DETAILED PUBLIC STATEMENT TO THE EQUITY SHAREHOLDERS OF

ZF STEERING GEAR (INDIA) LIMITED

UNDER REGULATIONS 3(1), 4 AND 5(1) READ WITH REGULATIONS 13(4) AND 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

Regd. Office: Gat Nos. 1242 & 1244, Village Vadu Budruk, Taluka Shirur, District Pune - 412 216, Maharashtra; Tel: +91 2137 252223; Fax: +91 2137 252302

Open offer ("Offer") for acquisition of up to 23,59,058 (twenty three lakh fifty nine thousand and fifty eight) fully paid up equity shares of face value of INR 10 (Indian Rupees Ten) each ("Equity Shares"), representing 26% (twenty six per cent) of the total equity share capital of ZF Steering Gear (India) Limited ("Target Company") on a fully diluted basis, as of the 10th (tenth) working day from the closure of the tendering period of the Offer, from the equity shareholders of the Target Company by ZF Lenksysteme GmbH ("Acquirer") and Robert Bosch GmbH ("PAC").

This detailed public statement ("**DPS**") is being issued by Citigroup Global Markets India Private Limited, the manager to this Offer ("**Manager to the Offer**"), for and on behalf of the Acquirer and PAC, in compliance with Regulations 3(1), 4 and 5(1) read with Regulations 13(4) and 15(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**"), pursuant to the public announcement dated 15 September 2014 ("**PA**") in relation to this Offer filed by the Acquirer and PAC with BSE Limited ("**BSE**") on 15 September 2014, filed with the Securities and Exchange Board of India ("**SEBI**") on 15 September 2014 and sent to the Target Company at its registered office on 15 September 2014.

I. ACQUIRER, PAC, TARGET COMPANY AND OFFER

A. Information about the Acquirer and PAC

A1. Acquirer - ZF Lenksysteme GmbH

1. The Acquirer is an unlisted company incorporated under the laws of Germany in 1999. The registered office of the Acquirer is located at Richard-Bullinger Strasse 77, 73527 Schwäbisch Gmünd, Germany. Its telephone number is +49 7171 313497 and fax number is +49 717 31 63497.
2. The Acquirer is engaged in the business of steering systems for passenger cars and commercial vehicles. The Acquirer conducts operations in 20 (Twenty) locations across 4 (four) continents.
3. As a part of the Primary Acquisition, the name of the Acquirer is in the process of being changed to Robert Bosch Automotive Steering GmbH.
4. Previously, the Acquirer was a joint venture company between the PAC and ZF Friedrichshafen AG ("**Seller**") wherein the PAC and the Seller held 50% (fifty per cent) shareholding each in the Acquirer and had equal rights in relation to management of the Acquirer. Upon conclusion of the Primary Transaction (defined herein below), as on the date of this DPS, the PAC holds 100% (one hundred per cent) shareholding of the Acquirer and the Acquirer is a wholly owned subsidiary of the PAC.
5. The Acquirer is a part of the Bosch group.
6. The Acquirer is not a party to the Underlying Agreement (defined herein below), pursuant to which there has been a change in the indirect shareholding and control of the Target Company. The relationship of the Acquirer with PAC is detailed in Paragraph A2 of this DPS (which contains information relating to PAC).
7. As on the date of the DPS, the PAC holds 2 (two) shares in the Acquirer representing 100% (one hundred per cent) of the voting share capital of the Acquirer. The Acquirer in turn holds 23,40,000 (twenty three lakh forty thousand) Equity Shares representing 25.79% (twenty five point seven nine per cent) of the voting equity share capital of the Target Company on a fully diluted basis ("**Voting Share Capital**") and is a promoter of the Target Company.
8. As on the date of this DPS, the PAC is the only shareholder of the Acquirer.
9. The equity shares of the Acquirer are not listed on any stock exchange.
10. As of the date of this DPS, Mr. Ludwig Rapp is a nominee director of the Acquirer on the board of directors of the Target Company and in terms of Regulation 24(4) of the SEBI (SAST) Regulations, he has recused himself and has not participated, and will not participate in any deliberations of the board of directors of the Target Company or vote on any matter in relation to the Offer. Mr. Ludwig Rapp holds a senior management position in the Acquirer. Mr. Magnus Backlund, a nominee director of the Acquirer on the board of directors of the Target Company has resigned recently and a new nominee director of the Acquirer may be nominated in accordance with the applicable regulations, including but not limited to SEBI (SAST) Regulations.
11. The Acquirer has not been prohibited by the Securities and Exchange Board of India ("**SEBI**") from dealing in securities, in terms of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended ("**SEBI Act**") or under any of the regulations made under the SEBI Act.
12. The key financial information of the Acquirer, as derived from its audited consolidated financial statements as at and for the 12-month period ended 31 December 2011, 31 December 2012 and 31 December 2013, is as follows. The said financials have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**").

