DRAFT LETTER OF OFFER
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Draft Letter of Offer ("**LoF**") is sent to you as a shareholder(s) of **ZF STEERING GEAR (INDIA) LIMITED**. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your Equity Shares, please hand over this LoF and the accompanying form of acceptance and transfer deed to the member of BSE through whom the said sale was affected.

ACQUIRER
ZF LENKSYSTEME GMBH
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.

along with following

PERSON ACTING IN CONCERT
ROBERT BOSCH GMBH
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.

Make a cash offer at Rs. 455.96 (Indian Rupees Four hundred fifty five and Ninety Six paise) per Equity Share to acquire
up to 23,59,058 Equity Shares representing 26% of the Voting Share Capital of

ZF STEERING GEAR (INDIA) LIMITED
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.

Attention:

1. The Offer is being made pursuant to Regulation 3(1), 4 and 5(1) read with Regulations 13(4) and 15(2) of the Regulations.
2. Non-resident shareholders (including NRI and OCB holders) willing to tender their Equity Shares in this Offer, 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) and submit such approvals along with the documents required to accept this Offer.
3. If the Equity Shareholders of the Target Company who are not persons resident in India (including NRIs, OCBs, FPIs and FIIs) willing to tender their Equity Shares in this Offer, 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.
4. This Offer is not a competing offer in terms of Regulation 20 of the Regulations.
5. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the Regulations.
6. If there is any upward revision of the Offer Price or the number of Equity Shares sought to be acquired under this Offer by the Acquirer or PAC until the last permitted date (3 (three) Working Days prior to the commencement of the Tendering Period) for revision, i.e., 18 March 2015, the same shall be informed by way of a public announcement in the same newspapers in which the DPS was published. Such revised Offer Price shall be payable for all the Equity Shares validly tendered any time during the Tendering Period. 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 the DPS was published.
7. No competing offer has been made to this Offer, as of date of this LoF.

8. Copies of the PA, the DPS and this LoF (including the Form of Acceptance) are also available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Citigroup Global Markets India Private Limited 1202, 12th Floor, First International Financial Centre, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 +91 22 6175 9999 (Tel) +91 22 6175 9961 (Fax) Email: zfindia.openoffer@citi.com Contact Person: Mr. Ankit Srivastava	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 +91 22 61715400 (Tel) Email: zfsteering.offer@linkintime.co.in Contact Person: Ganesh Mhatre

Activity	**Day and date**
PA Date	15 September 2014, Monday
Date of publication of the DPS	2 February 2015, Monday
Last date for a competing offer (within 15 (fifteen) Working Days of the DPS)	25 February 2015, Wednesday
Identified Date (10^{th} Working Day prior to commencement of the Tendering Period)	9 March 2015, Monday
Last date by which LoF will be dispatched to the Eligible Shareholders (Within 7 (seven) Working Days from, receipt of comments by SEBI)	16 March 2015, Monday
Last date for the revision of the Offer Price/number of Equity Shares (up to 3 (three) Working Days prior to the commencement of the Tendering Period)	18 March 2015, Wednesday
Issue opening public announcement date	19 March 2015, Thursday
Last date by which the committee of independent directors constituted by the Board of Directors of the Target Company shall give its recommendation (up to 2 (two) working days prior to the commencement of the Tendering Period)	19 March 2015, Thursday
Date of commencement of Tendering Period (within 12 (twelve) Working Days of receipt of comments from SEBI)	23 March 2015, Monday
Date of expiry of Tendering Period	7 April 2015, Tuesday
Date of payment of consideration (net of applicable taxes) to the Eligible Shareholders whose Equity Shares are validly accepted under this Offer	22 April 2015, Wednesday

RISKS RELATING TO THE OFFER

As of the date of this LoF, 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, this Offer shall be subject to such approvals and the Acquirer or PAC shall make the necessary applications for such approvals without undue delay.

In the event that either: (a) there is any litigation leading to a stay or injunction on the Offer or that restricts or restrains the Acquirer or PAC from performing its obligations hereunder, or (b) SEBI instructs the Acquirer or PAC not to proceed with the Offer, then the Offer process may not proceed or may be delayed beyond the schedule of activities indicated in this LoF. Consequently, in the event of any delay, the payment of consideration to the Eligible Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares not accepted under the Offer by the Acquirer or PAC may be delayed.

The tendered Equity Shares and documents will be held by the Registrar to the Offer until the process of acceptance of Equity Shares and the payment of consideration is completed. The Eligible Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer. During such period, there may be fluctuations in the market price of the Equity Shares. Neither the Acquirer nor the PAC make any assurance with respect to the market price of the Equity Shares during or after the period that the Offer is open or upon completion of the Offer and disclaim any responsibility with respect to any decision by the Eligible Shareholders on whether or not to participate in the Offer.

The Acquirer, the PAC and the Manager to the Offer accept no responsibility for the statements made otherwise than in this LoF or the PA or the DPS and anyone placing reliance on any other source of information would be doing so at his/her/its own risk.

In the event of oversubscription in the Offer, the acceptance will be proportionate in accordance with the Regulations in consultation with the Manager to the Offer in a fair and equitable manner and hence, there is no certainty that all the Equity Shares tendered by the Eligible Shareholders in this Offer will be accepted.

The Eligible Shareholders who have lodged their acceptance to this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.

The Eligible Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers, and the appropriate course of action that they should take. The Manager to the Offer, the Acquirer and the PAC do not accept any responsibility for the accuracy or otherwise of the statements relating to the Target Company which have been obtained from public sources and tax provisions set forth in this LoF.

This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the Regulations. This Offer is a mandatory indirect offer in compliance with Regulations 3(1), 4 and 5(1) of the Regulations.

The Manager to the Offer, the Acquirer and the PAC accept no responsibility for statements made otherwise than in the PA, the DPS, and this LoF or in the post issue advertisement or any corrigendum issued in connection with the offer. Any person placing reliance on any other source of information will be doing so at their own risk.

RISKS RELATING TO ACQUIRER, PAC AND THE TARGET COMPANY

There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

The Acquirer and PAC make no assurance with respect to the future financial performance of the Target Company.

The Acquirer and PAC cannot provide any assurance with respect to the market price of the Equity Shares before, during or after the Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer or PAC or the Target Company, but are only indicative. They do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in the Offer. Eligible Shareholders are advised to consult their legal advisor, stock broker, investment consultant or tax advisors, for further risks with respect to their participation in the Offer.

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KEY DEFINITIONS

Acquirer	ZF Lenksysteme GmbH, 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.
Board of Directors	Board of Directors of the Acquirer or PAC or the Target Company, as the case may be.
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
DP	Depository Participant as registered with SEBI
DPS	Detailed Public Statement, which was published on 2 February 2015 in all editions of Business Standard (English), Navshakti(Marathi) and the Business Standard (Hindi), issued by the Manager to the Offer, on behalf of the Acquirer and the PAC, in compliance with Regulation 13(4) and Regulation 15(2) of the Regulations
Eligible Shareholders	Eligible shareholders of the Target Company in terms of Regulation 7(6) of the Regulations.
Equity Share(s)	Each fully paid-up equity share of the entity concerned
FEMA	Foreign Exchange Management Act, 1999, as amended time to time
FI	Financial Institutions
FII	Foreign Institutional Investor
FPI	Foreign Portfolio Investor
Form of Acceptance	Form of Acceptance-cum-Acknowledgement attached to this LoF
Identified Date	Tenth Working Day prior to commencement of the Tendering Period for purpose of determining the Eligible Shareholders to whom this LoF shall be sent i.e., 9 March 2015
IFSC	International Financial System Code
IT Act	Income-tax Act, 1961
LoF/Letter of Offer	This Draft Letter of Offer dated 9 February,2015
Manager to the Offer	Citigroup Global Markets India Private Limited, 1202, 12th Floor, First International Financial Centre, G-Block Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India. Its telephone number is +91 22 6175 9999 and e-mail id is zfindia.openoffer@citi.com.
MF	Mutual Funds
Mn / Million	1,000,000 units
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Body as defined in Foreign Exchange Management (Deposit) Regulations, 2000
Offer	The Offer being made by the Acquirer and the PAC for acquisition of up to 23,59,058 fully paid up Equity Shares of the Target Company of face value of Rs. 10 each representing 26% of the total equity share capital of the Target Company on a fully diluted basis,
Offer Price	Price of Rs. 455.96 (Indian Rupees Four hundred fifty five and ninety six paise) per Equity Share
Offer Size	23,59,058 (twenty three lakh fifty nine thousand and fifty eight) fully paid up Equity Shares representing 26% (twenty six per cent) of the total equity share capital of the Target Company
PA	Public Announcement filed (i) on 15 September 2014 with the BSE and (ii) on 15 September 2014 with SEBI and the Target Company in accordance with the Regulations
PAC/Person Acting in Concert	Robert Bosch GmbH, 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.

RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited registered with SEBI under SEBI (Registrar to Issue and Share Transfer Agents) Rules and Regulations, 1993 (Registration No: INR000004058) having its address at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078. The Contact details of the Registrar to the Offer are +91 22 61715400 and +91 22 25960329
Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
Rs./Rupees/INR	The lawful currency of the Republic of India
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
Seller	ZF Friedrichshafen AG, a company incorporated under the laws of Germany having its business address at Graf-von-Soden-Platz 1, 88046 Friedrichshafen, Germany
Takeover Regulations 1997	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
Target Company	ZF Steering Gear (India) Limited, 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.
Tendering Period	The 10 (ten) Working Day period from 23 March 2015to 7 April 2015 (both days inclusive)
Voting Share Capital	Total fully diluted voting Equity Share capital of the entity concerned
Working Day	Working day as defined under the Regulations

CURRENCY OF PRESENTATION

In this LoF, all references to “INR” or “Rs.” or “Rupees” are references to the Indian National Rupee(s). Certain financial details contained in this LoF are denominated in Euro. The rupee equivalent quoted in each case for Euro is calculated based on the RBI reference rate of Rs. 70.0268 (Indian Rupees Seventy, and zero two six eight paise) per Euro as on 30 January, 2015 being one working day prior to date of publication of DPS (Source: Reserve Bank of India - http://www.rbi.org.in). Please note that all financial data contained in Euro in this LoF has been rounded off to the nearest million or thousand (as applicable) and all financial data contained in Rupees in this LoF has been rounded off to the nearest million or thousand (as applicable), except where stated otherwise.

Note: All capitalized terms used in this LoF, but not otherwise defined herein, shall have the meanings ascribed thereto in the Regulations.

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE ELIGIBLE SHAREHOLDERS OF ZF STEERING GEAR (INDIA) LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, PAC OR THE TARGET COMPANY WHOSE SHARES ARE/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 9 FEBRUARY 2015 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011 AND SUBSEQUENT AMENDEMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1. BACKGROUND TO THE OFFER

2.1.1. 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 Regulations.

2.1.2. The Primary Transaction was concluded on 30 January 2015. In terms of Regulation 5(2) of the Regulations, the Primary Transaction is neither a deemed direct acquisition, nor is a specific value attributable to the Equity Shares of the Target Company.

2.1.3. 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. As on the date of this LoF, 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.

2.1.4. 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 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

2.1.5. 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.

2.1.6. In terms of Regulation 16(1) of the Regulations, this LoF is being issued within 5 (five) Working Days from the date of the DPS.

2.1.7. The Acquirer has not been prohibited by the 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.

2.1.8. As of the date of this LoF, Mr Ludwig Rapp is a nominee director of the Acquirer on the Board of Directors of the Target Company and in terms of 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 according to regulations, including but not limited to Regulations. The committee of independent directors formulated by the Board of Directors of the Target Company in accordance with Regulation 26 of the Regulations, is required to publish a reasoned recommendation for the Offer at least 2 (two) Working Days before the commencement of the Tendering Period in the same newspapers in which the DPS was published.

2.1.9. In the event the public shareholding falls below 25% (twenty five percent) of the Voting Share Capital pursuant to this Offer, the Acquirer shall bring down the non-public shareholding in the Target Company to the level specified and within the time prescribed in the Securities Contract (Regulations) Rules, 1957, as amended.

2.2. **DETAILS OF THE PROPOSED OFFER**

2.2.1. The DPS was published in the following newspapers:

Newspaper	Language	Editions	Date of Publication
Business Standard	English	All	2 February 2015
Business Standard	Hindi	All	2 February 2015
Navshakti	Marathi	Mumbai	2 February 2015

The PA and the DPS are also available on the SEBI website at www.sebi.gov.in.

2.2.2. This Offer is to acquire 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 of the Target Company at a price of Rs. 455.96 (Indian Rupees Four hundred fifty five and Ninety Six paise) per Equity Share, payable in cash in accordance with Regulation 9(1)(a) of Regulations

2.2.3. The Offer is only to acquire the Equity Shares from the Eligible Shareholders. As of 30 December 2014, there are no outstanding partly paid-up Equity Shares of the Target Company. *(Source: BSE website and Target company confirmation)*

2.2.4. There is no differential price for the Equity Shares.

2.2.5. This is not a competitive bid in terms of Regulation 20 of the Regulations.

2.2.6. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of Regulations. This Offer is a mandatory indirect offer in compliance with Regulations 3(1), 4 and 5(1) of the Regulations.

2.2.7. The Manager to the Offer does not hold any Equity Shares as on the date of this LoF.

2.2.8. As on the date of this LoF, the PAC holds 2 (two) shares of 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 Share Capital of the Target Company on a fully diluted basis and is a promoter of the Target Company.

2.2.9. In terms of Regulation 18(4) of the Regulations, the Acquirer is permitted to make upward revisions to the Offer Price at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period. In the event of such revision, the Acquirer and PAC shall (i) make a public announcement in the same newspapers in which the DPS has been published; and the Acquirer shall (ii) Inform BSE, SEBI and Target Company at its registered office of such revision; and the Acquirer shall (iii) make corresponding increases to the amount kept in the escrow account under Regulation 17 of Regulations;

2.2.10. The Acquirer and the PAC have not acquired any Equity Shares of the Target Company since the date of the PA and up to the date of this LoF.

2.2.11. The Equity Shares which will be acquired by the Acquirer shall be fully paid-up, free 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.

2.3. **OBJECT OF ACQUISITION/OFFER**

2.3.1. This Offer is being made to the Eligible Shareholders of the Target Company under Regulation 3(1), 4 and 5(1) of the Regulations as a result of the Underlying Agreement being entered into by and between the PAC and the Seller, 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 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 Regulations.

2.3.2. 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. This Offer is made to ensure compliance with the mandatory open offer requirement in terms of the Regulations.

2.3.3. The Offer to the Eligible Shareholders of the Target Company is to acquire up to 26% (twenty six per cent) of the Voting Share Capital of the Target Company.

2.3.4. In terms of Regulation 25(2) of the Regulations, currently neither the Acquirer nor the PAC 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 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 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.

3. BACKGROUND OF THE ACQUIRER AND PAC

3.1. **Background of the Acquirer**: ZF Lenksysteme GmbH

3.1.1. 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.

3.1.2. 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.

3.1.3. 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.

3.1.4. Previously, the Acquirer was a joint venture company between the PAC and the Seller wherein the PAC and the Seller held 50% (fifty per cent) shareholding each in the Acquirer and had equal rights in relation to the management of the Acquirer. Upon the conclusion of the Primary Transaction, as on the date of this LoF the PAC holds 100% (one hundred per cent) shareholding of the Acquirer and the Acquirer is a wholly owned subsidiary of the PAC.

3.1.5. The Acquirer is a part of the Bosch group.

3.1.6. As on the date of this LoF, the PAC holds 2 (two) shares in the Acquirer representing 100% of the voting share capital of the Acquirer. 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 and the Acquirer is a promoter of the Target Company.

3.1.7. Other than as stated below, the applicable provisions of Chapter V of the Regulations and Chapter II of the Takeover Regulations 1997 have been complied with by the Acquirer within the time specified in the Regulations and the Takeover Regulations, 1997 respectively:

Information in relation to compliance under Regulation 8(2) and 7(1) of the Takeover Regulations, 1997 is presently not traceable by the Target Company or the Acquirer and accordingly the status of compliance cannot be determined. Further copy of disclosure filing under Regulation 30(2) for the year 2013 does not provide for the date on which the filing was received by the BSE and accordingly the status of compliance cannot be determined.

3.1.8. The paid-up equity share capital of the Acquirer as on the date hereof is Euro 127,822,970.30 (Euro One hundred and twenty seven million eight hundred and twenty two thousand and nine hundred and seventy, and thirty Euro Cents) (approximately Rs. 8,951,033,576.60 (Rupees Eight Billion Nine Hundred Fifty One Million Thirty Three Thousand Five Hundred and Seventy Six and Sixty Paise Only) comprising 2 (two) shares, held entirely by the PAC.

3.1.9. The shareholding pattern of the Acquirer as on the date of this LoF is given below:

Sl. No.	Shareholder	Number of shares held	Percentage
1.	PAC	2	100.00
	Total Paid-Up Capital	Euro 127,822,970.30 (Approximately Rs. 8,951,033,576.60	100.00

3.1.10. As on the date of this LoF, except as specified in Clause 3.1.11, the Acquirer does not have any relationship / interest in the Target Company other than (i) holding 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; and (ii) 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 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 according to regulations, including but not limited to Regulations.

