

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer ("Letter of Offer") is sent to you as a Public Shareholder (as defined below) of Sona Koyo Steering Systems Limited. If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer (as defined below) / Registrar to the Offer (as defined below). In case you have recently sold your Equity Shares (as defined below), please hand over this Letter of Offer and the accompanying Form of Acceptance and Transfer Deed to the member of stock exchange through whom the said sale was effected.

JTEKT CORPORATION

A Japanese listed public limited company incorporated in Japan under the laws of Japan

Registered office: 3-5-8 Minami-semba, Chuo-ku, Osaka, 542-8502 Japan

(Tel: +81 52 527 1905, Fax: +81 52 527 1912)

(hereinafter referred to as the "Acquirer")

MAKES A CASH OFFER OF INR 84.00 (RUPEES EIGHTY FOUR ONLY)

PER FULLY PAID UP EQUITY SHARE (AS DEFINED BELOW) OF THE FACE VALUE OF INR 1 (RUPEES ONE) EACH, TO ACQUIRE UPTO 51,672,877 (FIFTY ONE MILLION SIX HUNDRED AND SEVENTY TWO THOUSAND EIGHT HUNDRED SEVENTY SEVEN ONLY) EQUITY SHARES REPRESENTING 26.00% (TWENTY SIX PERCENT) OF THE EQUITY SHARE CAPITAL (AS DEFINED BELOW), UNDER THE SEBI (SAST) REGULATIONS (AS DEFINED BELOW) TO THE PUBLIC SHAREHOLDERS OF

SONA KOYO STEERING SYSTEMS LIMITED

A listed public limited company incorporated under the Companies Act, 1956

Registered office: UGF- 6, Indra Prakash, 21, Barakhamba Road, New Delhi, 110001

Tel: +91 11 2331 1924, CIN: L29113DL1984PLC018415

(hereinafter referred to as the "Target")

1. This Offer (as defined below) is made pursuant to and in compliance with the provisions of regulation 3(1), 3(2), 3(3) and regulation 4 of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer in terms of regulation 19 of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.
4. This Offer is subject to certain statutory and regulatory approvals set out in part VII section C – Statutory & Other Approvals – The Competition Commission of India, in its meeting held on May 5, 2017, approved the combination under section 31 (1) of the Competition Act, 2002 and issued an approval letter dated May 8, 2017 under sub-regulation (5) of the Regulation 28 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011
5. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.
6. The Acquirer may withdraw the Offer in accordance with the terms and conditions specified in part II section B – Details of the Proposed Offer - of this Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days (as defined below) of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement (as defined below) had appeared, stating the grounds for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations.
7. The Offer Price (as defined below) may be subject to revision pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to the commencement of the last three Working Days before the commencement of the Tendering Period (as defined below) in accordance with regulation 18(4) of the SEBI (SAST) Regulations. Where the Acquirer has acquired any Equity Shares during the offer period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares during the period commencing three Working Days prior to the commencement of the Tendering Period and ending on the expiry of the Tendering Period. In the event of such revision, the Acquirer shall (i) make corresponding increases to the Open Offer Escrow Amount (as defined below); (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously with the issue of such announcement, inform SEBI (as defined below), the Stock Exchanges (as defined below) and the Target Company at its registered office of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.
8. **There has been no competing offer as of the date of this Letter of Offer.**

A copy of the Public Announcement (as defined below), the Detailed Public Statement and the Letter of Offer (including the Form of Acceptance-cum-Acknowledgement) is also available on the website of SEBI (www.sebi.gov.in).

MANAGER TO THE OFFER



Kotak Mahindra Capital Company Limited

27BKC, 1st floor, Plot no. C-27, "G" Block,
Bandra Kurla Complex, Bandra (East),
Mumbai 400 051

Tel: +91 22 22 4336 0128

Fax: +91 22 22 6713 2447

Email: project.skss@kotak.com

Contact Person: Ganesh Rane

SEBI Registration Number: INM000008704

CIN: U67120MH1995PLC134050

REGISTRAR TO THE OFFER



Karvy Computershare Private Limited

Karvy Selenium, Tower- B, Plot No. 31 & 32,
Financial district, Nanakramguda,
Serilingampally Mandal, Hyderabad, Telangana, 500032

Tel: +91 40 6716 2222

Fax: +91 40 2343 1551

Website: www.karvycomputershare.com

E-Mail: skss.openoffer@karvy.com

Contact Person : Mr. M Murali Krishna

SEBI Reg. No.: INR000000221

The schedule of activities under the Offer is as follows:

Activity	Schedule of activities	Revised schedule of activities
	Date & Day	
Date of the Public Announcement	February 1, 2017, Wednesday	February 1, 2017, Wednesday
Date of publication of the Detailed Public Statement	February 8, 2017, Wednesday	February 8, 2017, Wednesday
Filing of the Draft Letter of Offer with SEBI	February 15, 2017, Wednesday	February 15, 2017, Wednesday
Last date for a competing offer(s) [#]	March 2, 2017, Thursday	March 2, 2017, Thursday
Last date for SEBI observations on the Draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager)	March 9, 2017, Thursday	May 12, 2017, Friday [^]
Identified Date* (as defined below)	March 14, 2017, Tuesday	May 16, 2017, Tuesday
Date by which the Letter of Offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	March 21, 2017, Tuesday	May 23, 2017, Tuesday
Last date for revising the Offer Price / Offer Size	March 22, 2017, Wednesday	May 24, 2017, Wednesday
Last date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer [@]	March 23, 2017, Thursday	May 25, 2017, Thursday
Date of publication of Offer Opening Public Announcement in the newspapers in which the Detailed Public Statement has been published	March 27, 2017, Monday	May 29, 2017, Monday
Date of commencement of the Tendering Period ("Offer Opening Date")	March 29, 2017, Wednesday	May 30, 2017, Tuesday
Date of closure of the Tendering Period ("Offer Closing Date")	April 12, 2017, Wednesday	June 12, 2017, Monday
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company	April 27, 2017, Thursday	June 27, 2017, Tuesday
Last date for publication of post-Offer public announcement in the newspapers in which the Detailed Public Statement has been published	May 5, 2017, Friday	July 4, 2017, Tuesday

**The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be posted. It is clarified that all the Public Shareholders (registered or unregistered) of the Target Company are eligible to participate in the Offer at any time prior to the expiry of the Tendering Period.*

[^]SEBI had sought clarification and additional information from the Acquirer post the submission of the DLoF.

[#]There has been no competing offer as of the date of the LoF

[@]The recommendation of the independent directors was published on May 15, 2017 in the same newspapers where the DPS of the Open Offer was published

RISK FACTORS

Risk factors relating to the transaction

- The acquisition of the Sale Shares (as defined hereinbelow) is subject to (a) the satisfaction or waiver (at the discretion of the Acquirer or the Seller, as the case may be) of various conditions under the SPA (as defined hereinbelow), and/or (b) the occurrence of a Termination Event (as defined hereinbelow) under the SPA. Highlights of each of these conditions and Termination Events have been outlined in Part II of Section B (*Details of the Offer*).

Risk factors relating to the Offer

- The Acquirer may withdraw the Offer in accordance with the conditions specified in Part II Section B of this Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement had appeared, stating the grounds for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations.
- In the event of any litigation leading to a stay on the Offer by a court of competent jurisdiction, or SEBI instructing that the Offer should not proceed, the Offer may be withdrawn or the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, in the event of any delay, the payment of consideration to the Public Shareholders of the Target Company, whose Equity Shares are accepted under this Offer, as well as the return of Equity Shares not accepted under this Open Offer by the Acquirer may be delayed.
- The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer / Clearing Corporation until the completion of the Offer formalities, and the Public Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares held in trust by the Registrar to the Offer / Clearing Corporation during such period. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares which are validly tendered by the Public Shareholders on a proportionate basis as detailed in paragraph 11 of Section A of Part V (*Justification of Offer Price*) below. Therefore, there is no certainty that all the Equity Shares tendered in the Offer will be accepted. The unaccepted Equity Shares will be returned to the respective Public Shareholders in accordance with the schedule of activities for the Offer.
- Further, Public Shareholders should note that, under the SEBI (SAST) Regulations, once Public Shareholders have tendered their Equity Shares in the Offer, they will not be able to withdraw their Equity Shares from the Offer even in the event of a delay in the acceptance of Equity Shares under the Offer and/or the dispatch of consideration.
- The acquisition of Shares tendered by NRIs and OCBs are subject to approval/exemption, if applicable, from the RBI. NRI and OCB holders of Shares, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI or FIPB) and submit such approvals, along with other documents required in terms of the Letter of Offer. Further, if holders of the Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including from the RBI or FIPB) in respect of the Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Shares, to tender the Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered in this Offer.

- In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, and subject to such terms and conditions as specified by SEBI, including payment of interest in accordance with regulation 18(11) of the SEBI (SAST) Regulations, grant an extension of time to the Acquirer pending receipt of such statutory approval(s) to make the payment of the consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer.
- The Acquirer and the Manager accept no responsibility for the statements made otherwise than in the Letter of Offer, the DPS (as defined below) and/or the PA (as defined below) and/or in the Offer Opening Public Announcement (as defined below) or in any corrigendum to the DPS and the PA (if issued) and anyone placing reliance on any other source of information (not released by the Acquirer or the Manager) would be doing so at his, her or their own risk.
- Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.

Probable risks involved in associating with the Acquirer

- Neither the Acquirer nor the Manager makes any assurance with respect to the continuation of past trends in the financial performance of the Target Company.
- Neither the Acquirer nor the Manager can provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind with respect to any decision by any Public Shareholder regarding whether or not to participate in the Offer.

The risk factors set forth above are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associating with the Acquirer. The risk factors set forth above do not relate to the present or future business or operations of the Target Company and any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by any Public Shareholder in the Offer. Public Shareholders are advised to consult their stockbroker, investment consultant or tax advisor for an understanding of the further risks associated with their participation in the Offer.

Disclaimer for U.S. persons:

The information contained in this LoF is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulation S under the US Securities Act of 1933, as amended, and who are not physically present in the USA. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the USA or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this LoF are requested to inform themselves about and to observe any such restrictions.

Disclaimer for persons in other foreign countries:

This LoF does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this LoF are requested to inform themselves about and to observe any such restrictions.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to “**Rs.**”/“**INR**” are to Indian Rupee(s), the official currency of India and all references to JPY / Yen are to Japanese Yen, the official currency of Japan.

In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

Unless other wise stated, For profit and loss items assuming average convenience conversion rate of Yen 1= INR 0.55 for the financial year ended March 31,2016, Yen 1= INR 0.56 for the financial year ended March 31, 2015, Yen 1= INR 0.60 for the financial year ended March 31, 2014 and Yen 1 = INR 0.64 for the half year ended September 30, 2016 (Source: www.rbi.org.in)

For balance sheet item, assuming convenience conversion rate of Yen 1 = INR 0.59 for the financial year ended on March 31, 2016, Yen 1 = INR 0.52 for the financial year ended on March 31, 2015, Yen 1 = INR 0.59 for the financial year ended on March 31, 2014 and Yen 1 = INR 0.66 for the half year ended September 30, 2016 (Source: www.rbi.org.in)

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DEFINITIONS / ABBREVIATIONS

Particulars	Details / Definition
Acquirer / Purchaser	JTEKT Corporation
Brand	The “Sona” name and logos, ‘S’ device logo and Slogan ‘Driving Tomorrow’ as further detailed in the SPA
BSE	BSE Limited
Business Day	A day (other than a Saturday or a Sunday) on which banks are generally open for business in Japan and New Delhi, India.
CCI Approval	The approval received from the Competition Commission of India under section 31 (1) of the Competition Act, 2002, pursuant to its meeting held on May 5, 2017 and communicated vide its approval letter dated May 8, 2017 under sub-regulation (5) of the Regulation 28 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Clearing Corporation	Clearing Corporation of Stock Exchanges
Completion Date	The date of completion of sale by the Seller and purchase by the Acquirer of all of the Sale Shares in accordance with the provisions of the SPA
Conditions Precedent / CPs	The conditions precedent under the SPA, set out in paragraph 4(I) of Part II Section A (<i>Details of the Offer</i>)
Depositories	CDSL and NSDL
Detailed Public Statement / DPS	The detailed public statement dated February 7, 2017 in connection with the Offer, published on behalf of the Acquirer on February 8, 2017 in Business Standard - English (all editions), in Business Standard - Hindi (all editions), Navshakti (Mumbai edition) and Vir Arjun (Delhi edition)
DP	Depository Participant
Draft Letter of Offer / DLoF	The Draft Letter of Offer dated February 15, 2017, filed with the SEBI pursuant to regulation 16(1) of the SEBI (SAST) Regulations
Equity Share Capital	198,741,832 Equity Shares of the Target Company
Equity Share(s)	Fully paid up equity shares of the Target Company of Face Value of INR 1 (Rupees One) each, carrying voting rights and includes any security of the Target Company which entitles the holder thereof to exercise voting rights as an equity shareholder of the Target Company
Equity Shareholder(s)	All holders of Equity Shares, including beneficial owners of the Equity Shares.
Execution Date	February 1, 2017
Escrow Amount	The amount deposited by the Acquirer in one or more account(s), having lien marked with an irrevocable right to encash the proceeds in favour of the Manager to the Offer, in compliance with Regulation 17 of the SEBI Takeover Regulations
Escrow Bank	Kotak Mahindra Bank Limited acting through its office at 5 C / II, Mittal Court, 224, Nariman Point, Mumbai – 400 021
FEMA	Foreign Exchange Management Act, 1999 (as amended)
FII	Foreign Institutional Investors
FPI	Foreign Portfolio Investors

