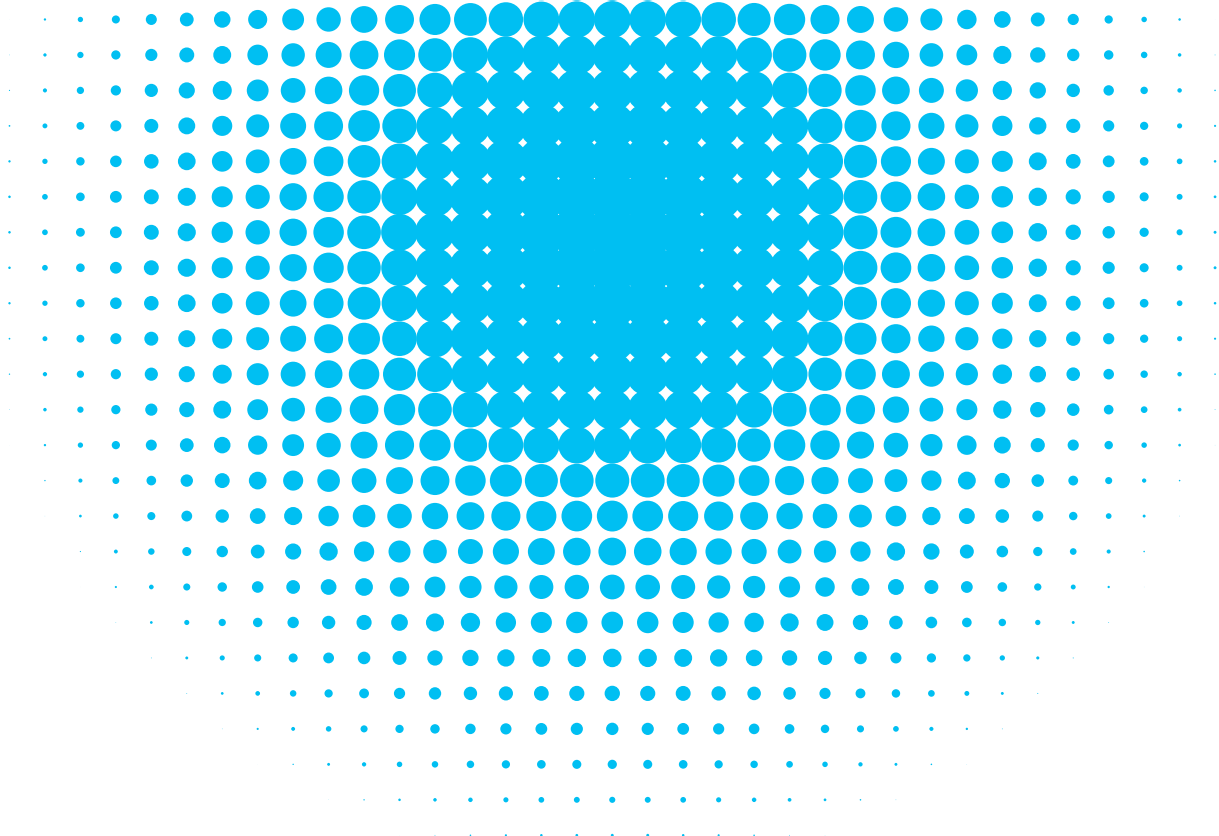


CERTAINTY

AMID UNCERTAINTY

JTEKT



The dots Graphic symbolises Company's efforts to achieve certainty in its operations amid uncertain business & economic environment as is reflected by the merging of several scattered dots gradually into a clean surface. Our commitment towards excellence is exhibited in our resilient way of functioning, which further establishes our zeal to attain certainty amid uncertainty.

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CERTAINTY AMID UNCERTAINTY

With uncertainty looming large due to the COVID-19 pandemic, the year has been challenging and trying for all of us. The pandemic is making its presence felt strongly in the form of the first wave, second wave, and yet more predicted, to come. This is probably the first time that a virus has exhibited such pliability and mutating capacity, having the power to even breach the protective shields of vaccines.

However, in all its form it has sent us a strong message of resilience and putting faith in certainty amid uncertainty. Time and again, we have learned to survive and emerge as a winner. Our instinct is naturally to be certain of a bright future amid uncertainties and at JTEKT India, we live by our commitment to our Group's vision of 'Shaping a Better Future' through the spirit of 'No 1 & Only One'.

Through our philosophy of providing happiness to people and abundance to society via products that win the trust, we have succeeded in creating 'Certainty amid uncertainty'.

We are also guided by the ethos of trust and responsibility and our allegiance to agility has led us to better serve our stakeholders – customers, employees, suppliers, regulators and shareholders.

