

sona
Driving Tomorrow

28th April, 2011

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

Re : Scrip Code - 520057

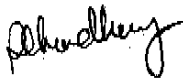
Dear Sir,

Please find enclosed herewith the Press Release dated 28th April, 2011.

The same is for your information and record.

Thanking you,

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



for **SUDHIR CHOPRA**
COMPANY SECRETARY

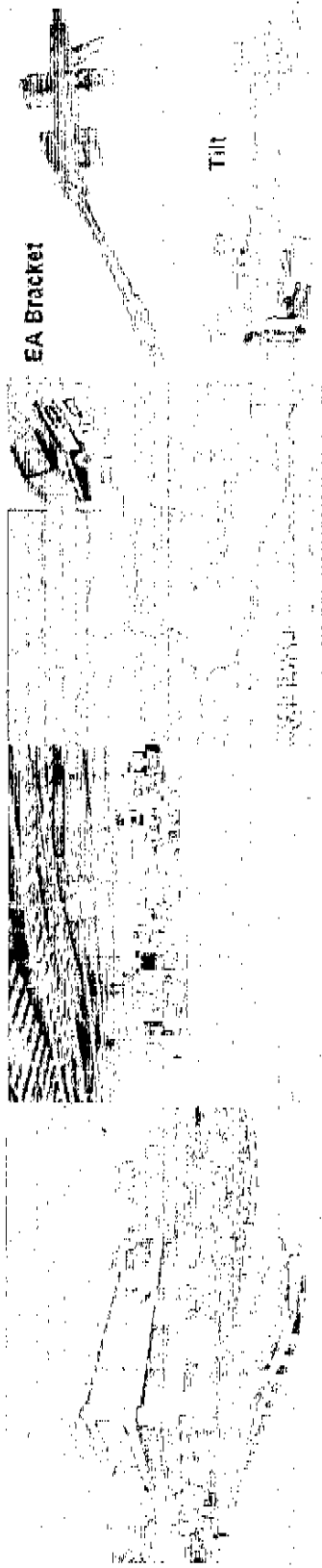
SONA KOYO STEERING SYSTEMS LTD.

Regd. Office: UGF-6 Indra Prakash 21 Barakhamba Road New Delhi-110 001 India
Tel: +91 11 2331 1924/2332 7205

Works: 38/6 Delhi-Jaipur Road NH-8 P.Box No. 18, Gurgaon-122 001 Haryana India
Tel : +91 124 410 500, **Fax:** +91 124 410 4611/ 410 4621



Driving Application Price- 2003



Investor Update - FY'11

Sona Koyo Steering Systems Ltd.

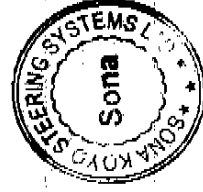
SONA
DRIVING INNOVATION

April 28, 2011





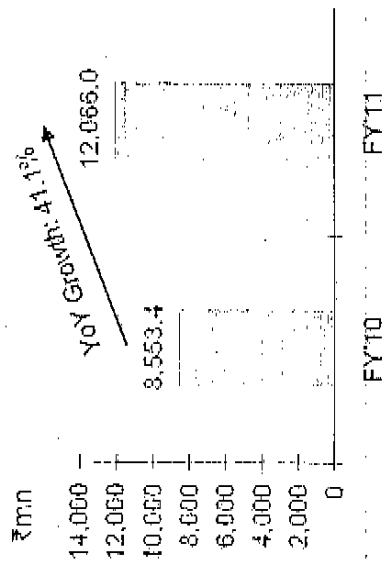
- 1. Performance Review
- 2. Operational Highlights
- 3. Financial Statements
- 4. Shareholding Pattern



