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

This Draft Letter of Offer is sent to you as a shareholder of Wheels India Limited. If you require any clarifications about the action to be taken, you may consult your stock broker, investment consultant, the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your shares in Wheels India Limited, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and transfer deed to the member of stock exchange through whom the said sale was effected.

Open Offer (“Offer”)
BY
Titan Europe Plc (“**Acquirer**”)
Registered office: Bridge Road, Cookley, Kidderminster, Worcestershire, DY10 3SD, United Kingdom; Tel.: +44 (0) 1562 850561; Fax: +44 (0) 1562 852554
ALONG WITH
Titan International, Inc. (“Person Acting in Concert” or “PAC ”)
Registered office: 2701 Spruce Street, Quincy, Illinois 62301, USA; Tel.: + 1 217 228 6011; Fax: + 1 217 277 1294
TO ACQUIRE
1,419,405 (One Million, Four Hundred and Nineteen Thousand, Four Hundred and Five) fully paid-up equity shares of face value of Rs. 10 (Rupees ten) each (each an “**Equity Share**”), representing 14.38% (fourteen point three eight percent) of the fully diluted voting equity share capital (“**Voting Share Capital**”), as of the 10th (tenth) Working Day (as defined below) from the Closure of the Tendering Period (as defined below)
OF
Wheels India Limited (“**Target Company**”)
Registered Office: 21, Patullos Road, Chennai – 600 002, India; Tel.: + 91 44 2625 8511; Fax: +91 44 2625 7121

at a price of Rs. 753.13 (Rupees Seven Hundred and Fifty Three and Thirteen Paise) per Equity Share (“Offer Price”, which is inclusive of interest of Rs. 27.44 (Rupees Twenty Seven and Forty Four Paise) calculated at the rate of 10% per annum from August 10, 2012 to December 25, 2012 i.e. between the date on which the decision to make the primary acquisition was announced in the public domain and the date of publishing of the Detailed Public Statement in compliance with regulation 8(12)) 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:

1. This Offer is being made by the Acquirer along with the PAC pursuant to Regulations 4 and 5(1) of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. The Offer is subject to the approval of the Competition Commission of India (“CCI”). The necessary filings in relation to the same will be made shortly. To the best of the knowledge of the Acquirer and the PAC, no other statutory approvals are required by the Acquirer and the PAC to complete this Offer, except as stated above. However, in case of any statutory approvals being required by the Acquirer and the PAC at a later date, this Offer will be subject to such approvals. Non-resident Indian (“**NRI**”) and overseas corporate body (“**OCB**”) holders of the Equity Shares, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the Reserve Bank of India (“**RBI**”), since the Equity Shares validly accepted in this Offer will be acquired by a non-resident entity) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement (as defined below) and other documents required to accept this Offer.
4. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
5. If there is any upward revision in the Offer Price or the number of Equity Shares sought to be acquired in this Offer, up to 3 (three) Working Days prior to the commencement of the Tendering Period, i.e. up to 3 working days prior to Friday, February 8, 2013, the same will be disclosed in the Offer opening public announcement (to be published on Thursday, February 7, 2013) in the same newspapers where the detailed public statement in relation to this Offer (“**DPS**”) appeared. Such revision in the Offer Price would be payable for all the Equity Shares validly tendered anytime during the Tendering Period.
6. **There has been no competing offer as of the date of this Draft Letter of Offer.**
7. A copy of the public announcement in relation to this Offer (“**PA**”), the DPS and this Draft Letter of Offer will also be available on SEBI website: www.sebi.gov.in.

Manager to the Offer	Registrar to the Offer
ICICI SECURITIES LIMITED ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020, Maharashtra; Contact person: Ms. Payal Kulkarni / Mr. Vishal Kanjani Tel: +91 22 2288 2460/70 Fax: +91 22 2282 6580 Email: wheels.openoffer@icicisecurities.com Website: www.icicisecurities.com SEBI Registration Number: INM000011179	**CAMEO CORPORATE SERVICES LIMITED** Subramanian Building, No.1 Club House Road, Chennai – 600 002 Contact person: Ms. Sreepriya .K, Head - Registry Tel: +91 44 2846 0390 (5 Lines) Fax: +91 44 2846 0129 Email: investor@cameoindia.com Website: www.cameoindia.com SEBI Registration Number: INR 000003753

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

Activity	Day and Date
Issue of Public Announcement	Thursday, December 13, 2012
Publication of the DPS in newspapers	Monday, December 25, 2012
Last date for public announcement of a competing offer(s)	Tuesday, January 15, 2013
Identified Date*	Thursday, January 24, 2013
Last date by which the Letter of Offer will be dispatched to the Shareholders as on the Identified Date	Friday, February 1, 2013
Last date by which the committee of independent directors constituted by Board of Directors of the Target Company shall give its recommendation on this Offer	Wednesday, February 6, 2013
Offer opening public announcement date	Thursday, February 7, 2013
Commencement of the Tendering Period	Friday, February 8, 2013
Closure of the Tendering Period	Friday, February 22, 2013
Last date of communicating rejection / acceptance and payment of consideration for accepted Equity Shares and / or share certificate(s) / demat delivery instruction for rejected Equity Shares will be dispatched / issued	Friday, March 8, 2013

* *Date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Shareholders of the Target Company to whom the Letter of Offer shall be sent. It is clarified that all the Shareholders (registered or unregistered) of the Target Company are eligible to participate in this Offer at any time during the Tendering Period of the Offer.*

RISK FACTORS

The risk factors set forth below pertain to the underlying transaction, this Offer and association with the Acquirer and the PAC and are not in relation 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 Shareholder in this Offer, but are merely indicative. 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 Offer.

A. Risks relating to the underlying transaction

1. This Offer has been triggered upon the offer by Titan International, Inc. to acquire the entire share capital of Titan Europe Plc. The Acquirer and the PAC shall have a right to withdraw this Offer in terms of regulation 23 of the SEBI (SAST) Regulations. Delay in receipt of necessary approvals or fulfillment of certain conditions may result in delay in payment to certain Shareholders, in case obtaining of such approvals is prerequisite for the valid acceptance of the Equity Shares tendered under the Offer by such Shareholders.

2. The underlying transaction is subject to completion risks as would be applicable to similar transactions.

B. Risks relating to this Offer

1. The Offer is subject to the approval of the CCI. The necessary filings in relation to the same will be made shortly. To the best of the knowledge of the Acquirer and the PAC, no other statutory approvals are required by the Acquirer and the PAC to complete this Offer except as stated above. However, in case of any statutory approvals being required by the Acquirer and the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and the PAC shall make the necessary applications for such approvals. 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 willful default, failure or neglect on the part of the Acquirer and the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Shareholders for delay beyond 10 (ten) Working Days, at such rate as may be specified by SEBI. Furthermore, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Shareholders' whose Equity Shares are validly accepted in this Offer, as well as the return of Equity Shares not validly accepted in this Offer, may be delayed. Where the statutory approvals extend to some but not all the Shareholders, the Acquirer and the PAC will have the option to make payment of the consideration to such Shareholders in respect of whom no other statutory approvals are required in order to complete this Offer. The Acquirer and the PAC, will have the right not to proceed with this Offer in the event any statutory approval, as may be required, is refused.

2. NRI and OCB holders of the Equity Shares of the Target Company, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly accepted in this Offer will be acquired by a non-resident entity) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer.

3. In the event that either: (a) there is any litigation leading to a stay on this Offer; or (b) SEBI instructing the Acquirer and / or the PAC not to proceed with this Offer, then this Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Shareholders' whose Equity Shares are validly accepted in this Offer as well as the return of the Equity Shares not validly accepted in this Offer, may be delayed.

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

dispatch of consideration are delayed.

5. The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Depository Escrow Account (as defined below), along with the documents submitted by the Shareholders, on behalf of the Shareholders who have tendered their Equity Shares, till the completion of the formalities of this Offer, and the Shareholders will not be able to trade in such Equity Shares, even if the acceptance of the Equity Shares in this Offer and dispatch of payment consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares.

6. This Offer is an offer to acquire 1,419,405 (One Million, Four Hundred and Nineteen Thousand, Four Hundred and Five) Equity Shares, representing 14.38% (fourteen point three eight percent) of the Voting Share Capital, as of the 10th (tenth) Working Day from the Closure of the Tendering Period ("Offer Size").

7. 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 Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to applicable laws or regulations or would subject the Acquirer and the PAC or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.

8. The Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

9. The Acquirer, the PAC and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and the PAC (excluding all information pertaining to the Target Company, which has been obtained from Target Company and from publicly available sources). Any person placing reliance on any other source of information will be doing so at its own risk.

10. This Offer is subject to completion risks as would be applicable to similar transactions.

C. Risks relating to the Acquirer and the PAC

1. The Acquirer and the PAC make no assurances with respect to their investment / divestment decisions relating to their direct / indirect shareholding in the Target Company.

2. The Acquirer and the PAC make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.

3. The Acquirer and the PAC make no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaims its responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in this Offer.

4. The acquisition of 14.38% of the Voting Share capital of the Target Company pursuant to this Offer will result in the public shareholding in the Target Company falling below the level required for continued listing. While the Acquirer, the PAC and / or the Target Company is required to bring down the non-public shareholding to the level specified in the Securities Contract (Regulation) Rules, 1957, as amended ("SCRR"), and although the Acquirer and the PAC have undertaken to comply with such public shareholding requirements within one year from the date of closure of the Offer or such longer period as may be prescribed under the SCRR and / or the Listing Agreement, any failure to comply with the

conditions of the SCRR and / or the Listing Agreement could have an adverse effect on the price and tradability of the Equity Shares.

D. CURRENCY OF PRESENTATION

1. 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.

2. In this Draft Letter of Offer, all references to "Rs." / "Rupees" are reference to the Indian Rupees. At some places "GBP" / "£" have been used, which represents the currency of the United Kingdom. At some places "USD" / "$" have been used, which represents the currency of the United States of America.

3. All the data presented in GBP/£ or USD/$ in this Draft Letter of Offer has been converted into Rs. for purpose of convenience translation. The conversion has been assumed at the following rate as on December 12, 2012 (i.e. 1 (one) Working Day prior to the date of the PA) (unless otherwise stated in this Draft Letter of Offer):

   1 GBP = Rs. 87.4276 1 USD/$ = Rs. 54.2725

   (*Source: Reserve Bank of India - http://www.rbi.org.in*)

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DEFINITIONS

Term	Definition
Acquirer	Titan Europe Plc, having its registered office at Bridge Road, Cookley, Kidderminster, Worcestershire, DY10 3SD, United Kingdom.
Board of Directors	Board of directors of the Target Company.
BSE	BSE Limited.
CDSL	Central Depository Services (India) Limited.
Certificate for Deduction of Tax at Lower Rate	Certificate issued by the income tax authority for deduction of tax at a lower rate.
Closure of the Tendering Period	16:30 hours on Friday, February 22, 2013
Depository Escrow Account	The depository account opened by the Registrar to the Offer with Stock Holding Corporation of India Limited. The DP ID is IN301080 and the beneficiary client ID is 22824837.
Depositories	CDSL and NSDL.
DP	Depository Participant.
DPS	Detailed public statement dated December 24, 2012, issued by the Manager to the Offer, on behalf of the Acquirer and the PAC, in relation to this Offer and published in the newspapers on December 25, 2012.
Draft Letter of Offer	This draft letter of offer dated January 1, 2013
DTAA	Double Taxation Avoidance Agreement.
Equity Shares	Fully paid-up equity shares of the Target Company, having a face value of Rs. 10 (Rupees ten) each.
Escrow Bank	Hongkong and Shanghai Banking Corporation Limited, having registered office at 1, Queens Road Central, Hong Kong, with the India corporate office at 52/60 Mahatma Gandhi Road, Fort, acting through its office at 2nd Floor, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (E), Mumbai 400 057, India
FEMA	Foreign Exchange Management Act, 1999 and subsequent amendments thereto.
FII(s)	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act.
FIPB	Foreign Investment Promotion Board.
Form of Acceptance-cum-Acknowledgement	The form of acceptance-cum-acknowledgement.
GAAP	Generally Accepted Accounting Principles.
Identified Date	January 24, 2013, i.e. the date falling on the 10th (tenth) 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.
Income Tax Act	Income-tax Act, 1961 and subsequent amendments thereto.
Indian GAAP	GAAP, as applicable to Indian companies.

