

1st May, 2012

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

Re : Symbol – SONASTEER; Series – EQ.

Dear Sir,

Please find enclosed herewith the Investor Update for the quarter ended 31st March, 2012.

The same is for your information and record.

Thanking you,

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



SUDHIR CHOPRA
COMPANY SECRETARY

SONA KOYO STEERING SYSTEMS LTD.

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Tel : +91 124 468 5000, **Fax:** +91 124 410 4611 / 410 4621



Deming Application Prize- 2003



Investor Update – Q4 FY'12

Sona Koyo Steering Systems Ltd.

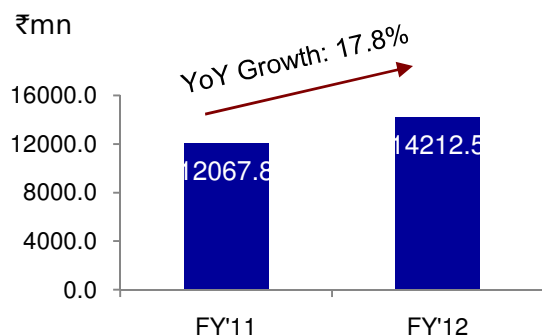


May 02, 2012

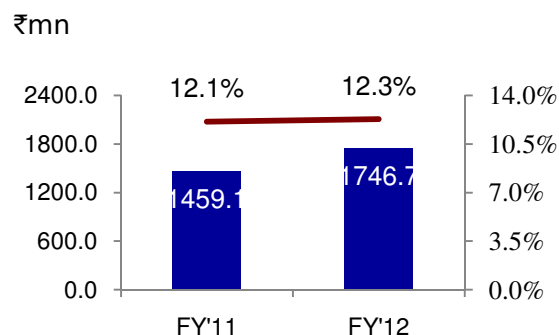
- 1.** Performance Review
- 2.** Operational Highlights
- 3.** Financial Statements
- 4.** Shareholding Pattern

Strong growth in Revenues & Profitability in FY'12 on Consolidated basis

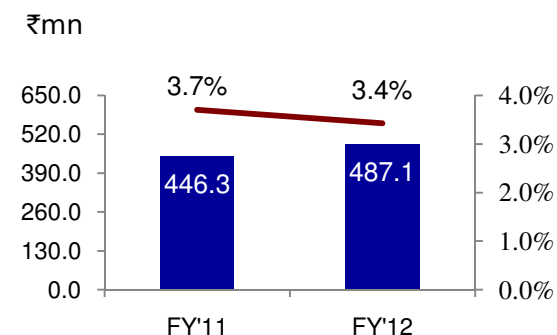
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



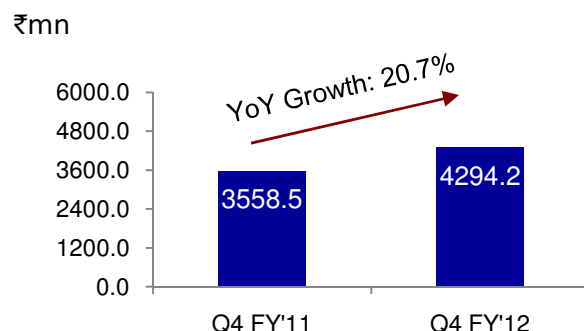
- **Total Revenues up 17.8% YoY from ₹12,067.8mn to ₹14,212.5mn** on the back of strong growth in revenue contribution from subsidiaries including JTEKT SONA Automotive India (JSAI), Sona Fuji Kiko Automotive (SFAL) and Sona Stampings
- **EBITDA up 19.7% YoY to reach ₹1,746.7mn in FY'12 from ₹1,459.1mn in FY'11, EBITDA margin at 12.3% compared to 12.1% in FY'11**
 - ✓ Decrease in raw material cost as a % of revenues from 70.9% to 70.3%
- **PAT up 9.1% YoY to ₹487.1mn in FY'12 from ₹446.3mn in FY'11; with the PAT margins at 3.4%**
 - ✓ Decline in finance charges as a % of revenues from 3.6% to 3.2%

Refer Slide 9 for detailed P&L Statement

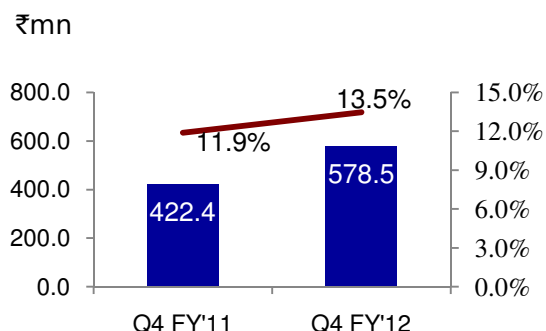
* Note: Total Revenues include other operating income of ₹72.8mn during FY'12 and ₹41.1mn during FY'11

