

27<sup>th</sup> July, 2017

**National Stock Exchange of India Ltd.**  
Exchange Plaze, Bandra – Kurla Complex  
Bandra (E)  
Mumbai 400 051.

**Re : Symbol – SONASTEER; Series – EQ**  
**Sub : Notice of 33<sup>rd</sup> Annual General Meeting of the Company.**

Dear Sir,

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Para A of Part A of Schedule III to the said Regulations, we wish to inform you that the 33<sup>rd</sup> Annual General Meeting of the Members of the Company will be held on **Tuesday, the 22<sup>nd</sup> August, 2017 at 10.00 a.m.**

In this regard, we are enclosing herewith a copy of the Notice convening the 33<sup>rd</sup> Annual General Meeting of the Members of the Company.

We request you to take the same on record and acknowledge receipt.

Thanking you,

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



**SUDHIR CHOPRA**  
**DIRECTOR (CORPORATE AFFAIRS) & COMPANY SECRETARY**

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

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

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



## SONA KOYO STEERING SYSTEMS LIMITED

(CIN : L29113DL1984PLC018415)

Regd.Off.- UGF-6, Indra Prakash 21, Barakhamba Road, New Delhi 110 001.

Tel.No. – 011-23311924,23327205

Email – investorgrievance@sonagroup.com, Website – www.sonakoyosteering.com

NO GIFT COUPONS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING

### NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of Sona Koyo Steering Systems Limited will be held as under:

Day	:	Tuesday
Date	:	22 <sup>nd</sup> August, 2017
Time	:	10.00 AM
Venue	:	The Air Force Auditorium Subroto Park New Delhi 110010

to transact the following business:

#### ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Standalone and Consolidated Financial Statement for the year ended 31st March, 2017, including audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To declare dividend for the year ended 31st March, 2017.
- 3) To appoint a Director in place of Mr. Kiyozumi Kamiki (holding DIN 06536243) who retires by rotation and being eligible, offers himself for re-appointment.
- 4) Appointment of Statutory Auditors of the Company and to fix their remuneration.

**To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

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

#### SPECIAL BUSINESS

- 5) **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** Mr. Toshiya Miki (holding DIN 07505339), who was appointed as an Additional Director of the Company

by the Board of Directors with effect from 5th August, 2016 in terms of Section 161(1) of the Companies Act, 2013 and Article 97 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

- 6) **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

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

- 7) **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

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

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

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

8) **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

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

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

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

9) **To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

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

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

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

together with the interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages,

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

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

Place : Registered Office: By Order of the Board  
UGF-6, Indra Prakash  
21, Barakhamba Road Sudhir Chopra  
New Delhi 110 001. Director (Corporate Affairs) &  
Dated : 24th May, 2017 Company Secretary

**NOTES:**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.** A Proxy Form is sent herewith. Proxies submitted on behalf of companies, societies, etc. must be supported by appropriate resolution / authority, as applicable.
- 2) A Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
- 3) For security reasons, briefcases, transistors, bags, tiffin boxes, cameras, binoculars, eatables etc. will not be allowed to be taken inside the Meeting Hall.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 17th August, 2017 to Tuesday, the 22nd August, 2017 (both days inclusive).
- 5) Dividend to Shareholders, as recommended by the Directors for the year ended 31st March, 2017, when declared at the meeting, will be paid:
  - i) to those members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrars on or before Wednesday the 16th August, 2017; and
  - ii) in respect of shares held in electronic form, to those "beneficiaries" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on Wednesday the 16th August, 2017.

Non Resident Indian Shareholders having NRE Account in any scheduled bank are requested to intimate the same to the Company immediately for remittance of dividend.

The dividend on Equity Shares, if declared at the meeting, will be dispatched between 29th August, 2017 to 2nd September, 2017.

- 6) In order to provide protection against fraudulent encashment of dividend warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information which will be used by the Company for dividend payments:

- i) Name of Sole/First joint holder and Folio No.
- ii) Particulars of Bank Account viz.:
  - Name of the Bank
  - Name of Branch
  - Branch Code
  - Complete address of the Bank with Pin Code Number
  - Account type, whether Savings Bank (SB) or Current Account (CA)
  - Bank Account number allotted by the Bank

In case of Shareholders holding shares in electronic form, Bank account details provided by the Depository Participants (DPs) will be used by the Company for printing on dividend warrants. Shareholders who wish to change such bank accounts may advise their DPs about such change with complete details of Bank Account including MICR Code.

- 7) As per the provisions of Clause 5A of the Listing Agreement (introduced vide SEBI circular dated 16/12/2010) the unclaimed Equity Shares of ₹ 1/- each were dematerialized and transferred to "Unclaimed Suspense Account". The members who are still holding Equity Shares of the Face Value of ₹ 10/- or ₹ 2/- each, are requested to surrender the respective Share Certificate(s) to the Company or to its Registrar and Transfer Agent viz. M/s. Karvy Computershare Private Limited, to enable the Company to issue the Equity Shares of the Face Value of ₹ 1/- each.
- 8) i) The unclaimed dividends up to financial year 1994-95 have been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those shareholders who have so far not claimed their dividend for the financial year up to 1994-95 may claim their dividend from the Registrar of Companies, NCT of Delhi and Haryana, by submitting an application in the prescribed form.
- ii) The unclaimed dividend for the years from 1995-96 to 2007-08 have been transferred to the Investor Education and Protection Fund ("the Fund") established by the Central Government in terms of the provisions of Section 205C of the Companies Act, 1956.
- iii) Those members who have yet not encashed dividend warrants for the financial year 2009-10 to 2015-16 may return the time barred dividend warrants or write to the Company to issue demand draft.
- iv) Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year 2009-10 and thereafter which remain unclaimed for a period of 7

(seven) years will be transferred to Investor Education and Protection Fund ("the Fund"). Unclaimed Equity Dividend for the financial year 2009-10 will become due for transfer to the Fund on 26th August, 2017.

- 9) The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September, 2016 ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the shareholders on such shares during the last seven years to the designated Suspense Account as prescribed by the IEPF Authority. As per the requirement of Rule 6 of the IEPF Rules 2016, the Company has sent information to all the shareholders who had not claimed/encashed dividends in the last seven years intimating, amongst other things, the requirements of the IEPF Rules, 2016 with regard to transfer of shares and that in the event those shareholders do not claim any unclaimed/unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF Suspense Account by the due date. Accordingly, the Company hereby provides time till 25th August, 2017 to all the shareholders who have not claimed any unclaimed/unpaid dividends for the last seven years and to whom the Company had given intimation in the manner prescribed under Rule 6 of the IEPF Rules, 2016. In case valid claim is not received by 25th August, 2017, the respective shares will be credited to the designated DEMAT Account of the Authority.

