

February 8, 2017

✓ **The Secretary**

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001

**The Secretary**

**The National Stock Exchange of India Limited**

Exchange Plaza  
Plot no. C/1, G Block  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai - 400 051

**Re: Detailed Public Statement (“DPS”) to the shareholders of Sona Koyo Steering Systems Limited (“Target Company”) with respect to the open offer (“Offer”) by JTEKT Corporation, (“Acquirer”)**

Dear Sirs,

In connection to the Public Announcement made by the Acquirer regarding open offer to the shareholders of the Target Company on February 1, 2017 and filed on February 2, 2017 with the Securities and Exchange Board of India and the Target Company at its registered office in terms of Regulation 3(1) and 4 of the SEBI (SAST) Regulations.

Accordingly, in terms of regulation 13 read along with regulation 14 of the SEBI (SAST) Regulations, a detailed public statement has been released to appear on February 8, 2017 in the following newspapers:

- Business Standard (English) (all editions)
- Business Standard (Hindi) (all editions)
- Navshakti (Mumbai edition)
- Vir Arjun (Delhi edition)

In terms of regulation 13 read along with regulation 14 of the SEBI (SAST) Regulations we, Kotak Mahindra Capital Company Limited, are hereby submitting a copy of the detailed public statement.

Kindly take the above information on your records, and confirm receipt of the same.

Yours Sincerely,

For **Kotak Mahindra Capital Company Limited**

  
\_\_\_\_\_  
Shobhit Grover

Encl.: As above

**Kotak Mahindra Capital Company Limited**

CIN U67120MH1995PLC134050

Registered Office:

**27BKC**

C - 27, “G” Block  
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Bandra (East), Mumbai - 400 051, India.

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# SONA KOYO STEERING SYSTEMS LIMITED

Registered Office: UGF- 6, Indra Prakash, 21, Barakhamba Road, New Delhi, 110001. Tel: +91 11 23311924

**Open offer for acquisition of upto 51,672,877 (Fifty One Million Six Hundred and Seventy Two Thousand Eight Hundred Seventy Seven only) equity shares having face value INR 1/- each ("Offer Shares") of Sona Koyo Steering Systems Limited ("Target Company" / "Target") from the Public Shareholders (as defined below) of the Target Company by JTEKT Corporation ("Acquirer") at a price of Rs. 84.00 (Rupees Eighty Four only) per Equity Share (as defined below) ("Offer" / "Open Offer").**

This detailed public statement ("DPS") is being issued by Kotak Mahindra Capital Company Limited, the manager to the Offer ("Manager" or "KMCC"), on behalf of the Acquirer, in compliance with regulations 13(4), 14, 15(2) and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations") and pursuant to the Public Announcement ("PA") filed on February 1, 2017 with the National Stock Exchange of India Limited and the BSE Limited ("NSE" and "BSE" respectively or the "Stock Exchanges", collectively) and the Target Company in terms of regulations 3(1) and 4 of the SEBI (SAST) Regulations and filed on February 2, 2017 with the Securities and Exchange Board of India ("SEBI").

## I. ACQUIRER, TARGET COMPANY AND OFFER

### 1. Details of the Acquirer

1.1 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 3 (three) years. There is no person acting in concert with the Acquirer for the purposes of this Offer.

1.2 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.

1.3 The Acquirer belongs to JTEKT group.

1.4 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.

1.5 The issued and paid up share capital of the Acquirer is 45,591 Million Japanese Yen comprising of 343,286,307 shares. 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%

1.6 The equity shares of the Acquirer are listed in Japan on Nagoya Stock Exchange and Tokyo Stock Exchange. The American Depository 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.

