

## NO GIFT COUPONS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING

### NOTICE

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

Day : Saturday  
 Date : 10th August, 2013  
 Time : 10:00 A.M.  
 Venue : Air Force Auditorium  
 Subroto Park  
 New Delhi 110 010

to transact the following business:

#### ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Statement of Profit & Loss for the year ended 31st March, 2013, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
- 2) To declare dividend for the year ended 31st March, 2013.
- 3) To appoint a Director in place of Mr. Kazuhiko Ayabe, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. B. L. Passi, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint a Director in place of Mr. J. M. Kapur, who retires by rotation and being eligible, offers himself for re-appointment.
- 6) To appoint M/s. S.P. Puri & Co., Chartered Accountants, as the Auditors of the Company and fix their remuneration.

#### SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Kiyozumi Kamiki be appointed as Director of the Company whose period of office would not be liable to determination by retirement of Directors by rotation.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and such sanctions as may be necessary, the consent of the Company be and is hereby accorded to the appointment of Mr. Kiyozumi Kamiki as Dy. Managing Director of the Company for a period of three years with effect from 15th May, 2013 on the terms and conditions including as to remuneration set out in the draft Agreement submitted to this meeting and initialed 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. Kiyozumi Kamiki, Dy. Managing Director of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, a sum not exceeding 1% of the net profits of the Company calculated in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 be paid and distributed amongst the Non-Executive Directors (other than the Nominee Directors) of the Company or any of them or some of them, as and by way of commission in such amounts or proportions and in such manner and in all respects as may be determined by the Board of Directors (such payments shall be made in addition to the sitting fees) in respect of the profits of the Company for each year for a period of five years commencing from 1st April, 2013.

RESOLVED FURTHER THAT the quantum of commission payable to each of the Non-Executive Director(s) may be decided by the Board as it may deem fit."

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

"RESOLVED THAT consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to 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, wheresoever situated, present and future, of every nature and kind whatsoever and / or the whole of the undertaking of the Company in favour of the Standard Chartered Bank to secure:

#### AS AND BY WAY OF FIRST PARI-PASSU CHARGE

- 1) State Bank of India for its Corporate Loan of ₹ 300 million.
- 2) IndusInd Bank for its Term Loan of ₹ 300 million.
- 3) Standard Chartered Bank for its External Commercial Borrowing of USD 6 million.

#### AS AND BY WAY OF SECOND PARI-PASSU CHARGE

- 1) State Bank of India for its enhanced working capital facilities of ₹ 60 million.

together with the interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to State Bank of India, IndusInd Bank Limited and Standard Chartered Bank 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, Indraprakash  
21, Barakhamba Road  
New Delhi - 110 001 Sudhir Chopra  
Dated : 15<sup>th</sup> May, 2013 President & Company Secretary

#### NOTES:

- 1) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, to vote in his stead and such a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.**
- 2) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 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, eatable 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 1st August, 2013 to Saturday, the 10th August, 2013 (both days inclusive).
- 5) Dividend to Shareholders, as recommended by the Directors for the year ended 31st March, 2013, 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 31st July, 2013; 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 31st July, 2013.

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 credited / dispatched between 14th August, 2013 to 20th August, 2013.

- 6) **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 have been 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.**
- 7) i) The unclaimed dividend 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 2004-05 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 2005-06 to 2011-12 may return the time barred dividend warrants or write to the Company to issue demand draft.
- iv) Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividend for the financial year 2005-06 and thereafter which remain unclaimed for a period of 7 (seven) years will be transferred to Investor Education and Protection Fund (the Fund) established by the Central Government under Section 205C of the Companies Act, 1956. Unclaimed Equity Dividend for the financial year 2005-06 will fall due for transfer to the Fund on 18th August, 2013.