- 10) Members holding Equity Shares in physical form are requested to promptly notify change in their address / bank details, if any, quoting the Folio Number(s), to the Company's Registered Office or M/s. Karvy Computershare Private Limited, the Registrar and Transfer Agent.

Members holding shares in electronic form are hereby informed that the address / bank details registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the members holding shares in electronic form for any change of address / bank details or bank mandates. Such changes are to be advised only to the Depository Participant of the members.

- 11) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN, if not already done, to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form are required to submit their PAN details to the Company / Karvy Computershare Private Limited, the Registrar and Transfer Agent.
- 12) All the queries related to Accounts must be sent to the Company before 16th August, 2017.
- 13) As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members / Proxy holders are requested to bring their attendance slip along with copy of the Annual Report to the meeting.
- 14) Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID Nos. for easy identification of attendance at the meeting.

- 15) In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. S.P. Puri & Co., Chartered Accountants, Statutory Auditors of the Company shall retire at the conclusion of the 33rd Annual General Meeting of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors, on recommendation of the Audit Committee, has recommended for the appointment of M/s. B.S.R. & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022) as the Statutory Auditors at the 33rd Annual General Meeting for a period of five years i.e. to hold office from the conclusion of this Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors. Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s. B.S.R. & Co. LLP, Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. B.S.R. & Co., LLP, Chartered Accountants, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.
- 16) In terms of the "Green Initiative in Corporate Governance" undertaken by the Ministry of Corporate Affairs, electronic copy of the Annual Report, including Notice of the Annual General Meeting, is being sent to all the Members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For members, who have still not registered their e-mail IDs, physical copies of the Annual Report is being sent in the permitted mode. However, such Members are requested to register their e-mail addresses, in respect of shares held in electronic mode, with their Depository Participant and in respect of the shares held in physical mode, with the Company / Karvy Computershare Pvt. Ltd., the Registrar and Transfer Agent.
- 17) Members may note that the Notice of the Annual General Meeting and the Annual Report 2017 will also be available on the Company's website [www.sonakoyosteering.com](http://www.sonakoyosteering.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi.

#### 18) Voting through electronic means

- i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- ii) The facility for voting through ballot paper shall also be made available at the venue of the Annual General Meeting.

- iii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- iv) The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide remote e-voting facility.
- v) The Board of Directors of the Company has appointed Mr. S.K. Luthra, Advocate (Enrollment Number D 70/75) or failing him Mr. Sharad Chopra, Chartered Accountant in Practice (Membership No. 503100) or failing him Mr. S.C. Jain, Advocate (Enrollment Number D 179/69) as Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner and they have communicated their willingness to the said appointment and will be available for same purpose.
- vi) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 16th August, 2017.
- vii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 16th August, 2017, only shall be entitled to avail the facility of remote e-voting / voting.
- viii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 16th August, 2017, may obtain the User ID and password in the manner as mentioned below:
- a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD<space>Folio No. or DP ID Client ID to 9212993399
- Example for NSDL:  
MYEPWD<space>IN12345612345678
- Example for CDSL :  
MYEPWD<space>1402345612345678
- Example for Physical :  
MYEPWD<space>XXX123456
- b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c) Member may call Karvy's toll free number 1-800-3454-001.
- d) Member may send an e-mail request to [einward.ris@karvy.com](mailto:einward.ris@karvy.com)
- If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
- ix) The remote e-voting facility will be available during the following period:
- Commencement of remote e-voting : From 9.00 a.m. (IST) on 19th August, 2017
  - End of remote e-voting: Up to 5.30 p.m. (IST) on 21st August, 2017

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

- x) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a scrutinizer's report and submit the same to the Chairman. The results declared along with the scrutinizer's report shall be placed on the website of the Company [www.sonakoyosteering.com](http://www.sonakoyosteering.com) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.

**xi) Instructions and other information relating to remote e-voting:**

**In case a member receives an e-mail from Karvy** [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

- a) Launch internet browser by typing the URL : <https://evoting.karvy.com>
- b) Enter the login credentials (i.e. User ID and password) which will be sent separately. The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
- c) After entering these details appropriately, click on "LOGIN".
- d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- e) You need to login again with the new credentials.
- f) On successful login, the system will prompt you to select the E-Voting Event Number for Sona Koyo Steering Systems Limited.
- g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

- i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- j) You may then cast your vote by selecting an appropriate option and click on "Submit".
- k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [skluthra@gmail.com](mailto:skluthra@gmail.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."

**In case a member receives physical copy of the Notice by Post** [for members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:

- a) User ID and initial password - These will be sent separately.
- b) Please follow all steps from Sr. No. (a) to (l) as mentioned in above, to cast your vote.

Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

**Resolution No. 5**

Mr. Toshiya Miki is a non-executive director of the Company. He was appointed as an additional director of the Company with effect from 5th August, 2016 pursuant to Article 97 of the Articles of Association of the Company.

Mr. Toshiya Miki, aged 48 years, is a Japanese national. He has completed his Graduation from Meiji University, Nagoya in 1991. He joined Suzuki Corporation in 1991 and became Plastic In-charge of Suzuki Purchase Department. In 1998, He became resident of Magyar Suzuki Purchase and thereafter in 2003, he held the position of GM Joint purchasing in Suzuki Purchase Department. During his association with the Company he held various important positions and handled the Cost Control Department, Business Promotion Department (VW Purchase) and Overseas Purchase Department and later in November, 2015, he became MSIL (Maruti Suzuki India Limited) Purchase Resident.

Mr. Toshiya Miki does not hold any Equity Shares of the Company.

In terms of the provisions of Section 161 of the Companies Act, 2013, Mr. Toshiya Miki holds office as Director only up to the date of the ensuing Annual General Meeting of the Company. Consequently, Mr. Toshiya Miki will cease to be director in 33rd Annual General Meeting.

As required by Section 160 of the Companies Act, 2013, a notice along with a deposit of ₹ 1,00,000/- has been received from a member of the Company signifying his intention to propose the appointment of Mr. Toshiya Miki as Director of the Company. Keeping in view of Mr. Miki's rich experience and knowledge, the Board considers it desirable that the Company should continue to avail the benefits of his expertise.