Over 20% growth in Revenues in Q4 on Consolidated basis

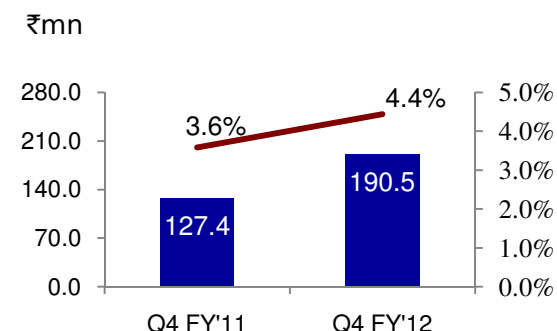
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



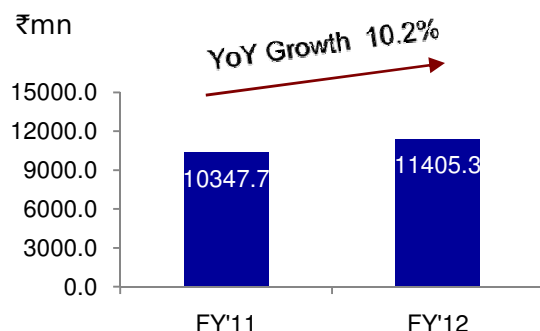
- **Total Revenues up 20.7% YoY from ₹3,558.5mn to ₹4,294.2mn** on back of strong growth in revenue contribution from subsidiaries including JTEKT SONA Automotive India (JSAI), Sona Fuji Kiko Automotive (SFAL) and Sona Stampings.
- **EBITDA for Q4 FY'12 stood at ₹578.5mn registering a growth of 37% over ₹422.4mn in Q4 FY'11, EBITDA margins improved to 13.5% from 11.9% in corresponding period last year**
 - ✓ Decline in staff costs as a % of revenues from 7.6% to 6.7%
- **PAT up 49.5% YoY to ₹190.5mn in Q4 FY'12 from ₹127.4mn in Q4 FY'11; with PAT margins improving to 4.4% from 3.6% in corresponding period last year**

Refer Slide 9 for detailed P&L Statement

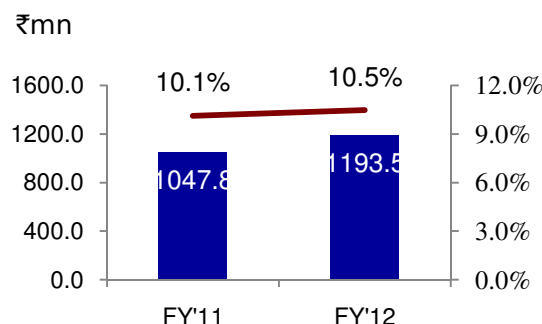
* Note: Total Revenues include other operating income of ₹27.4mn during Q4 FY'12 and ₹10.3mn during Q4 FY'12

10.2% growth in Revenues in FY'12 on standalone basis

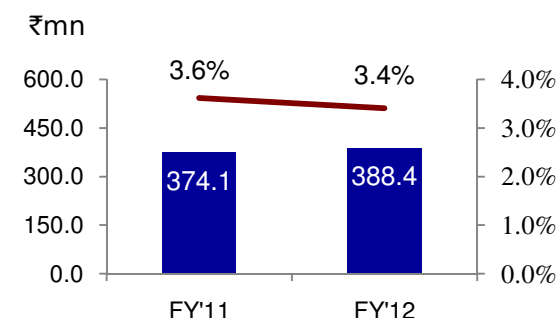
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



■ Revenues up 10.2% YoY from ₹10,347.7mn to ₹11,405.3mn driven by domestic sales

- ✓ Domestic sales increased 10.7% YoY from ₹9,858.4mn to ₹10,910.6mn

■ EBITDA up 13.9% YoY to reach ₹1,193.5mn in FY'12 from ₹1,047.8mn in FY'11; EBITDA margin improved from 10.1% to 10.5% owing to

- ✓ Decline in raw material cost as a % of revenues from 74% in FY'11 to 72.5% in FY'12