Particulars	For the 12-month period ending December 31					
	2011		2012		2013	
	INR	EURO	INR	EURO	INR	EURO
Total Revenue	249,736.6	3,566.3	278,496.6	3,977.0	288,118.3	4,114.4
Net Income	10,202.9	145.7	7,857.0	112.2	8,501.3	121.4
Earnings Per Share (EPS)	NA	NA	NA	NA	NA	NA
Net worth / Shareholder Fund	42,688.3	609.6	43,843.8	626.1	44,866.2	640.7

Notes:

1. *All EURO amounts are in millions.*
2. *All INR amounts are in millions.*
3. *Since the financials of the Acquirer are presented in EURO, a translation (convenience translation) of such financials into INR has been adopted. The EURO to INR conversion has been assumed at the rate of EURO 1 = INR 70.0268 as on 30 January 2015 (i.e. the last working day prior to the date of the DPS) (Source: www.rbi.org.in).*
4. *The financial information for the financial years ending December 31, 2011, 2012 and 2013 set forth have been extracted from the audited consolidated financial statements of the Acquirer as at and for the financial years ending December 2011, 2012 and 2013 and have been prepared in accordance with IFRS. These financial statements have been audited by Ernst & Young GmbH, the statutory auditor of the Acquirer. The Acquirer is not required under the laws of its jurisdiction to audit financial statements for the period between December 31, 2013 and December 31, 2014. Audited financials for the Acquirer are normally published in April of the following year. Therefore, financials which are not older than six months from the date of DPS are not available.*

A2. Persons acting in concert - Robert Bosch GmbH

1. The PAC is an unlisted company incorporated under the laws of Germany on 15 November 1886. The business address of the PAC is at Robert-Bosch-Platz 1, 70839 Gerlingen- Schillerhöhe, Germany. Its telephone number is +49 (0) 711 8110 and fax number is +49 (0) 711 811 6760.
2. The PAC was incorporated on 15 November 1886 under the name of *Werkstättefür Feinmechanik und Elektrotechnik*. Since then the PAC has undergone the following name changes:

SR. NO.	DATE	NAME CHANGE
1.	6 July 1917	Aktiengesellschaft für Kleinmaschinen und Apparatebau
2.	9 August 1917	Robert Bosch AG
3.	10 December 1937	Robert Bosch GmbH

3. PAC, together with its more than 360 (three hundred and sixty) subsidiaries and regional companies in about 50 (fifty) countries, is a leading global supplier of technology and services. Its operations are divided into four business sectors: mobility solutions, Industrial technology, consumer goods, and energy and building technology.
4. The PAC is a part of the Bosch group.
5. As on the date of this DPS, the PAC holds 100% (one hundred per cent) of the voting share capital of the Acquirer.
6. The majority of the share capital of the PAC is held by Robert Bosch Stiftung GmbH. Robert Bosch Industrietreuh and KG exercises the majority of voting rights of the PAC.
7. The equity shares of PAC are not listed on any stock exchange.
8. PAC has not been prohibited by SEBI from dealing in securities in terms of Section 11B of SEBI Act or under any of the regulations made under the SEBI Act.
9. The key consolidated financial information of PAC as at and for the twelve month period ended 31 December 2011, 31 December 2012 and 31 December 2013, is as follows. The said financials have been prepared in accordance with the IFRS.

Particulars	For the 12-month period ending					
	2011		2012		2013	
	INR	EURO	INR	EURO	INR	EURO
Total Revenue	3,605,960	51,494	3,673,886	52,464	3,225,995	46,068
Net Income	127,449	1,820	164,003	2,342	87,604	1,251
Earnings Per Share (EPS)	NA	NA	NA	NA	NA	NA
Net worth / Shareholder Fund	1,884,911	26,917	1,882,600	26,884	1,938,762	27,686

Notes:

1. *All EURO amounts are in millions, except per share data.*
2. *All INR amounts are in millions, except per share data.*
3. *Since the financials of the Acquirer are presented in EURO, a translation (convenience translation) of such financials into INR has been adopted. The EURO to INR conversion has been assumed at the rate of EURO 1 = INR 70.0268 as on 30 January 2015 (i.e. the last working day prior to the date of the DPS) (Source: www.rbi.org.in).*
4. *The financial information for the financial years ending December 31, 2011, 2012 and 2013 set forth have been extracted from the audited consolidated financial statements of the PAC as at and for the financial years ending December 2011, 2012 and 2013 and have been prepared in accordance with IFRS. From the beginning of the fiscal year 2013, jointly controlled entities are no longer consolidated proportionately but by using the equity method. This amendment was made by way of exercising the option of IAS 31. These financial statements have been audited by Pricewaterhouse Coopers Aktiengesellschaft, Wirtschaftspruefungsgesellschaft, Stuttgart, the statutory auditor of the PAC. The PAC is not required under the laws of its jurisdiction to audit financial statements for the period between December 31, 2013 and December 31, 2014. Audited financials for the PAC are normally published in April of the following year. Therefore, financials which are not older than six months from the date of DPS are not available.*

B. Details of selling shareholders, if applicable

Not applicable as this Offer is being made on account of the Underlying Agreement (defined herein below) and not as a result of a direct acquisition of Equity Shares, voting rights or control of the Target Company.