Particulars	Details / Definition
FY	Financial Year
Identified Date	The date falling on the 10th Working Day prior to the commencement of the Tendering Period
IFSC	Indian Financial System Code
Income Tax Act	The Income Tax Act, 1961 (as amended)
IPP	Institutional Placement Programme under Chapter VIII A (Institutional Placement Programme) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
JSAI	JTEKT Sona Automotive India Limited
Letter of Offer	The Letter of Offer dated May 17, 2017
LODR Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended
Long Stop Date	A period of four months from February 1, 2017 or such date as mutually agreed to by the Acquirer and the Seller in writing
Manager	Kotak Mahindra Capital Company Limited
Maximum Open Offer Consideration	INR 4,340,521,668 (Rupees Four Billion Three Hundred and Forty Million Five Hundred and Twenty One Thousand Sixty Hundred and Sixty Eight only) being the total consideration payable to the Public Shareholders by the Acquirer pursuant to the Open Offer.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	Overseas Corporate Bodies
ODI Regulations	Foreign Exchange Management Act, 1999 (i.e. the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004
Offer / Open Offer	Open offer being made by the Acquirer to the Public Shareholders of the Target to acquire up to 51,672,877 (Fifty One Million Six Hundred and Seventy Two Thousand Eight Hundred Seventy Seven) Equity Shares of Face Value of INR 1/- (Rupees One) each, representing 26.00% (Twenty Six percent) of the Equity Share Capital, at a price of INR 84.00 (Rupees Eighty Four only) per Offer Share
Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period made on behalf of the Acquirer
Offer Price	INR 84.00 (Rupees Eighty Four only) per Offer Share
Offer Shares	51,672,877 (Fifty One Million Six Hundred and Seventy Two Thousand Eight Hundred Seventy Seven) Equity Shares, representing 26.00% (Twenty Six percent) of the Equity Share Capital
Offer Size	INR 4,340,521,668 (Rupees Four Billion Three Hundred and Forty Million Five Hundred and Twenty One Thousand Sixty Hundred and Sixty Eight only), being the maximum consideration payable under this Offer assuming full acceptance
Open Offer Escrow Account	The account opened with Kotak Mahindra Bank Limited in accordance with regulation 17(4) of the SEBI (SAST) Regulations bearing the name "JTEKT CORP – ESCROW ACCOUNT" and account number "0412413221"
Open Offer Escrow Agent	Kotak Mahindra Bank Limited (acting through its office at 27 BKC, 1st Floor, Plot No. C-27, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051)
Open Offer Escrow	Escrow agreement entered into by the Acquirer with the Open Offer Escrow

Particulars	Details / Definition
Agreement	Agent and the Manager
Open Offer Escrow Amount	The Cash Escrow maintained by the Acquirer with the Open Offer Escrow Agent in accordance with the Open Offer Escrow Agreement
PAN	Permanent Account Number
Promoter(s)	Promoter of the Target Company and shall have the meaning ascribed to the term under the SEBI (SAST) Regulations
Promoter Group	Promoter Group of the Target Company and shall have the meaning ascribed to the term under the SEBI (SAST) Regulations
Public Announcement / PA	The public announcement in connection with the Offer dated February 1, 2017 issued by the Manager on behalf of the Acquirer and submitted to Stock Exchanges and the Target Company on February 1, 2017 and submitted to SEBI on February 2, 2017
Public Shareholder(s)	All equity shareholders of the Target Company other than the Acquirer and, parties to the SPA including any persons acting or deemed to be acting in concert with any of them in terms of regulation 7 (6) of the SEBI (SAST) Regulations
RBI	Reserve Bank of India
Registrar to the Offer / RTA	Karvy Computershare Private Limited
Sale Consideration	INR 4,192,831,776 (Four Billion One Hundred and Ninety Two Thousand Eight Hundred Thirty One Thousand Seven Hundred Seventy Six) for acquiring the Sale Shares in accordance with the terms of the SPA
Sale Shares	The Acquirer and the Seller have entered into the SPA, pursuant to which the Seller has agreed, subject to the terms and conditions set out in the SPA, to sell, and the Acquirer has agreed to purchase, for cash, 49,914,664 (Forty Nine Million Nine Hundred and Fourteen Thousand Six Hundred and Sixty Four) Equity Shares, representing 25.12% (Twenty Five point Twelve percent) of the Equity Share Capital
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Delisting Regulations	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Seller	Sona Autocomp Holding Limited
Selling Broker	Shall have the meaning ascribed to it in paragraph 5 part VIII of this LoF
SFAL	Sona Fuji Kiko Automotive Limited (a subsidiary of the Target Company)
Sona BLW	Sona BLW Precision Forgings Limited
Sona Promoters and Persons Acting in Concert	Collectively, Mrs. Rani Kapur, Mr. Sunjay Kapur, Sumish Finance and Investment Company Private Limited, Mr. Jug Mohan Kapur, Ms.Sumitra Kapur, Mr.Subash Chopra, Ms.Esha Chopra, Ms.Sangeeta Chopra, Mr. Aman Chopra, Ms.Mandira Koirala, Superna Motwane and Jug Mohan Kapur – HUF, excluding the Seller
SSDCL	Sona Skill Development Centre Limited, being an associate company of the Target Company

Particulars	Details / Definition
SPA	Share purchase agreement dated February 1, 2017 executed amongst the Seller, the Acquirer, Mrs. Rani Kapur and Mr. Sunjay Kapur (both as confirming parties)
Stock Exchanges	BSE & NSE
STT	Securities Transaction Tax
Target / Target Company	Sono Koyo Steering Systems Limited
Tendering Period	May 30, 2017, Tuesday to June 12, 2017, Monday both days inclusive
Termination Events	The termination events and as set out in paragraph 7 and 8 of Part II Section B (Details of the Offer) under the SPA
TRS	Transaction Registration Slip
Underlying Transaction	The acquisition of Sale Shares under the SPA
Working Day(s)	Shall have the same meaning ascribed to it in the SEBI (SAST) Regulations

I. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SONA KOYO STEERING SYSTEMS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 15, 2017 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

II. DETAILS OF THE OFFER

A. Background to the Offer

1. The Offer is being made by the Acquirer to the Public Shareholders of the Target Company in accordance with regulation 3(1), 3(2), 3(3) and regulation 4 of the SEBI (SAST) Regulations pursuant to the execution of the SPA by the Acquirer and the Seller on February 1, 2017.
2. This Offer is a mandatory offer pursuant to the execution of the SPA on February 1, 2017 amongst the Acquirer and the Seller. The price agreed to be paid by the Acquirer to the Seller is INR 84.00 (Rupees Eighty Four only) per Sale Share.
3. The Sellers have agreed, subject to the terms and conditions set out in the SPA, to collectively sell, and the Acquirer has agreed to purchase, for cash, 49,914,664 (Forty Nine Million Nine Hundred Fourteen Thousand and Six Hundred Sixty Four) Equity Shares, representing 25.12% (Twenty Five point Twelve percent) of the Equity Share Capital. The details of the Sale Shares being sold under SPA are set out below:

Seller	Number of Sale Shares	Percentage of Equity Share Capital
Sona Autocomp Holding Limited	49,914,664	25.12%
Total	49,914,664	25.12%

4. In addition to the details set out in this Part II Section A (*Background to the Offer*), and Part II Section B (*Details of the Offer*), the other salient features of the SPA have been set out below:

The key terms of the SPA for the acquisition of the Sale Shares by the Acquirer from the Seller are:

- (A) **Brand:** It is agreed that on and from the Completion Date and till March 31, 2018 , the Target, SFAL and JSAI, shall use the Brand in their corporate name as well as for business and operational purposes including in all communications including on letterhead, email signature and similar stationary in a manner consistent with past practice. Thereafter, for another period of another 24 (twenty four) months, the Target, SFAL and JSAI shall be entitled to (but shall not be under an obligation to) continue the use of the Brand. Additionally and without prejudice to the above, in relation to any spare parts produced by the Target, SFAL and JSAI, as the case may be, the Target, SFAL and JSAI shall be entitled to use the Brand in a manner consistent with past practice for a period of 10 (ten) years from the Completion Date. For this purpose, the Seller has agreed to cause to be granted to the Acquirer and/or any of the Target, SFAL and JSAI, a non-exclusive license, without any additional consideration, for use of the Brand as above.
- (B) **Non-compete:** The Seller and/or Mrs. Rani Kapur and Mr. Sunjay Kapur have agreed that in consideration of the Sale Consideration received by the Seller, they shall not, directly or indirectly, compete with the Acquirer or the Target Company and/or SFAL and/or JSAI in the Republic of India with regard to the business of manufacturing steering systems and components thereof, for a period of 2 (two) years starting from the Completion Date. Provided however that: (i) manufacturing activities currently carried out by Sona BLW and its subsidiaries (none of whom manufacture steering systems and components); and (ii) passive investments of up to 5% (five percent.) of the equity share capital or the voting rights in any listed/ unlisted entity in India by the Seller and/or Mrs. Rani Kapur and Mr. Sunjay Kapur, directly or indirectly, shall not be considered to be in violation of the non-compete obligation contemplated under the SPA.

- (C) **Completion:** Following the expiry of 21 (twenty one) Working Days from the date of the Detailed Public Statement, the Acquirer has agreed to deposit within 5 (five) Business Days from the receipt of the later of (i) CCI Approval; or (ii) final observations from SEBI on the draft letter of offer, deposit in the Open Offer Escrow Account, the Maximum Open Offer Consideration and complete the acquisition of the Sale Shares from the Seller in accordance with the provisions of regulation 22(2A) of the SEBI (SAST) Regulations. In terms of the SPA, the Seller and Acquirer have also agreed that, if the CCI Approval or the final observations from SEBI on the draft letter of offer filed by the Acquirer is received after the 21 (twenty one) Working Day period referred to above, then the Completion Date shall in no event be later than the 5th (fifth) Business Days following receipt of the later of CCI Approval or final observations from SEBI on the draft letter offer filed by the Acquirer.
- (D) **Re-classification and De-Classification:** The SPA stipulates that the Sona Promoters and Persons Acting in Concert are to be re-classified as “**public shareholders**” in accordance with the provisions of regulation 31(A) of the LODR Regulations and the Seller will also be de-classified as a Promoter of the Target Company in accordance with the provisions of Regulation 31(A) of the LODR Regulations. In this regard, the terms of the SPA specify that on the Completion Date, the board of directors of the Target Company will call for a meeting of the shareholders of the Target Company (within 30 business days of the Completion Date) to approve the re-classification of the Sona Promoters and Persons Acting in Concert and de-classification of the Seller, in accordance with the provisions of Regulation 31(A) of the LODR Regulations. The Purchaser has agreed to cause the Target Company to make an application for the purposes of re-classification of the Sona Promoters and Persons Acting in Concert as “**public shareholders**” of the Target Company and de-classification of the Seller as the Promoter of the Target Company, in accordance with the provisions of Regulation 31(A) of the LODR Regulations, within 10 (ten) calendar days of the receipt of the approval of the shareholders of the Target Company.
- (E) **Sale of SSDCL:** In terms of the SPA, the Acquirer and the Seller have agreed that the shares of SSDCL held by the Target Company will be sold, at a price, which shall be the higher of book value or fair value, of SSDCL, based on the latest audited balance sheet of SSDCL dated March 31, 2016, to the Seller and/or its nominee.

Explanatory Note: SSDCL is engaged in the business of providing commercial training and support services in India and focuses on comprehensive skill development and training programs, whereas the Target company's core activity is the manufacture of automotive parts, including the steering systems for passenger and other vehicles. Given that SSDCL is not engaged in the same line of business as the Target Company and is a loss-making enterprise (SSDCL has reported a net loss of Rs 0.267 crores on revenue from operations of Rs 1.98 crores for the year ended March 31, 2016), it has been agreed that the Target Company will sell its 22,57,591 equity shares out of a total of 45,15,188 equity shares constituting around 49.99% of share capital of SSDCL to the Seller. In order to safeguard the interest of the Target it has been agreed to determine the sale price through a mechanism of higher of the book value or fair value (to be determined by an independent chartered accountant), thereby protecting the interest of the Target.

- (F) **Representations, Warranties and Indemnities:** The Seller has provided representations and warranties to the Acquirer, including but not limited to in relation to the Sale Shares (including but not limited to clear and marketable title to the Sale Shares and lack of encumbrances on the Sale Shares) and the Target Company (including in relation to the compliance by the Target Company with law (including tax laws), customary to an acquisition of such

nature. In addition, the Seller has provided indemnities to the Acquirer for any losses suffered by the Acquirer owing to any breach or inaccuracy of such representations and warranties. The indemnity obligations of the Seller under the SPA are subject to certain limitations as therein set out. The Purchaser has also provided certain representations and warranties relating to incorporation, necessary corporate power, authority, and capacity to undertake the transactions contemplated under the SPA, obtaining requisite corporate authorisations and consents from third party consents as may be required to execute the SPA, solvency of the Purchaser, execution of the SPA, by the Purchaser does not result in a breach of or give rise to a right of termination under applicable law, agreements to which it is a party or by which it is bound, its charter documents, and orders, judgments or decree of a court by which it is bound or is a party to.