3.1.11. 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's 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	Foreign	Sale of Goods	-	-	-	0.96	0.92	-

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
Lenksysteme, GmbH	Collaborator	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: ZF Shanghai Steering Co. Ltd., China; ZF Sistemas De Direcao Ltd., Brazil; ZF Steering Jincheng (Nanjing), China	Associate Companies	Sale of Goods	0.76	-	-	1.72	0.45	-
Varsha Forgings Ltd.	Director's Interested Company	Purchase of Raw materials & components	162.79	40.54	-	252.97	37.60	-

Note: All amounts are in INR in million

Source: Annual Report for the year ended 31 March 2014

3.1.12. The Board of Directors of the Acquirer comprises the following members:

Sr. No.	Name of the Director	Director Identification Number (if applicable)	Designation	Date of Appointment	Qualifications	Experience
1.	Christian Sobottka	NA	Chief Executive Officer	1 January 2015	Christian Sobottka studied electronic engineering at the University of Darmstadt. After examination in 1996 he studied business- and national economics in Bradford.	He is the Chief Executive Officer of the Acquirer. His role involves strategy and business development, sales coordination and aftermarket. He held various management positions at Robert Bosch in engineering, marketing and production of gasoline systems.

2.	Hanns Bernd Ketteler	NA	Executive officer	1 January 2015	Hanns Bernd Ketteler studied mechanical engineering at the Universities of Clausthal and Darmstadt. After examination in 1990 he wrote a PhD at the University of Berlin in 1993 and became trainee in the PAC.	He is Executive Officer of the Acquirer. He is responsible for Steerings Systems for Commercial Vehicles, Industrial Engineering, Quality Systems and Production Coordination. He held various management positions at Robert Bosch within operations of diesel systems and sensors.
3.	Marcus Parche	NA	Executive officer	1 April 2012	Marcus Parche studied mechanical engineering and business economics and wrote a PhD in civil engineering at the University of Bochum.	He is Executive Officer of the Acquirer. His role involves R&D, Steering Systems and Steering Columns for Passenger Cars. He held various management positions within the Operations, Marketing and Development of Robert Bosch Diesel Systems.
	Henning Wagner	NA	Executive officer	15 April 2009	Henning Wagner studied business economics and wrote a PhD in political science at the University of Mannheim.	He is Executive Officer of the Acquirer. He is responsible for Controlling, Treasury, Purchasing, IT-Systems and HR. He held various management position at Robert Bosch within Purchasing, Logistics, Finance and Controlling.

3.1.13. Mr Ludwig Rapp represents the Acquirer on the Board of Directors of the Target Company.

3.1.14. Brief audited financial particulars of the Acquirer for last 3 (three) years (ending 31 December) are as under:

(In Euro Millions unless stated otherwise)

Profit & Loss Statement	**Financial Year 2011**	**Financial Year 2012**	**Financial Year 2013**
Income from Operations	3,566.3	3,977.0	4,114.4
Other Income	50.2	47.5	49.7
Total Income	3,616.5	4,024.5	4,164.1
Total Expenditure (excluding depreciation)	3,300.4	3,683.0	3,747.2
Profit Before Depreciation, Interest Expenses and Taxes	316.1	341.5	416.9

Profit & Loss Statement	Financial Year 2011	Financial Year 2012	Financial Year 2013
Depreciation	135.6	175.2	244.1
Interest Expenses	5.8	7.6	6.8
Profit Before Tax	174.7	158.7	166.0
Provision for Tax	29.0	46.5	44.6
Profit After Tax	145.7	112.2	121.4
Balance Sheet Statement	**Financial Year 2011**	**Financial Year 2012**	**Financial Year 2013**
Sources of funds			
Paid-up share capital	127.8	127.8	127.8
Reserves and Surplus (excluding revaluation reserve)	481.8	498.3	512.9
Minority Interest	71.6	102.5	123.8
Net worth	681.2	728.6	764.5
Non-current financial liabilities	4.2	150.0	150.0
Provisions for pensions	324.3	420.5	454.0
Other non-current liabilities	226.4	218.9	232.2
Total	**1,236.1**	**1,518.0**	**1,600.7**
Uses of funds			
Net Fixed Assets	707.4	893.3	1,053.4
Investments	18.1	9.2	7.1
Other non-current assets	71.1	111.5	121.6
Net current assets	439.5	504.0	418.6
Total	**1,236.1**	**1,518.0**	**1,600.7**
Other Financial Data	**Financial Year 2011**	**Financial Year 2012**	**Financial Year 2013**
Dividend (%)	N.A.	N.A.	31.3
Earnings Per Share	N.A.	N.A.	N.A.

(In INR mm, unless stated otherwise)

Profit & Loss Statement	Financial Year 2011	Financial Year 2012	Financial Year 2013
Income from Operations	249,736.6	278,496.6	288,118.3
Other Income	3,515.3	3,326.3	3,480.3
Total Income	253,251.9	281,822.9	291,598.6
Total Expenditure (excluding depreciation)	231,116.5	257,908.7	262,404.4
Profit Before Depreciation, Interest Expenses and Taxes	22,135.5	23,914.2	29,194.2
Depreciation	9,495.6	12,268.7	17,093.5
Interest Expenses	406.2	532.2	476.2

Profit Before Tax	12,233.7	11,113.3	11,624.4
Provision for Tax	2,030.8	3,256.2	3,123.2
Profit After Tax	**10,202.9**	**7,857.0**	**8,501.3**
Balance Sheet Statement	**Financial Year 2011**	**Financial Year 2012**	**Financial Year 2013**
Sources of Funds			
Paid-up share capital	8,949.4	8,949.4	8,949.4
Reserves and Surplus (excluding revaluation reserve)	33,738.9	34,894.4	35,916.7
Minority Interest	5,013.9	7,177.7	8,669,318
Net worth	47,702,256	51,021,526	53,535.5
Non-current financial liabilities	294.1	10,504.0	10,504.0
Provisions for Pensions	22,709.7	29,446.3	31,792.2
Other non-current liabilities	15,854.1	15,328.9	16,260.2
Total	**86,560.1**	**106,300.7**	**112,091.9**
Uses of Funds			
Net Fixed Assets	49,537.0	62,554.9	73,766.2
Investments	1267.5	644.2	73,766.2
Other non-current assets	4,978.9	7,808.0	8,515.3
Net Current Assets	30,776.8	35,293.5	29,313.2
Total	**86,560.1**	**106,300.7**	**112,091.9**
Other Financial Data	**Financial Year 2011**	**Financial Year 2012**	**Financial Year 2013**
Dividend (%)	-	-	31.3
Earnings Per Share	N.A.	N.A.	N.A.

1) *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.*

2) *The above figures have been converted into INR using the exchange rate of 1 Euro = INR 70.0268 as on 30 January 2015 (Source: RBI Website).*

3.1.15. There is no contingent liability provided for in the latest available audited consolidated financial statements of the Acquirer for the financial year ending December 2013.

3.1.16. The Acquirer is not listed on any stock exchange.

3.2. **Background of PAC**: Robert Bosch GmbH

3.2.1. 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.

3.2.2. The PAC was incorporated on 15 November 1886 under the name of Werkstätte für 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

3.2.3. 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.

3.2.4. The PAC is a part of the Bosch group.

3.2.5. The PAC holds 100% of the Voting Share Capital of the Acquirer comprising of 2 (two) equity shares. 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 Share Capital of the Target Company.

3.2.6. The majority of the share capital of the PAC is held by Robert Bosch Stiftung GmbH. Robert Bosch Industrietreuhand KG exercises the majority of voting rights of the PAC.

3.2.7. The provisions of Chapter V of the Regulations and Chapter II of the Takeover Regulations 1997 are not applicable to the PAC with respect to the Target Company since the PAC has not directly acquired or sold any Equity Shares.

3.2.8. The paid-up share capital of PAC is Euro 1,200,000,000 (Euro One thousand two hundred million) approximately Rs. 84,032,160,000 (Rupees Eighty- four billion thirty-two million one hundred sixty thousand) comprising of five equity shares.

3.2.9. The shareholding pattern of the PAC as on the date of this LoF is as given below:

Sl. No.	Shareholder	Number of shares held	Percentage
1.	Robert Bosch Stiftung GmbH	1	91.993%
2.	Robert Bosch GmbH	1	0.637%
3.	Robert Bosch Industrietreuhand KG	1	0.01%
4.	Robert Bosch Familientreuhand Kommanditgesellschaft	1	0.001%
5.	Robert Bosch Familiengesellschaft bürgerlichen Rechts	1	7.359%
	Total Paid-Up Capital	Euro 1,200,000,000 (Approximately Rs. 84,032,160,000.00)	100.00

*The percentages are calculated based on the charter documents.