Mr. Toshiya Miki is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Except Mr. Toshiya Miki, being the appointee, none of the directors and/or key managerial personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise in the resolution pertaining to his appointment set out at item no. 5. This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The resolution is accordingly recommended for members' approval.

#### **Resolution No. 6**

Mr. Seiho Kawakami is a non-executive director of the Company. He was appointed as an additional director of the Company effective from the closing of business hours of 18th May, 2017 pursuant to Article 97 of the Articles of Association of the Company.

Mr. Seiho Kawakami, aged 63 years, is a Japanese national. He has completed his Master of Precision Engineering, from Kanazawa University graduate school in March, 1978. Mr. Kawakami Joined Toyota Motor Industry Co. Ltd. in April 1978, now known as Toyota Motor Corporation. During his association with the Company he held various important positions and handled the Design Department, Vehicle CAE Department, responsible for experiment area, chassis technical area and prototyping department.

Later in June 2010, he was promoted as Senior Executive Director in JTEKT Corporation, and also held the position of Deputy Managing Director of Steering Business Division.

He overviewed the Product planning department, Quality assurance function, R&D headquarters, Steering Business, TQM promotion office and Heat Treatment BR Section. In June 2013, he was elevated to the position of Inaugural Director and Vice President of the company. In addition to above Mr. Kawakami is also presiding on the Boards of JTEKT Sona Automotive India Limited. He is also member of Nomination & Remuneration Committee and Corporate Social Responsibility Committee of JTEKT Sona Automotive India Limited. He does not hold any Equity Shares of the Company.

In terms of the provisions of Section 161 of the Companies Act, 2013, Mr. Seiho Kawakami holds office as Director only up to the date of the ensuing Annual General Meeting of the Company. Consequently, Mr. Seiho Kawakami will cease to be director in 33rd Annual General Meeting.

As required by Section 160 of the Companies Act, 2013, a notice along with a deposit of ₹ 1,00,000/- has been received from a member of the Company signifying his intention to propose the appointment of Mr. Seiho Kawakami as Director of the Company. Keeping in view of Mr. Kawakami's rich experience and knowledge, the Board considers it desirable that the Company should continue to avail the benefits of his expertise.

Mr. Seiho Kawakami is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Except Mr. Seiho Kawakami, being the appointee and Mr. Hidekazu Omura and Mr. Kiyozumi Kamiki, to the extent they are nominees of JTEKT, none of the directors and/or key managerial personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise in the resolution pertaining to his appointment

set out at item no. 6. This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The resolution is accordingly recommended for members' approval.

#### **Resolution No. 7**

On the proposal of JTEKT Corporation, Technical and Financial Collaborator of the Company, Mr. Kiyozumi Kamiki was appointed as Dy. Managing Director of the Company for a period of three (3) years with effect from 15th May, 2013. Thereafter, the Board of Directors further extended his tenure till 31st March, 2017, which was approved by the shareholders in the Annual General Meeting, held on 5th August, 2016.

Since, JTEKT had proposed to extend the tenure of Mr. Kiyozumi Kamiki, Dy. Managing Director of the Company and the same was also recommended by the Nomination and Remuneration Committee of Directors, the Board extended the tenure of Mr. Kiyozumi Kamiki as Dy. Managing Director for a further period of 3 (three) years with effect from 1st April, 2017 to 31st March, 2020, with remuneration, subject to the approval of the shareholders and such other sanction(s) as may be necessary.

Keeping in view the increased operations of the Company and the contributions made by Mr. Kiyozumi Kamiki during his tenure, and on the recommendation of Nomination and Remuneration Committee of Directors, the Board of Directors approved the elevation of the office of Mr. Kiyozumi Kamiki from Dy. Managing Director to Managing Director of the Company on existing terms and conditions of his appointment, with effect from the close of the business hours of 18th May, 2017 for the remaining period of his appointment i.e. till 31st March, 2020, subject to the approval of the shareholders and such other sanction(s) as may be necessary.

Mr. Kiyozumi Kamiki, aged 61 years, did his graduation in engineering from Ehime University and also attained a Master's Degree. Mr. Kamiki joined Koyo Seiko Co., Ltd. (currently known as 'JTEKT Corporation') in the year 1982 and was assigned to investigate quality issues at Kokubu Plant. After being promoted to Assistant Manager in 1989, he was transferred to Koyo Corporation, USA. During 1997-2003 Mr. Kamiki worked in Quality Assurance Department in Japan. In 2004, he was made In charge of quality and transferred to Koyo Steering USA. He was made Managing Director in 2006 and transferred to JTEKT Automotive South Carolina Inc. In 2010, Mr. Kamiki was promoted to Head of Tadamisaki Plant of JTEKT. Thus, Mr. Kamiki has got vast experience of handling manufacturing operations and quality issues. Mr. Kamiki is also a Director on the Board of JTEKT Sona Automotive India Limited and Sona Fuji Kiko Automotive Limited. He does not hold any Equity Shares of the Company.

Mr. Kamiki is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013, the approval of the members is now being sought for the remuneration and terms of reappointment of Mr. Kiyozumi Kamiki, from 1st April, 2017 to the close of business hours of 18th May, 2017 as Dy. Managing Director and appointment as Managing Director from the close of business hours of 18th May, 2017 till 31st March, 2020, on the terms and conditions as embodied in the draft Agreement (a copy whereof shall be placed before the members) as referred to in the resolution. The extracts of the aforesaid draft Agreement to be executed between the Company and Mr. Kiyozumi Kamiki are as under:

- A) Remuneration
  - a) Salary - ₹ 4,00,000 /- (Rupees Four Lacs only) per month.

- b) Perquisites
- In addition to the above remuneration, Mr. Kiyozumi Kamiki, Dy. Managing Director / Managing Director of the Company shall be entitled to Rent Free Accommodation subject to a maximum of ₹ 2,40,000/- per month.
  - Mr. Kiyozumi Kamiki, Dy. Managing Director / Managing Director shall also be entitled to perquisites like Medical Reimbursement, Leave Travel Concession (including visits to his home country and return by business class twice during the year) for self and family.  
Explanation: 'Family' means the spouse, the dependent children and dependent parents of the Appointee.
  - Mr. Kiyozumi Kamiki, Dy. Managing Director / Managing Director shall also be entitled to reimbursement of salary of a servant. The value of this perquisites shall be restricted to an amount equivalent to ₹ 7,500/- (Rupees Seven Thousand Five Hundred only) per month.
  - Mr. Kiyozumi Kamiki shall also be entitled for use of chauffeur driven Company Car, as per Company's policy for official duties and telephone(s) at residence (including payment for local calls and long distance official calls, internet).
  - Provision for payment of Club Membership Fee equivalent to ₹ 5200 /- per annum.
  - Reimbursement of highway toll equivalent to ₹ 1,000/- per month.
  - Company's contribution to Provident Fund and Superannuation Fund, as per Company's policy.
  - Gratuity, if any, payable will not exceed half a month's salary for each completed year of service.
  - Encashment of leave as per Company's policy.
  - Group Personal Accident Insurance as per Company's Policy.