Term	Definition
Letter of Offer	The letter of offer dated [●] to be sent to the Shareholders of the Target Company, along with the Form of Acceptance-cum-Acknowledgement and other documents.
Manager to the Offer	ICICI Securities Limited, having its registered office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020.
Maximum Consideration	Total funding requirement for this Offer assuming full acceptance of this Offer of Rs. 1,068,996,488 (Rupees one billion, sixty eight million, nine hundred and ninety six thousand, four hundred and eighty eight) (rounded up to the next rupee).
NEFT	National Electronic Funds Transfer.
NRI	Non Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2000.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB	Overseas Corporate Body, as defined under Foreign Exchange Management (Deposit) Regulations, 2000.
Offer	This open offer, which is being made by the Acquirer and the PAC to the Shareholders of the Target Company, for acquiring 1,419,405 (One Million, Four Hundred and Nineteen Thousand, Four Hundred and five) Equity Shares, representing 14.38% (fourteen point three eight percent) of the Voting Share Capital as of the 10th (tenth) Working Day from the Closure of the Tendering Period.
Offer Escrow Account	Escrow account no. 030-875850-001 opened by the Acquirer in relation to this Offer with the Escrow Bank.
Offer Escrow Agreement	The escrow agreement dated December 19, 2012 entered into amongst the Acquirer, the Manager to the Offer and the Escrow Bank.
Offer Period	The period between the date on which the decision to make the Primary Acquisition was announced in the public domain and the date on which the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be.
Offer Price	Price of Rs. 753.13 (Rupees seven hundred and fifty three and thirteen paise) per Equity Share which is inclusive of interest of Rs. 27.44 (Rupees Twenty Seven and Forty Four Paise) calculated at the rate of 10% per annum from August 10, 2012 to December 25, 2012 i.e. between the date on which the decision to make the primary acquisition was announced in the public domain and the date of publishing of the Detailed Public Statement.
Offer Size	1,419,405 (One Million, Four Hundred and Nineteen Thousand, Four Hundred and five) Equity Shares, representing 14.38% (fourteen point three eight percent) of the Voting Share Capital, as of the 10th (tenth) Working Day from the Closure of the Tendering Period.
Overseas Tax	Tax payable under the tax laws applicable in overseas jurisdictions.
PA	Public announcement dated December 13, 2012, issued by the Manager to the Offer on behalf of the Acquirer and the PAC, in relation to this Offer and filed with SEBI and the Stock Exchanges on December 14, 2012 and with the Target Company at its registered office, on December 18, 2012.
PAN	Permanent Account Number.
Primary Acquisition / Overseas Offer	The offer to acquire 100% of the shares of Titan Europe Plc by Titan International, Inc.
RBI	Reserve Bank of India.
Registrar to the Offer	Cameo Corporate Services Limited, having its registered office at "Subramanian Building", 1, Club House Road, Chennai - 600 002
Rs. / Rupees	Indian Rupees.

Term	Definition
RTGS	Real Time Gross Settlement.
SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto.
SEBI	Securities and Exchange Board of India.
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto.
Shareholders	Public shareholders of the Target Company holding the Equity Shares.
Stock Exchanges	BSE and NSE
Target Company	Wheels India Limited, having its registered office at 21, Patullos Road, Chennai – 600 002
Tax Residence Certificate	Certificate to be furnished by any Shareholder claiming benefit under any DTAA.
Tendering Period	Period commencing from Friday, February 8, 2013 and closing on Friday, February 22, 2013 (both days inclusive).
Voting Share Capital	Fully diluted voting equity share capital of the Target Company.
Working Day	A working day of SEBI.

1. 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 OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF WHEELS INDIA 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 PAC OR THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER AND THE MANAGER TO THE OFFER "ICICI SECURITIES LIMITED" HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 01, 2013 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. DETAILS OF THIS OFFER

2.1 Background of this Offer

2.1.1 This Offer is a mandatory open offer in compliance with Regulations 4 and 5(1) of the SEBI (SAST) Regulations and is being made as a result of an indirect acquisition of control over the Target Company.

2.1.2 The PAC had, through the Acquirer, acquired 35.91% of the shares of the Target Company on July 23, 1999. As such acquisition by the Acquirer was from an existing promoter of the Target Company, the Acquirer was also categorized as a promoter of the Target Company.

2.1.3 At the time of the aforementioned acquisition of shares by the Acquirer in the Target Company, the Acquirer was wholly owned by the PAC. Post the aforementioned acquisition, the Acquirer was listed on the United Kingdom Alternative Investment Market ("UK AIM") in April 2004, due to which the shareholding of the PAC in the Acquirer was diluted.

2.1.4 The Board of Directors of the Acquirer announced on July 17, 2012 that it was in talks with the PAC, which may or may not lead to an offer being made for the whole of the issued and to be issued share capital of the Acquirer, other than those shares already owned by Titan Luxembourg S.a.r.l., a wholly owned subsidiary of the PAC ("Titan Luxembourg"). On July 26, 2012, the PAC announced that it was in discussions with the independent directors of the Acquirer which might lead to an all-share offer being made for the Acquirer, on the terms that the shareholders of the Acquirer would be entitled to receive one new common share of the PAC for every 11 shares of the Acquirer.

2.1.5 On August 10, 2012, the Board of Directors of the PAC (other than Mr. John Michael Anthony Akers who, because of his position as a director of the Acquirer had taken no part in any of the deliberations relating to the offer in relation to the Acquirer), and the independent directors of the Acquirer announced that they had reached an agreement on the terms of a recommended share offer for the entire issued and to be issued share capital of the Acquirer (other than those shares already owned by Titan Luxembourg) (the "Overseas Offer").

2.1.6 On September 14, 2012, the PAC announced that the offer document (the "Overseas Offer Document") and form of acceptance, which contain the terms and conditions of the Overseas Offer and the procedure for acceptance of the Overseas Offer, were posted to the shareholders of the Acquirer. The Overseas Offer has triggered an indirect open offer for the shares of the Target Company. This Offer is being made to the shareholders of the Target Company, other than the existing promoters, in accordance with regulations 4 and 5(1) of the SEBI (SAST) Regulations.

2.1.7 Pursuant to Regulation 13(2)(e) of the SEBI (SAST) Regulations, once an open offer has been triggered as a result of an indirect acquisition, a mandatory public announcement is required to be made within 4 (four) working days from earlier of:

a. the date on which the primary acquisition is contracted; or
b. the date on which, intention or decision to make preliminary acquisition is announced in the public domain.

2.1.8 Pursuant to the above, a mandatory public announcement under the Offer was required to be made at any time prior to August 17, 2012. However, such public announcement was made by the Acquirer and the PAC on December 13, 2012. A consent application dated December 18, 2012 has been filed with the SEBI in this regard. In terms of the proviso to regulation 13(4), the DPS was published on December 25, 2012 i.e. within five working days of completion of the Primary Acquisition, which happened on December 18, 2012.

2.1.9 The Acquirer and the PAC have no intention at present to change the existing line of business of the Target Company.

2.1.10 The Acquirer and the PAC will have the right not to proceed with this Offer in the event any of the statutory approvals indicated in para 2.2.6 below are refused or occurrence of other circumstances set out in regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) working days of such withdrawal, in the same newspapers in which the DPS has been published. Delay in receipt of necessary approvals or fulfillment of certain conditions may result in delay in payment to certain Shareholders, in case obtaining of such approvals is prerequisite for the valid acceptance of the Equity Shares tendered under the Offer by such Shareholders.

2.1.11 The indirect acquisition of control over the Target Company is not through any scheme of arrangement.

2.1.12 Neither the Acquirer nor the PAC have not been prohibited by SEBI from dealing in securities in terms of Section 11B of the Securities and Exchange Board of India Act, 1992 or under any of the regulations made under the said Act.

2.1.13 As of the date of this Draft Letter of Offer, the Acquirer and the PAC have not made any decision on the reconstitution of the Board of Directors of the Target Company and no persons have been identified for such nomination.

2.1.14 As of the date of this Draft Letter of Offer, Mr. John Michael Anthony Akers is a director on the Board of the Acquirer, as well as a director on the Board of the Target Company who could be interested to the extent of the sitting fees paid and the reimbursement of expenses by the Target Company; Apart from this, and the dividends received by the Acquirer on account of its shareholding in the Target Company, the Acquirer and the PAC, do not have any other interest in the Target Company. Mr. John Michael Anthony Akers has recused himself and not participated in any deliberations and matter(s) of the Board of Directors of the Target Company in relation to the Offer.

No other director or any employee of the Acquirer as well as the PAC has any other interest in the Target Company.

2.1.15 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company is required to constitute a committee of independent directors to provide its reasoned recommendation on this Offer to the Shareholders. Such recommendation shall be published at least 2 (two) Working Days before the commencement of the Tendering Period in the same newspapers where the DPS was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

2.2 Details of this Proposed Offer

2.2.1 The Acquirer and the PAC have published the DPS on December 25, 2012, which appeared in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All, i.e. Ahmedabad, Bangalore, Mumbai, Kolkata, Chandigarh, Kochi, New Delhi, Hyderabad, Lucknow, Chennai and Pune
Jansatta	Hindi	All, i.e., Kolkata, Chandigarh, New Delhi and Lucknow
Makkal Kural	Tamil	Chennai
Mumbai Lakshadeep	Marathi	Mumbai

In terms of the proviso to regulation 13(4), the DPS was published on December 25, 2012 i.e. within five working days of completion of the Primary Acquisition, which happened on December 18, 2012.

A copy of the DPS is also available on the SEBI website: www.sebi.gov.in

2.2.2 This Offer is being made by the Acquirer and the PAC to the Shareholders of the Target Company, to acquire 1,419,405 (One Million, Four Hundred and Nineteen Thousand, Four Hundred and Five) Equity Shares, representing 14.38% (fourteen point three eight percent) of the Voting Share Capital, as of the 10^{th} (tenth) Working Day from the Closure of the Tendering Period (i.e. the Offer Size), at a price of Rs. 753.13 (Rupees seven hundred and fifty three and thirteen paise) (i.e. the Offer Price) per Equity Share, to be paid in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, the DPS and this Draft Letter of Offer.

2.2.3 As of the date of this Draft Letter of Offer, the Primary Acquisition has resulted in an indirect acquisition of control over the Target Company.

2.2.4 As of the date of this Draft Letter of Offer, there are no (i) partly paid - up shares in the Target Company; and (ii) outstanding convertible instruments (warrants / fully convertible debentures / partially convertible debentures) issued by the Target Company.

2.2.5 This 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.

2.2.6 The Offer is subject to the approval of the CCI. The necessary filings in relation to the same will be made shortly. As on the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer and the PAC, there are no other statutory approvals required by the Acquirer and the PAC to complete this Offer except as stated above. However, in case of any other statutory approvals being required by the Acquirer and the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and the PAC shall make the necessary applications for such approvals. The Acquirer and the PAC will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event such statutory approvals are refused. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

2.2.7 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.

2.2.8 The Acquirer and the PAC have not acquired any Equity Shares in the Target Company after the date of PA, i.e. December 13, 2012, and up to the date of this Draft Letter of Offer.

2.2.9 The Acquirer and the PAC will acquire all the Equity Shares validly tendered in this Offer.

2.2.10 The Equity Shares of the Target Company are listed on the NSE and are traded under the 'permitted' category on the BSE. As per Clause 40A of the listing agreement entered into by the Target Company with NSE ("Listing Agreement"), read with Rule 19A of Securities Contract (Regulation) Rules, 1957 ("SCRR"), the Target Company is required to maintain at least 25% public shareholding as determined in accordance with the SCRR, on a continuous basis for listing. The acquisition of 14.38% of the Voting Share capital of the Target Company pursuant to this Offer will result in the public shareholding in the Target Company falling below the level required for continued listing. The Acquirer and the PAC hereby undertake that they shall comply with the prescribed public shareholding requirements within one year from the date of closure of the Offer or such longer period as may be prescribed under the SCRR and / or the Listing Agreement, such that the Target Company complies with the minimum public shareholding requirement prescribed in the Listing Agreement, read with Rule 19A of the SCRR.