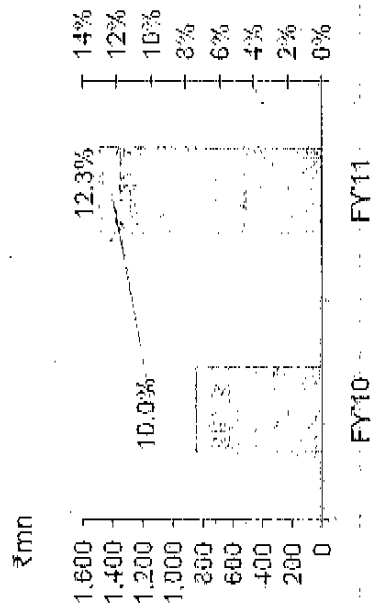
Robust growth of +41% in revenues on consolidated basis

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CORPORATION

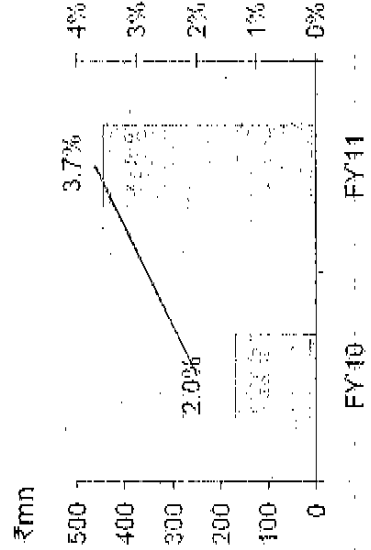
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



• **Total Revenues up 41.1% YoY from ₹8,553.4mn to ₹12,066mn on the back of strong growth in revenue contribution from subsidiaries including JTEKT SONA Automotive India (JSAI), Sona Fuji Kiko Automotive (SFAL) and Sona Stampings**

• **EBITDA up 74.6% YoY to reach ₹1,487.7mn in FY'11 from ₹851.9mn in FY'10; EBITDA margin increased from 10.0% to 12.3% owing to decline in raw material cost as a % of revenues from 74.6% to 70.1%**

• **PAT up 163.3% YoY to ₹446.3mn in FY'11 from ₹169.5mn in FY'10; PAT margin increased to 3.7% from 2.0% owing to:**

- ✓ Decline in depreciation charges as a % of revenues from 3.3% to 3.1%;
- ✓ Decline in finance charges as a % of revenues from 4.2% to 3.9%; and
- ✓ Profit on sale of stake in non-strategic investments



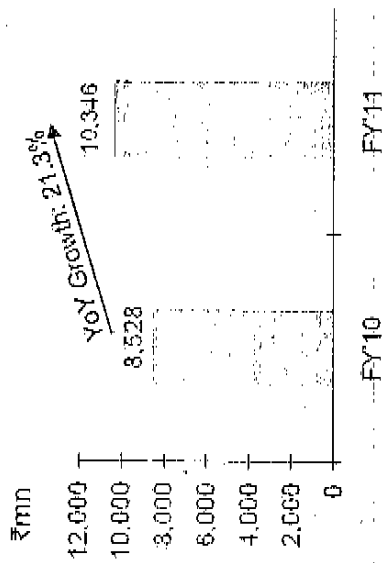
Refer Slide 7 for detailed P&L Statement

* Note: Total Revenues include other operating income of ₹25.5mn during FY'10 and ₹32.3mn during FY'11

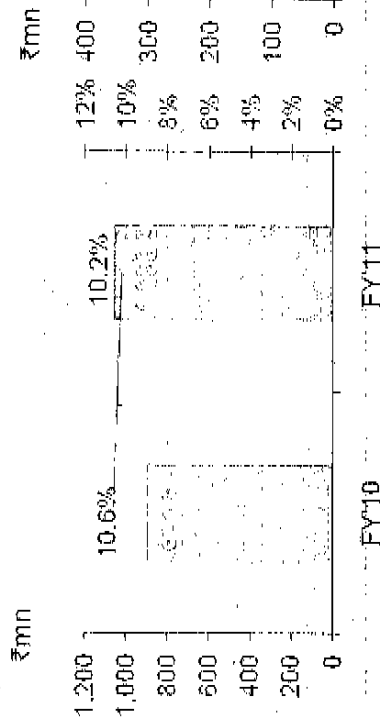
Over 21% growth in revenues on standalone basis



