THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

DRAFT LETTER OF OFFER ("DLOF")

This DLOF is being sent to you as an equity shareholder(s) of Swaraj Automotives Limited (the "Target"). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager / Registrar to the Offer. In case you have recently sold your shares in the Target, please hand over this DLOF and the accompanying Form of Acceptance and transfer deed to the member of stock exchange through whom the said sale was effected.

Mahindra & Mahindra Ltd. (the "Acquirer"),

Registered Office: Gateway Building, Apollo Bunder, Mumbai – 400001, India.

Tel: +91 22 2202 1031 Fax: +91 22 2287 5485

makes a voluntary cash offer at ₹90 (Rupees Ninety only) per fully paid up equity share of ₹10 each ("Equity Share") to acquire up to

6,47,382 Equity Shares representing 27% of the Voting Share Capital

of

Swaraj Automotives Limited

Registered Office: Phase-IV, Industrial Area, Sahibzada Ajit Singh Nagar, Mohali, Punjab-160055, India

Tel: +91 172 2271620-27 Fax: +91 172 2272731

The offer is being made pursuant to Regulation 6(1) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended from time to time ("SEBI (SAST) Regulations").

1. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competitive bid in terms of the Regulation 20 of SEBI (SAST) Regulations.

2. Upward revision/withdrawal, if any, of the Offer would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement ("DPS") has appeared. The Acquirer is permitted to revise the Offer Size and/or Offer Price upwards only at any time prior to the commencement of the last three working days before the commencement of the Tendering Period i.e. [●]. The same price will be payable by the Acquirer for all the shares tendered anytime during the Tendering Period.

3. As of the date of this DLOF, to the best of the knowledge of the Acquirer, there are no statutory or other approvals from banks / financial institutions of the Target required to make this Offer. However, in case of any regulatory or statutory or other approval being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary applications for such approval

4. If there is a competitive bid the offers under all the subsisting bids shall close on the same date.

As per the information available with the Acquirer / Target no competitive bid has been announced as of the date of this DLOF.

5. Copy of the Public Announcement ("PA"), DPS and this DLOF (including Form of Acceptance) are / will be available on Securities and Exchange Board of India ("SEBI") web-site (www.sebi.gov.in).

MANAGER TO THE OFFER	**REGISTRAR TO THE OFFER**
RELIGARE | INVESTMENT BANKING AND SECURITIES Values that bind **Religare Capital Markets Limited** 4th Floor, ING House, Plot No: C-12, G Block Bandra Kurla Complex, Bandra (E) Mumbai 400 051, India. Telephone: +91 22 6766 3663 / 596 Facsimile: +91 22 6766 3575 Email ID: sal.openoffer@religare.com Website: www.religarecm.com Investor Grievance ID: grievance.ibd@religare.com Contact Person: Mr. Anupam Kumar/ Ms. Gowri Nayak SEBI Registration Number: INM000011062	Sharepro Services (I) Pvt. Ltd. **Sharepro Services (India) Pvt. Ltd.** 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072 Telephone: +91 22 61915400/419 Facsimile: +91 22 61915444 E-mail: prakashk@shareproservices.com / satheesh@shareproservices.com Contact Person: Mr. Prakash Khare/Mr. Satheesh H. K SEBI Registration No: INR000001476
TENDERING PERIOD	
OPENS ON: [●]	**CLOSES ON:**[●]

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	**Day and Date**
Date of the PA	Monday, November 14, 2011
Date of the DPS	Friday, November 18, 2011
Last date of a competing offer	Friday, December 9, 2011
Identified Date*	Friday, December 16, 2011
Date by which the Letter of Offer will be despatched to the Shareholders	Friday, December 23, 2011
Last date for upward revision of Offer Price and/or Offer Size	Monday, December 26, 2011
Last date by which Board of the Target shall give its recommendation	Tuesday, December 27, 2011
Offer opening public announcement date	Thursday, December 29, 2011
Date of commencement of Tendering Period	Friday, December 30, 2011
Date of closing of Tendering Period	Thursday, January 12, 2012
Date by which all requirements including payment of consideration would be completed	Wednesday, January 25, 2012

**date falling on the 10th working day prior to the commencement of the Tendering Period, for the purposes of determining the Shareholders to whom the Letter of Offer shall be sent*

RISK FACTORS

Risk factors relating to the transaction, the proposed Offer and the probable risk involved in associating with the Acquirer:

1. The Acquirer cannot provide any assurance with respect to the market price of the Equity Shares of the Target before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
2. The Acquirer makes no assurance with respect to the financial performance of the Target. The Acquirer makes no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target.
3. Where the number of Equity Shares offered for sale by the Shareholders is more than the shares agreed to be acquired by the Acquirer, the Acquirer shall accept the offers received from the Shareholders on a proportional basis in consultation with the Manager to the Offer. Hence, there is no certainty that all shares tendered by the Shareholders in the Offer will be accepted, in the event there is oversubscription of the Offer.
4. To the best of the knowledge of the Acquirer, as of the date of this DLOF, no statutory or other approval is required to acquire the Equity Shares tendered pursuant to this Offer. However, the Offer would be subject to all statutory or other approvals that may become applicable at a later date. The Acquirer reserves the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals that may be necessary at a later date are refused.
5. In the event that either (a) there is any litigation leading to a stay on the Offer or (b) SEBI instructing the Acquirer not to proceed with the Offer or (c) any regulatory or other approval is not obtained in a timely manner, then the Offer process may be delayed beyond the schedule of activities indicated in this DLOF. Consequently, the payment of consideration to the Shareholders whose Equity Shares are accepted under this Offer as well as the return of Equity Shares not accepted under this Offer by the Acquirer may get delayed.
6. Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the Tendering Period.
7. The Equity Shares tendered in response to the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer (in accordance with the SEBI (SAST) Regulations and other applicable laws, rules and regulations), and the Shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such Equity Shares until the completion of the Offer or withdrawal of the Offer in accordance with Regulation 23(1) of the SEBI (SAST) Regulations.
8. The Acquirer and the Manager accept no responsibility for statements made otherwise than in the PA, DPS or this DLOF or in the advertisements or other materials issued by, or at the instance of the Acquirer or the Manager, and anyone placing reliance on any other source of information, would be doing so at his/her/their own risk.

The risk factors set forth above do not relate to the present or future business or operations of the Target or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any Shareholder in the Offer. Each Shareholder of the Target is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such Shareholder’s participation in the Offer and related sale and transfer of Equity Shares of the Target to the Acquirer.

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DEFINITIONS AND ABBREVIATIONS

Acquirer or M&M	Mahindra & Mahindra Ltd.
BSE	Bombay Stock Exchange Limited
Board	Board of directors
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956, as amended or modified from time to time
DSE	Delhi Stock Exchange Limited
Depository Participant or DP	Kotak Securities Limited
DLOF	This Draft Letter of Offer dated November 24, 2011
DPS	Detailed Public Statement relating to the Offer dated November 17, 2011, published on November 18, 2011
Equity Share	A fully paid up equity share of the Target of a face value of ₹ 10 each
Escrow Account	Escrow account with Escrow Bank (as defined below) comprising (a) A current account with the Escrow Bank in the name of 'M and M Open Offer Escrow A/c' bearing no. 00600310029480; and (b) A fixed deposit account with the Escrow Bank in the name of 'M and M Open Offer Escrow FD A/c'
Escrow Agreement	Escrow Agreement dated November 16, 2011 between the Acquirer, Escrow Bank and Manager
Escrow Bank/Escrow Agent	HDFC Bank Limited, having its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, acting through its branch in Kamala Mills Compound, 2nd Floor, Process House, Lower Parel, Mumbai 400013
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time
FII(s)	Foreign institutional investors registered with SEBI
Form of Acceptance or FOA	Form of Acceptance-cum-acknowledgement accompanying the Letter of Offer
Identified Date	[●]
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
Letter of Offer	The Letter of Offer relating to the Offer dated [•]
MICR	Magnetic Ink Character Recognition
Manager	Religare Capital Markets Limited acting as manager to the Offer
NEFT	National Electronic Fund Transfer
NECS	National Electronic Clearing System
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding Equity Shares of the Target
NRI(s)	Non-Resident Indians
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB(s)	Overseas Corporate Bodies
Offer	Voluntary offer for acquisition of upto 6,47,382 fully paid-up Equity Shares of the face value of ₹10 each from Shareholders of Swaraj Automotives Limited, representing in aggregate 27% of the Voting Share Capital of the Target at a price of ₹90 (Rupees Ninety only) per Equity Share payable in cash
Offer Consideration	The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of 6,47,382 Equity Shares of the Target at ₹90 (Rupees Ninety only) per Equity Share aggregating to ₹5,82,64,380 (Rupees Five Crores Eighty-Two Lakhs Sixty-Four Thousand Three Hundred and Eighty Only)
Offer Period	Period between the date of the Public Announcement i.e., November 14, 2011 and the date of payment of consideration to Shareholders who have accepted the Offer i.e. [●]
Offer Price	₹90 (Rupees Ninety only) per fully paid up Equity Share