3.2.10. The Board of Directors of PAC comprises the following members:

Sr. No.	Name of the Director	Director Identification Number	Designation	Date of Appointment	Qualifications	Experience
1.	Volkmar Denner	NA	Chairman of the Board	1 July 2012	Volkmar Denner studied Physics at the University of Stuttgart, taking his diploma examination in 1981. After a research spell in the U.S.A., he was awarded a doctorate in Physics (Dr. Rer. Nat.) by the University of Stuttgart in 1985.	He is the Chief Technical Officer and has corporate responsibility for research and advance engineering, coordination technology, new business fields. He is also responsible for Bosch software innovations and healthcare telemedicine.
2.	Stefan Asenkerschbaumer	NA	Deputy Chairman of the Board	1 July 2010	Stefan Asenkerschbaumer was awarded a degree in business education at the University of Erlangen-Nuremberg in 1982, and a further degree in business administration in 1984. These degrees were followed by a PhD on the subject of innovation management in companies.	His role relates to the following areas: ▪ Finance and Financial Statements ▪ Planning and Controlling ▪ Internal Accounting and Organization ▪ In-house Consulting. He also has corporate responsibility for information systems and services as well as purchasing and logistics.
3.	Rolf Bulander	NA	Director	1 July 2013	Rolf Bulander studied mechanical engineering at the University of Stuttgart, graduating in 1984. Following this, he wrote a PhD on tool deformation during extrusion.	He is responsible for quality and divisional responsibility for the gasoline systems, diesel systems, starter motors and generators divisions, as well as for the subsidiary Bosch

Sr. No.	Name of the Director	Director Identification Number	Designation	Date of Appointment	Qualifications	Experience
						Engineering GmbH.
4.	Stefan Hartung	NA	Director	1 January 2013	Stefan Hartung studied mechanical engineering at RWTH Aachen, specializing in Product Engineering. In 1993, he completed his PhD on methods of quality management.	He is responsible for the energy- and building technology business sector, as well as the security systems, solar energy and thermotechnology divisions. He exercises responsibility for the subsidiary Bosch Energy and Building Solutions GmbH.
5.	Dirk Hoheisel	NA	Director	1 July 2012	Dirk Hoheisel studied electrical engineering at Berlin's technical university, writing his PhD on semiconductor engineering.	He is responsible for the Automotive Systems Integration. He is also responsible for the Chassis Systems Control, Car Multimedia and Automotive Electronics divisions, as well as the ETAS GmbH subsidiary.
6.	Christoph Kübel	NA	Director	1 January 2012	Chistoph Kübel studied business administration at the University of Pforzheim. He was awarded a degree in business administration in 1986.	He is responsible for human resources including senior executives, social services, continuous improvement process coordination, legal services and compliance, taxes, intellectual property and insurance,

Sr. No.	Name of the Director	Director Identification Number	Designation	Date of Appointment	Qualifications	Experience
						internal auditing, and external affairs, as well as governmental and political relations.
7.	Uwe Raschke	NA	Director	1 July 2008	Uwe Raschke studied business administration at the University of Mannheim, majoring in marketing and human resource management. He took his diploma examination in 1983.	He is responsible for the consumer goods business sector, including the power tools division and the affiliate BSH Bosch und Siemens Hausgeräte GmbH. He is also responsible for coordinating activities in Europe including Russia, the Middle East, and Africa, as well as for the corporate function user experience.
8.	Wolf-Henning Scheider (See Note below)	NA	Director	1 July 2010	Wolf-Henning Scheider studied business administration at the Universities of Aachen and Saarbrücken, taking his diploma examination in 1987.	He is responsible for the automotive original equipment sales and for marketing and sales corporate function. In addition, he holds responsibility for the electrical drives and automotive aftermarket divisions, as well as the Acquirer.
9.	Werner Struth	NA	Director	1 January 2012	Werner Struth studied	He is responsible for North and

Sr. No.	Name of the Director	Director Identification Number	Designation	Date of Appointment	Qualifications	Experience
					mechanical engineering at RWTH Aachen in 1982, he joined the Fraunhofer Society's Institute for Production Technology (IPT), also in Aachen. In 1988, he completed his PhD in general and theoretical mechanical engineering.	South America, manufacturing coordination, production system development, investment planning, and environmental protection. He is also responsible for industrial technology including the packaging technology and drive and control technology divisions.
10.	Peter Tyroller	NA	Director	1 January 2006	Peter Tyroller completed his engineering studies at the University of Applied Sciences in Ulm. This was followed by a second course of studies in industrial engineering.	He is responsible for coordinating activities in Asia Pacific including Australia, China, India, Japan, ASEAN countries and South Korea.

Note: Mr Wolf-Henning Scheider would be leaving the PAC with effect from 31 March 2015 and Dr Markus Heyn will be appointed as a Director on the Board of Directors of the PAC with effect from 1 April 2015.

3.2.11. Brief audited financial particulars of PAC for the last 3 (three) years (ending 31 December) are:

(In Euro unless stated otherwise)

Profit & Loss Statement	**Financial Year 2011**	**Financial Year 2012**	**Financial Year 2013 (1)**
Income from Operations	51,494	52,464	46,068
Other Income	2,790	4,308	3,177
Total Income	54,284	56,772	49,245
Total Expenditure (excluding depreciation)	48,095	50,417	43,674
Profit Before Depreciation, Interest Expenses and Taxes	6,189	6,355	5,571
Depreciation	3,287	3,320	2,572
Interest Expenses	274	239	172

Profit & Loss Statement	Financial Year 2011	Financial Year 2012	Financial Year 2013 (1)
Profit Before Tax	2,628	2,796	2,827
Provision for Tax	808	454	540
Profit After Tax	1,820	2,342	2,287
Balance Sheet Statement	**Financial Year 2011**	**Financial Year 2012**	**Financial Year 2013**
Sources of funds			
Paid-up share capital	1,200	1,200	1,200
Reserves and Surplus (excluding revaluation reserve)	25,717	25,684	26,486
Net worth (Including minorities)	26,917	26,884	27,686
Non-current financial liabilities	3,851	3,297	4,003
Pension provisions	6,861	8,534	7,613
Other non-current liabilities	4,466	4,663	4,828
Total	**42,095**	**43,378**	**44,130**
Uses of funds			
Net Fixed Assets(2)	19,430	20,369	19,422
Investments	1,845	1,164	1,278
Other non-current assets	10,372	11,632	14,025
Net current assets(3)	10,448	10,213	9,405
Total	**42,095**	**43,378**	**44,130**
Other Financial Data	**Financial Year 2011**	**Financial Year 2012**	**Financial Year 2013**
Dividend (%)	N.A.	N.A.	N.A.
Earnings Per Share	N.A.	N.A.	N.A.

(In INR mm, unless stated otherwise)

Profit & Loss Statement	Financial Year 2011	Financial Year 2012	Financial Year 2013 (1)
Income from Operations	3,605,960	3,673,886	3,225,995
Other Income	195,375	301,675	222,475
Total Income	3,801,335	3,975,561	3,448,470
Total Expenditure (excluding depreciation)	3,367,939	3,530,541	3,058,350
Profit Before Depreciation, Interest Expenses and Taxes	433,396	445,020	390,119
Depreciation	230,178	232,489	180,109
Interest Expenses	19,187	16,736	12,045
Profit Before Tax	184,030	195,795	197,966
Provision for Tax	56,582	31,792	37,814
Profit After Tax	**127,449**	**164,003**	**160,151**
Balance Sheet Statement	**Financial Year 2011**	**Financial Year 2012**	**Financial Year 2013**
Sources of Funds			
Paid-up share capital	84,032	84,032	84,032
Reserves and Surplus (excluding revaluation reserve)	1,800,879	1,798,568	1,854,730

Net worth (including minorities)	1,884,911	1,882,600	1,938,762
Non-current financial liabilities	269,673	230,878	280,317
Pension provisions	480,454	597,609	533,114
Other non-current liabilities	312,740	326,535	338,089
Total	**2,947,778**	**3,037,623**	**3,090,283**
Uses of Funds			
Net Fixed Assets(2)	1,360,621	1,426,376	1,360,061
Investments	129,199	81,511	89,494
Other Non-current Assets	726,318	814,552	982,126
Net Current Assets(3)	731,640	715,184	658,602
Total	**2,947,778**	**3,037,623**	**3,090,283**
Other Financial Data	**Financial Year 2011**	**Financial Year 2012**	**Financial Year 2013**
Dividend (%)	N.A.	N.A.	N.A.
Earnings Per Share	N.A.	N.A.	N.A.

1) *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.*
2) *Comprises property, plant and equipment.*
3) *Comprises current assets less current liabilities.*
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. 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.*
5) *The above figures have been converted into INR using the exchange rate of 1 Euro = INR 70.0268 as on 30 January 2015 (Source: RBI Website).*

3.2.12. According to the latest available audited consolidated financial statements of the PAC for the financial year ending December 2013, the amount of contingent liabilities was 553 million EUR.

3.2.13. The PAC is not listed on any stock exchange.

4. BACKGROUND OF THE TARGET COMPANY

4.1. 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. The Acquirer is a promoter of the Target Company.

