Public Announcement under Regulations 3 and 4 and 5(1) read with Regulation 13(2)(e), Regulation 15(1) and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "SEBI (SAST) Regulations")

FOR THE ATTENTION OF THE SHAREHOLDERS OF ZF STEERING GEAR (INDIA) LIMITED

Open offer ("Offer") for the acquisition of up to 2,359,058 fully paid-up equity shares of the face value of Rs 10 each ("Equity Shares"), representing 26% (twenty six percent) of the total share capital of ZF Steering Gear (India) Limited (the "Target Company") on a fully diluted basis, as of the tenth working day from the closure of the tendering period of the open offer ("Voting Share Capital"), from the eligible shareholders of the Target Company by ZF Lenksysteme GmbH (the "Acquirer") along with Robert Bosch GmbH ("PAC") in its capacity as a person acting in concert with the Acquirer. Save and except for the PAC, no other person is acting in concert with the Acquirer for the purpose of this Offer.

1. OFFER DETAILS

1.1 **Offer Size:** Up to 2,359,058 Equity Shares (each an "**Offer Share**") representing 26% (twenty six per cent) of the Voting Share Capital (the "**Offer Size**") at a price of Rs 439 (Indian Rupees Four Hundred Thirty Nine only) per Offer Share ("**Offer Price**") aggregating to Rs 1,035,626,462 (Indian Rupees One Hundred and Three Crore Fifty Six Lac Twenty Six Thousand Four Hundred and Sixty Two), subject to the terms and conditions mentioned in this Public Announcement ("**Public Announcement**"), the detailed public statement ("**DPS**") and the letter of offer that may be issued in accordance with the SEBI (SAST) Regulations.

1.2 **Offer Price:** Rs 439 per Offer Share. The Offer Price has been determined by the Acquirer and the Manager to the Offer taking into account the provisions of Regulation 8(3) and 8(4) of the SEBI (SAST) Regulations and the valuation report dated 15 September 2014 issued by M/S B S R & Associates LLP, Chartered Accountants. The Equity Shares are not frequently traded as per Regulation 2(1)(j) of SEBI (SAST) Regulations.

1.3 **Mode of Payment:** The offer price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.

1.4 **Type of Offer:** This Offer is a mandatory offer made by the Acquirer and PAC in compliance with Regulations 3 and 4 and 5(1) of SEBI (SAST) Regulations. The thresholds specified under Regulation 5(2) of the SEBI (SAST) Regulations are not applicable. This Offer is not subject to any minimum level of acceptance.

2. TRANSACTION WHICH HAS TRIGGERED THE OPEN OFFER OBLIGATIONS (UNDERLYING TRANSACTION)

2.1 The PAC and ZF Friedrichshafen AG ("**Seller**") hold 50% shareholding each in the Acquirer and have equal rights in relation to management of the

Acquirer. The PAC and the Seller have entered into a share purchase agreement dated 15 September 2014 ("**Transaction Document**") in terms of which the PAC has agreed to acquire 50% of the issued and paid up share capital of the Acquirer from the Seller subject to relevant regulatory approvals and applicable law ("**Primary Acquisition**").

2.2 The Acquirer in turn holds 2,340,000 Equity Shares representing 25.79% of the Voting Share Capital of the Target Company and is also named as a promoter of the Target Company. Upon completion of the Primary Acquisition, the PAC would own 100% share capital of the Acquirer thereby entitling the PAC to: (i) indirectly exercise 25.79% voting rights in the Target Company held by the Acquirer which is more than the 25% (twenty five percent) acquisition limit available to the PAC under Regulation 3(1) of the SEBI (SAST) Regulations; and (ii) indirectly exercise joint control over the Target Company through the Acquirer along with other existing promoters of the Target Company since the Primary Acquisition will result in the PAC acquiring sole control over the Acquirer. Accordingly, this Offer is also being made under Regulation 4 of the Regulations. The completion of the Primary Acquisition is subject to certain conditions including without limitation legal and statutory approvals which will be set out in the DPS and letter of offer for this Offer.