In the absence or inadequacy of profits in any financial year during the currency of the tenure of Mr. Kiyozumi Kamiki as the Dy. Managing Director / Managing Director of the Company, the above remuneration shall be the minimum remuneration payable to Mr. Kiyozumi Kamiki.

- B) The re-appointment/appointment is for a period effective from 1st April, 2017 to 31st March, 2020 which may be terminated by either party giving the other party three (3) months' notice.
- C) That Mr. Kiyozumi Kamiki is being appointed as the Dy. Managing Director / Managing Director by virtue of him being nominated by JTEKT Corporation and if at any time JTEKT Corporation withdraws the said nomination, for any cause whatsoever, he shall cease to be the Dy. Managing Director / Managing Director of the Company.

- D) The appointment of the Dy. Managing Director /Managing Director is subject to the provisions of Section 167(1) of the Companies Act, 2013, while at the same time the Dy. Managing Director / Managing Director shall be liable to retire by rotation.
- E) The Dy. Managing Director / Managing Director shall not be entitled to supplement his earnings under the appointment with any buying or selling commission. He shall also not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.
- F) The Dy. Managing Director / Managing Director shall be in the whole-time employment of the Company and thus devote the whole of his attention to the business of the Company. During the terms of the service with the Company, the Dy. Managing Director / Managing Director hereby undertakes not to take up any other employment / assignment and further shall not draw any remuneration, commission, fees etc. from any other source in India.
- G) The terms and conditions of the said re-appointment and /or remuneration may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Dy. Managing Director/ Managing Director in accordance with Schedule V to the Companies Act, 2013, or any amendments/re-constitution hereafter in this regard."

The information required in terms of Clause (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 is as under:

#### I. GENERAL INFORMATION

- (1) **Nature of the Industry:** The Company is a part of Indian Auto Ancillary Components Manufacturing Industry and is engaged in the business of manufacturing Steering Systems, Propeller Shafts, Axle Assemblies and other automobile components for its various customers viz. Maruti Suzuki, Mahindra & Mahindra, Tata Motors, Honda, Fiat India, Toyota Kirloskar, General Motors, John Deere, Club Car, E-z-go and Renault-Nissan at its Plants located in Gurugram, Dharuhera, Chennai and Sanand. The Auto Ancillary Industry is a high technology industry with continuous advancement of technology.

The Company has technological advantage over its competitors due to Technical Collaboration with JTEKT Corporation, Japan, the global technology leader in Steering Systems.

- (2) **Date of Commercial Production:** The Company commenced its commercial production on 1st October, 1987.
- (3) **Financial Performance:** The financial performance of the Company (audited) during last five years is as under:

(₹ in Lakhs)

Financial Parameters	Year ended 31st March, 2012	Year ended 31st March, 2013	Year ended 31st March, 2014	Year ended 31st March, 2015	Year ended 31st March, 2016
Gross Income	127550.62	127785.33	122616.70	123299.48	124530.16
Net Profit as per Profit & Loss Account	3883.70	3061.08	5166.15	1797.72	2499.73
Amount of Dividend Paid	1291.82	1291.82	1589.93	1291.82	993.71
Rate of Dividend Declared	65%	65%	80%	65%	50%

(4) **Financial performance based on given indicators:** The Company sales are increasing corresponding to growth of Indian Automotive Industry.

(5) **Export performance and net foreign exchange:** The exports done by the Company, during the previous five (5) years, are as under:

- i) For the year ended 31.3.2012 : ₹ 4424.43 Lakhs
- ii) For the year ended 31.3.2013 : ₹ 6244.31 Lakhs
- iii) For the year ended 31.3.2014 : ₹ 8902.62 Lakhs
- iv) For the year ended 31.3.2015 : ₹ 6025.25 Lakhs
- v) For the year ended 31.3.2016 : ₹ 7601.53 Lakhs

(6) **Foreign investment or collaboration, if any:** The Company has entered into a Technical Collaboration Agreement with JTEKT Corporation (Formerly: Koyo Seiko Co., Ltd., Japan), the global technology leader in Steering Systems (hereinafter referred to as "JTEKT") for the manufacture of Manual Steering Systems in the year 1985, which has been extended from time to time. In order to cement the relationship between the Company and JTEKT, in the year 1992, the Company had allotted 6,00,000 nos. of Equity Shares of ₹ 10/- each at a premium of ₹ 22/- per share to JTEKT, on preferential basis, contributing to 7.8% Equity Share Capital of the Company.

In 1996, the Company had also acquired technology for manufacture of Power Steering Systems from JTEKT. In order to further strengthen the strategic alliance with JTEKT, the Company had allotted additional 12,00,000 nos. of Equity Shares of ₹ 10/- each for cash at a premium of ₹ 82/- per share to JTEKT, on preferential basis, in 1997.

With the increasing demand of Electric Power Steering in the car market and to meet the requirement of the car manufacturers in this regard, the Company negotiated with JTEKT to obtain the technology for Electric Power Steering and executed a technology transfer agreement for this purpose.

During the financial year 2006-07, the Company allotted additional Equity Shares and Convertible Warrants to Promoter Group including JTEKT Corporation. Consequent upon this, JTEKT Corporation holds 20.10% stake in the Equity Share Capital of the Company.

On February 01, 2017 Sona Autocomp Holding Limited ('SAHL'), one of the Promoters of the Company, entered into a Share Purchase Agreement with JTEKT Corporation, Japan ('JTEKT'), a Technical and Financial Collaborator of the Company and a member of the Promoter Group. In terms of the said Share Purchase Agreement, on May 18, 2017, JTEKT acquired from SAHL 25.12% of the equity shares of the Company on a fully diluted basis. Consequent to the said transaction, JTEKT's shareholding in the Company stands increased from 20.10% to 45.22%.