4.2. The share capital structure of the Target Company is as follows:

Paid-up Equity Shares of Target Company	No. of Shares	% of shares or voting rights
Fully paid-up Equity Shares	9,073,300	100%
Partly paid-up Equity Shares	Nil	Nil

Total paid-up Equity Shares	9,073,300	100%

(*Source: Target Company confirmations, BSE website and Target Company Annual Report 2013-2014*)

4.3. There has been no suspension of trading of the Equity Shares on BSE.

4.4. There are no Equity Shares of the Target Company that are not listed on BSE.

4.5. As of the date of this LoF, 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*)

4.6. The Board of Directors of the Target Company comprises the following directors:

Sr. No.	Name of the Director	Designation	Date of Appointment
1	Mr. Dinesh Hirachand Munot	Chairman and Managing Director	08.11.1986
2	Mr. Jinendra Hirachand Munot	Jt. Managing Director	23.06.1998
3	Mr. Utkarsh Dinesh Munot	Executive Director	31.10.2006
4	Mr. Manish Motwani	Director	23.06.1998
5	Mr. Ludwig Rapp	Director	17.07.2003
6	Mr. Madhusudan Laxminarayan Rathi	Director	27.05.2008
7	Mr. Shridhar S Kalmadi	Director	26.05.2009
8	Mr. Ajinkya Arun Firodia	Director	14.07.2010
9	Mr. Jitendra A Pandit	Director	29.01.2013
10	Mr. Satish Amolakchand Gundecha	Director	15.09.2014
11	Mrs. Eitika Munot	Director	15.09.2014

4.7. As of the date of this LoF, 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 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 according to regulations, including but not limited to Regulations.

4.8. The Target Company was not involved in any merger/demerger/spin offs during the last 3 (three) years.

4.9. Brief audited standalone financial details of the Target Company for the last 3 (three) financial years (ending 31 March) and 9 months (ending December 31st) and limited reviewed Balance Sheet for 6 months (ending September 30th), as derived are as set forth below:

(In INR 000's , unless stated otherwise)

Profit & Loss Statement	**FY2011**	**FY2012**	**FY2013**	**9 Months Ending 31.12.13**
Income from operations	2,982,280	3,522,120	3,128,870	2,107,060
Other Income(1)	98,630	75,160	114,800	46,370
Total Income	3,080,910	3,597,280	3,243,670	2,153,430
Total Expenditure	2,347,400	2,839,940	2,485,900	1,674,000

Profit & Loss Statement	FY2011	FY2012	FY2013	9 Months Ending 31.12.13
Profit Before Depreciation, Interest and Taxes	733,510	757,340	757,770	479,430
Depreciation	148,660	168,770	231,420	154,620
Interest Income (Expense)	2,530	11,840	36,360	1,460
Profit Before Prior period adjustments and Tax	582,320	576,730	489,990	323,350
Prior Period Adjustments (Net)	(100)	-	116,000	-
Exceptional Items	-	104,330	-	-
Tax Expense(2)	173,320	216,470	117,800	277,690
Profit after tax before minority interest	409,100	464,590	256,190	45,660
Minority Interest	-	-	-	-
Net Profit	**409,100**	**464,590**	**256,190**	**45,660**
Balance Sheet	**FY2011**	**FY2012**	**FY2013**	**Period Ending 30.09.13(8)**
Sources of Funds				
Paid-up share capital	90,730	90,730	90,730	90,730
Reserves and Surplus (excluding revaluation reserve)	1,568,390	1,927,520	2,098,790	2,291,340
Net Worth	1,659,120	2,018,250	2,189,520	2,382,070
Minority Interests	-	-	-	-
Secured Loans	117,280	481,960	24,410	5,580
Unsecured Loans	176,330	164,120	145,840	145,840
Total Loans	293,610	646,080	170,250	151,420
Deferred Tax liabilities (Net)	16,060	90,420	98,230	80,640
Non-Current Liabilities	35,110	11,230	14,960	10,960
Total	**2,003,900**	**2,765,980**	**2,472,960**	**2,625,090**
Uses of Funds				
Fixed Assets	571,080	1,212,090	1,047,510	1028260
Goodwill on Consolidation	-	-	-	
Investments (3)	735,770	1,083,810	858,310	820,720
Deferred Tax Assets (Net)	-	-	-	-
Net Current Assets(4)	485,550	387,510	447,020	711,830
Other Non-Current Assets	600	200	200	-
Miscellaneous Expenditure	-	-	-	-
Long-term loans and advances	210,900	82,370	119,920	64,280
Total	**2,003,900**	**2,765,980**	**2,472,960**	**2,625,090**
Other Financial Data				
Dividend (%)(5)	50	50	50	-
Earnings Per Share (INR)	45.1	51.2	28.3	21.2
Return on Net Worth(6)	24.7%	23.0%	11.7%	8.1%
Book Value Per Share (INR) (7)	182.86	222.44	241.31	262.54

(1)Represents non-operating income.
(2) Comprises current tax, deferred tax and MAT credit entitlement.
(3) Represents Non-current Investments.
(4) Comprises of Current Assets less Current Liabilities.
(5) Calculated on face value of the shares.
(6) Calculated as a percentage of net profit to net worth as of the end of respective period.
(7) Calculated as Net Worth divided by the total number of shares outstanding.
(8) Balance sheet information as on 30.09.2013.
(*Source: Company Filings*)

4.10. Pre and post- Offer shareholding pattern of the Target Company as on the date of this LoF (Can we format this better):

Shareholders' category	Shareholding and voting rights prior to the agreement/ acquisition and offer.		Equity Shares /voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations*.		Equity Shares/voting rights to be acquired in this open offer (Assuming full acceptances)		Shareholding/voting rights after the acquisition and this offer.	
	(A)		(B)		(C)		(A)+(B)+(C) =(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Acquirers								
a. Main Acquirer	2,340,000	25.79	-	-	2,359,058	26.00	4,699,058	51.79
b. PAC	-	-	-	-	-	-	-	-
Total 1 (a+b)	2,340,000	25.79			2,359,058	26.00	4,699,058	51.79
(2) Promoter group								
a. Parties to agreement, if any*	-	-	-	-	-	-	-	-
b. Promoters other than 2(a) above**	6,683,139	73.66	-	-	2,359,058	26.00	9,042,197^^	99.66^^
Total 2(a+b)	6,683,139	73.66	-	-	2,359,058	26.00	9,042,197^^	99.66^^
(3) Parties to agreement other than(1) & (2)(a)*	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, Acquirer & PAC and Promoters)								
a. FIs/MFs/FII/FPI Banks, SFIs (Indicate Names)	109,867	1.21	-	-				
b. Others	2,280,294	25.13	-	-				
Total (**4**) (a+b)	**2,390,161**	**26.34**	-	-	-	-	**31,103**	0.34
Grand Total (1+2+3+4)	9,073,300	100.00	-	-	-	-	9,073,300	100.00

*There are no parties to an agreement and no sellers as this is an indirect Offer.
**Prior to the date of the Underlying Agreement, the Acquirer held 23,40,000 (twenty three lakh and forty thousand) Equity Shares of the Target Company. As on the date of this LoF, pursuant to the completion of the Primary Transaction, the Acquirer continues to hold 23,40,000 (twenty three lakh and forty thousand) shares, representing 25.79% (twenty five point seven nine per cent) of the Voting Share Capital of the Target Company. The PAC did not hold any Equity Shares in the Target Company prior to the date of the Underlying Agreement. As on the date of this LoF, the PAC does not hold any Equity Shares in the Target Company.
^^ assuming that the shareholding of the promoters (other than the Acquirer) does not change.

4.11. As of date of Letter of Offer, 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. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1. Justification of Offer Price

5.1.1. The Equity Shares of the Target Company are listed on the BSE (Scrip Code: 505163).

5.1.2. 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 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.

5.1.3. The Equity Shares of the Target Company are infrequently traded, as defined in the 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

5.1.4. 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:

1.	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
2.	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

3.	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
4.	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
5.	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)
6.	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 BSR & Associates LLP Chartered Accountants*)	INR 439 (Indian Rupees four hundred and thirty nine) per Equity Share
7.	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 six paise) per Equity Share
8.	Per Equity Share value, as required under Regulation 8(5) of SEBI (SAST) Regulations.	NA

<u>Note:</u> *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 the 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.*

5.1.5. 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.

5.1.6. In the event of acquisition of the Equity Shares by the Acquirer 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 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 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 Regulations; (ii) make a public announcement in the same newspapers in which the 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.

5.1.7. In the event that the number of Equity Shares offered by the Eligible Shareholders is more than the Offer Size, the Acquirer and/or the PAC shall accept the offers received from the Eligible Shareholders on a proportionate basis in accordance with the Regulations in consultation with the Manager to the Offer in a fair and equitable manner.

5.1.8. 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 Regulations. (*Source: BSE website and Target Company confirmations*)

5.1.9. There has been no revision in the Offer Price or to the Offer Size as of the date of this LoF.

5.2. Financial Arrangements:

5.2.1. 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**").

5.2.2. 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.

5.2.3. The source of funds for the Offer shall be the funds available to the Acquirer. As on 15 September 2014, the Acquirer had more than Euro 100,000,000 (Euro One hundred million) in cash and cash equivalents.

5.2.4. In accordance with Regulation 17 of the 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 Rs. 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.

5.2.5. 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 Regulations.

5.2.6. The Acquirer and the PAC are aware of, and will comply with their obligations under the Regulations. The Acquirer and the PAC have adequate financial resources to meet the Offer obligations under the Regulations.

