

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This draft letter of offer (“**Draft Letter of Offer**”) is sent to you as a Public Shareholder (*as defined below*) of WABCO India Limited (“**Target Company**”). If you require any clarification about the actions to be taken, you may consult your stock broker or investment consultant or the Manager to the Open Offer/the Registrar to the Offer. In case you have recently sold your Equity Shares in the Target Company, please hand over the Draft Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement to the member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER (“OPEN OFFER”/“OFFER”)

BY

ZF FRIEDRICHSHAFEN AG (“ACQUIRER”)

Regd. Office: Löwentaler Straße 20, 88046 Friedrichshafen, Germany

Registration number: HRB 630206 (local court of Ulm)

Tel No.: +49-7541-77-0; FAX: +49-7541-77-908000

ALONG WITH

WABCO Asia Private Limited (“PAC 1”)

Regd. Office: 25 International Business Park, #03-68/69 German Centre, 609916, Singapore

Company Registration Number: 200607693H

Tel No.: +65 6562 9119; Fax No.: +65 6562 9111

AND

LucasVarity (“PAC 2”)

Regd. Office: Stratford Road, Solihull, West Midlands, B90 4GW, United Kingdom

Company Registration Number: 03207774

Tel No.: +44 (0) 506 627 4242; Fax No.: +44 (0) 121 506 5332

AND

ZF International UK Limited (“PAC 3”)

Regd. Office: Stratford Road, Solihull, West Midlands, B90 4GW, United Kingdom

Company Registration Number: 00054802

Tel No.: +44 (0) 506 627 4242; Fax No.: +44 (0) 121 506 5332

(PAC 1, PAC 2 and PAC 3 collectively referred to as the “PACs”)

TO ACQUIRE UP TO 4,741,900 (FOUR MILLION SEVEN HUNDRED FORTY-ONE THOUSAND NINE HUNDRED ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 5 (RUPEES FIVE ONLY), REPRESENTING 25%* (TWENTY-FIVE PER CENT.) OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW) OF THE TARGET COMPANY (AS DEFINED BELOW) FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW)

**As per SEBI (SAST) Regulations, the open offer under Regulations 3 and 4 shall be for at least 26% of the total share capital of a target company, as of the 10th working day from the closure of the tendering period of the open offer. However, the public shareholding of the Target Company is 25% as on date, and therefore, the Offer Shares represent 25.00% of the Voting Share Capital (as defined below) of the Target Company.*

OF

WABCO INDIA LIMITED (“Target Company”)

Regd. Office: Plot No.3 (SP), III Main Road, Ambattur Industrial Estate, Chennai, Tamil Nadu – 600058, India

Corporate Identification Number: L34103TN2004PLC054667

Tel No.: +91 44 3090 2600/4224 2000; Fax No.: +91 44 3090 2609/4224 2009

AT A PRICE OF ₹ 7,067.51 (RUPEES SEVEN THOUSAND SIXTY-SEVEN AND FIFTY-ONE PAISE ONLY) PER OFFER SHARE (“OFFER PRICE”) PAYABLE IN CASH, PURSUANT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THERETO (“SEBI (SAST) REGULATIONS”)

Note:

- This Open Offer is being made pursuant to Regulations 3(1), 4, and 5(1) of the SEBI (SAST) Regulations.
- This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
- This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- To the best of the knowledge of the Acquirer and the PACs, all the statutory approvals required by the Acquirer and/or the PACs to complete this Open Offer have been obtained. However, in case of any additional statutory approvals being required by the Acquirer and/or the PACs at any later date, this Open Offer will be subject to such approvals. In the event that any statutory approvals required are not obtained or are finally refused or are otherwise not received for reasons outside the reasonable control of the Acquirer and/or PACs, the Acquirer and PACs may withdraw the Open Offer under Regulation 23 of the SEBI (SAST) Regulations. Non-resident Indians and overseas corporate body holders of the Equity Shares, must obtain all approvals required to tender the Equity Shares held by them in this Open Offer (including without limitation, an approval from the Reserve Bank of India and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required under this Open Offer. Further, if holders of the Equity Shares who are not persons resident in India including non-resident Indians (“NRI”) and overseas corporate body holders (“OCB”), foreign portfolio investors and foreign institutional investors had required any approvals (including from the Reserve Bank of India (“RBI”) 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 Open Offer. In the event that such approvals are not submitted, the Acquirer and the PACs shall reject any such Equity Shares tendered in this Open Offer.
- If there is any upward revision in the Offer Price by the Acquirer and the PACs up to one (1) Working Day prior to the commencement of the Tendering Period (i.e., any time up to 16 July 2020), or in the event of withdrawal of the Open Offer, the same would be informed by way of a public announcement in the same Newspapers in which the Detailed Public Statement had appeared. Such revised Offer Price (if any) would be payable for all the Equity Shares validly tendered anytime during the Tendering Period.
- **There has been no competing offer as of the date of this Draft Letter of Offer.**
- **If there is a competing offer, the offers under all subsisting bids will open and close on the same date.**
- A copy of the Public Announcement, the Detailed Public Statement and this Draft Letter of Offer, and the Letter of Offer (including Form of Acceptance-cum-Acknowledgement) will be available on the website of the Securities Exchange Board of India (“SEBI”), at www.sebi.gov.in

Manager to the Offer

J.P.Morgan

J.P. Morgan India Private Limited

J.P. Morgan Tower, Off C.S.T. Road, Kalina,
Santacruz (East), Mumbai – 400 098.

Telephone number: +91 22 6157 3000; Fax number: +91 22 6157 3911

E-mail: wabco_openoffer@jpmorgan.com

Website: www.jpimipl.com

Contact Person: Nilay Bang

SEBI Registration Number: INM000002970

Registrar to the Offer

LINKIntime

Link Intime India Private Limited

C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai-400083, Maharashtra, India

Telephone number: +91-22-4918 6200; Fax number: +91-22-4918 6195

Email: wabcoindia.offer@linkintime.co.in

Contact Person: Sumeet Deshpande

SEBI Registration Number: INR000004058

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

Activity	Date	Day
Date of the Public Announcement	2 April 2019	Tuesday
Date of consummation of the Underlying Transaction	29 May 2020	Friday
Date of publication of the Detailed Public Statement in the newspapers	3 June 2020	Wednesday
Filing of the Draft Letter of Offer with SEBI	10 June 2020	Wednesday
Last date for public announcement for competing offer	24 June 2020	Wednesday
Last date for SEBI observations on the Draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Open Offer)	1 July 2020	Wednesday
Identified Date*	3 July 2020	Friday
Last date by which the Letter of Offer is required to be dispatched to the Public Shareholders	10 July 2020	Friday
Last date by which the committee of the independent directors of the Company shall give its recommendation to the Public Shareholders of the Company for the Open Offer	15 July 2020	Wednesday
Date of publication of Open Offer opening public announcement in the newspapers in which the Detailed Public Statement has been published.	16 July 2020	Thursday
Last date for upward revision of the offer price/offer size of the Open Offer	16 July 2020	Thursday
Date of commencement of tendering period (Open Offer opening date)	17 July 2020	Friday
Date of closure of tendering period (Open Offer closing date)	30 July 2020	Thursday
Last day of payment to the Public Shareholders whose Equity Shares have been accepted in the Open Offer	13 August 2020	Thursday
Last date for publication of post Open Offer public announcement in the newspapers in which the Detailed Public Statement has been published	20 August 2020	Thursday

**Date falling on the 10th Working Day prior to the commencement of the Tendering Period. The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be sent. All the Public Shareholders (registered or unregistered) of the Equity Shares of the Target Company are eligible to participate in this Open Offer at any time prior to the closure of the Tendering Period.*

The schedule of activities mentioned above is tentative and is subject to change for any reasons, including for delay in receipt of statutory approvals or comments from regulatory authorities.

RISK FACTORS

The risk factors set forth below pertain to the Open Offer and the risks involved in the Target Company, associating with the Acquirer and the PACs but do not pertain to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Public Shareholder in this Open Offer, but are merely indicative. Public Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for analyzing all the risks with respect to their participation in this Open Offer.

I. Risks relating to this Offer:

- To the best of the knowledge of the Acquirer and the PACs, all the statutory approvals required by the Acquirer or the PACs to complete this Open Offer have been obtained by the Acquirer and/or the PACs. However, in case of any additional statutory approvals being required by the Acquirer and/or the PACs at any later date, this Open Offer shall be subject to such approvals. The Acquirer and the PACs will have the right to withdraw this Open Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, if any statutory approval, as may be required, is refused.
- In case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of such approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer and the PACs agreeing to pay interest to the Public Shareholders for delay, at such rate as may be specified by SEBI. Where the statutory approvals extend to some but not all Public Shareholders, the Acquirer and the PACs will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
- NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Open Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Open Offer. In the event such approvals are not submitted, the Acquirer and PACs shall reject such Equity Shares tendered in this Open Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs) had required any approvals (including from the RBI 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 Open Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirer and the PACs shall reject such Equity Shares tendered in this Open Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that such Equity Shares are held under general permission, furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and clarify whether the Equity Shares are held on repatriable basis or on non-repatriable basis.
- In the event that: (a) regulatory or statutory approvals required, if any, are not received in time; or (b) there is any litigation leading to a stay/injunction on the Open Offer or that restricts/restrains the Acquirer/PACs from performing their obligations hereunder; or (c) SEBI instructs the Acquirer/PACs not to proceed with the Open Offer, then the Open Offer process may be delayed beyond the tentative schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are accepted under the Open Offer as well as the return of Equity Shares that have not been accepted under the Open Offer by the Acquirer/PACs may be delayed.

- Public Shareholders who have lodged their acceptance to this Open Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of their Equity Shares in this Open Offer and payment of consideration are delayed.
- The Public Shareholders will not be able to trade in such Equity Shares which have been tendered in the Open Offer. During such period, there may be fluctuations in the market price of the Equity Shares. The Acquirer/PACs make no assurance with respect to the market price of the Equity Shares, both during the period that the Open Offer is open and upon completion of the Open Offer, and disclaim any responsibility with respect to any decision taken by the Public Shareholders with respect to whether or not to participate in the Open Offer. The Public Shareholders will be solely responsible for their decisions regarding their participation in this Open Offer.
- This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Open Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer, the PACs or the Manager to the Open Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in, any foreign jurisdictions covered under the 'General Disclaimer' clause in Section 2 of this Draft Letter of Offer, and cannot be accepted by any means or instrumentality from within any such foreign jurisdictions.
- The Open Offer is being made for securities of an Indian company and Public Shareholders of the Target Company in the U.S. should be aware that this Draft Letter of Offer and any other documents relating to the Open Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the offer timetable and timing of payments, all of which differ from those in the United States. Any financial information included in this Draft Letter of Offer or in any other documents relating to the Open Offer, has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles.
- The receipt of cash pursuant to the Open Offer by a Public Shareholder of the Target Company may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each Public Shareholder of the Target Company is urged to consult his independent professional adviser immediately regarding the tax consequences of accepting the Open Offer.
- The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Open Offer, and in respect of other aspects such as 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 and the PACs do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.
- Neither the U.S. Securities Exchange Commission nor any U.S. state securities commission has approved or disapproved the Open Offer or passed any comment upon the adequacy or completeness of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the U.S.
- The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer unless expressly stated otherwise. The Acquirer, PACs and the Manager are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer.
- The Acquirer, the PACs, and the Manager to the Open Offer do not accept responsibility for the statements made with respect to the Target Company (pertaining to such information that has been

either sourced from publicly available sources or from the Target Company) in connection with this Open Offer as set out in the Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, the Letter of Offer or any corrigendum issued by or at the instance of the Acquirer, the PACs, or the Manager to the Open Offer. Any person placing reliance on any other source of information (not released by the Acquirer, the PACs, or the Manager to the Open Offer) would be doing so at its/his/her own risk.

II. Risks relating to the Acquirer and the PACs:

- The Acquirer and the PACs make no assurance with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.
- The Acquirer and the PACs cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Open Offer and each of them expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision taken by any Public Shareholder with respect to participation in the Open Offer.
- If as a result of the Equity Shares accepted in the Open Offer, the non-public shareholding in the Target Company exceeds the maximum permissible non-public shareholding, the Acquirer and PACs shall be required to bring down the non-public shareholding to the level as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations, within the time permitted under the SCRR, and Regulation 38 of the Listing Regulations and in accordance with any other requirements therein.
- None of the Acquirer, the PACs, the Manager or the Registrar to the Open Offer accepts any responsibility for any loss of documents during transit (including but not limited to Open Offer acceptance forms, copies of delivery instruction slips, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

In this Draft Letter of Offer, all references to “₹” and “Rupees” are references to Indian National Rupee(s) (INR), and all references to “EUR” and “€” are references to Euros and all references to “GBP” are references to Pound Sterling(s). Unless otherwise stated, the INR equivalent quoted in each case is calculated in accordance with the Reserve Bank of India reference rate as on 1 June 2020 i.e. € 1 = ₹ 84.0904 and GBP 1 = ₹ 93.5308 (Source: (i) website of RBI (www.rbi.org.in); and (ii) website of Financial Benchmarks India Private Limited (“FBIL”) (www.fbil.org.in)).

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1. Key Definitions

Acquirer	ZF Friedrichshafen AG, a public limited company (<i>Aktiengesellschaft</i>) incorporated on 24 June 1921 under the laws of Germany, registered with the commercial register of the municipal court of Ulm under the number HRB 630206, with its registered office situated at Löwentaler Straße 20, 88046 Friedrichshafen, Germany
Acquirer Management Board	As defined in paragraph 4.1.4 of this Draft Letter of Offer
Acquirer Supervisory Board	As defined in paragraph 4.1.4 of this Draft Letter of Offer
Acquisition Window	As defined in paragraph 8.2 of this Draft Letter of Offer
BSE	BSE Limited
Buying Broker	As defined in paragraph 8.7 of this Draft Letter of Offer
Cash on Hand	As defined in paragraph 6.2.7 of this Draft Letter of Offer
Chartered Accountant	As defined in paragraph 6.2.8 of this Draft Letter of Offer
Clearing Corporation	The Clearing Corporation of India Limited
Companies Act	Companies Act, 2013, as amended, and the rules framed thereunder
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CFIUS	Committee on Foreign Investment in the United States
Designated Stock Exchange	BSE
Depositories	CDSL and NSDL
Detailed Public Statement/DPS	Detailed Public Statement in relation to the Open Offer issued on behalf of the Acquirer and PACs to the Public Shareholders, which was published in the Newspapers (i.e., all editions of Financial Express (English), all editions of Jansatta (Hindi), Mumbai edition of Mumbai Tarun Bharat (Marathi) and Chennai edition of Makkal Kural (Tamil)) on 3 June 2020
DP	Depository participant
Draft Letter of Offer/DLOF	This Draft Letter of Offer for the Open Offer, dated 10 June 2020
DOJ	U.S. Department of Justice, Antitrust Division
EPS	Earnings per share
Equity Share(s)	Fully paid up equity shares of the Target Company with the face value of ₹ 5 (Rupees five) each
Escrow Account	As defined in paragraph 6.2.3 of this Draft Letter of Offer
Escrow Agreement	As defined in paragraph 6.2.4 of this Draft Letter of Offer
Escrow Bank	As defined in paragraph 6.2.3 of this Draft Letter of Offer
FEMA	The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time

FII	Erstwhile foreign institutional investor(s), as defined under Section 2(1)(f) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
Form of Acceptance-cum-Acknowledgment	Form of Acceptance-cum-Acknowledgement attached to this Draft Letter of Offer
FBIL	Financial Benchmarks India Private Limited
FPI	Foreign portfolio investor(s), as defined under Regulation 2(j) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
Identified Date	3 July 2020, being the date for the purpose of identifying eligible Public Shareholders of the Target Company to whom the Letter of Offer will be sent
Initial Offer Price	As defined in paragraph 3.1.5 of this Draft Letter of Offer
Interest	The total interest is calculated as interest amounting to ₹ 749.51 (Rupees seven hundred forty-nine and fifty-one paise only) per Offer Share computed at the rate of 10% (ten percent) per annum for the period between the date on which the Underlying Transaction was contracted, i.e., 28 March 2019 and the date of the publication of the Detailed Public Statement of this Open Offer in accordance with Regulation 8(12) of the SEBI (SAST) Regulations, on Initial Offer Price of ₹ 6,318 (Rupees six thousand three hundred and eighteen only) per Offer Share
I-T Act	Income-tax Act, 1961, as amended from time to time, and the rules and regulations framed thereunder
KRA	As defined in paragraph 8.9.1 of this Draft Letter of Offer
Letter of Offer	The Letter of Offer dated [•], duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
Manager to the Offer/Manager to the Open Offer	J.P. Morgan India Private Limited, having its registered office at J.P. Morgan Tower, Off C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, India
Maximum Consideration	The maximum consideration payable under the Open Offer, as defined in paragraph 6.2.2 of this Draft Letter of Offer
Merger Agreement	As defined in paragraph 3.1.2 of this Draft Letter of Offer
Merger	As defined in paragraph 3.1.2(a) of this Draft Letter of Offer
Merger Sub	As defined in paragraph 3.1.2 of this Draft Letter of Offer
MB Member	As defined in paragraph 4.1.11 of this Draft Letter of Offer
Newspapers	Financial Express (English - all editions), Jansatta (Hindi - all editions), Makkal Kural (Tamil – Chennai edition) and Mumbai Tarun Bharat (Marathi - Mumbai edition), being the newspapers wherein the Detailed Public Statement was published on behalf of the Acquirer and PACs on 3 June 2020

NOC	No Objection Certificate
NRI	Non-Resident Indian as defined under FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	Overseas corporate bodies as defined under FEMA
Offer/Open Offer	The offer, being made by the Acquirer and the PACs, to acquire up to 4,741,900 (four million seven hundred forty-one thousand nine hundred only) Equity Shares representing 25% (twenty-five per cent.) of the Voting Share Capital of the Target Company from the Public Shareholders at the Offer Price, payable in cash
Offer Period	Shall have the meaning ascribed to it in SEBI (SAST) Regulations
Offer Price	₹ 7,067.51 (Rupees seven thousand sixty-seven and fifty-one paise only) per Offer Share that consists of the Initial Offer Price being ₹ 6,318 (Rupees six thousand three hundred and eighteen only) per Offer Share plus Interest, being ₹ 749.51 (Rupees seven hundred forty-nine and fifty-one paise only) per Offer Share
Offer Shares	4,741,900 (four million seven hundred forty-one thousand nine hundred only) Equity Shares, representing 25% (twenty-five per cent.) of the Voting Share Capital of the Target Company
Offer Size	Up to 4,741,900 (four million seven hundred forty-one thousand nine hundred only) Equity Shares, representing 25% (twenty-five per cent.) of the Voting Share Capital of the Target Company
Overseas Tax	As defined in paragraph 8.20.17 of this Draft Letter of Offer
PAN	Permanent account number
Public Announcement/PA	Public announcement of the Open Offer made by the Manager to the Open Offer on behalf of the Acquirer on 2 April 2019 in accordance with SEBI (SAST) Regulations
Public Shareholder(s)	The public equity shareholders of the Target Company excluding the: (a) Acquirer and/or the PACs; (b) parties to the Merger Agreement; and (c) persons deemed to be acting in concert with the persons set out in (a) and (b) above
PACs/Persons Acting in Concert	PAC 1, PAC 2 and PAC 3, collectively
PAC 1	WABCO Asia Private Limited, a private company limited by shares incorporated on 26 May 2006 under the laws of Singapore (company registration number: 200607693H) with its registered office situated at 25 International Business Park, #03-68/69 German Centre, 609916, Singapore
PAC 2	LucasVarity, a private unlimited company incorporated on 30 May 1996 under the laws of the United Kingdom (company registration number: 03207774) with its registered office situated at Stratford Road, Solihull, West Midlands, B90 4GW, United Kingdom
PAC 3	ZF International UK Limited, a private limited company incorporated on 12 November 1897 under the laws of the United Kingdom (company

	registration number: 00054802) with its registered office situated at Stratford Road, Solihull, West Midlands, B90 4GW, United Kingdom
Registrar to the Offer	Link Intime India Private Limited
Revolving Credit Facilities	As defined in paragraph 6.2.7 of this Draft Letter of Offer
RBI	Reserve Bank of India
SB Member	As defined in paragraph 4.1.12 of this Draft Letter of Offer
SEBI	Securities and Exchange Board of India
SCRR	Securities Contract (Regulation) Rules, 1957, as amended from time to time
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
Selling Broker	The stock brokers registered with the BSE appointed by the respective Public Shareholders
Share(s)/Equity Share(s)	Each fully paid-up equity share of the Target Company, having a face value of ₹ 5 (Rupees five) each
Stock Exchanges	BSE and NSE
Target Company	WABCO India Limited, a public listed company incorporated on 18 November 2004 under the laws of India (corporate identification number: L34103TN2004PLC054667) with its registered office situated at Plot No.3 (SP), III Main Road, Ambattur Industrial Estate, Chennai, Tamil Nadu – 600058, India
Tendering Period	The 10 (ten) Working Day period from 17 July 2020 to 30 July 2020 within which Public Shareholders may tender their Equity Shares in acceptance of the Open Offer
TCC	Tax Clearance Certificate
TRC	Tax Residency Certificate
TRS	Transaction Registration Slip
Underlying Transaction	As defined in paragraph 3.1.2 of this Draft Letter of Offer
UCC	As defined in paragraph 8.9 of this Draft Letter of Offer
Voting Share Capital	Fully paid-up fully diluted voting equity share capital of the Target Company as of the tenth (10 th) Working Day from the date of closure of the Tendering Period
Working Day(s)	The working days of SEBI as defined under Regulation 2(1)(zf) of the SEBI (SAST) Regulations
WABCO US	As defined in paragraph 3.1.2 of this Draft Letter of Offer

Note: All capitalized terms used in this Draft Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI (SAST) Regulations.