## II. INFORMATION ABOUT THE APPOINTEE

(1) **Background Details:** The appointee is a graduate engineer from Ehime University and also attained a Master's Degree and has a working experience of over 30 Years.

(2) **Past Remuneration:** Mr. Kiyozumi Kamiki has drawn the following remuneration during the financial year ended 31st March, 2017:

- (a) Basic Salary - ₹ 4,00,000/- (Rupees four lacs only) per month.

(b) Perquisites:

- i) Rent free furnished accommodation (including gas, electricity, water etc.), subject to a maximum of ₹ 2,40,000/- per month.
- ii) Medical reimbursement, Leave Travel Concession (including temporary return home by business class twice in a year) for self and family.
- iii) Chauffeur driven Company Car for use on Company's business and telephone at residence.
- iv) Club Membership Fee equivalent to ₹ 5,200/- per annum.
- v) Others ₹ 8,500/- per month.
- vi) Company's contribution to Provident Fund and Superannuation Fund.
- vii) Gratuity not exceeding half a month's salary for each completed year of service.
- viii) Encashment of leave as per Company's policy.

(3) **Recognition or awards:** NIL

(4) **Job profile and his suitability:** The appointee is the Dy. Managing / Managing Director of the Company and is responsible for entire manufacturing operations of Company's all Plants, with quality assurance (barring corporate quality function), productivity, delivery and cost being the main deliverables. Keeping in view of his experience and knowledge, he is best suited for the position.

(5) **Remuneration Proposed:** The detail of the remuneration proposed is as mentioned hereinabove.

(6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:** The appointee is a graduate engineer from Ehime University and also attained a Master's Degree and has a working experience of over 30 Years. The present job responsibilities of the appointee are - entire manufacturing operations of Company's all Plants, with quality assurance, productivity, delivery and cost being the main deliverables. Accordingly, keeping in view the present scenario of high pay package being offered by MNC / Class 'A' Indian Corporate(s), the proposed remuneration package of the appointee matches to the prevailing remuneration package in the concerned industry, size of the Company, profile of the position etc.

(7) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Except to the extent of his employment with the Company and being nominee of JTEKT Corporation, the Financial and Technical Collaborator of the Company, Mr. Kiyozumi Kamiki does not have any pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel.

## III. OTHER INFORMATION

(1) **Reasons of loss or inadequate profits:** Not applicable, since the Company has earned adequate profits for the year ended 31st March, 2017 to cover the remuneration payable to the Dy. Managing Director / Managing Director.

- (2) **Steps taken or proposed to be taken for improvement:**  
Not Applicable
- (3) **Expected increase in productivity and profits in measurable terms:** Not Applicable

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 the Board recommends the Special Resolution set out at item no. 7 of the accompanying notice for approval of the members.

Except Mr. Kiyozumi Kamiki, being the appointee and Mr. Hidekazu Omura and Mr. Seiho Kawakami to the extent that they are the nominees of JTEKT Corporation, Japan, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise in the resolution pertaining to his re-appointment as Dy. Managing Director from 1st April, 2017 to the close of business hours of 18th May, 2017 and appointment as Managing Director from the close of business hours of 18th May, 2017 till 31st March, 2020. This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The resolution is accordingly recommended for members' approval.

#### **Resolution No. 8**

Keeping in view the recommendations of the Nomination and Remuneration Committee and also as part of its drive to inculcate professionalism in management of business, the Board of Directors in their meeting held on 18th May, 2017 co-opted Mr. Sudhir Chopra, President & Company Secretary, on the Board of the Company as an additional director.

In terms of the provisions of Section 161 of the Companies Act, 2013, Mr. Chopra holds office as Director only up to the date of the ensuing Annual General Meeting of the Company. Consequently, Mr. Sudhir Chopra will cease to be director in 33rd Annual General Meeting.

As required by Section 160 of the Companies Act, 2013, a notice along with a deposit of ₹ 1,00,000/- has been received from Mr. Sudhir Chopra signifying his intention to propose his appointment as Director. Keeping in view of Mr. Chopra's rich experience and knowledge, the Board considers it desirable that the Company should continue to avail the benefits of his expertise.

Further, the Board of Directors of the Company in their said meeting held on 18th May, 2017 appointed Mr. Sudhir Chopra as Whole-time Director designated as 'Director (Corporate Affairs) & Company Secretary' of the Company for a period of three years with effect from the close of the business hours of 18th May, 2017, subject to the approval of the shareholders of the Company.

Mr. Sudhir Chopra, aged 59 years is a Fellow Member of the Institute of Company Secretaries of India and a Law Graduate. He has experience of over 35 years in various Corporates disciplines. In the past, he has worked with prestigious companies namely, Samtel India Limited, Clutch Auto Limited and Kelvinator India Limited (now known as 'Whirlpool India Limited'). Mr. Sudhir Chopra joined the Company in the year 1993 as a Company Secretary and rose to the level of the President. During his career, he has been instrumental in setting up various Joint Ventures and handled foreign acquisitions. He possesses rich experience in the field of corporate restructurings, besides managing the functions of finance, tax and commercial disciplines at the Corporate level. During his career, he has been on the Boards of various prestigious companies. He has also been a member of the

Supervisory Board of BLW Präzisionsschmiede GmbH, Germany from 2008 to 2015. Mr. Sudhir Chopra is also a Director on the Board of JTEKT Sona Automotive India Limited, Sona Fuji Kiko Automotive Limited and Roop Automotives Limited. He is also Chairman of Audit Committee of Sona Fuji Kiko Automotive Limited. He holds 1500 nos. of Equity Shares of the Company.

Mr. Sudhir Chopra is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

Pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013, the remuneration and terms and conditions for the said appointment of Mr. Sudhir Chopra as Director (Corporate Affairs) & Company Secretary is required to be approved by the members of the Company.

The terms and conditions as embodied in the draft Agreement (a copy whereof shall be placed before the members) as referred to in the resolution. The extracts of the aforesaid draft Agreement to be executed between the Company and Mr. Sudhir Chopra are as under:

(I) Mr. Sudhir Chopra as Director (Corporate Affairs) & Company Secretary shall carry out such duties as may be entrusted to him subject to the supervision and control of the Board of Directors and he shall also perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors and/or the Chairman and Managing Director of the Company.