C. Details of the Target Company

1. The Target Company, a public limited company and having its registered office at Gat Nos. 1242 & 1244, Village Vadu Budruk, Taluka Shirur, District Pune - 412 216, Maharashtra, India was incorporated on 21 January 1981 under the laws of India. Its telephone number is +91 2137 252223 and fax number is +91 2137 252302.
2. The Equity Shares are currently listed on BSE (Scrip Code: 505163). (*Source: BSE website)*
3. The Equity Shares are infrequently traded on BSE in terms of Regulation 2(1)(j) of SEBI (SAST) Regulations. (Further details provided in Part IV below (*Offer Price*)).
4. As on the date of this DPS, the total authorised share capital of the Target Company is INR 10,00,00,000 (Indian Rupees Ten crore) consisting of 1,00,00,000 (one crore) Equity Shares. The total paid-up share capital of the Target Company is INR 9,07,33,000 (Indian Rupees Nine crore seven lac and thirty three thousand) consisting of 90,73,300 (ninety lac seventy three thousand and three hundred) Equity Shares. As of 30 December 2014, the Target Company does not have any outstanding partly paid-up shares. *(Source: BSE Website and Target Company confirmation)*
5. As on the date of this DPS, there are no (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (warrants / fully convertible debentures / partly convertible debentures / employee stock options) issued by the Target Company. (*Source: BSE website and Target Company confirmations*)
6. The Target Company enters into various related party transactions in the course of its business, including with the Acquirer and members of the Acquirer Group. According to the Annual Report of the Target Company for the years ended 31 March 2014, the Acquirer and members of the Acquirer Group have entered into the following related party transactions with the Target Company:

Name of the Related Party	Description of Relationship	Nature of Transactions	Amount of Transactions 2013-14	Amount Outstanding at the end of Year 31-03-2014		Amount of Transactions 2012-13	Amount Outstanding at the end of year 31-03-2013	
				Credit	Debit		Credit	Debit
ZF Lenksysteme, GmbH	Foreign Collaborator	Sale of Goods	-	-	-	0.96	0.92	-
		Purchase of Raw materials & components	147.79	5.32	-	210.77	14.60	-
		Dividend paid during the year	18.72	-		11.70		
Other related parties:		Sale of Goods	0.76	-	-	1.72	0.45	-
ZF Shanghai Steering Co. Ltd., China		Purchase of Raw materials & components	162.79	40.54	-	252.97	37.60	-
ZF Sistemas De Direcao Ltd., Brazil	Associate Companies							
ZF Steering Jincheng (Nanjing), China								
Varsha Forgings Ltd.	Director's Interested Company							

Note: All amounts are in INR in million.

Source: Annual Report for the year ended 31 March 2014

7. The key financial information of the Target Company, as derived from its audited consolidated financial statements as at and for the twelve month period ended 31 March 2014, 31 March 2013 and 31 March 2012 and the interim unaudited standalone financial information, which has been subject to limited review by the Target Company's statutory auditors, as at and for the half year ending 30 September 2014, is as follows. The said financials have been prepared in accordance with Indian GAAP.

Particulars	For Nine Months Ended 31 December 2014	For the 12 month period ending 31 March		
		2014	2013	2012
Total Revenue	2,411.78	2,984.27	3,243.67	3,597.28
Net Income	218.8	141.04	256.19	464.59
Earnings Per Share (EPS)	24.07	15.55	28.25	51.21
Net worth / Shareholder Fund	2,419.42 (1)	2,256.26	2,189.52	2,018.25

Note: All amounts are in INR in million, except per share data.

(Source: Target Company Annual Report 2013 - 2014 and Quarterly Filing for the Quarter ended 30 September 2014 and Quarter ended 31 December 2014)

(1) Net worth / Shareholder Fund as of September 30, 2014.