1.7 The Directors of the Acquirer are:

Name	Designation
Seiichi Sudo	Chairman
Tetsuo Agata	President
Seiho Kawakami	Executive Vice President
Masakazu Isaka	Executive Vice President
Atsushi Kume	Senior Executive Director
Hiroyuki Miyazaki	Senior Executive Director
Hiroyuki Kajima	Executive Director
Tomokazu Takahashi	Executive Director
Takumi Matsumoto	Executive Director
Takao Miyatani	Director
Iwao Okamoto	Director

1.8 As on the date of this DPS, the Acquirer holds 39,947,108 (Thirty Nine Million, Nine Hundred and Forty Seven Thousand One Hundred Eight) Equity Shares representing 20.10% of the Equity Share Capital in the Target Company. The Acquirer is a part of the promoter group of the Target Company. The Acquirer has nominated Mr. Hidekazu Omura (Non-Executive Director) and Mr. Kiyozumi Kamiki (Deputy Managing Director) on the Board of Directors of the Target Company. These directors shall not participate in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to the Open Offer. The Acquirer has a joint venture, "JTEKT Sona Automotive India Limited" with the Target Company wherein the Acquirer holds 51% stake with a business objective of manufacturing column type electric power steering (CEPS) 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.

1.9 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 Securities and Exchange Board of India Act, 1992 ("SEBI Act") as amended or under any other regulations made under the SEBI Act.

1.10 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 Pricewaterhouse Coopers Kyoto, Chartered Accountants, the Statutory Auditors of the Acquirer, is as below:

Particulars	(in million except for Earnings Per Share)							
	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 Sept 30, 2016	
	JPY	INR	JPY	INR	JPY	INR	JPY	INR
Total Revenue	1,271,854	763,112	1,368,936	766,604	1,408,441	774,643	644,516	412,490
Profit/(loss) after tax (after minority interest)	23,384	14,030	42,520	23,811	48,672	26,770	12,619	8,076
Diluted Earnings/(loss) per share	68.3	41.0	123.9	69.4	141.8	78.0	36.8	23.5
Net worth/ Shareholder Funds	380,780	224,660	411,148	213,797	446,341	263,341	450,834	297,550

- Notes:
- Total Revenue includes other income
  - Earnings per share is calculated as: Net Income post minority interest/shares outstanding at the end of the respective period.
  - 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
  - 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: The consolidated financial information set forth above has been extracted from the Acquirer's audited consolidated financial statements prepared in accordance with applicable accounting standards notified under the Japanese Laws and Rules and audited by the Statutory Auditors of the Acquirer.)

## 2. Details of the Seller

2.1 The details of the Seller have been set out hereunder:

Name of Seller	Nature of Entity	Registered office	Part of Promoter Group of Target Company	Shares/Voting Rights held in Target Company before entering into the SPA with the Acquirer	% of Equity Share Capital as on the date of this DPS
Sona Autocomp Holding Limited	Public unlisted Company	UG-6, Indra Prakash, 21, Barakhamba Road, New Delhi 110001	Yes	49,914,664	25.12%
<b>Total</b>				<b>49,914,664</b>	<b>25.12%</b>

2.2 The Seller was initially incorporated in India under the provisions of the Companies Act, 1956, with the name "Mandira Investment & Finance Co. Pvt. Ltd." vide Certificate of Incorporation dated 12<sup>th</sup> February, 1982, which was changed to "Sona Autocomp Holding Private Limited" vide Certificate of Incorporation dated 9<sup>th</sup> August, 2007 and finally the name of Company was changed to "Sona Autocomp Holding Limited" vide Certificate of Incorporation dated 12<sup>th</sup> March, 2014. The Seller is a Promoter of the Target. The registered office of the Seller is located at UGF-6, Indraprakash, 21, Barakhamba Road, New Delhi 110 001.

2.3 The Seller belongs to Sona group and is a not a listed entity.

2.4 The Seller has not been prohibited by the SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.

## 3. Details of the Target Company

3.1 The Target Company is a public company incorporated under the provisions of the Companies Act, 1956 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.

3.2 The registered office of the Target Company is situated at UGF- 6, Indra Prakash, 21, Barakhamba Road, New Delhi - 110001, Tel. +91-11- 23311924. The Company Identification Number of the Target Company is CIN:L29113DL1984PLC018415.

