

For Immediate Release

SONA KOYO STEERING SYSTEMS LTD –UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER-2017

New Delhi, February 09, 2018: The Board of Directors of Sona Koyo Steering Systems Ltd. (SONA KOYO), India's largest manufacturer and supplier of Steering Systems, in its meeting held on 09th February, 2018 has taken on record the Unaudited Financial Results for the third quarter and nine months ended 31st December 2017.

For the quarter ended 31st December 2017, Net Revenue has increased by 2.09% to Rs. 292.80 Crores as compared to Rs. 286.80 Crores during the same period last year. For the nine months ended 31st December, 2017, Net Sales has increased by 6.25% to Rs. 888.76 Crores as compared to Rs. 836.49 Crores during the same period last year.

For the nine months ended 31st December, 2017, Profit after Tax increased by 12.55% to Rs. 16.40 Crores against Profit of Rs. 14.57 Crores during the same period last year.

In terms of requirement of Clause 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), it is informed that the Board of Directors of the Sona Koyo Steering Systems Limited ("Company"), has in its meeting held today, based on the recommendations of the Audit Committee, approved the amalgamation of JTEKT Sona Automotive India Limited (a joint venture between the Company and its majority shareholder, JTEKT Corporation) with the Company by way of and in accordance with a scheme of amalgamation as per the provisions of Sections 230-232 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "Scheme").

The aforesaid Scheme is subject to various regulatory and other approvals and sanction by National Company Law Tribunal, New Delhi Bench.

In line with Make-in-India initiative, the merged entity will enhance levels of indigenization and facilitate to raise the bar of indigenous technology. It will also provide higher levels of competitiveness and streamline the business model. The proposal also has the objective of upgrading skill levels of the work place. Further, the amalgamation of entities is expected to bring in the following additional benefits for all stakeholders:

- Both the Amalgamating Company and Amalgamated Company have business and operational synergies. The Amalgamated Company is engaged in making manual steering systems which is in turn an input for electrical steering system manufactured by the Amalgamating Company. The business of the Amalgamating Company and the Amalgamated Company can be combined conveniently and carried out in conjunction more advantageously to the customers.

- It enhances the shareholder's value accruing from consolidation of the business operations resulting in economies of scale, improving allocation of capital, and optimizing cash flows, thus contributing to the overall growth prospects of the combined entity.
- It ensures optimum utilization of resources due to pooling of management, administrative and technical skills of various resources of both the Amalgamated Company and Amalgamating Company, better administration and cost reduction, including reduction in managerial, administrative and other common costs.
- It creates a larger asset base and facilitates access to better financial resources.

About Sona Koyo Steering Systems Limited

SONA KOYO forms part of JTEKT Corporation Japan. JTEKT Corporation Japan holds leadership position in the manufacturing and sale of steering systems, driveline components, bearings, machine tools, electronic control devices and home accessory equipments. JTEKT Corporation Japan has 135 subsidiaries in 23 countries across the Globe supported by strong team approx. 48500 employees.

SONA KOYO is India's largest manufacturer of steering systems and is the supplier of choice to major auto manufacturers, supplying steering gears, columns and RPS assemblies to almost all Indian passenger car and utility vehicle manufacturers. More information about the company is available on the website www.sonakoyosteering.com

For further clarification:

Mr. Rajiv Chanana (CFO) – 09811766027