Offer Size	Upto 6,47,382 Equity Shares of the Target of face value of ₹10 each representing in the aggregate up to 27% of the Voting Share Capital of the Target
Persons eligible to participate in the Offer	All owners (registered or unregistered) of Equity Shares of the Target who are eligible to participate in the Offer anytime before the closure of the Tendering Period
Public Announcement or PA	Public Announcement for the Offer issued on behalf of the Acquirer on November 14, 2011
RTGS	Real Time Gross Settlement
Registrar to the Offer	Sharepro Services (India) Pvt. Ltd., an entity registered with SEBI under the SEBI (Registrar to Issue and Share Transfer Agents) Regulations, 1993, as amended from time to time
RBI	The Reserve Bank of India
₹	Indian Rupees
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified 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
Shareholder	Any person or entity holding Equity Shares of the Target
Special Depository Account	A special depository account named "OPEN OFFER SWARAJ AUTOMOTIVES LIMITED" opened with NSDL
Target or SAL	Swaraj Automotives Limited
Tendering Period	Period within which Shareholders of Target may tender their Equity Shares in acceptance to the Offer i.e., the period between and including [●] and [●]
U.K	United Kingdom
USA	United States of America
Voting Share Capital	Fully diluted voting share capital as of the tenth working day from the end of the Tendering Period i.e. the issued, subscribed and paid-up Equity Share capital of the Target of ₹ 2,39,77,130 divided into 23,97,713 outstanding Equity Shares of face value of ₹10 each

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DLOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS DLOF 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 REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SWARAJ AUTOMOTIVES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET WHOSE EQUITY SHARES/ CONTROL ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DLOF. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DLOF, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, RELIGARE CAPITAL MARKETS LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 24, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THIS DLOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1. This voluntary Offer is being made by the Acquirer in accordance with Regulations 6(1) of SEBI (SAST) Regulations. No other person / individual / entity is acting in concert with the Acquirer for the purposes of this Offer in terms of Regulation 2(1)(q) of the SEBI (SAST) Regulations.

2.1.2. The Acquirer, Mahindra & Mahindra Ltd. is making this Offer to the Shareholders of the Target (other than the Acquirer) for acquiring up to 6,47,382 Equity Shares constituting 27% of the Voting Share Capital of the Target at a price of ₹90 (Rupees Ninety) per Equity Share in order to consolidate its shareholding in the Target in accordance with the Regulation 6(1) of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the DPS and the Letter of Offer.

2.1.3. The Acquirer forms part of the promoter group of the Target and holds 10,59,543 Equity Shares constituting 44.19% of the Voting Share Capital of the Target.

2.1.4. The Acquirer has 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 regulation made under the SEBI Act.

2.1.5. The Acquirer is already in control of the Target and may appoint additional directors on the Board of the Target (after the completion of the Offer). As on date no such additional director has been identified by the Acquirer.

2.1.6. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target is required to constitute a committee of independent directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published.

2.2 Details of the proposed Offer:

2.2.1. The DPS appeared in the following newspapers:

Newspaper	Language	Editions	Date of Publication
Business Standard	English	All editions	November 18, 2011
Business Standard	Hindi	All editions	November 18, 2011
Ajit	Punjabi	Mohali (Chandigarh split edition)	November 18, 2011

A copy of the PA and the DPS is also available on SEBI's website (www.sebi.gov.in).

2.2.2. The Acquirer is making an Offer to acquire upto 6,47,382 Equity Shares, representing in aggregate 27% of the Voting Share Capital of the Target at a price of ₹90 (Rupees Ninety only) per Equity Share payable in cash, in accordance with the provisions of the SEBI

(SAST) Regulations and subject to the terms and conditions set out in the DPS and the Letter of Offer

2.2.3. The Equity Shares of the Target will be acquired by the Acquirer as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

2.2.4. The Acquirer has not acquired any Equity Shares of the Target in the preceding fifty-two weeks prior to the date of the PA in terms of first proviso of Regulation 6(1) of the SEBI (SAST) Regulations

2.2.5. The Acquirer has not acquired any Equity Shares of the Target after the date of the PA upto the date of this DLOF.

2.2.6. Pursuant to the completion of the Offer (assuming full acceptance in the Offer), the Acquirer would hold a maximum of 17,06,925 Equity Shares of the Target constituting 71.19% of the Voting Share Capital of the Target.

2.3 Object for the Offer

2.3.1. The Acquirer forms part of the promoter group of the Target and holds 44.19% of the Voting Share Capital of the Target. The present Offer is being made to consolidate its shareholding in the Target in accordance with the Regulation 6(1) of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the DPS and this DLOF.

2.3.2. The Acquirer currently holds 10,59,543 Equity Shares constituting 44.19% of the Voting Share Capital of the Target and is part of the promoter group of the Target. The Acquirer is already in control of the Target and the proposed acquisition pursuant to the Offer is for the purposes of consolidating its shareholding in the Target. Since the Acquirer is already in control of the Target, the provisions of Regulation 25 (2) of the SEBI (SAST) Regulations are not applicable to the Acquirer. However, the proposed consolidation by the Acquirer under the Offer is not with an intent to dispose off any material assets of the Target in the next two years whether by way of sale, lease, encumbrance or otherwise except to the extent that may be required (i) in the ordinary course of business and/or (ii) in accordance with applicable law. The Acquirer plans to continue to operate the business of the Target as it has done in the past.

3. BACKGROUND OF THE ACQUIRER

3.1. The Acquirer, Mahindra & Mahindra Ltd. was incorporated on October 2, 1945 under the Indian Companies Act, VII of 1913 with the name and style of Mahindra and Mohammed Limited. Its name was changed to Mahindra & Mahindra Ltd with effect from January 13, 1948. The Corporate Identity Number of the Acquirer is L65990MH1945PLC004558. Its registered office is located at Gateway Building, Apollo Bunder, Mumbai - 400001, India.

3.2. The Acquirer is part of the Mahindra Group and is engaged in the business of manufacturing and marketing of tractors utility vehicles and light commercial vehicles. Mahindra Group has significant presence in key sectors such as infrastructure, information technology, financial services and automotive & automotive components.

3.3. The Acquirer’s main business is the manufacture and sale of tractors, utility vehicles, light commercial vehicles and three wheelers. In the year ended March 31, 2011, the Acquirer sold 3,54,073 vehicles including three wheelers and 2,14,325 tractors through its extensive dealer network in India and through exports. The Acquirer has two main operating divisions:

(a) The automotive division, which designs, manufactures and sells utility vehicles, light commercial vehicles and three wheelers and their spare parts and accessories.

(b) The tractor division, which makes agricultural tractors and equipment that are used in conjunction with tractors. This division has also ventured into the industrial engines business in order to leverage its design and manufacturing expertise. The Acquirer has ten manufacturing facilities in India.

In November 2003, in recognition of its global competitiveness in terms of cost and quality, the Acquirer received the Deming Prize awarded by the Japanese Union of Scientists & Engineers. The Acquirer is the first tractor manufacturer in the world to receive this prize.

