

SONA KOYO STEERING SYSTEMS LIMITED

Registered Office: UGF- 6, Indra Prakash, 21, Barakhamba Road, New Delhi, 110001; CIN: L29113DL1984PLC018415, Tel: +91 11 23311924

Advertisement under Regulation 18 (7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, As Amended

This Advertisement is being issued by Kotak Mahindra Capital Company Limited (“**Manager to the Offer**”), for and on behalf of JTEKT Corporation, (“**Acquirer**”) pursuant to and in accordance with regulation 18(7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”) in respect of the mandatory open offer (“**Offer**”) to acquire upto 51,672,877 (Fifty One Million Six Hundred and Seventy Two Thousand Eight Hundred Seventy Seven only) equity shares of Sona Koyo Steering Systems Limited (“**Target Company**”).

This Pre-Offer Advertisement should be read in continuation of, and in conjunction with the Public Announcement dated February 1, 2017 (the “**PA**”), the detailed public statement dated February 7, 2017 (“**DPS**”), the draft letter of offer dated February 14, 2017 (“**DLoF**”), the letter of offer dated May 17, 2017 (“**LoF**”) and the corrigendum to the DPS dated May 23, 2017 (“**Corrigendum**”).

The DPS with respect to the Offer published on February 8, 2017, and Corrigendum published on May 24, 2017 were published in all editions of Business Standard - English (all editions), in Business Standard - Hindi (all editions), Navshakti (Mumbai edition) and Vir Arjun (Delhi edition).

1. The Offer Price is INR 84.00 (Rupees Eighty Four only) per Equity Share. There has been no revision in the Offer Price.
2. The committee of independent directors of the Target Company (“**IDC**”) published its recommendation on the Offer Price of INR 84.00 per Equity Share on May 25, 2017 in the same newspapers where the DPS was published. The relevant extract of the IDC recommendation is given below:

Members of the IDC (“IDC Members”)	1. Mrs. Ramni Nirula (Chairperson of the IDC) 2. Mr. Prem Kumar Chadha (Member of the IDC) 3. Mr. Ramesh Suri (Member of the IDC) 4. Mr. Prasan A. Firodia (Member of the IDC)
Recommendation on the Offer, as to whether the Offer is fair and reasonable	IDC believes that the Open Offer is fair and reasonable and in line with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 IDC members have reviewed: a. The public announcement dated February 1, 2017 b. Detailed Public Statement published on February 8, 2017 and c. Draft Letter of Offer dated February 14, 2017 IDC members have taken into consideration the following for making the recommendation: a. The offer price is in line with the parameters prescribed by SEBI in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. b. The Offer Price is higher than Rs. 75.32 per share, being the volume weighted average market price of the equity shares of the TC for a period of 60 trading days immediately preceding the date of PA. c. The IDC had sought external financial advice from Indbank Merchant Banking Services Limited, who had advised that the open offer price proposed in the open offer by the Acquirer is in accordance with the above Regulations and is thus fair and reasonable. The IDC would, however, suggest that public shareholders of the Company should independently evaluate the Open Offer and take informed decisions in respect of the Open Offer.

3. The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. The Letter of Offer dated May 17, 2017 has been dispatched to all the Public Shareholders as on the Identified Date (i.e. May 16, 2017) by May 23, 2017.
5. Please note that a copy of the Letter of Offer (which includes detailed instructions in relation to the procedure for acceptance and settlement of the Offer at page 38 as well as the Form of Acceptance-cum-Acknowledgement) is also being made available on SEBI’s website (www.sebi.gov.in) from which the Public Shareholders can download/ print a copy in order to tender their Equity Shares in the Offer. Further, in case of non-receipt/ non-availability of the Form of Acceptance-cum-Acknowledgement, the application can be made on plain paper in writing signed by all shareholder(s) along with the following details:

a. **In case of Equity Shares held in physical form:** Physical Shareholders may participate in the Offer by providing the following details - Name(s) and address(es) of sole/joint holder(s) (if any), number of Physical Shares held, client ID number, DP name, DP ID number, number of Equity Shares tendered, and other relevant documents as mentioned in paragraph VIII.11 in the Letter of Offer, along with valid Form SH 4. Such Physical 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.

b. **In case of Equity Shares held in dematerialised form:** Public Shareholders holding Demat Shares may participate in the Offer by approaching their broker indicating the details of Equity Shares they intend to tender in Offer. The Public Shareholders holding Demat Shares are not required to fill the Form of Acceptance-cum-Acknowledgement.
6. In terms of the SEBI (SAST) Regulations, the Draft Letter of Offer was submitted to SEBI on February 15, 2017. SEBI pursuant to its letter dated May 12, 2017 issued its comments on the Draft Letter of Offer. These comments and certain changes (occurring after the date of the PA) which may be material have been incorporated in the Letter of Offer dated May 17, 2017. Such comments and changes have also been encapsulated in the corrigendum to the DPS dated May 23, 2017.
7. There have been no material changes in relation to the Offer since the date of the PA, save as otherwise disclosed in point number 6 above, in the DPS, DLoF, LoF and Corrigendum.
8. To the best of the knowledge of the Acquirer, there are no statutory approvals required to acquire the Equity Shares that are validly tendered by the Public Shareholders pursuant to the Offer. However in case of any statutory approvals being required by the Acquirer at a later date, the Offer shall be subject to such approvals.
9. **Schedule of Activities**

Activity	Revised schedule of activities
	Date & Day
Date of the Public Announcement	February 1, 2017, Wednesday
Date of publication of the Detailed Public Statement	February 8, 2017, Wednesday
Filing of the Draft Letter of Offer with SEBI	February 15, 2017, Wednesday
Last date for a competing offer(s)*	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)	May 12, 2017, Friday^
Identified Date* (as defined below)	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	May 23, 2017, Tuesday
Last date for revising the Offer Price / Offer Size	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®	May 25, 2017, Thursday
Date of publication of Offer Opening Public Announcement in the newspapers in which the Detailed Public Statement has been published	May 29, 2017, Monday
Date of commencement of the Tendering Period (“Offer Opening Date”)	May 30, 2017, Tuesday
Date of closure of the Tendering Period (“Offer Closing Date”)	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	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	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

Capitalised terms used but not defined in this Advertisement shall have the meanings assigned to such terms in the Letter of Offer. The Acquirer accepts full responsibility for the information contained in this Advertisement and their obligations under the SEBI (SAST) Regulations.

This Advertisement is expected to be available on the SEBI website at <http://www.sebi.gov.in>

Issued by the Manager to the Offer on behalf of the Acquirer	Registrar to the Offer
<div> 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 4336 0128; Fax: +91 22 6713 2447 Email: Project.skssopenoffer@kotak.com, Website: http://www.investmentbank.kotak.com Contact person: Ganesh Rane, SEBI Reg. No.: INM000008704 CIN: U67120MH1995PLC134050</div>	<div> 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</div>

For JTEKT Corporation

Sd/-
Name: Koichi Tsujita
Designation: General Manager, Corporate Planning Department
Date: May 27, 2017
Place: Japan