**It may be noted that once the unclaimed dividend is transferred to the Fund, no claim shall lie in respect thereof.**

- 8) 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, 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi 110001, the Registrar and Transfer Agent.  
Members holding Equity Shares in electronic form are requested to promptly notify change in their address / bank details, if any, to their depository participants.
- 9) 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 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 / M/s. Karvy Computershare Private Limited, the Registrar and Transfer Agent.
- 10) All the queries related to Accounts must be sent to the Company before 3rd August, 2013.
- 11) 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.
- 12) In terms of the "Green Initiative in Corporate Governance" undertaken by the Ministry of Corporate Affairs, the Company has decided to send notice/ documents including Annual Reports etc. to the shareholders in electronic form. Members who have still not registered their e-mail addresses 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 / M/s Karvy Computershare Pvt. Ltd., the Registrar and Transfer Agent.

- 13) Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the meeting.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

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

JTEKT Corporation, Japan has deputed Mr. Kiyozumi Kamiki to oversee the manufacturing operations of all the Plants of the Company and accordingly he was inducted as "President" of the Company effective from 7th March, 2013. As part of its drive to inculcate professionalism in management of business, the Company felt it prudent to induct Mr. Kiyozumi Kamiki, President of the Company to participate in the decisions at the Board level. Accordingly, the Board of Directors of the Company in its meeting held on 15th May, 2013 decided to appoint Mr. Kiyozumi Kamiki as an Additional Director and Dy. Managing Director of the Company. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Kiyozumi Kamiki holds office as Additional Director only up to the date of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, notice has been received from a member signifying his intention to propose the candidature of Mr. Kiyozumi Kamiki for appointment as Director of the Company. Having regard to his knowledge and experience in the automotive sector, the Board considers that the appointment of Mr. Kiyozumi Kamiki as a Director of the Company will prove beneficial to the Company.

Mr. Kiyozumi Kamiki 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 investigating 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 Tadosaki Plant of JTEKT. Thus, it is quite evident that Mr. Kamiki has got vast experience of handling manufacturing operations and quality issues. The Board of Directors of the Company in its meeting held on 15th May, 2013, considering the recommendations of the Remuneration Committee, have approved the appointment of Mr. Kiyozumi Kamiki as Dy. Managing Director of the Company for a period of three (3) years, with remuneration, with effect from 15th May, 2013, subject to the approval of shareholders and Central Government and such sanction(s)/permission(s), as may be necessary.

Pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the approval of the members is now being sought for the appointment of Mr. Kiyozumi Kamiki as Dy. Managing Director, with remuneration, for a period of three (3) years with effect from 15th May, 2013 on the terms and conditions as embodied in the draft Agreement (a copy whereof shall be placed before the members) 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:

#### **(I) Remuneration**

##### **a) Salary**

₹ 3,00,000/- (Rupees three lacs only) per month.

##### **b) Perquisites**

- i) In addition to the above salary, Mr. Kiyozumi Kamiki, Dy. Managing Director of the Company shall be entitled to H.R.A. / Rent Free Accommodation subject to a maximum of ₹ 1,80,000/- per month.
- ii) Mr. Kiyozumi Kamiki, Dy. Managing Director shall also be entitled to perquisites like Medical Reimbursement, Leave Travel Concession (including temporary return home by economy class twice in a year) for self and family.  
  
Explanation: 'Family' means the spouse, the dependent children and dependent parents of the Appointee.
- iii) Mr. Kiyozumi Kamiki, Dy. Managing Director shall also be entitled to reimbursement of salary of a servant. The value of this perquisite shall be restricted to an amount equivalent to ₹ 7,500/- (Rupees Seven Thousand Five Hundred only) per month.
- iv) 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).
- v) Provision for payment of Club Membership Fee equivalent to ₹ 5,200/- per annum.
- vi) Reimbursement of highway toll equivalent to ₹ 1,000/- per month.
- vii) Company's contribution to Provident Fund and Superannuation Fund, as per Company's policy.
- viii) Gratuity, if any, payable will not exceed half a month's salary for each completed year of service.
- ix) Encashment of leave as per Company's policy.
- x) 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 of the Company, the above remuneration shall be the minimum remuneration payable to Mr. Kiyozumi Kamiki.

