

13th May, 2016

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

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

Symbol – SONASTEER; Series – EQ.

Scrip Code - 520057

Sub : Standalone & Consolidated Audited Financial Results for the year ended 31st March, 2016, Auditors' Report, Dividend Recommendation, Dividend Payment Date and Date of AGM.

Dear Sir,

The Board of Directors of SONA KOYO STEERING SYSTEMS LIMITED in their 152nd meeting held on 13th May, 2016 has recommended the dividend for the year ended 31st March, 2016 at the rate of 50% on 19,87,41,832 nos. of Equity Shares of Re. 1/- each and taken on record the attached Standalone and Consolidated Audited Financial Results for the year ended 31st March, 2016. Pursuant to Regulation 33 of the SEBI's Listing Regulations, 2015, Auditors' Report for Audited Financial Results for the year ended 31st March, 2016, along with Form-A are also enclosed herewith.

The dividend on Equity Shares, if declared, at the forthcoming Annual General Meeting scheduled to be held on **Friday the 5th August, 2016**, will be dispatched to the shareholders of the Company between **12th August, 2016 to 17th August, 2016**.

After considering balance brought forward of Rs.7966.10 lacs, the profit available for appropriation are Rs. 10465.83 lacs. Out of the available profit, appropriations have been recommended as follows:

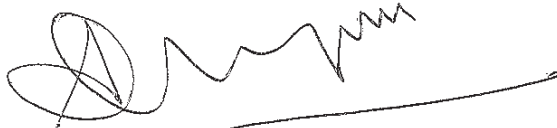
(Rupees In Lacs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
• Proposed Dividend	993.71	1291.82
• Tax on Dividend	202.30	262.98
• CSR Expenses	--	23.00
• Transfer to General Reserve	--	--
• Profit carried to Balance Sheet	9269.82	7966.10

This is for your information and record.

Thanking you,

Yours faithfully,
For **SONA KOYO STEERING SYSTEMS LTD.**



SUDHIR CHOPRA
PRESIDENT & COMPANY SECRETARY

SONA KOYO STEERING SYSTEMS LTD.

Regd. Office : UGF-6, Indra Prakash 21 Barakhamba Road New Delhi-110 001 India
Tel : +91 11 2331 1924 / 2332 7205, **Telefax :** +91 11 2332 7205
CIN : L29113DL1984PLC018415, **Website :** www.sonakoyosteering.com

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





SONA KOYO STEERING SYSTEMS LTD
CIN : L29113DL1984PLC018415

Regd. Office : UGF - 6, Indraprasth 21, Barakhamba Road, New Delhi 110001.

Tel : 011-23311924, E-mail : investorgrievance@sonagroup.com, Website : www.sonakoyosteering.com

STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH, 2016

Consolidated (Rs. In Lacs)					S.No	PARTICULARS	Standalone (Rs. In Lacs)				
Quarter ended	Preceding quarter ended	Corresponding quarter ended in the previous year	Year ended	Previous Year ended			Quarter ended	Preceding quarter ended	Corresponding quarter ended in the previous year	Year ended	Previous Year ended
31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15			31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15
Unaudited	Unaudited	Unaudited	Audited	Audited		Unaudited	Unaudited	Unaudited	Audited	Audited	
					1	Income from operations					
						(a) Net sales from operations (net of excise duty)	28,880.21	25,220.11	28,956.36	106,897.90	106,835.62
						(b) Other operating income	303.34	144.76	215.72	841.21	1,027.89
						Total income from operations (net)	29,183.55	25,364.87	29,172.08	107,739.11	107,863.51
					2	Expenses					
						(a) Cost of materials consumed	19,435.76	16,358.92	18,451.99	69,725.43	69,946.55
						(b) Purchases of Stock-in-Trade	647.66	547.37	577.76	2,037.09	1,973.14
						(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(1,018.23)	73.82	263.14	(380.04)	(16.86)
						(d) Employee benefits expense	3,478.58	3,267.40	3,173.19	13,033.36	11,968.72
						(e) Depreciation and amortization expense	1,868.82	1,701.13	1,723.14	7,190.24	7,799.74
						(f) Other expenses	2,984.52	2,585.55	3,070.04	11,684.21	11,740.57
						Total expenses	27,397.11	24,534.19	27,259.26	103,290.29	103,411.86
					3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,786.44	830.68	1,912.82	4,448.82	4,451.65
					4	Other income	58.18	121.16	114.31	608.44	417.91
					5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,844.62	951.84	2,027.13	5,057.26	4,869.56
					6	Finance costs	763.43	720.85	641.66	2,822.86	2,492.59
					7	Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)	1,081.19	230.99	1,385.47	2,234.40	2,376.97
					8	Exceptional items	(990.00)	-	-	(990.00)	-
					9	Profit/(loss) from ordinary activities before tax (7-8)	2,071.19	230.99	1,385.47	3,224.40	2,376.97
					10	Tax expenses					
						(a) Current year	428.88	231.42	305.35	1,301.00	1,251.00
						(b) Earlier years	5.61	-	-	5.61	-
						(c) Minimum alternate tax (credit entitlement) / reversal	-	-	-	-	-
						(d) Deferred Tax	(1.38)	(166.23)	(8.55)	(581.94)	(671.75)
						Total tax expenses	433.11	65.19	296.80	724.67	579.25
					11	Net profit/(loss) from ordinary activities after tax (9-10)	1,638.08	165.80	1,088.67	2,499.73	1,797.72
					12	Extraordinary items (net of tax expense rs. nil lacs)	-	-	-	-	-
					13	Net profit/(loss) for the period (11-12)	1,638.08	165.80	1,088.67	2,499.73	1,797.72
					14	Share of profit/(loss) of associate	-	-	-	-	-
					15	Minority interest	-	-	-	-	-
					16	Net profit/(loss) after taxes, minority interest and share of profit/(loss) of associate (13-14-15)	1,638.08	165.80	1,088.67	2,499.73	1,797.72
					17	Paid up equity share capital (Face value of Re 1/- per share)	1,987.42	1,987.42	1,987.42	1,987.42	1,987.42
					18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	25,531.72	24,228.01
					19(i)	Earnings Per Share (EPS) (before extraordinary items) (Face value of Re 1 per share) (not annualized)					
						(a) Basic	0.82	0.08	0.55	1.26	0.90
						(b) Diluted	0.82	0.08	0.55	1.26	0.90
					19(ii)	Earnings Per Share (EPS) (after extraordinary items) (Face value of Re 1 per share) (not annualized)					
						(a) Basic	0.82	0.08	0.55	1.26	0.90
						(b) Diluted	0.82	0.08	0.55	1.26	0.90

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Note:

- 1 The above audited Financial Results for the year ended 31st March, 2016, as reviewed by the Audit Committee have been taken on record and approved by the Board of Directors of the Company in their meeting held on 13th May, 2016.
- 2 The Board of Directors at its meeting held on 13th May, 2016, has declared a final dividend of Re 0.50 per Equity Share of Re. 1/- each subject to the approval of shareholders.
- 3 Consolidated Financial Statement has been prepared in accordance with Accounting Standard-21 "Consolidated Financial Statements".
- 4 The Consolidated results includes subsidiaries Sona Fuji Kiko Automotive Limited & JTEKT Sona Automotive India Limited and an associate company -Sona Skill Development Centre Ltd.
- 5 Segment Reporting : The Company(ies) are primarily engaged in the business of auto components of four wheelers, which are governed by the same set of risk and returns and hence there is only one Primary segment. The said treatment is in accordance with the guiding principle enunciated in the Accounting Standard on Segment Reporting (AS-17).
- 6 Exceptional items pertain to the profit on sale of long term investment held by the company.
- 7 Due to inadequacy of profit, the remuneration paid to the Executive Vice Chairman appointed by the Board during the current year is subject to the approval of shareholders by special resolution in the Annual General Meeting.
- 8 EPS has been computed in accordance with Accounting Standard AS-20.
- 9 The figures for the quarter ended 31st March 2016 are balancing figures between audited figures in respect of full financial year ended 31st March 2016 and the unaudited published year to date figures upto the third quarter ended 31st December 2015, which was subjected to a limited review.
- 10 Previous Period(s)/ Year figures have been regrouped / recasted wherever necessary.

