



February 9, 2018

The Manager
BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building
PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai 400 001

The Manager
National Stock Exchange of India Ltd
Listing Department
Exchange Plaza
5th Floor, Plot no C/1, G Block
BandraKurla Complex
Bandra (E), Mumbai – 400 051

Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding approval of the Scheme of Amalgamation at the meeting of the Board of Directors of the Company held on February 9, 2018

Scrip Code: BSE – 520057; NSE – SONASTEER, Series-EQ

Dear Sir,

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

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

Disclosure in terms of Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed herewith as Annexure A.

You are requested to kindly take the same on record.

Thanking you,

Yours truly,

For SONA KOYO STEERING SYSTEMS LIMITED

SUDHIR CHOPRA
DIRECTOR (CORPORATE AFFAIRS) &
COMPANY SECRETARY

SONA KOYO STEERING SYSTEMS LTD.

Regd. Office : UGF-6, Indra Prakash 21 Barakhamba Road New Delhi-110 001 India
Tel : +91 11 2331 1924 / 2332 7205, **Telefax :** +91 11 2332 7205
CIN : L29113DL1984PLC018415, **Website :** www.sonakoyosteering.com

Works: 38/6 Delhi-Jaipur Road, NH-8, Gurugram-122 001 Haryana India
Tel : +91 124 468 5000, **Fax:** +91 124 410 4611 / 410 4621



Annexure A

Disclosure in terms of Regulation 30 of the SEBI Listing Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

a) Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.:

- (i) JTEKT Sona Automotive India Limited ("Amalgamating Company") is a joint venture between Sona Koyo Steering Systems Limited and its majority shareholder, JTEKT Corporation. Sona Koyo Steering Systems Limited is currently holding 27778094 equity shares of Rs. 10/- each aggregating to about 49% and JTEKT Corporation is holding 28,911,898 equity shares of Rs.10/- each aggregating to 51% in Amalgamating Company. Amalgamating Company has a turnover of Rs. 6,057,300,815 as on March 31, 2017.
- (ii) Sona Koyo Steering Systems Limited ("Amalgamated Company") has a turnover of Rs. 11,648,857,770 as on March 31, 2017.
- (iii) Appointed date: April 1, 2018

b) Whether the transaction would fall within related party transactions? If yes whether the same is done at "arm's length"?

The Amalgamating Company is the associate company of Amalgamated Company. The Board of Directors of the Amalgamated Company, has in its meeting held on February 9, 2018, based on the recommendations of the Audit Committee, approved the amalgamation of the Amalgamating Company with Amalgamated Company by way of a scheme of amalgamation as per the provisions of Sections 230-232 and any other applicable provisions of the Companies Act, 2013 ("Scheme").

The proposed Scheme is based upon the Valuation Report as obtained from an Independent valuer i.e. M/s. Walker Chandiok & Co. LLP and Fairness Opinion obtained from M/s. KJMC Corporate Advisors (India) Limited, a SEBI registered Category I Merchant Banker with regard to fairness of Share Exchange Ratio for the purpose of the Scheme. Further the proposed Scheme is subject to necessary regulatory approvals.

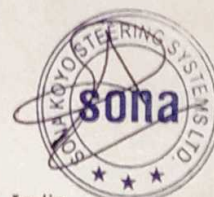
c) Area of business of the entities

- (i) Amalgamating Company is presently engaged in the business of manufacturing/production, sale, supply of Column Electric Power Steering System.
- (ii) The Amalgamated Company is engaged in the manufacture of steering systems and other auto components for the passenger car and utility vehicle manufacturers.

SONA KOYO STEERING SYSTEMS LTD.