3.4. Mr. Keshub Mahindra and Mr. Anand Mahindra are the promoters of the Acquirer. As on the date of the PA, the paid up equity share capital of the Acquirer was ₹3,06,98,74,195 divided into 61,39,74,839 equity shares of ₹5/- each. The promoter group held 25.18% in the paid up equity share capital of the Acquirer as on September 30, 2011. Shareholding pattern of the Acquirer as on September 30, 2011 is as follows:

S. No.	Shareholder's Category	No. of Shares Held	% Holding
1	**Promoter Group**		
	Mr. Keshub Mahindra	4,02,296	0.07
	Mr. Anand Mahindra	6,75,004	0.11
	Other individuals	36,07,559	0.59
	Corporate entities / Trusts	14,98,99,039	24.41
	Total	**15,45,83,898**	**25.18**
2	FII/Mutual Funds/FIs/Banks/UTI/Insurance Companies	28,83,11,392	46.96
3	Public	13,10,78,055	21.35
4	Shares held by custodians and against which depository receipts have been issued	4,00,01,494	6.51
	Total Paid Up Capital	**61,39,74,839**	**100.00**

3.5. The Acquirer is in compliance of the provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997, as amended.

3.6. No other person / individual / entity is acting in concert with the Acquirer for the purposes of this Offer in terms of Regulation 2(1)(q) of the SEBI (SAST) Regulations.

3.7. Details of the Board of the Acquirer as on the date are as follows:

Name	Date of Appointment	Designation	Director Identification Number (DIN)
Mr. Keshub Mahindra	February 23, 1948	Chairman (Promoter)	00004489
Mr. Anand G. Mahindra	November 23, 1989	Vice-Chairman & Managing Director (Promoter)	00004695
Mr. Deepak S. Parekh	August 29, 1990	Independent Director	00009078
Mr. Bharat N. Doshi	August 28, 1992	Executive Director and Group Chief Financial Officer	00012541
Mr. A. K. Nanda	August 28, 1992#	Non Independent Non Executive Director	00010029
Mr. Nadir B. Godrej	August 28, 1992	Independent Director	00066195
Mr. M. M. Murugappan	August 28, 1992	Independent Director	00170478
Mr. Narayanan Vaghul	October 31, 1996	Independent Director	00002014
Mr. Anupam Puri	January 30, 2001	Independent Director	00209113
Dr. A. S. Ganguly	August 21, 1997	Independent Director	00010812
Mr. R. K. Kulkarni	August 21, 1997	Independent Director	00059367

As on the date of this DLOF, none of the above directors is on the Board of the Target.

 # Resigned as the Executive Director and also as a Director of the Company with effect from close of working hours on March 31, 2010. He has been appointed as a Director of the Company with effect from April 1, 2010

The details of experience and qualifications of the Board of the Acquirer as on the date of this DLOF are given below:

Mr. Keshub Mahindra

Mr. Keshub Mahindra, Chairman of Mahindra & Mahindra Ltd., is a Graduate from Wharton, University of Pennsylvania, USA. After joining M&M as a director in 1948, he became the chairman in 1963.

Mr. Keshub Mahindra is associated with several committees. He is a Member of Apex Advisory Council - ASSOCHAM, President Emeritus of Employers' Federation of India, President of the Governing Council - University of Pennsylvania Institute for the Advanced Study of India, New Delhi, and Member of the International Advisory Board of University of Pennsylvania, Centre for the Advanced Study of India, Philadelphia and Member of United World Colleges (International), U.K., amongst other companies.

Mr. Anand Mahindra

Mr. Anand G. Mahindra is the Vice Chairman and Managing Director of Mahindra & Mahindra Ltd. He graduated from Harvard College, Cambridge, Massachusetts, Magna cum Laude and secured an MBA degree from the Harvard Business School, Boston, Massachusetts in 1981. He joined Group as Executive Assistant to the Finance Director of Mahindra Ugine Steel Company Ltd (MUSCO). In 1989 he was appointed President and Deputy Managing Director of MUSCO.

In the summer of 1991, he was appointed Deputy Managing Director of M&M. In April, 1997, he was appointed Managing Director of M&M and in January 2001 given the additional responsibility of Vice Chairman.

He takes keen interest in matters related to education and apart from being a Trustee of the K.C. Mahindra Education Trust, which provides scholarships to students; he is also on the board of governors of the Mahindra United World College of India.

Mr. Deepak S. Parekh

Mr. Deepak S. Parekh is a Chartered Accountant from the Institute of Chartered Accountants in England & Wales (ICAEW). Mr. Parekh joined India's premier housing finance company HDFC Ltd. as Deputy General Manager in 1978 and then went on to become its Chairman in 1993.

Mr. Parekh is widely consulted by the Government on a wide range of issues of national importance and has been an active member of various high-powered economic groups, Government-appointed advisory committees and task forces. Industry, Government and Media, impressed by Mr. Parekh's performance and sobriety, have honored him with several awards, the Padma Bhushan (2006) being one of them.

Mr. Bharat N. Doshi

Mr. Bharat Doshi joined M&M in 1973 as an Executive. He served as Executive Vice President (Corporate Affairs) of M&M from July 1991 to August 1992, when he joined the Board of M&M as Executive Director in charge of Finance & Accounts, Corporate Affairs, and Information Technology. In addition, he was the President of the Trade & Financial Services Sector from December 1994 to October 2007. He was re-designated as Executive Director of M&M and Group CFO in 2007.

Mr. Doshi received his Master's degree in Law from Bombay University. He is a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has also participated in the Program for Management Development (PMD) at Harvard Business School.

Mr. A. K. Nanda

Mr. A. K. Nanda holds a Degree in Law from the University of Calcutta, is a fellow member of The Institute of Chartered Accountants of India (FCA) and a fellow member of The Institute of Company Secretaries of India (FCS). Mr. Nanda has participated in a Senior Executive Programme at the London Business School. He joined the Mahindra Group in 1973. He has held several important positions within the Group. He was inducted to the Board of M&M in August, 1992 and resigned as Executive Director in March, 2010 to focus on the social sector and create a favourable ecosystem for senior citizens.

Mr. Nadir B. Godrej

Mr. Nadir B. Godrej holds a Master of Science degree in chemical engineering from Stanford University and an MBA from Harvard Business School. He has been a Director of several Godrej companies since 1977. He joined the Board of M&M in 1992.

Besides his professional assignments, Mr. Godrej was the former President of Oil Technologists' Association of India, Indo-French Technical Association and the Compound Livestock Feed Manufacturers Association of India.

Mr. M. M. Murugappan

Mr. Murugappan holds a Bachelor of Technology degree in Chemical Engineering from the University of Madras and has a Master of Science in Chemical Engineering from the University of Michigan. He is the Vice Chairman of the supervisory board of the Murugappa Group of companies. He has been a director of M&M since August 1992.

Apart from his many interests in business, Mr. Murugappan takes a keen interest in the development of various citizenship initiatives, particularly in education and healthcare.

Mr. Narayanan Vaghul

Mr. Vaghul graduated from Madras University in 1956, and joined State Bank of India, the largest commercial bank in India in 1957 as a career banker. He occupied various positions in that Bank before joining the Board of the Central Bank of India in 1978. He became Chairman of Bank of India in 1981 and had the distinction of being appointed as the youngest ever Chairman in a state–owned bank.

Mr. Vaghul was the Chairman of the Board of ICICI Group till April, 2009. He has been associated with ICICI for several years as its Chairman and CEO. He was responsible for the promotion of India's first credit rating company (CRISIL), which has since emerged as a market leader in the region. He was awarded Padma Bhushan by the Government of India in 2009.

Mr. Anupam Puri

Mr. Anupam Puri holds a M. Phil in Economics from Nuffield College, Oxford University, 1969; an M.A. in economics from Balliol College, Oxford University, 1967; and a B.A. in Economics from Delhi University, India, 1965. Mr. Puri was a Management Consultant with McKinsey & Company from 1970 to 2000. He worked globally with corporate clients in several industries on strategy and organizational issues and also served several Governments and multilateral institutions on public policy. Mr. Anupam Puri spearheaded the development of McKinsey's India practice, oversaw the Asian and Latin American offices and was an elected Member of the Board.