2.3 Object of the underlying transaction and this Offer

2.3.1 The Acquirer was spun off from the PAC and listed on the United Kingdom Alternative Investment Market ("UK AIM") in April 2004.

2.3.2 The PAC wished to establish a truly global wheel, tyre and track industrial group servicing customers across the agricultural, construction, earthmoving and mining industries. The Board of Directors of the PAC believed that the Acquirer would once more benefit from being part of a larger company with a strong balance sheet and could achieve greater revenue growth and increased profitability, than on a standalone basis.

2.3.3 The PAC considered the Acquirer to have a strong presence in its chosen markets with a complementary product offering, customer base and strong manufacturing capabilities that fitted well with the PAC's aim of increasing its global presence to service its customers better.

2.3.4 In accordance with the same, the PAC announced a recommended share offer for the entire share capital of the Acquirer, as explained in paragraph 2.1 above, This Primary Acquisition resulted in an indirect acquisition of control over the Target Company for the purposes of the SEBI (SAST) Regulations, requiring the Acquirer and the PAC to make this Offer to the Shareholders in accordance with the SEBI (SAST) Regulations.

2.3.5 As of the date of this Draft Letter of Offer, the Acquirer and the PAC do not propose any changes in the existing business operations of the Target Company, and therefore cannot ascertain the repercussions, if any, on the employees and locations of the Target Company's places of business.

2.3.6 The Acquirer is a promoter of the Target Company and the proposed acquisition pursuant to the Offer is a triggered indirect acquisition. Since the Acquirer is already a promoter holding 35.91% shares of the Target Company, the provisions of Regulation 25(2) of the SEBI (SAST) Regulations are not applicable to the Acquirer. However, the proposed acquisition of shares of the Target Company by the Acquirer and the PAC under the Offer is not with an intent to dispose off any material assets of the Target Company in the next two years whether by way of sale, lease, encumbrance or other wise except to the extent that may be required (i) in the ordinary course of business and / or (ii) in accordance with the applicable laws.

3. BACKGROUND OF THE ACQUIRER AND THE PAC

A. Titan Europe Plc ("Acquirer")

1. The Acquirer, an unlisted public limited company, is a manufacturer and distributor of wheels and undercarriages for construction, agricultural and mining vehicles. The Acquirer was originally incorporated on January 31, 1995 in the United Kingdom with Company Registration Number 03018340, and changed its name to Titan Wheel Europe Limited on August 8, 1995. On March 17, 2004 it was re-registered as a public company under the name Titan Europe Plc and listed on the United Kingdom Alternative Investment Market ("UK AIM") in April 2004. The registered office of the Acquirer is situated at Bridge Road, Cookley, Kidderminster, Worcestershire, DY10 3SD, United Kingdom.

2. The Acquirer is no longer listed on the UK AIM and is now a wholly owned subsidiary of the PAC, following the offer to the public shareholders of the Acquirer by the PAC which has triggered this Offer (details of which are more specifically set out in Part 2 of this Draft Letter of Offer).

3. As of the date of this Draft Letter of Offer, the Acquirer holds 3,544,470 Equity Shares, representing 35.91% of the Target Company, and is one of the promoters of the Target Company.

4. The Acquirer has not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") or under any of the regulations made under the SEBI Act.

5. The status of compliance with applicable provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 by the Acquirer with respect to the Target Company is provided below:

S. No.	Regulation / Sub-regulation	Due date of compliance mentioned in Regulation	Actual date of compliance	Delay, if any	Status of Compliance with SEBI (SAST) Regulations	Remarks
1.	8(1) & 8(2)	April 21, 2002	April 05, 2002	NA	Complied	
2.	8(2)	September 05, 2002	August 29, 2002	NA	Complied	Book Closure Date from August 15, 2008 to
3.	8(1) & 8(2)	April 21, 2003	April 21, 2003	NA	Complied	
4.	8(2)	May 28, 2003	May 15, 2003	NA	Complied	Record Date: May 07, 2003
5.	8(2)	March 03, 2004	February 23, 2004	NA	Complied	Record Date: February 11,
6.	8(1) & 8(2)	April 21, 2004	April 06, 2004	NA	Complied	
7.	8(2)	July 30, 2004	July 06, 2004	NA	Complied	Record Date: July 09, 2004

S. No.	Regulation / Sub-regulation	Due date of compliance mentioned in Regulation	Actual date of compliance	Delay, if any	Status of Compliance with SEBI (SAST) Regulations	Remarks
8.	8(2)	February 01, 2005	January 13, 2005	NA	Complied	Record Date: January 11,
9.	8(1) & 8(2)	April 21, 2005	March 31, 2005	NA	Complied	
10.	8(2)	May 31, 2005	May 10, 2005	NA	Complied	Record Date: May 10, 2005
11.	8(2)	March 08, 2006	February 20, 2006	NA	Complied	Record Date: February 15,
12.	8(1) & 8(2)	April 21, 2006	April 05, 2006	NA	Complied	
13.	8(2)	June 02, 2006	May 12, 2006	NA	Complied	Record Date: May 12, 2006
14.	8(2)	March 07, 2007	February 27, 2007	NA	Complied	Record Date: February 14,
15.	8(2)	April 13, 2007	March 23, 2007	NA	Complied	Record Date: March 23,
16.	8(1) & 8(2)	April 21, 2007	April 11, 2007	NA	Complied	
17.	8(2)	March 07, 2008	February 04, 2008	NA	Complied	Record Date: February 15,
18.	8(1) & 8(2)	April 21, 2008	April 21, 2008	NA	Complied	
19.	8(2)	May 24, 2008	May 03, 2008	NA	Complied	Record Date: May 03, 2008
20.	8(1) & 8(2)	April 21, 2009	April 09, 2009	NA	Complied	
21.	8(2)	September 04, 2009	August 14, 2009	NA	Complied	Book Closure Date from August 07, 2009 to
22.	8(1) & 8(2)	April 21, 2010	April 16, 2010	NA	Complied	
23.	8(2)	September 03, 2010	August 30, 2010	NA	Complied	Book Closure Date from August 07, 2010 to
24.	8(1) & 8(2)	April 21, 2011	April 05, 2011	NA	Complied	
25.	8(2)	August 31, 2011	August 01, 2011	NA	Complied	Book Closure Date from August 01, 2011 to
26.	7(1) & (2)	NA	NA	NA	Complied	
27.	7(1A) & (2)	NA	NA	NA	Complied	
28.	30(1) & (2)	April 21, 2012	April 01, 2012	NA	Complied	
29.	29(1) & (2)	NA	NA	NA	Complied	
30.	31(1) & (2)	NA	NA	NA	Complied	

6. As mentioned above, Titan International, Inc. (PAC) holds 100% of the equity share capital of the Acquirer, directly and indirectly (through its wholly owned subsidiary Titan Luxembourg), as indicated in the table below:

S. No.	Shareholder's Category	No. of shares held	Percentage of shares held
1.	Titan International, Inc. (PAC)	73,516,364 equity shares of face value of 40 pence (i.e. Rs. 34.97) each	83.71%
2.	Titan Luxembourg (wholly owned	14,306,624 equity shares of face value of	16.29%

S. No.	Shareholder's Category	No. of shares held	Percentage of shares held
	subsidiary of Titan International, Inc.)	40 pence (i.e. Rs. 34.97) each	
Total Paid Up Capital		87,822,988 equity shares of face value of 40 pence (i.e. Rs. 34.97) each aggregating to £35,129,195.20 (i.e. Rs. 3,071,261,226.27)	100.00%

7. Names, details of experience, qualifications, and date of appointment of the directors on the Board of the Acquirer, are as follows:

S. No.	Name	Details of experience and qualifications	Date of appointment
1.	Maurice Manning Taylor, Non-Executive Chairman	Mr. Taylor is the Non-Executive Chairman of Titan Europe Plc and the Chairman & Chief Executive Officer of Titan International, Inc. Mr. Taylor has been in the wheel manufacturing business for over 30 years, and has worked with Titan in various sales, engineering and management positions. He comes from an engineering family, and developed the business as manufacturers' agent in the wheel business before founding, with one of his principals, Titan Wheel (then named "Can-Am"). Mr. Taylor has transformed Titan from a small wheel manufacturing business to a global producer of off-highway wheel and tire systems. Under his leadership, Titan has successfully acquired and recreated previously failed businesses in the off-highway wheel and tire markets. He holds a degree in engineering from Michigan Tech.	March 4, 2004
2.	John Michael Anthony Akers, Chief Executive Officer	Mr. Akers has significant experience and background in the UK automotive components industry. He began organizing the start-up of Titan Europe's European operations in 1990 and became a member of Titan International, Inc.'s management team in 1995. Mr. Akers has overseen the growth and development of Titan Europe Plc over these years. He graduated with a first class honours degree in Engineering from the University of Cardiff and holds an MBA from Warwick University.	February 2, 1995
3.	Gary Chesterton, Group Finance Director and Company Secretary	Mr. Chesterton has over 29 years of internal audit and financial management experience gained in the construction and engineering sectors. Before joining Titan Europe Plc in 2006 to assist the Group Finance Director, Mr. Chesterton was European Financial Controller for a US construction company; Prior to this, he worked for a Fortune 200 diversified manufacturing company in both financial and general management roles. Mr. Chesterton became the Group Finance Director in October 2008, focusing on the management of the Group's finance and treasury functions. Mr. Chesterton is a UK Chartered Certified Accountant.	February 1, 2008
4.	Maria Cecilia LaManna, Executive Director	Ms. Cecilia trained and worked for PricewaterhouseCoopers in Italy and in the UK. She joined Titan Europe in 1996 as Finance Controller of the Italian subsidiary and developed her career in the Group becoming Finance Director of Titan Europe in 2001. She was involved in the extensive acquisition programs including the Group's expansion into the undercarriages sector.	July 1, 2001

S. No.	Name	Details of experience and qualifications	Date of appointment
		In 2006, she led the integration of Italtractor ITM into the Group. Her primary role is as the Managing Director of the Undercarriage division. Ms. Cecilia is a chartered accountant and has a doctorate in accountancy.	
5.	Vincent Melvyn Roosevelt Wicks, Executive Director	Mr. Wicks is an experienced Company Secretary and Finance Director with a long career in UK manufacturing companies. He joined the Company that is now Titan Steel Wheels Limited as Finance Director in 1989. He is a Chartered Secretary and also a Fellow of the Chartered Institute of Management Accountants.	November 1, 1998
6.	Erwin Henryk Billig, Non-Executive Director	Mr. Billig is the Non-Executive Director on the Board of Titan Europe Plc and the Vice-Chairman on the Board of Directors of Titan International, Inc. From 1992 to 1999 he served as vice chairman of Masco Tech, Inc., and from 1986 to 1992 Mr. Billig was president and chief operating officer of Masco Tech, Inc. He is also the director and Chairman of MSX International Inc., a leading supplier of subcontract engineering to the automotive industry.	October 20, 1995
7.	Philip Andrew Gartside, Non-Executive Director	Mr. Gartside is an accountant with experience in the manufacturing industry at Chief Executive level. He has been a director of several UK public companies and now combines managing a number of engineering businesses with his role as Chairman of Bolton Wanderers Football Club.	March 4, 2004

8. As of the date of this Draft Letter of Offer, Mr. John Michael Anthony Akers is the director on the Board of the Acquirer, as well as a director on the Board of the Target Company who could be interested to the extent of the sitting fees paid and the reimbursement of expenses by the Target Company; Apart from this, and the dividends received by the Acquirer on account of its shareholding in the Target Company, the Acquirer and the PAC do not have any other interest in the Target Company. Mr. John Michael Anthony Akers has recused himself and not participated in any deliberations and matter(s) of the Board of Directors of the Target Company in relation to the Offer. No other director or any employee of the Acquirer as well as the PAC has any interest in the Target Company.

9. The Director Identification number (DIN) of Mr. John Michael Anthony Akers is 00614900. None of the other Directors of Titan Europe Plc are directors on the Board of Indian companies, and hence do not have DIN numbers.