3.3 The Equity Shares are presently listed on BSE (Scrip Code: 520057) and NSE (Scrip ID: SONASTEER). The ISIN of the Target Company is INE 643A01035. For the purpose of this DPS "Equity Shares" mean the fully paid-up equity shares having a face value of INR 1/- (Rupee One) each of the Target Company carrying voting rights and including any security which entitles the holder thereof to exercise voting rights.

3.4 The Equity Shares are frequently traded on both the Stock Exchanges within the meaning of the explanation provided to regulation 2(1)(j) of the SEBI (SAST) Regulations.

3.5 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 manufacturers 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.

3.6 The board of directors of the Target Company, as of the date of this DPS, is provided below:

Name of Director	Designation
Mr. Sunjay Kapur	Chairman
Mr. Kiran Manohar Deshmukh	Executive Vice – Chairman
Mr. Kiyozumi Kamiki	Deputy Managing Director (Nominee of JTEKT Corporation)
Mr. Hidekazu Omura	Non-Executive Director (Nominee of JTEKT Corporation)
Mr. Toshiya Miki	Non-Executive Director (Nominee of Maruti Suzuki India Limited)
Mrs. Rani Kapur	Non-executive Director (Non-Independent)

Mr. Ramesh Suri	Independent Director
Mr. Ravi Bhootalingam	Independent Director
Mr. P. K. Chadha	Independent Director
Lt. Gen. (Retd) Shamsheer Singh Mehta	Independent Director
Mrs. Ramni Nirula	Independent Director
Mr. Prasan Abhaykumar Firodia	Independent Director

3.7 As of the date of the DPS, the authorized share capital of the Target Company is INR 271,000,000 (Indian Rupees Two Hundred Seventy One Million only) comprising of 271,000,000 (Two Hundred Seventy One Million only) Equity Shares of INR 1 (Rupee One) each.

3.8 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 of 198,741,832 (One Hundred Ninety Eight Million Seven Hundred Forty One Thousand and Eight Hundred Thirty Two only) Equity Shares of INR 1 (Rupee One only) each. The Target Company does not have partly paid-up Equity Shares.

3.9 The Target'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 audited by S.P. Puri & Co., the Statutory Auditors and limited review consolidated financial results for the six months ended September 30, 2016 of the Target Company is as below:

Particulars	(in INR Million except for Earnings Per Share)			
	As at and for financial year ended March 31, 2014	As at and for financial year ended March 31, 2015	As at and for financial year ended March 31, 2016	As at and for 6 months ended Sept 30, 2016
Total Revenue	15,320	15,579	15,343	7,390
Profit/(loss) after tax after minority interest	678	379	370	113
Earnings/(loss) per share (INR)	3.41	1.91	1.86	0.57
Net worth/ Shareholder's Funds	3,089	3,234	3,473	3,586

\*Total Revenue includes other income

(Source: The consolidated financial information set forth above has been extracted from the Target Company's audited consolidated financial statements prepared in accordance with applicable accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the Companies (Accounting Standards) Rules, 2014 (as amended) and other relevant provisions of the Companies Act, 2013 (and Companies Act, 1956 where applicable) and audited by the Statutory Auditors of the Target Company.

3.10 The Target's key financial information based on its audited standalone financial statements as of and for the financial years ended March 31, 2014 and March 31, 2015 and March 31, 2016 audited by S.P. Puri & Co., the Statutory Auditors and limited review standalone financial results for the six months ended September 30, 2016 of the Target Company is as below:

Particulars	(in INR Million except for Earnings Per Share)			
	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 Sept 30, 2016
Total Revenue	10,833	10,828	10,934	5,551
Profit/(loss) after tax	517	180	250	92
Earnings/(loss) per share (INR)	2.60	0.90	1.26	0.46
Net worth/ Shareholder's Funds	2,664	2,622	2,752	2,844

\*Total Revenue includes other income

(Source: The standalone financial information set forth above has been extracted from the Target Company's audited standalone financial statements prepared in accordance with applicable accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the Companies (Accounting Standards) Rules, 2014 (as amended) and other relevant provisions of the Companies Act, 2013 (and Companies Act, 1956 where applicable) and audited by the Statutory Auditors of the Target Company.

