.00
5.	Other equity	3,200.79
6.	Total assets	5,610.55
7.	Total liabilities	1,409.76
8.	Investments	-
9.	Revenue from operations	9,179.38
10.	Profit before taxation	1,408.02
11.	Provision for taxation	459.37
12.	Profit after taxation	948.65
13.	Other comprehensive income	3.81
14.	Total comprehensive income	952.46
15.	Proposed dividend	-
16.	% of shareholding	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" : Associate

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to associate company

1.	Name of associate	**JTEKT Sona Automotive India limited**
2.	Latest audited Balance Sheet date	**31 March 2018**
3.	Shares of associate held by the company on the year end	
	Nos.	27,778,094
	Amount of investment in associate	2,777.81
	Extend of holding %	49.00%
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	11,816.15
7.	Profit / (loss) for the year	
	Considered in consolidation	1,505.05
	Not considered in consolidation	1,566.48

Notes:

(a) There is significant influence due to percentage (%) of Share Capital.

(b) There is no associate which are yet to commence operations.

(c) Name of associate has been sold during the year : Sona Skill Development Centre Limited

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hidekazu Omura
Chairman
DIN 06865724

Kiyozumi Kamiki
Managing Director
DIN 06536243

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

Rajiv Chanana
Chief Financial Officer

Place : Gurugram
Date : 18 May 2018

Customer first

We are committed to look at things from customer's viewpoint, and sincerely respond to customer's requests.

We are committed to create values that are new to the world, to deliver products and services that exceed customer's expectation.

Ownership

We are committed to take everything as our own business.

We are committed to grasp the essence of things and take prompt action.

Continuous Kaizen

We are committed to go and see for ourselves to thoroughly understand the situation, and identify root causes.

We are committed to, with enthusiasm for imaginativeness and inventiveness, diligently continue Kaizen challenges.

Teamwork and self-discipline

We are committed to be self-disciplined, and perform any task with a sense of urgency.

We are committed to actively communicate to unite the power of each other.

Aspiration for innovation and for technique

We are committed to limitlessly heighten our technology and skills to become a front runner in innovation.

We are committed to foster a culture to keep each of us humble in learning things and developing each other.

JTEKT

JTEKT INDIA LIMITED

(Formerly known as Sona Koyo Steering Systems Limited)

(CIN : L29113DL1984PLC018415)

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