Moreover, with our attention on cost optimisation, building operational excellence, product innovation, improving supplier relations and talent breeding, we are confident that we can overcome any uncertainty.

In this time too, we are certain that we will continue to deliver unique and revolutionary products that our customers have never experienced before at a "good quality, affordable price" and achieving "Tree-Ring Management".

We aim to further fortify our position with a single-minded focus on capacity building and training our employees, and equipping them with all technical

know-how that will give them the professional edge over their contemporaries and also provide the company a formidable ground to exhibit certainty amid uncertainty. Hence, successfully turning challenges into opportunities.

With technology ruling the roost in today's society, our focus on our vision has helped in creating a large portfolio of products with leading-edge technologies.

Besides, we are looking at multiple measures to stay lean, nimble and relevant and are focussing on good cost and bad cost and significantly pared-down the latter even as we continue to invest in good cost areas like R&D spend, marketing spend, skill upgradation, trainings and much more. We are also looking at consolidating our manufacturing lines and locations to drive efficiency higher.

As we strengthen our capabilities, we are exploring opportunities for additional manufacturing responsibilities and supplying to our parent's global customers.

Yes, we know that these are uncertain times and we are clueless about the restitution of the 'normal times', however, we are sure that we will thrive as we will continue to do what we do best – "being No 1 and Only One".



**IF YOU DON'T KNOW
WHERE YOU ARE GOING,
YOU WILL PROBABLY END
UP SOMEWHERE ELSE.**

– Lawrence J. Peter



JTEKT GROUP COMPANIES IN INDIA

► JTEKT India Limited

► JTEKT Fuji Kiko Automotive India Limited

A leading manufacturer of Jacket Assembly
for CEPS and Manual Steering Columns.

► Koyo Bearings India Pvt. Ltd.

Hub Units, Tapered Roller Bearings and
Single Ball Bearings.

► Toyoda Micromatic Machinery India Pvt. Ltd.

Machines, Machine Tools Sales and After
Sales Support & Service



ABOUT US

JTEKT India Limited, a subsidiary of JTEKT Corporation, Japan, is a leading automotive components manufacturer. Formerly known as Sona Koyo Steering Systems Limited., the company was acquired by JTEKT Corporation in 2017 and renamed as JTEKT India Limited in 2018. It is a leading manufacturer of Rack and Pinion Steering systems, Hydraulic Power Steering systems and Driveline products. It also manufactures Column type Electric Power Steering which is a next generation technology for automobiles.

The Company is a supplier of choice to all major OEMs in India including Maruti Suzuki, Toyota, Tata Motors, Mahindra & Mahindra, PCA, Fiat India, Isuzu Motors, Renault India, Honda and Nissan.

Given its high quality and best in class product line, the Company also exports its products to the USA, Europe and Japan independently as well as through overseas partners.

With a philosophy of being close to the customers, the Company has five Plants in Haryana and one each in Gujarat and Tamil Nadu ensuring that it has a presence in the automotive hubs of India.

**JTEKT INDIA HAS A STRONG
WORKFORCE OF OVER 3000
EMPLOYEES, INCLUDING
ENGINEERS, EXPERTS,
TECHNOCRATS, TECHNICIANS, AND
SPECIALISTS FROM THE FIELD.**

The Company is part of the Japan based JTEKT Group. With a revenue of 1,246 billion yen, the Group is a global leader not only to the automotive industry but has a best in class product line up for multiple industries. For the automotive business, it supplies a wide range of products such as steering system components and drive-line components to realize assuredness, safety and comfort. Group's Bearings business products are visible in every field including wind power generation, railway, aeronautics, steel and semiconductor production facilities. Group also has product lines for Machine tools, Sensors and High heat resistant Lithium-ion Capacitors.

LETTER TO SHAREHOLDERS

Dear Shareholders,

We have been through some of the worst times due to the pandemic. Even after two waves of COVID-19, we continue to live in an extremely difficult and uncertain environment. I hope and pray for the safety of all our stakeholders and their families. Additionally, I hope that you and your family members are safe and following all safety protocols and taking all possible precautions in days of these crisis. With talks about the third wave hitting India, it becomes extremely important to take all necessary precautions and adhere to the Government's guidelines as this is the only way we can protect ourselves against Coronavirus.

The COVID-19 pandemic and the ensuing lockdowns during most of FY21 made the business and economic environment extremely challenging for all of us. In India, we saw the fiscal beginning with a lockdown as the first wave hit the country. The fear and insecurity coupled with the lockdowns (and specially the first quarter of the fiscal) was that demand for products and services quickly headed southwards. A look at the auto industry numbers give a sense of the challenges we were facing.