D. Details of the Offer

1. This Offer is a mandatory offer made under Regulations 3(1), 4 and 5(1) read with Regulations 13(4) and 15(2) of the SEBI (SAST) Regulations, pursuant to an indirect acquisition of voting rights in and control by the PAC over the Target Company in terms of the Underlying Agreement (defined herein below). Further details provided in Part II of this DPS below (*Background to the Offer*).
2. This Offer for 23,59,058 (twenty three lakhs fifty nine thousand and fifty eight) Equity Shares, representing 26% (twenty six per cent) of the Voting Share Capital ("**Offer Size**"), is being made to all eligible shareholders of the Target Company ("**Eligible Shareholders**") in terms of Regulation 7(6) of SEBI (SAST) Regulations.
3. All Equity Shares validly tendered by the Eligible Shareholders of the Target Company in this Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this DPS and as will be set out in the letter of offer that will be issued in relation to this Offer ("**Letter of Offer**"). The Eligible Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares of the Eligible Shareholders who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereof.
4. This Offer is being made at a price of INR 455.96 (Indian Rupees Four hundred fifty five and ninety six paise) per Equity Share ("**Offer Price**") which includes interest computed at the rate of 10% (ten per cent) per annum for the period between 15 September 2014 and the date of this DPS in terms of Regulation 8(12) of SEBI (SAST) Regulations.
5. The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
6. As of the date of this DPS, subject to paragraph 7 below, to the best of the knowledge of the Acquirer and PAC, there are no statutory or regulatory approvals required by the Acquirer or PAC to complete this Offer. However, in case of any statutory or regulatory approvals being required by the Acquirer or PAC at a later date before the closure of the tendering period, this Offer shall be subject to such approvals and the Acquirer and / or PAC shall make the necessary applications for such approvals without undue delay.
7. Non-resident Indian ("**NRI**") and overseas corporate body ("**OCB**") holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them, in this Offer (including without limitation the approval from the Reserve Bank of India ("**RBI**"), since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity) and submit such approvals along with the documents required to accept this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, foreign portfolio investors ("**FPIs**") and foreign institutional investors ("**FIIs**")) had required any approvals (including from the RBI or the Foreign Investment Promotion Board ("**FIPB**") or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer.
8. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations. This Offer is a mandatory indirect offer in compliance with Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations.
9. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
10. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer and PAC do not currently have any intention to sell, lease, dispose-off or otherwise encumber any assets of the Target Company or any of its subsidiaries in the succeeding 2 (two) years from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by Target Company. The Acquirer and PAC undertake that they will not restructure, sell, lease, dispose-off or otherwise encumber any material assets of the Target Company or any of its subsidiaries other than in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by the Target Company in the succeeding 2 (two) years from the completion of this Offer, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of a postal ballot.
11. In the event that the Equity Shares accepted in the Offer are such that the shareholding of the Acquirer taken together with the PAC pursuant to completion of the Offer results in their shareholding exceeding the maximum permissible non-public shareholding, the Acquirer shall be required to bring down the non-public shareholding to the level specified and within the time permitted under Securities Contract (Regulation) Rules, 1957, as amended.

II. BACKGROUND TO THE OFFER

1. This Offer is being made on account of a Share Purchase Agreement ("**Underlying Agreement**") entered into by and between the PAC and the Seller, a company incorporated under the laws of Germany having its business address at Graf-von-Soden-Platz 1, 88046 Friedrichshafen, Germany, under which the PAC has purchased 50% (fifty per cent) of the voting share capital of the Acquirer from the Seller, thereby owning 100% (one hundred per cent) of the voting share capital of the Acquirer. The transaction in terms of the Underlying Agreement ("**Primary Transaction**") constitutes an indirect acquisition by the PAC of the voting rights held by the Acquirer in the Target Company under Regulations 3(1), 4 and 5 read with Regulations 13(4) and 15(2) of the SEBI SAST Regulations.
2. The Primary Transaction was concluded on 30 January 2015. In terms of Regulation 5(2) of the SEBI (SAST) Regulations, the Primary Transaction is neither a deemed direct acquisition, nor is a specific value attributable to the Equity Shares of the Target Company.
3. The purchase price under the Underlying Agreement was paid by the PAC to the Seller in Euros via a wire-transfer to the bank account of the Seller in Germany.
4. In terms of Regulation 13(4) of the SEBI (SAST) Regulations, in the case of an indirect acquisition which is not a deemed direct acquisition, a detailed public statement is required to be issued by the acquirer no later than five working days of the completion of the primary acquisition of shares or voting rights in, or control over the company or entity holding shares or voting rights in, or control over the target company. Since the Primary Transaction was concluded on 30 January 2015, this DPS is being issued in terms of Regulation 13(4) of the SEBI (SAST) Regulations.
5. Upon completion of the Primary Transaction, the PAC has become the ultimate holding company of the Acquirer resulting in an indirect acquisition of 25.79% (twenty five point seven nine per cent) of the Voting Share Capital of Target Company held by the Acquirer. Upon completion of the Primary Transaction contemplated in the Underlying Agreement on 30 January 2015, the PAC holds 2 (two) shares of the Acquirer representing 100% (one hundred per cent) of the issued and paid up share capital of the Acquirer. The Acquirer, in turn, holds 23,40,000 (twenty three lakh forty thousand) shares of the Target Company representing 25.79% (twenty five point seven nine per cent) of the Voting Share Capital of the Target Company.
6. Some key features of the Underlying Agreement are as follows:
   (a) Pursuant to the terms of the Underlying Agreement, the Seller has sold 1 (one) share representing 50% (fifty per cent) of the voting share capital of the Acquirer to the PAC;
   (b) As a result of the above, upon completion of the transactions contemplated in the Underlying Agreement, the Seller has ceased to exist as a shareholder of the Acquirer and the Acquirer has become the wholly owned subsidiary of the PAC;
   (c) Under the Underlying Agreement, the PAC and the Seller have given certain customary representations and warranties to each other; and
   (d) The Underlying Agreement is governed by the Laws of Germany and is subject to the exclusive jurisdiction of the arbitration court according to the rules of the German Institution for Arbitration (place of arbitration in Stuttgart, Germany).