Dr. A. S. Ganguly

Dr. Ganguly graduated with distinction from the Bombay University and has obtained the M.S. and Ph.D. degrees from the University of Illinois, USA. Dr. Ganguly's principal professional career spanned 35 years with Unilever Plc./ N.V. He was the Chairman of Hindustan Lever Limited from 1980 to 1990 and a Member of the Unilever Board from 1990 to 1997, with responsibility for world-wide research and technology. In 2008, he received the Padma Vibhushan, India's second highest civilian award.

Mr. R K Kulkarni

Mr. R.K. Kulkarni, B.Sc., LL.M, is a practicing Advocate and Solicitor and is a Senior Partner in Khaitan and Co., Advocate & Solicitors.

He has been in legal practice for over 41 years and has immense experience in all aspects of Corporate and Commercial Law; Mr. Kulkarni has advised clients both international and domestic in the fields of Mergers & Acquisitions, Capital Markets, Securities Law, Restructuring, Privatization, Project Financing, Foreign Investment, Joint Venture and Foreign Collaborations and is on the board of several other companies.

3.8. Brief audited consolidated financial statements of the Acquirer for financial years ended March 31, 2009, March 31, 2010 and March 31, 2011 and standalone limited reviewed financial statements for the half-year ended September 30, 2011, as certified by the statutory auditors of the Acquirer, Deloitte Haskins & Sells, Chartered Accountants (Mr. B. P. Shroff, Partner, Membership no. 34382), vide their certificate dated November 15, 2011, are as below:

(Amounts in ₹ Crores, except "Other Financial Data")

Profit and Loss Statement

	Audited*			**Limited Reviewed****
Particulars	**Year Ending March 31, 2009**	**Year Ending March 31, 2010**	**Year Ending March 31, 2011**	**Six Month Period Ending September 30, 2011**
Income from operations	26,756	31,569	36,842	14,094

Other Income	163	119	184	256
Total Income	26,920	31,688	37,026	14,351
Total Expenditure	23,090	26,052	30,769	12,323
Profit Before Depreciation Interest and Tax	3,830	5,636	6,257	2,028
Depreciation	749	874	972	236
Interest (Net)	750	980	974	3
Profit Before exceptional item and Tax	2,331	3,783	4,311	1,789
Exceptional Item	(76)	250	204	-
Profit Before Tax	2,254	4,033	4,515	1,789
Provision for Tax	542	1,161	1,317	447
Profit After Tax (before share of profit/loss of associates and minority interest)	1,712	2,871	3,198	1,342
Net Income (after minority interest)	1,405	2479	3080	-

Balance Sheet Statement

	Audited*			Limited Reviewed**
Particulars	**Year Ending March 31, 2009**	**Year Ending March 31, 2010**	**Year Ending March 31, 2011**	**Six Month Period Ending September 30, 2011**
Sources of funds				
Paid up share capital	273	283	294	294
Reserves and Surplus (excluding revaluation reserves)	6,785	9,861	13,979	11,354
Networth	7,058	10,144	14,273	11,648
Minority Interest	3,030	2,462	4,337	-
Secured loans	7,725	8,972	13,013	400
Unsecured loans	4,466	4,513	4,055	2,938
Deferred Tax Liability	(188)	48	137	396
Foreign Currency Monetary Item Translation Difference Account	(18)	3	-	-
Deferred Income	636	1,142	1,237	-
Total	**22,707**	**27,286**	**37,052**	**15,381**
Uses of funds				
Net fixed assets (net of revaluation reserves)	9,130	10,509	16,740	4,843
Investments	3,381	4,774	4,817	9393
Net current assets	10,179	12,004	15,495	1,146
Total miscellaneous expenditure not written off	17	-	-	-
Total	**22,707**	**27,286**	**37,052**	**15,381**

Other Financial Data

	Audited*			Limited Reviewed**
Particulars	**Year Ending March 31, 2009**	**Year Ending March 31, 2010**	**Year Ending March 31, 2011**	**Six Month Period Ending September 30, 2011**
Dividend (%)	100	190	230	-
Basic EPS – ₹ (after considering share split)	25.79	45.08	53.46	22.85***
Diluted EPS – ₹ (after considering share split)	24.14	42.17	51.29	21.86***

*Consolidated
**Standalone
***Not annualized

Contingent Liabilities as at March 31, 2011 (consolidated):

(a) Guarantees given :

	Outstanding amounts against the guarantees	
	2011	**2010**
	₹. Crores	₹. Crores
For employees	-	*
For other companies	3.76	3.11
Others	0.41	2.42

Group share in joint ventures: ₹54.86 crores (2010: ₹25.29 crores)

* denotes amounts less than ₹50,000/-

(b) Claims against the Acquirer not acknowledged as debts comprise of :

i. Excise duty, sales tax and service tax claims disputed by the Acquirer relating to issues of applicability and classification aggregating ₹1,283.21 crores (net of tax: ₹931.82 crores) [2010: ₹1,004.38 crores (net of tax: ₹726.63 crores)]

ii. Other matters (excluding claims where amounts are not ascertainable): ₹122.28 crores (net of tax: ₹86.73 crores) [2010: ₹94.04 crores (net of tax: ₹68.41 crores)]

iii. On capital account: ₹1.18 crores (2010: ₹1.18 crores)

iv. Group share in joint ventures: ₹5.97 crores (2010: ₹7.89 crores)

(c) Taxation matters :

i. Demands not acknowledged as debts and not provided for, relating to issues of deductibility and taxability in respect of which the matters are in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed:

a. Income tax: ₹536.18 crores (2010: ₹409.78 crores)

b. Group share in joint ventures: ₹43.90 crores (2010: ₹22.57 crores)

ii. Items which have succeeded in appeal, but the income tax department is pursuing/likely to pursue in appeal/reference and exclusive of the effect of similar matters in respect of assessments remaining to be completed:

a. income tax matters : ₹71.71 crores (2010: ₹70.58 crores)

b. surtax matters : ₹0.13 crores (2010: ₹0.13 crores)

(d) Bills discounted not matured ₹107.72 crores (2010: ₹ 31.40 crores)

(e) Corporate undertaking on assignment by Mahindra & Mahindra Financial Services Limited ₹732.53 crores (2010: ₹626.25 crores).

3.9. The Acquirer is listed on the BSE and the NSE. The Global Depositary Receipts (GDRs) of the Acquirer are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange.

3.10. The closing price of the shares of the Acquirer as quoted on NSE on November 23, 2011 is ₹696.10 and on BSE on November 23, 2011 is ₹695.55

3.11. The Acquirer has complied with all the provisions under Clause 49 of the Listing Agreement relating to corporate governance.

3.12. Details of the compliance officer of the Acquirer are as follows:

Mr. Narayan Shankar
Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018
Tel: +91 22 2497 5074, Fax: +91 22 2490 0833
Email id: investors@mahindra.com

4. BACKGROUND OF THE TARGET

4.1. As of March 31, 2011, the total paid up share capital of the Target was ₹2,39,77,130 consisting of 23,97,713 fully paid up Equity Shares. The share capital structure of the Target is as follows:

Issued and Paid-up Equity Share Capital	Number of Equity Shares (Face Value - ₹10)/voting rights	Percentage of Equity Shares/voting rights
Fully Paid-up Equity Shares (a)	23,97,713	100%
Partly Paid-up Equity Shares (b)	NIL	NIL
Total Paid-up Equity Shares (a+b)	23,97,713	100%

Issued and Paid-up Equity Share Capital	Number of Equity Shares (Face Value - ₹10)/voting rights	Percentage of Equity Shares/voting rights
Total Voting Rights in Target	23,97,713	100%

4.2. All the Equity Shares of the Target are listed on the DSE

4.3. The Target has complied with the listing requirements and trading of the Target's stock has never been suspended from DSE. Further, no penal / punitive actions have been taken by DSE**.**There are no instruments convertible into the Equity Shares at a future date, in the books of the Target as on the date of this DLOF**.** There are no partly paid up Equity Shares in the books of the Target as on the date of this DLOF.