10. Brief financial details of the Acquirer, as derived from its audited consolidated financial statements as at and for the 12-month period ended December 31, 2011, December 31, 2010 and December 31, 2009, and the consolidated reviewed / certified financials for the 6 months ended June 30, 2012 are as follows:

	As at and for the 6 month period ending		**As at and for the 12 month period ending December 31,**					
Profit and Loss Statement	**June 30, 2012**		**2011**		**2010**		**2009**	
	GBP mn	***Rs. mn***	***GBP mn***	***Rs. mn***	***GBP mn***	***Rs. mn***	***GBP mn***	***Rs. mn***
Income from	252.6	22,084.2	492.5	43,058.1	355.2	31,054.3	258.6	22,608.8

Profit and Loss Statement	As at and for the 6 month period ending June 30, 2012		As at and for the 12 month period ending December 31, 2011		2010		2009	
	GBP mn	*Rs. mn*	*GBP mn*	*Rs. mn*	*GBP mn*	*Rs. mn*	*GBP mn*	*Rs. mn*
Operations								
Other Income	1.3	113.7	3.7	323.5	1.5	131.1	1.4	122.4
Total Income	**253.9**	**22,197.9**	**496.2**	**43,381.6**	**356.7**	**31,185.4**	**260.0**	**22,731.2**
Total Expenditure	(227.1)	(19,854.8)	(445.5)	(38,949.0)	(325.7)	(28,475.2)	(273.4)	(23,902.7)
Profit before Depreciation, Interest & Tax	**26.8**	**2,343.1**	**50.7**	**4,432.6**	**31.0**	**2,710.3**	**(13.4)**	**(1,171.5)**
Depreciation	(12.7)	(1,110.3)	(17.4)	(1,521.2)	(17.2)	(1,503.8)	(18.7)	(1,634.9)
Interest	(5.6)	(489.6)	(11.7)	(1,022.9)	(10.4)	(909.2)	(9.3)	(813.1)
Profit Before Tax	**8.5**	**743.1**	**21.6**	**1,888.4**	**3.4**	**297.3**	**(41.4)**	**(3,619.5)**
Provision for Tax	(3.5)	(306.0)	(4.0)	(349.7)	(0.8)	(69.9)	7.0	612.0
Profit After Tax	**5.0**	**437.14**	**17.6**	**1,538.7**	**2.6**	**227.3**	**(34.4)**	**(3,007.5)**

Balance Sheet Statement	As at and for the 6 month period ending June 30, 2012		As at and for the 12 month period ending December 31, 2011		2010		2009	
	GBP mn	*Rs. mn*	*GBP mn*	*Rs. mn*	*GBP mn*	*Rs. mn*	*GBP mn*	*Rs. mn*
Sources of Funds								
Paid up Equity Share Capital	35.1	3,068.7	34.9	3,051.2	33.2	2,902.6	33.2	2,902.6
Reserves and Surplus (excluding revaluation reserves)	128.9	11,269.4	129.8	11,348.1	118.0	10,316.5	109.3	9,555.8
Net Worth	**164.0**	**14,338.1**	**164.7**	**14,399.3**	**151.2**	**13,219.1**	**142.5**	**12,458.4**
Secured Loans	125.9	11,007.1	125.0	10,928.5	124.8	10,911.0	124.3	10,867.3
Unsecured Loans	29.9	2,614.1	39.9	3,488.4	39.3	3,459.9	43.7	3,820.6
Total	**319.8**	**27,959.3**	**329.6**	**28,816.1**	**315.3**	**27,565.9**	**310.5**	**27,146.3**
Uses of funds								
Net Fixed Assets	188.7	16,497.6	199.5	17,441.8	196.0	17,135.8	204.5	17,878.9
Investments	12.9	1,127.8	12.2	1,066.6	17.1	1,495.0	15.4	1,346.4
Net Current Assets	60.4	5,280.6	60.3	5,271.9	41.4	3,619.5	48.3	4,222.8
Total Miscellaneous Expenditure not written off	57.8	5,053.3	57.6	5,035.8	60.8	5,315.6	42.3	3,698.2
Total	**319.8**	**27,959.3**	**329.6**	**28,816.1**	**315.3**	**27,565.9**	**310.5**	**27,146.3**

	For the 6-month period ending	For the 12-month period ending December 31,

Other financial data	June 30, 2012		2011		2010		2009	
	GBP	***Rs.***	***GBP***	***Rs.***	***GBP***	***Rs.***	***GBP***	***Rs.***
Dividend (%)	Nil		Nil		Nil		Nil	
Earnings per share	0.06	4.99	0.21	17.98	0.03	2.76	(0.41)	(36.23)

11. As on June 30, 2012, the Acquirer does not have any major contingent liabilities.

12. The equity shares of the Acquirer have been delisted from the UK AIM, following the offer to the public shareholders of the Acquirer by the PAC which has triggered this Offer (details of which are more specifically set out in Part 2 of this Draft Letter of Offer).

B. PERSON ACTING IN CONCERT

1. The PAC, a public limited company, was incorporated on May 21, 1983 in Illinois, USA under Illinois Business Corporation Act of 1983, as amended, bearing company registration number 5303-538-8. The PAC has not changed its name since incorporation.

2. The equity shares of the PAC are listed on the New York Stock Exchange (Symbol: TWI).

3. The PAC produces a broad range of specialty products to meet the specifications of original equipment manufacturers and aftermarket customers in the agricultural, earthmoving / construction and consumer markets. It holds the unique position in North America of manufacturing both wheels and tires for its target markets. The PAC's earthmoving / construction market includes wheels and tires supplied to the mining industry, while the consumer market includes products for all-terrain vehicles and recreational / utility trailers.

4. The PAC directly and indirectly holds 100% of the equity share capital of the Acquirer.

5. The PAC has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") or under any of the regulations made under the SEBI Act.

6. Since the PAC has never held any shares of the Target directly, the applicable provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 by the PAC with respect to the Target Company are not applicable.

7. As of the date of this Draft Letter of Offer, Mr. John Michael Anthony Akers is a director on the Board of the Acquirer, as well as a director on the Board of the Target Company who could be interested to the extent of the sitting fees paid and the reimbursement of expenses by the Target Company; Apart from this, and the dividends received by the Acquirer on account of its shareholding in the Target Company, the Acquirer and the PAC, do not have any other interest in the Target Company. Mr. John Michael Anthony Akers has recused himself and not participated in any deliberations and matter(s) of the Board of Directors of the Target Company in relation to the Offer. No other director or any employee of the Acquirer as well as the PAC has any other interest in the Target Company.

8. The Director Identification number (DIN) of Mr. John Michael Anthony Akers is 00614900. None of the other Directors of Titan International, Inc. are directors on the Board of Indian companies, and hence do not have DIN numbers.

9. The PAC does not have any identifiable promoters. As on September 30, 2012, the key shareholders holding 5% or more of the voting rights of the PAC were NFJ Investment Group and Lord, Abbett and Co. LLC. Further details are as follows:

S. No.	Shareholder's Category	No. of shares held	Percentage of shares held
1.	Key Shareholders		
	a) NFJ Investment Group	3,161,292	7.5%
	b) Lord, Abbett and Co. LLC	2,752,640	6.5%
2.	Other Shareholders	36,383,050	86.0%
Total Number of Shares		42,296,982	100.0%
Total Paid Up Capital		$367.52 million (Rs. 19,946.23 million)	

10. Names, details of experience, qualifications, and date of appointment of the directors on the Board of the PAC, are as follows:

S. No.	Name	Details of experience and qualifications	Date of appointment
1.	Maurice Manning Taylor, Chairman and Chief Executive Officer	Mr. Taylor is the Chairman & Chief Executive Officer of Titan International, Inc. and the Non-Executive Chairman of Titan Europe Plc. Mr. Taylor has been in the wheel manufacturing business for over 30 years, and has worked with Titan in various sales, engineering and management positions. He comes from an engineering family, and developed the business as manufacturers' agent in the wheel business before founding, with one of his principals, Titan Wheel (then named "Can-Am"). Mr. Taylor has transformed Titan from a small wheel manufacturing business to a global producer of off-highway wheel and tire systems. Under his leadership, Titan has successfully acquired and recreated previously failed businesses in the off-highway wheel and tire markets. He holds a degree in engineering from Michigan Tech.	January 1990
2.	Erwin Henryk Billig, Vice Chairman	Mr. Billig is the Vice-Chairman on the Board of Directors of Titan International, Inc. and the Non-Executive Director on the Board of Titan Europe Plc. From 1992 to 1999 he served as vice chairman of Masco Tech, Inc., and from 1986 to 1992 Mr. Billig was president and chief operating officer of Masco Tech, Inc. He is also the director and Chairman of MSX International Inc., a leading supplier of subcontract engineering to the automotive industry.	October 1992
3.	Richard Cashin, , Director	Mr. Cashin is the Managing Partner at One Equity Partners. Prior to founding One Equity Partners in 2001, he was president of Citicorp Venture Capital (CVC), from 1994 to 2000, where he led investments in approximately 100 companies. Mr. Cashin is a member of the JPMorgan Chase Executive Committee and is a trustee for the Boys Club of New York, American University in Cairo, Central Park Conservancy, Jazz at Lincoln Center, Brooklyn Museum, the National Rowing Foundation (Chairman) and is co-chairman of the New York City Investment Fund Manager, Inc. Mr. Cashin holds an M.B.A. from the Harvard University, A.B. in East Asian Studies from Harvard College, and has attended a one-year fellowship at the	January 26, 1994

S. No.	Name	Details of experience and qualifications	Date of appointment
		Trinity College, Cambridge.	
5.	Albert Febbo, Director	Mr. Febbo retired from GE after 30 years, after 18 years in sales and marketing leadership roles in GE's U.S. and Europe plastics business and 12 years as a corporate officer leading the GE automotive and corporate marketing teams. He launched and is a partner in BOOMVOTE.COM, a social networking internet business.	March 1993
6.	Mitchell Quain, Director	Mr. Quain is a managing director of ACI Capital Corp., a private equity firm, and chairman of Magnetek Inc. Previously, Mr. Quain spent four years with ABN AMRO, most recently as its vice chairman, and 22 years at Schroder & Co., Inc. Mr. Quain is also a director of Hardinge Inc., as well as a number of private companies. Mr. Quain received a M.B.A. with Distinction from the Harvard Business School and is a Chartered Financial Analyst.	May 20, 1999
7.	Anthony Soave, Director	Mr. Soave is president, CEO and founder of Soave Enterprises LLC, a Detroit-based company with ownership in a diverse portfolio of companies, consisting of automobile dealerships, real estate, metals recycling and other diversified holdings.	January 26, 1994

Mr. John Michael Anthony Akers has resigned from the Board of Directors of the PAC with effect from December 31, 2012.