III. SHAREHOLDING AND ACQUISITION DETAILS

1. The current and proposed shareholding of the Acquirer and PAC in the Target Company and the details of their acquisitions are as follows:

Details	Acquirer		PAC	
	No. of Equity Shares held	Percentage (%)	No. of Equity Shares held	Percentage (%)
Shareholding as of the date of the PA	The Acquirer held 23,40,000 (twenty three lakh forty thousand) Equity Shares of the Target Company.	The Acquirer held 25.79% (twenty five point seven nine per cent) of the Voting Share Capital of the Target Company.	No direct holding in the Target Company. The PAC held 1 (one) share of the Acquirer. The Acquirer in turn held 23,40,000 (twenty three lakh forty thousand) Equity Shares of the Target Company.	No direct holding in the Target Company. The PAC held 50% (fifty per cent) of the issued and paid up share capital of the Acquirer. The Acquirer in turn held 25.79% (twenty five point seven nine per cent) of the Voting Share Capital of the Target Company.
Equity Shares acquired between the date of the PA and the date of this DPS	Nil	Nil	Pursuant to the conclusion of the Primary Transaction, the PAC acquired 1 (one) share in the Acquirer. Consequently, the PAC holds two shares in the Acquirer. The Acquirer in turn continues to hold 23,40,000 (twenty three lakh forty thousand) Equity Shares of the Target Company.	Pursuant to the conclusion of the Primary Transaction, the PAC acquired 50% (fifty per cent) of the voting share capital of the Acquirer. Consequently, the PAC holds 100% (one hundred per cent) of the Voting Share Capital of the Acquirer. The Acquirer in turn continues to hold 25.79% (twenty five point seven nine per cent) of the Voting Share Capital of the Target Company.
Post Offer shareholding (On fully diluted basis, as on 10th working day after close of the tendering period) (assuming full acceptance under the Offer)	Would hold 46,99,058 (forty six lakh ninety nine thousand and fifty eight) Equity Shares of the Target Company.	Would hold 51.79% (fifty one point seven nine) of the Voting Share Capital of the Target Company.	Would, indirectly through the Acquirer, hold 46,99,058 (forty six lakh ninety nine thousand and fifty eight) Equity Shares of the Target Company.	Would, indirectly through the Acquirer, hold 51.79% (fifty one point seven nine) of the Voting Share Capital of the Target Company.

As of the date of this DPS, the Acquirer holds 23,40,000 (twenty three lakh forty thousand) Equity Shares representing 25.79% (twenty five point seven nine per cent) of the Voting Share Capital of the Target Company. As of the date of this DPS, none of the directors of the Acquirer directly hold any Equity Shares of the Target Company, and have not directly acquired any Equity Shares of the Target Company during the twelve months prior to the date of this DPS.

2. As of the date of this DPS, neither the PAC nor its directors directly hold any Equity Shares of the Target Company, and have not directly acquired any Equity Shares of the Target Company during the twelve months prior to the date of this DPS.

IV. OFFER PRICE

1. The Equity Shares are listed on the BSE.
2. The Equity Shares of the Target Company are infrequently traded, as defined in the SEBI (SAST) Regulations. The annualized trading turnover, based on the trading volume in the Equity Shares of the Target Company on the BSE during 1 September 2013 to 31 August 2014 (twelve calendar months preceding the month in which the PA was issued), was as under:

Stock Exchange	Number of Equity Shares traded during the 12 (twelve) calendar months prior to the month in which the PA was issued	Total number of listed Equity Shares during this period	Annualized trading turnover (as a % to total listed Equity Shares)
BSE	600,832	9,073,300	6.62%

Source: BSE website

3. The Offer Price of INR 455.96 (Indian Rupees Four hundred fifty five and ninety six paise) per Equity Share is justified in terms of Regulations 8(3) and 8(4) of SEBI (SAST) Regulations, in view of the following:

(a)	Highest negotiated price per Equity Share, if any, of the Target Company for any acquisition under the Primary Transaction attracting the obligation to make the PA of the Offer	Nil
(b)	Volume-weighted average price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, during the fifty-two weeks immediately preceding 15 September 2014 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain)	Nil
(c)	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, during the twenty-six weeks immediately preceding 15 September 2014 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain)	Nil
(d)	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, between 15 September 2014 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain) and the date of the PA (also being 15 September 2014)	Nil
(e)	Volume-weighted average market price of the Equity Shares for a period of 60 (sixty) trading days immediately preceding 15 September 2014 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain) as traded on the BSE, where the maximum volume of trading in the Equity Shares of the Target Company are recorded during such period, provided that such Equity Shares are frequently traded	NA (as shares of the Target Company are infrequently traded)
(f)	Other financial parameters including revenue, EBITDA, net income and book value multiples for comparable companies and revenue, EBITDA and net income multiples for comparable transactions *(Source: Valuation Report dated 15 September 2014 provided by M/s B S R & Associates LLP Chartered Accountants*)	INR 439 (Indian Rupees four hundred and thirty nine) per Equity Share
(g)	Price at (f) above including interest in terms of Regulation 8(12) of the SEBI (SAST) Regulations *(Please see Note below)*	INR 455.96 (Indian Rupees Four hundred fifty five and ninety paise) per Equity Share
(h)	Per Equity Share value, as required under Regulation 8(5) of SEBI (SAST) Regulations	NA

Note: *In terms of Regulation 8(12) of the SEBI (SAST) Regulations, in case of an indirect acquisition other than indirect acquisition referred in Regulation 5(2) of SEBI (SAST) Regulations, the offer price shall stand enhanced by an amount equal to a sum determined at the rate of 10% (ten per cent) per annum for the period between the earlier of the date on which the primary acquisition is contracted or the date on which the intention or the decision to make the primary acquisition is announced in the public domain, and the date of the detailed public statement, provided that such period is more than five working days.*

The Underlying Agreement was executed on 15 September 2014 and the PA with respect to the Underlying Agreement was also made on 15 September 2014. The Primary Transaction contemplated in the Underlying Agreement was concluded on 30 January 2015. Accordingly, the Offer Price has been enhanced by an interest component, which has been calculated from 15 September 2014 and 2 February 2015, being the date of this DPS. The interest works out to INR 16.96 (Indian Rupees Sixteen and Ninety six paise) per Equity Share. Accordingly, the Offer Price including interest works out to INR 455.96 (Indian Rupees Four hundred fifty five and ninety six paise). Therefore, in terms of Regulation 8(3) of the SEBI (SAST) Regulations, the Offer Price of INR 455.96 (Indian Rupees Four hundred fifty five and ninety six paise) per Equity Share is justified.

4. B S R & Associates LLP, Chartered Accountants (Address: 1st Floor, Lodha Exelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai 400 011, India; Telephone: +91 (22) 3989 6000, Fax: +91 (22) 3090 2511; membership registration number: 116231W) in its report dated 15 September 2014, has confirmed the valuation of Equity Shares taken into account for the computation of the Offer Price.
5. 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) Regulation as on the date of this DPS. (*Source: BSE website and Target Company confirmations*)
6. There has been no revision in the Offer Price or to the Offer Size as of the date of this DPS.
7. In the event of acquisition of the Equity Shares by the Acquirer and / or PAC during the Offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and PAC shall not acquire any Equity Shares after the 3rd (third) working day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 3 (three) working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and PAC shall: (i) make corresponding increases to the amount kept in the escrow account under Regulation 17 of SEBI (SAST) Regulations; (ii) make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such announcement, inform BSE, SEBI and the Target Company at its registered office of such revision.

Contd...