4.4. As on the date the composition of the Board of the Target is as below:

Name and Designation	Designation	DIN	Date of Appointment on Target's Board
Dr. Pawan Goenka	Chairman (represents Acquirer)	00254502	May 6, 2010
Mr. A.K.Mahajan	Director (represents Punjab State Industrial Development Corporation)	00648889	May 19, 1995
Mr. Devi Singh	Director (represents General Insurers'(public sector) Association of India member companies and the GIC	01437373	July 27, 2007
Mr. G. Rathinam	Director, (represents CDC-PTL Holdings Limited)	00171207	July 31, 2006
Mr. Bishwambhar Mishra	Director (represents Acquirer)	01679139	July 27, 2007
Mr. A.M.Sawhney	Director (represents Acquirer)	00066895	June 28, 2006
Mr. V.S.Parthasarathy	Director (represents Acquirer)	00125299	January 22, 2008
Mr. Mandeep J. Sachdeva	Director (represents Acquirer)	01691411	July 27, 2007
Mr. S.C.Bhargava	Director (Independent)	00020021	October 20, 2011
Mr. Hardeep Singh	Director (Independent)	00088096	October 20, 2011

Note:

a) As on the date of this DLOF, Dr. Pawan Goenka, Mr. Bishwambhar Mishra, Mr. A. M. Sawhney, Mr. V.S.Parthasarathy and Mr. Mandeep J. Sachdeva are the nominee directors of the Acquirer on the Board of the Target and they have/shall recused/recuse themselves from any decision / matter in relation to the Offer

b) As on the date of this DLOF, none of the directors of the Target is on the Board of the Acquirer.

4.5. No merger / demerger / spin off have taken place in the Target during the last three years. The Target is a public limited company, incorporated in India on November 20, 1974 under the Companies Act, 1956 as Punjab Scooters Ltd. It was promoted by the Government of Punjab in technical collaboration with M/s. Scooters India Ltd. The Target's name at the time of incorporation was Punjab Scooters Ltd. On October 8, 1998, the name of the Target was changed from Punjab Scooters Ltd to Swaraj Automotives Ltd.

4.6. The brief audited financial statements for financial years ended March 31, 2009, March 31, 2010 and March 31, 2011 and limited review financial statements for the half year ended September 30, 2011 as certified by the Statutory Auditors of the Target, M/S. J.S.Chopra & Associates Chartered Accountants (Mr. J.S. Chopra**-** Partner, Membership No. 087476), vide their certificate dated October 20, 2011, are as below:

Profit and Loss Statement

(₹ In Crores)

	Audited			Limited Reviewed
	Year Ending March 31, 2009	Year Ending March 31, 2010	Year Ending March 31, 2011	Six Month Period Ending September 30, 2011
Income from operations (Net)	64.45	68.63	66.64	33.30
Other Income	1.29	0.60	0.69	0.45

Total Income	65.74	69.23	67.33	33.75
Total Expenditure	57.78	63.37	64.41	32.36
Profit Before Depreciation, Interest and Tax	7.96	5.86	2.92	1.39
Depreciation	0.93	1.02	0.96	0.44
Interest (net)	(0.03)	(0.40)	(0.04)	(0.02)
Profit Before Tax	7.06	5.24	2.00	0.97
Provision for Tax	2.47	1.76	0.66	0.33
Profit After Tax	4.59	3.48	1.34	0.64

Balance Sheet Statement

(₹ In Crores)

	Audited			Limited Reviewed
	Year Ending March 31, 2009	**Year Ending March 31, 2010**	**Year Ending March 31, 2011**	**Six Month Period Ending September 30, 2011**
Sources of funds				
Paid up share capital	2.40	2.40	2.40	2.40
Reserves and Surplus (excluding revaluation reserves)	15.57	17.93	18.43	19.07
Networth	17.97	20.33	20.83	21.47
Grants – in – Aid	0.34	0.30	0.26	0.24
Deferred Tax Liabilities	0.69	0.50	0.17	-
Total	**19.00**	**21.13**	**21.26**	**21.71**
Uses of funds				
Net fixed assets	7.03	6.55	10.26	9.87
Investments	-	-	-	-
Net current assets	11.97	14.58	11.00	11.84
Total	**19.00**	**21.13**	**21.26**	**21.71**

Other Financial Data

	Audited			Limited Reviewed
Other Financial Data	**Year Ending March 31, 2009**	**Year Ending March 31, 2010**	**Year Ending March 31, 2011**	**Six Month Period Ending September 30, 2011**
Dividend (%)	25	40	30	-
Earnings Per Share (₹)	19.13	14.49	5.58	2.66[#]
Return on Networth (%)*	25.54	17.12	6.43	5.96
Book Value Per Share (₹)**	74.9	84.8	86.9	89.5

** Return on Networth calculated as: Profit After Tax / Closing Networth, profit after tax for period ending September 30,2011 has been annualised*
*** Book Value per share calculated as: Closing Networth / Total No. of shares outstanding*
[#]Not Annualized

4.7. Pre and Post- Offer share holding pattern of the Target is as follows (As on the date of this DLOF):

Shareholders' Category	Shareholding & voting rights prior to the Offer		Shares /voting rights agreed to be acquired which triggered off the Regulations.		Shares/ voting rights to be acquired in the Offer (Assuming full acceptances)		Shareholding / voting rights after the Offer	
	(A)		(B)		(C)		(A) + (B) + (C) = (D)	
	No.	%	No.	%	No.	%	No.	%
(1) Acquirers (a) M&M	10,59,543	44.19	-	-	6,47,382	27.00	17,06,925	71.19
Total (1 (a))	10,59,543	44.19	-	-	6,47,382	27.00	17,06,925	71.19
(2) Promoter Group								
(a) Parties to the agreement, if any	-	-	-	-	-	-	-	-
(b) Promoters other than (a) above*								
M&M	10,59,543	44.19	-	-	6,47,382	27.00	17,06,925	71.19
Punjab State Industrial Development Corporation Ltd ("PSIDC")**	71,730	2.99						
Total 2(a+b)	11,31,273	47.18						
(3) Public (other than parties to agreement, acquirers & PACs)							This will depend on response from each category	
a. ICICI Bank Ltd	2,49,928	10.42						
b. IDBI Bank Ltd	2,07,847	8.67						
c. IFCI Ltd	80,293	3.35						
d. Life Insurance Corporation of India	53,638	2.24						
e. National Insurance Company Ltd	10,373	0.43						
f. Oriental Insurance Company Ltd	10,373	0.43						
g. General Insurance Corp. of India	6,699	0.28						
h. United India Insurance Co. Ltd.	6,699	0.28						
i.New India Assurance Company Ltd.	6,699	0.28						
j. Others	6,33,891	26.44						
Total (3)(a toj)	12,66,440	52.82					6,90,788	28.81
GRAND TOTAL (2+3)	23,97,713	100.00			6,47,382	27.00	23,97,713	100.00

**Acquirer also forms part of the promoter group of the Target*

***Punjab State Industrial Development Corporation Ltd is a co-promoter but not a person acting in concert with the Acquirer in relation to the current Offer or a part of the Mahindra Group*

Note: The total number of Shareholders excluding the Acquirer is 688, which includes Punjab State Industrial Development Corporation also. Total number of public Shareholders is 687

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1. Justification for the Offer Price

5.1.1. The Equity Shares of the Target are listed on the DSE. The Equity Shares of the Target are not frequently traded on DSE within the meaning of the Regulation (2)(1)(j) of the SEBI (SAST) Regulations. There has been no trading in the Equity Shares of the Target on the DSE and hence the trading turnover in the Equity Shares of the Target based on trading volume during November, 2010 to October 2011 (twelve calendar months preceding the month in which the PA was made) is nil.