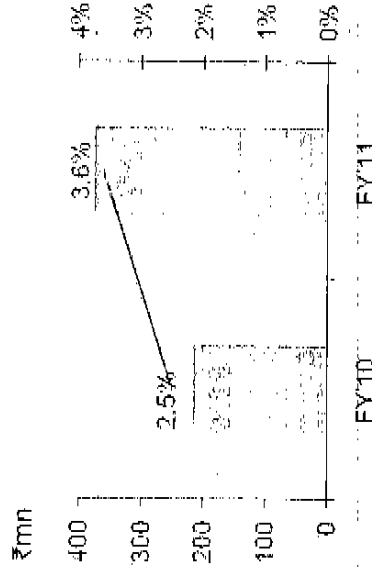
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



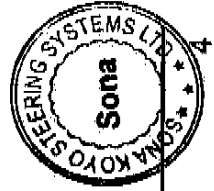
Revenues up 21.3% YoY from ₹8,528.3mn to ₹10,346mn driven by strong growth witnessed in domestic as well as export markets:

- ✓ Domestic sales increased 20.4% YoY from ₹8,185.6mn to ₹9,854mn
- ✓ Export sales increased 45.9% YoY from ₹317.4mn to ₹463mn

EBITDA up 17.2% YoY to reach ₹1,056.9mn in FY'11 from ₹901.9mn in FY'10; EBITDA margin stood at 10.2%:

- ✓ Raw material cost as a % of revenues declined from 74.9% to 73.3%
- ✓ Other expenditure increased due to higher manufacturing and selling expenses resulting from premium freight

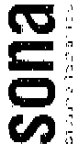
PAT up 72.8% to ₹374.1mn in FY'11 from ₹216.5mn in FY'10; PAT margin increased to 3.6% from 2.5% owing to decline in depreciation and finance charges and profit on sale of investments



Refer Slide 8 for detailed P&L Statement

* Note: Total Revenues include other operating income of ₹25.3mn during FY'10 and ₹29.0mn during FY'11

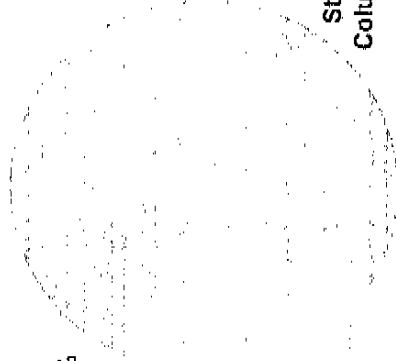
With a diversified sales mix



Product Wise Sales Mix

FY10

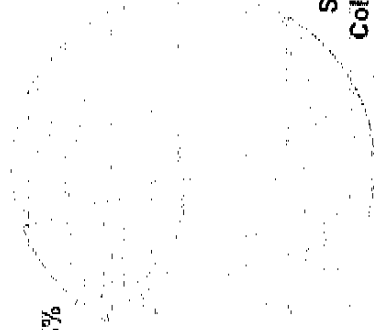
Driveline, 12.8%



Steering & Column, 87.2%

FY11

Driveline, 15.8%

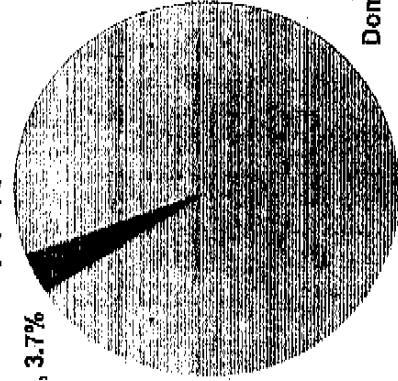


Steering & Column, 84.2%

Geographic Sales Mix

FY'10

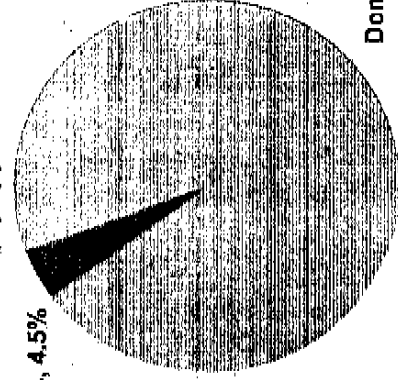
Exports, 3.7%



Domestic, 96.3%

FY'11

Exports, 4.5%



Domestic, 95.5%



*Note: Break up on standalone basis

Supported by increase in capacity utilization and new business orders

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Increase in Capacity Utilization