## 4. Details of the Offer

4.1 This Offer is a mandatory offer in compliance with the provisions of regulation 3(1) and 4 of the SEBI (SAST) Regulations. On February 1, 2017, the Acquirer and Seller executed a share purchase agreement ("SPA"), in terms of which the Acquirer has agreed to acquire from the Seller an aggregate of 49,914,664 (Forty Nine Million Nine Hundred and Fourteen Thousand Six Hundred and Sixty Four) Equity Shares, comprising 25.12% (twenty five point one two percent) of the Target Company ("Sale Share") at a price of INR 84.00 (Rupees Eighty Four only) per Sale Share, aggregating to INR 4,192,831,776 (Rupees Four Billion One Hundred and Ninety Two Million Eight Hundred and Thirty One Thousand Seven Hundred and Seventy Six only).

4.2 This Offer is being made by the Acquirer to all the equity shareholders of the Target Company, other than the Acquirer, and parties to the SPA including persons deemed to be acting in concert with such parties in terms of regulation 7(6) of the SEBI (SAST) Regulations ("Public Shareholders"), 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 ("Offer Size"), at an offer price of INR 84.00 (Rupees Eighty Four only) per Equity Share ("Offer Price") 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 Six Hundred and Sixty Eight only) ("Maximum Open Offer Consideration"). As of the date of this DPS, 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.

4.3 As of the date of this DPS, the total equity share capital of the Target Company ("Equity Share Capital") is as follows:

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

Source: Target Company

4.4 This Offer and the acquisition of shares under the SPA ("Underlying Transaction") are subject to the receipt of the statutory approvals listed under paragraph 4.4(i) below (which condition is outside the reasonable control of the Acquirer)

### (i) Statutory Approvals:

Receipt of approval from the Competition Commission of India ("CCI") in relation to the transactions contemplated under the SPA ("CCI Approval")

As of the date of the DPS, 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.

4.5 As contemplated under the SPA, the Seller shall ensure that the Sale Shares shall be unencumbered.

4.6 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.

4.7 The Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.

4.8 In terms of regulation 23(1) of the SEBI (SAST) Regulations, in the event, by the Long Stop Date (i.e. a period of four months from February 1, 2017) the statutory approval in Part VI (Statutory and Other Approvals) is not received (which is outside the reasonable control of the Acquirer) and the SPA is terminated, the Acquirer shall have the right to withdraw the Offer.

4.9 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.

4.10 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.

4.11 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.

4.12 If and when the Acquirer intends to alienate any material asset of the Target Company or its subsidiaries, within a period of 2 (two) years from completion of the Offer, the Target Company shall seek the approval of its shareholders as per the proviso to regulation 25(2) of SEBI (SAST) Regulations.

4.13 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.

4.14 The Manager to the Offer shall not deal, on their own account, in the Equity Shares of the Target Company during the Offer Period.

## II. 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) and regulation 4 of the SEBI (SAST) Regulations.

2. 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 collectively sell, and the Acquirer has agreed to purchase, for cash, the Sale Shares. 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%
<b>Total</b>	<b>49,914,664</b>	<b>25.12%</b>

3. 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, 2011.

4. 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 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.

## 5. Key Terms of SPA

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 date of completion of sale by the Seller and purchase by the Acquirer of all the Sale Shares in accordance with the provisions of the SPA ("Completion Date") and till March 31, 2018, the Target, Sona Fuji Kiko Automotive Limited (a subsidiary of the Target) ("SFAL") and JTEKT Sona Automotive India Limited ("JSAL"), shall use the Brand ("Brand") means the "Sona" name and logos, 'S' device logo and Slogan "Driving Tomorrow" 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 JSAL 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 JSAL, as the case may be, the Target, SFAL and JSAL 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 JSAL, a non-exclusive license, without any additional consideration, for use of the Brand as above.