11. Brief financial details of the PAC, as derived from its audited consolidated financial statements as at and for the 12-month period ended December 31, 2011, December 31, 2010 and December 31, 2009, and the consolidated reviewed / certified financials for the 9 months ended September 30, 2012 are as follows:

	As at and for the 9 month period ending		As at and for the 12 month period ending December 31,					
Profit and Loss Statement	**September 30, 2012**		**2011**		**2010**		**2009**	
	USD mn	***Rs. mn***	***USD mn***	***Rs. mn***	***USD mn***	***Rs. mn***	***USD mn***	***Rs.mn***
Income from Operations	1,327.0	72,019.6	1,487.0	80,703.2	881.6	47,846.6	727.6	39,488.7
Other Income	6.2	336.5	5.1	276.8	1.1	59.7	1.7	92.3
Total Income	**1,333.2**	**72,356.1**	**1,492.1**	**80,980.0**	**882.7**	**47,906.3**	**729.3**	**39,580.9**
Total Expenditure	(1,115.3)	(60,530.1)	(1,309.9)	(71,091.5)	(813.0)	(44,123.5)	(712.2)	(38,652.9)
Profit before Depreciation Interest & Tax	**217.9**	**11,826.0**	**182.2**	**9,888.4**	**69.7**	**3,782.8**	**17.1**	**928.1**
Depreciation	(35.9)	(1,948.4)	(44.9)	(2,436.8)	(37.6)	(2,040.6)	(34.3)	(1,861.5)
Interest	(18.7)	(1,014.9)	(41.4)	(2,246.9)	(41.3)	(2,241.5)	(14.8)	(803.2)
Profit before Tax	**163.3**	**8,862.7**	**95.9**	**5,204.7**	**(9.2)**	**(499.3)**	**(32.0)**	**(1,736.7)**
Provision for Tax	(64.7)	(3,511.4)	37.8	2,051.5	(3.3)	(179.1)	(7.4)	(401.6)
Profit after Tax	**98.6**	**5,351.3**	**58.1**	**3,153.2**	**(5.9)**	**(320.2)**	**(24.6)**	**(1,335.1)**

	As at and for the 9 month period ending		As at and for the 12 month period ending December 31,					
Balance Sheet Statement	**September 30, 2012**		**2011**		**2010**		**2009**	
	USD mn	***Rs. mn***	***USD mn***	***Rs. mn***	***USD mn***	***Rs. mn***	***USD mn***	***Rs. mn***
Sources of Funds								
Paid up Equity Share Capital	384.0	20,840.6	380.3	20,639.8	300.5	16,308.9	299.5	16,254.6
Reserves and Surplus (excluding revaluation reserves)	138.2	7,500.5	16.6	900.9	(28.5)	(1,546.8)	(37.6)	(2,040.6)
Net Worth	**522.2**	**28,341.1**	**396.9**	**21,540.8**	**272.0**	**14,762.1**	**261.9**	**14,214.0**
Secured Loans	200.0	10,854.5	200.0	10,854.5	200.0	10,854.5	0.0	-
Unsecured Loans	121.4	6,588.7	129.6	7,033.7	173.6	9,421.7	366.3	19,880.0
Total	**843.6**	**45,784.3**	**726.5**	**39,429.0**	**645.6**	**35,038.3**	**628.2**	**34,094.0**
Uses of funds								
Net Fixed Assets	362.2	19,657.5	354.6	19,245.0	248.1	13,465.0	**254.5**	13,812.4
Investments	29.0	1,573.9	29.0	1,573.9	22.7	1,232.0	22.7	1,232.0
Net Current Assets	493.5	26,783.5	388.8	21,101.1	389.0	21,112.0	375.1	20,357.6
Total Miscellaneous Expenditure not written off	(41.1)	(2,230.6)	(45.9)	(2,491.1)	(14.2)	(770.7)	(24.1)	(1,308.0)
Total	**843.6**	**45,784.3**	**726.5**	**39,429.0**	**645.6**	**35,038.3**	**628.2**	**34,094.0**

	As at and for the 9 month period ending		For the 12-month period ending December 31,					
Other financial data	**September 30, 2012**		**2011**		**2010**		**2009**	
	USD	*Rs.*	*USD*	*Rs.*	*USD*	*Rs.*	*USD*	*Rs.*
Dividend per share	0.015	0.8	0.02	1.1	0.02	1.1	0.02	1.1
Earnings per share	2.35	127.5	1.40	76.0	(0.17)	(9.2)	(0.71)	(38.5)

12. In terms of major contingent liabilities regarding the PAC, it is a party to routine legal proceedings arising out of the normal course of business. Although it is not possible to predict with certainty the outcome of these unresolved legal actions or the range of possible loss, the PAC believes at this time that none of these actions, individually or in the aggregate, will have a material adverse effect on the consolidated financial condition, results of operations or cash flows of the PAC. However, due to the difficult nature of predicting unresolved and future legal claims, the PAC cannot anticipate or predict the material adverse effect on its consolidated financial condition, results of operations or cash flows as a result of efforts to comply with or its liabilities pertaining to legal judgments.

In the ordinary course of business, like other industrial companies, the PAC is subject to extensive and evolving federal, state and local environmental laws and regulations, and has made provisions for the estimated financial impact of environmental cleanup. The PAC's policy is to accrue environmental cleanup-related costs of a non-capital nature when those costs are believed to be probable and can be reasonably estimated. Expenditures that extend the life of the related property, or mitigate or prevent future environmental contamination, are capitalized. The PAC does not currently anticipate any material capital expenditures for environmental control facilities. The quantification of environmental exposures requires an assessment of many factors, including changing laws and regulations, advances in environmental technologies, the quality of information available related to specific sites, the assessment stage of the site investigation, preliminary findings and the length of time involved in remediation or settlement. Due to the difficult nature of predicting future environmental costs, the PAC cannot anticipate or predict the material adverse effect on its operations, cash flows or financial condition as a result of efforts to comply with, or its liabilities under, environmental laws.

13. The PAC is listed on the NYSE, and the closing share price as on December 28, 2012 was $ 21.26.

14. Cheri T. Holley, Vice President, Secretary and General Counsel, is the Company Secretary of Titan International, Inc. as required under the applicable laws.

15. Titan International, Inc. is in compliance with the corporate governance rules and regulations, to which it is subject to under applicable laws.

4. BACKGROUND OF THE TARGET COMPANY

4.1 The Target Company, a public limited company, was incorporated on June 13, 1960 under the Companies Act, 1956 by the name Wheels India Private Limited and the word Private was deleted by the Registrar of Companies, Tamil Nadu on March 28, 1961. The registered office of the Target Company is located at 21, Patullos Road, Chennai – 600 002, India. (*Source: Target Company Annual Report 2011-2012, Target Company*)

4.2 Wheels India is promoted by the TVS Group and was started in the early 60's to manufacture automobile wheels. Today, Wheels India has grown as a leading manufacturer of steel wheels for passenger cars, utility vehicles, trucks, buses, agricultural tractors and construction equipment in India. The company is a market leader in the domestic market for wheels and exports more than 15% of its turnover to North America, Europe, Asia Pacific and South Africa. (*Source: Target Company Website*)

4.3 The Equity Shares of the Target Company are listed on the National Stock Exchange of India Limited (Symbol: WHEELS, ISIN: INE715A01015). Further, the Target Company has been permitted for dealings on the Bombay Stock Exchange (BSE Limited) under "Permitted Securities" Category (Scrip Code: 590073). (*Source: BSE and NSE websites*)

4.4 The Equity Shares are frequently traded on BSE and NSE, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations (further details provided in paragraph 5.1.2 below).

4.5 Details of the Voting Share Capital as of the date of this Draft Letter of Offer are as follows:

Paid up Equity Shares of Target Company	**No. of Equity Shares / voting rights**	**Percentage of Equity Shares / voting rights**
Equity Shares	9,869,444	100
Partly paid-up equity shares	Nil	Nil
Total paid-up Equity Shares	9,869,444	100
Total voting rights in Target Company	9,869,444	100

Source: Target Company

4.6 The trading of the Equity Shares of the Target Company is not currently suspended on the Stock Exchanges. (*Source: BSE and NSE websites*)

4.7 As of the date of this Draft Letter of Offer, there are no outstanding convertible instruments (warrants / fully convertible debentures / partially convertible debentures) issued by the Target Company. (*Source: Target Company*)

4.8 The Target Company has not issued any partly paid up shares. (*Source: Target Company*)

4.9 There are no Equity Shares of the Target Company that are not listed on the Stock Exchanges. (*Source: Target Company*)

4.10 There has been no merger, demerger or spin off during the last three (3) years involving the Target Company.

4.11 The details of the Board of Directors of the Target Company are set forth below:

S. No.	Name	Designation	Date of appointment	Director Identification Number (DIN)
1.	Santhanam Ram	Whole-time Director	May 28, 1974	00018309
2.	Ram Srivats	Managing Director	October 01, 2000	00063415
3.	Thirumala Kumara Seshadri	Director	January 30, 2002	00063592
4.	Sreenivasan Prasad	Director	March 22, 2004	00063667
5.	Tiruvaliyangudi Vijayaraghavan Sundararaghavan	Director	March 22, 2004	00063728
6.	Santhanam Viji	Director	July 31, 1986	00139043
7.	Aroon Raman	Director	April 15, 2011	00201205
8.	John Michael Anthony Akers*	Director	July 26, 1999	00614900

Source: Target Company
** Appointed by Titan Europe Plc.*

4.12 As of the date of this Draft Letter of Offer, Mr. John Michael Anthony Akers is a Director on the Board of the Acquirer as well as the Target Company. In terms of Regulation 24(4) of the SEBI (SAST) Regulations, has recused himself and not participated in the any deliberations and matter(s) of the Board of the Target Company in relation to the Offer.

4.13 Brief financial information of the Target Company, as derived from its audited financial statements as at and for the financial years ended March 31, 2012, March 31, 2011, March 31, 2010 and limited reviewed financials for 6 months ended September 30, 2012 are as follows:

	As at and for the six month period ended	For the 12-month period ended March 31,		
Profit and Loss Statement	**September 30, 2012**	**2012**	**2011**	**2010**
	Rs. million	***Rs. million***	***Rs. million***	***Rs. million***
Income from Operations	10,161.2	20,775.4	17,006.1	12,413.8
Other Income	16.0	22.9	27.6	116.2
Total Income	**10,177.2**	**20,798.3**	**17,033.7**	**12,530.0**
Total Expenditure	9,351.4	19,049.0	15,710.9	11,618.4
Profit Before Depreciation, Interest & Tax	**825.8**	**1,749.3**	**1,322.8**	**911.6**
Depreciation	264.8	504.7	460.8	331.6
Interest	298.2	703.0	536.2	377.7
Profit Before Tax	**262.8**	**541.6**	**325.8**	**202.3**

Profit and Loss Statement	As at and for the six month period ended September 30, 2012	For the 12-month period ended March 31, 2012	2011	2010
Provision for Tax	87.5	198.1	79.4	72.8
Profit After tax	**175.3**	**343.5**	**246.4**	**129.5**

Balance Sheet Statement	As at and for the six month period ended September 30, 2012	For the 12-month period ended March 31, 2012	2010	2009
	Rs. million	*Rs. million*	*Rs. million*	*Rs. million*
Sources of Funds				
Equity Share Capital	98.7	98.7	98.7	98.7
Reserves and Surplus (excluding revaluation reserves and amalgamation reserves)	2,480.9	2,305.6	2,076.8	1,905.0
Net Worth (excluding revaluation reserves and amalgamation reserves)	2,579.6	2,404.3	2,175.5	2,003.7
Secured Loans	2,538.4	3,066.6	2,224.7	2,658.4
Unsecured Loans	1,028.1	810.3	1,072.7	1,081.7
Foreign Currency monetary items translation difference	0.00	0.00	7.9	3.6
Deferred Tax Liability (Net)	503.2	504.8	464.6	387.2
Total	**6,649.3**	**6,786.0**	**5,945.4**	**6,134.6**
Uses of funds				
Net Fixed Assets (including capital WIP)	4,720.0	4,400.1	4,295.1	4,262.3
Investments	194.9	186.7	152.7	110.7
Foreign Currency monetary items translation difference	9.2	13.3	-	-
Net Current Assets	1,725.2	2,185.9	1,497.6	1,761.6
Total miscellaneous expenditure not written off				
Total	**6,649.3**	**6,786.0**	**5,945.4**	**6,134.6**

Other financial data	As at and for the six month period ended September 30, 2012	For the 12-month period ended March 31, 2012	2011	2010
Dividend (%)	– **	100%	65%	45%
Earnings per share (Rs.)	17.76*	34.80	24.96	13.12
Return on Net worth (%)	7%*	15%	12%	7%
Book Value per share (Rs.)	261.4	243.6	220.4	203.0

** Data for the half year ended September 30, 2012 not annualised*
*** No Interim dividend given for FY 2012-13*

4.14 The shareholding pattern of the Target Company before (i.e. as of December 21, 2012) and after this Offer (assuming full acceptance), is as follows:

Shareholders' Category	Shareholding & voting rights prior to the agreement / acquisition and this Offer		Equity Shares / voting rights agreed to be acquired which triggered the SEBI (SAST) Regulations		Equity Shares / voting rights to be acquired in this Offer (Assuming full acceptances)		Shareholding / voting rights after the acquisition and this Offer	
	(A)		(B)		(C)		(A)+(B)+(C) =(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group including Acquirers and the PACs								
a. Acquirer	3,544,470	35.91%	Nil	Nil	1,419,405	14.38%	4,963,875	50.30%
b. PAC	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c. Promoters Other than (a) and (b) above	4,905,569	49.70%	Nil	Nil	Nil	Nil	4,905,569	49.70%
Total 1 (a + b + c)	8,450,039	85.62%	Nil	Nil	1,419,405	14.38%	9,869,444	100.00%
(2) Parties to agreement other than(1) (c)	NA	NA	NA	NA	NA	NA	NA	NA
(3) Public Holding (other than promoter group, parties to agreement, Acquirer & PAC)								
a) Institutions (FIs/MFs/FIIs/Banks, SFIs)	428,230	4.34%	NA	NA	NA	NA	Nil	Nil
b) Non-institutions	991,175	10.04%	NA	NA	NA	NA		
Total (3) (a+b)	1,419,405	14.38%	NA	NA	NA	NA	Nil	Nil
GRAND TOTAL (1+2+3)	9,869,444	100.00%	Nil	Nil	1,419,405	14.38%	9,869,444	100.00%

** Note: This Offer is pursuant to an indirect acquisition of control over the Target Company.*

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 The Equity Shares of the Target Company are listed on the NSE and are traded under the 'permitted' category on the BSE.