Place : Dharuhera
Dated : 13th May, 2016

For & on behalf of the Board

SUNJAY KAPUR
CHAIRMAN



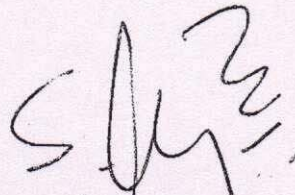
SONA KOYO STEERING SYSTEMS LIMITED.
STANDALONE AND CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES

Consolidated (Rs. In Lacs)		S.No	PARTICULARS	Standalone (Rs. In Lacs)	
As At 31-Mar-16	As At 31-Mar-15			As At 31-Mar-16	As At 31-Mar-15
Audited	Audited			Audited	Audited
		A	EQUITY AND LIABILITIES		
		1	Shareholders' funds		
1,987.42	1,987.42		(a) Share capital	1,987.42	1,987.42
32,742.97	30,354.67		(b) Reserves and surplus	25,531.72	24,228.01
34,730.39	32,342.09		Sub total - Shareholders' funds	27,519.14	26,215.43
11,159.39	9,859.86	2	Minority interest	-	-
		3	Non-current liabilities		
15,588.32	16,747.15		(a) Long-term borrowings	14,315.10	14,536.41
3,378.08	4,164.07		(b) Deferred tax liabilities (Net)	2,313.06	2,895.00
9.15	13.81		(c) Other Long term liabilities	29.21	33.86
732.26	677.85		(d) Long-term provisions	524.30	510.37
19,707.81	21,602.88		Sub total - Non-current liabilities	17,181.67	17,975.64
		4	Current liabilities		
6,759.98	4,235.74		(a) Short-term borrowings	6,386.63	3,884.34
19,442.08	19,255.24		(b) Trade payables	15,420.45	14,310.06
11,402.19	12,022.90		(c) Other current liabilities	9,301.19	9,461.37
2,007.78	1,990.39		(d) Short-term provisions	1,524.27	1,816.06
39,612.03	37,504.27		Sub total - Current liabilities	32,632.54	29,471.83
105,209.62	101,309.10		TOTAL EQUITY AND LIABILITIES	77,333.35	73,662.90
		B	ASSETS		
		1	Non-current assets		
55,368.52	54,690.48		(a) Fixed assets		
4,594.98	3,724.88		i) Tangible assets	40,629.41	38,253.68
2,221.90	4,901.02		ii) Intangible assets	3,151.93	2,313.95
1,827.04	1,417.98		iii) Capital work-in-progress	1,985.33	4,797.30
84.76	118.13		iv) Intangible assets under development	1,827.11	1,418.02
1,288.38	718.59		(b) Non-current investments	3,528.19	3,548.19
45.21	39.61		(c) Long-term loans and advances	1,216.49	651.64
			(d) Other non-current assets	17.81	16.47
65,430.79	65,610.69		Sub total - Non-current assets	52,356.27	50,999.25
		2	Current assets		
9,912.12	10,039.86		(a) Inventories	7,147.74	7,162.38
21,526.47	18,919.13		(b) Trade receivables	13,835.55	11,664.77
3,629.04	1,798.34		(c) Cash and bank balances	453.80	234.79
2,550.70	3,224.44		(d) Short-term loans and advances	1,578.08	1,941.05
2,160.50	1,716.64		(e) Other current assets	1,961.91	1,660.66
39,778.83	35,698.41		Sub total - Current assets	24,977.08	22,663.65
105,209.62	101,309.10		TOTAL ASSETS	77,333.35	73,662.90

FORM A

[Pursuant to Regulation 33 of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

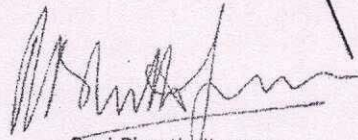
1.	Name of the Company	Sona Koyo Steering Systems Limited
2.	Annual Financial Statements for the year ended	Standalone Financial Results for the year ended 31 st March, 2016
3.	Type of Audit Observation	Unmodified
4.	Frequency of Observation	Not Applicable