V. FINANCIAL ARRANGEMENTS

1. The total funding requirement for this Offer assuming full acceptance of this Offer is INR 1,075,636,086 (Indian Rupees One hundred and seven crore fifty six lakhs thirty six thousand eighty six) ("**Maximum Consideration**").
2. The Acquirer has made adequate financial arrangements for fulfilling the payment obligations under this Offer. This Offer will be funded from resources already available with the Acquirer.
3. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer and Citibank, N.A., a national banking association organized under the laws of the United States of America, carrying on the business of banking in India as a scheduled commercial bank and having its principal office in India at Citigroup Centre, C-61 Bandra - Kurla Complex, Bandra (East), Mumbai 400 051 ("**Escrow Bank**") and the Manager to the Offer have entered into an Escrow Agreement on 28 January 2015 ("**Offer Escrow Agreement**"). Pursuant to the Offer Escrow Agreement, the Acquirer has established an escrow account under the name and title of "ZF LENKSYSTEME GMBH - ESCROW A/C" ("**Offer Escrow Account**") with the Escrow Bank and has made a cash deposit of INR 27,00,00,000 (Indian Rupees Twenty seven crore), being at least equal to or more than 25% (twenty five per cent) of the Maximum Consideration in the Offer Escrow Account. The cash deposit has been confirmed by way of a confirmation letter dated 29 January 2015 issued by the Escrow Bank.
4. In case of any upward revision in the Offer Price or the size of the Offer, the cash in the Offer Escrow Account shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded via the Offer Escrow Account by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
5. The Acquirer and the PAC are aware of and will comply with their obligations under the SEBI (SAST) Regulations and that they have adequate financial resources to meet the Offer obligations under the SEBI (SAST) Regulations.
6. The Manager to the Offer has been duly authorized to realize the monies lying to the credit of the Offer Escrow Account in terms of SEBI (SAST) Regulations.
7. V. C. Shah & Co., Chartered Accountants, having its office at 3rd Floor, Rajgir Chambers, 12-14, Shahid Bhagat Singh Road, Opp. Old Customs House, Mumbai - 400 001, Tel.: +91 22 4344 0123, Fax: +91 22 2266 2667 (Membership No.: 042649, Firm Registration No.: 109818W) has confirmed, by way of a certificate dated 31 January 2015 ("**Chartered Accountants' Certificate**"), that the Acquirer and PAC have adequate financial resources through verifiable means available for meeting their obligations under the SEBI (SAST) Regulations for a value up to the Maximum Consideration.
8. On the basis of the aforesaid financial arrangements and the Chartered Accountants' Certificate, the Manager to the Offer confirms that firm arrangements for funds for payment through verifiable means are in place to implement this Offer.

VI. STATUTORY AND OTHER APPROVALS

1. As of the date of this DPS, subject to paragraph 2, to the best of the knowledge of the Acquirer and PAC, there are no statutory approvals required by the Acquirer or PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer and / or PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and / or PAC shall make the necessary applications for such approvals.
2. Non Resident shareholders (including NRI and OCB holders) of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity) and submit such approvals along with the documents required to accept this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, FPIs and FIIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer.
3. In case of delay in receipt of any statutory approvals which may be required by the Acquirer or PAC at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer or PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and PAC agreeing to pay interest to the Eligible Shareholders of the Target Company for delay beyond 10 (ten) working days at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirer or PAC will have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.
4. The Acquirer and PAC will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated above are refused. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) working days of such withdrawal, in the same newspapers in which this DPS was published and simultaneously BSE, SEBI and the Target Company at its registered office, will also be informed in writing of such withdrawal, respectively.

VII. TENTATIVE SCHEDULE OF ACTIVITY

Nature of the Activity	Day and Date
Issue of PA	15 September 2014 (Monday)
Publication of this DPS in newspapers	2 February 2015 (Monday)
Filing of draft Letter of Offer with SEBI along with soft copies of the PA and this DPS	9 February 2015 (Monday)
Last date for a competitive bid	25 February 2015 (Wednesday)
Last date for receipt of comments from SEBI on the draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	4 March 2015 (Wednesday)
Identified Date**	9 March 2015 (Monday)
Last date for dispatch of the Letter of Offer to the Eligible Shareholders	16 March 2015 (Monday)
Last date for upward revision of the Offer Price and / or the Offer Size	18 March 2015 (Wednesday)
Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Eligible Shareholders of the Target Company for this Offer	19 March 2015 (Thursday)
Publication of advertisement containing announcement of the schedule of activities of this Offer, status of statutory and other approvals, if any, and procedure for tendering acceptances, in the newspapers where this DPS was published and notification to SEBI, BSE and the Target Company at its registered office	20 March 2015 (Friday)
Commencement of tendering period	23 March 2015 (Monday)
Closure of tendering period	7 April 2015 (Tuesday)
Last date for payment to Eligible Shareholders (net of applicable taxes)	22 April 2015 (Wednesday)
Issue of post-offer advertisement	29 April 2015 (Wednesday)
Last date for filing of final report with SEBI	29 April 2015 (Wednesday)

(**) Date falling on the 10th (tenth) working day prior to the commencement of the tendering period, for the purposes of determining the Eligible Shareholders of the Target Company to whom the Letter of Offer shall be sent.