2. Disclaimer Clause

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF WABCO INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PACs OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PACs DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, J.P. MORGAN INDIA PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 10 JUNE 2020 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.

UNITED STATES OF AMERICA

THE OPEN OFFER IS BEING MADE FOR SECURITIES OF AN INDIAN COMPANY AND PUBLIC SHAREHOLDERS OF THE TARGET COMPANY IN THE U.S. SHOULD BE AWARE THAT THIS DRAFT LETTER OF OFFER AND ANY OTHER DOCUMENTS RELATING TO THE OPEN OFFER HAVE BEEN OR WILL BE PREPARED IN ACCORDANCE WITH INDIAN PROCEDURAL AND DISCLOSURE REQUIREMENTS, INCLUDING REQUIREMENTS REGARDING THE OPEN OFFER TIMETABLE AND TIMING OF PAYMENTS, ALL OF WHICH DIFFER FROM THOSE IN THE U.S. ANY FINANCIAL INFORMATION INCLUDED IN THIS LETTER OF OFFER OR IN ANY OTHER DOCUMENTS RELATING TO THE OPEN OFFER HAS BEEN OR WILL BE PREPARED IN ACCORDANCE WITH NON-U.S. ACCOUNTING STANDARDS THAT MAY NOT BE COMPARABLE TO FINANCIAL STATEMENTS OF COMPANIES IN THE U.S. OR OTHER COMPANIES WHOSE FINANCIAL STATEMENTS ARE PREPARED IN ACCORDANCE WITH U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

THE RECEIPT OF CASH PURSUANT TO THE OPEN OFFER BY A PUBLIC SHAREHOLDER OF THE TARGET COMPANY MAY BE A TAXABLE TRANSACTION FOR U.S. FEDERAL INCOME TAX PURPOSES AND UNDER APPLICABLE U.S. STATE AND LOCAL, AS WELL AS FOREIGN AND OTHER, TAX LAWS. EACH PUBLIC SHAREHOLDER OF THE TARGET COMPANY IS URGED TO CONSULT HIS INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY REGARDING THE TAX CONSEQUENCES OF ACCEPTING THE OPEN OFFER.

IT MAY BE DIFFICULT FOR U.S. HOLDERS OF EQUITY SHARES TO ENFORCE THEIR RIGHTS AND ANY CLAIMS THEY MAY HAVE ARISING UNDER THE U.S. FEDERAL SECURITIES LAWS IN CONNECTION WITH THE OPEN OFFER, SINCE THE TARGET COMPANY, THE ACQUIRER AND THE PACs ARE INCORPORATED IN COUNTRIES OTHER THAN THE U.S., AND SOME OR ALL OF THEIR OFFICERS AND DIRECTORS MAY BE RESIDENTS OF COUNTRIES OTHER THAN THE U.S. U.S. HOLDERS OF EQUITY SHARES IN THE TARGET COMPANY MAY NOT BE ABLE TO SUE THE TARGET COMPANY, THE ACQUIRER, THE PACs OR THEIR RESPECTIVE OFFICERS OR DIRECTORS IN A NON-U.S. COURT FOR VIOLATIONS OF U.S. SECURITIES LAWS. FURTHER, IT MAY BE DIFFICULT TO COMPEL THE TARGET COMPANY, THE ACQUIRER, THE PACs OR THEIR RESPECTIVE AFFILIATES TO SUBJECT THEMSELVES TO THE JURISDICTION OR JUDGMENT OF A U.S. COURT.

NEITHER THE U.S. SECURITIES EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE OPEN OFFER OR PASSED ANY COMMENT UPON THE ADEQUACY OR COMPLETENESS OF THIS DRAFT LETTER OF OFFER. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE U.S.

UNITED KINGDOM

IN THE UNITED KINGDOM, THE DRAFT LETTER OF OFFER TOGETHER WITH THE DETAILED PUBLIC STATEMENT AND THE PUBLIC ANNOUNCEMENT IN CONNECTION WITH THE OPEN OFFER SHALL BE DISTRIBUTED ONLY TO, AND ARE DIRECTED ONLY AT, PERSONS WHO ARE (I) PERSONS HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “ORDER”), OR (II) HIGH NET WORTH ENTITIES FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, OR (III) PERSONS TO WHOM IT WOULD OTHERWISE BE LAWFUL TO DISTRIBUTE THEM, ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”. THE DRAFT LETTER OF OFFER TOGETHER WITH THE DETAILED PUBLIC STATEMENT AND THE PUBLIC ANNOUNCEMENT IN CONNECTION WITH THE OPEN OFFER AND THEIR CONTENTS ARE CONFIDENTIAL AND SHOULD NOT BE DISTRIBUTED, PUBLISHED OR REPRODUCED (IN WHOLE OR IN PART) OR DISCLOSED BY ANY RECIPIENTS TO ANY OTHER PERSON IN THE UNITED KINGDOM, AND ANY PERSON IN THE UNITED KINGDOM THAT IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THEM.

GENERAL DISCLAIMER

THIS DRAFT LETTER OF OFFER TOGETHER WITH THE DETAILED PUBLIC STATEMENT AND THE PUBLIC ANNOUNCEMENT IN CONNECTION WITH THE OPEN OFFER, HAS BEEN PREPARED FOR THE PURPOSES OF COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS OF INDIA, INCLUDING THE SEBI ACT AND THE SEBI (SAST) REGULATIONS, AND HAS NOT BEEN REGISTERED OR APPROVED UNDER ANY LAWS OR REGULATIONS OF ANY COUNTRY OUTSIDE OF INDIA. THE DISCLOSURES IN THIS DRAFT LETTER OF OFFER AND THE OPEN OFFER PARTICULARS INCLUDING BUT NOT LIMITED TO THE OFFER PRICE, OFFER SIZE AND PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER ARE GOVERNED BY SEBI (SAST) REGULATIONS, AND OTHER APPLICABLE LAWS, RULES AND REGULATIONS OF INDIA, THE PROVISIONS OF WHICH MAY BE DIFFERENT FROM THOSE OF

ANY JURISDICTION OTHER THAN INDIA. ACCORDINGLY, THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS AND REGULATIONS OF ANY JURISDICTION OUTSIDE OF INDIA. THE INFORMATION CONTAINED IN THIS DRAFT LETTER OF OFFER IS AS OF THE DATE OF THIS DRAFT LETTER OF OFFER. THE ACQUIRER, PACs, THE MANAGER TO THE OPEN OFFER AND ANY DEEMED PERSONS ACTING IN CONCERT WITH THE ACQUIRER ARE UNDER NO OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN AT ANY TIME AFTER THE DATE OF THIS DRAFT LETTER OF OFFER.

NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT THIS OPEN OFFER IN ANY JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE. THE LETTER OF OFFER SHALL BE DISPATCHED TO ALL PUBLIC SHAREHOLDERS HOLDING THE EQUITY SHARES WHOSE NAMES APPEAR IN THE RECORDS OF DEPOSITORIES, AT THEIR STATED ADDRESS, AS OF THE IDENTIFIED DATE. HOWEVER, RECEIPT OF THE LETTER OF OFFER BY ANY PUBLIC SHAREHOLDER IN A JURISDICTION IN WHICH IT WOULD BE ILLEGAL TO MAKE THIS OPEN OFFER, OR WHERE MAKING THIS OPEN OFFER WOULD REQUIRE ANY ACTION TO BE TAKEN (INCLUDING, BUT NOT RESTRICTED TO, REGISTRATION OF THE LETTER OF OFFER UNDER ANY LOCAL SECURITIES LAWS OF SUCH JURISDICTION), SHALL NOT BE TREATED BY SUCH PUBLIC SHAREHOLDER AS AN OPEN OFFER BEING MADE TO THEM AND SHALL BE CONSTRUED BY THEM AS BEING SENT FOR INFORMATION PURPOSES ONLY.

PERSONS IN POSSESSION OF THE LETTER OF OFFER ARE REQUIRED TO INFORM THEMSELVES OF ANY RELEVANT RESTRICTIONS IN THEIR RESPECTIVE JURISDICTIONS. ANY PUBLIC SHAREHOLDER WHO TENDERS HIS, HER OR ITS EQUITY SHARES IN THIS OPEN OFFER SHALL BE DEEMED TO HAVE DECLARED, REPRESENTED, WARRANTED AND AGREED THAT HE, SHE OR IT IS AUTHORISED UNDER THE PROVISIONS OF ANY APPLICABLE LOCAL LAWS, RULES, REGULATIONS AND STATUTES TO PARTICIPATE IN THIS OPEN OFFER.

3. Details of the Open Offer

3.1 Background of the Open Offer

3.1.1 The Open Offer is a mandatory open offer in compliance with Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations pursuant to the indirect acquisition of voting rights and control of the Target Company.

3.1.2 Pursuant to the Agreement and Plan of Merger, dated 28 March 2019, by and among the Acquirer, WABCO Holdings Inc., a Delaware corporation (“**WABCO US**”) and Verona Merger Sub Corp, a Delaware corporation and indirect wholly owned subsidiary of the Acquirer (“**Merger Sub**”) as amended by Amendment No. 1 to the Agreement and Plan of Merger dated 29 May 2020 (“**Merger Agreement**”) which was consummated on 29 May 2020, the Acquirer indirectly acquired 100% (one hundred percent.) of the outstanding shares of common stock, par value of US\$ 0.01 (US dollars zero point zero one only) per share, of WABCO US in the following manner:

- (a) Merger Sub merged with and into WABCO US in accordance with the General Corporation Law of the State of Delaware (the “**Merger**”), and the separate corporate existence of Merger Sub ceased upon the Merger becoming

effective, with WABCO US being the surviving corporation in the Merger. By virtue of the Merger, each outstanding share of common stock, par value US\$ 100,000,000.00 (US dollars one hundred million only) per share, of Merger Sub, was automatically converted into one share of common stock, par value US\$ 0.01 (US dollars zero point zero one only) per share, of WABCO US, as the surviving corporation. Each share of the common stock of WABCO US outstanding immediately prior to the Merger (other than the shares owned, *inter alia*, by the Acquirer, any of its subsidiaries or by WABCO US) were converted into the right to receive cash consideration of US\$ 136.50 (US dollars one hundred thirty six point five zero only) per share and each such share ceased to be outstanding and were automatically cancelled and ceased to exist; and

- (b) as a result of the Merger described above, WABCO US became an indirect, wholly owned subsidiary of the Acquirer.

(the aforesaid transaction to be referred to as “**Underlying Transaction**”).

3.1.3 As a result of the Underlying Transaction, the Acquirer indirectly acquired PAC 1, which is an indirect subsidiary of WABCO US and holds 14,225,684 (fourteen million two hundred twenty-five thousand six hundred eighty four only) Equity Shares representing 75% (seventy-five per cent.) of the Voting Share Capital of the Target Company, pursuant to which the Acquirer became entitled, through PAC 1, to indirectly exercise: (a) 75% (seventy-five per cent.) of the Voting Share Capital of the Target Company; and (b) control over the Target Company. Accordingly, the Acquirer indirectly acquired 14,225,684 (fourteen million two hundred twenty-five thousand six hundred and eighty-four only) Equity Shares representing 75% (seventy-five per cent.) of the Voting Share Capital of the Target Company which is held by PAC 1. Upon completion of the Underlying Transaction, PAC 1 along with PAC 2 and PAC 3 joined as persons acting in concert with the Acquirer for the purpose of the Open Offer. Save and except the PACs, no other persons are acting in concert with the Acquirer and the PACs for the purposes of the Open Offer.

3.1.4 The consummation of the Underlying Transaction has resulted in the change in control as well as an indirect acquisition of 75% (seventy-five per cent.) of the Voting Share Capital of the Target Company. Therefore, the Acquirer and the PACs have made this Open Offer pursuant to Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations to acquire up to 4,741,900 (four million seven hundred forty-one thousand nine hundred only) fully paid-up Equity Shares, representing 25%* (twenty-five per cent.) of the Voting Share Capital of the Target Company as of the 10th (tenth) Working Day from the closure of the Tendering Period of the Open Offer from the Public Shareholders at the Offer Price.

*(*As per SEBI (SAST) Regulations, the open offer under Regulations 3 and 4 shall be for at least 26% of the total share capital of a target company, as of 10th working day from the closure of the tendering period of the open offer. However, the public shareholding of the Target Company is 25% as on date, and therefore, the Offer Shares represent 25.00% of the Voting Share Capital of the Target Company.)*

3.1.5 The Offer Price is ₹ 7,067.51 (Rupees seven thousand sixty-seven and fifty-one paise only) per Offer Share comprising of: (a) the initial offer price of ₹ 6,318 (Rupees six thousand three hundred and eighteen only) per Offer Share (“**Initial Offer Price**”), in accordance with Regulation 8(3) of the SEBI (SAST) Regulations taking into account the valuation report dated 2 April 2019 issued by Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117365W); and (b) an enhancement of ₹ 749.51 (Rupees seven hundred forty-nine and fifty-one paise only) per Offer Share being Interest, i.e., 10% (ten per cent.) per annum for the period between the date on which

the Underlying Transaction was contracted, i.e., 28 March 2019 and the date of the publication of the Detailed Public Statement of this Open Offer in accordance with Regulation 8(12) of the SEBI (SAST) Regulations taking into account the valuation report dated 2 June 2020 issued by Bansil S. Mehta & Co., Chartered Accountants (Firm Registration No. 100991W), to be paid in cash.

- 3.1.6 The criteria set out under Regulation 5(2) of the SEBI (SAST) Regulations have been analysed and it is concluded that this indirect acquisition cannot be deemed to be a direct acquisition as it does not fall within any of the parameters prescribed under Regulation 5(2) of the SEBI (SAST) Regulations.
- 3.1.7 The Acquirer in due course would evaluate the best course of action for the Target Company and its shareholders.
- 3.1.8 The Acquirer and the PACs reserve the right to seek reconstitution of the board of directors in accordance with the provisions of the SEBI (SAST) Regulations, Listing Regulations, the Companies Act, 2013 and other applicable laws.
- 3.1.9 The Acquirer and the PACs published the Detailed Public Statement on 3 June 2020 in terms of the proviso to Regulation 13(4) of the SEBI (SAST) Regulations, within 5 (five) working days of the consummation of the Underlying Transaction.
- 3.1.10 The Acquirer, together with the PACs, is making this Open Offer to all the Public Shareholders, to acquire up to 4,741,900 (four million seven hundred forty-one thousand nine hundred only) Equity Shares, representing 25%* (twenty-five per cent.) of the Voting Share Capital of the Target Company.

**As per SEBI (SAST) Regulations, the open offer under Regulations 3 and 4 shall be for at least 26% of the total share capital of a target company, as of 10th working day from the closure of the tendering period of the open offer. However, the public shareholding of the Target Company is 25% as on date, and therefore, the Offer Shares represent 25.00% of the Voting Share Capital of the Target Company.*

- 3.1.11 All Equity Shares validly tendered in this Open Offer will be acquired by either PAC 2 or PAC 3, as the case may be (as explained in detail in paragraph 3.2.3 of this Draft Letter of Offer), in accordance with the terms and conditions set forth in this Draft Letter of Offer. The Equity Shares to be acquired under this Open Offer must be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- 3.1.12 As of the date of this Draft Letter of Offer, the total authorized share capital of the Target Company is ₹ 100,000,000 (Rupees one hundred million only) comprising of 20,000,000 (twenty million only) Equity Shares with face value of ₹ 5 (Rupees five only) each.
- 3.1.13 As of the date of this Draft Letter of Offer, the total issued, subscribed and paid up capital of Target Company is ₹ 94,837,920 (Rupees ninety four million eight hundred and thirty-seven thousand nine hundred and twenty only) comprising of 18,967,584 (eighteen million nine hundred and sixty-seven thousand five hundred and eighty-four only) Equity Shares with face value of ₹ 5 (Rupees five only) each.
- 3.1.14 The Acquirer and the PACs have not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

3.1.15 In accordance with Regulation 26(6) of the SEBI (SAST) Regulations, the board of directors of the Target Company have constituted a committee of independent directors on 3 June 2020 to provide their written reasoned recommendation on the Open Offer to the Public Shareholders. Such recommendations shall be published by the Target Company at least two (2) Working Days before the commencement of the Tendering Period in the same Newspapers where the Detailed Public Statement was published, in compliance with Regulation 26(7) of the SEBI (SAST) Regulations. Simultaneously, a copy of such recommendations will be sent by the Target Company to SEBI, the Stock Exchanges and to the Manager to the Open Offer.

3.2 Details of the Proposed Open Offer

3.2.1 The Public Announcement in connection with the Open Offer, under Regulations 3(1), 4 and 5(1) read with Regulations 13(2)(e) and 15(1) of the SEBI (SAST) Regulations was made on 2 April 2019 to BSE and NSE, and a copy thereof was filed with SEBI and sent to the registered office of the Target Company on the same date.

3.2.2 In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the Detailed Public Statement was published in the following Newspapers on 3 June 2020:

Newspaper	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Makkal Kural	Tamil	Chennai
Mumbai Tarun Bharat	Marathi	Mumbai

Simultaneously, a copy of the DPS was sent through the Manager to the Offer to: (i) SEBI; (ii) BSE; (iii) NSE; and (iv) the Target Company. (The DPS is also available on the website of SEBI at www.sebi.gov.in.)

3.2.3 The final decision on which entity will actually acquire the Equity Shares that may be tendered by the Public Shareholders of the Target Company under the Open Offer is yet to be finalized. The Open Offer process involves the administration of various technical and regulatory aspects and the Acquirer wants to ensure that the entity which actually acquires the Equity Shares that may be tendered by the Public Shareholders of the Target Company under the Open Offer be the best suited for acceptance of such tendered Equity Shares. To achieve the said objective, the entity that will actually acquire the Equity Shares that may be tendered by the Public Shareholders of the Target Company under the Open Offer will either be PAC 2 (i.e., LucasVarity) or PAC 3 (i.e., ZF International UK Limited) and shall be duly disclosed in the Letter of Offer dispatched to the Public Shareholders. As set out above, both PAC 2 and PAC 3 are incorporated and registered in the United Kingdom, belong to the ZF group and are ultimately owned by the Acquirer.