- (G) The SPA contemplates that the Target Company, subject to relevant approvals relating to related parties, shall enter into an IT Services Agreement with Sona BLW, to provide certain information technology services for a period of upto 3 (three) years.
- (H) **Resignation of directors:** It has been agreed in the SPA that on the Completion Date, the following nominee directors of the Seller will resign, viz., (i) Mr. Sunjay Kapur (including as Chairman), Ms. Rani Kapur and Mr. Kiran Manohar Deshmukh from the board of directors of the Target; (ii) Mr. Sunjay Kapur (including as Chairman), and Mr. Kiran Manohar Deshmukh from the board of directors of SFAL; and (iii) Mr. Sunjay Kapur (including as Chairman and Managing Director) and Mr. Kiran Manohar Deshmukh from the board of directors of JSAL.
- (I) **Conditions Precedent:** The consummation of the acquisition of the Sale Shares by the Acquirer from the Seller is subject to the following key conditions precedent to be satisfied by the Seller:
 - (a) Valid and specific approvals or ratification, as the case may be, after the Execution Date, from the shareholders of the Seller, to execute the SPA, by authorizing the person signing the SPA on behalf of the Seller to so sign, and also to perform its obligations under the terms of the SPA including the sale of the Sale Shares as contemplated herein, and the provision of necessary documentary evidence of the preceding to the Acquirer;
 - (b) The following Third Party approvals:
 - (A) No-objection certificate from JM Financial India Fund confirming its consent to the purchase and sale of the Sale Shares as contemplated herein and waiving any rights it may have in this respect under the Shareholders' Agreement dated December 22, 2006 (as may have been amended from time to time);
 - (B) No-objection certificate from Maruti Suzuki India Limited confirming its consent to the purchase and sale of the Sale Shares as contemplated herein and waiving any rights it may have in this respect under the Joint Venture Agreement dated February 4, 1986;

- (C) No objection certificate from the following material customers of the Target Company in relation to the sale and purchase of the Sale Shares:
 - i Nissan Motor India Private Limited;
 - ii Renault Nissan Automotive India Private Limited; and
 - iii Maruti Suzuki India Limited.
- (D) No objection certificate from the following lenders of the Target Company in relation to the sale and purchase of the Sale Shares:
 - i Allahabad Bank;
 - ii State Bank of Hyderabad;
 - iii State Bank of India;
 - iv IndusInd Bank;
 - v Standard Chartered Bank;
 - vi Kotak Mahindra Bank;
 - vii Yes Bank;
 - viii IDFC; and
 - ix Corporation Bank.
- (c) There having been no material breach of any of the Seller's obligations in the SPA;
- (d) The Target Company having obtained the consent of the State Pollution Control Board in relation to the Target Company's factory in Tamil Nadu under the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and Hazardous and Other Wastes Management and Transboundary Movements) Rules, 2016 and the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 to the extent applicable; and
- (e) Each of the Seller Representations and Warranties being true, accurate and not misleading as on the Completion Date.
- (J) In addition to the foregoing conditions precedent, the obligation of the Seller to sell the Sale Shares on the Completion Date to the Purchaser is conditional upon the satisfaction of the conditions listed below:
 - (a) The Purchaser obtaining valid and specific corporate approvals, by way of approval in a meeting of its executive directors and approval in a meeting of its board of directors, as per applicable law in order to execute this Agreement, by authorizing the person signing this Agreement on behalf of the Purchaser to so sign, and to perform its obligations under the terms of the SPA including the payment of Sale Consideration for the Sale Shares as contemplated in the SPA, and the provision of necessary documentary evidence of the same to the Seller.
 - (b) The representations and warranties given by the Purchaser being true, accurate and not misleading as on the date of execution of the SPA and remaining true, accurate and not misleading on the Completion Date.
 - (c) CCI Approval having been received.

- (d) Following the expiry of 21 (twenty one) Working Days from the date of the DPS, the Purchaser having within 5 (five) Business Days from the receipt of the later of (i) CCI Approval; or (ii) final observations from SEBI on the draft letter of offer filed by the Purchaser in connection with this Offer, deposited in the Open Offer Escrow Account, the Maximum Open Offer Consideration in accordance with the provisions of the SEBI (SAST) Regulations, and the Purchaser having provided to the Seller a certificate in writing from the Escrow Bank) confirming such deposit.
 - (e) The Purchaser having made necessary arrangements to obtain Form 15CA and Form 15CB under the Income Tax Act, 1961.
 - (f) There having been no material breach of any of the Purchaser's obligations set out in the SPA.
- (K) In addition to the conditions precedent listed at paragraphs 4(I) and 4(J), the Seller and the Purchaser have agreed to satisfy the following condition precedents, jointly:
- (a) The Purchaser and the Seller having mutually agreed on the content of Form FC-TRS and supporting documents required to be filed along with Form FC-TRS on the Completion Date.
 - (b) The Seller and the Purchaser not having committed a material breach of any material provision of the SPA.
 - (c) There not being in effect any writ, judgment, injunction, decree or similar order of any governmental authority or any applicable law or enactment of any applicable law restraining or otherwise preventing the Purchaser or the Seller from consummating any of the transactions contemplated under the SPA .
 - (d) The Seller, the Purchaser, Mrs. Rani Kapur and Mr. Sunjay Kapur having agreed to the contents and form of the (a) the applications to be submitted by the Sona Promoters and Persons Acting in Concert to the Target Company for the purposes of the re-classification of the Sona Promoters and Persons Acting in Concert, as “**public shareholders**” of the Company in accordance with the provisions of Regulation 31(A) of the LODR Regulations; (b) the applications to be submitted by the Seller to the Company for de-classification as the promoter of the Company in accordance with Regulation 31(A) of the LODR Regulations; and (c) the application to be submitted by the Company to the Stock Exchanges, post the consummation of the transaction contemplated under the SPA, in connection with the above.
- (L) **Termination Events:** The SPA provides for termination of the SPA on the following grounds:
- (a) if the completion has not occurred on or prior to the Long Stop Date as contemplated in the SPA; or
 - (b) if the CCI Approval as set out in paragraph 4(I) Part II (Details of the Offer) is not received; or
 - (c) any of the parties to the SPA becomes insolvent or bankrupt or is dissolved or liquidated or an application is made for insolvency, bankruptcy, dissolution or liquidation against such party and the same is not dismissed within 6 (six) months.

- (M) In terms of the SPA, the Purchaser and the Seller have agreed that if the Purchaser acquires any Equity Shares tendered in the Open Offer pending the acquisition of the Sale Shares, then the Purchaser shall not be entitled to terminate the SPA and shall acquire the Sale Shares even if a notice of termination has been issued by the Purchaser. Any termination of the SPA prior to the purchase of Equity Shares tendered in the Open Offer shall be void *ab-initio* if the Purchaser actually acquires any Share tendered in the Open Offer.
- (N) In terms of the SPA, the Purchaser and the Seller have agreed that the Target, JSAI and SFAL shall be entitled to continue the use of their present registered offices respectively, and in this regard the Seller shall endeavour to renew the existing lease and/or leave or license agreement for a 12 (twelve) month period, in relation to each of the registered offices, in accordance with the provisions of applicable law (including those relating to related party transactions, if applicable). In the event, the Seller is unable to renew the existing lease and/or leave or license agreement within 15 (fifteen) Working Days of the Completion Date, the Seller and the Purchaser shall jointly work in good faith to obtain on a lease/leave and license basis, a new location for the registered offices of each of SKSSL, JSAI and SFAL.
5. The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
6. Post completion of the Underlying Transaction, the Acquirer shall nominate such number of people as may be required to replace the existing nominee directors of the Seller on the board of the Target Company ("**Board**") and on all committees of the Board.
7. In accordance with regulation 26(6) of the SEBI (SAST) Regulations, the board of directors of the Target have constituted a committee of independent directors to provide their written reasoned recommendation on the Offer to the Public Shareholders. Such recommendation was published by the Target on May 15, 2017 in the same newspapers where the DPS was published (which is within at least 2 (two) Working Days before the commencement of the Tendering Period), in compliance with regulation 26(7) of the SEBI (SAST) Regulations. Simultaneously, a copy of such recommendations was sent by the Target to SEBI, the Stock Exchanges and to the Manager.

B. Details of the Proposed Offer

1. The PA in connection with the Offer was made on February 1, 2017 to the Stock Exchanges and a copy thereof was also filed with SEBI, the Stock Exchanges and the Target Company at its registered office.
2. The DPS dated February 7, 2017 was published on February 8, 2017 in Business Standard - English (all editions), in Business Standard - Hindi (all editions), Navshakti (Mumbai edition) and Vir Arjun (Delhi edition) and a copy thereof was also filed with SEBI, the Stock Exchanges and the Target Company at its registered office. A copy of the PA and a copy of the Detailed Public Statement are also available on the website of SEBI (www.sebi.gov.in).
3. This Offer is being made by the Acquirer to all the Public Shareholders of the Target Company, to acquire up to 51,672,877 (Fifty One Million Six Hundred and Seventy Two Thousand Eight Hundred Seventy Seven only) Equity Shares representing 26.00% (Twenty Six percent) of the Equity Share Capital of the Target Company, at an offer price of INR 84.00 (Rupees Eighty Four only) per Equity Share aggregating to a total consideration of INR 4,340,521,668 (Rupees Four Billion Three Hundred and Forty Million Five Hundred and Twenty One Thousand Sixty Hundred and Sixty Eight only). As of the date of this Letter of Offer, there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Equity Shares of the Target Company. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of regulation

9(1)(a) of the SEBI (SAST) Regulations. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, the Acquirer shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Manager.

4. As of the date of this LoF, the Equity Share Capital of the Target Company were as follows:

Particulars	Number of shares	% of Equity Share Capital
Fully paid up Equity Shares as of the LoF date	198,741,832	100.00
Partly paid up Equity Shares as of the LoF date	Nil	Nil
Total Fully paid up Equity Shares as of the LoF date	198,741,832	100.00
Equity Share Capital	198,741,832	100.00

Source: Target Company

5. This Offer and the acquisition of shares under the Underlying Transaction are subject to the receipt of the statutory approval listed under paragraph 5(i) below (which condition is outside the reasonable control of the Acquirer)

(i) Statutory Approvals:

Receipt of the CCI Approval.

The Competition Commission of India, in its meeting held on May 5, 2017, approved the combination under section 31 (1) of the Competition Act, 2002 and issued an approval letter dated May 8, 2017 under sub-regulation (5) of the Regulation 28 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011.

As of the date of the LoF, to the best of the knowledge of the Acquirer, there are no other statutory approvals required to acquire the Equity Shares of the Target Company that are validly tendered pursuant to this Offer and to complete the Underlying Transaction

6. In terms of regulation 23(1) of the SEBI (SAST) Regulations, in the event, by the Long Stop Date, the statutory approval in Part VII (Statutory and Other Approvals) (i.e. the CCI Approval) is not received (which is outside the reasonable control of the Acquirer), the Acquirer shall have the right to withdraw the Offer.
7. In the event of such a withdrawal of the Offer, the Acquirer (through the Manager) shall, within two Working Days (as defined under the SEBI (SAST) Regulations) of such withdrawal, make an announcement of such withdrawal stating the grounds and reasons for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations.
8. In terms of regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer has no intention to restructure or alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company or of its subsidiaries or of entities controlled by the Target Company during the period of two years following the completion of the Offer except:
- in the ordinary course of business; or
 - on account of regulatory approvals or conditions, or compliance with any law that is binding on or applicable to the operations of the Target Company; or
 - as has already been disclosed by the Target Company in the public domain.
9. Subject to paragraph 8 above, if the Acquirer intends to alienate any material asset of the Target Company or its subsidiaries, within a period of two years from completion of the Offer, the Target Company shall seek the approval of its shareholders as per proviso to regulation 25(2) of SEBI (SAST) Regulations.

10. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of regulation 19 of the SEBI (SAST) Regulations.
11. The Acquirer has not acquired any Equity Shares of the Target Company from the date of the PA and upto the date of this Letter of Offer. The Acquirer is part of the Promoter Group of the Target Company and holds 39,947,108 (Thirty Nine Million Nine Hundred and Ninety Four Thousand One Hundred Eight) Equity Shares representing 20.10% of the Equity Share Capital in the Target Company.
12. Other than the transactions detailed in Part II Section A (Background to the Offer) above, which have triggered this Offer, pursuant to which the Acquirer shall acquire Equity Shares in the Target Company, as on the date of this Letter of Offer, the Acquirer, its directors, and its key managerial employees have not acquired any further shares of the Target Company.
13. The Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.
14. The Equity Shares will be acquired by the Acquirer fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
15. If the acquisition of the Offer Shares results in the public shareholding in the Target Company falling below the minimum level required for continued listing under Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 19A of the Securities Contract (Regulation) Rules, 1957, then the Acquirer shall participate in the Institutional Placement Programme (be it by way of issue of fresh shares of the Target Company or an offer for sale) and shall comply with the applicable provisions of Chapter VIII A (Institutional Placement Programme) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
16. The Manager shall not deal, on their own account, in the Equity Shares of the Target Company during the offer period.

C. Object of the Acquisition / Offer

1. The Open Offer is being made as a result of the Acquirer entering into the SPA for acquisition of substantial Equity Shares and voting rights of the Target Company resulting in change of control of the Target Company and the Open Offer is in terms of the regulation 3(1), 3(2), 3(3) and 4 of the SEBI (SAST) Regulations. The Acquirer sees significant opportunities in the Indian Auto Component Sector. The Acquirer will benefit from the Target Company's expertise and strong market position in auto components business. The Acquirer also envisages to expand its presence in India and the Underlying Transaction provides this opportunity to the Acquirer. The Acquirer can strengthen its global operations, creating the facilities acquired as a manufacturing hub for global exports.
2. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer does not currently have any intention to alienate, restructure, dispose of or otherwise encumber any assets of the Target Company in the succeeding two years from the completion of this Offer, except in the ordinary course of business or has already been disclosed by the Target Company in the public domain. The Acquirer undertakes that they will not restructure, sell, lease, dispose of or otherwise encumber any substantial assets of the Target Company other than in the ordinary course of business, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot during the succeeding two years from the completion of this Offer.