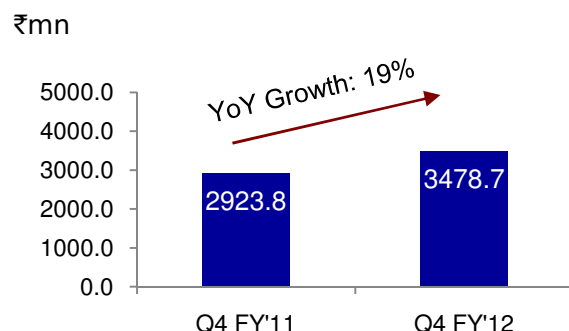
■ PAT up 3.8% YoY from ₹ 374.1mn to ₹388.4mn

Refer Slide 10 for detailed P&L Statement

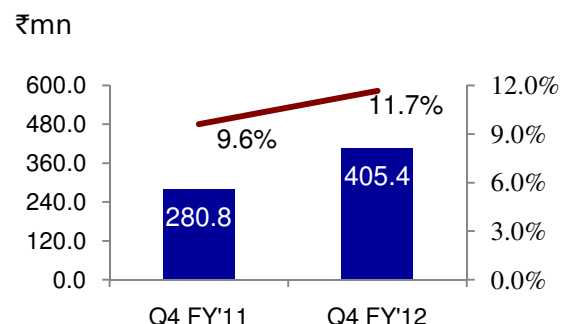
* Note: Total Revenues include other operating income of ₹52.3mn during FY'12 and ₹30.6mn during FY'11

Robust Performance in Q4 FY'12 on standalone basis

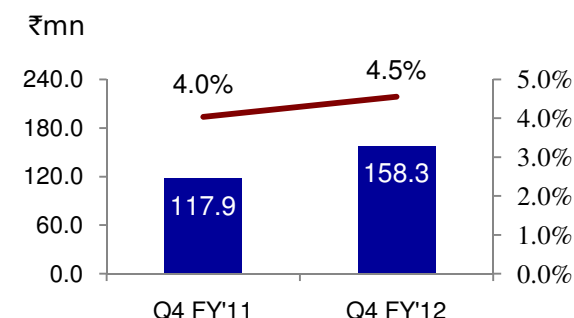
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



■ Revenues up 19% YoY from ₹2,923.8mn in Q4 FY'11 to ₹3,478.7mn in Q4 FY'12 driven by domestic sales

- ✓ Domestic sales increased by 19.8% to reach ₹3,304.1mn in Q4 FY'12 from 2,759.1mn in Q4 FY'11

■ EBITDA up 44.4% YoY to reach ₹405.4mn in Q4 FY'12 from ₹280.8mn in Q4 FY'11; EBITDA margin improved from 9.6% to 11.7% owing to

- ✓ Raw material cost as a % of revenues declined from 74.1% to 73.4%
- ✓ Staff Cost as a % of revenues declined from 7.8% to 7.1%

■ PAT up 34.2% YoY to reach ₹158.3mn in Q4 FY'12 from ₹117.9mn in Q4 FY'11; PAT margin improved from 4% to 4.5%

Refer Slide 10 for detailed P&L Statement

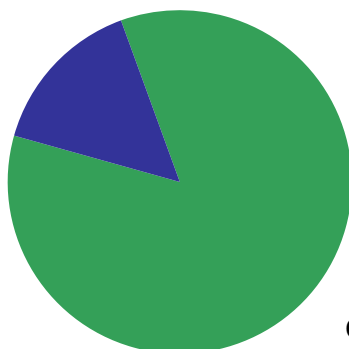
* Note: Total Revenues include other operating income of ₹22.3mn during Q4 FY'12 and ₹6.8mn during Q4 FY'11