5.2.7. 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 Regulations.

5.2.8. 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 Regulations for a value up to the Maximum Consideration.

5.2.9. 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.

6. TERMS AND CONDITIONS OF THE OFFER

6.1. The Acquirer shall accept the Offer subject to the following:

6.1.1. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of Regulations. This Offer is a mandatory indirect offer in compliance with Regulations 3(1), 4 and 5(1) of the Regulations.

6.1.2. Applications in respect of Equity Shares that are the subject matter of litigation, wherein the Eligible Shareholders of the Target Company may be prohibited from transferring the Equity Shares during the pendency of the said litigation, are liable to be rejected if the directions or orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer. The applications in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities. Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.

6.1.3. The Acquirer will acquire the Equity Shares which are free 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

6.1.4. The acceptance of locked-in Equity Shares by the Acquirer is subject to applicable law and the continuation of the residual lock-in period in the hands of the Acquirer. As per the filings made by the Target Company with BSE, there are no Equity Shares which are under lock-in.

6.1.5. All Eligible Shareholders may participate in the Offer any time during the Tendering Period but before the closure of the Tendering Period.

6.1.6. Each Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.

6.1.7. Statutory and other approvals:

6.1.7.1. As on the date of this LoF, subject to the paragraph 6.1.7.2 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 or PAC shall make the necessary applications for such approvals without undue delay.

6.1.7.2. 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.

6.1.7.3. In the case of delay in receipt of any statutory approvals to complete this Offer, which may be required by the Acquirer or PAC at a later date, as per Regulation 18(11) of the 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.

6.1.7.4. The Acquirer and PAC will have the right not to proceed with this Offer in accordance with Regulation 23 of the 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 the 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.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

7.1. 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.

7.2. A tender of Equity Shares pursuant to any of the procedures described in this LoF will constitute a binding agreement between the Acquirer, PAC and the tendering Shareholder, including the tendering Shareholder's acceptance of the terms and conditions of this LoF. The acceptance of this Offer is entirely at the discretion of the Shareholders. The acceptance of this Offer by the Eligible Shareholders must be absolute and unqualified. In the event any change or modification is made to the Form of Acceptance or if any acceptance to this Offer which is conditional and incomplete in any respect, the Manager to the Offer, the Acquirer and the PAC reserve the right to reject the acceptance of the Offer by such Shareholder.

7.3. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of this LoF.

7.4. This LoF together with the Form of Acceptance, will be mailed on or before 16 Mar, 2015 to all the Eligible Shareholders of the Target Company whose names appear in the register of members of the Target Company and the beneficial owners of the Equity Shares, whose names appear on the beneficial records of the respective depositories, in each case at the close of business hours on 9 Mar, 2015, i.e., the Identified Date. Accidental omission to dispatch this LoF to any Shareholder to whom this Offer has been made or non-receipt of this LoF by any such Shareholder shall not invalidate this Offer in any way.

7.5. The Registrar to the Offer has opened a special depository account with VENTURA SECURITIES LTD at the NSDL, called "LIIPL ZF STEERING OFFER ESCROW DEMAT ACCOUNT" ("**Special Account**"). The DP ID is IN303116 and the Client ID is 11569093. Eligible Shareholders having their beneficiary account in CDSL have to use the inter-depository Delivery Instruction slip for the purpose of crediting their Equity Shares in favor of the Special Account with NSDL.

7.6. The Offer shall open on 23 Mar, 2015 and will remain open until 7 Apr, 2015. All Eligible Shareholders who are owners (registered or unregistered) of Equity Shares, regardless of whether he/she held Equity Shares on the Identified Date, are eligible to participate in the Offer any time during the Tendering Period but before the closure of the Tendering Period.

7.7. Eligible Shareholders can also download this LoF and Form of Acceptance placed on the SEBI website www.sebi.gov.in and send in their acceptance by completing the same.

7.8. **Procedure for Acceptance**

7.8.1. The Eligible Shareholders who wish to avail themselves of and accept the Offer can deliver the Form of Acceptance, along with all the relevant documents, to any of the collection centers specified below in accordance with the procedure as set out in this LoF and the Form of Acceptance on or before the closure of the Tendering Period, i.e., no later than 5 p.m. on 7 April 2015. Eligible Shareholders holding Equity Shares in dematerialized form who wish to tender their Equity Shares will also be required to send a photocopy of the delivery instruction in "Off-market" mode, or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Account ("**Delivery Instruction**"). It is the sole responsibility of the Shareholder to ensure credit of the delivered Equity Shares is in the Special Account on or before the closure of the Tendering Period (i.e., no later than 7 Apr, 2015). Should there be any addition to the collection centers mentioned below, the same will be published by way of a corrigendum to this LoF. All the centers mentioned herein below would be open as follows:

Timings: Weekdays, Monday to Friday (except public holidays): 10:00 A.M. to 1:00 P.M., 02:00 P.M. to 05:00 P.M.

Sr No	Collection Centres	Address of Collection Centres	Contact Person	Phone No.	Fax	Mode of delivery
1.	**Mumbai**	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills	Ganesh Mhatre	022-617154	022-2596	Hand Delivery &

Sr No	Collection Centres	Address of Collection Centres	Contact Person	Phone No.	Fax	Mode of delivery
		Compound, L B S Marg,Bhandup (W),Mumbai -400078.		00	0329	Registered Post
2.	**Ahmedabad**	Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380009 Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market,, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad – 380009	Hitesh Patel	079-2646 5179	079-2646 5179 (**Tele fax)**	Hand Delivery
3.	**Bangalore**	Link Intime India Pvt. Ltd., 543/A, 7TH Main , 3rd Cross, Hanumanthanagar, Bangalore - 560 019	Nagendra Rao	080-26509004	080-2650 9004 **(Tele fax)**	Hand Delivery
4.	**Pune**	Link Intime India Pvt. Ltd, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001.	Rajeeva Koteshwar	020-26160084, 26161629	020 - 2616 3503 (Tele fax)	Hand Delivery

Applicants who do not live in any of cities referred to above, may send the Form of Acceptance, along with all the relevant documents, by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: c/o [Mr. Ganesh Mhatre, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 (Contact nos.: +91 22 61715400, e-mail: zfsteering.offer@linkintime.co.in) so as to reach the Registrar to the Offer on or before 7 April 2015, i.e., closure of the Tendering Period.

7.8.2. Documents to be delivered by all Eligible Shareholders:

(a) For Equity Shares held in the dematerialized form:

(i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Equity Shares, as per the records of the DP.

(ii) Photocopy of the Delivery Instruction in “Off-market” mode or counterfoil of the delivery instruction slip in “Off-market” mode, duly acknowledged by the DP.

(iii) A copy of the PAN card, power of attorney, corporate authorization (including board resolutions / specimen signatures) and no objection certificate / tax clearance certificate from the income authorities, as applicable.

Please note the following:

(i) For each Delivery Instruction, the beneficial owner should submit a separate Form of Acceptance.
(ii) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Equity Shares have not been credited to the Special Account or for Equity Shares that are credited in the Special Account but the corresponding Form of Acceptance has not been received as on the closure of the Tendering Period.

In the case of registered resident Eligible Shareholders, non-receipt of the Form of Acceptance, but credit of the Equity Share to the Special Account, may be deemed to be acceptance of the Offer by such Eligible Shareholders.

(b) In case of Equity Shares held in the physical mode by Eligible Shareholders:

(i) Form of Acceptance should be duly completed and signed as per the specimen signatures lodged with the Target Company, in accordance with the instructions contained therein, by all Eligible Shareholders. In case of Equity Shares held in joint names, names should be filled up in the same order which appears on the Equity Share Certificates and signed as per the specimen signatures lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer;

(ii) Original Equity Share certificate(s);

(iii) Valid Share transfer form(s) duly signed by transferor (by all the Eligible Shareholders in case the Equity Shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s). The transfer form(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer form(s)) (for example, thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected in this Offer;

(iv) A copy of the PAN card, power of attorney, corporate authorization (including board resolutions / specimen signatures) and no objection certificate / tax clearance certificate from the income authorities, as applicable; and duly attested power of attorney if any person apart from the Shareholder has signed the acceptance form or transfer deed; and

(v) For Equity Shares held in physical mode by resident Eligible Shareholders, in case of non-receipt of the duly completed Form of Acceptance, but receipt of other documents including the original share certificates, valid share transfer deeds and permanent account number prior to the closure of the Tendering Period, the Acquirer may, in its sole discretion, deem the Equity Shares to have been accepted under the Offer.

(c) Non-resident Eligible Shareholders should enclose a copy of the permission received from RBI or other regulatory authority for the Equity Shares held by them. If the Equity Shares are held under the general permission of RBI, the non-resident Shareholder should furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis. OCBs/NRIs are requested to seek a specific approval of the RBI for tendering their Equity Shares in the Offer and a copy of such approval must be provided along with other requisite documents in the event that any OCB/NRI Shareholder tenders its Equity Shares in the Open Offer. In case the above approvals from the RBI are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered.