Sunjay Kapur
Chairman



Kiran Manohar Deshmukh
Executive Vice Chairman

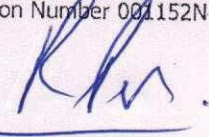


Ravi Bhoothalingam
Audit Committee Chairman



Rajiv Chanana
Chief Financial Officer

For S.P.Puri & Co.
Chartered Accountants
Firm Registration Number 001152N



Rajiv Puri – Partner
Membership Number 84318

Place : Dharuhera (Haryana)
Date : 13th May, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
SONA KOYO STEERING SYSTEMS LIMITED

Report on the Standalone financial statements

We have audited the accompanying standalone financial statements of **SONA KOYO STEERING SYSTEMS LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the annexure "A" a statement on the matters specified in Paragraphs 3 and 4 of the Order.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B"; and



(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the standalone financial statements;
- ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses if any, as required on long-term contracts including derivative contracts – Refer Note 46 to the standalone financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S. P. PURI & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No. 001152N



A handwritten signature in blue ink, appearing to read "Rajiv Puri".

(RAJIV PURI)
PARTNER
MEMBERSHIP No. 084318

PLACE: DHARUHERA
DATED: MAY 13, 2016

Annexure "A" to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2016.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed assets verification has been conducted by the management during the year. All the fixed assets of the Company have not been physically verified by the management during the year but there is a regular phased programme of physical verification of all fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. Physical verification of inventory, except goods-in-transit has been conducted by the management at reasonable intervals by the management during the year. The discrepancies noticed on verification between the physical stocks and book records, which in our opinion were not material, have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the paragraphs 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments, given guarantees or security during the year which is covered under provisions of section 185 and 186 of the Act. Accordingly, the paragraph 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations provided by the management, we are of the opinion that the Company has not accepted any deposits from public covered under section 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under. Accordingly, the paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the goods manufactured by the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess and other material statutory dues were outstanding, as on 31st March, 2016 for a period of more than six months from the date they became payable.



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

Name of the Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which amount relates	Forum where dispute is pending
The Finance Act,1994 (Service Tax)	Wrong availment of Cenvat Credit & Penalty	6.75	2009-10	Commissioner of Appeals (Service Tax)
The Finance Act,1994 (Service Tax)	Wrong availment of Cenvat Credit & Penalty (Net of deposit of Rs. 0.90 lakhs)	23.96	2009-10 to 2015-16	Commissioner of Appeals (Service Tax)
The Finance Act,1994 (Service Tax)	Wrong availment of Cenvat Credit & Penalty (Net of deposit of Rs. 0.14 lakhs)	4.56	2012-13 to 2015-16	Commissioner of Appeals (Service Tax)
Central Excise Act,1944	Wrong availment of Cenvat Credit & Penalty	4.59	2007-08 & 2008-09	Commissioner of Appeals (Central Excise)
Central Excise Act,1944	Excise duty & Penalty (Net of deposit of Rs. 2.36 lakhs)	100.28	2008-09	Cestat, Chennai (Central Excise)
Central Excise Act,1944	Wrong availment of Cenvat Credit & Penalty (Net of deposit of Rs. 8.36 lakhs)	305.06	2007-08 to 2011-12	Cestat, New Delhi (Central Excise)
Central Excise Act,1944	Wrong availment of Cenvat Credit & Penalty (Net of deposit of Rs. 6.50 lakhs)	100.25	2005-06 to 2010-11	Cestat, New Delhi (Service Tax)
Central Excise Act,1944	Wrong availment of Cenvat Credit & Penalty (Net of deposit of Rs. 0.61 lakhs)	18.43	2009-10 to 2011-12	Cestat, New Delhi (Service Tax)
Income Tax Act,1961	Income Tax demand	170.57	2011-12	Assessing Officer, New Delhi
Income Tax Act,1961	Income Tax demand (Net of deposit of Rs. 7.94 lakhs)	0.00	2011-12 to 2013-14	Commissioner of Income Tax (Appeals), Rohtak

* Includes penalty wherever indicated in the order

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



- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Based on our audit procedures and according to information and explanations given by the management, the term loans were applied for the purpose for which they were obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act except for the remuneration paid/provided to Company's Executive Vice Chairman appointed during the year which is subject to the approval by special resolution of the shareholders.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For S. P. PURI & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No. 001152 N



A handwritten signature in blue ink, appearing to read "Rajiv Puri".