- (II) The Appointment is for a period of three (3) years with effect from 15th May, 2013 which may be terminated by either party giving the other party six (6) months' notice.
- (III) That Mr. Kiyozumi Kamiki is being appointed as the Dy. 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 of the Company.
- (IV) The appointment of the Dy. Managing Director is subject to the provisions of Section 283(1) of the Companies Act, 1956, while at the same time the Dy. Managing Director shall not be liable to retire by rotation.

- (V) The Dy. Managing Director 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.
- (VI) The Dy. 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 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.
- (VII) The terms and conditions of the said 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 in accordance with Schedule XIII to the Companies Act, 1956, or any amendments/re-constitution hereafter in this regard.

The information required in terms of Clause (B) of Section II of Part II of Schedule XIII to the Companies Act, 1956 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 India Limited, Hyundai Motors (India) Limited, Toyota Kirloskar, TATA Motors Ltd., Mahindra & Mahindra, Hindustan Motors Limited and JTEKT Corporation at its Plants located in Gurgaon, 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 Collaborations 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:

- (4) **Financial performance based on given indicators:** The Company's sales are increasing corresponding to the 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 31.3.2008 : ₹ 6303.68 lacs
  - ii) For the year ended 31.3.2009 : ₹ 6892.76 lacs
  - iii) For the year ended 31.3.2010 : ₹ 3174.80 lacs
  - iv) For the year ended 31.3.2011 : ₹ 4630.22 lacs
  - v) For the year ended 31.3.2012 : ₹ 4424.43 lacs
- (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% stake in the Equity Share Capital of the Company.

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

In 1998, in order to keep pace with the competition and entering into new markets, the Company has set up a Plant at Chennai, wherein, the necessary technology was extended by Mando Corporation, Korea. The Chennai Plant has commenced commercial production in December, 1998 and is meeting the OE requirement of Hyundai Motors (India) Ltd. for Steering Gear, Steering Column and Universal Joints.

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.

(₹ in Lacs)

Financial Parameters	Year ended 31 <sup>st</sup> March, 2008	Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2010	Year ended 31 <sup>st</sup> March, 2011	Year ended 31 <sup>st</sup> March, 2012
Turnover	83337.74	81382.38	96937.32	116200.83	127550.62
Net Profit (As computed under Sec.198)	4190.91	(4480.74)	1470.05	5411.45	6172.46
Net Profit as per Profit & Loss Account	2519.48	(3103.11)	2164.53	3741.13	3883.70
Amount of Dividend Paid	695.60	Nil	596.23	1291.82	1291.82
Rate of Dividend Declared	35% [F.V. ₹ 2/- per share]	Nil	30% [F.V. ₹ 1/- per share]	65% [F.V. ₹ 1/- per share]	65% [F.V. ₹ 1/- per share]

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.

## 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 as President of the Company has drawn the following remuneration:
  - (a) Basic Salary - ₹ 3,00,000/- (Rupees three lacs only) per month.
  - (b) HRA/Rent Free Accommodation - ₹ 1,80,000/- per month
  - (c) Perquisites:
    - i) ₹ 7,500/- per month towards payment of Domestic Servant, ₹ 1,000/- per month towards Highway Toll and ₹ 5,200/- per annum towards Club Membership.
    - ii) Trip to Japan twice a year by economy class for self and family.
    - iii) Chauffeur driven Company Car for use of Company's business and telephone at residence.
    - iv) Company's contribution to Provident Fund and Superannuation Fund.
    - v) Gratuity not exceeding half a month's salary for each completed year of service.
    - vi) Encashment of leave and medical benefits, as per Company's policy.
- (3) **Recognition and awards:** nil
- (4) **Job profile and his suitability:** The appointee is the Dy. Managing Director of the Company and is responsible for entire manufacturing operations of Company's all Plants, with quality assurance, 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 details 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, 2013.
- (2) **Steps taken or proposed to be taken for improvement:** Not Applicable.
- (3) **Expected increase in productivity and profits in measurable terms:** Not Applicable.