(d) The Eligible Shareholders should also provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

(i) Duly attested death certificate and succession certificate/probate/ letter of administration (in case of single Shareholder) if the original Shareholder has expired;

(ii) Duly attested power of attorney if any person apart from the Shareholder has signed the Form of Acceptance or transfer deed(s);

(iii) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance;

(iv) In case of companies, the necessary corporate authorization (including certified copy of Board of Directors or general meeting resolution(s)); and

(v) Any other relevant documents including those listed in this paragraph 7.

7.8.3 Equity Shares should only be submitted to the Registrar to the Offer and not be submitted or tendered to the Manager to the Offer, the Acquirer, the PAC or the Target Company.

7.9. **Procedure for acceptance of the Offer by unregistered Eligible Shareholders, owners of Equity Shares who have sent them for transfer or those who did not receive this LoF**

7.9.1. The unregistered Eligible Shareholders holding Equity Shares in physical form may send the Form of Acceptance along with the required documents to the Registrar to the Offer on a plain sheet of paper stating the name, address, number of Equity Shares held, distinctive numbers, number of Equity Shares offered, number of Equity Shares tendered, distinctive numbers, folio number, together with the original Equity Share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their Equity Shares and valid share transfer forms as received from the market, so as to reach the Registrar to the Offer on or before the closure of the Tendering Period, i.e., no later than 05:00 P.M. on 7 April 2015. Unregistered Eligible Shareholders holding Equity Shares in dematerialized form may send the application in writing to the Registrar to the Offer, on a plain sheet of paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the Delivery Instruction, so as to reach the Registrar to the Offer, on or before the closure of the Tendering Period, i.e., no later than 7 April 2015.

7.9.2. Alternatively, Eligible Shareholders can also download the LoF and Form of Acceptance placed on the SEBI website www.sebi.gov.in and send in their acceptance by completing the same.

7.9.3. In case of Equity Shares held in the physical mode by unregistered Eligible Shareholders who have sent their share certificates and transfer deeds for transfer to the Target Company/its transfer agents, the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s).

7.9.4. No indemnity will be required from unregistered Eligible Shareholders.

7.9.5. If the aggregate of the valid responses to the Offer exceeds the size of the Offer, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with the Regulations in consultation with the Manager to the Offer in a fair and equitable manner.

7.9.6. The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the Eligible Shareholders' sole risk. Unaccepted Equity Shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective DP as per details received from their DP. It will be the responsibility of the Eligible Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. Eligible Shareholders holding Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. Eligible Shareholders should ensure that their depository account is maintained until the Offer formalities are completed.

7.9.7. The Registrar to the Offer will hold in trust the Equity Shares/share certificates, held in credit of the Special Account and transfer form(s) and the Form of Acceptance if any, on behalf of the Eligible Shareholders who have accepted the Offer, until the Acquirer and the PAC complete their obligations under the Offer in accordance with the Regulations.

7.9.8. Eligible Shareholders who have sent their Equity Shares for dematerialization need to ensure that the process of getting their Equity Shares dematerialized is completed well in time so that the credit in the Special Account is received on or before the closure of the Tendering Period (i.e., no later than 7 Apr, 2015), else their application would be rejected. It is the sole responsibility of the Eligible Shareholders to ensure credit of their Equity Shares in the depository account above, prior to the closure of the Tendering Period.

7.9.9. Pursuant to Regulation 18(9) of the Regulations, Eligible Shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA and LoF are not allowed to withdraw the same.

7.10. **Compliance with tax and other regulatory requirements**

7.10.1. General

(a) As per the provisions of Section 195(1) of the IT Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under Section 45 of the IT Act or as business profits or interest income (if any) as the case may be, the Acquirer and the PAC is required to deduct taxes at source (including surcharge and education cess).

(b) Resident and non-resident Eligible Shareholders (including FIIs and FPIs) are required to submit their Permanent Account Number ("**PAN**") for income-tax purposes. In case a PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer and the PAC will arrange to deduct tax at the rate of 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the IT Act, whichever is higher.

(c) In case of ambiguity, incomplete or conflicting information or the information (including any additional information or documents which may be requested by the Acquirer and PAC from a Shareholder for ascertaining the taxes to be deducted) not being provided to the Acquirer and PAC, it would be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the IT Act, on the entire consideration and interest if any, payable to such Shareholder.

(d) In the event the Acquirer or the PAC, on the basis of any misrepresentation, inaccuracy or omission of information provided by a Shareholder, fail to withhold/deduct the required tax, and as a result of such failure the Acquirer or PAC are called upon by the Income-tax authorities (by way of a demand notice or otherwise) for recovery of the shortfall in the taxes withheld/deducted by the Acquirer or PAC, the Acquirer or PAC shall be entitled to seek indemnification from such Shareholder towards any payments made by the Acquirer or PAC to the Income-tax authorities towards such shortfall, together with any interest, penalties, costs and expenses payable or incurred or to be incurred by the Acquirer or PAC in connection therewith.

(e) Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

7.10.2. Withholding tax implications for Non-resident Eligible Shareholders (other than FII)

(a) While tendering Equity Shares under the offer, non-resident shareholders shall be required to submit a No Objection Certificate ("**NOC**")/Tax Clearance Certificate ("**TCC**") from the Income-tax authorities under Section 195(3) or Section 197 of the IT Act along with the Form of Acceptance, indicating the amount of tax to be deducted by the Acquirer and the PAC before remitting the consideration. The Acquirer and the PAC will arrange to deduct taxes at source in accordance with such NOC/TCC.

(b) In case the aforesaid NOC or TCC is not submitted, the Acquirer and PAC will arrange to deduct tax at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the IT Act, on the entire consideration and interest if any, payable to such Shareholder.

(c) As per a press release by the Government of India (*Ref: Notification No. 86/2013 dated 01 November 2013)* Cyprus has been notified as a notified jurisdictional area under Section 94A of the IT Act. Pursuant to the said notification, any transfer of Equity Shares from any non-resident shareholder to the Acquirer and PAC shall be deemed as an international transaction and accordingly, transfer pricing provisions shall apply, including maintenance of documentation. In order to comply with the said notification and the related requirements thereof, the Acquirer and PAC reserve the right to request the following information from any Shareholder who is a tax resident of Cyprus and any other jurisdiction which may be notified by the Government of India:

(i) description of the ownership structure, including name and address of individuals or other entities, holding more than 10% (ten percent) shareholding or ownership interests, either directly or indirectly;

(ii) profile of the multinational group to which the seller belongs to, along with name, address, legal status and country of tax residence of each of the group entities which are tendering shares in the open offer along with its relationship with the selling entity;

(iii) broad description of the business of the seller and the industry it operates in; and

(iv) any other information, data or document, which may be relevant for the transaction.

7.10.3. Withholding tax implications for FII

(a) As per provisions of Section 196D(2) of the IT Act, no deduction of tax at source will be made from any income by way of capital gains arising from transfer of securities referred to in Section 115AD of the IT Act to a FII as defined in Section 115AD of the IT Act.

(b) A FII should certify ("**FII Certificate**") the nature of its income arising from the sale of Equity Shares as per the IT Act (whether capital gains or otherwise). In the absence of a FII Certificate to the effect that their income from sale of shares is in the nature of capital gains, the Acquirer and PAC will deduct tax at the maximum rate applicable to the category to which such FII belongs on the entire consideration payable to such FII. In the event that the FII submits a NOC or TCC from the Income-tax authorities under Section 195(3) or Section 197 of the IT Act along with the Form of Acceptance, indicating the amount of tax to be deducted by the Acquirer before remitting consideration, the Acquirer and PAC will deduct tax in accordance with the NOC/TCC.

(c) As mentioned in Para 7.10.2(c) above, Cyprus has been notified as a notified jurisdictional area under Section 94A of the IT Act. Pursuant to the said notification, any transfer of Equity Shares from an FII which does not certify that the nature of its income arising from the sale of Equity Shares to the Acquirer and PAC is in the nature of capital gains shall be deemed as an international transaction and accordingly, transfer pricing provisions shall apply, including maintenance of documentation. In order to comply with the said notification and the related requirements thereof, the Acquirer and PAC reserve the right to request the following information from any FII who is a tax resident of Cyprus and any other jurisdiction which may be notified by the Government of India:

(i) description of the ownership structure, including name and address of individuals or other entities, holding more than 10% (ten percent) shareholding or ownership interests; either directly or indirectly;

(ii) profile of the multinational group to which the seller belongs to, along with name, address, legal status and country of tax residence of each of the group entities which are tendering shares in the open offer along with its relationship with the selling entity;

(iii) broad description of the business of the seller and the industry it operates in; and

(iv) any other information, data or document, which may be relevant for the transaction.