5.1.2. Justification of Offer Price in terms of Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations:

(a)	Highest negotiated price per share of the Target for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer	NA
(b)	Volume-weighted average price paid or payable for acquisitions, whether by the Acquirer or by any person acting in concert with him, during the 52 weeks immediately preceding the date of the PA	NA
(c)	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with him, during the 26 weeks immediately preceding the date of the PA	NA
(d)	Volume-weighted average market price of such shares for a period of 60 trading days immediately preceding the date of the public announcement as traded on the DSE, provided such shares are frequently traded	NA
(e)	Other parameters based on the audited financials of the Target for year ended on March 31, 2011.	
	(i) Book Value per share (₹)	₹ 86.86
	(ii) Price to Earnings ratio	16.13*
(f)	Per share value computed under sub-regulation (5),of Regulation 8 of the SEBI (SAST) Regulation, if applicable	NA

**implied price to earnings ratio calculated based on the Offer Price of ₹90 and the EPS for the year ended March 31, 2011*

NA - Not Applicable

5.1.3. The Target is engaged in the business of manufacturing seats and seating systems for tractors, commercial vehicles, cars and passenger vehicles which falls under the industry segment "Auto Ancillaries" with an industry P/E of 16.1x (Source: Capital Market Volume: Vol. XXVI / 18 Dated Oct 31 – Nov 13, 2011). The industry P/E is not strictly comparable as the industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to the Target and also vary widely in terms of financial parameters with the Target.

5.1.4. Further, Mr. Nimesh Jambusaria, Partner, Haribhakti & Co., Chartered Accountants, 42, Free Press House, 215, Nariman Point, Mumbai 400 021, (Membership No. 38979), has certified vide certificate dated November 14, 2011 that ₹83 (Rupees Eighty Three Only) per Equity Share is the fair price for the Equity Shares of the Target.

5.1.4.1. For the purpose of said valuation, the Comparable Companies Multiple (CCM) method using the Price to Book Value multiple & EV/EBITDA multiple and Return on Networth (RONW) method was used to derive the equity value of the Target

5.1.4.2. Equal weightage of '1' was assigned to the value arrived under all the three methods viz., the Price to Book Value multiple, the EV/EBITDA multiple and RONW method

5.1.5. The Offer Price of ₹90 (Rupees Ninety) is more than the fair value as certified by M/s Haribhakti & Co. and is thus justified in terms of Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations.

5.2. Financial Arrangements:

5.2.1. The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of 6,47,382 Equity Shares of the Target at ₹90 (Rupees Ninety only) per Equity Share is ₹5,82,64,380 (Rupees Five Crores Eighty-Two Lakhs Sixty-Four Thousand Three Hundred and Eighty Only).

5.2.2. The Acquirer has adequate resources to meet the financial requirement of the Offer.

5.2.3. The Acquirer has opened escrow account with the Escrow Bank, comprising (a) A current account in the name of '**M and M Open Offer Escrow A/c**' bearing no. 00600310029480; and (b) A fixed deposit account in the name of '**M and M Open Offer Escrow FD A/c**' (collectively as "Escrow Account") and deposited ₹5,82,64,380 (Rupees Five Crores Eighty-Two Lakhs Sixty-Four Thousand Three Hundred and Eighty Only), being 100% of the total purchase consideration payable under the Offer assuming full acceptance at the Offer Price in accordance with Regulation 17 of the SEBI (SAST) Regulations. The Acquirer has confirmed that the funds lying in the Escrow Account will be utilized exclusively for the purposes of the Offer. The interest on the fixed deposit account will not be a part of this escrow arrangement. The Acquirer has authorized the Manager to operate the Escrow Account in compliance with Regulation 17 of the SEBI (SAST) Regulations. The funding in the above mentioned Escrow Account has been done using funds from a domestic bank account.

5.2.4. Mr. P. Y. Joglekar, Partner, Joglekar & Gokhale, Chartered Accountants, 9/13, The Worli Shivshahi CHS Ltd., Shivajinagar, Dr. Annie Besant Road, Worli, Mumbai - 400 030, Telephone no. +91 22 2493 0854 (Membership No. 031053) has certified vide certificate dated November 14, 2011 that the Acquirer has sufficient resources through verifiable means to fulfill the obligations under the Offer in accordance with the SEBI (SAST) Regulations.

5.2.5. Based on the above, the Manager is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

6. TERMS AND CONDITIONS OF THE OFFER

6.1. The Acquirer has made a PA on Monday, November 14, 2011 for the Offer. This Offer is being made to all the Shareholders of the Target other than the Acquirer and the Letter of Offer together with the Form of Acceptance and transfer deed (for Shareholders holding Equity Shares in the physical form) is being mailed to those Shareholders of the Target whose names appear on the register of members of the Target and to the beneficial owners of the Equity Shares of the Target whose names appear as beneficiaries on the beneficial record of the respective depositories, at the close of business on the Identified Date (i.e. [●]). Owners of Equity Shares who are not registered as Shareholder(s) are also eligible to participate in the Offer at any time prior to the date of closing of the Tendering Period.

6.2. The Offer is subject to the terms and conditions set out in the Letter of Offer, the Form of Acceptance, the DPS, PA and any other public announcements that may be issued about the Offer.

6.3. This Offer is subject to the receipt of the statutory or other approvals mentioned in paragraph 6.10 of this DLOF. In terms of Regulation 23(1)(a) of SEBI (SAST) Regulations, if the statutory approvals required to make this Offer are refused, the Offer would stand withdrawn.

6.4. The Tendering Period will open on [●] and close on [●].

6.5. The Offer is not subject to any minimum level of acceptance. The acceptance of the Offer is entirely at the discretion of the Shareholders of the Target. Each Shareholder of the Target to whom the Offer is being made, is free to offer his shareholding in the Target, in whole or in part while accepting the Offer.

6.6. The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant Shareholder(s).

6.7. Tendered Equity Shares that are subject to any charge, lien or encumbrance or court order/any other attachment/dispute are liable to be rejected. Tendered Equity Shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the Shareholder(s) of the Target may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such Equity Shares are received together with the Equity Shares tendered under the Offer prior to the date of closing of the Tendering Period.

6.8. The Acquirer will not be responsible in any manner for any loss of Equity Share certificate(s) and other documents during transit. The Shareholders of the Target are therefore advised to adequately safeguard their interest in this regard.

6.9. The securities transaction tax will not be applicable to the Equity Shares accepted in the Offer.

6.10. Statutory/Other Approvals Required for the Offer

6.10.1. As of the date of this DLOF, to the best of the knowledge of the Acquirer, there are no statutory or other approvals from banks / financial institutions of the Target required to make this Offer. However, in case of any regulatory or statutory or other approval being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary applications for such approval.

6.10.2. The Acquirer, in terms of Regulation 23 of SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which the DPS was published.

6.10.3. In case of delay in receipt of the above statutory approvals, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Shareholders of the Target who have accepted the Offer, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations. However, if the delay occurs on account of wilful default or neglect or failure on the part of the Acquirer to diligently pursue the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount held in the Escrow Account shall become liable to forfeiture

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

7.1. The Acquirer has appointed Sharepro Services (India) Pvt Ltd as the Registrar to the Offer.

7.2. The Registrar to the Offer has set up the following centres to collect the acceptances being tendered in this Offer:

Collection Centre	Name and Address of the Collection Centre	Contact Person	Mode of delivery	Working Days and Timing	Phone / Fax / Email
Mumbai, Sakinaka	Sharepro Services (India) Pvt Ltd, 13-AB Samhita Warehousing Complex, 2nd Floor, Sakinaka Tel. Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai – 400072	Mr. Satheesh H. K / Mr. Anand Moolya	Hand Delivery /Post/ Courier	Monday to Friday from 10.00 am to 1.00 pm and from 2.00 pm to 4.00 pm. The centres will be closed on Saturdays and Sundays and public holidays	Tel: +91 22 67720 300/400 Fax: +91 22 6191 5444 / +91 22 2859 1568 Email: satheesh@shareproservices.com; anandm@shareproservices.com
Mumbai-Nariman Point	Sharepro Services (India) Pvt Ltd, 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai – 400021	Ms. Joseph	Hand Delivery / Post/ Courier		Tel: +91 22 6613 4700 / 2282 5163 Fax: +91 22 2282 5484 Email:sharepro@shareproservices.com
Chandigarh	Skypak Financial Securities Pvt. Ltd, E-51, PH 8 Industrial Area, Mohali, Chandigarh 160 059	Mr. Rohitkumar Goyal	Hand Delivery		Mobile: +91 80540 08092 Email : ixc@skyfin.com ; ops.ixc@skyfin.com
New Delhi	Skypak Financial Securities Pvt. Ltd., 3rd Floor, Satyam Hotel Building, 10, Qutub Road, Ram Nagar, Pahar Ganj, New Delhi – 110055	Mr Santosh C and Mr B K Mishra	Hand Delivery		Tel: +91 11 4723 0105 Mobile: +91 95820 07713 Email: del@skyfin.com/ mahip@skyfin.com
Patiala	Skypak Financial Securities Pvt. Ltd., H.No 162 Street No.1 –A/13, Guru Nanak Nagar, Near Gurbax Colony, Patiala, P.B – 147001	Mr. Sunil Kumar	Hand Delivery		Mobile: +91 80540 08098 Email : icu@skyfin.com
Ludhiana	Skypak Financial Securities Pvt. Ltd., Sco No. 20, Upper Gr.Floor, Surya Shopping Arcade complex, Near Bhai Bala Chowk, Ghumar Mandi, Ludhiana – 141001	Mr. Bhupinder Singh Pal	Hand Delivery		Mobile: +91 80540 08091/ +91 80540 08096 Email: sukhjinder@skyfin.com ; idh@skyfin.com