With a diversified sales mix

Product Wise Sales Mix

Q4 FY'11

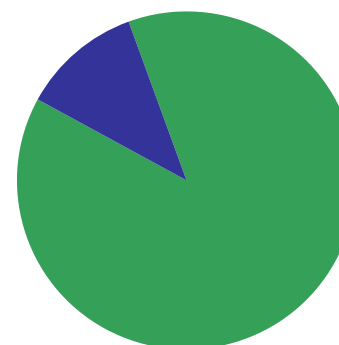
Driveline, 15.1%



Steering &
Column, 84.9%

Q4 FY'12

Driveline, 11.5%

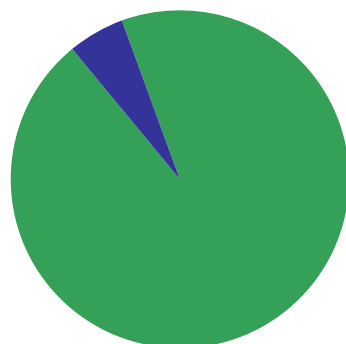


Steering &
Column, 88.5%

Geographic Sales Mix

Q4 FY'11

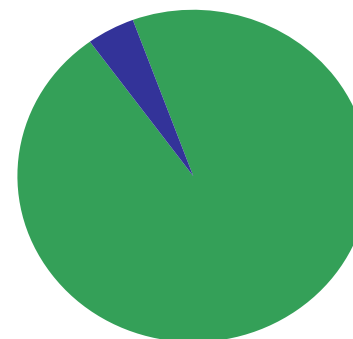
Exports, 5.4%



Domestic, 94.6%

Q4 FY'12

Exports, 4.4%



Domestic, 95.6%

*Note: Break up on standalone basis

Supported by increase in capacity utilization and new business orders



Increased Capacity utilization

- Overall capacity utilization for FY'12 stood at ~72.6%
- Capacity Utilization across product categories during 9M FY'12:
 - ✓ Steering Products – 80%
 - ✓ Driveline Products – 41%

New Product/ Order Flows

- Production & Supplies for Maruti – New Swift & Ertiga MPV commenced during Q4 FY'12
- Commercial Production & supplies of indigenously developed Electric Power Assist Module (EPAM) to John Deere ,USA commenced during Q4 F12.
- Steering Gear Assmbly Supplies for Tata Ace – 0.5 ton to commence in Q1 FY'13

Income Statement & Key Ratios - Consolidated

Consolidated Audited Income Statement

Amount in ₹mn

Particulars	Q4 FY12	Q4 FY11	YoY (%)	FY'12	FY'11	YoY (%)
Net Income from Operations	4,266.8	3,548.2	20.3%	14,139.7	12,026.7	17.6%
Other Operating Income	27.4	10.3	165.3%	72.8	41.1	77.1%
Total Income	4,294.2	3,558.5	20.7%	14,212.5	12,067.8	17.8%
Total Expenditure	3,715.7	3,136.1	18.5%	12,465.8	10,608.7	17.5%
Consumption of Raw Material	3,067.4	2,535.5	21.0%	9,996.4	8,554.4	16.9%
Staff Cost	288.2	269.3	7.1%	1,132.8	887.5	27.6%
Other Expenditure	360.1	331.4	8.6%	1,336.5	1,166.8	14.5%
EBITDA	578.5	422.4	37.0%	1,746.7	1,459.1	19.7%
Depreciation & Amortisation	122.4	96.4	26.9%	457.5	377.4	21.2%
EBIT	456.1	325.9	39.9%	1,289.2	1,081.8	19.2%
Finance Charges	124.3	107.7	15.4%	459.3	436.7	5.2%
Other Income	8.1	14.7	-44.7%	30.9	33.5	-8.0%
Exceptional items	-	0.6	N.A.	-	(57.9)	N.A.
(Gain)/Loss on Foreign Currency Loan Trar	-	-	N.A.	-	-	N.A.
PBT	339.9	232.3	46.3%	860.8	736.5	16.9%
Tax (including deferred)	114.9	97.9	17.4%	258.6	245.6	5.3%
PAT (before Minority Interest)	225.0	134.4	67.4%	602.2	491.0	22.7%
Share of Profit/ (Loss) to Minority	34.6	7.0	393.7%	115.1	44.6	157.9%
PAT	190.5	127.4	49.5%	487.1	446.3	9.1%

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

Key Ratios as a % of Total Revenue	Q4 FY12	Q4 FY11	Q3 FY12	FY'12	FY'11
EBIDTA	13.5%	11.9%	13.0%	12.3%	12.1%
PAT	4.4%	3.6%	3.2%	3.4%	3.7%
Total Expenditure	86.5%	88.1%	87.0%	87.7%	87.9%
Raw material	71.4%	71.3%	70.5%	70.3%	70.9%
Staff Cost	6.7%	7.6%	8.9%	8.0%	7.4%
Other Expenditure	8.4%	9.3%	7.5%	9.4%	9.7%