III. (A) BACKGROUND OF THE ACQUIRER

ACQUIRER – JTEKT Corporation

1. The Acquirer, i.e., JTEKT Corporation, is a limited liability listed company, incorporated on January 18, 1935 under the laws of Japan (Enterprise Identity Number (EIN): 1200-01-079055). Its registered office is situated at 3-5-8 Minami-semba, Chuo-ku, Osaka, 542-8502 Japan, Tel: +81 52 5271905, Fax: +81 52 5271912. The General Manager, Corporate Planning Department of the Acquirer is Mr. Koichi Tsujita. There has been no change in the name of the Acquirer during the last three years. There is no person acting in concert with the Acquirer for the purposes of this Offer
2. The Acquirer primarily manufactures automotive components, sensors, bearings and machine tools & mechatronics. The company focuses on four major product technologies: bearings, steering systems, driveline components and machine tools.
3. The Acquirer is a widely held listed public company and has diverse shareholder base with no identified promoter. The Acquirer is not owned or controlled, directly or indirectly, by another corporation, any foreign government or by any other legal or natural person.
4. The Acquirer is listed on the Nagoya Stock Exchange and Tokyo Stock Exchange in Japan. The American Depositary Receipts of the Acquirer are traded on Over The Counter (OTC) Exchange in the United States. The equity shares of the Acquirer are not listed on any stock exchanges in India.
5. The issued and paid up share capital of the Acquirer is 45,591 Million Japanese Yen comprising of 343,286,307 shares. The shareholding pattern of the Acquirer as on September 30, 2016 is provided below:

Sl. No	Shareholder Category	No of Shares (in units of 1,000)	Percentage
1	Financial organizations	115,827	33.70%
2	Securities companies	9,387	2.70%
3	Japanese companies	122,483	35.70%
4	Foreign companies	70,655	20.60%
5	Individuals	24,662	7.20%
6	Self-owned shares	270	0.10%
	Total Paid Up Capital	343,286	100%

The details of the major shareholders of the Acquirer as on September 30, 2016 is provided below:

Shareholder	Number of shares (in units of 1,000)	% of total issued shares
Toyota Motor Corporation	77,235	22.50%
The Master Trust Bank of Japan, Ltd.	25,070	7.30%
Denso Corporation	18,371	5.35%
Japan Trustee Services Bank, Ltd.	15,485	4.51%
Nippon Life Insurance Company	11,125	3.24%
Toyota Industries Corporation	7,813	2.28%
Sumitomo Mitsui Trust Bank, Ltd.	7,635	2.22%
Resona Bank, Ltd.	6,749	1.97%
Sumitomo Mitsui Banking Corporation	6,366	1.85%
Toyota Tsusho Corporation	5,969	1.74%

6. The details of the directors on the Board of Directors of the Acquirer are provided below:

Name of director	Work experience	Designation	Qualifications	Date of appointment
Seiichi SUDO	- April 1974 - Joined Toyota Motor Co. Ltd. - January 2012 – Promoted to Senior Managing Officer, Toyota Motor Corp - June 2013 – Promoted to Executive Vice President, Toyota Motor Corp - April 2016 Appointed as Advisor of the Acquirer - June 2016 Appointed as the Chairman (to present)	Chairman	Bachelor degree, Tokyo University of Science, Japan	June 28, 2016
Tetsuo AGATA	- April 1976 Joined Toyota Motor Co. Ltd. - June 2004 - Promoted to Managing Officer, Toyota Motor Corp - June 2008 - Promoted to Senior Managing Director, Toyota Motor Corp - May 2011 Appointed as Advisor to Toyota Industries Corporation - June 2011 Appointed as Vice President, Toyota Industries Corporation - May 2013 Appointed as an Advisor of the Acquirer - June 2013 Appointed as the President (to present)	President	Bachelor degree, Hitotsubashi University, Japan	June 26, 2013
Seiho KAWAKAMI	- April 1978 Joined Toyota Motor Co. Ltd.) - June 2006 Promoted to Managing Officer - June 2010 Appointed as Senior Executive Director of the Acquirer - June 2013 Promoted to Executive Vice President (to present)	Executive Vice President	Master degree, Kanazawa University, Japan	June 29, 2010
Masakazu ISAKA	- April 1975 Joined the Acquirer - June 2004 Promoted to Director - June 2005 Appointed as the Managing Officer - June 2008 Appointed as the Executive Managing Officer - June 2010 Appointed as the Executive Director - June 2011 Appointed as the Senior Executive Director - June 2013 Appointed as the Executive Vice President (to present)	Executive Vice President	Bachelor degree, Osaka University, Japan	June 29, 2010

Name of director	Work experience	Designation	Qualifications	Date of appointment
Atsushi KUME	- April 1977 Joined Toyota Motor Co. Ltd.) - January 2007 Seconded to Toyota Motor Engineering & Manufacturing North America, Inc. (TEMA), equivalent to General Manager, Toyota Motor Corporation - April 2011 Advisor of the Acquirer - June 2011 Promoted to the Managing Officer of the Acquirer - June 2012 Promoted to Executive Director - June 2014 Senior Executive Director (to present)	Senior Executive Director	Bachelor degree, Nagoya University, Japan	June 27, 2012
Hiroyuki MIYAZAKI	- April 1980 Joined the Acquirer - January 2008 Promoted to Senior General Manager - June 2009 Promoted to Managing Officer - June 2012 Promoted to Executive Managing Officer - June 2013 Promoted to Executive Director - October 2014 Promoted to Senior Executive Director (to present)	Senior Executive Director	Bachelor degree, Osaka University, Japan	June 26, 2013
Hiroyuki KAIJIMA	- April 1979 Joined Toyoda Machine Works Ltd. - February 2002 Promoted to General Manager, Overseas Business Dept., Toyoda Machine Works Ltd. - June 2003 Appointed as the Director, Toyoda Machine Works Ltd. - June 2005 Promoted to Managing Officer, Toyoda Machine Works Ltd. - January 2006 Appointed as the Managing Officer of the Acquirer - June 2012 Promoted to Executive Managing Officer - June 2014 Promoted to Executive Director (to present)	Executive Director	Bachelor degree, Nagoya University, Japan	June 26, 2014

Name of director	Work experience	Designation	Qualifications	Date of appointment
Tomokazu TAKAHASHI	- April 1981 Joined the Acquirer - January 2006 Promoted to General Manager, Automotive Sales Planning Dept. - June 2008 Promoted to Managing Officer - April 2013 Promoted to Executive Managing Advisor - April 2014 Promoted to Executive Managing Officer - June 2016 Promoted to Executive Director (to present)	Executive Director	Bachelor degree, Kobe University, Japan	June 28, 2016
Takumi MATSUMOTO	- April 1986 Joined Toyota Motor Corporation - August 2010 Promoted to General Manager, BR-Electric Vehicle / Charge System Development Dept., Toyota Motor Corporation - April 2015 Appointed as Managing Officer of the Acquirer - October 2015 Promoted to Executive Managing Officer - June 2016 Promoted to Executive Director (to present)	Executive Director	Master degree, Kobe University, Japan	June 28, 2016
Takao MIYATANI	- April 1963 Joined Toyota Motor Co. Ltd. - July 1995 General Manager (, IT Engineering Dept., Toyota Motor Corporation - January 1999 Seconded to Yutaka Seimitsu Kogyo Ltd., treatment as Counselor, Toyota Motor Corporation - June 1999 President, Yutaka Seimitsu Kogyo Ltd. - May 2000 Vice Chairman, Japan Gear Manufacturers Association - May 2005 Chairman, Japan Gear Manufacturers Association - June 2015 Director of the Acquirer (to present)	Director	Bachelor degree, Osaka University, Japan	June 25, 2015

Name of director	Work experience	Designation	Qualifications	Date of appointment
Iwao OKAMOTO	▪ April 1970 Joined the Ministry of International Trade and Industry (MITI) (currently Ministry of Economy, Trade and Industry (METI)) ▪ September 1999 Director-General, Basic Industries Bureau, MITI ▪ January 2001 Director-General, Manufacturing Industries Bureau, METI ▪ July 2002 Director-General, Agency for Natural Resources and Energy ▪ October 2003 Senior Executive Director, Japan Bank for International Cooperation ▪ October 2005 Executive Managing Officer, Sumitomo Corporation\ ▪ April 2006 Senior Executive Managing Officer, Sumitomo Corporation ▪ June 2007 Representative Director, Senior Executive Managing Officer, Sumitomo Corporation ▪ April 2009 Representative Director, Assistant to President and CEO, Sumitomo Corporation ▪ July 2009 President, Japan Cooperation Center for the Middle East (JCCME) ▪ May 2011 President Executive, Japan-China Economic Association (to present) ▪ June 2015 Director of the Company (to present)	Director	Bachelor degree, Tokyo University, Japan	June 25, 2015

7. None of the directors of the Acquirer are directors on the board of directors of the Target Company. The Acquirer has nominated Mr. Hidekazu Omura (Non-executive Director) and Mr. Kiyozumi Kamiki (Dy. Managing Director) on the board of directors of the Target Company. Such directors shall recuse themselves in participating in matters relating to the open offer
8. The Acquirer has a joint venture, JSAI with the Target Company wherein the Acquirer holds 51% stake with a business objective of manufacturing column type electric power steering (C-EPS) systems. The Acquirer has had several technology license/sharing arrangements with the Target Company in the past and the Acquirer continues to have technology license/sharing arrangements with the Target Company. The Acquirer and its group entities export or supply certain parts/raw material to the Target Company and its subsidiaries. Further, none of the directors or key managerial employees of the Acquirer have any interest in the Target Company.

9. The Acquirer is part of the Promoter Group of the Target Company and hence the provisions of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 with respect to the Target Company are applicable. Based on all publically available information and certifications from the Acquirer, the Acquirer is in compliance of all Chapter II/ Chapter V filings except a delay in 7(1A) filing in 2007 and a missed filing under SEBI (SAST) Regulations, 1997 under regulation 7(1A) by the Acquirer and the Seller. SEBI may initiate appropriate actions against the Acquirer / Current Promoters and major shareholders in terms of SEBI (SAST) Regulations and provisions of the SEBI Act for the same.
10. Save as otherwise provided in this LoF and other than the transactions detailed in Part II Section A (Background to the Offer) above, which have triggered this Offer, pursuant to which the Acquirer shall acquire Equity Shares in the Target Company, as on the date of this Letter of Offer, the Acquirer, its directors, and its key managerial employees do not hold any ownership/interest/ relationship/shares in the Target Company except as mentioned in Paragraph 6,7 and 8 above.
11. The Acquirer's key financial information based on its audited consolidated financial statements as of and for the financial years ended March 31, 2014 and March 31, 2015 and March 31, 2016 and the half yearly results ended September 30, 2016 audited by M/s PriceWaterhouseCoopers Kyoto, Chartered Accountants, the Statutory Auditors of the Acquirer:

Income Statement

(in Million)

Particulars	For financial year ended 31 Mar 2014		For financial year ended 31 Mar 2015		For financial year ended 31 Mar 2016		For 6 months ended Sep 30, 2016	
	JPY	INR	JPY	INR	JPY	INR	JPY	INR
Income from operations	1,260,192	756,115	1,355,992	759,356	1,399,987	769,993	640,315	409,802
Other Income	11,662	6,997	12,944	7,249	8,454	4,650	4,201	2,689
Total Income	1,271,854	763,112	1,368,936	766,604	1,408,441	774,643	644,516	412,490
Total Expenditure	1,148,960	689,376	1,224,802	685,889	1,259,651	692,808	604,439	386,841
EBITDA	111,232	66,739	131,190	73,466	140,336	77,185	35,876	22,961
Depreciation	53,024	31,814	57,035	31,940	58,412	32,127	27,010	17,286
Interest	3,456	2,074	3,322	1,860	2,848	1,566	1,157	740
Other Expenses / (Extraordinary Income)	22,775	13,665	17,263	9,667	13,916	7,654	-6,256	-4,004
Profit/(Loss) Before Tax	43,639	26,183	66,514	37,248	73,614	40,488	18,166	11,626
Provision for Tax	17,754	10,652	20,406	11,427	21,991	12,095	4,230	2,707
Profit/(Loss) After Tax*	25,885	15,531	46,108	25,820	51,623	28,393	13,936	8,919

* includes share of associates

1. For profit and loss items assuming average convenience conversion rate of Yen 1= INR 0.55 for the financial year ended March 31, 2016, Yen 1= INR 0.56 for the financial year ended March 31, 2015, Yen 1= INR 0.60 for the financial year ended March 31, 2014 and Yen 1 = INR 0.64 for the half year ended September 30, 2016

Balance Sheet Statement

(in Million)

Particulars	As at March 31, 2014		As at March 31, 2015		As at March 31, 2016		As at Sep 30, 2016	
	JPY	INR	JPY	INR	JPY	INR	JPY	INR
Sources of funds								
Paid up share capital	45,591	26,899	45,591	23,707	45,591	26,899	45,591	30,090
Reserves and Surplus (excluding revaluation reserves)	350,244	206,644	427,903	222,510	409,659	241,699	380,649	251,228
Minority Interest	23,029	13,587	26,279	13,665	24,816	14,641	22,641	14,943
Networth	418,864	247,130	499,773	259,882	480,066	283,239	448,881	296,261
Other Non-current Liabilities	255,580	150,792	239,358	124,466	210,309	124,082	191,897	126,652
Total	674,444	397,922	739,131	384,348	690,375	407,321	640,778	422,913
Uses of funds								
Net fixed assets	421,181	248,497	440,699	229,163	418,042	246,645	395,082	260,754
Non Current Investments	79,254	46,760	125,404	65,210	123,639	72,947	121,146	79,956
Other Non-current Assets	37,681	22,232	10,108	5,256	9,202	5,429	8,395	5,541
Net current assets	136,328	80,434	162,920	84,718	139,492	82,300	116,155	76,662
Total	674,444	397,922	739,131	384,348	690,375	407,321	640,778	422,913

1. For balance sheet item, assuming convenience conversion rate of Yen 1 = INR 0.59 for the financial year ended on March 31, 2016, Yen 1 = INR 0.52 for the financial year ended on March 31, 2015, Yen 1 = INR 0.59 for the financial year ended on March 31, 2014 and Yen 1 = INR 0.66 for the half year ended September 30, 2016

Other Financial Data

Particulars	For financial year ended March 31, 2014		For financial year ended March 31, 2015		For financial year ended March 31, 2016		For 6 months ended Sep 30, 2016	
	JPY	INR	JPY	INR	JPY	INR	JPY	INR
Dividend (%)	Not Applicable		Not Applicable		Not Applicable		Not Applicable	
Earnings/(Loss) per share- diluted	68.34	41.00	132.60	74.26	141.78	77.98	40.59	25.98
Book Value per share ¹	1,224.08	722.21	1,455.85	757.04	1,398.44	825.08	1,307.60	863.02
Return on Networth ²	6.18%		9.23%		10.75%		3.10%	

1. Book value per share computed as (networth / number of shares outstanding)

2. Return on Networth computed as (profit after tax/ networth) in JPY

(Source: The consolidated financial information set forth above has been extracted from the Acquirer's audited consolidated financial statements prepared in accordance with Japanese laws and audited by the Statutory Auditors of the Acquirer.)

12. The Acquirer does not have any contingent liabilities
13. Status of Corporate Governance: The Acquirer is a listed Japanese company managed and controlled by its board of directors.
14. The Acquirer is not required to appoint a Compliance Officer.

(B) Persons which may be deemed to be acting in concert with the Acquirer

No persons are presently acting in concert with the Acquirer for the limited purpose of this Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations. However, as per Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, there may be other entities or persons which may be deemed to be acting in concert with the Acquirer.