Shareholders of the Target who wish to avail this Offer should forward the under mentioned documents, by hand delivery or by registered post/ courier (wherever applicable) as stated above on days and during the business hours mentioned above, at any of the collection centers listed above so as to reach the Registrar to the Offer on or before [●] (i.e. the date of closing of the Tendering Period).

In case of dematerialised Equity Shares, the Shareholders should ensure that the credit to the Special Depository Account mentioned in paragraph 7.4 below of this DLOF should be received on or before [●]. In order to ensure this, beneficial owners should tender the delivery instructions at least two working days prior to [●]. Form of Acceptance of such dematerialised Equity Shares not credited to the Special Depository Account before the date of closing of the Tendering Period is liable to be rejected.
The share certificate(s), transfer deed, Form of Acceptance and other documents, as required should be sent only to the Registrar to the Offer, at the collection centres mentioned in paragraph 7.2 of this DLOF. No document should be sent to the Acquirer, the Manager or the Target.

7.3. Procedure for Equity Shares held in physical form

- **Registered Shareholders of the Target should enclose:**
  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appears on the Equity Share certificate(s) and in the same order and as per the specimen signature lodged with the Target;
  - Original Equity Share certificate(s);
  - Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. A blank share transfer deed is enclosed along with the Letter of Offer.

    In case of registered Shareholder, non receipt of the Form of Acceptance, but receipt of the share certificates and the duly completed transfer deed, shall be deemed that the Offer has been accepted.

    Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target or are not in the same order, such Equity Shares are liable to be rejected under this Offer even if the Offer has been accepted by a *bona fide* owner of such Equity Shares.

  - **Unregistered owners of Equity Shares of the Target should enclose:**
    - Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
    - Original Equity Share certificate(s);
    - Original broker contract note;
    - Valid share transfer deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.
    - The acknowledgement received, if any, from the Target in case the Equity Shares have been lodged with the Target. Such persons should instruct the Target and its registrar and transfer agents to send the transferred share certificate(s) directly to the collection centres as mentioned in paragraph 7.2 of this DLOF. The applicant should ensure that the certificate(s) reach the designated collection centre before the date of closing of the Tendering Period.
      Unregistered owners can send their acceptance of the Offer in writing to the Registrar to the Offer, Sharepro Services (India) Private Limited, at the collection centres as mentioned in paragraph 7.2 of this DLOF, on plain paper stating name, address, number of Equity Shares held, no. of Equity Shares offered, distinctive numbers, folio numbers, together with the original share certificate(s), valid transfer deeds in case of Equity Shares held in physical form or photocopy or counterfoil of the delivery instructions in "Off-market" mode in case of Equity Shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their Equity Shares. No indemnity is required from the unregistered owners.
  - Unregistered owners if they so desire may also apply on the Form of Acceptance downloaded from the SEBI's website (www.sebi.gov.in) along with the aforesaid documents.

7.4. Procedure for the Equity Shares held in dematerialised form

- **Beneficial owners should enclose:**
  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint Shareholders whose names appear in the beneficiary account and in the same order therein. The Form of Acceptance has to be tendered by the beneficial holder of the Equity Shares only.
  - In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Special Depository Account, the Offer shall be deemed to be accepted.
  - A photocopy or counterfoil of the Delivery Instructions in "Off-market" mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the Special Depository Account given below.
  - The Registrar to the Offer, has opened a Special Depository Account with NSDL called "OPEN OFFER – SWARAJ AUTOMOTIVES LIMITED". Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Special Depository Account:

Depository Participant ("DP") Name	Kotak Securities Limited
DP ID	IN300214
Client ID	16179972
Account Name	OPEN OFFER – SWARAJ AUTOMOTIVES LIMITED
Depository	NSDL

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

- **Shareholders who have sent their Equity Share certificates for dematerialisation should enclose:**
  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein by the sole/joint equity Shareholders whose name appears on the Equity Share certificate and in the same order and as per the specimen signature lodged with the Target.
  - A copy of the dematerialisation request form duly acknowledged by the Shareholders depository participant.
  - Such Shareholders should ensure that the credit of their Equity Shares tendered under Offer to the Special Depository Account is made on or before the date of closing of the Tendering Period, otherwise the same are liable to be rejected. Alternatively, if the Equity Shares sent for dematerialisation are yet to be processed by the Shareholders depository participants, the Shareholders can withdraw their dematerialisation request and tender the Equity Share certificates in the Offer as per procedure mentioned in paragraph 7.3 of this DLOF.

7.5. Procedure to be adopted in case of non-receipt of the Letter of Offer

- **By Shareholders holding Equity Shares in physical form**
  - In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance of the Offer in writing to the Registrar to the Offer at the collection centres as mentioned in paragraph 7.2 of this DLOF, on plain paper stating their name, address, number of Equity Shares held, no. of Equity Shares offered, distinctive numbers, folio numbers together with the original share certificate(s), valid transfer deeds, so as to reach the Registrar to the Offer on or before the date of closing of the Tendering Period.
  - Shareholders who have lodged their Equity Shares for transfer with the Target must also send the acknowledgement received, if any, from the Target towards such lodging of Equity Shares.
  - Shareholders who have sent their Equity Share certificates for dematerialisation should send a copy of the dematerialised request form duly acknowledged by their depository participant.
- **By Shareholders holding Equity Shares in dematerialised form**
  - Beneficial Owners may send the acceptance of the Offer in writing to the Registrar to the Offer at the collection centres as mentioned in paragraph 7.2 of this DLOF, on plain paper, stating name, address, number of Equity Shares held, number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy or counterfoil of the delivery instructions in "Off market" mode, duly acknowledged by the beneficial owners depository participant, in favour of the Special Depository Account, the details of which are mentioned in paragraph 7.4 of this DLOF, so as to reach the Registrar to the Offer on or before the closing of the Tendering Period.
  - Shareholders, having their beneficial account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL.
  - No indemnity is required while sending the acceptance of the Offer on plain paper.
  - Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site (www.sebi.gov.in).

7.6. Compliance with tax and other regulatory requirements:

7.6.1. As per the provisions of section 196D(2) of the Income Tax Act no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ("FII") as defined in section 115AD of the Income Tax Act. The aforementioned categories of Shareholders should certify in the Form of Acceptance whether the Equity Shares are held by them on investment/capital account or on trade account. This exemption is not available for payment of consideration in respect of Equity Shares held by FIIs under their trade accounts. However, the interest payment for delay in payment of consideration, shall not be governed by this provision. For interest payments, FIIs shall also have to provide their tax clearance certificate, indicating the amount of tax to be deducted. In absence of the same, the Acquirer will arrange to deduct tax on the interest component, at the rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act.

7.6.2. While tendering their Equity Shares under the Offer, NRIs, OCBs and other non-resident Shareholders will be required to submit a no objection certificate or tax clearance certificate or certificate for deduction of tax at lower rate from the income-tax authorities under the Income Tax Act indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs on the entire consideration amount payable to such Shareholder.

7.6.3. As per the provisions of Section 206AA of Income Tax Act which came into effect from 1 April 2010, any person receiving a payment on which tax is deductible should obtain and provide a permanent account number ("PAN") to the party making the payment. In absence of a PAN, the tax deducted at source shall be at the rate specified in the relevant provisions of the Income Tax Act or the rates in force or 20%, whichever is higher.