Regd. Office : UGF-6, Indra Prakash 21 Barakhamba Road New Delhi-110 001 India
Tel : +91 11 2331 1924 / 2332 7205, Telefax : +91 11 2332 7205
CIN : L29113DL1984PLC018415, Website : www.sonakoyosteering.com

Works: 38/6 Delhi-Jaipur Road, NH-8, Gurugram-122 001 Haryana India
Tel : +91 124 468 5000, Fax: +91 124 410 4611 / 410 4621



d) Rationale for amalgamation / merger

- (i) Both the Amalgamating Company and Amalgamated Company have business and operational synergies. The Amalgamated Company is engaged in making manual steering systems which is in turn an input for electrical steering system manufactured by the Amalgamating Company. The business of the Amalgamating Company and the Amalgamated Company can be combined conveniently and carried out in conjunction more advantageously to the customers.
- (ii) It enhances the shareholder's value accruing from consolidation of the business operations resulting in economies of scale, improving allocation of capital, and optimizing cash flows, thus contributing to the overall growth prospects of the combined entity.
- (iii) It ensures optimum utilisation of resources due to pooling of management, administrative and technical skills of various resources of both the Amalgamated Company and Amalgamating Company, better administration and cost reduction, including reduction in managerial, administrative and other common costs.
- (iv) It creates of larger asset base and facilitate access to better financial resources.

e) In case of cash consideration, amount - otherwise share exchange ratio

Based upon the Valuation Report and Fairness Opinion and the recommendation received from Audit Committee, the Board has approved the Scheme for the transfer and vesting of the Amalgamating Company into the Amalgamated Company, in consideration of which Amalgamated Company will issue and allot to the shareholders of Amalgamating Company in the following manner:

"For every 1.00 equity shares of Amalgamating Company of face value of Rs. 10/- each held in Amalgamating Company, every equity shareholder of the Amalgamating Company other than the Amalgamated Company, shall without any application, act or deed, be entitled to receive 1.582 equity shares of face value Re. 1/- each of the Amalgamated Company, credited as fully paid up on the same terms and conditions of issue as prevalent in Amalgamating Company"

The share capital of the Amalgamating Company to the extent held by the Amalgamated Company as on the Appointed Date and any further share capital held by the Amalgamated Company in Amalgamating Company thereafter (being shares held in the Amalgamating Company) shall stand cancelled.



SONA KOYO STEERING SYSTEMS LTD.

Regd. Office : UGF-6, Indra Prakash 21 Barakhamba Road New Delhi-110 001 India

Tel : +91 11 2331 1924 / 2332 7205, **Telefax :** +91 11 2332 7205

CIN : L29113DL1984PLC018415, **Website :** www.sonakoyosteering.com

Works: 38/6 Delhi-Jaipur Road, NH-8, Gurugram-122 001 Haryana India

Tel : +91 124 468 5000, **Fax:** +91 124 410 4611 / 410 4621



f) Brief details of change in shareholding pattern (if any) of the listed entity

Prior to the Scheme being effective, the shareholding pattern of the Amalgamated Company is as follows:

Sl. No.	Name of the shareholder of Amalgamated Company	No. of equity shares held*	Value of each shares in Indian Rupees	% of equity share capital held (Approx.)
1.	Promoters			
	• JTEKT Corporation, Promoter	14,00,12,741	1	70.45%
	• Maruti Suzuki Corporation Ltd., Co-Promoter	1,38,00,000	1	6.94%
2.	Public	4,49,29,091	1	22.61%
		19,87,41,832		100.00%

After the Scheme becoming effective, the revised shareholding of Amalgamated Company post Scheme shall appear as follows:

Sl. No.	Name of the shareholder of Amalgamated Company	No. of equity shares held*	Value of each shares in Indian Rupees	% of equity share capital held (Approx.)
1.	Promoters			
	• JTEKT Corporation, Promoter	18,57,51,364	1	75.98%
	• Maruti Suzuki Corporation Ltd., Co-Promoter	1,38,00,000	1	5.64%
2.	Public	4,49,29,105	1	18.38%
		24,44,80,469		100.00%

* The aforesaid pre and post shareholding are based on the benpos dated 2nd February, 2018



SONA KOYO STEERING SYSTEMS LTD.

Regd. Office : UGF-6, Indra Prakash 21 Barakhamba Road New Delhi-110 001 India
Tel : +91 11 2331 1924 / 2332 7205, Telefax : +91 11 2332 7205
CIN : L29113DL1984PLC018415, Website : www.sonakoyosteering.com

Works: 38/6 Delhi-Jaipur Road, NH-8, Gurugram-122 001 Haryana India
Tel : +91 124 468 5000, Fax: +91 124 410 4611 / 410 4621