IV. BACKGROUND OF THE TARGET COMPANY

1. Sona Koyo Steering Systems Limited, i.e., the Target Company, is a public company incorporated on June 14, 1984, in New Delhi, India. The name of the Target Company has not undergone any change in the last 3 (three) years.
2. The Target Company has its registered office situated at UGF- 6, Indra Prakash, 21, Barakhamba Road, New Delhi, 110001, Tel. +91-11 2331 1924. The Company Identification Number of the Target Company is CIN: L29113DL1984PLC018415.
3. The Target Company is a manufacturer of steering systems in the passenger car and utility vehicle market in India, catering to passenger cars, utility vehicles and light commercial vehicles. The customers of the Target include major vehicle manufactures in India. The Target Company has operations across India through its 7 plants (2 plants in Gurgaon, 3 plants in Dharuhera, 1 plant in Chennai and 1 in Sanand). The product portfolio of the company includes high performance rack and pinion manual steering gear, hydraulic power steering system, recirculating ball screw assembly, column type electric power steering for passenger Vehicle, tilt & telescopic steering column, intermediate shaft, advanced column & telescopic Intermediate shaft for commercial vehicles, electric power assist module (EPAM) for off highway and farm sector, rear axle assy and driveline products.
4. The Equity Shares of the Target Company are listed on the BSE and NSE Stock Exchanges and are frequently traded in terms of regulation 2(1)(j) of the SEBI (SAST) Regulations.
5. As of the date of the Letter of Offer, the authorized share capital of the Target Company is INR 271,000,000 (Rupees Two Hundred Seventy One Million only) comprising 271,000,000 (Two Hundred Seventy One Million) Equity Shares of INR 1 (Rupees One) each. The issued, subscribed and fully paid-up equity share capital of the Target Company is INR 198,741,832 (Rupees One Hundred Ninety Eight Million Seven Hundred Forty One Thousand and Eight Hundred Thirty Two only) comprising 198,741,832 (One Hundred Ninety Eight Million Seven Hundred Forty One Thousand and Eight Hundred Thirty Two only) Equity Shares of INR 1 (Rupees One) each. The Target Company does not have partly paid-up Equity Shares.

Paid up shares	No. of shares	% of Equity Share Capital
Fully paid-up equity shares	198,741,832	100.00
Partly paid-up equity shares	Nil	Nil
Total	198,741,832	100.00

6. Trading of the Equity Shares of the Target Company is not currently suspended on any of the Stock Exchanges.
7. There are 114,130 nos. of Equity Shares, which are not listed on BSE as well as NSE because these shares are lying in 'abeyance category' and as and when, after following the requisite procedure the Company releases any shares to the concerned shareholders from the aforesaid unlisted shares, the company have them listed with BSE and NSE.
8. As on the date of the Letter of Offer there are no partly paid up Equity Shares in the share capital of the Target Company and there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Equity Shares of the Target Company. The Target Company does not have any locked-in shares.

9. The details of the board of directors of the Target Company as of the date of the Letter of Offer are provided below:

Name of Director	Date of Appointment	Current Designation	Director Identification Number
Mr. Sunjay Kapur	April 12, 2004	Chairman	00145529
Mr. Kiran Manohar Deshmukh	September 15, 2015	Executive Vice – Chairman	01807023
Mr. Kiyozumi Kamiki	May 15, 2013	Dy. Managing Director (Nominee of JTEKT Corporation)	06536243
Mr. Hidekazu Omura	May 30, 2014	Non-Executive Director (Nominee of JTEKT Corporation)	06865724
Mr. Toshiya Miki	August 5, 2016	Non-Executive Director (Nominee of Maruti Suzuki India Limited)	07505339
Mrs. Rani Kapur	November 5, 2015	Non-executive Director (Non-Independent)	00465750
Mr. Ramesh Suri	October 23, 2006	Independent Director	00176488
Mr. Ravi Bhoothalingam	March 27, 2002	Independent Director	00194530
Mr. P. K. Chadha	March 27, 2002	Independent Director	00245680
Lt. Gen. (Retd) Shamsheer Singh Mehta	April 30, 2008	Independent Director	02201929
Mrs. Ramni Nirula	November 1, 2011	Independent Director	00015330
Mr. Prasan Abhaykumar Firodia	August 1, 2014	Independent Director	00029664

10. The details of the experience and qualification of the board of directors of the Target Company is as follows:-

Mr. Sunjay Kapur

Sunjay J Kapur did his schooling from Doon School, India. Following which he attended the Williston Northampton School, Easthampton in MA, USA. Sunjay graduated with a BBA from The University of Buckingham, UK. He has also done a programme on “Growth in the Family Enterprise”, at the Indian School of Business – University of Pennsylvania (Wharton). In addition to that, he was the class of 2006 of “The Birthing of Giants” At MIT, USA. Sunjay is enrolled in the OPM Programme at the Harvard Business School. He has over 15 years of experience in Automotive Components Manufacturing and Engineering Design Industry.

Sunjay also held the post of Managing Director, Sona Somic Lemforder Components Ltd. (2003 – 2006), a Sona Group Company, which is in the business of manufacturing ball joints and tie rod ends in collaboration with Somic Ishikawa, Japan and ZF Lemforder, Germany.

In addition to this, Sunjay started an engineering design and outsourcing company in January of 2000 (Sona e-Design & Technologies Ltd.).

Sunjay had worked with TRW, USA, a world renowned name in Automotive Industry. In TRW, USA he had gained experience by working on Shop Floor and was exposed to real problems faced by a worker working on the Shop Floor.

Sunjay was the Global Chairman of The Entrepreneurs’ Organization (EO) 2007-2008, formerly known as YEO. Sunjay Kapur has been given “Most Promising Entrepreneur Award for Outstanding & Exemplary Achievements in Entrepreneurship” in December, 2009 by Enterprise Asia & he organizing committee of the Asia Pacific Entrepreneurship Awards 2009.

Mr. Kiran Manohar Deshmukh

Mr. Kiran Manohar Deshmukh is a B.Tech (Metallurgy) from Indian Institute of Technology (IIT), Mumbai and has experience of over three decades. Mr. Deshmukh was associated with the Company from 1986 – 2013 and was last designated as Dy. Managing Director of the Company. He has experience in the areas of quality control, product engineering, process engineering, maintenance and production control. Mr. Deshmukh has been spearheading Company's implementation of the Toyota Production System, TQM, and TPM. He has led the Company to be the recipient of the Deming Prize in 2003 and the TPM Excellence Award in 2008. In 2006, The Indian Society of Quality honored Mr. Deshmukh with the Ashoka Award for outstanding practice of quality management "by firstly making his Company role model and then by leading and inspiring other organizations to start their journey in earnest with full vigor".

Mr. Kiyozumi Kamiki

Mr. Kiyozumi Kamiki did his graduation in engineering from Ehime University and also attained a Master's Degree. Mr. Kamiki joined Koyo Seiko Co., Ltd. (currently known as 'JTEKT Corporation') in the year 1982 and was assigned to investigating quality issues at Kokubu Plant. After being promoted to Assistant Manager in 1989, he was transferred to Koyo Corporation, USA. During 1997-2003 Mr. Kamiki worked in Quality Assurance Department in Japan. In 2004, he was made In charge of quality and transferred to Koyo Steering USA. He was made Managing Director in 2006 and transferred to JTEKT Automotive South Carolina Inc. In 2010, Mr. Kamiki was promoted to Head of Tadamisaki Plant of JTEKT. Mr. Kamiki has got vast experience of handling manufacturing operations and quality issues.

Mr. Hidekazu Omura

Mr. Hidekazu Omura did his graduation (Bachelor of Business Administration) from Kwansei Gakuin University in 1981. Mr. Omura joined Koyo Seiko Co., Ltd. (currently known as 'JTEKT Corporation') in the year 1981 and was assigned to Personnel Department. After being promoted to Assistant General Manager in 2000, he was given the responsibility of Secretary's Department. In 2004, he was promoted as General Manager of Secretary's Department and later he also worked in Administration Department and Corporation Planning Department. In the year 2010, Mr. Omura was made Managing Officer in charge of various departments viz. Corporate Planning Department, Personnel Department, General Administration Department, Secretary's Department, Public Relations Department, Compliance Promotion Department, TQM Promotion Department and Technical Training Center. In 2014, Mr. Omura was elevated to the position of Executive Managing Officer and assigned the responsibility of Indian Region.

Mr. Toshiya Miki

In 1991, Mr. Toshiya Miki graduated from Meiji University, Nagoya and entered Suzuki Corporation and became Plastic In-charge of Suzuki Purchase Deptt. In 1998, he became resident of Magyar Suzuki Purchase. In 2003, he was promoted to Suzuki Purchase Deptt., GM Joint Purchasing. In 2006, he joined the Cost Control Deptt. In 2009, he headed Business Promotion Deptt. (VW Purchase) and in 2012, he joined the Overseas Purchase Deptt. In 2015, he became MSIL Purchase Resident

Mrs. Rani Kapur

Mrs. Rani Kapur was born in 1945 in undivided India in the Kanwar family, promoters of several industries now known as the Apollo group. A Humanities Graduate from Delhi University got married to Dr. Surinder Kapur.

She is a member of the Willingdon Club and the Breach Candy Club, Mumbai. She is also a contributor to charitable and social association called "Savera" which works towards imparting education to underprivileged children.

Mr. Ramesh Suri

Mr. Ramesh Suri has bachelor degree of science. Mr. Ramesh Suri possesses vast experience in automobile suppliers manufacturing industry. He is Chairman of Subros Limited, India's first automotive air-conditioning Company and at present is the largest automotive air-conditioning system manufacturer in the country. He is the Promoter Director of Bharat Hotels Ltd. India's fastest growing private hotel company, having 17 top line luxury properties with more than 3600 rooms, all under "The Lalit" banner. He is also the President of Step by Step Schools having more than 2400 children, the institution is rated no. 9 in India, no. 6 in NCR and no. 1 in UP, in a short span 4 years.

He is also recipient of Certificate of Special Congressional Recognition for outstanding and invaluable service to the community by member of Congress, USA. Mr. Ramesh Suri is also the Past Chairman (Northern Region) of Automotive Components Manufacturers Association of India (ACMA)., Past Chairman of Confederation of Indian Industry (CII) Uttar Pradesh State Council and Member, Confederation of Indian Industry CII Northern Regional Council.

Mr. Ravi Bhoothalingam

Mr. Ravi Bhoothalingam is Founder and Chairman of Manas Advisory, a Consultancy practice focusing on Leadership Coaching and India-China business and cultural relations. Until 30th June 2001 he was President of The Oberoi Group of Hotels and in this capacity responsible for the operations of the Group worldwide. Prior to joining The Oberoi Group, he was Head of Personnel Worldwide with BAT plc, U.K, Managing Director of VST Industries Ltd. and Director ITC Limited.

Mr. P. K. Chadha

Mr. Prem Kumar Chadha is a Management Consultant with clients in Indonesia, Thailand, Japan and India. He retired in November, 1998 from Unilever N.V. Rotterdam, where he was holding the position of Senior Vice President Manufacturing and Supply Chain. He worked with Unilever Companies for over 36 years in India, UK, Japan and the Netherlands. He was on the Board of Hindustan Lever Ltd. from 1980-1985. He functioned as Technical Director of Unilever's subsidiary in Japan for 6 years and as Head of Technology worldwide with Unilever at the Corporate Headquarters in the Netherlands.

Lt. Gen. (Retd.) Shamsheer Singh Mehta

Commissioned into the Army in 1962, he led the only tank column to reach Dacca during the 1971 War for the Liberation of Bangladesh. During his 41 years of service he has held numerous command and staff assignments. Before retiring from the Army in January 2004 he held the prestigious appointment of General Officer Commanding in Chief, Western Command. He was the Director General of Confederation of Indian Industry from May 2006 to April, 2008 and was a Member of the National Security Advisory Board from 2004 to 2006. He is on the board of the Indian Council of World Affairs, and a Trustee of the Tribune Trust. He is on the board of Religare AMC, and Altran Technologies. Gen Mehta is a visiting speaker on 'Strategy' and 'Leadership' within and outside the Armed Forces.

Ms. Ramni Nirula

Ms. Ramni Nirula holds a Bachelor's Degree in Economic and a Master's degree in Business Administration from Delhi University. Ms. Ramni Nirula retired as Senior General Manager of ICICI Bank Limited. She has more than three decades of experience in the financial services sector, beginning her career with the erstwhile ICICI Limited in 1976 in the project appraisal division. Since then she has held various leadership positions in areas of Project Financing, Strategy, Planning & Resources and Corporate Banking. Ms. Nirula also held key position as Managing Director & CEO of ICICI Securities Limited, the Investment Banking arm of ICICI Bank Limited. Ms. Nirula also headed the Corporate Banking Group for ICICI Bank, Corporate Banking business is the largest business stream of ICICI Bank covering Multi-national Corporates in India, large Indian Corporates and Public Sector undertakings.

Mr. Prasan A. Firodia

Mr. Prasan Firodia, Managing Director of Force Motors since 2009, is a talented young leader with an insight to establish success in the auto industry.

Mr. Prasan Firodia is a graduate in Business Administration from the European Business School and Regents College, London, UK. After completing his education, he joined Jaya Hind Industries (a group company) in 2002 as Director Operations. Jaya Hind Industries has climbed the ladder of success under his dynamic leadership, and has won the “Best Foundry in India– Large Sector” Award for two consecutive years; 2008 and 2010.

At Jaya Hind, he focused on harnessing the latest technology from world leaders in the field of casting, setting up world class manufacturing facilities, and implementing total quality management. He has been instrumental in transforming the company to be a preferred supplier to almost all leading national and international automobile manufacturers for high precision and critical components like cylinder blocks, cylinder heads, bed plates, transmission cases, etc.

Under his leadership, Force Motors has entered into the field of personal vehicles with Force One, multiple variants of which are in the anvil. The launch of the Extreme Off-Roader Gurkha is the newest addition to the Personal Vehicles Division.

Mr. Prasan Firodia is the Trustee and President of the Aluminium Casters Association of India (ALUCAST), and is on the executive committee of SIAM. He is also actively involved in Shri Firodia Trust's various philanthropic social causes including setting up and funding hospitals, and educational institutions for the underprivileged in rural India.