Income Statement & Key Ratios - Standalone

Standalone Audited Income Statement

Amount in ₹mn

Particulars	Q4 FY12	Q4FY11	YoY (%)	FY'12	FY'11	YoY (%)
Domestic Sales	3,304.1	2,759.1	19.8%	10,910.6	9,858.4	10.7%
Exports Sales	152.3	157.9	-3.6%	442.4	458.7	-3.5%
Net Income from Operations	3,456.4	2,917.1	18.5%	11,353.0	10,317.1	10.0%
Other Operating Income	22.3	6.8	229.1%	52.3	30.6	71.0%
Total Income	3,478.7	2,923.8	19.0%	11,405.3	10,347.7	10.2%
Total Expenditure	3,073.3	2,643.0	16.3%	10,211.8	9,299.9	9.8%
Consumption of Raw Material	2553.6	2165.5	17.9%	8,264.7	7,653.2	8.0%
Staff Cost	246.2	228.4	7.8%	959.0	756.5	26.8%
Other Expenditure	273.4	249.1	9.8%	988.0	890.3	11.0%
EBITDA	405.4	280.8	44.4%	1,193.5	1,047.8	13.9%
Depreciation & Amortisation	94.6	72.9	29.7%	333.4	284.5	17.2%
EBIT	310.8	207.9	49.5%	860.1	763.3	12.7%
Finance Charges	98.0	76.5	28.0%	336.9	317.3	6.2%
Other Income	10.1	16.7	-39.6%	39.6	35.7	11.0%
Exceptional Items	-	(0.6)	N.A.	-	(33.2)	N.A
(Gain)/Loss on Foreign Currency Loan Trar	-	-	N.A.	-	-	N.A
PBT	222.9	148.6	50.0%	562.7	515.0	9.3%
Tax (including deferred)	64.6	30.7	110.5%	174.4	140.9	23.8%
PAT	158.3	117.9	34.2%	388.4	374.1	3.8%

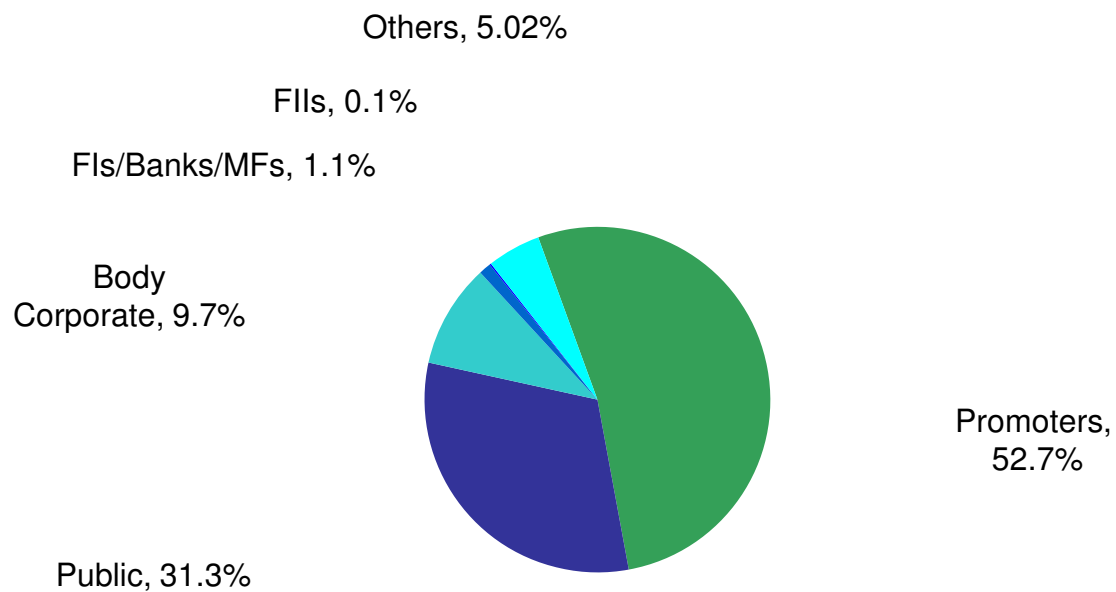
•Other Expenditure includes manufacturing costs, administrative costs, selling costs and other expenses

Key Ratios as a % of Total Revenue	Q4 FY12	Q4FY11	Q3 FY12	FY'12	FY'11
EBIDTA	11.7%	9.6%	9.6%	10.5%	10.1%
PAT	4.5%	4.0%	2.8%	3.4%	3.6%
Total Expenditure	88.3%	90.4%	90.4%	89.5%	89.9%
Raw material	73.4%	74.1%	72.0%	72.5%	74.0%
Staff Cost	7.1%	7.8%	9.4%	8.4%	7.3%
Other Expenditure	7.9%	8.5%	8.9%	8.7%	8.6%

Shareholding Pattern

As on 31st Mar'2011

Equity Shares Outstanding-198,741,832



For any Investor Relations queries please contact:

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Sona Koyo Steering Systems Ltd

Email: rajiv.chanana@sonagroup.com

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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.