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

1. All Eligible Shareholders holding Equity Shares, whether holding the Equity Shares in dematerialized or physical form, registered or unregistered, are entitled to participate in this Offer, at any time during the tendering period of this Offer.
2. The Letter of Offer specifying the detailed terms and conditions of this Offer along with the Form of Acceptance-cum-Acknowledgement ("**Form of Acceptance**") will be mailed to all the Eligible Shareholders whose names appear on the register of members of the Target Company at the close of business hours on the Identified Date, being registered equity shareholders as per the records of National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**"), and registered Equity Shareholders holding Equity Shares in physical form as per the records of the Target Company, as on the Identified Date. Accidental omission to dispatch the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way. The last date by which the individual letter of offer would be dispatched to each of the Eligible Shareholders of the Target Company is 16 March 2015.
3. Eligible Shareholders who wish to tender their Equity Shares pursuant to this Offer will be required to communicate their acceptance in the form and manner specified in the Letter of Offer to Link Intime India Private Limited, acting as the registrar to the offer ("**Registrar to the Offer**") in accordance with the instructions contained in the Letter of Offer and Form of Acceptance. Eligible Shareholders who cannot hand deliver their documents at the collection centres, as will be mentioned in the Letter of Offer, may send such documents by registered post or by courier, at their own risk and cost, to the Registrar to the Offer at its addresses mentioned in the Letter of Offer.
4. In case of non-receipt of Letter of Offer, Eligible Shareholders holding Equity Shares in physical form, may send his / her / their consent on plain paper stating the name, address, number of Equity Shares held, distinctive numbers, certificate numbers, and the number of Equity Shares offered along with the share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer before closure of the tendering period.
5. In case of non-receipt of Letter of Offer, the Eligible Shareholders, holding Equity Shares in dematerialized form may send his / her / their applications to the Registrar to the Offer, on a plain paper, stating the name, address, number of Equity Shares held, number of Equity Shares offered, depository participant ("**DP**") name, DP ID, beneficiary account number and photocopy of the delivery instruction in "Off-market", or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer on or before closure of this Offer.
6. Eligible Shareholders 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, may participate in this Offer by submitting an application on a plain paper giving details set out below and in the Letter of Offer. In the alternative, such Eligible Shareholders may apply in the Form of Acceptance in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (http://www.sebi.gov.in/) or from the Registrar to the Offer.
7. The application is to be sent to the Registrar to the Offer at any of the collection centres that shall be mentioned in the Letter of Offer, so as to reach the Registrar to the Offer during business hours on or before 7 April 2015 (i.e. the date of closing of the tendering period), together with:
   (a) In the case of the Equity Shares held in physical form, the name, address, number of the Equity Shares held, number of the Equity Shares offered, distinctive numbers and folio number together with the original Equity Share certificate(s) and valid transfer deed(s), the original contract note issued by a registered share broker of a recognized stock exchange through whom such Equity Shares were acquired and / or such other documents, as may be specified in the Letter of Offer; or
   (b) In the case of the Equity Shares held in dematerialized form, the depository participant ("**DP**") name, DP ID, beneficiary account number together with a photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Equity Shares, as per the instructions given below:

Depository Participant Name	VENTURA SECURITIES LTD
DP ID	IN303116
Client ID	11569093
Account Name	LIIPL ZF STEERING OFFER ESCROW DEMAT ACCOUNT
Depository	National Securities Depository Limited

   Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slips for crediting their shares in favour of the special depository account with NSDL.

   (c) The Eligible Shareholders of the Target Company may also download (i) the Letter of Offer from the SEBI website (http://www.sebi.gov.in/); or (ii) obtain a copy of Letter of Offer by writing to the Registrar to the Offer super scribing the envelope "ZF STEERING GEAR (INDIA) OPEN OFFER" with suitable documentary evidence of ownership of the Equity Shares.

IX. DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THIS OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER

X. OTHER INFORMATION

1. The Acquirer, PAC and their respective directors, in their capacity as directors, accept full responsibility for the information contained in this DPS and the obligations of the Acquirer and PAC as laid down in terms of the SEBI (SAST) Regulations.
2. The Acquirer has appointed **Citigroup Global Markets India Private Limited** as the Manager to the Offer, whose details are set out below:

   Address: 1202, 12th Floor, First International Financial Centre, G-Block Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India
   Telephone: +91 22 6175 9999
   Email: zfindia.openoffer@citi.com
   Contact Person: Mr. Ankit Srivastava

3. **Link Intime India Private Limited** has been appointed as the Registrar to the Offer, whose details are set out below:

   Address: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078, Maharashtra
   Telephone: +91 22 61715400
   Email: zfsteering.offer@linkintime.co.in
   Contact Person: Mr. Ganesh Mhatre
   SEBI Registration No.: INR000004058

4. This DPS will also be available on the SEBI website (http://www.sebi.gov.in/).
5. In this DPS, any discrepancy in any table between the total and sums of the amount listed is due to rounding off and / or regrouping.

ISSUED BY THE MANAGER TO THE OFFER

citi®

CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED

For and on behalf of:

ZF Lenksysteme GmbH as the Acquirer and Robert Bosch GmbH as PAC.

Place : Mumbai
Date : 2 February 2015