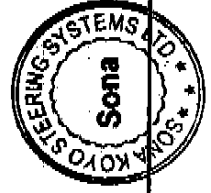
I Overall capacity utilization increased from ~70% in FY'10 to ~74% during FY'11 driven by improved utilization in steering products

Production and Supplies

II Production and supplies commenced for following during the year:

- ✓ Ford Motors (Fiesta & Figo);
- ✓ Maruti Suzuki (Alto K-Series);
- ✓ Tata (Ace 1 ton);
- ✓ Sonalika (Rhino) and
- ✓ EZGO (LSV)
- ✓ Toyota (EFC)

III Supplies for Mahindra & Mahindra (W408), Tata Ace (0.5 ton) and Maruti (YP8) to commence in FY'12



Income Statement & Key Ratios - Consolidated

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Consolidated Audited Income Statement

	Amount in ₹mn	
Net Income from Operations	12,033.7	8,528.0 41.1%
Other Operating Income	32.3	25.5 26.8%
Total Income	12,066.0	8,553.4 41.1%
Total Expenditure	10,578.3	7,701.6 37.4%
Consumption of Raw Material	8,455.2	6,384.1 32.4%
Staff Cost	892.2	590.5 51.1%
Other Expenditure	1,230.9	727.0 69.3%
EBITDA	1,487.7	851.9 74.6%
Depreciation & Amortisation	377.4	284.5 32.6%
EBIT	1,110.4	567.3 95.7%
Finance Charges	466.5	363.3 28.4%
Other Income	34.7	50.0 -30.5%
Exceptional Items	(57.9)	- N.A
PBT	736.5	254.0 189.9%
Tax (including deferred)	245.6	96.3 155.0%
PAT (before Minority Interest)	491.0	157.7 211.3%
Share of (Profit)/ Loss to Minority	(44.6)	11.8 N.A
PAT	446.3	169.5 163.3%

*Other Expenditure includes manufacturing costs, administrative costs, selling costs and other expenses

Key Ratios as a % of Total Revenue

	FY11	FY10
EBITDA	12.3%	10.0%
PAT	3.7%	2.0%
Total Expenditure	87.7%	90.0%
Raw material	70.1%	74.6%
Staff Cost	7.4%	6.9%
Other Expenditure	10.2%	8.5%



Income Statement & Key Ratios - Standalone

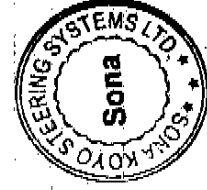
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Standalone Audited Income Statement

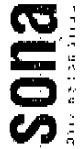
	Amount in ₹ mn	
Domestic Sales	9,854.0	8,185.6
Exports Sales	463.0	317.4
Net Income from Operations	10,317.0	8,503.0
Other Operating Income	29.0	25.3
Total Income	10,346.0	8,528.3
Total Expenditure	9,289.0	7,626.4
Consumption of Raw Material	7,579.3	6,386.5
Staff Cost	761.9	555.6
Other Expenditure	947.9	684.2
EBITDA	1,056.9	901.9
Depreciation & Amortisation	284.5	265.8
EBIT	772.5	636.1
Finance Charges	327.5	336.1
Other Income	36.8	29.7
Exceptional Items	(33.2)	-
PBT	515.0	329.7
Tax (including deferred)	140.9	113.2
PAT	374.1	216.5

*Other Expenditure includes manufacturing costs, administrative costs, selling costs and other expenses