(B) **Non-competes:** 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 JSAL 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 Precision Forgings Limited ("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-competes 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 (as defined below), the Maximum Open Offer Consideration and complete the acquisition of 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 day following receipt of the later of CCI Approval or final observations from SEBI on the draft letter of offer filed by the Acquirer.

(D) **Re-classification:** The SPA stipulates that the Sona Promoters and Persons Acting in Concert (as defined below) are to be re-classified as "public shareholders" in accordance with the provisions of regulation 31(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LDR 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 LDR 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 LDR 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 LDR Regulations, within 10 (ten) calendar days of the receipt of the approval of the shareholders of the Target Company. For the purposes of this paragraph Sona Promoters and Persons Acting in Concert collectively means 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.

(E) **Sale of subsidiary to Seller:** In terms of the SPA, the Acquirer and the Seller have agreed that the shares of Sona Skill Development Centre Limited, being an associate company of the Target Company

**Note:**

- Further details in respect of the negotiated price have been set out in Part II: BACKGROUND TO THE OFFER
- 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.
- The Offer Price of INR 84.00 is highest of all of the above parameters mentioned in the SEBI (SAST) Regulations.
- 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.
- The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to 3 (three) Working Days (as defined in the SEBI (SAST) Regulations) before the commencement of the tendering period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer is required to (i) make corresponding increases to the amount kept in the escrow account, as set out in paragraph 2 of Part V (Financial Arrangements) of this DPS; (ii) make a public announcement in the newspapers where this DPS is published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision in terms of Regulation 18(5) of the SEBI (SAST) Regulations.

**V. FINANCIAL ARRANGEMENTS**

- 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).
- 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.
- The Acquirer has also been sanctioned an unconditional and irrevocable line of credit of upto 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 to the Offer.
- 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.
- The Manager to the Open Offer 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 the Open Offer to realize the value of the Open Offer Escrow Account as per the provisions of the SEBI (SAST) Regulations.
- Based on the above, the Manager to the Open Offer 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.

**VI. STATUTORY AND OTHER APPROVALS**

- To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the acquisition under the SPA and the Offer as on the date of this DPS, except as set out in paragraph 4.4.(i) of Part I (Details of the Offer) and paragraph 5(J) of Part II (Background to the Offer). If, however, any statutory or other approval becomes applicable prior to completion of such acquisition, the Offer would also be subject to such other statutory or other approval(s) being obtained.
- 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.
- 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 DPS or those which become applicable prior to completion of the Offer are not received, or if any of the conditions set out in paragraph 4.4 of Part I (Details of the Offer) above, which is 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.

**VII. TENTATIVE SCHEDULE OF ACTIVITY**

No.	Activity	Schedule (Date and Day)
1.	PA	February 1, 2017, Wednesday
2.	Publication of this DPS	February 8, 2017, Wednesday
3.	Filing of the draft letter of offer with SEBI	February 15, 2017, Wednesday
4.	Last date for public announcement for competing offer(s)	March 2, 2017, Thursday
5.	Last date for receipt of SEBI observations on the draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	March 9, 2017, Thursday
6.	Identified Date*	March 14, 2017, Tuesday
7.	Last date by which the letter of offer ("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
8.	Last date for upward revision of the Offer Price / Offer Size	March 22, 2017, Wednesday
9.	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
10.	Date of publication of Offer opening public announcement in the newspapers in which this DPS has been published	March 27, 2017, Monday
11.	Date of commencement of the tendering period ("Offer Opening Date")	March 29, 2017, Wednesday
12.	Date of closure of the tendering period ("Offer Closing Date")	April 12, 2017, Wednesday
13.	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
14.	Last date for publication of post-Offer public announcement in the newspapers in which this DPS has been published	May 5, 2017, Friday

\* 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 subject to paragraphs 3 and 4 of Part VI (Statutory and Other Approvals) above, all the Public Shareholders (registered or unregistered) of the Target Company are eligible to participate in this Offer at any time on or prior to the Offer Closing Date.