5.1.2 The annualized trading turnover based on the trading volume of the Equity Shares on the Stock Exchanges during August 2011 to July 2012 (i.e. 12 (twelve) calendar months preceding the month in which the PA was expected to be issued) is as under:

Stock Exchange	Number of Equity Shares traded during the 12 calendar months prior to the month in which the PA was expected to be issued	Total number of listed Equity Shares during this period	Annualized trading turnover (as a percentage of total listed Equity Shares)
BSE	3,415,083	9,869,444	34.60 %
NSE	6,716,162	9,869,444	68.05 %

(*Source: BSE and NSE websites*)

Therefore, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity Shares are frequently traded on NSE and BSE.

5.1.3 Further, the Equity Shares are most frequently traded on NSE, in terms of trading volume during the immediately preceding 60 (sixty) trading days from the date of the PA, which is detailed below:

Name of the Stock Exchange	Total no. of Equity Shares traded during the preceding 60 (sixty) trading days from the date the PA was expected to be issued	Total no. of listed Equity Shares during this period	The trading turnover (as a % to total listed Equity Shares)
BSE	1,959,596	9,869,444	19.86%
NSE	3,990,120	9,869,444	40.43%

Source: BSE and NSE websites

For further details, please refer to paragraph 5.1.10 below.

5.1.4 The Offer Price of Rs. 753.13 (Rupees seven hundred and fifty three and thirteen paise) per Equity Share is justified in terms of Regulations 8(3) and 8(5) of the SEBI (SAST) Regulations, in view of the following:

(a)	Highest negotiated price per share, if any, of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer;	Not Applicable.
(b)	the volume-weighted average price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain;	Not Applicable.
(c)	Highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the twenty-six weeks immediately preceding the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain;	Not Applicable.
(d)	Highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, between the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain, and the	Not Applicable.

	date of the public announcement of the open offer for shares of the target company made under these regulations;	
(e)	Volume-weighted average market price of the shares for a period of sixty trading days immediately preceding the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain, as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded; and	Rs. 725.69 Per Equity Share (refer to paragraph 5.1.5 below)
(f)	Per Equity Share value, as required under Regulation 8(5) of SEBI (SAST) Regulations.	Rs. 682.43 (refer to paragraph 5.1.6 below)

The highest price as computed under regulation 8(3) is Rs. 725.69 per Equity Share. In compliance with Regulation 8(12), the offer price stands enhanced by Rs. 27.44, being interest determined at the rate of 10% per annum for the period between the date on which the intention or the decision to make the primary acquisition was announced in the public domain (i.e. August 10, 2012), and the date of publishing of the Detailed Public Statement (i.e. December 25, 2012). Accordingly, the Offer price stands enhanced to Rs. 753.13 ("**Offer Price**").

5.1.5 The price and volume data of the Equity Shares on NSE, i.e. where the Equity Shares of the Target Company are most frequently traded, for a period of 60 (sixty) trading days immediately preceding the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain, as per Regulation 8(3) of the SEBI (SAST) Regulations, are set forth below:

S. No.	Date	Total traded Equity Shares	Total turnover (in Rs. lakhs)	Volume weighted average price (in Rs.)
1.	May 18, 2012	923	4.72	511.38
2.	May 21, 2012	848	4.32	509.43
3.	May 22, 2012	353	1.79	507.08
4.	May 23, 2012	747	3.72	497.99
5.	May 24, 2012	17,529	97.97	558.90
6.	May 25, 2012	205,956	1,346.17	653.62
7.	May 28, 2012	193,829	1,315.40	678.64
8.	May 29, 2012	74,074	505.14	681.94
9.	May 30, 2012	897,345	6,882.21	766.95
10.	May 31, 2012	250,271	1,833.92	732.77
11.	June 1, 2012	247,419	1,866.67	754.46
12.	June 4, 2012	82,049	597.13	727.77
13.	June 5, 2012	72,372	535.78	740.31
14.	June 6, 2012	74,503	552.60	741.72
15.	June 7, 2012	33,197	243.45	733.35
16.	June 8, 2012	25,443	179.25	704.52
17.	June 11, 2012	34,046	232.68	683.43
18.	June 12, 2012	276,549	1,959.13	708.42
19.	June 13, 2012	132,016	961.59	728.39
20.	June 14, 2012	44,655	321.72	720.46
21.	June 15, 2012	23,192	162.58	701.02
22.	June 18, 2012	16,253	111.11	683.63
23.	June 19, 2012	41,669	286.34	687.18

S. No.	Date	Total traded Equity Shares	Total turnover (in Rs. lakhs)	Volume weighted average price (in Rs.)
24.	June 20, 2012	57,313	401.39	700.35
25.	June 21, 2012	17,580	122.35	695.96
26.	June 22, 2012	56,106	394.18	702.56
27.	June 25, 2012	23,749	166.51	701.12
28.	June 26, 2012	31,038	215.03	692.80
29.	June 27, 2012	14,282	98.16	687.30
30.	June 28, 2012	16,315	111.15	681.27
31.	June 29, 2012	30,526	210.24	688.72
32.	July 2, 2012	9,275	63.42	683.77
33.	July 3, 2012	6,643	45.22	680.72
34.	July 4, 2012	7,549	51.14	677.44
35.	July 5, 2012	25,709	176.31	685.79
36.	July 6, 2012	154,602	1,124.62	727.43
37.	July 9, 2012	64,635	469.44	726.29
38.	July 10, 2012	21,152	150.58	711.89
39.	July 11, 2012	12,118	84.77	699.54
40.	July 12, 2012	6,635	45.27	682.29
41.	July 13, 2012	100,443	718.87	715.70
42.	July 16, 2012	12,529	87.57	698.94
43.	July 17, 2012	11,197	78.47	700.81
44.	July 18, 2012	7,419	51.68	696.59
45.	July 19, 2012	6,081	41.91	689.20
46.	July 20, 2012	86,904	619.27	712.59
47.	July 23, 2012	25,293	177.08	700.11
48.	July 24, 2012	48,096	341.31	709.64
49.	July 25, 2012	11,378	79.69	700.39
50.	July 26, 2012	15,042	103.06	685.15
51.	July 27, 2012	34,551	242.27	701.20
52.	July 30, 2012	10,126	71.49	706.00
53.	July 31, 2012	6,036	42.04	696.49
54.	August 1, 2012	31,142	222.43	714.24
55.	August 2, 2012	54,898	406.56	740.57
56.	August 3, 2012	13,185	95.41	723.63
57.	August 6, 2012	25,823	187.32	725.40
58.	August 7, 2012	40,627	300.44	739.51
59.	August 8, 2012	39,811	303.17	761.52
60.	August 9, 2012	109,074	850.53	779.77
	Total	3,990,120	28,955.74	
Volume Weighted Average Price (Total Turnover divided by Total Traded Equity Shares)				Rs. 725.69

(*Source: NSE website*)

5.1.6 Vijay Savla & Co., Chartered Accountants (Address: at G-2, D'Souza Mansion, J.S. Road, Dahisar (West), Mumbai – 400 068, Maharashtra, India; Tel.: +91 22 2893 0518; Fax: +91 22 2893 0518; and membership registration number: 042916), in its valuation report dated December 13, 2012, has applied the valuation methodology prescribed by the Honorable Supreme Court of India in the case of *Hindustan Lever Employees Union* v. *Hindustan Lever Limited* (1995 83 Com. Case 30), wherein the Honorable Court had opined that the fair value of a listed company can be assessed based on the following: (i) market based value: (ii) earning based value; and (iii) net asset value.

Therefore, the fair value of the Equity Shares of Rs. 682.43 (Rupees six hundred and eighty two and forty three paise) is calculated based on the asset base, profits and the market price. Vijay

Savla & Co. has for this purpose relied on the relevant market multiples of the comparable companies and also factored in the Target Company's own multiples. Vijay Savla & Co. has relied on the data of Earnings Before Interest Depreciation and Tax, Profit After Tax and the Net Book Value of the Target Company, as is emerging from the last audited accounts of the Target Company. Vijay Savla & Co. has then applied equal weights to the approaches to arrive at a fair value.

5.1.7 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. (*Source: BSE and NSE websites*)

5.1.8 There has been no revision in the Offer Price or to the Offer Size as of the date of this Draft Letter of Offer.

5.1.9 In the event of acquisition of the Equity Shares by the Acquirer / PAC during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and the PAC, shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

5.1.10 An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PAC shall: (i) make a public announcement in the same newspapers in which the DPS has been published; and (ii) simultaneously with the issue of such announcement, inform the Stock Exchanges, SEBI and the Target Company at its registered office of such revision.

5.2 Financial Arrangement

5.2.1 The total funding requirement for this Offer is Rs. 1,068,996,488 (rounded up to the next rupee), assuming full acceptance of this Offer ("Maximum Consideration").

5.2.2 The Acquirer and the PAC have made firm financial arrangements for fulfilling the payment obligations under this Offer and the Acquirer and the PAC have the ability to implement this Offer.

5.2.3 By way of security for performance of its obligations under the SEBI (SAST) Regulations, the Acquirer has, in compliance with Regulation 17, deposited a sum of Rs. 267,920,975 in an escrow account named Wheels India–Open Offer Escrow Account ("Escrow Account") with The Hongkong and Shanghai Banking Corporation Limited, having its registered office at 1, Queens Road Central, Hong Kong, with its India corporate office at 52/60 Mahatma Gandhi Road, Fort, and acting through its office at 2nd Floor, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (E), Mumbai 400 057, India ("Escrow Bank"). The said amount deposited is more than the minimum prescribed amount of 25% (twenty five percent) for the first Rs. 500,00,00,000 (Rupees five hundred crores) of the maximum consideration payable under the Offer, as per regulation 17(1) of the SEBI (SAST) Regulations. The Manager to the Offer has been duly authorized by the Acquirer / PAC to realize the amount deposited in the Escrow Account.

5.2.4 The Acquirer / PAC propose to finance the Offer through internal accruals. The Acquirer and the PAC have made firm financial arrangements for fulfilling the payment obligations under this Offer as follows:

a. Adequate funds are available in an account of the PAC with Bank of America, N.A., Chicago ("Account"). An undertaking has been provided to the Manager to the Offer, in respect of utilization of the funds in this Account for the purposes of fulfilling the payment obligations under the Offer, as per the SEBI (SAST) Regulations

b. Escrow Arrangement comprising of the cash deposit as set out in 5.2.3 above

The source of funds to meet the obligations of the Acquirer and the PAC, as required under the Offer is foreign funds.

5.2.5 Vijay Savla & Co, Chartered Accountants (through its Proprietor, Mr. Vijay Savla, having membership no. 042916), having its address at G-2, D'Souza Mansion, J.S. Road, Dahisar (West), Mumbai – 400 068, have vide their letter dated December 13, 2012, certified on the basis of their scrutiny of the books of accounts, records and documents of the Acquirer and the PAC, that the Acquirer and the PAC have adequate and firm financial resources to enable them to meet their financial obligations relating to the Offer.

5.2.6 Based on the above, the Manager to the Offer is satisfied of the ability of the Acquirer and the PAC to implement this Offer in accordance with the SEBI (SAST) Regulations.