According to data from the Society of Indian Automobile Manufacturers, the industry witnessed a massive decline of 79% in its Q1 (FY-21) numbers. Thanks to the government's stimulus, high liquidity and pent up demand in the market and we saw consumers coming back to the market, giving companies some respite. However, despite positive demand in the remaining quarters, the automotive industry could not avoid a contraction in the numbers as it posted a (-)14.2% decline for FY21 over its previous year. Overall, we did not see any outliers in the automotive industry as all its key segments bore the brunt of the pandemic. For instance, the Domestic Passenger Vehicle segment was down by (-)2.2% with a total sale of 2.7 million units, as compared to 2.8 million units for FY20. Commercial

Vehicle saw a contraction of (-)20.8% for the fiscal. The volume driver for the industry, Two wheelers and Three wheelers accounting for over 80% of the total units sold in the country, saw negative growth of (-)13.2% and a whopping (-)66.1% respectively for the year.

With the pandemic disrupting normal way of working, we had to be on a high alert on safety even as we continued running our factories and offices, and people working from home. Our paramount focus was on employee safety and we ensured that all employees were following covid appropriate behaviour. Even in such gloomy time, our group vision continued to be our guiding light for each and every employee in

the company as we focussed on - "Shaping a better future through the spirit of No 1 and Only One". The clear direction has helped us to post a profits at a time when the industry contracted, and most companies have been reporting considerable losses. I am happy to mention that we posted a net profit of INR 137 million on a consolidated sale of INR 13184 million for the fiscal. The other good news is that we have been working on our debt reduction and the fiscal saw us substantially paring down our debt to INR 446 million from INR 740 million at start of the financial year.

During the year, our journey towards building an Indian Technical Center continued and we have started establishing a facility for building prototype samples, after successfully completing the Phase-I. This is important for us as we can develop proto samples for our core products i.e. Manual Steering Gear, Column and Intermediate shafts when we complete the setting up of entire facility. The technical center will go a long way in saving on cost and increasing our R&D efficiency by reducing turn-around time for new product validation, providing cost effective solutions, and developing products specific to the Indian market as well as provide support to other Global Technical Centers in the future.

Another major development of the year is the decision to further diversify into Driveline Components segment - Drive Shaft (Constant Velocity Joint). We believe that it is a prudent decision, which will not only add to the growth of your Company but also contribute in de-risking. We expect that our said new facility shall be operational in later half of 2022

Our vision of being the 'No 1 and only One' continued to be reflected in our ways of working and the awards and recognition received during the fiscal is a testimony to the progress we are making in achieving the vision. We have been honoured by Toyota Kirloskar Motor for achieving 'Zero PPM', being the 'Best Safety Leader', and a company focussed on 'Quality' and 'Delivery'. Also, we received a 'Certificate of Gratitude' from Mahindra & Mahindra for unmatched commitment and contribution for the all-new 'Thar'. We got accolades from Isuzu Motors India for 'Best Delivery Performance'.

“

**EVEN IN SUCH GLOOMY TIME,
OUR GROUP VISION CONTINUED
TO BE OUR GUIDING LIGHT FOR
EACH AND EVERY EMPLOYEE IN
THE COMPANY AS WE FOCUSED
ON 'SHAPING A BETTER FUTURE
THROUGH THE SPIRIT OF
NO 1 AND ONLY ONE'.**

”

While we are talking about a possible third wave of the pandemic, I hope and pray that we can ramp up our vaccination significantly and keep a sharp watch on further mutating variants.

It has been a tough, difficult year for us and our partners, but I am confident that together we will convert challenges into opportunities.

Further, I thank them and will continue to give our best to our partners including Maruti Suzuki, Mahindra & Mahindra, Tata Motors, Honda, Fiat India, Toyota Kirloskar, PCA, John Deer, Club Car, E-Z-GO, ISUZU and Renault-Nissan India.

I take this opportunity to thanks our bankers including State Bank of India, Corporation Bank, Standard Chartered Bank, Kotak Mahindra Bank, IDFC, IndusInd Bank, Sumitomo Mitsui Banking Corporation, MUFG Bank Limited and Mizuho Bank Limited for reposing their confidence in us.

Importantly, a special thanks to all our employees and their families for going through these difficult time without losing the focus on the vision.

Finally, I thank our shareholders for their firm belief in our capabilities and their continued patronage.