11. Sona Stampings Limited, a wholly owned subsidiary was merged with the Target Company, vide Orders of Hon'ble High Court of Delhi dated 16th April, 2014 and Hon'ble High of Chandigarh dated 28th April, 2014. The Target Company was incorporated with the name “Sona Steering Systems Limited” which was changed to “Sona Koyo Steering Systems Limited” vide fresh Certificate of Incorporated dated 18th September, 1998.
12. Brief audited consolidated financials of the Target Company as of and for the financial years ended 31st March 2014, 2015 and 2016 and limited reviewed financials for 6 months ended 30th Sep 2016, are provided below:

Income Statement

<i>(in INR Million except EPS)</i>				
Particulars	As at and for financial year ended 31-Mar-14	As at and for financial year ended 31-Mar-15	As at and for financial year ended 31-Mar-16	As at and for 6 months ended 30-Sep-16
Income from operations	14,923	15,530	15,183	7,357
Other Income	397	49	160	33
Total Income	15,320	15,579	15,343	7,390
Total Expenditure	14,210	14,721	14,548	7,120
EBITDA*	1,785	2,157	1,940	898
Depreciation and Amortization	679	1,037	988	505
Interest	392	311	317	156
Profit/(Loss) Before Tax	1,110	857	794	270
Provision for Tax	247	267	253	97
Profit/(Loss) After Tax	863	590	541	177

1. EBITDA includes exceptional items, prior period items and minority interest

2. Includes Minority Interest

Balance Sheet Statement

(in INR Million)

Balance Sheet	From audited financials for year ended and as of March 31, 2014	From audited financials for year ended and as of March 31, 2015	From audited financials for year ended and as of March 31, 2016	From limited reviewed financials for 6 months ended and as of Sep 30, 2016
Sources of funds				
Paid up share capital	199	199	199	199
Reserves and Surplus (excluding revaluation reserves)	2,890	3,035	3,274	3,388
Minority Interest	785	986	1,116	1,137
Networth⁽¹⁾	3,874	4,220	4,589	4,724
Secured Loans	1,696	1,675	1,559	1,381
Unsecured Loans				
Other Non-current Liabilities	590	486	412	366
Total	6,159	6,381	6,560	6,471
Uses of funds				
Net fixed assets ⁽²⁾	6,771	6,474	6,402	6,303
Investments	10	12	8	8
Other Non-current Assets	108	76	133	59
Net current assets ⁽³⁾	-730	-181	17	101
Total	6,159	6,380	6,560	6,471

Other financial data	From audited financials for year ended and as of March 31, 2014	From audited financials for year ended and as of March 31, 2015	From audited financials for year ended and as of March 31, 2016	From limited reviewed financials for 6 months ended and as of Sep 30, 2016
EPS ⁽⁴⁾	3.41	1.91	1.86	0.57
Dividend (%) ⁽⁵⁾	80%	65%	50%	Not Applicable
Book Value per share ⁽⁶⁾	19.49	21.23	23.09	23.76
Return on Network ⁽⁷⁾	22.28%	13.98%	11.80%	3.74%

1. Net worth includes Minority Interest
2. Net fixed assets = Tangible assets + Intangible assets + Capital work in progress
3. Net current assets (liabilities) = current assets-current liabilities; current liabilities include short term borrowings and current maturities of long term debt
4. Earnings per share diluted, as reported by the Target Company
5. Dividend (%) = Dividend / Face value of 1 Target Company share
6. Book value per share computed as (networth / number of shares outstanding)
7. Return on Network computed as profit after tax/ network

Brief audited standalone financials of the Target Company as of and for the financial years ended 31st March 2014, 2015 and 2016 and limited reviewed financials for 6 months ended 30th Sep 2016, are provided below:

Income Statement

Particulars	(in INR Million except EPS)			
	As at and for financial year ended 31-Mar-14	As at and for financial year ended 31-Mar-15	As at and for financial year ended 31-Mar-16	As at and for 6 months ended 30-Sep-16
Income from operations	10,430	10,786	10,774	5,497
Other Income	403	42	160	54
Total Income	10,833	10,828	10,934	5,551
Total Expenditure	10,250	10,590	10,611	5,425
EBITDA*	990	1,225	1,164	583
Depreciation and Amortization	491	780	719	369
Interest	319	249	282	142
Profit/(Loss) Before Tax	583	238	322	126
Provision for Tax	66	58	72	34
Profit/(Loss) After Tax	517	180	250	92

* EBITDA includes exceptional items, prior period items

Balance Sheet Statement

Balance Sheet	(in INR Million)			
	From audited financials for year ended and as of March 31, 2014	From audited financials for year ended and as of March 31, 2015	From audited financials for year ended and as of March 31, 2016	From limited reviewed financials for 6 months ended and as of Sep 30, 2016
Sources of funds				
Paid up share capital	199	199	199	199
Reserves and Surplus (excluding revaluation reserves)	2,466	2,423	2,553	2,645
Networth	2,664	2,622	2,752	2,844
Secured Loans	1,611	1,454	1,432	1,315
Unsecured Loans				
Other Non-current Liabilities	440	344	287	249
Total	4,715	4,419	4,470	4,408
Uses of funds				
Net fixed assets ⁽¹⁾	4,889	4,678	4,759	4,751
Investments	346	355	353	353
Other Non-current Assets	87	67	123	49
Net current assets ⁽²⁾	-607	-681	-766	-746
Total	4,715	4,419	4,470	4,408

Other financial data	From audited financials for year ended and as of March 31, 2014	From audited financials for year ended and as of March 31, 2015	From audited financials for year ended and as of March 31, 2016	From limited reviewed financials for 6 months ended and as of Sep 30, 2016
EPS ⁽³⁾	2.60	0.90	1.26	0.46
Dividend (%) ⁽⁴⁾	80%	65%	50%	Not Applicable
Book Value per share ⁽⁵⁾	13.41	13.19	13.85	14.31
Return on Networth ⁽⁶⁾	19.39%	6.86%	9.08%	3.24%

1. Net fixed assets = Tangible assets + Intangible assets + Capital work in progress
2. Net current assets (liabilities) = current assets-current liabilities; current liabilities include short term borrowings and current maturities of long term debt
3. Earnings per share diluted, as reported by the Target Company
4. Dividend (%) = Dividend / Face value of 1 Target Company share
5. Book value per share computed as (networth / number of shares outstanding)
6. Return on Networth computed as (profit after tax/ networth)

13. Details of the contingent liabilities in the Target Company (as disclosed in the financial statements of the Target Company):

(in INR million)				
Sr. No	Contingent Liability/Commitment	2014	2015	2016
Contingent Liabilities				
1	Excise Duty	170.0	192.5	210.8
2	Service Tax	34.3	34.4	22.3
3	VAT Haryana	80.9	96.3	110.6
4	Customs Duty	8.8	16.7	0.7
5	Income Tax	NIL	0.8	0.8
6	Property Tax	NIL	1.9	NIL
7	Customer Bills Discounted	30.0	243.1	174.4
8	Letter of credit opened by banks	39.7	21.3	8.5

14. Shareholding pattern of the Target Company pre and post Offer is provided below:

Shareholders' category	Shareholding prior to agreement / acquisition and Offer (A)		Shareholding to be acquired which triggered the SEBI (SAST) Regulations (B)		Shares to be acquired / (sold) in the Offer (assuming full acceptance) (C)		Shareholding after the acquisition and Offer	
	No.	% ⁽²⁾	No.	% ⁽²⁾	No.	% ⁽²⁾	No.	% ⁽²⁾
(I) Promoter group								
a) Acquirer ⁽¹⁾	39,947,108	20.10%	89,861,772	45.22%	51,672,877	26.00%	141,534,649	71.22%
b) Other Promoter & Promoter Group ⁽⁴⁾	14,124,269	7.11%	14,124,269	7.11%	Nil	Nil	14,124,269 ⁽³⁾	7.11%
Total (I) (a+b)	54,071,377	27.21%	103,986,041	52.32%	51,672,877	26.00%	155,658,918	78.32%
c) Seller (Party to the SPA)	49,914,664	25.12%	NIL	NIL	NIL	NIL	NIL	NIL
Total (II) (a+b+c)	103,986,041	52.32%	103,986,041	52.32%	51,672,877	26.00%	155,658,918	78.32%
(II) Other Public shareholders								
a) Public other than Parties to agreement	94,755,791	47.68%	94,755,791	47.68%	51,672,877	26.00%	43,082,914	21.68%
1. Institutions ⁽⁴⁾	2,473,831	1.24%	2,473,831	1.24%				
Total (III) (a)	94,755,791	47.68%	94,755,791	47.68%	51,672,877	26.00%	43,082,914⁽³⁾	21.68%
Grand total (II+III)	198,741,832	100.00%	198,741,832	100.00%	51,672,877	26.00%	198,741,832	100.00%

Notes:

(1) As the Acquirer is a part of the Promoter Group

(2) All % are taken as a percentage of Equity Share Capital

(3) Subject to reclassification of the other promoters as Public Shareholders as specified in Part VI Paragraph 1 in accordance with applicable laws

(4) As on March 31, 2017

Note 1: The above shareholding pattern is as of March 31, 2017. Ms. Esha Chopra who is currently a part of the Promoter and Promoter Group has sold all the Equity Shares held by her and currently holds Nil Equity Shares as opposed to 150,000 Equity Shares (0.08% of Equity Share Capital) held by her as on March 31, 2017

Note 2: As defined in regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, there may be persons deemed to be acting in concert with the Acquirer. In accordance with regulation 7(6) of the SEBI (SAST) Regulations, such persons deemed to be acting in concert shall also not be eligible for tendering their Equity Shares in the Offer.

15. If the acquisition of the Offer Shares results in the public shareholding in the Target Company falling below the minimum level required for continued listing under Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 19A of the Securities Contract (Regulation) Rules, 1957, then the Acquirer shall participate in the Institutional Placement Programme (be it by way of issue of fresh shares of the Target Company or an offer for sale) and shall comply with the applicable provisions of Chapter VIII A (Institutional Placement Programme) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

V. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A. Justification of Offer Price

1. The Offer is in accordance with regulation 3(1), 3(2), 3(3) and regulation 4 of the SEBI (SAST) Regulations.
2. The Offer Price is INR 84.00 (Rupees Eighty Four only) per Equity Share.
3. The Offer Price will be paid in cash in accordance with regulation 9(1)(a) of the SEBI (SAST) Regulations.
4. The Equity Shares are listed on the Stock Exchanges.
5. The trading turnover in the Equity Shares based on the trading volumes during the twelve months prior to the month of the PA on the BSE and NSE is as given below:

Stock exchange	Total traded volumes during the 12 calendar months preceding date of the PA ("A")	Weighted average number of Equity Shares during the 12 calendar months preceding date of the PA ("B")	Trading turnover % (A/B)
NSE	71,177,624	198,741,832	35.81%
BSE	28,501,200	198,741,832	14.34%

(Source: NSE, BSE)

6. Based on the above, the Equity Shares are frequently traded in terms of regulation 2(1)(j) of the SEBI (SAST) Regulations.
7. The Offer Price of INR 84.00 (Rupees Eighty Four only) per Equity Share is justified in terms of regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following parameters:

SL. No.	Details	INR
1	The highest negotiated price per Equity Share of the Target Company for any acquisition under an agreement attracting the obligation to make a public announcement of an open offer i.e. the price per share under the SPA	INR 84.00 ⁽¹⁾
2	The volume weighted average price paid or payable per Equity Share for acquisitions by the Acquirer during the fifty two weeks immediately preceding the date of the PA	Not Applicable
3	The highest price per Equity Share paid or payable for any acquisition by the Acquirer during the twenty six weeks immediately preceding the date of the PA	Not Applicable
4	The volume weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the PA as traded on the Stock Exchanges, being the only Stock Exchanges on which the Equity Shares were listed during such period and such shares being frequently traded	INR 75.32

(Source: SPA, BSE, NSE)

Note:

1. Further details in respect of the negotiated price have been set out in Part II: BACKGROUND TO THE OFFER
 2. The Offer Price would be revised in the event of any corporate action like bonus, rights, split, etc., is undertaken by the Target Company, if the record date for effecting such corporate actions falls three Working Days (as defined under the SEBI (SAST) Regulations) prior to the commencement of the tendering period for the Offer.
8. The Offer Price of INR 84.00 is higher than all of the above parameters mentioned in the SEBI (SAST) Regulations
 9. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under regulation 8(9) of the SEBI (SAST) Regulations.

10. The Offer Price may be subject to revision pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer, at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period in accordance with regulation 18(4) of the SEBI (SAST) Regulations. Where the Acquirer has acquired any Equity Shares during the offer period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares during the period commencing three Working Days prior to the commencement of the Tendering Period and ending on the expiry of the Tendering Period. In the event of such revision, the Acquirer shall (i) make corresponding increases to the Open Offer Escrow Amount; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchange and the Target Company at its registered office of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.
11. In the event that the number of Equity Shares (including demat shares and physical shares) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot.

B. Financial Arrangements

1. The total funding requirement for the Offer, assuming full acceptance, i.e. for the acquisition of 51,672,877 (Fifty One Million Six Hundred and Seventy Two Thousand Eight Hundred and Seventy Seven only) Equity Shares, at the Offer Price of INR 84.00 (Rupees Eighty Four only) is INR 4,340,521,668 (Rupees Four Billion Three Hundred and Forty Million Five Hundred and Twenty One Thousand Sixty Hundred and Sixty Eight only).
2. The Acquirer has adequate resources to meet the financial requirements of this Open Offer and by way of security for performance by the Acquirer of its obligations under the SEBI (SAST) Regulations, the Acquirer has created an escrow account named "JTEKT CORP – ESCROW ACCOUNT" (the "**Open Offer Escrow Account**") with Kotak Mahindra Bank Limited (acting through its office at 5 C / II, Mittal Court, 224, Nariman Point, Mumbai – 400 021, the "**Escrow Bank**"). The Open Offer Escrow Account comprises a sum of INR 1,085,130,417/- (Rupees One Billion Eighty Five Million One Hundred and Thirty Thousand Four Hundred and Seventeen only), being 25% of the Maximum Open Offer Consideration. The amount kept in the Open Offer Escrow Account is non-interest bearing. The Open Offer Escrow Account is in compliance with the requirements of deposit of escrow amount as per regulation 17 and regulation 22(2) of the SEBI (SAST) Regulations. The source of funds is international and from internal accruals of the Acquirer.
3. The Acquirer has also been sanctioned an unconditional and irrevocable line of credit of up to INR 3,255,391,251 (Rupees Three Billion Two Hundred and Fifty Five Million Three Hundred and Ninety One Thousand Two Hundred Fifty One only) by Sumitomo Mitsui Banking Corporation amounting to 75% of the Maximum Open Offer Consideration ("**Line of Credit**"). The Line of Credit is exclusively for meeting the Acquirer's obligations under the Offer and to purchase the shares tendered in the Offer. The Line of Credit will be in force till such time as all Offer formalities under the Regulations are completed and duly certified to that effect by KMCC, the Manager.
4. Rajesh Thakkar (MZSK & Associates), Chartered Accountant, has, vide his certificate dated January 31, 2017, certified that the Acquirer has adequate financial resources through verifiable means to fulfill its obligations under this Offer.