5.2.7 In case of revision of the Offer Price and / or the Offer Size, the Acquirer / PAC shall make further deposits into the Offer Escrow Account to ensure compliance with Regulation 17(2) of the SEBI (SAST) Regulations.

6. TERMS AND CONDITIONS OF THIS OFFER

6.1 This Offer is being made by the Acquirer and the PAC to (i) all the Shareholders, whose names appear in the register of members of the Target Company as of the close of business on January 24, 2013, i.e. the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on January 24, 2013, i.e. the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the Closure of the Tendering Period for this Offer, i.e. February 22, 2013 but who are not the registered Shareholders.

6.2 This Offer is being made by the Acquirer and the PAC to the Shareholders of the Target Company, to acquire 1,419,405 (One Million, Four Hundred and Nineteen Thousand, Four Hundred and Five) Equity Shares, representing 14.38% (fourteen point three eight percent) of the Voting Share Capital, as of the 10th (tenth) Working Day from the Closure of the Tendering Period, subject to the terms and conditions mentioned in the PA, DPS and this Draft Letter of Offer.

6.3 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.

6.4 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

6.5 There has been no revision in the Offer Price or the Offer Size as of the date of this Draft Letter of Offer. In the event of acquisition of the Equity Shares by the Acquirer / PAC during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and the PAC shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

6.6 An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PAC shall: (i) make a public announcement in the same newspapers in which the DPS has been published; and (ii) simultaneously with the issue of such announcement, inform the

Stock Exchanges, SEBI and the Target Company at its registered office.

6.7 Accidental omission to dispatch this Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of this Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.

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

6.9 The Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances. The Acquirer and the PAC shall acquire the Equity Shares that are validly accepted in this Offer, together with all rights attached thereto, including the rights to dividends, bonuses and rights offers declared thereof.

6.10 The acceptance of this Offer is entirely at the discretion of the Shareholders. The Acquirer and the PAC shall not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interests in this regard.

6.11 The acceptance of this Offer must be unconditional, absolute and unqualified and should be sent with the attached Form of Acceptance-cum-Acknowledgement duly filled in, signed by the applicant Shareholder(s), which should be received by the Registrar to the Offer at the address mentioned in paragraph 7.3 below on or before 16:30 hours on Friday, February 22, 2013, i.e. Closure of the Tendering Period. 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 Shareholder, the Manager to the Offer and the Acquirer / PAC reserve the right to reject the acceptance of this Offer by such Shareholder.

6.12 The Shareholders who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of the PA, DPS and the Draft Letter of Offer are **not** entitled to withdraw such acceptance during the Tendering Period for this Offer.

6.13 To the best of the knowledge of the Acquirer and the PAC, the Target Company has no Equity Shares that are currently locked-in.

6.14 **Statutory & Other Approvals**

6.14.1 The Offer is subject to the approval of the CCI. The necessary filings in relation to the same will be made shortly. To the best of the knowledge of the Acquirer and the PAC, no other statutory approvals are required by the Acquirer and the PAC to complete this Offer except as stated above. However, in case of any statutory approvals being required by the Acquirer and the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and the PAC shall make the necessary applications for such approvals.

6.14.2 NRI and OCB holders of the Equity Shares, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly accepted in this Offer will be acquired by a non-resident entity) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Further, if the Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs had required any approvals (including from the RBI or the Foreign Investment Promotion Board ("**FIPB**") or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If, the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and whether on repatriable basis or non repatriable basis. In the event such approvals are not submitted, the

Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. To the best of the knowledge of the Acquirer and the PAC, no other statutory approvals are required by the Acquirer and the PAC to complete this Offer except as stated above.

6.14.3 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 the non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Shareholders for delay beyond 10 (ten) Working Days at such rate, as may be specified by SEBI. Provided where the statutory approvals extend to some but not all Shareholders, the Acquirer and the PAC will have the option to pay the consideration to such Shareholders in respect of whom no other statutory approvals are required in order to complete this Offer.

6.14.4 The Acquirer and the PAC have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated above are refused. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to SEBI, the Stock Exchanges and to the Target Company at its registered office.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

7.1 The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to the 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 January 24, 2013, i.e. the Identified Date.

7.2 The Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI website at www.sebi.gov.in, or obtain it from the Registrar to the Offer and send in their acceptances to the Registrar to the Offer by filling the same.

7.3 The Shareholders who wish to accept this Offer can hand-deliver the Form of Acceptance-cum-Acknowledgement along with the other documents required to accept this Offer, at any of the collection centers mentioned below so as to reach the Registrar to the Offer during business hours on or before 16:30 hours on Friday, February 22, 2013, i.e. the Closure of the Tendering Period, in accordance with the procedure as set out in this Draft Letter of Offer:

S. No.	City	Contact Person	Address	Tel. No. / Fax No. / E-mail ID	Mode of Delivery
1.	Ahmedabad	Mr. M Bala Subramanian	Cameo Corporate Services Limited, C/o Shree Vidhya Consultancy, No.4, II Floor, Prasiddhi Complex–1, Opp.: Ambedkar Hall, Saraspur, Ahmedabad - 380018.	Ph: 079-22920024 E-mail: bhavani0811@gmail.com	Hand delivery
2.	Bangalore	Mr. Janardhana	Cameo Corporate Services Limited, No.9, KRV Tower, 4th Floor, T C Palya Main Road, Akshaya Nagar, Near Rammurthy Nagar, (Above SBI, Akshay Nagar branch), Bangalore – 560 016.	Ph: 09740266722 E-mail: janardhana@cameoindia.com	Hand delivery
3.	Chennai	Ms. K	Cameo Corporate Services Limited, Subramanian	Ph: 044-2846 0390 / 1989	Post and Hand

S. No.	City	Contact Person	Address	Tel. No. / Fax No. / E-mail ID	Mode of Delivery
		Sreepriya	Building, V floor, No. 1, Club House Road, Chennai - 600002	E-mail: investor@cameoindia.com Fax: 044-2846 0129	delivery
4.	Hyderabad	Mr. Suresh. K	Cameo Corporate services Limited, Plot No. 21-22, Meena Arcade II Floor, Goel Corporate Housing Society, Moti Valley, Trimalgerry, Secunderabad - 500015.	Ph: 08686036367 E-mail: suresh.k@cameoindia.com	Hand delivery
5.	Mumbai	Mr. Ashish Binsale	Cameo Corporate Services Limited, 304, Sai Sadan, 76-78 Mody Street, Fort, Mumbai - 400001.	Ph: 022-2264 4325 / 2979 Email: ashish@cameoindia.com Fax : 022-2264 4325	Hand delivery
6.	Coimbatore	Mr. R. Vadivel	Cameo Corporate Services Limited, 10/10A Mettupalayam Road, Cheran Nagar, Coimbatore 641029	Ph: 099425 32230 Email: vadivel@cameoindia.com	Hand delivery
7.	New Delhi	Mr. R. Sridhar	Cameo Corporate Services Limited, C/o Sterling Services, F-63 1st Floor, Bhagat Singh Market, Near Gole Market, Opp SBI ATM, Connaught Place, New Delhi 110 001.	Ph: 011-4353 3256 / 09312546905 Email: sterlingservices@in.com	Hand delivery
8.	Madurai	Mr. S. Balamuruga n	Cameo Corporate Services Limited, No.5/253-1, Vandiyoor Main Road (Upstairs Ponbharathi Department Store), Thasildar Nagar, Anna Nagar, Madurai 625 020.	Ph: 098948 40004 Email: bala@cameoindia.com	Hand delivery
9.	Kolkata	Mr. Patit Paban Bishwal	Cameo Corporate Services Limited C/o. BPD Consultants Pvt. Ltd., 50, Weston Street, 1st Floor, Room No. 105, Kolkata - 700012	Ph: 033-40036051 Email: bpdkolkata@gmail.com	Hand Delivery

All of the centers mentioned herein below will be open as follows:
Business Hours:
Monday to Friday: 10:30 to 16:30 hours
Holidays: Saturdays, Sundays and Public Holidays

7.4 The Equity Shares and all other relevant documents should only be sent to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer, the PAC or the Target Company.

7.5 Applicants who cannot hand deliver their documents at any of the collection centers referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: “Subramanian Building”, 1, Club

House Road, Chennai - 600 002; Contact Person: Ms. Sreepriya. K, Head - Registry ; Email: investor@cameoindia.com ; Telephone: +91 44 2846 0390; Fax: +91 44 2846 0129, so as to reach the Registrar to the Offer on or before 16:30 hours on Friday, February 22, 2013, i.e. Closure of the Tendering Period.

7.6 **Shareholders who are holding Equity Shares in physical form:**

7.6.1 The Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer will be required to duly complete, sign and send the Form of Acceptance-cum-Acknowledgement 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 Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer. Original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgement along with self attested copy of PAN Card of all the transferors are required to be submitted.

7.6.2 Valid transfer deed(s) should be duly signed as transferor(s) by the sole / joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company / Registrar & Share Transfer Agent and duly witnessed at the appropriate place(s). The transfer deed(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer deed(s)) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank.

Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company / Registrar & Share Transfer Agent or are not in the same order, such Equity Shares are liable to be rejected in this Offer.

7.7 **Shareholders who are holding Equity Shares in dematerialized form:**

7.7.1 Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein, by the sole / joint Shareholder(s) whose name appears in the beneficiary account and in the same order therein. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder(s) of the Equity Shares only.

7.7.2 The Registrar to the Offer has opened a special depository account with Stock Holding Corporation of India Ltd called "CAMEO CORPORATE SERVICES LIMITED ESCROW A/C WIL OPEN OFFER" ("**Depository Escrow Account**"). The Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Depository Escrow Account:

Depository Participant Name	Stock Holding Corporation of India Ltd
DP ID	IN301080
Client ID	22824837
Account Name	CAMEO CORPORATE SERVICES LIMITED ESCROW A/C WIL OPEN OFFER

Depository	National Securities Depository Limited ("NSDL")

7.7.3 It is the sole responsibility of the Shareholder to ensure credit of its Equity Shares in the Depository Escrow Account above, on or before Friday, February 22, 2013, i.e. Closure of the Tendering Period.

7.7.4 The Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Depository Escrow Account with NSDL.

7.7.5 The Forms of Acceptance-cum-Acknowledgement received by the Registrar to the Offer, in respect of dematerialized Equity Shares not credited to the Depository Escrow Account before the Closure of the Tendering Period are liable to be rejected.

7.7.6 For each delivery instruction, the beneficial owner should also submit a separate Form of Acceptance-cum-Acknowledgement.

7.8 **Shareholders who have sent their Equity Shares for dematerialization:**

7.8.1 The Shareholders who have sent their Equity Shares for dematerialization and who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Shareholder's DP, in accordance with the instructions mentioned in paragraph 7.7 above. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole / joint Shareholder(s) whose name(s) appears on the share certificates and in the same order and as per the specimen signature lodged with the Target Company / Registrar & Share Transfer Agent.

7.8.2 Such Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Depository Escrow Account, to be received on or before Friday, February 22, 2013, i.e. Closure of the Tendering Period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Shareholder's DP, the Shareholder can withdraw its dematerialization request and tender the physical Equity Share certificate(s) in this Offer as per the procedure mentioned in paragraph 7.6 above.

7.9 Unregistered Shareholders can also send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, distinctive numbers, folio number, together with the original Equity Share certificates, valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired their Equity Shares, either by hand delivery or by registered post, so that the same are received on or before 16:30 hours on Friday, February 22, 2013, i.e. Closure of the Tendering Period. Valid share transfer deeds, as received from the market, duly executed in favour of the unregistered owner(s) as the proposed transferee(s) along with self attested copy of PAN card of all the transferees, should be submitted along with the application. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance. An additional valid share transfer deed should be duly signed by the unregistered owner(s) as transferor(s) by the sole / joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer form should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. No indemnity is required from the unregistered Shareholders. In case the Equity Share certificate(s) and the transfer deed(s) are lodged with the Target Company / its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company / its transfer agents, of the Equity Share certificate(s) and the transfer deed(s). The Shareholders should ensure that the Equity Share certificate(s) and above documents reach the designated collection centre on or before 16:30 hours on Friday, February 22, 2013, i.e. Closure of the Tendering Period.