3.2.4 Pursuant to the Open Offer, the Acquirer, together with the PACs, proposes to acquire up to 4,741,900 (four million seven hundred forty-one thousand nine hundred only) Equity Shares, representing 25%* (twenty-five per cent.) of the Voting Share Capital of the Target Company, at the Offer Price i.e., ₹ 7,067.51 (Rupees seven thousand sixty-seven and fifty-one paise only) per Offer Share, that consists of Initial Offer Price being ₹ 6,318 (Rupees six thousand three hundred and eighteen only) per Offer Share plus Interest, being ₹ 749.51 (Rupees seven hundred forty-nine and fifty-one paise only) per Offer Share in terms of Regulation 8(12) of SEBI (SAST) Regulations, to be paid in cash, in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions set out in this Draft Letter of Offer.

- 3.2.5 To the best of the knowledge of the Acquirer and the PACs, no further statutory approvals are now required by the Acquirer and/or the PACs to complete this Open Offer. However, in case any additional statutory approvals are required by the Acquirer and/or the PACs at a later date, this Open Offer shall be subject to such approvals and the Acquirer and/or the PACs shall make the necessary applications for such approvals. The Acquirer and the PACs will have the right to withdraw this Open Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, if any statutory approval, as may be required, is refused. In the event of withdrawal of the Open Offer, the same would be informed by way of a public announcement in the same Newspapers in which the Detailed Public Statement in relation to the Open Offer was published and such public announcement will also be sent to SEBI, the Stock Exchanges and to the Target Company.
- 3.2.6 Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer and PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
- 3.2.7 This Open Offer is being made by the Acquirer, together with the PACs to all the Public Shareholders of the Target Company. The Public Shareholders of the Target Company who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are free from all liens, charges and encumbrances. PAC 2 or PAC 3, as the case may be (as explained in detail in paragraph 3.2.3 of this Draft Letter of Offer) shall acquire the Equity Shares of the Public Shareholders of the Target Company who validly tender their Equity Shares in this Open Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offer declared thereof.
- 3.2.8 As of the date of this Draft Letter of Offer, there are no: (a) partly paid up Equity Shares; and/or (b) outstanding convertible securities/instruments (warrants/fully convertible debentures/partly convertible debentures/employee stock options/depository receipts or other convertible instruments) issued by the Target Company (Source: www.bseindia.com) Further, there is no differential pricing for the Open Offer.
- 3.2.9 This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer as of the date of this Draft Letter of Offer.
- 3.2.10 This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
- 3.2.11 The Acquirer and the PACs have not acquired any Equity Shares of the Target Company between the date of the Public Announcement i.e., 2 April 2019, and the date of this Draft Letter of Offer (other than the Acquirer's indirect acquisition of 14,225,684 (fourteen million two hundred twenty-five thousand six hundred and eighty-four only) Equity Shares which are held by PAC 1 in the Target Company representing 75% (seventy-five per cent.) of the Voting Share Capital of the Target Company).
- 3.2.12 The acquisition of up to 25% (twenty-five per cent.) of the Voting Share Capital of the Target Company under this Open Offer will result in the public shareholding in the Target Company falling below the level required for continuous listing. To the extent that the post Open Offer holding of the Acquirer and the PACs in the Target Company exceeds the maximum permissible non-public shareholding under the SCRR, the Acquirer and the PACs shall take such steps and measures to comply with the

requirements of SEBI (SAST) Regulations and SCRR, within the time period specified under the SCRR, and the Listing Regulations, pursuant to the methods prescribed by SEBI.

- 3.2.13 The Manager to the Open Offer does not hold any Equity Shares as on the date of this Draft Letter of Offer. The Manager to the Open Offer further declares and undertakes not to deal on its own account in the Equity Shares during the Offer Period, in terms of Regulation 27(6) of the SEBI (SAST) Regulations.

3.3 Object of the Acquisition/Open Offer

- 3.3.1 The key rationale of the Underlying Transaction is to bring together two strong automotive companies in order to benefit from the commercial vehicle mega trends (such as fuel efficiency, safety, autonomous driving and connectivity).

- a. Both the companies (i.e., the Acquirer and WABCO US) have highly complementary and innovative technology offerings to address future demand for advanced mobility in the area of commercial vehicles. Besides, the combination strengthens the combined companies' presence in the emerging markets, which is strategically interesting in particular in the long run.
- b. The Underlying Transaction will bring together two global technology and R&D innovators serving original equipment manufacturers and fleets in the automotive and commercial vehicle industry, combining WABCO US' capabilities in commercial vehicle safety and efficiency, including technologies involved in vehicle dynamics control, active air suspension systems, and fleet management systems, with the Acquirer's leading position in driveline and chassis technologies for cars and commercial vehicles.
- c. Furthermore, the combined company will have a more balanced and diversified portfolio of customers with strong business relationships across the globe.
- d. Both the companies (i.e., the Acquirer and WABCO US) showcase a strong track record of conservative financial policies, paired with a healthy free cash flow generation. This not only relates to their financial commitments but also to the capability to successfully engage in merger and acquisition activity and integration of new businesses (for instance the Acquirer's acquisition of TRW Automotive Holdings Corp.).
- e. The Underlying Transaction brings together two teams of highly experienced, capable managers and industry experts to lead the combined companies into the future, also through challenging times of uncertainty and change.
- f. The Acquirer believes that the Target Company and its shareholders will be benefitted due to the Underlying Transaction and will work towards it.

- 3.3.2 In terms of Regulation 25(2) of SEBI (SAST) Regulations, the Acquirer and the PACs do not have any intention to dispose of or otherwise encumber any material assets of the Target Company or of any of its subsidiaries in the next 2 (two) years, except (a) in the ordinary course of business (including for the disposal of assets and creation of encumbrances in accordance with business requirements); or (b) with the prior approval of the shareholders as required under applicable law; or (c) in accordance with the prior decision of the board of directors of the Target Company.

- 3.3.3 The Acquirer and the PACs reserve the right to streamline/restructure their holding in the Target Company and/or the operations, assets, liabilities and/or businesses of the Target Company and/or its subsidiaries through arrangements, reconstructions, restructurings, mergers (including but not limited to, mergers with or between its subsidiaries), demergers, sale of assets or undertakings and/or re-negotiation or termination of existing contractual/operating arrangements, at a later date. Such decisions will be taken in accordance with procedures set out under applicable laws, pursuant to business requirements, and in line with opportunities or changes in economic circumstances from time to time.

4. Background of the Acquirer and the PACs

4.1 ZF Friedrichshafen AG (Acquirer)

- 4.1.1 The Acquirer is a public limited company (*Aktiengesellschaft*) under the laws of Germany. It was incorporated on 24 June 1921. The Acquirer is registered with the commercial register of the municipal court of Ulm under the number HRB 630206. Since its incorporation, the name of the Acquirer has been changed several times, penultimately to “ZF FRIEDRICHSHAFEN Aktiengesellschaft” effective 20 December 1991 and the last time to “ZF FRIEDRICHSHAFEN AG” effective 15 February 2007, which was corrected *ex officio* to its present spelling “ZF Friedrichshafen AG” on 5 May 2017.
- 4.1.2 The registered office of the Acquirer is situated at Löwentaler Straße 20, 88046 Friedrichshafen, Germany. The contact details of the Acquirer are: telephone number: +49-7541-77-0 and fax number: +49-7541-77-908000.
- 4.1.3 The principal activity of the Acquirer is to engage in the business of development, manufacture and distribution of products and systems for passenger cars, commercial vehicles and industrial technology.
- 4.1.4 The Acquirer is the ultimate parent company of the ZF group, a global technology group active in the aforementioned business. The shareholders of the Acquirer are charitable foundations (as set out in paragraph 4.1.8 below). As a matter of longstanding practice, the said shareholders collectively agree on 10 (ten) of the 20 (twenty) members of the Acquirer’s supervisory board (“**Acquirer Supervisory Board**”), out of which only 2 (two) are affiliated to either shareholder of the Acquirer. The remaining 10 (ten) members of the Acquirer Supervisory Board are elected by the employees of the Acquirer. Under German law and the articles of association of the Acquirer, the approval of the shareholders with simple majority of the votes cast is required for several measures such as the distribution of profits, the approval of the annual financial statements (unless approved by the Acquirer’s management board (“**Acquirer Management Board**”) and Acquirer Supervisory Board without involvement of the shareholders of the Acquirer) and the appointment of external auditors. A limited number of other decisions that are of fundamental importance to the Acquirer require approval of the shareholders with a majority of at least three-quarters of the capital represented at the vote, such as changing the Acquirer’s business objective, capital reductions, creation of authorized or contingent capital, and corporate transformation measures such as changes of legal form (which may even require unanimous shareholder approval), the transfer of all (or virtually all) assets of the Acquirer and the liquidation of the Acquirer. The shareholders of the Acquirer do not however exercise any controlling influence over operational business decisions which are directed by the independent Acquirer Management Board and under the supervision of the Acquirer Supervisory Board. The Underlying Transaction did not require approval of the shareholders of the Acquirer.

- 4.1.5 Pursuant to the completion of the Underlying Transaction, the Acquirer indirectly acquired PAC 1 and thereby indirectly holds 100% of the equity share capital of PAC 1.
- 4.1.6 The equity shares of the Acquirer are not listed on any stock exchange in India or outside India.
- 4.1.7 As on the date of this Draft Letter of Offer, the subscribed capital of the Acquirer amounts to € 500,000,000 (Euro five hundred million only) divided into 500,000,000 (five hundred million only) registered shares with no par value. All shares are fully paid in.
- 4.1.8 The details of the shareholders of the Acquirer are set out below:

Name of the shareholder	Number of shares*	% of the total issued shares*
Zeppelin-Stiftung [#]	469,000,000	93.8%
Dr. Jürgen und Irmgard Ulderup Stiftung [#]	31,000,000	6.2%
Total	500,000,000	100%

* on a fully diluted basis.

Charitable foundation.

- 4.1.9 The Acquirer has not acquired any Equity Shares of the Target Company between the date of the Public Announcement i.e., 2 April 2019 and the date of this Draft letter of Offer other than the indirect acquisition of 14,225,684 (fourteen million two hundred twenty-five thousand six hundred and eighty-four only) Equity Shares which are held by PAC 1 in the Target Company representing 75% (seventy-five per cent.) of the Voting Share Capital of the Target Company. Apart from what is stated herein, neither the Acquirer nor its directors and/or key managerial personnel have any relationship with or interest in the Target Company.
- 4.1.10 The Acquirer and its persons in control have not been prohibited by SEBI from dealing in securities in terms of the provisions under the SEBI Act or under any of the regulations made under the SEBI Act.
- 4.1.11 Details of the members of the Acquirer Management Board (i.e., executive directors of the Acquirer) are as below:

Name	Designation	Date of appointment	Qualification and Experience
Mr. Wolf-Henning Scheider	Chief Executive Officer and member of Acquirer Management Board (“ MB Member ”)	8 February 2018	Mr. Scheider is a graduate in Business Administration, Universities of Aachen and Saarbrücken in Germany. Previously, Mr. Scheider has, (a) been a trainee at Robert Bosch GmbH; (b) held various positions at the Bosch group, (i) Vice President Power Tools, France, (ii) Senior Vice President Sales and Marketing, Car Multimedia Division, Hildesheim/Germany, (iii) CEO, Car Multimedia Division, Hildesheim/Germany, (iv) CEO, Gasoline Systems Division, Schwieberdingen/Germany; (c) member of the board of management, Robert Bosch GmbH and effective July 2013

Name	Designation	Date of appointment	Qualification and Experience
			undertook the overall responsibility for the activities of the Automotive Group; (d) Vice Chairman of the MAHLE GmbH Management Board; and (e) Chairman of the Management Board and CEO of the MAHLE Group.
Dr. Konstantin Sauer	Chief Financial Officer and MB Member	18 May 2010	Dr. Sauer studied industrial engineering at the University of Karlsruhe (TH) and Doctoral studies in business administration (Ph.D.) and assistant professorship at the University of St. Gallen. Previously, Dr. Sauer has, (a) been a consultant at intra-Unternehmensberatung, Dusseldorf; (b) undertaken doctoral studies in the field of central purchasing, Daimler-Benz Ag, Stuttgart. At the Acquirer, Dr. Sauer has undertaken several management functions, (a) head of controlling, ZF Group Division Commercial Vehicle and Special Driveline Technology; (b) CFO, ZF do Brasil, ZF Group South American Operations, Sorocaba, Brazil; (c) President and CEO, ZF Group South American Operations; (d) Head of Group Controlling, ZF headquarters in Friedrichshafen; and (e) head of Finance, Controlling, IT, ZF Car Chassis Technology Division, Dielingen.
Ms. Sabine Jaskula	MB Member	15 January 2019	Ms. Jaskula is a graduate in law from Universities of Göttingen/Germany and Madrid/Spain. Previously, Ms. Jaskula has been, (a) head of the legal department of Mast Jägermeister SE; (b) lawyer (Labour and Competition Law), Noer LLP, International law Firm; (c) HR Manager, Benecke-Kaliko AG; (d) head of the following positions at the Continental Group, (i) head of Human Relations Business Unit Vehicles Dynamics, (ii) head of Human Resources Business Unit APAC, Division Tires, Shanghai, and (iii) head of international assignments; and (e) Senior Vice President HR Division ContiTech, Continental, Hannover/Germany.
Mr. Michael Hankel	MB Member	3 April 2013	Mr. Hankel has a degree in mechanical engineering with focus on aerospace engineering, Braunschweig University of Technology. Previously, Mr. Hankel has been, (a) product line manager at ITT Automotive Europe GmbH (Teves), Gifhorn Plant; (b) head of Global Operations, Wheel Brakes at ITT Automotive Europe GmbH (Teves), Frankfurt/Main; (c) member of the

Name	Designation	Date of appointment	Qualification and Experience
			executive board of FAG Kugelfischer AG, Schweinfurt, Chairman of the Executive Board of FAG Automobiltechnik AG and of FAG Komponenten AG; (d) member of the Executive Board responsible for the Suspension Division, ZF Sachs AG, Schweinfurt; and (e) Chief Executive Officer at ZF Lenksysteme GmbH Schwaebisch Gmuend.
Mr. Wilhelm Rehm	MB Member	19 January 2012	Mr. Rehm has studied mechanical engineering at FH Augsburg. Previously, Mr. Rehm has been, (a) an assistant to the Managing Director, Lokmoa GmbH, Hochstadt/Donau, Germany; (b) head of assembly and paint department, X. Fendt, GmbH&Co, Asbach-Baumenheim, management of production restructuring project, management of production planning, design engineering and tool making; (c) technical manager, plant manager, Kemptner Maschinenfabrik, Kempten, (X.Fendt); (d) executive manager – production, materials management, human resources, AGCO GmbH & Co, Marktoberdorf (formerly X. Fendt); (e) member of the board of management, ZF Passau GmbH, Passau (responsible for production, quality and materials management); (f) member of the executive management, ZF Group, Off-Road Driveline Technology and Axle Systems Division, Chairman of the Board of Management, ZF Passau GmbH; and (g) President Off-Highway Business and Head of Location Passau/Thyrnau.
Dr. Martin Fischer	MB Member	14 November 2019	Dr. Fischer studied electrical engineering and completed a Ph.D from the Technical University of Darmstadt. Previously, Dr. Fischer has undertaken various management functions at, (a) Siemens VDO Automotive AG, last position being Vice-President, Wireless Products at Regensburg, Germany; (b) Hella KGaA Hueck & Co, last position being Executive Board Member, Business Divisions, Electronics, Plymouth (MI), USA; and (c) Borgwarner Inc., such as Vice President and General Manager, Turbo Systems, Europe and South America, Kirchheimbolanden, Germany and last position being President and General

Name	Designation	Date of appointment	Qualification and Experience
			Manager, Transmission Systems, Auburn Hills, (MI), USA.
Dr. Holger Klein	MB Member	4 October 2018	Dr. Klein holds a Ph.D. in technology management from the Technical University of Darmstadt. Previously, Dr. Klein was a senior partner at Mckinsey & Company, undertook various management functions at Mckinsey & Company, Dusseldorf, Chicago. Dr. Klein has also undertaken an apprenticeship as a banker and a corporate finance traineeship at Commerzbank, AG, Frankfurt. At the Acquirer, Dr. Klein has been the Head of Integration Management and the Head of Car Chasis Technology.

4.1.12 Details of the members of the Acquirer Supervisory Board are as below:

Name	Designation	Date of appointment	Qualification and Experience
Dr.-Ing. Franz-Josef Paefgen	Chairman and member of the Acquirer Supervisory Board (“ SB Member ”)	15 April 2008	Dr. Paefgen holds a Doctorate in Engineering from RWTH, Aachen. Previously, Dr. Paefgen has been, (a) chief executive officer of Audi AG, Ingolstadt, Germany; and (b) Bentley Motors Ltd., Crewe, Great Britain.
Mr. Ernst Baumann	SB Member	3 April 2012	Mr. Baumann has a degree in Mechanical Engineering (Dipl.-Ing.), Technical University Karlsruhe. Mr. Baumann has previously been a member of the BMW Board of Management responsible for human resources.
Mr. Andreas Brand	SB Member	14 July 2009	Mr. Brand has a degree in Civil Administration. Mr. Brand has been the first mayor of the City of Friedrichshafen.
Mr. Robert Friedmann	SB Member	1 January 2017	Mr. Friedmann holds a Master of Business Administration (MBA) from Indiana University in Bloomington, USA. Mr. Friedmann is the Chairman of the Central Managing Board of the Würth Group, Künzelsau.
Prof. Dr.-Ing. Gisela Lanza	SB Member	21 March 2018	Prof. Dr. Lanza holds a Doctorate from the Department of Mechanical Engineering, University of Karlsruhe. Prof. Dr. Lanza is the director of production systems at wbk Institute of Production Science, Karlsruhe Institute of Technology (KIT), Karlsruhe.
Dr. Joachim Meinecke	SB Member	14 July 2009	Dr. Meinecke holds a PhD from Law School University of Freiburg and a Master of Comparative Law from the

Name	Designation	Date of appointment	Qualification and Experience
			University of Illinois. Dr. Meinecke is a lawyer in Freiburg.
Mr. Jürgen Otto	SB Member	23 April 2013	Mr. Otto holds an MBA from University of Würzburg. Mr. Otto is the Chief Executive Officer of DRÄXLMAIER Group, Vilsbiburg.
Dr. Mohsen Sohi	SB Member	21 March 2018	Dr. Sohi holds a Doctor of Science, Mechanical Engineering from Washington University, St. Louis, Missouri, US and a master of business administration from Wharton School of Management, University of Pennsylvania, Philadelphia, USA. Dr. Sohi is the CEO of Freudenberg SE, Weinheim, Speaker of the Management Board.
Ms. Dagmar Steinert	SB Member	18 December 2017	Ms. Steinert studied business administration at the University of Cologne and graduated with Master of Business Administration. Ms. Steinert has cleared Certified Tax Accountant exam and the Certified Auditor exam. Mr. Steinert is a member of the management board and CFO of FUCHS PETROLUB SE.
Mr. Axel Strotbek	SB Member	21 March 2018	Mr. Strotbek holds a Master of Business Administration from the University of Illinois at Chicago. Mr. Strotbek has been a former member of the board of management of Audi AG, Ingolstadt.
Mr. Roman Zitzelsberger	Deputy Chairman ad SB Member	21 November 2019	Mr. Zitzelsberger holds a Master of Management, Malik Management Zentrum Sankt Gallen. Mr. Zitzelsberger is a District Manager IG Metall Baden-Wuerttemberg, Stuttgart.
Mr. Jürgen Bunge	SB Member	10 July 2006	Mr. Bunge has attended professional school in CNC engineering. Mr. Bunge is the Chairman of the Works Council of ZF Friedrichshafen AG, Dielingen/Lemförde location.
Mr. Achim Dietrich	SB Member	6 July 2015	Mr. Dietrich has attended professional school of mechanical engineering. Mr. Dietrich is the Chairman of the Group Works Council of the Acquirer.
Mr. Joachim Holzner	SB Member	1 March 2018	Mr. Holzner holds a diploma in Business Administration (Diplomkaufmann), Ludwig Maximilians Universität Munich. Mr. Holzner is the head of the Business Unit, Commercial Vehicle Chassis Technology of the Acquirer.