#### **(II) Remuneration**

- 1) Basic Salary -  
Basic Salary of ₹ 5,00,000/- (Rupees five lacs only) per month.
- 2) Perquisites :
  - i) In addition to the above remuneration, Mr. Sudhir Chopra, Director (Corporate Affairs) & Company Secretary of the Company shall be entitled to furnished accommodation (including gas, electricity, water etc.) or House Rent Allowance. The value of this perquisite shall be restricted to an amount equivalent to 60% of the basic salary per month.
  - ii) Mr. Sudhir Chopra, Director (Corporate Affairs) & Company Secretary shall also be entitled to perquisites like Medical reimbursement, Leave Travel Concession for self and family. The value of these perquisites shall be restricted to an amount equivalent to ₹ 7,250/- (Rupees seven thousand two hundred fifty only) per month.

Explanation: 'Family' means the spouse, the dependent children and dependent parents of the Appointee.

- iii) Provision for use of chauffeur driven Company Car for official duties (running and maintenance thereof by the Company) and telephone(s) at residence (including payment of local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling of perquisites. In case, the Company Car is not provided, then a Car allowance of ₹ 50,000/- (Rupees fifty thousand only) per month shall be provided along with Chauffeur and conveyance as per Company's Policy.

- iv) Special Allowance of ₹ 41,666/- (Rupees forty one thousand six hundred sixty six only) per month, being the "Occupier" of the Company.
- v) Company's contribution to Provident Fund and Superannuation Fund as per Company's Policy.
- vi) Gratuity payable will not exceed half month's salary for each completed year of service.
- vii) Encashment of leave as per Company's policy.

### (III) Annual Bonus

In addition to the above salary and perquisites, Mr. Sudhir Chopra shall be entitled to annual bonus linked to the performance as may be decided by the Board of Directors of the Company based upon the financial results of the Company for the relevant year.

In the absence or inadequacy of profits in any financial year during the currency of the tenure of Mr. Sudhir Chopra as Director (Corporate Affairs) & Company Secretary of the Company, the above remuneration shall be the minimum remuneration payable to Mr. Sudhir Chopra.

- (IV) The appointment is effective from the close of business hours on 18th May, 2017 till the close of business hours of 18th May, 2020, which may be terminated by either party giving the other party three months' notice.
- (V) The appointment of the Director (Corporate Affairs) & Company Secretary shall be liable to retire by rotation.
- (VI) The Director (Corporate Affairs) & Company Secretary shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall also not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.
- (VII) The Director (Corporate Affairs) & Company Secretary shall be in the whole-time employment of the Company and thus devote the whole of his attention to the business of the Company.

During the terms of the service with the Company, the Director (Corporate Affairs) & Company Secretary shall not take up any other employment / assignment and further shall not draw any remuneration, commission, fees etc. from any other source, whether in India or abroad.

- (VIII) The terms and conditions of the said appointment and / or Agreement(s) may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Director (Corporate Affairs) & Company Secretary in accordance with Schedule V to the Companies Act, 2013, or any amendments / re-constitution hereafter in this regard."

The information required in terms of Clause (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 is as under:

### I. GENERAL INFORMATION

- (1) **Nature of the Industry:** The Company is a part of Indian Auto Ancillary Components Manufacturing Industry and is engaged in the business of manufacturing Steering Systems, Propeller Shafts, Axle Assemblies and other automobile components for its various customers viz. Maruti Suzuki, Mahindra & Mahindra, Tata Motors, Honda, Fiat India, Toyota Kirloskar, General Motors, John Deere, Club Car, E-z-go and Renault-Nissan at its Plants located in Gurugram, Dharuhera, Chennai and Sanand. The Auto Ancillary Industry is a high technology industry with continuous advancement of technology.

The Company has technological advantage over its competitors due to Technical Collaboration with JTEKT Corporation, Japan, the global technology leader in Steering Systems.

- (2) **Date of Commercial Production:** The Company commenced its commercial production on 1st October, 1987.
- (3) **Financial Performance:** The financial performance of the Company (audited) during last five years is as under:

(₹ in Lakhs)

Financial Parameters	Year ended 31st March, 2012	Year ended 31st March, 2013	Year ended 31st March, 2014	Year ended 31st March, 2015	Year ended 31st March, 2016
Gross Income	127550.62	127785.33	122616.70	123299.48	124530.16
Net Profit as per Profit & Loss Account	3883.70	3061.08	5166.15	1797.72	2499.73
Amount of Dividend Paid	1291.82	1291.82	1589.93	1291.82	993.71
Rate of Dividend Declared	65%	65%	80%	65%	50%

- (4) **Financial performance based on given indicators:** The Company sales are increasing corresponding to growth of Indian Automotive Industry.
- (5) **Export performance and net foreign exchange:** The exports done by the Company, during the previous five (5) years, are as under:
  - i) For the year ended 31.3.2012 : ₹ 4424.43 Lakhs
  - ii) For the year ended 31.3.2013 : ₹ 6244.31 Lakhs
  - iii) For the year ended 31.3.2014 : ₹ 8902.62 Lakhs
  - iv) For the year ended 31.3.2015 : ₹ 6025.25 Lakhs
  - v) For the year ended 31.3.2016 : ₹ 7601.53 Lakhs

- (6) **Foreign investment or collaboration, if any:** The Company has entered into a Technical Collaboration Agreement with JTEKT Corporation (Formerly: Koyo Seiko Co., Ltd., Japan), the global technology leader in Steering Systems (hereinafter referred to as "JTEKT") for the manufacture of Manual Steering Systems in the year 1985, which has been extended from time to time. In order to cement the relationship between the Company and JTEKT, in the year 1992, the Company had allotted 6,00,000 nos. of Equity Shares of ₹ 10/- each at a premium of ₹ 22/- per share to JTEKT, on preferential basis, contributing to 7.8% Equity Share Capital of the Company.

In 1996, the Company had also acquired technology for manufacture of Power Steering Systems from JTEKT. In

order to further strengthen the strategic alliance with JTEKT, the Company had allotted additional 12,00,000 nos. of Equity Shares of ₹ 10/- each for cash at a premium of ₹ 82/- per share to JTEKT, on preferential basis, in 1997.

With the increasing demand of Electric Power Steering in the car market and to meet the requirement of the car manufacturers in this regard, the Company negotiated with JTEKT to obtain the technology for Electric Power Steering and executed a technology transfer agreement for this purpose.