**VIII. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER**

- All the Public Shareholders, whether holding the shares in physical form or dematerialized form, registered or unregistered are eligible to participate in this Offer at any time during the Tendering Period for this Offer.
- Persons who have acquired 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 Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- The Open Offer will be implemented by the Company 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 and as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.
- NSE shall be the Designated Stock Exchange for the purpose of tendering Shares in the Open Offer.
- The Acquirer has appointed Kotak Securities Limited ("Buying Broker") for the Open Offer through whom the purchases and settlement of the Offer Shares tendered in the Open Offer shall be made.

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



**Kotak Securities**  
 27 BKC, C 27, G Block, Bandra Kurla Complex,  
 Bandra (E), Mumbai- 400051  
 Contact Person: Ms. Naaz Khan  
 Tel: +91-22-30305757, Website: www.kotaksecurities.com  
 SEBI Registration No. NSE Capital Market: INB230808130;  
 BSE Equity: INB010808153, CIN: U99999MH1994PLC134051

- The process for tendering Offer Shares by Public Shareholders holding physical Equity Shares will be separately enumerated in the Letter of Offer.

**THE DETAILED PROCEDURE FOR TENDERING THE SHARES IN THE OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER.**

**IX. OTHER INFORMATION**

- 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 Date of DPS	% age 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	150,000	0.08%
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 – HUF	329	0.00%
Rani Kapur	6,000	0.00%
Sumish Finance and Investment Company Private Limited	3,640	0.00%
<b>Total</b>	<b>324,269</b>	<b>0.16%</b>

The aforementioned entities hold 0.16% 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 declassified as promoters and reclassified as public shareholders in accordance with applicable laws. It is clarified that the shares held by the entities so reclassified 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 Regulation 38 of the LODR Regulations and Rule 19A of the Securities Contract (Regulation) Rules, 1957. Please refer to Paragraph 5(D) of Part II (Background to the Offer) for further details in this regard.

- The Acquirer and its directors accept full responsibility for the information contained in the PA and this DPS (other than such information as has been obtained from public sources) and shall be responsible for the fulfillment of obligations under the SEBI (SAST) Regulations in respect of this Offer.
- This DPS and the PA shall also be available on SEBI's website (<http://www.sebi.gov.in>).

**Issued by the Manager to the Offer**



**Kotak Mahindra Capital Company Limited**  
 27 BKC, 1st Floor, Plot No. C-27, 'G' Block, Bandra Kurla Complex,  
 Bandra (East), Mumbai 400 051,  
 Tel: +91 22 4336 0128, Fax: +91 22 6713 2447  
 Email: [project.skssopenoffer@kotak.com](mailto:project.skssopenoffer@kotak.com)  
 Contact Person: Mr. Ganesh Rane  
 SEBI Registration Number: INM000008704

**Registrar to the Offer**



**Karvy Computershare Private Limited**  
 Karvy Selenium, Tower-B, Plot No. 31 & 32,  
 Financial District, Nanakramguda, Serilingampally Mandal,  
 Hyderabad, Telangana, 500 032.  
 Tel: +91 40 6716 2222, Fax: +91 40 2343 1551  
 Email: [murali.m@karvy.com](mailto:murali.m@karvy.com), Contact Person: M Murali Krishna  
 SEBI Registration Number: INR000000221

**EXECUTED** by the Acquirer acting through their duly authorised representatives

For and on behalf of **JTEKT Corporation**

Sd/-  
 Name: Koichi Tsujita  
 Designation: General Manager, Corporate Planning Department  
 Date: February 7, 2017  
 Place: 15th Floor, Midland Square, 4-7-1 Meieki, Nakamura-ku, Nagoya 450-8515, Japan