Name	Designation	Date of appointment	Qualification and Experience
Mr. Peter Kippes	SB Member	23 April 2013	Mr. Kippes holds a certified social pedagogue (FH) from the University of Applied Sciences, Nürnberg. Mr. Kippes has been the First Representative of IG Metall, Administration Center, Schweinfurt.
Mr. Mario Kläs	SB Member	1 August 2019	Mr. Kläs has done an apprenticeship as Turner. Mr. Kläs is the Chairman of the Works Council of the Acquirer at Saarbrücken location.
Mr. Oliver Moll	SB Member	23 April 2013	Mr. Moll holds a General Certificate of Secondary Education. Mr. Moll is the Chairman of the Works Council of the Acquirer at Schweinfurt location.
Mr. Vincenzo Savarino	SB Member	23 April 2013	Mr. Savarino studied at the Academy of Labour (AdA) in Frankfurt, Germany. Mr. Savarino is the First Representative of IG Metall Administration Center Friedrichshafen-Upper Swabia.
Mr. Hermann Sicklinger	SB Member	12 February 2009	Mr. Sicklinger studied Business Administration in Munich at Ludwig-Maximilians-Universität. Mr. Sicklinger is the head of ZF Business Unit Commercial Vehicle Chassis Technology and the Chairman of the Works Council of the Acquirer, Passau location.
Mr. Erdal Tahta	SB Member	1 March 2018	Mr. Tahta has done an apprenticeship as an electronic technician. Mr. Tahta is an electronic technician and Chairman of the Koblenz location Works Council of ZF Active Safety GmbH, Koblenz.

4.1.13 As of the date of this Draft Letter of Offer, none of the directors of the Acquirer (whether on the Acquirer Management Board and/or the Acquirer Supervisory Board) are on the board of directors of the Target Company.

4.1.14 The key financial information of the Acquirer based on its annual consolidated financial statements as on and for the financial years ended on 31 December 2017, 31 December 2018 and 31 December 2019, is as follows:

(in millions except for EPS)

Profit and Loss Statement	For the 12 month period ended on 31 December (audited)					
	2017		2018		2019	
	€	₹	€	₹	€	₹
Income from operations	36,938	3,106,131	37,580	3,160,117	37,103	3,120,006
Other income	268	22,536	380	31,954	348	29,263
Total income	37,206	3,128,667	37,960	3,192,072	37,451	3,149,270
Total expenditure	33,390	2,807,778	34,669	2,915,330	34,616	2,910,873
Profit before depreciation, interest and tax	3,816	320,889	3,291	276,742	2,835	238,396

Depreciation	2,092	175,917	1,817	152,792	2,039	171,460
Interest	315	26,488	249	20,939	256	21,527
Profit before tax	1,409	118,483	1,225	103,011	540	45,409
Provision for tax	242	20,350	260	21,864	140	11,773
Profit after tax	1,167	98,133	965	81,147	400	33,636
Balance sheet statement	As of 31 December (audited)					
	2017		2018		2019	
	€	₹	€	₹	€	₹
Sources of funds						
Paid-up share capital	500	42,045	500	42,045	500	42,045
Reserves and surplus (excluding revaluation reserves)	5,986	503,365	6,648	559,033	6,321	531,535
Networth (attributable to equity holders of the parent)	6,486	545,410	7,148	601,078	6,821	573,581
Equity attributable to minority shareholders	299	25,143	293	24,638	285	23,966
Secured loans	-	-	-	-	-	-
Unsecured loans	6,446	542,047	5,070	426,338	9,689	814,752
Total	13,231	1,112,600	12,511	1,052,055	16,795	1,412,298
Uses of funds						
Net fixed assets	14,233	1,196,859	13,835	1,163,391	14,510	1,220,152
Investments	1,443	121,342	1,483	124,706	4,186	352,002
Net current assets	(2,445)	(205,601)	(2,807)	(236,042)	(1,901)	(159,856)
Total miscellaneous expenditure not written off	-	-	-	-	-	-
Total	13,231	1,112,600	12,511	1,052,055	16,795	1,412,298
Other financial data	For the 12 month period ended on 31 December (audited)					
	2017		2018		2019	
	€	₹	€	₹	€	₹
Dividend (%)	20.14%	20.14%	20.62%	20.62%	15.75%	15.75%
EPS	2.33	195.93	1.93	162.29	0.8	67.27

Notes:

- Income from operations includes other operating income. Other income includes any income from investments, other financial income and gain on sale of assets.*
- The aforesaid financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under the German Commercial Code (Handelsgesetzbuch). The financial information for the financial years ended on 31 December 2017, 31 December 2018 and 31 December 2019 set forth have been extracted from the annual consolidated statements of the Acquirer and have been audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft.*
- Since the financial statements of the Acquirer are prepared in EUR, the functional currency of the Acquirer, they have been converted into INR for the purposes of convenience translation. The reference rate used for the conversion from EUR to INR is the RBI's reference rate as on 1 June 2020 which is 1 EUR = INR 84.0904 (Source: (i) website of RBI (www.rbi.org.in); and (ii) website of FBIL (www.fbil.org.in)). These conversions have been made for the sole purpose of the reader's convenience and no representation is made that the INR or EUR amounts referred herein could have been or could be converted into INR or EUR, as the case may be, at any particular rate or at all.*

4.1.15 As of 31 December 2019, the Acquirer has no major contingent liabilities other than contingent liabilities aggregating up to € 222,000,000 (Euro two hundred and twenty two million only) pertaining to guarantee obligations and potential liabilities from procurement and personnel as well as from litigation and other taxes. Further, there were no collaterals for such contingent liabilities during the fiscal year 2019.

4.2 WABCO Asia Private Limited (PAC 1)

- 4.2.1 PAC 1 is a private company limited by shares. It was incorporated on 26 May 2006 under the laws of Singapore (company registration number: 200607693H). There has been no change in the name of PAC 1 since its incorporation.
- 4.2.2 The registered office of PAC 1 is situated at 25 International Business Park, #03-68/69 German Centre, 609916, Singapore. The contact details of PAC 1 are: telephone number: +65 6562 9119 and fax number: +65 6562 9111.
- 4.2.3 The principal activities of PAC 1, *inter-alia*, are: (a) providing marketing services to group companies; and (b) sale of safety and control systems for commercial vehicles.
- 4.2.4 Prior to the completion of the Underlying Transaction, PAC 1 was part of the WABCO group. Pursuant to the completion of the Underlying Transaction, the Acquirer indirectly acquired PAC 1 and thereby indirectly holds 100% of the equity share capital of PAC 1.
- 4.2.5 The equity shares of PAC 1 are not listed on any stock exchange in India or outside India.
- 4.2.6 As on the date of this Draft Letter of Offer, the issued and paid up capital of PAC 1 is Euro 306,818,942 (Euro three hundred and six million eight hundred and eighteen thousand nine hundred and forty-two only) comprising of 507,005,000 (five hundred seven million five thousand only) ordinary shares with no par value.
- 4.2.7 The details of the shareholder of PAC 1 are set out below:

Name of the shareholder	Number of shares*	% of the total issued shares*
Clayton Dewandre Holdings Ltd., UK	507,005,000	100%
Total	507,005,000	100%

* on a fully diluted basis.

- 4.2.8 PAC 1 has not acquired any Equity Shares of Target Company between the date of the Public Announcement i.e., 2 April 2019 and the date of this Draft Letter of Offer.
- 4.2.9 As on the date of this Draft Letter of Offer, PAC 1 directly holds 14,225,684 (fourteen million two hundred twenty-five thousand six hundred and eighty-four only) Equity Shares representing 75% of the Voting Share Capital. Apart from what is stated herein, neither PAC 1 nor its directors and/or key managerial personnel have any relationship with or interest in the Target Company.
- 4.2.10 PAC 1 and its person in control have not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act, or under any of the regulations made under the SEBI Act.
- 4.2.11 Details of the board of directors of PAC 1 are as below:

Name	Designation	Date of appointment	Qualification and Experience
Ms. Sujie Yu	Director	25 July 2014	Ms. Yu holds a Bachelor's degree in Mechanical Engineering from ZheJiang University in Hangzhou, China. She

Name	Designation	Date of appointment	Qualification and Experience
			<p>completed Harvard Business School's Advanced Management Program (AMP 182) in 2012.</p> <p>Ms. Yu joined WABCO (China) Co., Ltd. in 1999 as Application Engineering Manager. Ms. Yu was promoted to General Manager in charge of WABCO business in China after holding the role of OE Business Leader in WABCO (China) Co., Ltd. since 2005. In July 2014, Ms. Yu was appointed as Vice President, Asia-Pacific and Business Leader, China.</p> <p>Prior to joining PAC 1, Ms. Yu launched her career at China National Heavy Duty Truck Company's R&D center as Design Engineer in 1988. She served as Technical Department Manager since 1996 at the China National Heavy Duty Truck Company.</p>
Mr. Saito Osamu	Director	30 June 2014	<p>Mr. Osamu graduated with a bachelor degree in International Economy from the Chuo University, Japan in 1987 and has obtained a master in Business Administration from Aoyama Gakuin University, Japan in 2001.</p> <p>Mr. Osamu joined PAC 1 in 2007. Prior to joining PAC 1, Mr. Osamu started his career at AIC Inc. in 1987, and has worked at Mercedes-Benz Japan Co., Ltd from 1990 to 2002 and Nihon Michelin Tire Co. Ltd. From 2002 to 2007.</p>
Ms. Sharmila Gunasingham	Director	29 May 2006	<p>Ms. Gunasingham graduated from London University in 1977, and is a qualified English solicitor, and an Advocate and solicitor in Singapore.</p> <p>Ms. Gunasingham began practicing as an advocate in 1981 and became a partner at Rodyk and Davidson LLP. Ms. Gunasingham then co-founded ASG Law Corporation in 1993. Ms. Gunasingham also founded the Global Law Alliance in 2006.</p>

4.2.12 As of the date of this Draft Letter of Offer, none of the directors of PAC 1 are directors on the board of directors of the Target Company. However, the following directors of the Target Company have been nominated by PAC 1, (a) Ms. Lisa Jane Brown; (b) Mr. Christian Brenneke; and (c) Mr. Philippe Colpron.

4.2.13 The key financial information of PAC 1 based on its annual standalone financial statements as on and for the financial years ended on 31 December 2017, 31 December 2018 and 31 December 2019, is as follows:

(in millions except for EPS)

Profit and Loss Statement	For the 12 month period ended on 31 December (audited)					
	2017		2018		2019	
	€	₹	€	₹	€	₹
Income from operations	28	2,355	31	2,607	33	2,775
Other income	1	84	1	84	2	168
Total income	29	2,439	32	2,691	34	2,859
Total expenditure	27	2,270	29	2,439	31	2,607
Profit before depreciation, interest and tax	2	168	3	252	4	336
Depreciation	0	0	0	0	0	0
Interest	0	0	(0)	0	(0)	0
Profit before tax	2	168	3	252	4	336
Provision for tax	0	0	0	0	0	0
Profit after tax	2	168	3	252	3	252
Balance sheet statement	As of 31 December (audited)					
	2017		2018		2019	
	€	₹	€	₹	€	₹
Sources of funds						
Paid-up share capital	307	25,816	307	25,816	307	25,816
Reserves and surplus (excluding revaluation reserves)	8	673	8	673	11	925
Networth	315	26,488	315	26,488	318	26,741
Secured loans	-	-	-	-	-	-
Unsecured loans	-	-	-	-	-	-
Total	315	26,488	315	26,488	318	26,741
Uses of funds						
Net fixed assets	0	0	0	0	0	0
Investments	306	25,732	306	25,732	306	25,732
Net current assets	9	757	9	757	12	1,009
Total miscellaneous expenditure not written off	-	-	-	-	-	-
Total	315	26,488	315	26,488	318	26,741
Other financial data	For the 12 month period ended on 31 December (audited)					
	2017		2018		2019	
	€	₹	€	₹	€	₹
Dividend (%)	-	-	103.30%	103.30%	-	-
EPS	0.00	0	0.01	0.84	0.01	0.84

Notes:

- Income from operations includes other operating income. Other income includes any income from investments, other financial income and gain on sale of assets.
- The aforesaid financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Financial Reporting Standards in Singapore (FRSs). The financial information for the financial years ended on 31 December 2017, 31 December 2018 and 31 December 2019 set forth have been extracted from the annual standalone financial statements of PAC 1 and have been audited by Ernst & Young LLP (unique entity registration number: T08LL0859H).
- Since the financial statements of PAC 1 are prepared in EUR, the functional currency of PAC 1, they have been converted into INR for the purposes of convenience translation. The reference rate used for the conversion from EUR to INR is RBI's reference rate as on 1 June 2020 which is 1 EUR = INR 84.0904 (Source: (i) website of RBI (www.rbi.org.in); and (ii) website of FBIL (www.fbil.org.in). These conversions have been made for the sole purpose of the reader's convenience

and no representation is made that the INR or EUR amounts referred herein could have been or could be converted into INR or EUR, as the case may be, at any particular rate or at all.

4.2.14 As of 31 December 2019, PAC 1 has no major contingent liabilities.

4.3 LucasVarity (“PAC 2”)

4.3.1 PAC 2 is a private unlimited company. It was incorporated on 30 May 1996 under the laws of the United Kingdom (company registration number: 03207774). PAC 2 was earlier known as LucasVarity PLC for the period of 30 May 1996 to 12 June 1996.

4.3.2 The registered office of PAC 2 is situated at Stratford Road, Solihull, West Midlands, B90 4GW, United Kingdom. The contact details of PAC 2 are: telephone number: +44 (0) 506 627 4242 and fax number: +44 (0) 121 506 5332.

4.3.3 The principal activity of PAC 2 is to be an intermediate holding company within the ZF group.

4.3.4 PAC 2 belongs to the ZF group. The Acquirer indirectly holds 100% of the equity share capital of PAC 2.

4.3.5 The equity shares of PAC 2 are not listed on any stock exchange in India or outside India.

4.3.6 As on the date of this Draft Letter of Offer, the issued and paid up capital of PAC 2 is £ 60,001,000 (GBP sixty million one thousand only) comprising of 3,000,050 (three million and fifty only) ordinary shares with par value of £ 20 (GBP twenty only) each.

4.3.7 The details of the shareholder of PAC 2 are set out below:

Name of the shareholder	Number of shares*	% of the total issued shares*
ZF Automotive Holdings (UK) Limited	3,000,050	100%
Total	3,000,050	100%

* on a fully diluted basis.

4.3.8 As on the date of this Draft Letter of Offer, PAC 2 does not hold any Equity Shares in the Target Company. PAC 2 has not acquired any Equity Shares of the Target Company between the date of the Public Announcement i.e., 2 April 2019 and the date of this Draft Letter of Offer.

4.3.9 Neither PAC 2 nor its directors and/or key managerial personnel have any relationship with or interest in the Target Company.

4.3.10 PAC 2 and its person in control have not been prohibited by SEBI from dealing in securities in terms of the provisions under the SEBI Act or under any of the regulations made under the SEBI Act.

4.3.11 Details of the board of directors of PAC 2 are as below:

Name	Designation	Date of appointment	Qualification and Experience
Mr. Stephen Mark Batterbee	Director, VP, Global Steering Finance Director	1 January 2015	Mr. Batterbee has a degree in Geography from Cambridge University. Prior to joining the ZF Group, Mr. Batterbee has worked as an auditor at Ernst & Young. Mr. Batterbee's current role in the ZF group is of global steering finance director, ZF. Mr. Batterbee has previously worked in the ZF group/former TRW group as, (a) purchasing director – Europe Steering, TRW; (b) North American Finance Director - Occupant Safety Systems, TRW; (c) finance controller, Europe Steering, TRW; (d) Finance Manager, College Road/Mere Green Electronics, PAC 2; and (e) finance manager - Ystradgynlais, Lucas Sumitomo JV.
Ms. Julla Anne Braithwaite	Director, VP, Head of Global HR Operations – Learning	22 May 2018	Ms. Brathwaite holds a BA (Hons) Music and Clinical Psychology from the University of Nottingham. Prior to joining the ZF group, Ms. Brathwaite was a coach at the coaching academy and HR BP-Sales Division. At the ZF group, Ms. Brathwaite has worked as, (a) Head of Global HR Operations, Learning, Birmingham, UK; (b) Employer nominated pension trustee, Birmingham, UK; (c) Vice President, HR, Global Electronics, Farmington Hills, MI USA; and (d) Divisional Senior Manager, HR, Global Electronics, Europe.
Mr. Alastair Malcolm Mcqueen	Director, VP Engineering, EPS Core Systems	4 September 2017	Mr. Mcqueen holds a mechanical engineering degree from Herriot-Watt University Edinburgh. At the ZF group/former TRW group, Mr. Mcqueen has worked in the following roles, (a) graduate, development programme; (b) Lucas Electrical, Engine Management components; (c) development of electrical throttle systems; (d) project manager, Lucas ignition and components; (e) TRW, Chief Engineer of CD EPS development & testing; (f) TRW, Director of CD engineering; (g) Director of Global EPS; and (h) TRW/ZF, Director, Global EPS Core Systems, Safety & Testing Engineering.
Mr. Daniel Edward Shattock	Director	14 May 2015	Mr. Shattock is a Certified ACCA Accountant with the Association of Chartered Certified Accountants. Prior to joining the ZF group, Mr. Shattock has worked as, (a) sales and marketing executive at T&K Furniture Limited; (b) Audit Manager at KPMG Reading, UK; and (c) auditor at Wagstaffs Chartered

Name	Designation	Date of appointment	Qualification and Experience
			Accountants. At the ZF group, Mr. Shattock has worked as, (a) head of treasury operations, Europe, Amsterdam and Netherlands; (b) head of treasury and tax operations, Asia, Shanghai, China; (c) finance controller, Changchun, China; and (d) internal auditor, Birmingham, UK.

4.3.12 As of the date of this Draft Letter of Offer, none of the directors of PAC 2 are directors on the Board of the Target Company.

4.3.13 The key financial information of PAC 2 based on its annual standalone financial statements as on and for the financial years ended on 31 December 2017, 31 December 2018 and 31 December 2019, is as follows:

(in millions except for EPS)

Profit and Loss Statement	For the 12 month period ended on 31 December (audited)					
	2017		2018		2019	
	£	₹	£	₹	£	₹
Income from operations	-	-	-	-	-	-
Other income	-	-	194	18,145	20	1,871
Total income	-	-	194	18,145	20	1,871
Total expenditure	-	-	-	-	-	-
Profit before depreciation, interest and tax	-	-	194	18,145	20	1,871
Depreciation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Profit before tax	-	-	194	18,145	20	1,871
Provision for tax	-	-	-	-	-	-
Profit after tax	-	-	194	18,145	20	1,871
Balance sheet statement	As of 31 December (audited)					
	2017		2018		2019	
	£	₹	£	₹	£	₹
Sources of funds						
Paid-up share capital	60	5,612	60	5,612	60	5,612
Reserves and surplus (excluding revaluation reserves)	634	59,299	634	59,299	634	59,299
Networth	694	64,910	694	64,910	694	64,910
Secured loans	-	-	-	-	-	-
Unsecured loans	-	-	-	-	-	-
Total	694	64,910	694	64,910	694	64,910
<i>Uses of funds</i>						
Net fixed assets	-	-	-	-	-	-
Investments	694	64,910	694	64,910	694	64,910
Net current assets	0	0	0	0	0	0
Total miscellaneous expenditure not written off	-	-	-	-	-	-
Total	694	64,910	694	64,910	694	64,910

Other financial data	For the 12 month period ended on 31 December (audited)					
	2017		2018		2019	
	£	₹	£	₹	£	₹
Dividend (%)	99.84 %	99.84%	100.00 %	100.00%	100.00%	100.00%
EPS	25.26	2,362.59	64.67	6,048.64	6.71	627.59

Notes:

- a. *Income from operations includes other operating income. Other income includes any income from investments, other financial income and gain on sale of assets.*
- b. *The aforesaid financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including FRS 101 “Reduced Disclosure Framework” (United Kingdom Generally Accepted Accounting Practice). The financial information for the financial years ended on 31 December 2017, 31 December 2018 and 31 December 2019 set forth have been extracted from the annual standalone financial statements of PAC 2 and have been audited by Ernst & Young LLP (commercial registration number OC300001).*
- c. *Since the financial statements of PAC 2 are prepared in GBP, the functional currency of PAC 2, they have been converted into INR for the purposes of convenience translation. The reference rate used for the conversion from GBP to INR is RBI’s reference rate as on 1 June 2020 which is 1 GBP = INR 93.5308 (Source: (i) website of RBI (www.rbi.org.in); and (ii) website of FBIL (www.fbil.org.in). These conversions have been made for the sole purpose of the reader’s convenience and no representation is made that the INR or GBP amounts referred herein could have been or could be converted into INR or GBP, as the case may be, at any particular rate or at all.*

4.3.14 As of 31 December 2019, PAC 2 has no major contingent liabilities.

4.4 ZF International UK Limited (PAC 3)

- 4.4.1 PAC 3 is a private limited company. It was incorporated on 12 November 1897 under the laws of the United Kingdom (company registration number: 00054802). PAC 3 was earlier known as Lucas Industries Limited for the period of 12 November 1897 - 24 December 2019.
- 4.4.2 The registered office of PAC 3 is situated at Stratford Road, Solihull, West Midlands, B90 4GW, United Kingdom. The contact details of PAC 3 are: telephone number: +44 (0) 506 627 4242 and fax number: +44 (0) 121 506 5332.
- 4.4.3 The principal activity of PAC 3 is to be an intermediate holding company within the ZF group.
- 4.4.4 PAC 3 belongs to the ZF group. The Acquirer indirectly holds 100% of the equity share capital of PAC 3.
- 4.4.5 The equity shares of PAC 3 are not listed on any stock exchange in India or outside India.
- 4.4.6 As on the date of this Draft Letter of Offer, the issued and paid up capital of PAC 3 is £ 105,590,560 (GBP one hundred five million five hundred ninety thousand five hundred and sixty only) comprising of 5,279,528 (five million two hundred seventy nine thousand five hundred twenty eight) shares with par value of £ 20 (GBP twenty only) each.