Key Ratios as a % of Total Revenue	FY11	FY10
EBITDA	10.2%	10.6%
PAT	3.6%	2.5%
Total Expenditure	89.8%	89.4%
Raw material	73.3%	74.9%
Staff Cost	7.4%	6.5%
Other Expenditure	9.2%	8.0%

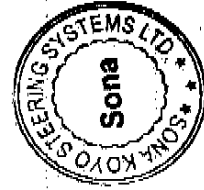
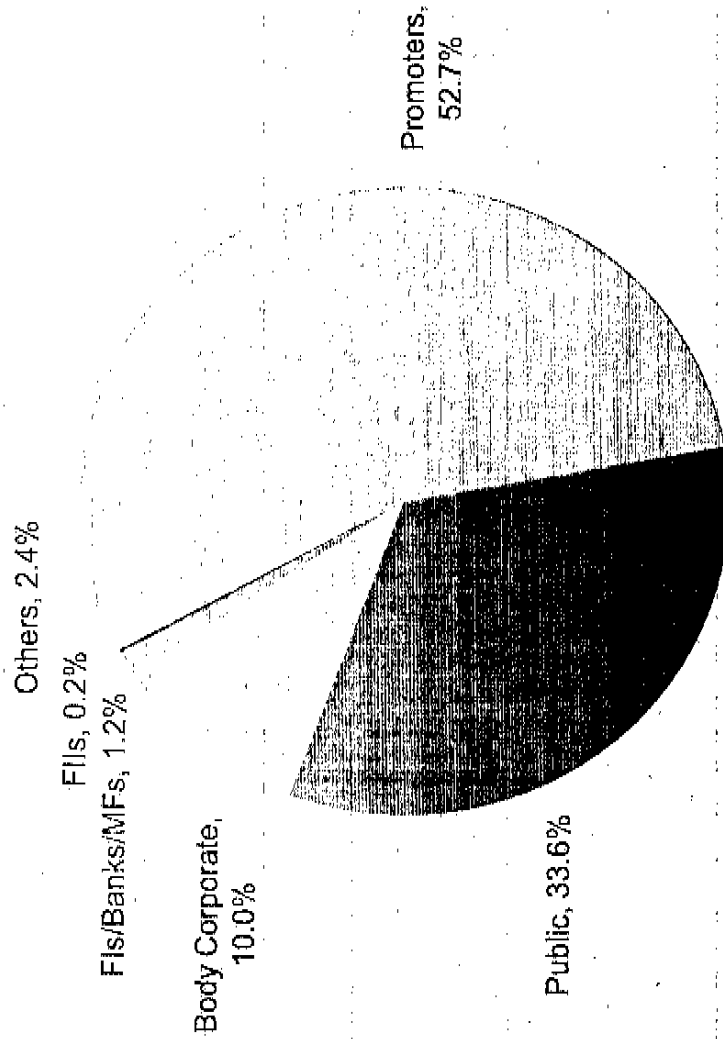


Shareholding Pattern

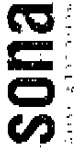


As on 31st March 2011

Equity Shares Outstanding-198,741,832

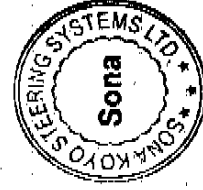


Contact Us



For any Investor Relations queries please contact:

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About Sona Koyo Steering Systems Ltd.

Sona Koyo Steering Systems Limited (SKSSL) is a technical and financial joint venture company of JTEKT Corporation, Japan, the global technology leader in Steering Systems. With a market share of 45%, SKSSL is the largest manufacturer of steering gears in India and is the leading supplier of Hydraulic Power Steering Systems, Electric Power Steering Systems, Manual Rack & Pinion Steering Systems and Collapsible, Tilt and Rigid Steering Columns for Passenger Vans and MUVs. SKSSL is the first steering systems company in the world to have bagged the prestigious Deming award, the world's most coveted honour for excellence in Total Quality Management. For more information please visit www.sonagroup.com

Forward Looking Statement

Certain statements in this document with words or phrases such as "will", "should", etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company's filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

