



Sona Koyo Steering Systems Ltd to Invest Rs 400 crores in 4 Years

-Sona Group sets up office in USA-

- Unveils the Groups New Visual Identity-

February 7th 2006, New Delhi – Sona Koyo Steering Systems Ltd, the flagship company of the Sona group and India's largest manufacturer of steering systems and driveline parts, today announced an ambitious investment plan of Rs 400 crores over a period of 4 years. The group also announced the setting up of Sona AutoComp Inc. in USA, a JV of all group companies and unveiling of its new visual Identity.

The investments will be towards Sona Koyo's current capacity expansion plan in its various facilities and new locations. The expected layout of proposed investments would result in a total capacity of 3 million pieces of manual steering gears, 500,000 of hydraulic power steering gears, 250,000 of EPS (Electronic Power Steering) and double the present capacity for Steering columns from 1 million parts to 2 million parts.

As part of the group's globalization strategy and to offer more efficient services to the customers, the Sona Group has incorporated a company called Sona AutoComp Inc. in the USA. Sona AutoComp Inc. is a joint venture of all the Sona Group companies and will serve as the sales hub for US based clients. Sona Koyo has put together an export target of Rs 300 crores set to be achieved by 2010. Apart from the US, the figure accounts for majority of the company's exports. The next major export market for Sona Koyo will be through its JV, Fuji Autotech, base in Mandeure, France, and which caters to European and South American customers.

Speaking on the occasion, **Dr. Surinder Kapur, Chairman Sona Group** said, "**We are creating global capacities in steering systems and driveline components. The investment will enable us to achieve our target growth of Rs 1000 crores by 2010 from its expected turnover of Rs. 500 crores by 2006-07.**" Explaining the rationale behind setting up Sona AutoComp Inc. he said, "**We see the US as a big market for the auto component manufacturers. In order to improve our responsiveness to the clients and service suppliers, we felt the need to be locally represented in the market that currently accounts for a very large percentage of our exports.**"

Sona Koyo in the year 2005 had acquired 21% stake in Fuji Autotech France. Consequent to the consolidation programme, the investment will be transferred to Fuji Autotech Europe and the holding will

get reduced to 17%. Due to the shift of holding to the parent company, FAE, which holds 100% of Fuji Autotech Brazil and 66% of Fuji Autotech Czech, Sona Koyo will now have wider access to the Brazilian Czech Republic and European Markets.

The Group's new logo, together with its more dynamic structure and the tagline, "Driving Tomorrow" symbolizes the Group's increasing global presence. The new logo depicts a road forming an "S" shape that conveys a journey, while the two parts on either side of the "S" represent partnerships and customers. Visually, the absence of boundaries makes the road open, free and challenging. The group's tag line will be "Driving Tomorrow". The brand expression signifies the dynamic new spirit of Sona. With innovation at the core, the group is now focussed on bringing to life, the technology and processes of tomorrow, today.

Commenting on the new identity Dr. Kapur, said. **"The new identity for Sona provides a more contemporary image of a forward looking company that we are today. Along with the core values of the company the new identity will bring out Sona's belief in forming long-term partnerships with all stakeholders. As the Sona Group is heading toward globalization, it is imperative for us to have an identity that reflects the true values of the company."**