5. The Manager has entered into an agreement with the Acquirer, and the Escrow Bank (the “**Escrow Agreement**”) pursuant to which the Acquirer has solely authorized the Manager to realize the value of the Open Offer Escrow Account as per the provisions of the SEBI (SAST) Regulations.
6. Based on the above, the Manager is satisfied that firm arrangements have been put in place by the Acquirer to fulfill its obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
7. In case of any upward revision in the Offer Price or the Offer Size, the value of the escrow amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded in the Open Offer Escrow Account by the Acquirer prior to effecting such revision, in terms of regulation 17(2) of the Regulations.

VI. OTHER INFORMATION

1. In terms of the SPA, post consummation of the Underlying Transaction the Acquirer along with the Target Company shall take all steps as are necessary to re-classify the following Promoter entities as “**public shareholders**” of the Target Company and de-classify the Seller as the Promoter of the Target Company:

Name	Shares Held as on May 12, 2017	Percentage of Share Capital
Sunjay Kapur	3,300	0.00%
Jug Mohan Kapur	34,000	0.02%
Sumitra Kapur	2,000	0.00%
Subash Chopra	75,000	0.04%
Esha Chopra	Nil	Nil
Sangeeta Chopra	15,000	0.01%
Aman Chopra	21,000	0.01%
Mandira Koirala	8,000	0.00%
Superna Motwane	6,000	0.00%
Jug Mohan Kapur – HUF	329	0.00%
Rani Kapur	6,000	0.00%
Sumish Finance and Investment Company Private Limited	3,640	0.00%
Total	174,269	0.09%

The aforementioned entities hold 0.09% of the total Equity Share Capital and are not involved in the day-to-day operations of the business of the Target Company. These entities will cease to exercise any control post consummation of the Underlying Transaction and will be re-classified as public shareholders in accordance with applicable laws. It is clarified that the shares held by the entities so re-classified as public shareholders after the consummation of the Underlying Transaction shall not be counted for the purposes of meeting the requirement of minimum public shareholding as required under Regulation 38 of the LODR Regulations and Rule 19A of the Securities Contract (Regulation) Rules, 1957. Please refer to Paragraph 4(D) of Part II (*Background to the Offer*) for further details in this regard.

VII. TERMS AND CONDITIONS OF THE OFFER

A. Operational Terms and Conditions

1. In terms of the schedule of activities, the Tendering Period for the Offer shall commence on May 30, 2017, Tuesday and close on June 12, 2017, Monday.
2. The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with

all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.

3. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
4. The Identified Date for this Offer as per the schedule of activities is May 16, 2017, Tuesday.
5. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one).
6. In terms of regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

B. Eligibility for accepting the Offer

1. The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date.
2. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible (subject to Section C of Part VII (*Statutory and Other Approvals*) below) to participate in this Offer.
3. The Public Announcement, the Detailed Public Statement, the Draft Letter of Offer, the Letter of Offer and the Form of Acceptance for physical shareholders will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance from SEBI's website.
4. The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
5. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.
6. By accepting this offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirer for the purpose of this Offer.
7. None of the Acquirer, the Manager or the Registrar to the Offer accepts any responsibility for any loss of equity share certificates, Offer Acceptance Forms, share transfer forms etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.
8. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager.
9. The Acquirer reserves the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 3 (three) Working Days prior to the commencement of the Tendering Period, i.e., up to May 24, 2017, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirer would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.

10. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.

C. Statutory and Other approvals

1. This Offer and the acquisition of shares under the Underlying Transaction are subject to the receipt of the statutory approval listed below (which condition is outside the reasonable control of the Acquirer)

(i) Statutory Approvals:

Receipt of the CCI Approval.

The Competition Commission of India, in its meeting held on May 5, 2017, approved the combination under section 31 (1) of the Competition Act, 2002 and issued an approval letter dated May 8, 2017 under sub-regulation (5) of the Regulation 28 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011.

As of the date of the LoF, to the best of the knowledge of the Acquirer, there are no other statutory approvals required to acquire the Equity Shares of the Target Company that are validly tendered pursuant to this Offer and to complete the Underlying Transaction.

2. The Acquirer does not require any approvals from financial institutions or banks for this Offer.
3. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders, in respect of whom no statutory or other approvals are required or where statutory or other approvals have been received, in order to complete this Offer.
4. The acquisition of Shares tendered by NRIs and OCBs are subject to approval/exemption, if applicable, from the RBI. NRI and OCB holders of Shares, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI or FIPB) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including from the RBI or FIPB) in respect of the Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Shares, to tender the Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered in this Offer.

5. In case of delay in receipt of any statutory approval to be obtained by the Acquirer, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with regulation 18(11) of the SEBI (SAST) Regulations, permit the Acquirer to delay the commencement of the tendering period for the Offer pending receipt of such statutory approval(s) or grant an extension of time to the Acquirer to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer.
6. In terms of regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals, whether relating to the acquisition under the SPA or the acquisition of the Offer Shares, specified in this Letter of Offer or those which become applicable prior to completion of the Offer are not received, or if any of the conditions set out in paragraph 5, 6 and 7 of Part II Section B (Details of the Offer) above, all of which are outside the reasonable control of the Acquirer, are not satisfied, the Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer (through the Manager) shall, within two Working Days (as defined in the SEBI (SAST) Regulations) of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations.

VIII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

1. The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by the Stock Exchanges in the form of separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.
2. NSE shall be the Designated Stock Exchange for the purpose of tendering Shares in the Open Offer.
3. The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available on the Stock Exchange in the form of a separate window (Acquisition Window).
4. The Acquirer has appointed Kotak Securities Limited ("**Buying Broker**") for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the tendering period.

The Contact details of the Buying Broker are as mentioned below:



Kotak Securities Limited
27 BKC, C 27, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai- 400051
Contact Person: Ms. Naaz Khan, Tel: +91-22-3030 5757
Email: service.securities@kotak.com;
Website: www.kotaksecurities.com;
SEBI Registration No.:
NSE Capital Market: INB230808130;
BSE Equity: INB010808153
CIN: U99999MH1994PLC134051

5. All Public Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers ("**Selling Broker(s)**"), during the normal trading hours of the secondary market during the Tendering Period.
6. Separate Acquisition Window will be provided by the Stock Exchange to facilitate placing of sell orders. The Selling Brokers can enter orders for demat Shares as well as physical Shares.

7. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering Period
8. Modification/cancellation of orders will not be allowed during the tendering period of the Open Offer.
9. Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant).

In the event Seller Broker(s) are not registered with NSE or if the Shareholder does not have any stock broker then that Shareholder can approach any NSE registered stock broker and can make a bid by using quick unique client code (“**UCC**”) facility through that NSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Shareholder is not able to bid using quick UCC facility through any other NSE registered stock broker then the Shareholder may approach Company's Broker viz. Kotak Securities Limited, to bid by using quick UCC facility. The Shareholder approaching NSE registered stock broker (with whom he does not have an account) may have to submit following details:

In case of Shareholder being an individual

If Shareholder is registered with KYC Registration Agency (“**KRA**”): Forms required:

- Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Shareholder is not registered with KRA: Forms required:

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
 - PAN card copy
 - Address proof
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Shareholder is HUF:

If Shareholder is registered with KYC Registration Agency (“**KRA**”): Forms required:

- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Shareholder is not registered with KRA: Forms required:

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form

- Know Your Client (KYC) form Documents required (all documents self-attested):
 - PAN card copy of HUF & KARTA
 - Address proof of HUF & KARTA
 - HUF declaration
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Shareholder other than Individual and HUF:

If Shareholder is KRA registered: Form required

- Know Your Client (KYC) form Documents required (all documents certified true copy)
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

If Shareholder is not KRA registered: Forms required:

- KRA form
- Know Your Client (KYC) form Documents required (all documents certified true copy):
 - PAN card copy of company/ firm/trust
 - Address proof of company/ firm/trust
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of directors/authorised signatories /partners/trustees
- PAN card copies & address proof of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

Additionally, registered Equity Shareholders holding Equity Shares in physical form must also provide the documents mentioned in Part VIII Paragraph 10.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

10. Procedure for tendering Equity Shares held in Dematerialised Form:

- a. Equity Shareholders who desire to tender their Equity Shares in the electronic/dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer.
- b. The Selling Broker would be required to place an order/bid on behalf of the Equity Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the NSE. Before placing the order/bid, the Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay in mechanism as prescribed by the NSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.
- c. Upon placing the order, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- d. Modification/cancellation of orders will not be allowed during the tendering period of the Open Offer.
- e. For custodian participant, orders for demat equity shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than time provided by the Stock Exchange on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- f. The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.
- g. The Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of the Equity Shares due to rejection or due to prorated Open Offer.
- h. The cumulative quantity tendered shall be made available on the website of the NSE (www.nseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.

11. Procedure for tendering the Equity Shares held in physical form:

- a. The Public Shareholders holding physical shares and who wish to tender their Equity Shares in this Offer shall approach the relevant Selling Broker and submit the following set of documents for verification:
 - i. Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target;
 - ii. Original share certificate(s);
 - iii. Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target and duly witnessed at the appropriate place;
 - iv. Self-attested PAN Card copy (in case of joint holders, PAN card copy of all transferors);
 - v. Any other relevant document such as powers of attorney and/or corporate authorizations (including board resolution(s)/specimen signature(s)); and
 - vi. Self-attested copy of proof of address such as valid Aadhar card, voter ID, passport or driving license.

- b. The Selling Broker(s) should place bids on the exchange platform including the relevant details as specified on the physical share certificate(s). The Selling Broker (s) shall print the TRS generated by the exchange bidding system. The TRS will contain the details of order submitted such as Folio No., Certificate No., Dist. Nos. and number of Equity Shares.
- c. The Selling Broker(s)/Public Shareholder must deliver the share certificates relating to its Equity Shares and other documentation listed in paragraph (a) above along with the TRS to the Registrar i.e. Karvy Computershare Private Limited at the address mentioned on the cover page. The envelope should be superscribed "**Sona Koyo Steering Systems Limited Open Offer**". Share certificates for physical shares must reach the Registrar within 2 (two) days of bidding by the Selling Broker.
- d. The Public Shareholders holding physical shares should note that their Equity Shares will not be accepted unless the complete set of documents specified in paragraph (a) above are submitted. Acceptance of the physical shares in this Offer shall be subject to verification by the Registrar. On receipt of the confirmation from the Registrar, the bid will be accepted or rejected (as applicable) and accordingly depicted on the exchange platform.
- e. In case any person has submitted physical shares for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in this Offer by or before the closure of the Tendering Period.

The Public Shareholders holding Shares in Demat mode are not required to fill any Form of Acceptance. The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance. Public Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptances along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance. Form of Acceptance will not be sent to the Public Shareholders holding Equity Shares in Demat mode.

12. Acceptance of Shares

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

In the event that the number of Equity Shares (including demat shares, physical) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

13. Procedure for tendering the shares in case of non-receipt of Letter of Offer:

- a. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired the Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- b. A Shareholder may participate in the Offer by approaching their broker / Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Acceptance Form.
- c. The Letter of Offer along with Form of Acceptance will be dispatched to all the eligible shareholders of the Target Company. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company

- d. The Letter of Offer along with the Form of Acceptance would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.
- e. Alternatively, in case of non-receipt of the Letter of Offer, shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents as mentioned in paragraphs 9 and 10 above along with Form SH 4 (in case of Equity Shares being held in physical form). Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by NSE before the closure of the Offer.

14. **Settlement Process**

On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.

The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

For Equity Shares accepted under the Open Offer, the Clearing Corporation will make direct funds payout to respective eligible Equity Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.

In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards.

The Equity Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non –acceptance of the shares under the Offer.

Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Equity Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Open Offer by the Equity Shareholders holding Equity Shares in the physical form.

Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Open Offer. If Equity Shareholders bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Equity Shareholders will be transferred to the Selling Broker for onward transfer to the Equity Shareholder.

Equity Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Equity Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Equity Shareholders.

Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirer, provided it is indicated by the Buying Broker.

Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Shareholder(s) directly by Registrar to the Offer.

15. **Settlement of Funds / Payment Consideration**

The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.

For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds payout to respective Equity Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.

The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Equity Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.

The funds received from the Buyer Broker by the Clearing Corporation will be released to the Equity Shareholder / Selling Broker (s) as per secondary market pay out mechanism.

Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.

In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

16. **Note on taxation**

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 (twelve) months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realised on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are sold will be subject to short term capital gains tax provided the transaction is chargeable to STT.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE PURCHASER DOES NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A REASON OF THIS OFFER.

Tax deduction at source

1. In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Acquirer shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Offer.

2. In the case of Non Resident Shareholders

Since the Offer is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorised dealers/ tax advisors appropriately.

THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES

IX. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by the Public Shareholders at the office of the Manager at Kotak Mahindra Capital Company Limited, 27BKC, 1st floor, Plot no. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, between 10:30 a.m. and 3:00 p.m. on any Working Day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period (May 30, 2017, Tuesday) until the date of closure of the Tendering Period (June 12, 2017, Monday).

