

PRESS RELEASE

SONA KOYO STEERING SYSTEMS LIMITED

DATED : 18th January, 2006.

The Board of Directors of Sona Koyo Steering Systems Limited (SONA), the India's largest manufacturer and supplier of Steering Systems, in the Technical and Financial Collaboration with world renowned group 'JTEKT Corporation', Japan (formerly Koyo Seiko Co., Ltd.) in their meeting held on 18th January, 2006 has taken on record the Financial Results for the third quarter ended 31st December, 2005, subjected to a Limited Review by its Auditors.

In the nine months period ended 31st December, 2005, SONA, has seen record sales of Rs. 292 crores compared Rs. 256 crores, in the corresponding period of previous year, a growth of 14% and the Profit Before Interest, Foreign Currency Loan Translation, Depreciation & Tax for the said period increased from Rs. 24.76 crores to Rs. 27.37 crores, a growth of 11%. However, during the third quarter of the current financial year because of the sharp depreciation of the rupee in December, 2005, the Company has provided for a notional extraordinary loss due to Foreign Currency Loan Translation to the tune of Rs. 62 lacs. Accordingly for the said nine months period ended 31st December, 2005 the Profit After Tax stood at Rs. 10.08 crores as compared to Rs. 10.47 crores, in the corresponding period of previous year.

SONA's efforts in the field of exports are showing spectacular growth and in the current nine months period, SONA has achieved an Export sales of Rs. 35 crores, as compared to Rs. 14 crores, in the corresponding period in previous year.