Thank you
Yours sincerely

Hitoshi Mogi
Chairman & Managing Director

BOARD AND LEADERSHIP

Mr. Hitoshi Mogi
Chairman &
Managing
Director



Mr. Sudhir Chopra
Executive Vice
Chairman



Mr. Akihiko Kawano
Dy. Managing
Director



Mr. Hirofumi Matsuoka
Director



Mr. Toshiya Miki
(Nominee of
Maruti Suzuki
India Limited)



Mrs. Geeta Mathur
Independent
Director



Mr. Inder Mohan Singh
Independent
Director



Lt. Gen. Praveen Bakshi (Retd.)
Independent
Director



Mr. Hidehito Araki
Independent
Director



Mrs. Hiroko Nose
Independent
Director



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Hitoshi Mogi

Chairman & Managing Director

Mr. Sudhir Chopra

Executive Vice Chairman

Mr. Akihiko Kawano

Dy. Managing Director

Mr. Hirofumi Matsuoka

Director

Mr. Toshiya Miki

Nominee of Maruti Suzuki India Limited

Mrs. Geeta Mathur

Independent Director

Mr. Inder Mohan Singh

Independent Director

Lt. Gen. Praveen Bakshi (Retd.)

Independent Director

Mr. Hidehito Araki

Independent Director

Mrs. Hiroko Nose

Independent Director

COMPANY SECRETARY

Mr. Nitin Sharma

OPERATING MANAGEMENT

Mr. Hitoshi Mogi

Mr. Sudhir Chopra

Mr. Akihiko Kawano

Mr. Rajiv Chanana

Mr. Dinesh Kumar Agarwal

Mr. Kenji Okazaki

Mr. Osamu Miyazaki

Mr. Minoru Hatanaka

Mr. Manoj Sharma

Mr. Ajay Mrig

Mr. Sudhir Kumar Sharma

Mr. S. Senthil Kumar

Mr. Akhil Kumar Jain

Mr. Jaydeep Kumar

Mr. Rakesh Garg

Mr. Narender Kumar

Mr. Avanish Kumar Singh

TECHNICAL PARTNER

JTEKT Corporation, Japan

AUDITORS

M/s B S R & Co. LLP

Chartered Accountants

Building No. 10, 8th Floor,

Tower-B DLF Cyber City, Phase - II

Gurugram 122002 (Haryana).

BANKERS

State Bank of India

Standard Chartered Bank

Corporation Bank

Kotak Mahindra Bank

IndusInd Bank

IDFC First Bank

Sumitomo Mitsui Banking

Corporation

MUFG Bank Limited

Mizuho Bank Limited

REGISTRAR AND TRANSFER AGENT

KFin Technologies Private Limited

(Formerly known as Karvy Fintech Private Limited)

Selenium Building, Tower-B

Plot No. 31 & 32

Financial District, Nanakramguda,

Serilingampally, Hyderabad

Rangareddi, Telangana 500032.

WORKS

38/6, NH-8, Delhi-Jaipur Road
Gurugram 122001 (Haryana).

32, HUDA Industrial Area Phase II
Dharuhera, Distt, Rewari
122106 (Haryana).

19, HUDA Industrial Area Phase II
Dharuhera, Distt, Rewari
122106 (Haryana).

39/2/2, 3/2 4/2, 7, 8 Village Malpura
Tehsil Dharuhera, Distt. Rewari
123401 (Haryana).

26, Sector-5, Phase - II,
Growth Centre
Bawal, Distt. Rewari
123501 (Haryana).

P.O. Box 14,
Chennai-Bangalore Highway
Sriperumbudur
Distt, Chinglepet
Chennai 602105 (Tamil Nadu).

D-9, Tata Motors Vendor Park
Survey No. 1
Village North Kotepura
Sanand, Viroch Nagar
Ahmedabad 382170 (Gujarat).

REGISTERED OFFICE

UGF-6, Indraprakash
21, Barakhamba Road
New Delhi 110001.

HEAD OFFICE

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

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC SCENARIO

Global economic scenario

Financial Year 2020-21 (FY21) was the year riddled with COVID-19 challenges with everyone trying to adapt to this pandemic situation. FY20 witnessed trade war between US and China and the ensuing geopolitical tensions, elections in India, and the start of the COVID-19 pandemic. The pandemic was not just a health crisis but had far-reaching implications on the global economy. The pandemic led to a sharp decline in global trade, lower commodity prices and tighter liquidity conditions. Economies across the globe saw contraction in their respective GDP primarily due to reduced economic activity and restricted mobility and people curtailing discretionary spending.

According to the International Monetary Fund (IMF), US's GDP growth for Calendar Year (CY) 2020 de-grew by (-)3.5% as against a growth of 2.3% CY2019. Overall, the Advanced Economies too posted negative growth of (-)4.7% with the sharpest falls recorded by Spain, the United Kingdom and France with a de-growth of (-)11%, (-)9.9% and (-)8.2% respectively. Even the traditional growing Emerging Markets & Developing Economies too could not escape the clutches of the pandemic as they collectively posted a fall of (-)2.2%. China emerged as the only bright spot amongst all the economies with a growth of 2.3%, as per the IMF's data.