2.3 While the Offer has been triggered by the PAC by entering into the Primary Acquisition, Equity Shares tendered in the Offer, if any, will be acquired by the Acquirer since the Acquirer and PAC are persons acting in concert with each other.

2.4 This Public Announcement is being issued by Citigroup Global Markets India Private Limited (the "**Manager to the Offer**") for and on behalf of the Acquirer and the PAC to the eligible shareholders of the Target Company pursuant to and in compliance with SEBI (SAST) Regulations 3, 4 and 5(1) and other applicable Regulations of the SEBI (SAST) Regulations.

TYPE OF TRANSACTION (DIRECT/ INDIRECT)	MODE OF TRANSACTION (AGREEMENT/ ALLOTMENT/ MARKET PURCHASE)	SHARES/ VOTING RIGHTS ACQUIRED/ PROPOSED TO BE ACQUIRED		TOTAL CONSIDERATION FOR SHARES /VOTING RIGHTS (VR) ACQUIRED (RS IN CRORES)	MODE OF PAYMENT (CASH/SECURITIES)	APPLICABLE REGULATIONS
		NUMBER	% VIS-A-VIS VOTING SHARE CAPITAL			
Indirect Acquisition	Entering into a share purchase agreement whereby the PAC proposes to acquire 50% of the share capital of the	1 share equal to 50% of the share capital of the Acquirer*	50% of the share capital of the Acquirer*	Not applicable since this is an indirect acquisition.	Not applicable since this is an indirect acquisition.	Regulation 3, Regulation 4 read with Regulation 5 (1) of the SEBI (SAST) Regulations

TYPE OF TRANSACTION (DIRECT/ INDIRECT)	MODE OF TRANSACTION (AGREEMENT/ ALLOTMENT/ MARKET PURCHASE)	SHARES/ VOTING RIGHTS ACQUIRED/ PROPOSED TO BE ACQUIRED		TOTAL CONSIDERATION FOR SHARES /VOTING RIGHTS (VR) ACQUIRED (RS IN CRORES)	MODE OF PAYMENT (CASH/SECURITIES)	APPLICABLE REGULATIONS
		NUMBER	% VIS-A-VIS VOTING SHARE CAPITAL			
	Acquirer* from the Seller.					

** The Acquirer in turn holds 2,340,000 Equity Shares representing 25.79% of the Voting Share Capital of the Target Company and is a promoter of the Target Company.*

3. ACQUIRER AND PACs

DETAILS	ACQUIRER	PAC	TOTAL
NAME	ZF Lenksysteme GmbH	Robert Bosch GmbH	N.A.
ADDRESS	Richard-Bullinger Strasse 77, 73527 Schwäbisch Gmund, Germany	Robert-Bosch-Platz 1, 70839 Gerlingen- Schillerhöhe , Germany	
NAME(S) OF PERSONS IN CONTROL / PROMOTERS OF ACQUIRER / PACs WHERE ACQUIRER / PACs ARE COMPANIES	Acquirer is a joint venture company between: PAC (50%); and Seller (50%)	The shareholding of the PAC is as follows: RB Familiengesellschaft bürgerlichen Rechts - 7.359% Robert Bosch Familientreuhand Kommanditgesellschaft – 0.001% Robert Bosch Industrietreuhand KG - 0.01% Robert Bosch Stiftung GmbH – 91.993%	

DETAILS	ACQUIRER	PAC	TOTAL
		Robert Bosch GmbH- 0.637%	
NAME OF THE GROUP, IF ANY, TO WHICH THE ACQUIRER/PACs BELONGS TO	Joint venture company of the Bosch group and the Seller	Bosch group	
PRE TRANSACTION SHAREHOLDING	25.79%	Nil	2,340,000 Equity Shares representing 25.79% of the Voting Share Capital
NUMBER	2,340,000 Equity Shares	Nil	2,340,000 Equity Shares
% OF TOTAL VOTING SHARE; CAPITAL	25.79%	Nil	25.79%
PROPOSED SHAREHOLDING AFTER THE ACQUISITION OF SHARES WHICH TRIGGERED THE OFFER	4,699,058 Equity Shares representing 51.79% of the Voting Share Capital (Assuming full acceptance in the Offer)	Nil	4,699,058 Equity Shares representing 51.79% of the Voting Share Capital (Assuming full acceptance in the Offer)
ANY OTHER INTEREST IN THE TARGET COMPANY	The Acquirer is a Promoter of the Target Company. The Acquirer and the Target Company hold 76% and 24% of the total paid up equity share capital respectively in a joint venture company viz. ZF Lenksysteme India Private Limited. Mr Carl Magnus Backlund, a director on board of the Target Company holds a senior management position in the Acquirer. He is also a director of ZF Lenksysteme India Private	Nil	N.A.