A brief resume and disclosure of shareholding of Mr. Kiyozumi Kamiki have been given in the section of the Corporate Governance of the Annual Report.

Except Mr. Kiyozumi Kamiki and Mr. Hiroyuki Miyazaki, to the extent that he is the nominee of JTEKT Corporation, Japan, none of the Directors of the Company is concerned or interested in this resolution.

The above may also be treated as an abstract of the terms and conditions of the draft agreement to be executed between the Company and Mr. Kiyozumi Kamiki pursuant to Section 302 of the Companies Act, 1956.

The resolution is accordingly recommended for members' approval.

### Resolution No. 8

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive directors. The Non-Executive Directors on the Board, besides attending the meetings of the Board and/or Committee(s) thereof, are also devoting their valuable time in rendering various services including counseling, guidance and advise on CPC, technical, financial, HRD and other related matters of the Company. In order to adequately compensate the said Directors, it was deemed expedient to pay them additional remuneration by way of commission on profits of the Company as permissible under the Act computed in the manner laid down in Section 349 & 350 of the Companies Act, 1956. Accordingly, the Board of Directors in their meeting held on 18th April, 2008, subject to the approval of the Central Government had approved the payment of commission upto a sum not exceeding 1% of the net profits of the Company to the Non-Executive Directors (other than Nominee Directors) of the Company, in such a manner as may be determined by the Board of Directors, commencing from 1st April, 2008, which was later on approved by the Shareholders at the Annual General Meeting held on 18th July, 2008. The necessary consent of the Central Government to the above proposal was obtained vide letter dated 4th June, 2009.

As the aforesaid approval granted by the Central Government was valid till 31st March, 2013, the Board of Directors in its meeting held on 15th May, 2013, subject to the approval of the Shareholders and Central Government, have approved the payment of commission upto a sum not exceeding 1% of the net profits of the Company to the Non-Executive Directors (other than Nominee Directors) of

the Company for a further period of five years commencing from 1st April, 2013.

All Non-Executive directors, other than nominee(s) and Managing Director / Whole-time Directors are concerned and interested in this resolution to the extent of their share, if any, in the profits of the Company.

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 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 favour of the concerned Lenders on the properties of the Company. This attracts the provisions of Section 293 (1)(a) of the Companies Act, 1956.

None of the Directors is concerned with or interested in the proposed resolution. 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.

Place : Registered Office :  
UGF-6, Indraprakash  
21, Barakhamba Road  
New Delhi - 110 001