4.4.7 The details of the shareholder of PAC 3 are set out below:

Name of the shareholder	Number of shares*	% of the total issued shares*
LucasVarity	5,279,528	100%
Total	5,279,528	100%

* on a fully diluted basis.

4.4.8 As on the date of this Draft letter of Offer, PAC 3 does not hold any Equity Shares in the Target Company. PAC 3 has not acquired any Equity Shares of the Target Company between the date of the Public Announcement i.e., 2 April 2019 and the date of this Draft Letter of Offer.

4.4.9 Neither PAC 3 nor its directors and/or key managerial personnel have any relationship with or interest in the Target Company.

4.4.10 PAC 3 and its person in control have not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act, or under any of the regulations made under the SEBI Act.

4.4.11 Details of the board of directors of PAC 3 are as below:

Name	Designation	Date of appointment	Qualification and Experience
Mr. Stephen Mark Batterbee	Director, VP, Global Steering Finance Director	1 January 2015	Mr. Batterbee has a degree in Geography from Cambridge University. Prior to joining the ZF Group, Mr. Batterbee has worked as an auditor at Eranst & Young. Mr. Batterbee's current role in the ZF group is of global steering finance director, ZF. Mr. Batterbee has previously worked in the ZF group/former TRW group as, (a) purchasing director – Europe Steering, TRW; (b) North American Finance Director - Occupant Safety Systems, TRW; (c) finance controller, Europe Steering, TRW; (d) Finance Manager, College Road/Mere Green Electronics, PAC 2; and (e) finance manager - Ystradgynlais, Lucas Sumitomo JV.
Ms. Julla Anne Braithwaite	Director, VP, Head of Global HR Operations – Learning	22 May 2018	Ms. Braithwaite holds a BA (Hons) Music and Clinical Psychology from the University of Nottingham. Prior to joining the ZF group, Ms. Braithwaite was a coach at the coaching academy and HR BP-Sales Division. At the ZF group, Ms. Braithwaite has worked as, (a) Head of Global HR Operations, Learning, Birmingham, UK; (b) Employer nominated pension trustee, Birmingham, UK; (c) Vice President, HR, Global Electronics, Farmington Hills, MI USA; and (d) Divisional Senior Manager, HR, Global Electronics, Europe.

Name	Designation	Date of appointment	Qualification and Experience
Mr. Alastair Malcolm McQueen	Director, VP Engineering, EPS Core Systems	4 September 2017	Mr. McQueen holds a mechanical engineering degree from Herriot-Watt University Edinburgh. At the ZF group/former TRW group, Mr. McQueen has worked in the following roles, (a) graduate, development programme; (b) Lucas Electrical, Engine Management components; (c) development of electrical throttle systems; (d) project manager, Lucas ignition and components; (e) TRW, Chief Engineer of CD EPS development & testing; (f) TRW, Director of CD engineering; (g) Director of Global EPS; and (h) TRW/ZF, Director, Global EPS Core Systems, Safety & Testing Engineering.
Mr. Daniel Edward Shattock	Director	14 May 2015	Mr. Shattock is a Certified ACCA Accountant with the Association of Chartered Certified Accountants. Prior to joining the ZF group, Mr. Shattock has worked as, (a) sales and marketing executive at T&K Furniture Limited; (b) Audit Manager at KPMG Reading, UK; and (c) auditor at Wagstaffs Chartered Accountants. At the ZF group, Mr. Shattock has worked as, (a) head of treasury operations, Europe, Amsterdam and Netherlands; (b) head of treasury and tax operations, Asia, Shanghai, China; (c) finance controller, Changchun, China; and (d) internal auditor, Birmingham, UK.

4.4.12 As on the date of this Draft Letter of Offer, none of the directors of PAC 3 are on the board of directors of the Target Company.

4.4.13 The key financial information of PAC 3 based on its annual standalone financial statements as on and for the financial years ended on 31 December 2017, 31 December 2018 and 31 December 2019, is as follows:

(in millions except for EPS)

Profit and Loss Statement	For the 12 month period ended on 31 December (audited)					
	2017		2018		2019	
	£	₹	£	₹	£	₹
Income from operations	3	281	4	374	4	374
Other income	58	5,425	78	7,295	46	4,302
Total income	62	5,799	83	7,763	50	4,677
Total expenditure	3	281	0	0	1	94
Profit before depreciation, interest and tax	59	5,518	82	7,670	49	4,583
Depreciation	0	0	1	94	0	0
Interest	(0)	0	(0)	0	0	0
Profit before tax	59	5,518	82	7,670	49	4,583
Provision for tax	2	187	1	94	2	187
Profit after tax	56	5,238	81	7,576	46	4,302

Balance sheet statement	As of 31 December (audited)					
	2017		2018		2019	
	£	₹	£	₹	£	₹
Sources of funds						
Paid-up share capital	106	9,914	106	9,914	106	9,914
Reserves and surplus (excluding revaluation reserves)	389	36,383	277	25,908	303	28,340
Networth	495	46,298	382	35,729	408	38,161
Secured loans	-	-	-	-	-	-
Unsecured loans	-	-	-	-	-	-
Total	495	46,298	382	35,729	408	38,161
Uses of funds						
Net fixed assets	9	842	8	748	8	748
Investments	604	56,493	604	56,493	604	56,493
Net current assets	(118)	(11,037)	(230)	(21,512)	(204)	(19,080)
Total miscellaneous expenditure not written off	-	-	-	-	-	-
Total	495	46,298	382	35,729	408	38,161
Other financial data	For the 12 month period ended on 31 December (audited)					
	2017		2018		2019	
	£	₹	£	₹	£	₹
Dividend (%)	0.00%	0.00%	238.52%	238.52%	43.50%	43.50%
EPS	10.66	997.04	15.41	1,441.31	8.77	820.27

Notes:

- a. *Income from operations includes other operating income. Other income includes any income from investments, other financial income and gain on sale of assets.*
- b. *The aforesaid financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including FRS 101 “Reduced Disclosure Framework” (United Kingdom Generally Accepted Accounting Practice). The financial information for the financial years ended on 31 December 2017, 31 December 2018 and 31 December 2019 set forth have been extracted from the annual standalone financial statements of PAC 3 and have been audited by Ernst & Young LLP (commercial registration number OC300001).*
- c. *Since the financial statements of PAC 3 are prepared in GBP, the functional currency of PAC 3, they have been converted into INR for the purposes of convenience translation. The reference rate used for the conversion from GBP to INR is RBI’s reference rate as on 1 June 2020 which is 1 GBP = INR 93.5308 (Source: (i) website of RBI (www.rbi.org.in); and (ii) website of FBIL (www.fbil.org.in)). These conversions have been made for the sole purpose of the reader’s convenience and no representation is made that the INR or GBP amounts referred herein could have been or could be converted into INR or GBP, as the case may be, at any particular rate or at all.*

4.4.14 As of 31 December 2019, PAC 3 has no major contingent liabilities.

5. Background of the Target Company

5.1 The Target Company is a public limited company. The Target Company was incorporated originally as “Auto (India) Engineering Limited” on 18 November 2004 under the provisions of the Companies Act, 1956. On 2 August 2011, its name was changed to “WABCO India Limited”. The corporate identification number of the Target Company is L34103TN2004PLC054667.

5.2 The registered office of the Target Company is situated at Plot No.3 (SP), III Main Road, Ambattur Industrial Estate, Chennai, Tamil Nadu – 600058, India. The contact details of the Target Company are: telephone number: +91 44 3090 2600/4224 2000 and fax number: +91 44 3090 2609/4224 2009.

- 5.3 The principal activity of the Target Company is to engage in the business of manufacture of air brake actuation systems for commercial vehicles. The Target Company also provides software development and other services to its group companies.
- 5.4 The Equity Shares are listed on BSE (**Scrip Code:** 533023) and NSE (**Symbol:** WABCOINDIA) and are permitted to trade on the Metropolitan Stock Exchange of India Limited. The ISIN of the Equity Shares is INE342J01019. The Equity Shares are currently not suspended from trading on the Stock Exchanges.
- 5.5 The Equity Shares were not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations as on the date of the PA.
- 5.6 The capital structure of the Target Company as of the date of this Draft Letter of Offer is:

Equity Shares of Target Company	No. of Equity Shares/voting rights	% of Equity Shares/voting rights
Fully paid up Equity Shares	18,967,584	100%
Partly paid up Equity Shares	NIL	NIL
Total paid up Equity Shares	18,967,584	100%
Total voting rights in Target Company	18,967,584	100%

- 5.7 As on the date of this Draft Letter of Offer, the total authorized share capital of the Target Company is ₹ 100,000,000 (Rupees one hundred million only) comprising of 20,000,000 (twenty million only) Equity Shares with face value of ₹ 5 (Rupees five only).
- 5.8 As on the date of this Draft Letter of Offer, the total issued, subscribed and paid up capital of the Target Company is ₹ 94,837,920 (Rupees ninety four million eight hundred and thirty seven thousand nine hundred and twenty only) comprising of 18,967,584 (eighteen million nine hundred and sixty-seven thousand five hundred and eighty-four only) Equity Shares with face value of ₹ 5 (Rupees five only).
- 5.9 As on the date of this Draft Letter of Offer, there are no: (a) partly paid up Equity Shares; and/or (b) outstanding convertible securities/instruments (warrants/fully convertible debentures/partly convertible debentures/employee stock options/depository receipts or other convertible instruments) issued by the Target Company. (Source: www.bseindia.com)
- 5.10 No penal/punitive action has been taken against the Target Company by the Stock Exchanges on account of non-compliance with the listing agreement. As on the date of this Draft Letter of Offer, the trading of the Equity Shares is not currently suspended on the Stock Exchanges. The Equity Shares of the Target Company were also listed on Madras Stock Exchange Limited. Consequent to Madras Stock Exchange Limited's voluntary exit as a stock exchange, the Equity Shares were delisted from Madras Stock Exchange Limited with effect from 22 December 2014. Prior to the delisting from MSE, the Target Company was in full compliance with the listing requirements as specified by the MSE.
- 5.11 There are no Equity Shares of the Target Company that are not listed on the Stock Exchanges. The Target Company has not issued any partly paid up Equity Shares.
- 5.12 None of the Equity Shares of the Target Company are currently locked-in. (Source: www.bseindia.com)

5.13 As on the date of this Draft Letter of Offer, the composition of the Board of Directors of the Target Company is as follows:

Name	Designation and Director Identification Number (“DIN”)	Date of Appointment in current term
Muthuswami Lakshminarayan	Non-Executive, Independent Director DIN: 00064750	25 October 2010
Periakaruppa Nadar Kaniappan	Executive Director, Chief Executive Officer and Managing Director DIN: 02696192	17 June 2009
Lakshmi Venu	Non-Executive, Independent Director DIN: 02702020	19 May 2016
Lisa Jane Brown	Non-Executive, Non Independent Director DIN: 07053317	23 January 2015
Philippe Colpron	Non-Executive, Non Independent Director DIN: 08344534	29 January 2019
Christian Brenneke	Non-Executive, Non Independent Director DIN: 08344547	29 January 2019
Mahesh Chhabria	Non-Executive, Independent Director DIN: 00166049	16 May 2020

5.14 During the last 3 (three) years, the Target Company has not undertaken any activities with respect to a scheme of amalgamation, restructuring, merger/demerger and spin off.

5.15 The key financial information of the Target Company based on its annual standalone financial statements as on and for the financial years ended on 31 March 2018, 31 March 2019 and 31 March 2020, is as follows:

(INR millions except EPS)

Profit and Loss Statement	For the 12month period ended on 31 March (audited)		
	2018	2019	2020
	₹	₹	₹
Income from operations	26,139	28,541	19,296
Other income	465	725	639
Total Income	26,604	29,266	19,934
Total Expenditure	22,152	24,443	16,780
Profit before depreciation, interest and tax	4,451	4,824	3,154
Depreciation	617	714	901
Interest	16	-	19
Profit before tax	3,818	4,109	2,233
Provision for tax	1,090	1,287	645
Profit after tax	2,728	2,822	1,588

Balance sheet statement	As of 31 March (audited)		
	2018	2019	2020
	₹	₹	₹
Sources of funds			
Paid-up share capital	95	95	95
Reserves and surplus (excluding revaluation reserves)	15,164	17,705	18,851
Networth	15,259	17,800	18,945
Secured loans	-	-	-
Unsecured loans	-	-	-
Total	15,259	17,800	18,945
Uses of funds			
Net fixed assets	4,113	4,593	5,009
Investments	4,457	3,134	5,424
Net current assets	6,689	10,073	8,512
Total miscellaneous expenditure not written off	-	-	-
Total	15,259	17,800	18,945
Other financial data	For the 12 month period ended on 31 March (audited)		
	2018	2019	2020
	₹	₹	₹
Dividend (%)	4.87%	5.38%	11.94%
EPS	143.80	148.80	83.7

Notes:

- a. Total revenue only includes revenue from contracts with customers and excludes other income.
- b. The aforesaid financial statements have been prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Indian Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The financial information for the financial years ended on 31 March 2018, 31 March 2019 and 31 March 2020 set forth have been extracted from the annual standalone financial statements of the Target Company and have been audited by S.R. Batliboi & Associates LLP, Chartered Accountants, Chennai (Firm Registration No. 101049W) for the financial years ended 31 March 2018, 31 March 2019 and by BSR & Co. LLP, Chartered Accountants, Chennai (Firm Registration No.101248W/W-100022) for the financial year ended 31 March 2020.

5.16 The shareholding pattern of the Target Company before (as on the date of the Draft Letter of Offer) and after the Open Offer is as follows:

	Shareholding & voting rights prior to the agreement/acquisition and offer		Shares/voting rights agreed to be acquired which triggered the SEBI (SAST) Regulations		Shares/voting rights to be acquired in the Offer (assuming full acceptances)		Shareholding/voting rights after the acquisition and Offer (assuming full acceptances)	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No	%	No	%	No	%	No	%
(1) Promoter Group								
(a) Parties to the Agreement, if any	-	-	-	-	-	-	-	-
(b) Promoters other than (a) above	1,42,25,684	75.00	-	-	47,41,900	25.00	1,89,67,584	100
Total 1(a+b)	1,42,25,684	75.00	-	-	47,41,900	25.00	1,89,67,584	100
(2) The Acquirer/PACs								
(a) Acquirer	-	-	-	-	-	-	-	-
(b) PAC 1	1,42,25,684	75.00	-	-	-	-	1,42,25,684	75.00

	Shareholding & voting rights prior to the agreement/acquisition and offer		Shares/voting rights agreed to be acquired which triggered the SEBI (SAST) Regulations		Shares/voting rights to be acquired in the Offer (assuming full acceptances)		Shareholding/voting rights after the acquisition and Offer (assuming full acceptances)	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No	%	No	%	No	%	No	%
(c) PAC 2*		-	-	-	-	-	-	-
(d) PAC 3*		-	-	-	47,41,900	25.00	47,41,900	25.00
(3) Parties to Agreements other than (1)(a) & (2)		-	-	-	-	-	-	-
(4) Public (other than parties to the agreement, acquirer & PACs)								
(a) FIs/MFs/FPIs/FIIs/Banks, SFIs	21,81,165	11.50	-	-	-	-	-	-
(b) Others	25,60,735	13.50	-	-	-	-	-	-
(Indicate the total number of shareholders in “Public category”)	No. of public shareholders: 23,761		-	-	-	-	-	-
Total (4) (a+b)	47,41,900	25.00	-	-	-	-	-	-
Grand total (1+3+4)**	1,89,67,584	100.00			47,41,900	25.00	1,89,67,584	100

Notes:

* In the above table, we have for illustrative purposes assumed that PAC 3 will acquire the validly tendered Offer Shares in the Open Offer. However, please note as explained in detail in paragraph 3.2.3 of this Draft Letter of Offer, the Offer Shares will be acquired by either PAC 2 or PAC 3 which will be duly disclosed in the Letter of Offer dispatched to the Public Shareholders.