DETAILS	ACQUIRER	PAC	TOTAL
	Limited. Mr Ludwig Rapp, a director on board of the Target Company holds a senior management position in the Acquirer.		

Note: In accordance with the explanation to the proviso to Regulation 13(4) of the SEBI (SAST) Regulations, the Offer to the eligible shareholders is subject to the completion of the Primary Acquisition.

4. DETAILS OF THE SELLING SHAREHOLDERS

Not applicable. This Offer is being made on account of the Primary Acquisition described above and not as a result of any direct acquisition of equity shares, voting rights or control of the Target Company.

5. TARGET COMPANY

5.1 **Name:** ZF Steering Gear (India) Limited

5.2 **Registered Office:** Gat Nos. 1242 & 1244, Village Vadu Budruk, Taluka Shirur, Dist. Pune – 412 216, Maharashtra

5.3 **Exchanges where Listed:**

BSE Limited, Scrip ID: ZFSTEERING; Scrip Code – 505163

6. OTHER DETAILS

6.1 Further details of the Offer shall be published in the DPS issued in terms of proviso to Regulation 13(4) of the SEBI (SAST) Regulations which DPS will be published as required by Regulation 14(3) of the SEBI (SAST) Regulations in all editions of any one English national daily newspaper with wide circulation, any one Hindi national daily newspaper with wide circulation, and any one regional language daily newspaper with wide circulation in Pune, being the place where the registered office of the Target Company is situated and any one regional language daily newspaper at the place of the stock exchange i.e. Mumbai, where BSE Limited is located.

6.2 In accordance with the explanation to the proviso to Regulation 13(4) of the SEBI (SAST) Regulations, this Offer is subject to the completion of the Primary Acquisition. In the event the Primary Acquisition is not completed, the Acquirer and the PAC will not proceed with this Offer.

6.3 The DPS to be issued under the SEBI (SAST) Regulations shall be published no later than 5 (five) working days from the date of completion of the Primary Acquisition in accordance with explanation to the proviso to Regulation 13(4) of the SEBI (SAST) Regulations. Interest computed at the rate of 10 per cent per annum on the Offer Price from 15 September 2014 being the date on which the Primary Acquisition was contracted, until the date of the DPS will be paid together with the Offer Price in accordance with Regulation 8(12) of the SEBI (SAST) Regulations.

6.4 The Acquirer and the PAC undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations and that they have adequate financial resources to meet the Offer obligations under the SEBI (SAST) Regulations.

6.5 This Public Announcement is not being issued pursuant to a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

6.6 This Public Announcement is not conditional upon any minimum level of acceptance as per Regulations 19(1) of the SEBI (SAST) Regulations.

6.7 Completion of the Offer is subject to receipt of statutory approvals required, if any.

6.8 All information in relation to the Target Company contained in this Public Announcement is based on publicly available information.

Issued by the Manager to the Offer
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Fax: +91 22 39197822
Email: zfindia.openoffer@citi.com
Contact Person: Ankit Srivastava
SEBI Registration Number: INM000010718

For and on behalf of the Acquirer and PAC:

ZF Lenksysteme GmbH	Robert Bosch GmbH
Address Richard-Bullinger Strasse 77, 73527 Schwäbisch Gmund, Germany	Address Robert-Bosch-Platz 1, 70839 Gerlingen-Schillerhöhe , Germany

Place: Mumbai
Date: 15 September 2014