By Order of the Board

Dated : 15<sup>th</sup> May, 2013      President & Company Secretary

Sudhir Chopra



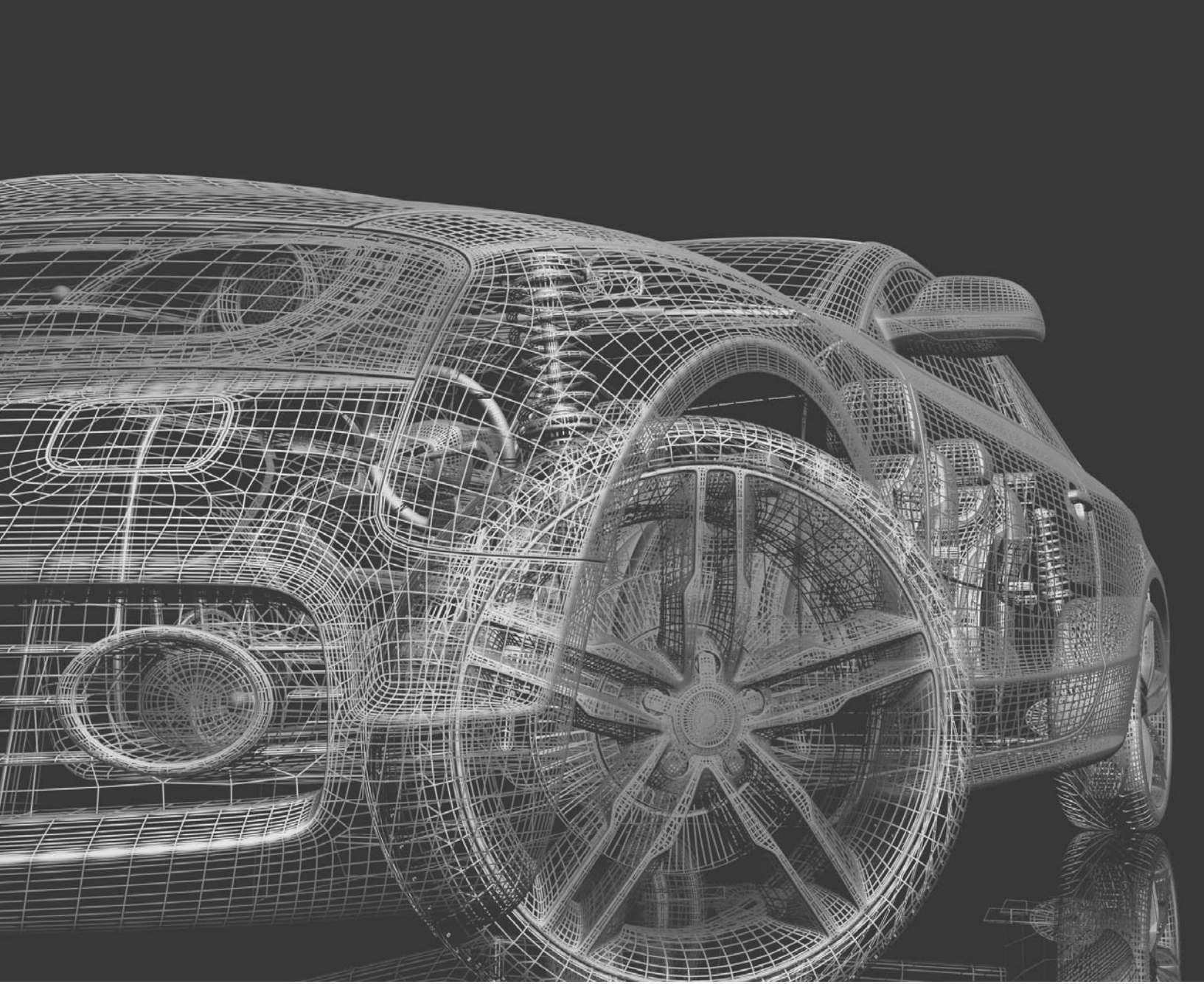


# 2012-13 ANNUAL REPORT

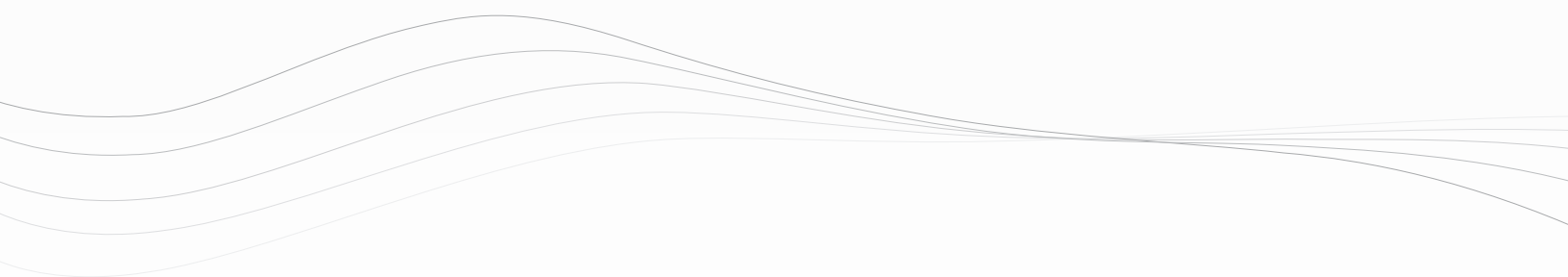
Delivering High Performance .. together

**SONA KOYO STEERING SYSTEMS LTD.**





Driving Innovation





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