** Grand total does not include shareholding under (2), as shareholding under (1) has already been included.

6. Offer Price and Financial Arrangements

6.1 Justification of Offer Price

- 6.1.1 This Offer is made pursuant to and in compliance with the provisions of Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations. The Equity Shares are listed and traded on BSE and NSE.
- 6.1.2 The Equity Shares are listed on the Stock Exchanges and are permitted to trade on the Metropolitan Stock Exchange of India Limited.
- 6.1.3 The Equity Shares were infrequently traded on both the Stock Exchanges within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations for the period mentioned below in paragraph 6.1.4 below.
- 6.1.4 The annualized trading turnover in the Equity Shares on the Stock Exchanges based on trading volume during the 12 (twelve) calendar month prior to the calendar month in which the PA was made i.e., (1 April 2018 to 31 March 2019) is as given below:

Stock Exchange	Number of Equity Shares traded during the 12 (twelve) calendar months prior to the month in which PA was issued	Total number of listed Equity Shares during this period	Annualized trading turnover (as % of total listed Equity Shares)
BSE	122,859	18,967,584	0.65%
NSE	1,179,492	18,967,584	6.22%

(Source: www.bseindia.com and www.nseindia.com)

*Since the traded turnover on both the Stock Exchanges during the 12 (twelve) calendar months ended on 31 March 2019 is less than 10% (ten per cent.) of the total number of shares of such class of the Target Company as of the date of PA, the shares of the Target Company were not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

6.1.5 The Offer Price of ₹ 7,067.51 (Rupees seven thousand sixty-seven and fifty-one paise only) per Offer Share, which comprises of the Initial Offer Price of ₹ 6,318 (Rupees six thousand three hundred and eighteen only) per Offer Share and the Interest of ₹ 749.51 (Rupees seven hundred forty-nine and fifty-one paise only) per Offer Share in accordance with Regulation 8(12) of the SEBI (SAST) Regulations, is justified in terms of Regulation 8(3) of the SEBI (SAST) Regulations, in view of the following:

S. No	Particulars	₹/Equity Share
A	The highest negotiated price per Equity Share, if any, of the Target Company for any acquisition under the agreement attracting the obligation to make the public announcement of an open offer.	Not applicable
B	The volume weighted average price paid or payable for acquisitions, whether by the Acquirer/PACs, during the 52 (fifty two) weeks immediately preceding the earlier of, the date on which the Underlying Transaction is contracted, and the date on which the intention or the decision to make the Underlying Transaction is announced in the public domain.	Not applicable
C	The highest price paid or payable for any acquisition, whether by the Acquirer/PACs, during the 26 (twenty-six) weeks immediately preceding the earlier of, the date on which the Underlying Transaction is contracted, and the date on which the intention or the decision to make the Underlying Transaction is announced in the public domain.	Not applicable
D	The highest price paid or payable for any acquisition, whether by the Acquirer/PACs, between the earlier of, the date on which the Underlying Transaction is contracted, and the date on which the intention or the decision to make the Underlying Transaction is announced in the public domain, and the date of the public announcement of the open offer for shares of the Target Company made under SEBI (SAST) Regulations.	Not applicable
E	The volume-weighted average market price of the shares for a period of 60 (sixty) trading days immediately preceding the earlier of, the date on which the Underlying Transaction is contracted, and the date on which the intention or the decision to make the Underlying Transaction is announced in the public domain, as traded on the stock exchange where the maximum volume of	Not applicable as the Equity Shares were not frequently traded

S. No	Particulars	₹/Equity Share
	trading in the Equity Shares of the Target Company are recorded during such period, provided such shares are frequently traded.	
F	Per Equity Share value computed under Regulation 8(5) of the SEBI (SAST) Regulations taking into account the valuation report dated 2 April 2019 issued by Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117365W).	₹ 6,318*
G	Price at (F) above including Interest in terms of Regulation 8(12) of the SEBI (SAST) Regulations taking into account the valuation report dated 2 June 2020 issued by Banshi S. Mehta & Co., Chartered Accountants (Firm Registration No. 100991W).	₹ 7,067.51

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

**In terms of Regulation 8(5) of the SEBI (SAST) Regulations, the per share value of the Target Company has been determined based on the valuation report dated 2 April 2019 issued by Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117365W).*

6.1.6 The Initial Offer Price has been enhanced by an amount equal to the sum determined at the rate of 10% (ten per cent.) per annum for the period between the date on which the Underlying Transaction was contracted (i.e., 28 March 2019) and the date of the publication of the Detailed Public Statement, in compliance with Regulation 8(12) of the SEBI (SAST) Regulations, which works out to ₹ 749.51 (Rupees seven hundred forty-nine and fifty-one paise only) per Offer Share taking into account the valuation report dated 2 June 2020 issued by Banshi S. Mehta & Co., Chartered Accountants (Firm Registration No. 100991W). The Offer Price determined in accordance with Regulations 8(3) and 8(12) of the SEBI (SAST) Regulations is ₹ 7,067.51 (Rupees seven thousand sixty-seven and fifty-one paise only) per Offer Share.

6.1.7 In view of the parameters considered and presented in the table above, the Offer Price of ₹ 7,067.51 (Rupees seven thousand sixty-seven and fifty-one paise only) per Offer Share, consisting of ₹ 6,318 (Rupees six thousand three hundred and eighteen only) per Offer Share plus Interest (i.e., ₹ 749.51 (Rupees seven hundred forty-nine and fifty-one paise only) per Offer Share), being the highest of the prices mentioned above is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.

6.1.8 There have been no corporate actions undertaken by the Target Company such as issuances pursuant to rights issue, bonus issue, stock consolidations, stock splits, payment of dividend, de-mergers and reduction of capital, from the date of the Public Announcement i.e., 2 April 2019 until the date of this Draft Letter of Offer, except for the following:

- a. dividend of ₹ 9 per Equity Share, declared on 14 August 2019 with a record date of 7 August 2019; and
- b. interim dividend of ₹ 10 per Equity Share, declared on 19 March 2020, with a record date of 27 March 2020 and payment date of 30 March 2020.

- 6.1.9 Further, the dividend per Equity Share paid by the Target Company is more than 50% higher than the average dividend per Equity Share paid during the last three financial years preceding the date of the PA (i.e., ₹ 6 in the financial year 2016-2017, ₹ 7 in the financial year 2017-2018 and ₹ 8 in the financial year 2018-2019).
- 6.1.10 As per Regulation 8(9) of the SEBI (SAST) Regulations, the Acquirer and the PACs in consultation with the Manager to the Open Offer have the option to make a downward adjustment to the Offer Price as a result of the dividend paid by the Target Company. However, the Acquirer and the PACs in consultation with the Manager to the Open Offer have decided not to make a downward adjustment to the Offer Price.
- 6.1.11 As on the date of this Draft Letter of Offer, except for the inclusion of the Interest, there is no revision in the Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirer and the PACs shall comply with Regulation 18 of the SEBI (SAST) Regulations and all the provisions of the SEBI (SAST) Regulations which are required to be fulfilled for the said revision in the Offer Price or Offer Size.
- 6.1.12 In terms of Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations, the Acquirer and the PACs are permitted to revise (upward) the Offer Price and/or the Offer Size at any time prior to the commencement of the last 1 (one) Working Day before the commencement of the Tendering Period. In the event of such revision, the Acquirer and the PACs shall: (a) make a corresponding increase to the escrow amount, in accordance with Regulation 17 of the SEBI (SAST) Regulations; (b) make a public announcement in the same Newspapers in which the DPS has been published; and (c) simultaneously notify the Stock Exchanges, SEBI and the Target Company at its registered office of such revision. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations.
- 6.1.13 If the Acquirer and/or the PACs acquire or agree to acquire any Equity Shares or voting rights in the Target Company during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price will be increased so that it is equal to or more than the highest price paid for such acquisition in accordance with Regulation 8(8) of the SEBI (SAST) Regulations. The Acquirer and/or the PACs shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the tendering period of the Open Offer and until the expiry of the tendering period of this Open offer.
- 6.1.14 If the Acquirer and/or the PACs acquire Equity Shares of the Target Company during the period of 26 (twenty-six) weeks after the closure of the tendering period for the Open Offer at a price higher than the Offer Price, then the Acquirer and the PACs shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose Equity Shares have been accepted in this Open Offer, within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another offer under the SEBI (SAST) Regulations, as amended from time to time or SEBI (Delisting of Equity Shares) Regulations, 2009, as amended from time to time or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of the Equity Shares in any form.

6.2 Financial Arrangements

- 6.2.1 The Acquirer and PACs have made firm financial arrangements for fulfilling the payment obligations under the Open Offer and the Acquirer and PACs are able to implement the Open Offer.

- 6.2.2 The total funding requirement for the Open Offer, assuming full acceptance, i.e., for the acquisition of Offer Shares (i.e., 4,741,900 Equity Shares) at the Offer Price (i.e., ₹ 7,067.51 (Rupees seven thousand sixty-seven and fifty-one paise only) per Offer Share) aggregates to ₹ 33,513,425,669 (Rupees thirty-three billion five hundred thirteen million four hundred twenty-five thousand six hundred and sixty-nine only) (“**Maximum Consideration**”).
- 6.2.3 In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, PAC 2 and PAC 3 have opened a cash escrow account in the name and style as Wabco Open Offer Escrow Account bearing account number 5622409745 (“**Escrow Account**”) with JPMorgan Chase Bank, N.A. (“**Escrow Bank**”), and have made a cash deposit of ₹ 4,103,000,000 (Rupees four billion one hundred and three million only) in the Escrow Account in accordance with Regulation 17(3)(a) of the SEBI (SAST) Regulations. The cash deposit has been confirmed by way of a confirmation letter dated 29 May 2020 issued by the Escrow Bank.
- 6.2.4 PAC 2, PAC 3, the Manager and the Escrow Bank have entered into an escrow agreement dated 28 May 2020 for the operations of the Escrow Account (“**Escrow Agreement**”). In terms of the Escrow Agreement, the Manager has been duly authorized to operate and realize the monies lying to in the credit of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.5 The amount deposited in the Escrow Account is more than 25% (twenty-five per cent.) for the first ₹ 5,000,000,000 (Rupees five billion only) of the Maximum Consideration and 10% (ten per cent.) thereafter on the balance of the Maximum Consideration and is in compliance with Regulations 17(1) and 17(3)(a) of the SEBI (SAST) Regulations.
- 6.2.6 In case of any increase in the Offer Price and/or the Offer Size, the cash in the Escrow Account shall be increased in accordance with Regulation 17 of the SEBI (SAST) Regulations prior to effecting such revision.
- 6.2.7 The Acquirer and the PACs have confirmed that they have adequate and firm financial resources to fulfil the obligations under the Open Offer and have made firm financial arrangements for implementation of the Open Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The source of funds to meet the obligations of the Acquirer and the PACs under the Open Offer consists of (a) the funds borrowed by the Acquirer under the term and multicurrency revolving credit facilities agreement dated 27 July 2016 entered into by the Acquirer (“**Revolving Credit Facilities**”); and (b) cash on hand available in one of the bank accounts of the Acquirer with Deutsche Bank AG (“**Cash on Hand**”). The Acquirer will make available the funds to PAC 2 and/or PAC 3 to enable them to fulfil the payment obligations under the Open Offer.
- 6.2.8 Bansi S. Mehta & Co., Chartered Accountants (Firm Registration No. 100991W), Metro House, 3rd Floor, Dhobi Talao, Mumbai 400 020 (“**Chartered Accountant**”), has confirmed, by way of a certificate dated 2 June 2020, that the Acquirer and PACs have made firm financial arrangements in excess of the Maximum Consideration by way of the Acquirer obtaining the Revolving Credit Facilities and the Acquirer’s Cash on Hand. Thus, the Acquirer and PACs have adequate financial resources through verifiable means available for meeting their obligations under the SEBI (SAST) Regulations for a value up to the Maximum Consideration.
- 6.2.9 Based on the aforesaid financial arrangements and on the confirmation received from the Escrow Bank and the Chartered Accountant, the Manager is satisfied that firm financial arrangements have been put in place by the Acquirer and the PACs to fulfil

their payment obligations in respect of the Open Offer, through verifiable means, in accordance with the SEBI (SAST) Regulations.

7. Terms and Conditions of the Open Offer

- 7.1 The Open Offer is being made by the Acquirer and the PACs to all the Public Shareholders, to acquire up to 4,741,900 (four million seven hundred forty-one thousand nine hundred only) Equity Shares, representing 25% (twenty-five per cent.) of the Voting Share Capital of the Target Company, subject to the terms and conditions mentioned in the PA, DPS and this Draft Letter of Offer, and the Letter of Offer.
- 7.2 The Open Offer is not conditional and is not subject to any minimum level of acceptance.
- 7.3 The Letter of Offer, specifying the detailed terms and conditions of this Open Offer, along with the Form of Acceptance-cum-Acknowledgement, will be mailed to all the Public Shareholders, whose names appear on the register of members of the Target Company, at the close of business hours on the Identified Date i.e., 3 July 2020, being registered equity Public Shareholders as per the records of NSDL and CSDL, and registered Public Shareholders holding Equity Shares in physical form as per the records of the Target Company, as on the Identified Date. Accidental omission to dispatch the Letter of Offer to any person to whom the Open Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Open Offer in any way. The last date by which the individual Letter of Offer would be dispatched to each of the Public Shareholders of the Target Company is 10 July 2020.
- 7.4 This Open Offer is made to all Public Shareholders as on the Identified Date i.e., 3 July 2020, and also to persons who acquire Equity Shares before the closure of the Open Offer and tender such Equity Shares into the Open Offer in accordance with this Draft Letter of Offer. Persons who have acquired Equity Shares of the Target Company (irrespective of the date of purchase) but whose names do not appear on the register of members of the Target Company on the Identified Date are also eligible to participate in this Open Offer.
- 7.5 Public Shareholders to whom the Open Offer is being made are free to offer/tender their shareholding in the Target Company, in whole or in part, while accepting the Open Offer. The acceptance must be unconditional and must be absolute and unqualified.
- 7.6 The Acquirer and the PACs reserve the right to revise (upward) the Offer Price and/or the Offer Size at any time prior to the commencement of the last 1 (one) Working Day before the commencement of the Tendering Period (i.e., any time up to 16 July 2020) in accordance with the SEBI (SAST) Regulations and such revision, if any, in the Offer Price and/or the Offer Size, would be announced in the same Newspapers where the DPS was published and simultaneously with the issue of such announcement, the Acquirer and the PACs shall inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision. The Acquirer and PACs would pay such revised price for all the Equity Shares validly tendered at any time during the Open Offer and accepted under the Open Offer in accordance with the terms of the DPS and this Draft Letter of Offer.
- 7.7 In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by the Public Shareholder, the Manager to the Open Offer and the Acquirer and the PACs shall reject the acceptance of this Open Offer by such Public Shareholder.
- 7.8 Public Shareholders who have acquired Equity Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date or those who have not received this Letter of Offer, may also participate in this Open Offer by submitting an application on a plain paper, giving details regarding their shareholding in the Target

Company and confirming their agreement to participate in this Open Offer as per the terms and conditions of this Open Offer along with other documents as specified in paragraph 8 of this Draft Letter of Offer entitled “Procedure for Acceptance and Settlement of the Offer”, so as to reach the Registrar to the Offer no later than the date of closure of the Tendering Period i.e., 30 July 2020.

- 7.9 No indemnity would be required from unregistered Public Shareholders regarding the title to the Equity Shares.
- 7.10 The acceptance of this Open Offer is entirely at the discretion of the Public Shareholders. The Acquirer and the PACs shall not be responsible in any manner for any loss of documents during transit and the Public Shareholders are advised to adequately safeguard their interests in this regard. Public Shareholders who have accepted this Open Offer by tendering their Equity Shares in the escrow demat account as per this Draft Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period of the Offer.
- 7.11 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute an integral part of this Draft Letter of Offer.
- 7.12 Accidental omission to dispatch the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.
- 7.13 **Statutory and Other approvals**

7.13.1 In view of an application made by the Acquirer before the CCI under the Competition Act, 2002 read with the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011, the CCI by way of its communication dated 14 February 2020 (detailed order issued on 29 April 2020) has approved the Underlying Transaction subject to compliance with certain modifications. The Underlying Transaction was also reviewed by the U.S. Department of Justice, Antitrust Division (“DOJ”), following notification under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The DOJ concluded that, following the divestiture of certain assets, the Underlying Transaction would not substantially lessen competition in the United States, and thereby permitted the Underlying Transaction to proceed subject to a consent order addressing the required divestiture (See United States of America v. ZF Friedrichshafen AG et al. Case 1:20-cv-00182-KBJ, (D.D.C. Jan. 23, 2020) at Dkt. No. 1 (Complaint), Dkt. No. 6 (Hold Separate Stipulation and Order). In addition, the Chinese State Administration for Market Regulation approved the Underlying Transaction on 15 May 2020, subject to certain behavioural remedies. The Underlying Transaction has also been subject to merger control proceedings in other jurisdictions and the required approvals were obtained in all of these jurisdictions, namely in the EU (unconditional approval dated 23 January 2020), Brazil (unconditional approval dated 24 September 2019), Japan (unconditional approval dated 27 November 2019), Russia (unconditional approval dated 26 November 2019), Serbia (unconditional approval dated 3 July 2019), South Africa (unconditional approval dated 21 November 2019), South Korea (unconditional approval dated 3 December 2019) and Turkey (unconditional approval dated 31 October 2019). Further, the Acquirer sought clearance from the CFIUS under the Defense Production Act of 1950, as amended, and by order dated 12 August 2019, CFIUS permitted the Underlying Transaction to proceed indicating that it had no objection on U.S. national security grounds.

7.13.2 To the best of the knowledge of the Acquirer and the PACs, no statutory approvals are now required by the Acquirer or the PACs to complete this Open Offer. However, in

case any additional statutory approvals are required by the Acquirer and/or the PACs at a later date, this Open Offer shall be subject to such approvals and the Acquirer and/or the PACs shall make the necessary applications for such approvals. The Acquirer and the PACs will have the right to withdraw this Open Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, if any statutory approval, as may be required, is refused. In the event of withdrawal of the Open Offer, the same would be informed by way of a public announcement in the same Newspapers in which the Detailed Public Statement in relation to the Open Offer was published and such public announcement will also be sent to SEBI, the Stock Exchanges and to the Target Company.

- 7.13.3 Non-resident Indians and overseas corporate body holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required to tender the Equity Shares held by them, in this Open Offer, and submit such approvals/exemptions along with the documents required to accept this Open Offer. Further, if holders of Equity Shares who are not persons resident in India (including NRIs, OCBs, FPIs and FIIs) had required any approvals/exemptions (including from RBI and/or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals/exemptions that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept the Open Offer. In the event such approvals/exemptions are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in the Open Offer.
- 7.13.4 The Acquirer and the PACs do not require any approvals from financial institutions or banks for the Open Offer.
- 7.13.5 In case of delay/non-receipt of any approval, including any statutory approvals disclosed in this paragraph 7.13 of this Draft Letter of Offer (*Statutory and Other Approvals*) or which may be required by the Acquirer/PACs at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of the Open Offer subject to the Acquirer and the PACs agreeing to pay interest to the Public Shareholders for the delay, provided where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirer/PACs 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 the Open Offer.
- 7.13.6 The Acquirer and the PACs will have the right not to proceed with the Open Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals are refused for reasons outside the reasonable control of the Acquirer and the PACs. In the event of withdrawal of the Open Offer, a public announcement will be made, through the Manager, stating the grounds and reasons for the withdrawal of the Open Offer in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, within 2 (two) Working Days of such withdrawal in the same Newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.
- 7.13.7 To the best of the knowledge of the Acquirer and the PACs, the Target Company does not have any Equity Shares that are locked-in. (Source: www.bseindia.com)
- 7.13.8 The Acquirer and the PACs shall complete all procedures relating to payment of consideration under this Open Offer within 10 (ten) Working Days from the date of

closure of the Tendering Period to those Public Shareholders whose Equity Shares are accepted in the Open Offer.

8. Procedure for Acceptance and Settlement of the Offer

- 8.1 All Public Shareholders whether holding Equity Shares in demat form, registered or unregistered, regardless of whether such person has acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, are eligible to participate in this Open Offer any time during the Tendering Period. Please refer to paragraph 8.14 below for details in relation to tendering of Offer Shares held in physical form.
- 8.2 The Offer will be implemented by the Acquirer and/or PACs, subject to applicable laws, through the stock exchange mechanism as provided under the SEBI (SAST) Regulations, the SEBI Circular CIR/CFD/POLICY/CELL/1/2015 dated 13 April 2015, as amended from time to time, read with SEBI Circular CFD/DCR2/CIR/P/2016/131 dated 9 December 2016, as amended from time to time, and notices/guidelines issued by the Stock Exchanges and the Clearing Corporation in relation to the mechanism/process for acquisition of shares through stock exchange pursuant to the tender offers under takeovers, buy back and delisting, as amended and updated from time to time. A separate window on the stock exchange (“**Acquisition Window**”) would be provided by the stock exchange for this purpose.
- 8.3 The BSE shall be the Designated Stock Exchange for the purpose of tendering Equity Shares in the Open Offer.
- 8.4 The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be sent to the Public Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective depositories, as of the close of business on the Identified Date.
- 8.5 The Public Announcement, DPS and the Letter of Offer will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Public Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the Letter of Offer from SEBI’s website for applying in the Offer.
- 8.6 All the Public Shareholders who desire to tender their Equity Shares under the Open Offer should consult with their respective depository participant and their respective Selling Brokers to understand the process and methodology in relation to tendering of Equity Shares through the Designated Stock Exchange.
- 8.7 The Acquirer and the PACs have appointed J.P. Morgan India Private Limited as the registered broker (“**Buying Broker**”) through whom the purchases and settlements on account of the Offer Shares tendered under the Open Offer shall be made. The contact details of the Buying Broker are mentioned below:

Name	:	J.P. Morgan India Private Limited
Address	:	J.P. Morgan Tower, Off C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098
Telephone No.	:	+91 22 6157 3000
Fax No.	:	+91 22 6157 3911
CIN	:	U67120MH1992FTC068724
SEBI registration	:	INM000002970
Contact person	:	Hoshi Bharucha

8.8 The Acquisition Window will be provided by the Designated Stock Exchange to facilitate placing of sell orders. During the Tendering Period, the tender of the Equity Shares (in demat form) by the Public Shareholders in this Offer will be placed through their respective Selling Brokers during normal trading hours of the secondary market.