7.6.4. In the event the aforementioned categories of Shareholders require the Acquirers not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the income tax authorities either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Acquirers while submitting the Form of Acceptance. In the absence of any such certificate from the income tax authorities, the Acquirers will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect. No tax will be deducted at source for any other category of Shareholders who are residents in India. However, in the case of resident Shareholders, the Acquirer will deduct the tax, at the current prevailing rates, as applicable , on the interest component where the interest component exceed ₹5,000/- . If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, he will be required to submit a certificate from the income tax authorities under section 197 or a self declaration in Form 15H / 15G as may be applicable, indicating the rate at which tax is to be deducted by the Acquirer. Shareholders eligible to receive interest component exceeding ₹5,000/- would be required to submit their PAN for income tax purposes. Clauses relating to payment of interest will become applicable only in the event of the Acquirer becoming liable to pay interest for delay in release of purchase consideration on account of delay in the offer schedule.

7.7. Notwithstanding the details given above, payment will be made to resident and non resident Shareholders subject to compliance with prevailing tax laws.

Notwithstanding above, the Shareholders, in their own interest, before tendering the shares, are advised to consult their chartered accountants / tax consultants / 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 Manager do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

7.8. If Non-Resident Shareholders, OCBs and foreign Shareholders had required any RBI or FIPB approval in respect of the Equity Shares held by them in the Target, they will be required to submit the previous RBI/FIPB approvals that they would have obtained for holding the Equity Shares of the Target. In the event such permissions are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in the Offer.

7.9. The Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent in connection with the Offer. Such documents may include, but are not limited to:

i. duly attested death certificate and succession certificate in case of single Shareholder;
ii. duly attested power of attorney if any person apart from the Shareholder has signed the Form of Acceptance and/or transfer deed(s);
iii. in case of companies, the necessary corporate authorization (including applicable resolutions, consents and approvals of the applicable governing bodies of such companies);
iv. any other relevant documentation.

7.10. The Registrar to the Offer will hold in trust the Form of Acceptance, Equity Share certificates, transfer deeds and Equity Shares lying in credit of the Special Depository Account and other documents on behalf of the Shareholders of the Target who have tendered in the Offer, until the payment for the consideration and/or the unaccepted Equity Shares/Equity Share certificates are dispatched/returned by registered post to the Shareholders. The Acquirer would not have access to these Equity Shares until such time.

7.11. The Acquirer shall accept all valid Equity Shares tendered up to the Offer Size. Equity Shares will be acquired by the Acquirer free from lien, charges and encumbrances of any kind whatsoever and together with all the rights attached thereto including the right to dividend, bonus and rights issue thereafter.

7.12. If the number of Equity Shares tendered by the Shareholders in connection with the Offer is more than the Offer Size, the acquisition from each Shareholder will be on a proportionate basis which would be determined in consultation with the Manager so as to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that, acquisition of Equity Shares from a Shareholder, shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. As the shares of the Target trade in the compulsory dematerialized segment, the minimum marketable lot for the Equity Shares is 1 (one).

7.13. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the Shareholders' / unregistered owners' sole risk to the sole / first named Shareholder / unregistered owner. Except that, in case the share certificates tendered have to be split, the Acquirers will arrange to split the share certificates and send the balance share certificates (for Equity Shares not accepted in the Offer) by Registered Post at the Shareholders' / unregistered owners' sole risk to the sole / first named Shareholder / unregistered owner. Unaccepted Shares held in dematerialised form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise.

7.14. In case of dematerialised Equity Shares, the Equity Shares would reside in the Special Depository Account as mentioned above. The Registrar to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer and give instructions for the credit to the beneficial account of the Acquirer. The Equity Shares held in dematerialised form to the extent not accepted as a result of non-payment/part payment of consideration by the Acquirer under the Offer will be released to the beneficial owner's depository account with the respective beneficial owners depository participant as per details furnished by the beneficial owner in the Form of Acceptance, at the sole risk of the beneficial owners.

7.15. In terms of the Regulation 18(9) of the SEBI (SAST) Regulations, Shareholders who tender the Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

7.16. Mode of making payment

The payment of consideration, if any, would be done through any of the following modes:

a. National Electronic Clearing System (NECS) –The payment of consideration through NECS is mandatory for applicants having a bank account at any of the centres where such facility is available, except where the applicant, being eligible, opts to receive payment through direct credit or RTGS.

b. Direct Credit – Applicants having bank accounts with HDFC Bank, shall be eligible to receive consideration through direct credit. Charges, if any, levied by the bank for the same would be borne by the Acquirer.

c. RTGS – Applicants having a bank account at any of the abovementioned centres and whose consideration amount exceeds Rupees One Million, have the option to receive payment through RTGS. Such eligible applicants who indicate their preference to receive payment through RTGS are required to provide the IFSC in the Form of Acceptance. In the event the same is not provided, payment shall be made through NECS. Charges, if any, levied by the bank for the same would be borne by the Acquirer. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

d. National Electronic Fund Transfer (NEFT) – Payment of consideration shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of consideration will be made to the applicants through this method. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as mentioned in paragraph 7.14.

e. For all other applicants, including those who have not updated their bank particulars with the MICR code, the payments will be dispatched by registered post. Such payments will be made by cheques or pay orders or demand drafts drawn on HDFC Bank and payable at par. All cheques/demand drafts/pay orders will be drawn in the name of the first holder, in case of joint registered holders

7.17. Barring unforeseen circumstances and factors beyond their control and subject to the terms and conditions set out in this DLOF, the Acquirer intends to complete all procedures relating to the Offer, including payment of consideration to the Shareholders who have accepted the Offer, within 10 working days from the date of closing of the Tendering Period and for the purpose open a special account in accordance with Regulation 21(1) of the SEBI (SAST) Regulations.

7.18. Provided that where the Acquirer is unable to make the payment to the Shareholders who have accepted the Offer before the said period of 10 working days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond 10 working days, as may be specified by SEBI from time to time, in accordance with Regulation 18(11) of the SEBI (SAST) Regulations.

8. DOCUMENTS FOR INSPECTION

8.1. The following documents will be available for inspection to the Shareholders at Phase-IV, Industrial Area, Sahibzada Ajit Singh Nagar, Mohali, Punjab-160055, on all working days, from the date of opening of the Tendering Period till the date of closing of the Tendering Period, between 11.00 a.m. and 3.00 p.m., except Saturdays, Sundays and Public Holidays:

8.1.1. Certificate of incorporation, Memorandum and Articles of Association of the Acquirer

8.1.2. C.A. certificate, certifying the adequacy of financial resources with Acquirers to fulfill the Offer obligations

8.1.3. Audited annual reports of the Acquirer and the Target for 2009, 2010 and 2011 and limited reviewed financials of the Acquirer and the Target for six month ended September 30, 2011

8.1.4. Letter from the Escrow Bank confirming the amount kept in the escrow account and a lien in favour of Manager

8.1.5. Copy of the PA dated November 14, 2011, the DPS dated November 17, 2011, offer opening public announcement dated [•] and any corrigendum to these

8.1.6. Copy of the recommendation made by the Target's Board as required in terms of Regulation 26(7) of SEBI (SAST) Regulations.

8.1.7. Copy of the comments letter dated [•] received from SEBI

8.1.8. Copy of the agreement with the Depository Participant for opening a special depository account for the purpose of the Offer

9. DECLARATION BY THE ACQUIRER

9.1. The Acquirer along with its directors severally and jointly accepts the responsibility for the information contained in the DLOF.

9.2. The Acquirer is responsible for the fulfillment of its obligations under the SEBI (SAST) Regulations.

9.3. The person signing this DLOF is duly and legally authorized by the Acquirer to sign the DLOF.

By Order of the Board of the Acquirer,

For and on behalf of the Acquirer

Sd/ -

Mr. S. Durgashankar

Executive Vice President – Mergers & Acquisitions and Secretarial

For **Mahindra & Mahindra Ltd**

Date: November 24, 2011

Place: Mumbai