During the financial year 2006-07, the Company allotted additional Equity Shares and Convertible Warrants to Promoter Group including JTEKT Corporation. Consequent upon this, presently JTEKT Corporation holds 20.10% stake in the Equity Share Capital of the Company.

On February 01, 2017 Sona Autocomp Holding Limited ('SAHL'), one of the Promoters of the Company, entered into a Share Purchase Agreement with JTEKT Corporation, Japan ('JTEKT'), a Technical and Financial Collaborator of the Company and a member of the Promoter Group. In terms of the said Share Purchase Agreement, on May 18, 2017, JTEKT acquired from SAHL 25.12% of the equity shares of the Company on a fully diluted basis. Consequent to the said transaction, JTEKT's shareholding in the Company stands increased from 20.10% to 45.22%.

## II INFORMATION ABOUT THE APPOINTEE

- (1) **Background Details:** The appointee is a Fellow Member of the Institute of Company Secretaries of India and a Law Graduate. He possesses rich experience of over 35 years in various Corporate disciplines. During his career, he has been instrumental in setting up various Joint Ventures and handled foreign acquisitions. He possesses rich experience in the field of corporate restructurings, besides managing the functions of finance, tax and commercial disciplines at the Corporate level.
- (2) **Past Remuneration:** Mr. Sudhir Chopra has drawn the following remuneration during the financial year ended 31st March, 2017:
  - (a) Basic Salary - ₹ 4,00,000/- (Rupees four lacs only) per month.
  - (b) Perquisites:
    - House Rent Allowance – ₹ 2,40,000/- per month
    - Car Allowance – ₹ 30,000/- per month
    - Bonus & other allowances – ₹ 32,52,400/- per annum
    - Provident Fund & Superannuation – As per applicable laws & Company Policy
    - Gratuity – Not exceeding half a month's salary for each completed year of service.
- (3) **Recognition or awards:** NIL
- (4) **Job profile and his suitability:** The appointee is the Director (Corporate Affairs) & Company Secretary and is responsible to manage the legal, finance & accounts, tax,

internal audit, HR and information technology functions of the Company. Keeping in view of his experience and knowledge, he is best suited for the position.

- (5) **Remuneration Proposed:** The detail of the remuneration proposed is as mentioned hereinabove.
- (6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:** The appointee is the Director (Corporate Affairs) & Company Secretary. The present job responsibilities of the appointee are - to manage the legal, finance & accounts, tax, internal audit, HR and information technology functions of the Company. Accordingly, keeping in view the present scenario of high pay package being offered by MNC / Class 'A' Indian Corporate(s), the proposed remuneration package of the appointee matches to the prevailing remuneration package in the concerned industry, size of the Company, profile of the position etc.
- (7) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Except to the extent of his employment with the Company, Mr. Sudhir Chopra does not have any pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel.

## III. OTHER INFORMATION

- (1) **Reasons of loss or inadequate profits:** Not applicable, since the Company has earned adequate profits for the year ended 31st March, 2017 to cover the remuneration payable to the Director (Corporate Affairs) & Company Secretary.
- (2) **Steps taken or proposed to be taken for improvement:** Not Applicable
- (3) **Expected increase in productivity and profits in measurable terms:** Not Applicable

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 the Board recommends the Special Resolution set out at item no. 8 of the accompanying notice for approval of the members.

Except Mr. Sudhir Chopra, being the appointee and shareholder, none of the directors and/or key managerial personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise in the resolution pertaining to his appointment. This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The resolution is accordingly recommended for members' approval.

### Resolution No. 9

The Institutions / Banks referred to in the resolution have granted the term loans/working capital facilities/external commercial borrowings (ECB) as contained in the resolution. As per the loan agreements entered into with them, the Company has to agree to create mortgage and / or charge in favor of the concerned Lenders on the properties of

the Company. This attracts the provisions of Section 180(1)(a) of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 9 of the Notice.

The resolution is accordingly recommended for members' approval.

#### **Inspection of Documents**

The material documents referred to hereinabove will remain open for inspection for the members at the Registered Office of the Company from the date hereof up to the date of the ensuing Annual General Meeting during 3.00 PM to 5.00 PM on working days.

#### **Profile of Directors seeking appointment / re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :**

##### Re-appointment of Mr. Kiyozumi Kamiki (Item No. 3)

For the details of Mr. Kiyozumi Kamiki, please refer to the above Explanatory Statement in respect of the Special Business set out at item no. 7 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

##### Appointment of Mr. Toshiya Miki (Item No. 5)

For the details of Mr. Toshiya Miki, please refer to the above Explanatory Statement in respect of the Special Business set out at item no. 5 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

##### Appointment of Mr. Seiho Kawakami (Item No. 6)

For the details of Mr. Seiho Kawakami, please refer to the above Explanatory Statement in respect of the Special Business set out at item no. 6 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

##### Re-appointment of Mr. Kiyozumi Kamiki as Deputy Managing Director and Appointment as Managing Director (Item No. 7)

For the details of Mr. Kiyozumi Kamiki, please refer to the above Explanatory Statement in respect of the Special Business set out at item no. 7 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

##### Appointment of Mr. Sudhir Chopra as Director (Corporate Affairs) & Company Secretary (Item No. 8)

For the details of Mr. Sudhir Chopra, please refer to the above Explanatory Statement in respect of the Special Business set out at item no. 8 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

Place : Registered Office:  
UGF-6, Indra Prakash  
21, Barakhamba Road  
New Delhi 110 001.  
Dated : 24th May, 2017

By Order of the Board  
  
Sudhir Chopra  
Director (Corporate Affairs) &  
Company Secretary



## SONA KOYO STEERING SYSTEMS LIMITED

(CIN : L29113DL1984PLC018415)

Regd.Off.- UGF-6, Indra Prakash 21, Barakhamba Road, New Delhi 110 001.

Tel.No. - 011-23311924, 23327205

Email - investorgrievance@sonagroup.com Website - www.sonakoyosteering.com

### ATTENDANCE SLIP

Folio No..... DP Id No. ....Client Id No.....

Name of Member.....

Father's / Husband's Name.....

No. of Shares held.....