1. Certified copies of the Memorandum and Articles of Association and certificate of incorporation of the Acquirer;
2. Certificate dated January 31, 2017 from Rajesh Thakkar (Membership Number 103085), Partner at MZSK & Associates, Chartered Accountant, certifying that the Acquirer has adequate financial resources to fulfill their obligations under this Offer;
3. Certified copies of the annual reports and financial statements of the Acquirer for the three financial years ending on March 31, 2014, 2015 and 2016 and audited half yearly financial results for the 6 month period ended Sep 30, 2016;
4. Certified copies of the annual reports of the Target Company for the three financial years ending on March 31, 2014, 2015 and 2016 and limited reviewed half yearly financial results for the 6 month period ended Sep 30, 2016;
5. Letter dated January 31, 2017 from the Open Offer Escrow Agent confirming the receipt of the cash deposit in the Open Offer Escrow Account;
6. True certified copy of the SPA;
7. Copy of the Public Announcement submitted to the Stock Exchange on February 1, 2017 and SEBI on February 2, 2017;
8. Copy of the Detailed Public Statement published by the Manager on behalf of the Acquirer on February 8, 2017;
9. Copy of the Offer Opening Public Announcement to be published by the Manager on behalf of the Acquirer on May 29, 2017;
10. Published copy of the recommendation to be made by the committee of the independent directors of the Target Company in relation to the Offer published on May 15, 2017;
11. SEBI observation letter no. CFD/DCR2/OW/P/2017/10747/1 dated May 12, 2017 on the Draft Letter of Offer;
12. A copy of the documentation for opening a special depository account for the purpose of Offer; and
13. The Open Offer Escrow Agreement between the Acquirer, the Manager and the Open Offer Escrow Agent.

X. DECLARATION BY THE ACQUIRER

1. The Acquirer and its Board of Directors accept full responsibility for the information contained in the Letter of Offer (other than such information as has been obtained from public sources).
2. The Acquirer also accepts full responsibility for its obligations under the Offer and shall be solely liable for ensuring compliance with the SEBI (SAST) Regulations.
3. The person signing this Letter of Offer is duly and legally authorized by the Acquirer, as applicable, to sign the Letter of Offer.

SIGNED FOR AND ON BEHALF OF JTEKT Corporation

Authorized Signatory

Name: Koichi Tsujita

Place: Japan

Date: May 17, 2017

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

**FORM OF ACCEPTANCE
SONA KOYO STEERING SYSTEMS LIMITED**

(All non-resident Public Shareholders (holding physical and/or demat shares) and resident Public Shareholders holding physical shares are mandatorily required to fill this form of acceptance-cum-acknowledgement (“Form”). The non-resident Public Shareholders holding demat shares are required to send this form with enclosures to the Registrar to the Offer at their address stated overleaf/in the LoF. The Public Shareholders holding physical shares (resident and non-resident) are required to send this Form along with the enclosures to their respective broker/Seller Broker.)

(Capitalized terms and expressions used herein but not defined shall have the same meaning as ascribed to them in the Letter of Offer)

(Please send this Form with TRS generated by broker/Seller Broker and enclosures to the Registrar to the Offer - Karvy Computershare Private Limited, at their registered office address provided in the Letter of Offer)

To,

The Acquirer:

JTEKT Corporation

C/o Karvy Computershare Private Limited

Karvy Selenimum Tower B, Plot Number 31 and 32

Financial District, Gachibowli, Nanakramguda,

Serilingampally Mandal, Hyderabad, Telangana 500 032

Tel: +91 40 6716 2222

TENDERING PERIOD FOR THIS OFFER

OFFER OPENS ON	May 30, 2017 (Tuesday)
OFFER CLOSES ON	June 12, 2017 (Monday)

Dear Sir,

Sub: Open offer (“Offer”) for acquisition of up to 51,672,877 fully paid-up equity shares of face value of INR 1 (Indian Rupees One only) each (“Equity Shares”), representing 26.00% (twenty six per cent) of the total paid up equity share capital of Sona Koyo Steering Systems Limited (“Target Company”) by JTEKT Corporation (“Acquirer”) from the equity shareholders of the Target Company

I / We refer to the Letter of Offer dated May 17, 2017 for acquiring the Equity Shares held by me / us in Sona Koyo Steering Systems Limited.

I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

Name (in BLOCK LETTERS)	Holder	Name of the Shareholder(s)	Permanent Account Number (PAN)
(Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s) / demat account)	Sole / First		
	Second		
	Third		
Contact Number(s) of the First Holder	Tel No. (with STD Code); Fax No. (with STD Code):		Mobile No.:
Full Address of the First Holder (with pin code)			
Email address of First Holder			
Date and Place of incorporation (if applicable)			

I / We, the undersigned, have read the Public Announcement, the Detailed Public Statement and the Letter of Offer and understood its contents, terms and conditions, and unconditionally accept it.

FOR EQUITY SHARES HELD IN PHYSICAL MODE

I / We, confirm that our residential status under the Income Tax Act is (✓ whichever is applicable):

- ☐ Resident
☐ Non-resident

I / We, holding Physical Shares, accept this Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our Equity Shares as detailed below:

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
1.					
2.					
3.					
<i>(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)</i>				TOTAL	

FOR ALL PUBLIC SHAREHOLDERS (HOLDING BOTH DEMAT SHARES AND PHYSICAL SHARES)

I / We confirm that the Equity Shares which are being tendered herewith by me / us under this Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Equity Shares in this Offer and that I/we am/are legally entitled to tender the Equity Shares in this Offer.

I/We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Offer have been enclosed herewith.

I / We confirm that I / We are not persons acting in concert with the Acquirer.

I / We also note and understand that the obligation on the Acquirer to pay the purchase consideration (i.e. the Offer Price) arises only after verification of the certification, documents and signatures submitted along with this Form. I / We undertake to return to the Acquirer any purchase consideration wrongfully received by me / us.

I / We give my/our consent to the Acquirer to file any statutory documents on my/our behalf in relation to accepting the Equity Shares in this Offer. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to effectuate this Offer in accordance with the SEBI (SAST) Regulations.

I / We are / am not debarred from dealing in Equity Shares.

I / We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961 including but not limited to section 281 of the Income Tax Act, 1961.

I / We note and understand that the Equity Shares/ original share certificate(s) and the transfer deed(s) will be held by the Registrar to the Offer/ Clearing Corporation in trust for me / us till the date the Acquirer make payment of consideration as mentioned in the Letter of Offer or the date by which original share certificate(s), transfer deed(s) and other documents are dispatched to the Public Shareholders, as the case may be.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us , or as a result of income tax (including any consequent interest and penalty) on the capital gains arising from tendering of the Equity Shares, I / we will indemnify the Acquirer for such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

I / We note and understand that the Equity Shares would lie with the Clearing Corporation until the time the Acquirer make payment of purchase consideration as mentioned in the Letter of Offer. I / We authorise the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares which the Acquirer may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the Letter of Offer. I / we further authorize the Acquirer to return to me / us, share certificate(s) in respect of which this Offer is not found valid / not accepted without specifying the reasons thereof.

FOR NRIs/ OCBs/ FIIs AND SUB-ACCOUNTS/ OTHER NON-RESIDENT SHAREHOLDERS

I / We, confirm that my / our residential status is (✓ whichever is applicable):

☐ Individual	☐ Foreign Company	☐ FII/FPI - Corporate	☐ FII/FPI - Others	☐ FVCI
☐ Foreign Trust	☐ Private Equity Fund	☐ Pension/Provident Fund	☐ Sovereign Wealth Fund	☐ Partnership/ Proprietorship firm
☐ Financial Institution	☐ NRIs/PIOs - repatriable	☐ NRIs/PIOs - non-repatriable	☐ OCB	☐ QFI
☐ Others – please specify:				

I/We confirm that my/our investment status is (and ✓ whichever is applicable):

- ☐ FDI Route
- ☐ PIS Route
- ☐ Any other – please specify _____

I/We confirm that the Equity Shares tendered by me/us are held on (✓ whichever is applicable):

- ☐ Repatriable basis
- ☐ Non-repatriable basis

I/We confirm that (✓ whichever is applicable):

- ☐ No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Offer and the Equity Shares are held under general permission of the RBI
- ☐ Copies of all approvals required by me for holding Equity Shares that have been tendered in this Offer are enclosed herewith
- ☐ Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith

I/We confirm that (✓ whichever is applicable):

- ☐ No RBI, FIPB or other regulatory approval is required by me for tendering the Equity Shares in this Offer
- ☐ Copies of all approvals required by me for tendering Equity Shares in this Offer are enclosed herewith

BANK DETAILS

So as to avoid fraudulent encashment in transit, the Public Shareholder(s) holding Physical Shares should provide details of bank account of the first/sole shareholder and the consideration amount will be remitted accordingly through electronic credit / cheque or demand draft.

Name of the Bank	
Branch and City	
Account Number	
IFSC code	
MICR code	
Savings/Current/(Others: please specify)	

In case of Public Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of consideration amount / interest (if any), will be taken from the record of the depositories.

In case of interest payments, if any, by the Acquirer for delay in payment of Offer consideration or a part thereof, the Acquirer will deduct taxes at source at the applicable rates as per the Income Tax Act. For details please refer to instruction no. 19 given overleaf.

Yours faithfully,

Signed and Delivered:	Full Name	PAN	Signature
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and necessary board resolutions should be attached.

Place: _____

Date: _____

INSTRUCTIONS

PLEASE NOTE THAT NO EQUITY SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE TARGET COMPANY OR THE MANAGER TO THE OFFER

1. This Form should be filled in English.
2. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
3. In case of Equity Shares held in joint names, names should be filled in the same order in this Form and in the share transfer deed(s), as the order in which they hold the Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer.
4. If the Equity Shares are rejected for any reason, the Equity Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
5. All Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
6. All documents/remittances sent by or to the Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.
7. The Public Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Broker and submit the following set of documents for verification procedure as mentioned below:
 - a) Original share certificate(s)
 - b) Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
 - c) Self-attested copy of the Public Shareholder's PAN Card (in case of joint holders, the PAN card copy of all transferors)
 - d) This Form – for Public Shareholders holding Equity Shares in physical mode duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target;
 - e) A self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport or driving license
 - f) Any other relevant document including (but not limited to) such as power of attorney, corporate authorization (including board resolution(s)/ specimen signature(s)), notarised copy/(ies) of death certificate(s) and succession certificate(s) or probated will(s), if the original shareholder is deceased, etc., as applicable. Public Shareholders holding Physical Shares should note that such Equity Shares will not be accepted unless the complete set of documents is submitted.
8. In case of unregistered owners of Equity Shares in physical mode, the Public Shareholder should provide: an additional valid share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Public Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures and witness details. **PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.**
9. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to issue the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.
10. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company / its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgement with, or receipt by, the Target/its transfer agents, of the share certificate(s) and the transfer deed(s).
11. The Public Shareholder should ensure that the certificate(s) and above documents reach the Registrar within 2 days of the close of Tendering Period.
12. No indemnity regarding title is required from persons not registered as Public Shareholders.
13. The Seller Broker(s) should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Seller Broker(s) shall print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. The TRS will contain the details of order submitted including Folio No., Certificate No. Dist. Nos., number of Equity Shares, etc.
14. The Seller Broker shall deliver the Equity Shares and requested documentation along with the TRS to the Registrar do as to reach them within 2 days of bidding by the Seller Broker. On receipt of the confirmation from Registrar the bid will be accepted or else rejected (as applicable) and accordingly the same will be depicted on the exchange platform.
15. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.

16. Procedure for tendering the Equity Shares in case of non-receipt of Letter of Offer:
Public Shareholders may participate in the Offer by confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, the DPS and this Letter of Offer. They can participate by submitting an application on plain paper giving details regarding their shareholding and relevant documents mentioned in paragraph 7 above. Public Shareholders must ensure that the Acceptance Form, along with the TRS and requisite documents (as mentioned in paragraph 7 above) should reach the Registrar of the Company within 2 days of the close of Tendering Period. If the signature(s) of the of the Public Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Target Company or are not in the same order (although attested), such applications are liable to be rejected under this Offer.
Alternatively, such holders of Equity Shares may also apply on the form of acceptance- cum- acknowledgement in relation to this Offer, which may be obtained from the SEBI website (www.sebi.gov.in) or from Registrar to the Offer.
17. The Acceptance of Shares, Settlement Process, Settlement of Funds / Payment Consideration and the Note on Taxation have been mentioned in the Letter of Offer under Section VIII.
The Letter of Offer along with the Form of Acceptance would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.
The Letter of Offer along with Form of Acceptance will be dispatched to all the Public Shareholders holding Physical Shares as on the Identified Date. In case of non-receipt of the Letter of Offer, such shareholders holding physical shares of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares.
18. Interest payment, if any: In case of interest payments by the Acquirer for delay in payment of Offer consideration or a part thereof, the Acquirer will deduct taxes at source at the applicable rates as per the Income Tax Act.
19. If the resident and non-resident Public Shareholders require that no tax is to be deducted on the interest component or tax is to be deducted at a rate lower than the prescribed rate, in such cases the following documents are required to be submitted to the Registrar to the Offer.
- For resident Public Shareholders:*
- ☐ Self-attested copy of PAN card
 - ☐ Certificate from the income tax authorities under Section 197 of the Income Tax Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of Offer Price (certificate for deduction of tax at lower rate)
 - ☐ Self-declaration in Form 15G / Form 15H (in duplicate), if applicable
 - ☐ For specified entities under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification (applicable only for interest payment, if any)
- For non-resident Public Shareholders:*
- ☐ Self-attested copy of PAN card
 - ☐ Certificate under Section 195(3) or Section 197 of the Income Tax Act, wherever applicable (certificate for deduction of tax at lower rate) from the income tax authorities under the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer and the PACs before remitting the amount of interest)
 - ☐ Tax Residency Certificate and a no 'permanent establishment' / business connection declaration

In an event of non-submission of NOC or certificate for deduction of tax at nil/lower rate, tax will be deducted at the maximum marginal rate as may be applicable to the relevant category, to which the Public Shareholder belongs, by the Acquirer.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING EQUITY SHARES IN THIS OFFER, PLEASE REFER TO THE LETTER OF OFFER

----- Tear along this line -----

ACKNOWLEDGEMENT SLIP

(For the Public Shareholders of Sona Koyo Steering Systems Limited)

Received from Mr. / Ms. / Smt: _____

Address: _____

Form of acceptance-cum-acknowledgement for _____ Equity Shares along with:

Physical Shares: _____ Share Certificate(s) along with _____ number of Transfer Deed(s)

under Folio Number (s) _____ **TRS No.** _____

Other documents (please specify) _____

Stamp

of the official

Signature

Date of Receipt by Registrar to the Offer

All future correspondence, if any, should be addressed to the Registrar to the Offer at their address quoting you folio number

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