8.9 Public Shareholders can tender their shares only through a broker with whom the Public Shareholder is registered as client (KYC Compliant). In the event the Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stock broker then that Public Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. The Public Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

8.9.1 In case of Public Shareholder being an individual

a. If Public Shareholder is registered with KYC Registration Agency (“KRA”):
Forms required:

(i) Central Know Your Client (CKYC) form including Foreign Account Tax Compliance Act (FATCA), In Person Verification (IPV), Original Seen and Verified (OSV) if applicable;

(ii) Know Your Client (KYC) form Documents required (all documents self-attested):

(A) Bank details (cancelled cheque);

(iii) Demat details (Demat Master/Latest Demat statement);

b. If Public Shareholder is not registered with KRA: Forms required:

(i) CKYC form including FATCA, IPV, OSV if applicable;

(ii) KRA form;

(iii) KYC form Documents required (all documents self-attested):

(A) PAN card copy;

(B) Address Proof; and

(C) Bank Details (cancelled cheque).

(iv) Demat Details (Demat master/Latest Demat Statement).

It may be noted that other than submission of above forms and documents, in person verification may be required.

8.9.2 In case of Public Shareholder being an HUF

a. If Public Shareholder is registered with KRA: Forms required:

(i) CKYC form of KARTA including FATCA, IPV, OSV, if applicable;

- (ii) KYC form documents required (all documents self-attested):
 - (A) Bank details (cancelled cheque); and
 - (iii) Demat details (Demat Master/Latest Demat statement);
- b. If Public Shareholder is not registered with KRA: Forms required:
 - (i) CKYC form of KARTA including FATCA, IPV, OSV if applicable;
 - (ii) KRA form;
 - (iii) Know Your Client (KYC) form Documents required (all documents self-attested):
 - (A) PAN card copy of HUF & KARTA;
 - (B) Address proof of HUF & KARTA;
 - (C) HUF declaration; and
 - (D) Bank details (cancelled cheque);
 - (iv) Demat details (Demat master/Latest Demat statement); and

It may be noted that other than submission of above forms and documents, in person verification may be required.

8.9.3 In case of Public Shareholder being other than Individual and HUF:

- a. If Public Shareholder is KRA registered: Forms required:
 - (i) Know Your Client (KYC) form Documents required (all documents certified true copy) Bank details (cancelled cheque);
 - (ii) Demat details (Demat master/Latest Demat statement);
 - (iii) FATCA, IPV, OSV if applicable;
 - (iv) Latest list of directors/authorised signatories/partners/trustees;
 - (v) Latest shareholding pattern;
 - (vi) Board resolution;
 - (vii) Details of ultimate beneficial owner along with PAN card and address proof; and
 - (viii) Last 2 (two) years financial statements.
- b. If Public Shareholder is not KRA registered: Forms required:
 - (i) KRA form;
 - (ii) Know Your Client (KYC) form Documents required (all documents certified true copy):

- (A) PAN card copy of company/firm/trust;
 - (B) Address proof of company/firm/trust; and
 - (C) Bank details (cancelled cheque).
- (iii) Demat details (Demat Master/Latest Demat statement);
 - (iv) FATCA, IPV, OSV if applicable;
 - (v) Latest list of directors/authorised signatories/partners/trustees;
 - (vi) PAN card copies & address proof of directors/authorised signatories/partners/trustees;
 - (vii) Latest shareholding pattern;
 - (viii) Board resolution/partnership declaration;
 - (ix) Details of ultimate beneficial owner along with PAN card and address proof;
 - (x) Last 2 (two) years financial statements; and
 - (xi) MOA/Partnership deed/trust deed.

It may be noted that, other than submission of above forms and documents, in person verification may be required. It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

- 8.10 The cumulative quantity tendered shall be displayed on the Designated Stock Exchange website throughout the trading session at specific intervals by the Designated Stock Exchange during Tendering Period.
- 8.11 Modification/cancellation of orders will not be allowed during the Tendering Period of the Offer.
- 8.12 Public Shareholders can tender their Equity Shares only through their respective Selling Broker with whom such Public Shareholders are registered as a client (i.e., 'Know Your Customer' compliant). The Public Shareholders are advised to consult their respective Selling Broker in relation to the documents required by them in this behalf. Equity Shares should not be submitted/tendered to the Manager to the Open Offer, the Acquirer, the PACs or the Target Company.
- 8.13 Procedure for tendering Equity Shares held in demat form:
 - 8.13.1 The Public Shareholders who are holding Equity Shares in demat form and who desire to tender their Equity Shares in this Open Offer shall approach their respective Selling Broker indicating to their Selling Broker the Public Shareholder's demat account details and the details of Equity Shares such Public Shareholder intends to tender in this Offer.
 - 8.13.2 The Public Shareholders intending to tender Equity Shares are required through their respective depository participant, to transfer or earmark the Equity Shares intended to be tendered to the early pay-in account of the Clearing Corporation or for the benefit

of the Clearing Corporation, as the case may be. Such Public Shareholders shall earmark/provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular before their respective Selling Broker places the bids/orders on their behalf and the same shall be validated at the time of order entry.

- 8.13.3 For the custodian participant, the Equity Shares held in demat mode, shall be tendered prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than 6:00 P.M. on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
 - 8.13.4 Public Shareholders shall submit a delivery instruction slip duly filled in specifying the appropriate market type in relation to the Offer, and execution date along with all other details to their respective depository participant/Selling Broker so that the Equity Shares can be tendered in this Offer.
 - 8.13.5 Upon placing the bid, the Selling Broker(s) should provide the TRS to the Public Shareholder. The TRS will contain details of order submitted like bid identification number, depository participant identification, client identification number, number of Equity Shares tendered, etc.
 - 8.13.6 The Public Shareholders will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC code, keep their depository participant account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection.
 - 8.13.7 The resident Public Shareholders (i.e., Public Shareholders residing in India) holding Equity Shares in demat mode, are not required to fill any Form of Acceptance-cum-Acknowledgement. The Public Shareholders are advised to retain the acknowledged copy of the delivery instructions slip and the TRS till the completion of Tendering Period.
 - 8.13.8 The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges/Clearing Corporation, before the opening of the Offer.
 - 8.13.9 In case any person has submitted Equity Shares in physical form for conversion to demat, such Public Shareholders should ensure that the process of getting the Equity Shares converted to demat mode is completed well in time so that they can participate in the Offer before the closure of the Tendering Period.
- 8.14 Procedure to be followed by the Public Shareholders holding Equity Shares in physical form:
- 8.14.1 As per the provisions of Regulation 40(1) of the SEBI Listing Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 51/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from 1 April 2019. In view of the same, such Public Shareholders holding shares in Physical Form should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in this Open Offer by or before the closure of the Tendering Period.
 - 8.14.2 Accordingly, the Public Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Open Offer can do so only after

the Equity Shares are dematerialised. Such Public Shareholders are advised to approach any depository participant to have their Equity Shares dematerialised.

8.15 Procedure for tendering the shares in case of non-receipt of Letter of Offer:

Public Shareholders may participate in the Open Offer by approaching their Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Form of Acceptance-cum-Acknowledgment.

The Letter of Offer along with a Form of Acceptance-cum-Acknowledgement, will be dispatched to all the Public Shareholders of the Target Company, whose names appear on the register of members of the Target Company and to the beneficial owners of the Target Company in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date.

Public Shareholders who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may participate in this Offer by: (a) downloading the Letter of Offer along with the Form of Acceptance-cum-Acknowledgment from the SEBI website (www.sebi.gov.in) or obtaining a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares; or (b) submitting an application on a plain paper to their Selling Broker giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in PA, the DPS and the Letter of Offer and submitting all the required documents as identified above.

8.16 **Acceptance of Equity Shares**

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

8.17 **Settlement Process:**

8.17.1 On closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager to the Open Offer, the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation.

8.17.2 The Buying Broker will make the funds pay-in in the settlement account of the Clearing Corporation. For Equity Shares accepted under the Open Offer, the Public Shareholders will receive funds payout directly in their respective bank accounts (in case of Equity Shares held in demat mode, in the bank accounts which are linked to the respective demat accounts). However, in the event that the pay-outs are rejected by the Public Shareholder's bank accounts due to any reason, the pay-out will be transferred to their respective Selling Broker's settlement accounts and their respective Selling Broker will thereafter transfer the consideration to their respective Public Shareholders.

8.17.3 The Public Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the Public Shareholders for tendering Equity Shares in the Open Offer and the Public Shareholders will be required to independently settle such costs, applicable taxes charges and expenses or other charges (if any). The Acquirer, the PACs and the

Manager to the Open Offer accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) which are to be incurred solely by the Public Shareholders.

- 8.17.4 The funds payout pertaining to the bids of non-resident Public Shareholders which are not settled through custodians, will be transferred to the Selling Broker's settlement accounts, whereas funds payout pertaining to the bids of non-resident Public Shareholders which are settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- 8.17.5 The direct credit of Equity Shares shall be given to the demat account of Acquirer indicated by the Buying Broker.
- 8.17.6 The Public Shareholders will have to ensure that they keep their depository participant account active and unblocked to receive credit in case of return of the Equity Shares, due to rejection or due to non-acceptance of the Equity Shares under the Open Offer.
- 8.17.7 Once the basis of acceptance is finalized, the Registrar to the Offer shall provide details of order acceptance to the Clearing Corporation within specified timelines. The Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of the Buying Broker who will in-turn transfer them to the demat account of the Acquirer.
- 8.17.8 In case of partial acceptance or non-acceptance of orders, the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- 8.17.9 Unaccepted Equity Shares held in dematerialised form will be credited back to the demat accounts of the Public Shareholders. It will be the responsibility of the Public Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective depository participants when transferred by the Registrar to the Offer. Public Shareholders holding Equity Shares in dematerialised form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their demat account. Public Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Offer are completed.
- 8.17.10 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- 8.17.11 In case of delay in receipt of statutory approval(s) if any, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of such approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer and the PACs agreeing to pay interest to the Public Shareholders for delay, at

such rate as may be specified by SEBI. Please see paragraph 7.13 (*Statutory and Other approvals*) above for details.

- 8.17.12 In case of interest payments, if any, to be paid by the Acquirer for delay in payment of Offer Price or a part thereof, the same shall ascertained by the Manager to the Open Offer at a rate specified by SEBI, at such time, and subject to the terms of paragraphs 8.20 to 8.24 (*Tax Provisions*) below, and paid to the Public Shareholders via the Registrar to the Offer. Interest will be paid into the bank account as per the details taken from the record of the depository participant or specified in the Form of Acceptance-cum- Acknowledgement, as the case may be.
- 8.18 A copy of this Draft Letter of Offer (including Form of Acceptance-cum-Acknowledgment) is expected to be available on SEBI's website (www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site.
- 8.19 Pursuant to Regulation 18(9) of the SEBI (SAST) Regulations, Public Shareholders who have accepted the Offer by tendering the requisite documents in terms of the Letter of Offer are not allowed to withdraw the same.

8.20 Tax Provisions: General

THE SUMMARY OF THE INCOME-TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME TAX ACT, 1961. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE (INCLUDING RETROSPECTIVE CHANGES/CLARIFICATIONS) FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATIONS BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE PUBLIC SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, PUBLIC SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE ACQUIRER AND THE PACs DO NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, PUBLIC SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY OF THE INCOME- TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER, AS SET

OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

- 8.20.1 As per the provisions of section 195 of the I-T Act, any person responsible for paying to a non-resident (not being a company) or to a foreign company any sum chargeable to tax is required to deduct tax at source (including surcharge and cess as applicable). Since the consideration payable under the Open Offer would be chargeable to tax as capital gains or as business profits or interest income (if any), as the case may be, under the provisions of the I-T Act, the Acquirer and/or the PACs are required to deduct taxes at source (including surcharge and cess as applicable).
- 8.20.2 Resident and non-resident Public Shareholders (including FPIs, FIIs and FII sub-accounts) are generally required to submit a self-attested copy of their PAN for purposes of deduction of tax as per the I-T Act. In case the PAN is not submitted (including where such PAN has been applied for but not obtained at the time of making payment), or is invalid or does not belong to the Public Shareholder, the tax deduction rate that would apply would be 20% (twenty percent) or at the rates in force or at the rate specified in the relevant provisions of the I-T Act, whichever is higher, as increased by surcharge and cess as may be applicable. It may be noted that non-resident Public Shareholders can provide prescribed alternative information if they do not have a PAN.
- 8.20.3 Each Public Shareholder shall certify its tax residency status (i.e., whether resident or non-resident) and its tax status (i.e. whether individual, firm, company, association of persons/body of individuals, trust, any other, etc.) by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. In case of ambiguity with regard to any aspect including but not limited to incomplete or conflicting information or the information not being provided to the Acquirer and the PACs, tax deduction rate that applies would be the maximum marginal rate as may be applicable to the relevant category of a non-resident Public Shareholder under the I-T Act. Deduction of taxes applies on the gross consideration towards acquisition of Equity Shares and interest, if any, payable to such Public Shareholder under the Offer.
- 8.20.4 In case of delay in receipt of any statutory approvals as may be required as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of such approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer and/or the PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer and the PACs agreeing to pay interest to the Public Shareholders for delay beyond 10 Working Days at such rate, as may be specified by SEBI from time to time.
- 8.20.5 The Acquirer and PACs will not deduct income tax at source on the consideration payable to Public Shareholders as there is no ability for the Acquirer or PACs to deduct taxes since the payment will be routed through the stock exchange and there will be no direct payment by the Acquirer and the PACs to the Public Shareholders. The responsibility to discharge tax due on the gains (if any) is on the Public Shareholder. It is therefore recommended that the Public Shareholders consult their custodians/authorised dealers/tax advisors appropriately.
- 8.20.6 Securities transaction tax will be applicable to the Equity Shares accepted in this Open Offer.
- 8.20.7 In the event of any income tax demand (including interest, penalty, etc.) arising from tendering of the Equity Shares, the Public Shareholders will indemnify the Acquirer and the PACs for such income tax demand (including interest, penalty, etc.). Further, the Public Shareholders will provide the Acquirer and the PACs with all

information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority arising as a result of non-deduction of income tax (including interest, penalty, etc.) by the Acquirer and the PACs. In addition, the Public Shareholders will, upon demand by the Acquirer and/or the PACs, provide all such information/documents as may be required by the Acquirer and/or the PACs in connection with their tax residency and/or tax status at the time of tendering their Equity Shares in the Open Offer as well as proof of payment of applicable taxes on account of such Public Shareholder participating in the Open Offer.

- 8.20.8 All references to maximum marginal rate shall include surcharge and cess, as may be applicable.

Withholding tax implications for Resident Public Shareholders

8.20.9 In absence of any specific provision under the I-T Act, presently, the Acquirer and the PACs will not deduct tax on the consideration payable to resident Public Shareholders for acquisition of Equity Shares under this Open Offer. The responsibility to discharge tax due on the gains (if any) is on the resident Public Shareholder. It is therefore recommended that the Public Shareholders consult their tax advisors appropriately.

8.20.10 Interest – In respect of interest income, the obligation to deduct tax at source under the provisions of the I-T Act is on the person responsible for paying such income. However, the Acquirer and PACs will not deduct tax at source on the consideration payable to resident Public Shareholders as there is no ability for the Acquirer and PACs to deduct taxes since the tendering of shares under the Open Offer is through a recognised stock exchange and there will be no direct payment by the Acquirer and the PACs to the Public Shareholders, the responsibility of discharging the tax due is primarily on the Public Shareholders given that practically it is very difficult to withhold taxes. It is therefore important for the Public Shareholders to compute income on this transaction and immediately pay taxes in India, if applicable, in consultation with their custodians/authorized dealers/tax advisors appropriately. The Public Shareholders must file their tax return in India inter-alia considering gains arising pursuant to this Open Offer in consultation with their tax advisors.

Withholding tax implications for Non-resident Public Shareholders (other than FPIs, FIIs including FII sub-accounts)

8.20.11 As per the provisions of section 195 of the I-T Act, any person responsible for paying to a non-resident (not being a company) or to a foreign company any sum chargeable to tax is required to deduct tax at source (including surcharge and cess as applicable). Since the consideration payable under the Open Offer would be chargeable to tax as capital gains or as business profits or interest income (if any), as the case may be, under the provisions of the I-T Act, the Acquirer and the PACs are required to deduct taxes at source (including surcharge and cess as applicable). However, the Acquirer and PACs will not deduct tax source on the consideration payable to the non-resident Public Shareholders as there is no ability for the Acquirer and the PACs to deduct taxes since the payment will be routed through the stock exchange and there will be no direct payment by the Acquirer and the PACs to the Public Shareholders.

8.20.12 Notwithstanding anything to the contrary, please note that the responsibility of discharging the tax due on the gains or profits or income (if any) is primarily on the non-resident Public Shareholders. The non-resident Public Shareholders must compute such gains (if any) on this transaction and immediately pay taxes in India, if applicable, in consultation with their custodians/authorized dealers/tax advisors appropriately. The non-resident Public Shareholders also need to file their tax return in India inter alia

considering gains arising pursuant to this Open Offer in consultation with their tax advisors.

Withholding tax implications for FPIs, FIIs (including FII sub-accounts)

- 8.20.13 In view of a recent change in the definition of ‘Capital Asset’ provided in Section 2(14) of the I-T Act, Equity Shares held by an FPI/FII are to be treated as ‘Capital Asset’. Thus, income arising from the sale of Equity Shares would be taxable as capital gains as per the I-T Act.
- 8.20.14 As per the provisions of section 196D(2) of the I-T Act, no deduction of tax at source will be made from any income by way of capital gains arising from transfer of securities to a FPI/FII, as defined/referred to in section 115AD of the I-T Act.
- 8.20.15 Considering the above provisions of the I-T Act, the Acquirer will not deduct tax on the income arising from sale of Equity Shares held by such FPI/FII.
- 8.20.16 Interest – In respect of interest income, the obligation to deduct tax at source under the provisions of the I-T Act is on the person responsible for paying such income. However, the Acquirer and PACs will not deduct tax source on the consideration payable to FPI/FII as there is no ability for the Acquirer and the PACs to deduct taxes since the tendering of shares under the Open Offer is through a recognised stock exchange and there will be no direct payment by the Acquirer and the PACs to the Public Shareholders. The responsibility of discharging the tax due on the income (if any) is primarily on the FPI/FII. The FPI/FII must compute such income (if any) on this transaction and immediately pay taxes in India, if applicable, in consultation with their custodians/authorized dealers/tax advisors appropriately. The FPI/FII also need to file their tax return in India inter alia considering gains arising pursuant to this Offer in consultation with their tax advisors.

Withholding taxes in respect of overseas jurisdictions

- 8.20.17 Apart from the above, the Acquirer and PACs, if required, would comply with and deduct taxes in accordance with the tax laws applicable in the overseas jurisdiction where the non-resident Public Shareholder is a resident for tax purposes (“**Overseas Tax**”). For this purpose, the Acquirer and PACs at their sole discretion, will be entitled to rely on a valid tax certificate issued by the income-tax/statutory authorities of the overseas jurisdiction or a representation in the Form of Acceptance-cum-Acknowledgement, indicating the quantum of Overseas Tax and can also seek any other information as may be relevant for this purpose.

Issue of tax deduction at source certificate

- 8.21 Public Shareholders who wish to tender their Equity Shares must submit the information all at once as given in the Form of Acceptance-cum-Acknowledgement and those that may be additionally requested for by the Acquirer/PACs. The documents submitted by the Public Shareholders along with the Form of Acceptance-cum-Acknowledgement will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer/PACs will be accepted at the sole discretion of the Acquirer/PACs.
- 8.22 The final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirer/PACs.