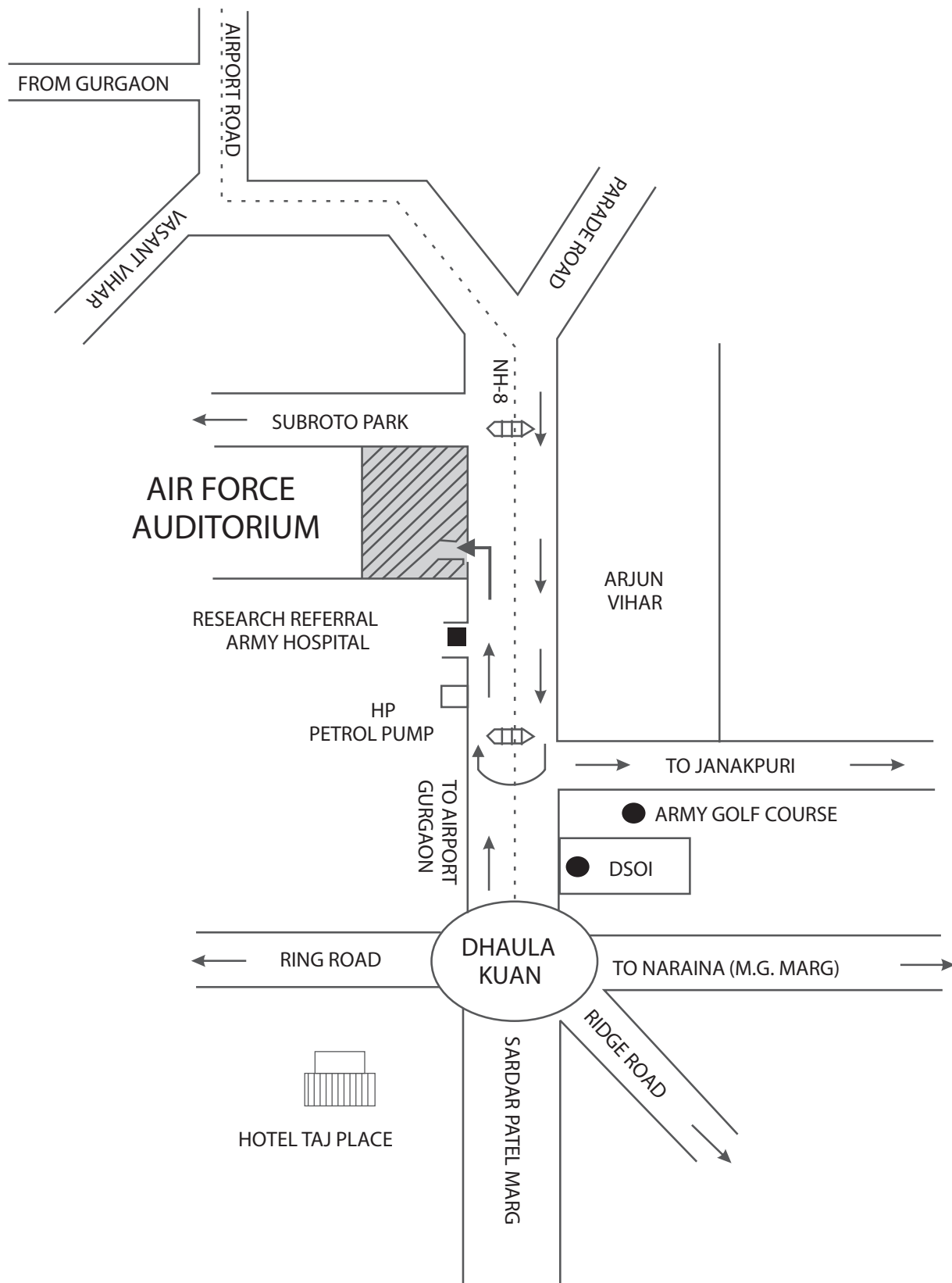
Name of Proxy / Representative .....

I hereby record my presence at the 33rd Annual General Meeting of the Company at The Air Force Auditorium, Subroto Park, New Delhi-110010 on Tuesday, the 22nd August, 2017.

.....  
Member's/Proxy's/Representative's Signature

- Notes :
- 1) Please fill in this attendance slip and hand it over at the entrance of the Meeting Hall.
  - 2) Member's Signature should be in accordance with the specimen signature registered with the Company.
  - 3) For security reasons, briefcases, transistors, bags, tiffin boxes, cameras, binoculars, eatables etc. will not be allowed inside the Meeting Hall.

# ROUTE MAP FOR VENUE OF 33RD ANNUAL GENERAL MEETING OF THE COMPANY





## SONA KOYO STEERING SYSTEMS LIMITED

(CIN : L29113DL1984PLC018415)

Regd.Off.- UGF-6, Indra Prakash 21, Barakhamba Road, New Delhi 110 001.

Tel.No. - 011-23311924, 23327205

Email - investorgrievance@sonagroup.com Website - www.sonakoyosteering.com

### PROXY FORM

I/We, ..... R/o .....

being the member(s), holding .....shares of Sona Koyo Steering Systems Limited hereby appoint:

- (1) Name..... Address .....
- Email Id:..... Signature ..... or failing him/her;
- (2) Name..... Address .....
- Email Id:..... Signature ..... or failing him/her;
- (3) Name..... Address .....
- Email Id:..... Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Third Annual General Meeting of the Company, to be held on Tuesday, the 22nd August, 2017 at 10.00 a.m. at Air Force Auditorium, Subroto Park, New Delhi 110 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Accounts for the year ended 31st March, 2017.		
2.	Declaration of dividend on equity shares.		
3.	Re-appointment of Mr. Kiyozumi Kamiki, who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	Appointment of M/s. B.S.R. & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022), as Statutory Auditors of the Company.		
<b>Special Business</b>			
5.	Appointment of Mr. Toshiya Miki as Director of the Company.		
6.	Appointment of Mr. Seiho Kawakami as Director of the Company.		
7.	Re-appointment/ Appointment of Mr. Kiyozumi Kamiki as Dy. Managing Director/Managing Director of the Company		
8.	Appointment of Mr. Sudhir Chopra as Director (Corporate Affairs) & Company Secretary of the Company.		
9.	Mortgaging and/or charging of the Company's properties under Section 180(1)(a) of the Companies Act, 2013.		

Signed this..... day of ..... 2017.

Member's Folio/DP ID-Client ID No.....Signature of shareholder(s).....

Signature of Proxy holder (s).....

Affix  
Revenue  
Stamp of  
₹ 1/-

- Notes
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
  2. For the Resolutions, Explanatory Statement and Notes please refer to the Notice of the Thirty Third Annual General Meeting.
  - \*3. It is optional to put a tick (✓) mark in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
  4. Please complete all details including details of member(s) in above box before submission.