(RAJIV PURI)
PARTNER

MEMBERSHIP No. 084318

PLACE: DHARUHERA
DATED: MAY 13, 2016

Annexure "B" to the Independent Auditor's Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SONA KOYO STEERING SYSTEMS LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted my our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For S. P. PURI & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No. 001152 N



PLACE: DHARUHERA
DATED: MAY 13, 2016

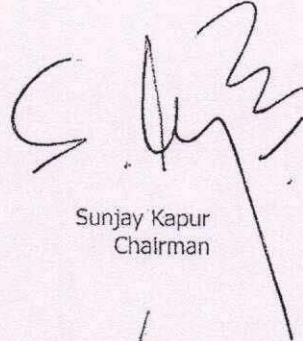
A handwritten signature in blue ink, appearing to read "Rajiv Puri".

(RAJIV PURI)
PARTNER
MEMBERSHIP No. 084318

FORM A

[Pursuant to Regulation 33 of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

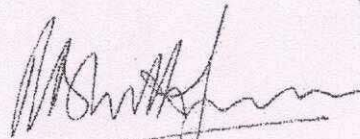
1.	Name of the Company	Sona Koyo Steering Systems Limited
2.	Annual Financial Statements for the year ended	Consolidated Financial Results for the year ended 31 st March, 2016
3.	Type of Audit Observation	Unmodified
4.	Frequency of Observation	Not Applicable



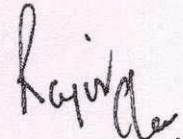
Sunjay Kapur
Chairman



Kiran Manohar Deshmukh
Executive Vice Chairman

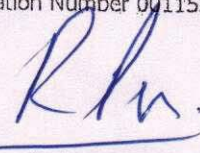


Ravi Bhoothalingam
Audit Committee Chairman



Rajiv Chanana
Chief Financial Officer

For S.P.Puri & Co.
Chartered Accountants
Firm Registration Number 001152N



Rajiv Puri – Partner
Membership Number 84318

Place : Dharuhera (Haryana)
Date : 13th May, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of SONA KOYO STEERING SYSTEMS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SONA KOYO STEERING SYSTEMS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Associate Company, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on other financial information of a subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate company as at 31st March, 2016, and their consolidated profits and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements/financial information of one subsidiary whose financial statements/financial information reflect total assets of Rs. 29723.76 lakhs as at 31st March, 2016, total revenues of Rs. 61515.47 lakhs and net cash inflows amounting to Rs. 2290.71 lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements/financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements/financial information certified by the Management.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditor on separate financial statements and on other financial information of a subsidiary as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the relevant assertion contained in the audit reports on standalone financial statements of each subsidiary company and associate company which are incorporated in India, none of the directors of the such company is disqualified as on 31st March, 2016 from being appointed as a director of that company in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure "A"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :



- I. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate company – Refer Note 31 to the consolidated financial statements.
- II. The Group has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses if any, as required on long-term contracts including derivative contracts – Refer Note 38 to the consolidated financial statements and its associate company did not have any material foreseeable losses on long-term contracts including derivative contracts.
- III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by its subsidiary companies and associate company incorporated in India.

For S. P. PURI & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No. 001152N



Rajiv Puri
(RAJIV PURI)
PARTNER

MEMBERSHIP No. 084318

PLACE: DHARUHERA
DATED: MAY 13, 2016

Annexure "A" to the Independent Auditor's Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of **SONA KOYO STEERING SYSTEMS LIMITED** ("the Holding Company") and its subsidiary company, its Associate Company and considered the report of other auditor on internal financial controls of a subsidiary, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies and its Associate Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted my our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and based on the consideration of report of other auditor on internal financial controls of a subsidiary, the Holding Company, its subsidiary companies and its Associate Company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on "the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For S. P. PURI & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No. 001152N



PLACE: DHARUHERA
DATED: MAY 13, 2016


(RAJIV PURI)
PARTNER
MEMBERSHIP No. 084318