(d) In respect of interest income, in the event that the FII submits a NOC or TCC from the Income-tax authorities indicating the amount of tax to be deducted by the Acquirer and PAC under the IT Act, the Acquirer and PAC will deduct tax in accordance with the NOC/TCC so submitted. In absence of such NOC/TCC, the Acquirer and PAC will arrange to deduct tax at the maximum rate applicable to the category to which such FII belongs.

7.10.4. Tax to be deducted in case of resident Eligible Shareholders

(a) In the absence of any specific provision under the IT Act, the Acquirer and PAC will not deduct tax on the consideration payable to resident Eligible Shareholders in respect of gains arising on transfer of Equity Shares under this Offer.

(b) The Acquirer and PAC will deduct the tax at the stipulated rates (including surcharge and education cess, if applicable) on interest, if any, payable to resident Eligible Shareholders , if the amount of interest payable is in excess of INR 5,000 (Rupees five thousand only).

(c) The resident Shareholder claiming no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance a NOC or TCC from the Income-tax authorities indicating the amount of tax to be deducted by the Acquirer or, in the case of resident Shareholder not being a company or firm, a self-declaration in form 15G or form 15H, as may be applicable. The self-declaration in form 15G or form 15H would not be valid unless the resident Shareholder furnishes PAN in such declaration. In case the aforesaid NOC or TCC or form 15G or 15H, if applicable, is not submitted, the Acquirer and PAC will arrange to deduct tax at the stipulated rate (including surcharge and education cess, if applicable) on interest, if any, payable to resident Eligible Shareholders, if the amount of interest payable is in excess of INR 5,000 (Rupees five thousand only). Also, no tax is to be deducted on the interest amount in the case of resident Shareholder being a mutual fund as per Section 10(23D) of the IT Act or a bank/an entity specified under Section 194A(3)(iii) of the IT Act if it submits a copy of the relevant registration or notification along with the Form of Acceptance.

7.10.5. Notwithstanding anything contrary contained in paragraphs 7.10.1 to 7.10.4 above and in case the PAN of the Shareholder is not submitted or is invalid or does not belong to the Shareholder or in case of any ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer and PAC, the provisions contained under clause (b) and (c) of paragraph 7.10.4 above, respectively, shall be applicable.

7.10.6. Issue of withholding tax certificate

The Acquirer and PAC will issue a certificate in the prescribed form to the Eligible Shareholders (resident and non- resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

7.10.7. Withholding taxes in respect of overseas jurisdictions

(a) Apart from the above, the Acquirer and the PAC will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdiction where the non-resident Shareholder is a resident for tax purposes ("**Overseas tax**").

(b) For this purpose, the non-resident Shareholder shall duly represent in the Form of Acceptance the quantum of the Overseas tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident, and the Acquirer and the PAC will be entitled to rely on this representation at their/its sole discretion.

7.10.8. The tax rates and other provisions may undergo changes. Tax will be withheld as per the laws/rates prevailing at the time of making payment to the Eligible Shareholders.

7.10.9. Eligible Shareholders who wish to tender their Equity Shares must submit the information all at once as given in the Form of Acceptance and those that may be additionally requested for by the Acquirer and PAC. The documents submitted by the Eligible Shareholders along with the Form of Acceptance will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer will be accepted at the sole discretion of the Acquirer and PAC.

7.10.10. The final decision to withhold tax or not, or the quantum of taxes to be withheld rests solely with the Acquirer and PAC.

7.10.11. Taxes once withheld will not be refunded by the Acquirer and PAC under any circumstances. The tax withheld under this Offer is not the final liability of the Eligible Shareholders or in no way discharges the obligation of Eligible Shareholders to disclose the amount received pursuant to this Offer.

7.10.12. All Eligible Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

7.10.13. Eligible Shareholders who wish to tender their Equity Shares must submit the following tax related information along with the Form of Acceptance:

(a) For non-resident Eligible Shareholders (other than FII)

(i) Self-attested copy of PAN card;

(ii) NOC or TCC from the Income-tax authorities;

(iii) Declaration in respect of residential status, status of Eligible Shareholders (e.g. individual, firm, company, FII, trust or any other - please specify); and

(iv) Any previous RBI Approval (specific or general) that they may have been required to obtain prior to acquiring the Equity Shares.

(b) For FIIs

(i) Self-attested copy of PAN card;

(ii) NOC or TCC from the Income-tax authorities (to the extent applicable);

(iii) Declaration in respect of residential status, status of Eligible Shareholders (e.g., individual, firm, company, FII, trust or any other - please specify);

(iv) FII Certificate (i.e., self-attested declaration certifying the nature of income arising from the sale of Equity Shares, whether capital gains or otherwise); and

(v) SEBI registration certificate.

(c) For resident Eligible Shareholders

(i) Self-attested copy of PAN card;

(ii) Declaration in respect of residential status, status of Eligible Shareholders (e.g., individual, firm, company, institutional investor, trust or any other - please specify);

(iii) If applicable, self-declaration form in form 15G or form 15H (in duplicate), as applicable;

(iv) NOC or TCC from the Income-tax authorities (applicable only for the interest payment, if any); and

(v) For mutual funds/banks/other specified entities under Section 10(23D)/194A(3)(iii), as applicable, of the IT Act – Copy of relevant registration or notification (applicable only for interest payment, if any).

(d) In case of any non-resident Shareholder (including FII) who is a tax resident of Cyprus or any other jurisdiction which may be notified by the Government of India in this regard, the Acquirer and PAC reserve the right to request the following information:

(i) description of the ownership structure, including name and address of individuals or other entities, holding more than 10% (ten percent) shareholding or ownership interests; either directly or indirectly;

(ii) profile of the multinational group to which the seller belongs to, along with name, address, legal status and country of tax residence of each of the group entities which are tendering shares in the open offer along with its relationship with the selling entity;

(iii) broad description of the business of the seller and the industry it operates in; and

(iv) any other information, data or document, which may be relevant for the transaction.

7.10.14. All cheques/demand drafts/pay orders will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Eligible Shareholders provide bank account details in the Form of Acceptance for incorporation in the cheque/demand draft/pay order.

7.10.15. The payment to the Eligible Shareholders would be made, within 10 (ten) working days from the closure of the Tendering Period (i.e., 22 Apr, 2015) through various modes as follows:

Payment to those Eligible Shareholders whose Equity Share are validly accepted, will be by way of a crossed account payee cheque / demand draft / pay order / through Direct Credit ("**DC**") / National Electronic Clearance System ("**NECS**") / National Electronic Funds Transfer ("**NEFT**") / Real Time Gross Settlement ("**RTGS**"). The Eligible Shareholders who opt for receiving consideration through NECS/NEFT/RTGS are requested to give the authorization for the same in the Form of Acceptance and enclose a photocopy of cheque along with the Form of Acceptance. In case of the Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares or (ii) the Equity Share certificates for any rejected Equity Shares, will be dispatched to the Eligible Shareholders by registered post / speed post, at the Shareholder's sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.

For Eligible Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected / not credited through DC / NECS / NEFT / RTGS, due to technical errors or incomplete / incorrect bank account details, payment consideration will be dispatched through registered / speed post at the Shareholder's sole risk.

7.10.16. The Acquirer will not be responsible in any manner for any loss of share certificate(s) or offer acceptance documents during transit and the Eligible Shareholders of the Target Company are advised to adequately safeguard their interest in this regard. In case of any lacunae or defect or modifications in the documents or forms submitted, the acceptance is liable to be rejected.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Eligible Shareholders at the office of the Manager to the Offer situated at 1202, 12th Floor, First International Financial Centre, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 on all working days (i.e., Monday to Friday) between 10:00 A.M. to 04:00 P.M. during the Tendering Period:

8.1 Charter documents of the Acquirer and PAC;

8.2 Chartered Accountant certificate certifying the adequacy of financial resources with the Acquirer to fulfill the Offer obligations;

8.3 Audited annual reports of the Acquirer, PAC and Target Company for the last three years;

8.4 A letter from Citibank confirming the amount kept in the Escrow Account and a lien in favour of the Manager to the Offer;

8.5 A copy of PA, published copy of the DPS, issue opening PA and any corrigendum to these;

8.6 A copy of the recommendation made by the Target Company's committee of independent directors constituted by the Board of Directors;

8.7 A copy of the comments letter from SEBI;

8.8 A copy of the Underlying Agreement;

8.9 A copy of the agreement entered into with the DP for opening a Special Account for the purpose of the Offer;

8.10 Escrow Agreement referred to in paragraph 5.2.4.

9. DECLARATION BY THE ACQUIRER AND PAC

The Acquirer and the PAC accept full responsibility for the information contained in this Letter of Offer (other than publicly available information in relation to the Target Company) and also accept responsibility for the obligations of the Acquirer and the PAC as laid down in the Regulations. The Acquirer and the PAC shall be severally and jointly responsible for ensuring compliance with the Regulations.

Signed by

For ZF LENKSYSTEME GMBH

Name :
Designation :
Date : 9 February 2015
Place :

Signed by

For ROBERT BOSCH GMBH

Name :
Designation :
Date : 9 February 2015
Place :