8.23 Public Shareholders who wish to tender their Equity Shares must submit the following information/documents, as applicable, along with the Form of Acceptance-cum-Acknowledgement:

8.23.1 Information requirement in case of Resident Public Shareholders

- a. Self-attested copy of PAN card;
- b. Declaration in respect of residential status and tax status of Public Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify);
- c. If applicable, self-declaration in Form 15G/Form 15H (in duplicate) (applicable only in case of interest payment, if any);
- d. NOC/TCC from the Indian Income-tax authorities (applicable only in case of interest payment, if any); and
- e. For mutual funds/banks/other specified entities under Section 10(23D)/Section 194A(3)(iii), as applicable, of the I-T Act – Copy of relevant registration or notification (applicable only in case of interest payment, if any).

8.23.2 Information requirement from non-resident Public Shareholder (other than FPIs, FIIs including FII sub-accounts)

- a. Self-attested copy of PAN card, if available;
- b. NOC/TCC from the Indian Income-tax authorities;
- c. Declaration in respect of residential status and tax status of Public Shareholders (e.g. individual, firm, company, Association of Persons/Body of Individuals, trust or any other – please specify);
- d. Tax certificate issued by the Income-tax/Statutory Authorities of the overseas jurisdiction where the non-resident Public Shareholder is a resident for tax purposes, indicating the quantum of Overseas Tax along with any other information as may be relevant for this transaction;
- e. TRC and Form 10F and other information or documents as may be required to claim relief under the provisions of applicable double taxation avoidance agreement; and
- f. Any previous RBI Approval (specific or general) that they may have been required to obtain prior to acquiring the Equity Shares, as may be applicable.

8.23.3 Information requirement from FPI/FIIs (including FII sub-accounts)

- a. Self-attested copy of PAN card;
- b. NOC/TCC from the Indian Income-tax authorities (to the extent applicable);
- c. Declaration in respect of residential status and tax status of Public Shareholders (e.g., individual, firm, company, FII, Association of Persons/Body of Individuals trust or any other – please specify);

- d. SEBI registration certificate;
- e. TRC and Form 10F and other information or documents as may be required to claim relief under the provisions of applicable double taxation avoidance agreement; and
- f. Any previous RBI Approval (specific or general) that they may have been required to obtain prior to acquiring the Equity Shares, as may be applicable.

8.24 Taxes once withheld will not be refunded by the Acquirer and/or the PACs under any circumstances. The tax deducted under this Open Offer may not be the final liability of the Public Shareholders and shall in no way discharge the obligation of Public Shareholders to appropriately disclose the amount received pursuant to this Open Offer to the income-tax authorities.

All Public 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 and the PACs to the Open 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 for filing the return of income.

THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, PUBLIC SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.

THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

9. Documents for Inspection

Copies of the following material documents will be available for inspection to the Public Shareholders at the office of the Manager to the Open Offer at J.P. Morgan Tower, Off C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098, between 10 a.m. and 5 p.m. on all Working Days from the date of opening of the Open Offer until the closure of this Open Offer:

- 9.1 Copies of the certificate of incorporation and Memorandum of Association and Articles of Association of the Acquirer and the PACs.
- 9.2 Copies of the audited financial statements pertaining to the Acquirer, PAC 1, PAC 2 and PAC 3 for the period ended on 31 December 2017, 31 December 2018 and 31 December 2019.
- 9.3 Copies of the audited financial statements pertaining to the Target Company for the financial year ended on 31 March 2018, 31 March 2019 and 31 March 2020.
- 9.4 Certificate dated 2 June 2020, issued by Bansi S. Mehta & Co., Chartered Accountants (Firm Registration No. 100991W), Metro House, 3rd Floor, Dhobi Talao, Mumbai – 400 020, confirming that the Acquirer and PACs have made firm financial arrangements in excess of the Maximum Consideration by way of the Acquirer obtaining the Revolving Credit Facilities and the Acquirer's Cash on Hand.

- 9.5 Confirmation letter from the Escrow Bank dated 29 May 2020, confirming the deposit of ₹ 4,103,000,000 (Rupees four billion one hundred and three million only) in the Escrow Account and the Manager to the Open Offer has been duly authorized to operate and realize the monies lying to in the credit of the Escrow Account in terms of the SEBI (SAST) Regulations;
- 9.6 Copy of the Escrow Agreement dated 28 May 2020 amongst PAC 2, PAC 3, the Manager to the Open Offer and the Escrow Bank;
- 9.7 Copy of the Merger Agreement;
- 9.8 Copy of the valuation report dated 2 April 2019 issued by Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117365W) for the computation of the Initial Offer Price per Offer Share for the purpose of this Open Offer;
- 9.9 Copy of the valuation report dated 2 June 2020 issued by Bansil S. Mehta & Co., Chartered Accountants (Firm Registration No. 100991W) for the computation of the Interest per Offer Share for the purpose of this Open Offer;
- 9.10 Copy of the Public Announcement dated 2 April 2019 and submitted to the Stock Exchanges
- 9.11 Copy of the Detailed Public Statement dated 2 June 2020 and published by the Manager to the Open Offer on behalf of the Acquirer and the PACs on 3 June 2020.
- 9.12 Copy of the recommendation made by the Target Company's committee of independent directors; and
- 9.13 Copy of the letter bearing reference number [●] from SEBI dated [●] containing its observations on the DLoF.

10. Declaration by the Acquirer and the PACs

- 10.1 The Acquirer and the PACs and their respective directors (as applicable) accept full responsibility for the information contained in this Draft Letter of Offer, including the attached Form of Acceptance cum Acknowledgement (except for the information which has been provided by the Target Company and/or which has been compiled from publicly available sources) and also for the obligations of the Acquirer and the PACs as laid down in the SEBI (SAST) Regulations.
- 10.2 The Acquirer and the PACs shall be severally and jointly responsible for the fulfilment of their obligations under the Offer and for ensuring compliance with the SEBI (SAST) Regulations.
- 10.3 The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer, unless expressly stated otherwise.
- 10.4 The person(s) signing this Draft Letter of Offer are duly and legally authorised by the Acquirer and the PACs respectively to sign the Draft Letter of Offer.

On behalf of the Acquirer and the PACs:

Signed for and on behalf of ZF Friedrichshafen AG	Signed for and on behalf of WABCO Asia Private Limited	Signed for and on behalf of LucasVarity	Signed for and on behalf of ZF International UK Limited
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Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Dr. Jan Eckert	Dieter Eckhardt	Ms. Sujie Yu	Daniel Edward Shattock	Stephen Mark Batterbee	Daniel Edward Shattock	Stephen Mark Batterbee
Authorized Signatory	Authorized Signatory	Authorized Signatory	Authorized Signatory	Authorized Signatory	Authorized Signatory	Authorized Signatory

Place: Mumbai

Date: 10 June 2020

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

WABCO INDIA LIMITED

(All non-resident Public Shareholders (holding demat shares) are mandatorily required to fill this form of acceptance-cum- acknowledgement (“Form”). The non-resident Public Shareholders holding demat shares are required to send this form with enclosures to the Registrar to the Offer at their address stated overleaf/in the LoF.)

(Capitalized terms and expressions used herein but not defined shall have the same meaning as ascribed to them in the Letter of Offer)

TENDERING PERIOD FOR THIS OPEN OFFER

OFFER OPENS ON	17 July 2020
OFFER CLOSES ON	30 July 2020

To,

The Acquirer and PACs

Link Intime India Private Limited

Unit: Wabco India Limited – Open Offer

C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083

Tel No. + 91-22-4918 6200

Fax No. +91 22 4918 6195

Dear Sir,

Sub: Open Offer for acquisition of up to 4,741,900 (Four Million Seven Hundred Forty-One Thousand Nine Hundred Only) fully paid-up equity shares of face value of ₹ 5 (Rupees Five only) each (“Equity Share”) representing 25% (twenty-five per cent.) of the fully paid-up fully diluted voting equity share capital (“Voting Share Capital”) of WABCO India Limited (“Target Company”) from the Public Shareholders by ZF Friedrichshafen AG (“Acquirer”), along with WABCO Asia Private Limited (“PAC 1”), LucasVarity (“PAC 2”) and ZF International UK Limited (“PAC 3”) (collectively referred to as the “PACs”) in their capacity as the persons acting in concert with the Acquirer.

I/We refer to the Letter of Offer dated [●] for acquiring the Equity Shares held by me/us in the Target Company. I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

Name (in BLOCK LETTERS)	Holder	Name of the Public Shareholder(s)	Permanent Account Number (PAN)
(Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s)/ demat account)	Sole/First		
	Second		
	Third		
Contact Number(s) of the First Holder	Tel No. (With STD Code):		Mobile No.:

Name (in BLOCK LETTERS)	Holder	Name of the Public Shareholder(s)	Permanent Account Number (PAN)
	Fax No. (with STD Code):		
Full Address of the First Holder (with pin code)			
Email address of the First Holder			
Date and Place of incorporation (if applicable)			

I/We, the undersigned, have read the Public Announcement, the Detailed Public Statement and this Letter of Offer and understood its contents, terms and conditions, and unconditionally accept it.

FOR ALL PUBLIC SHAREHOLDERS

I/We confirm that the Equity Shares which are being tendered herewith by me/us under this Open Offer are not locked-in and are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offer, if any, declared hereafter.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Equity Shares in this Offer and that I/we am/are legally entitled to tender the Equity Shares in this Open Offer.

I/We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Open Offer have been enclosed herewith.

I/We agree that the Acquirer and the PACs will pay the consideration as per secondary market mechanism only after verification of the documents and signatures, as applicable submitted along with this Form of Acceptance. I/We undertake to return to the Acquirer and the PACs any Open Offer consideration that may be wrongfully received by me/us.

I/We confirm that I/We are not persons acting in concert with the Acquirer or the PACs.

I/We give my/our consent to the Acquirer and the PACs to file any statutory documents on my/our behalf in relation to accepting the Equity Shares in this Open Offer. I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer or the PACs to effectuate this Open Offer in accordance with the SEBI (SAST) Regulations.

I am/We are not debarred from dealing in Equity Shares.

I/We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the I-T Act including but not limited to section 281 of the I-T Act.

I/We note and understand that the Equity Shares will be held by the Clearing Corporation in trust for me/us till the date the Acquirer and the PACs make payment of consideration as mentioned in the Letter of Offer and other documents are dispatched to the Public Shareholders, as the case may be.

I/We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from tendering of the Equity Shares, I/we shall indemnify the Acquirer and the PACs for such income tax demand (including interest, penalty, etc.).

I/We agree that we shall provide the Acquirer and/or the PACs with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority arising as a result of non-deduction of income tax (including interest, penalty, etc.) by the Acquirer and/or the PACs.

I/We agree that upon demand by the Acquirer and/or the PACs, we shall provide all such information/documents as may be required by the Acquirer and/or the PACs in connection with our tax residency and/or tax status at the time of tendering our Equity Shares in the Open Offer as well as proof of payment of applicable taxes on account of participating in the Open Offer.

I/We note and understand that the Equity Shares would be kept in the pool account of my/our Selling Broker and the lien will be marked by Clearing Corporation until the settlement date whereby Acquirer and the PACs make payment of purchase consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer and the PACs to accept the Equity Shares so offered or such lesser number of Equity Shares which the Acquirer and the PACs may decide to accept in consultation with the Manager to the Open Offer and the Registrar to the Offer and in terms of the Letter of Offer. I/we further authorize the Acquirer and the PACs to return to me/us, Equity Shares in respect of which this Open Offer is not found valid/not accepted without specifying the reasons thereof.

FOR NRIs/OCBs/FIIs AND SUB-ACCOUNTS/OTHER NON-RESIDENT PUBLIC SHAREHOLDERS

I/We confirm that my/our residential status is (whichever is applicable):

- | | | | | |
|---|--|---|--|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Foreign Company | <input type="checkbox"/> FII/FPI – Corporate | <input type="checkbox"/> FII/FPI – Others | <input type="checkbox"/> FVCI |
| <input type="checkbox"/> Foreign Trust | <input type="checkbox"/> Private Equity Fund | <input type="checkbox"/> Pension/ Provident Fund | <input type="checkbox"/> Sovereign Wealth Fund | <input type="checkbox"/> Partnership/ Proprietorship firm |
| <input type="checkbox"/> Financial Institution | <input type="checkbox"/> NRIs/PIOs – repatriable | <input type="checkbox"/> NRIs/PIOs - non- repatriable | <input type="checkbox"/> OCB | <input type="checkbox"/> QFI |
| <input type="checkbox"/> Others – please specify: | | | | |

I/We confirm that my/our investment status is (and whichever is applicable):

- FDI Route
- PIS Route
- Any other – please specify _____

I/We confirm that Equity Shares tendered by me/us are held on (whichever is applicable):

- Repatriable basis
- Non-repatriable basis

I/We confirm that (whichever is applicable):

- No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Open Offer and the Equity Shares are held under general permission of the RBI.
- Copies of all approvals required by me for holding Equity Shares that have been tendered in this Open Offer are enclosed herewith.
- Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith.

I/We confirm that (whichever is applicable):

- No RBI, FIPB or other regulatory approval is required by me for tendering the Equity Shares in this Open Offer.
- Copies of all approvals required by me for tendering Equity Shares in this Open Offer are enclosed herewith.
- There are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the I-T Act including but not limited to section 281 of the I-T 4Act.
- In the event of any income tax demand (including interest, penalty, etc.) arising from tendering of the Equity Shares, I/we will indemnify the Acquirer and/or the PACs for such income tax demand (including interest, penalty, cost of litigation etc.).
- We shall provide the Acquirer and/or the PACs with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority arising as a result of non-deduction of income tax (including interest, penalty, etc.) by the Acquirer and/or the PACs. In addition, upon demand by the Acquirer and/or the PACs, we agree to provide all such information/documents as may be required by the Acquirer and/or the PACs in connection with our tax residency and/or tax status at the time of tendering our Equity Shares in the Open Offer as well as proof of payment of applicable taxes on account of participating in the Open Offer.

Additional confirmations and enclosures for all Public Shareholders, as applicable:

I / We, have enclosed the following documents: *(Please tick whichever is applicable)*

- Self-attested copy of PAN card.
- Self-declaration in Form 15G/Form 15H in duplicate copy (applicable only for interest payment, if any).
- Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form-of-Acceptance-cum-Acknowledgement.
- Corporate authorization, in case of Companies along with certified copy of the Board Resolution and Specimen Signatures of Authorised Signatories.
- Self-attested copy of relevant registration or notification in case of mutual funds/banks/other specified entities under Section 10(23D)/Section 194A (3) (iii) of the I-T Act (applicable only

in case of interest payment, if any).

- Declaration that the investment in the Equity Shares is in accordance with the applicable SEBI regulations (mandatory to be submitted by FIIs/FPIs).
- SEBI Registration Certificate for FIIs / FPIs (mandatory to be submitted by FIIs/FPIs).
- TRC, Form 10F and a no 'permanent establishment'/business connection declaration (if applicable).
- Certificate from the income tax authorities under Section 197 of the I-T Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of Offer Price (certificate for deduction of tax at lower rate).
- Other relevant documents (Please specify)

BANK DETAILS

In case of Public Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depositories.

Yours faithfully,

Signed and Delivered:	Full Name	PAN	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and necessary board resolutions should be attached.

Place: _____

Date: _____

-----Tear Here-----

Acknowledgement Receipt – Wabco India Limited –Open Offer

Received from Mr./Ms./M/s. _____
Form of Acceptance-cum-Acknowledgement for Snowman Logistics Limited Offer as per details below:
Copy of delivery instruction to depository participant of Client ID for _____ Equity Shares
Date of Receipt:
Stamp of collection centre:
Signature of Official

INSTRUCTIONS

PLEASE NOTE THAT NO EQUITY SHARES/FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, PACs, THE TARGET COMPANY OR THE MANAGER TO THE OFFER

1. This Form should be filled up only in English.
2. All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.
3. In case of Equity Shares held in joint names, names should be filled in the same order in this Form, as the order in which they hold the Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Open Offer.
4. If non-resident Public Shareholders had required any approval from the RBI 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, to tender the Equity Shares held by them pursuant to this Open Offer. Further, non-resident Public Shareholders must obtain all approvals required, if any, to tender the Equity Shares in this Open Offer (including without limitation, the approval from the RBI or any other regulatory body) and submit such approvals, along with the other documents required in terms of the Letter of Offer, and provide such other consents, documents and confirmations as may be required to enable PAC 2 or PAC 3, as the case may be, (as explained in detail in paragraph 3.2.3 of the Draft Letter of Offer) to purchase the Equity Shares so tendered. In the event any such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Open Offer.
5. If the Equity Shares are rejected for any reason, the Equity Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
6. All Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
7. All documents/remittances sent by or to the Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.
8. The Selling Broker shall deliver the requested documentation along with the TRS to the Registrar so as to reach them within 2 days of bidding by the Selling Broker. On receipt of the confirmation from the Registrar to the Offer, the bid will be accepted or else rejected (as applicable) and accordingly the same will be depicted on the exchange platform.
9. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of the Tendering Period.
10. Procedure for tendering the Equity Shares in case of non-receipt of Letter of Offer:

Public Shareholders may participate in the Open Offer by confirming their consent to participate in this Open Offer on the terms and conditions of this Open Offer as set out in the PA, the DPS and this Letter of Offer. They can participate by submitting an application on plain paper giving details regarding their shareholding and relevant documents in terms of the Letter of Offer. Public Shareholders must ensure that the Acceptance Form, along with the TRS and requisite documents (in terms of the Letter of Offer) should reach the Registrar of the Company

within 2 days of the close of Tendering Period. If the signature(s) of the Public Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Target Company or are not in the same order (although attested), such applications are liable to be rejected under this Open Offer.

Alternatively, such holders of Equity Shares may also apply on the form of acceptance-cum-acknowledgement in relation to this Open Offer, which may be obtained from the SEBI website (www.sebi.gov.in) or from Registrar to the Offer.

11. The Acceptance of Shares, Settlement Process, Settlement of Funds/Payment Consideration and the Note on Taxation have been mentioned in the Letter of Offer under Section 8.

The Letter of Offer along with the Form of Acceptance would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.

The Letter of Offer along with Form of Acceptance will be dispatched/sent through electronic mail to all the Public Shareholders as on the Identified Date. In case of non-receipt of the Letter of Offer, such shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares.

12. Interest payment, if any: In case of interest payments by the Acquirer and the PACs for delay in payment of Offer Price or a part thereof, the Acquirer and the PACs will not deduct taxes at source at the applicable rates as per the I-T Act as there is no ability for the Acquirer and the PACs to deduct taxes since the payment will be routed through the stock exchange and there will be no direct payment by the Acquirer and the PACs to the Public Shareholders.
13. Public Shareholders who wish to tender their Equity Shares must submit the following documents to the Registrar to the Offer.

For resident Public Shareholders:

- Self-attested copy of PAN card
- Certificate from the income tax authorities under Section 197 of the I-T Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of Offer Price (certificate for deduction of tax at lower rate)
- Self-declaration in Form 15G/Form 15H (in duplicate), if applicable
- For specified entities under Section 194A(3)(iii) of the I-T Act, self-attested copy of relevant registration or notification (applicable only for interest payment, if any)

For non-resident Public Shareholders:

- Self-attested copy of PAN card (It may be noted that non-resident Public Shareholders can provide prescribed alternative information if they do not have a PAN)
- Certificate under Section 195(3) or Section 197 of the I-T Act, wherever applicable (certificate for deduction of tax at lower rate) from the income tax authorities under the I-T Act, indicating the amount of tax to be deducted by the Acquirer and the PACs before remitting the amount of interest)

- Tax Residency Certificate and Form 10F (if applicable) and a no 'permanent establishment'/business connection declaration

14. All Public Shareholders should consult their tax advisors or consultants for tax implications of tendering their Equity Shares in the Offer.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING EQUITY SHARES IN THIS OPEN OFFER, PLEASE REFER TO THE LETTER OF OFFER

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address:



LINK INTIME INDIA PRIVATE LIMITED
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
Tel: +91 22 4918 6200 Fax: +91 22 4918 6195
Email: wabcoindia.offer@linkintime.co.in
Contact Person: Mr. Sumeet Deshpande
SEBI Registration No.: INR000004058