



**SONA KOYO STEERING SYSTEMS LTD.**

Regd.Office : UGF-6, Indraprakash, 21, Barakhamba Road, New Delhi 110 001.

**UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE  
SECOND QUARTER ENDED 30<sup>TH</sup> SEPTEMBER, 2006**

(RS. IN LACS)

PARTICULARS	SECOND QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED (AUDITED)
	30.09.2006	30.09.2005	30.09.2006	30.09.2005	31.03.2006
<b>1. Net Sales / Income from Operations (Incl. of Excise Duty &amp; Other taxes paid)</b>	<b>16801</b>	<b>10079</b>	<b>30903</b>	<b>19419</b>	<b>40925</b>
2. Other Income	76	74	128	171	320
3. Total Expenditure	15472	9211	28425	17870	37133
a) (Increase) / decrease in stock in trade	56	56	(232)	(52)	(130)
b) Consumption of Raw Material	10067	5669	18768	11060	23222
c) Staff Cost	912	651	1725	1309	2850
d) Excise Duty & other taxes	2952	1717	5494	3366	6957
e) Other Expenditure	1485	1118	2670	2187	4234
<b>4. Profit before Interest, Foreign Currency Loan Translation, Depreciation &amp; Tax (1+2-3)</b>	<b>1405</b>	<b>942</b>	<b>2606</b>	<b>1720</b>	<b>4112</b>
5. Interest	225	133	443	234	505
6. (Gain)/Loss on Foreign Currency Loan Translation	(36)	0	70	0	27
7. Depreciation	295	260	606	509	1074
<b>8. Profit (+) / Loss (-) before tax (4-5-6-7)</b>	<b>921</b>	<b>549</b>	<b>1487</b>	<b>977</b>	<b>2506</b>
9. Provision for taxation	285	172	483	321	881
<b>10. Net Profit (+) / Loss (-) (8-9)</b>	<b>636</b>	<b>377</b>	<b>1004</b>	<b>656</b>	<b>1625</b>
11. Paid-up equity share capital (Face Value of Rs. 2/- per share)	1759	879	1759	879	879
12. Reserves excluding revaluation reserves	-	-	-	-	6655
13. Basic and diluted EPS for the period for the year to date and for the previous year (not annualized) (Face Value of Rs. 2/- per share)	Rs. 0.72	Rs. 0.43	Rs. 1.14	Rs. 0.75	Rs. 1.85
14. Aggregate of Non-Promoter Shareholding					
• Number of Shares (Face Value of Rs. 2/- each)	2,34,41,222	2,33,91,632	2,34,41,222	2,33,91,632	2,34,37,532
• Percentage of shareholding	53.32%	53.20%	53.32%	53.20%	53.31%

(RS. IN LACS)

Secondary Information in respect of geographical segment on the basis of location of customers	Second Quarter Ended		Half Year Ended		Year Ended
	30.09.2006	30.09.2005	30.09.2006	30.09.2005	31.03.2006
	a) Domestic	15567	8843	28451	17140
b) Export	1234	1236	2452	2279	5002

**Notes :**

- The above results as reviewed by the Audit Committee have been taken on record by the Board of Directors in its meeting held on 23<sup>rd</sup> October, 2006.
- The Committee of Directors in their meeting held on 20<sup>th</sup> September, 2006, pursuant to the resolution passed by the Shareholder at their Twenty Second Annual General Meeting held on 19<sup>th</sup> July, 2006, **have allotted 4,39,67,000 nos. of Equity Shares of Rs. 2/- each as 'Bonus Shares'** to the shareholders holding shares on 15<sup>th</sup> September, 2006 (being the Record Date). Accordingly, subsequent to the allotment of the said Bonus Shares the Paid Up Equity Share Capital of the Company has been increased from Rs. 8,79,34,000/- (i.e. 4,39,67,000 nos. of Equity Shares of Rs. 2/- each) **to Rs. 17,58,68,000/- (i.e. 8,79,34,000 nos. of Equity Shares of Rs. 2/- each).**

3) The provision for taxation is:

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Provision for Taxation	Second Quarter Ended		Half Year Ended		Year Ended
	30.09.2006	30.09.2005	30.09.2006	30.09.2005	31.03.2006
• Provision – Current Year	317	147	502	319	705
• Provision – Prior Year	0	0	0	0	0
• Provision for Deferred Tax Liability	(44)	13	(42)	(21)	126
• Provision for Fringe Benefit Tax	12	12	23	23	50
Total	285	172	483	321	881

- 4) At the beginning of the quarter, there was no investor complaint pending. During the current quarter, the Company has received fourteen investor complaints out of which thirteen complaints have been redressed and one complaint though duly attended, is pending due to legal compliances.
- 5) While approving the CAPEX Plan of the Company of Rs. 400 crores over the next 35 months, to part fund the said CAPEX, the Board has approved and recommended to the Shareholders to issue the following Equity Shares / Warrants to the Promoters and Foreign Collaborator of the Company, on preferential basis :
- (a) 46,28,105 nos. of Equity Shares of the Face Value of Rs. 2/- each; and
- (b) 99,99,785 nos. of Convertible Warrants of the Face Value of Rs. 2/- each to be converted into 99,99,785 nos. of Equity Shares of the Face Value of Rs. 2/- each within a period of eighteen months from the date of issue.
- The price of the proposed preferential Equity Shares / Warrants is as per Pricing Guidelines of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.
- 6) EPS has been computed in accordance with the Accounting Standard AS – 20. EPS for Previous Period / Year is also stated on enhanced Equity Capital (Post Bonus).
- 7) Segment Reporting : The Company is primarily engaged in the business of Auto Components for Four Wheelers, which are governed by the same set of risk and returns and hence there is only one primary segment. The said treatment is in accordance with the guiding principle enunciated in the Accounting Standard on Segment Reporting (AS-17). Secondary Segment disclosures have been made accordingly.
- 8) In compliance with the provision of Clause 41 of the Listing Agreement with Stock Exchanges, the figures for the previous periods have been recast, wherever necessary, in line with the Accounting Policies followed in the current period.

For & on behalf of the Board

Dated : 23<sup>rd</sup> October, 2006  
Place : New Delhi

**DR. SURINDER KAPUR**  
**CHAIRMAN & MANAGING DIRECTOR**