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

- duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder) if the original Shareholder is no more;
- duly attested power of attorney if any person apart from the Shareholder has signed the application form and / or transfer deeds;
- in case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;
- banker's certificate certifying inward remittances of funds for acquisition of Equity Shares; and
- any other relevant documents.

7.11 In case of non-receipt of the Letter of Offer, the eligible persons may send their acceptance to this Offer to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the documents as mentioned above so as to reach the Registrar to the Offer on or before 16:30 hours on Friday, February 22, 2013, i.e. Closure of the Tendering Period, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account, so as to reach the Registrar to the Offer, on or before 16:30 hours on Friday, February 22, 2013, i.e. Closure of the Tendering Period. In case of physical Equity Shares, original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, will also have to be submitted. The Shareholders who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of the Equity Shares. Shareholders who have sent their Equity Shares for dematerialization / re-materialization need to ensure that the process of getting Equity Shares dematerialized / rematerialized is completed well in time so that the credit in the Depository Escrow Account is received or physical Equity Share certificates are received by the Registrar to the Offer on or before 16:30 hours on Friday, February 22, 2013, i.e. Closure of the Tendering Period, else their application would be rejected.

7.12 NRI and OCB holders of the Equity Shares, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly accepted in this Offer will be acquired by a non-resident entity) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Further, if the Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and whether on repatriable basis or non repatriable basis. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. To the best of the knowledge of the Acquirer and the PAC, no other statutory approvals are required by the Acquirer and the PAC to complete this Offer except as stated above.

7.13 In case of delay in receipt of any statutory approvals, which may be required by the Acquirer and the PAC at a later date, 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 willful default, failure or neglect on the part of the Acquirer and the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Shareholders for delay beyond 10 (ten) Working Days at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all the Shareholders, the Acquirer and the PAC will have the option to pay consideration to such Shareholders in respect of whom no other statutory approvals are required in order to complete this Offer.

7.14 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Applications in respect of the Equity Shares that are the subject of litigation, wherein the Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. This Draft Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

7.15 The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Depository Escrow Account, the Forms of Acceptance-cum-Acknowledgement, and the transfer form(s) and other documents submitted on behalf of the Shareholders whose Equity Shares have been validly accepted in this Offer, till completion of formalities relating to this Offer. In case of the Equity Shares tendered in physical form, where the original Equity Share certificates are required to be split, all the documents will be returned only upon receipt of the Equity Share certificates from the Target Company.

7.16 If the aggregate valid responses to this Offer by the Shareholders are more than the Equity Shares agreed to be acquired in this Offer, then the offers received from the Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer, taking care 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 the 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. The marketable lot of the Target Company is 1 (one) Equity Share. (*Source: BSE website)*

7.17 Unaccepted Equity Share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Shareholders'/unregistered Shareholders' sole risk to the sole/first Shareholder. The unaccepted Equity Shares held in dematerialized form will be credited back to the same account from which they were tendered. It will be the responsibility of the Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the demat account is maintained till the completion of the Offer formalities.

7.18 Payment to those Shareholders whose Equity Share are validly accepted, will be by way of a bankers' cheque/demand draft/NEFT/RTGS. The Shareholders who opt for receiving consideration through NEFT/RTGS are requested to give the authorization for the same in the Form of Acceptance-cum-Acknowledgement and enclose a photocopy of cheque along with the Form of Acceptance-cum-Acknowledgement. In case of the Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares and/or (ii) the Equity Share certificates for any rejected Equity Shares, will be dispatched to the Shareholders by registered post , at the Shareholder's sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.

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

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

7.21 **Compliance with Tax requirements**:

7.21.1 **General:**

a. As per the provisions of Section 195(1) of the Income Tax Act, read with part II of the First Schedule to the Finance Act, 2012, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under Section 45 of the Income Tax Act or as business profits, as the case may be, the Acquirer is required to deduct taxes at source (including surcharge and education cess).

b. In case of non-receipt of statutory / regulatory approvals, if any, within time, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to Public Shareholders subject to the Acquirer agreeing to pay interest for the delay, as directed by SEBI under Regulation 18(11) of the SEBI (SAST) Regulations.

c. As per the provisions of Section 194A and 195 of the Income Tax Act, read with part II of the First Schedule to the Finance Act, 2012, a body corporate responsible for paying to residents and non-residents (including FII) any income by way of interest is required to deduct tax at source (including, in the case of non-residents, surcharge and education cess as applicable). Since the interest payable to the Public Shareholders on being directed by SEBI under Regulation 18(11) of the SEBI (SAST) Regulations will be chargeable to income tax under the Income Tax Act, the Acquirer, under Section 194A and 195 of the Income Tax Act, will be required to deduct tax at source (including, in the case of non-residents, surcharge and education cess as applicable) on such interest income.

d. In view of provisions of section 206AA of Income Tax Act, resident and non-resident shareholders (including FIIs) are required to submit their PAN. In case PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer will arrange to deduct tax at the rate of 20% or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act, whichever is higher.

e. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, it would be assumed that the Public Shareholder is a non-resident shareholder and taxes shall be deducted at the maximum rate as may be applicable to the relevant category to which the Public Shareholder belongs under the Income Tax Act, on the entire consideration and interest if any, payable to such Public Shareholder.

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

g. Any shareholder claiming benefit under any Double Taxation Avoidance Agreement between India and any other foreign country should furnish Tax Residence Certificate ("**TRC**") provided to him / it by the Income Tax Authority of such other foreign country of which he / it claims to be a tax resident.

The said Tax Residence Certificate should specify all the particulars as mentioned in Rule 21AB (1) of the Income Tax Rules, 1962.

7.21.2 **Tax to be Deducted in Case of Non-resident Shareholders (other than FII):**

a. All non-resident Public Shareholders, who desire that no tax should be deducted at source or tax should be deducted at lower rate or on lesser amount, shall be required to submit certificate from the Income-tax Authorities under Section 195(3) or Section 197 of the Income Tax Act along with the Form of Acceptance indicating the extent to which the tax is required to be deducted at source by the Acquirer/ before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such certificate. In absence of certificate u/s. 195 (3) or u/s. 197, paragraph (b) and (c) below will apply

b. Except in the case falling under paragraph (c) below, the Acquirer will arrange to deduct tax at the applicable rate as may be applicable to the relevant category to which the Public Shareholder belongs under the Income Tax Act, on the entire gross consideration and interest if any, payable to such Public Shareholder.
The Acquirer will not take into consideration any other details and documents (including self certified computation of tax liability or the computation of tax liability certified by any tax professional like Chartered Accountant etc) submitted by the Public Shareholder for deducting lower amount of tax at source.

c. In case of an individual non-resident Public Shareholder, who is either a Citizen of India or a person of Indian Origin, who has himself/ herself acquired Equity Shares with convertible foreign exchange and has also held such Equity Shares for at least 12 months prior to the date on which the Equity Shares, if any, are accepted under the Offer, the applicable rate of tax deduction at source would be 10.30% on entire gross consideration.

d. However, to be eligible for this lower rate of tax deduction at source, the Public Shareholder will have to furnish a copy of his/ her demat account clearly reflecting the fact that Equity Shares held in that account are in repatriable mode. Further, copy of the demat account should also reflect that the Equity Shares were held for more than 12 months prior to the date on which the Equity Shares, if any, are accepted under the Offer.

e. In case of Equity Shares being held in physical mode, the Public Shareholder will have to furnish certificate from his/ her bank to the effect that the purchase consideration of these Equity Shares was paid out of non-resident external account of the Public Shareholder concerned.

7.21.3 **Withholding tax implications for FIIs:**

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

b. A FII should certify ("**FII Certificate**") the nature of its income arising from the sale of Equity Shares as per the Income Tax Act (whether capital gains or otherwise) by tick marking on the appropriate option provided in the Form of Acceptance for this purpose.
In the absence of FII Certificate to the effect that their income from sale of Equity Shares is in the nature of capital gains, the Acquirer will deduct tax at the maximum rate applicable to the category to which such FII belongs (i.e. a company or a trust) on the entire consideration payable to such FII.
In any case, if the FII submits a certificate under Section 195(3) or Section 197 of the Income Tax Act from the Income-tax authorities while tendering the Equity Shares, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, the Acquirer will deduct tax in accordance with the same.

c. In respect of interest income, if the FII submits a certificate under Section 195(3) or Section 197 from the Income Tax Authorities indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, the Acquirer will deduct tax in accordance with the certificate under Section 195(3) or Section 197 so submitted. In absence of such certificate under Section 195(3) or Section 197 of the Income Tax Act, the Acquirer will arrange to deduct tax at the rate applicable to the category to which such FII belongs (i.e. a company or a trust).

7.21.4 **Tax to be deducted in case of resident Shareholders:**

a. In absence of any specific provision under the Income Tax Act, the Acquirer will not deduct tax on the consideration payable to resident Public Shareholders for acquisition of Equity Shares.

b. The Acquirer will deduct the tax at the stipulated rates on interest, if any, payable to resident Public Shareholders, if the amount of interest payable is in excess of Rs. 5,000 (Rupees Five Thousand Only).

c. The resident Public Shareholder claiming no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance a certificate under Section 197 of the Income Tax Act from the Income Tax Authorities indicating the amount of tax to be deducted by the Acquirer or, in the case of resident Public Shareholder not being a company or firm, a self declaration in Form 15G or Form 15H as may be applicable. The self declaration in Form 15G or Form 15H would not be valid unless the Public Shareholder furnishes PAN in such declaration. In case the aforesaid certificate under Section 197 of the Income Tax Act or Form 15G or 15H, if applicable, is not submitted, the Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the Public Shareholder under the Income Tax Act.

d. No tax is to be deducted on interest amount in the case of resident Public Shareholder being a Mutual Fund as per Section 10(23D) of the Income Tax Act or a Bank/ an entity specified under Section 194A(3)(iii) of the Income Tax Act if it submits a copy of the relevant registration or notification along with the Form of Acceptance.

7.21.5 **Issue of withholding tax certificate:**

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

7.21.6 **Withholding taxes in respect of overseas jurisdictions:**

a. Apart from the above, the Acquirer will be entitled to withhold tax 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 non-resident Public Shareholder shall duly represent in the Form of Acceptance the quantum of the Overseas tax to be withheld as per the relevant tax laws of the country in which the non-resident Public Shareholder is a tax resident, and the Acquirer will be entitled to rely on this representation at their/its sole discretion.

The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns. The tax rates and other provisions may undergo changes.

7.22 **Shareholders who wish to tender their Equity Shares must submit the following information along with the Form of Acceptance-cum-Acknowledgement:**

a) **Information requirement in case of FII Shareholder:**

i) Self attested copy of PAN card

ii) Certificate from the Income-tax Authorities under Section 195 (3) / 197 of the Income - Tax Act, wherever applicable

iii) SEBI registration certificate for FII (including sub – account of FII)

iv) Tax Residence Certificate, containing all particulars mentioned in Rule 21AB (1) of Income Tax Rules, 1962, provided by the Income Tax Authority of foreign country of which the FII claims to be a tax resident, wherever applicable

v) RBI and other approval(s) obtained for acquiring the Equity Shares of the Target Company, if applicable

b) **Information requirement in case of non-resident Shareholder (other than FII):**

i) Self attested copy of PAN card

ii) Certificate from the Income-tax Authorities under Section 195 (3) / 197 of the Income - Tax Act, wherever applicable

iii) Tax Residence Certificate, containing all particulars mentioned in Rule 21AB (1) of Income Tax Rules, 1962, provided by the Income Tax Authority of foreign country of which the FII claims to be a tax resident, wherever applicable

iv) Copy of relevant pages of Demat Account in case of Non - Resident (other than FII) if the shares are claimed to have been held for more than twelve months prior to the date of acceptance, if any, of share under open offer

v) Copy of relevant pages of Demat Account in case of a shareholder claiming benefit of clause mentioned in paragraph 7.21.2.c above. Also Banker's Certificate related to payment for acquisition of shares in convertible foreign exchange in case shares are held in physical form.

vi) RBI and other approval(s) obtained for acquiring the Equity Shares of the Target Company, if applicable

c) **Information requirement in case of resident Shareholder:**

i) Self attested copy of PAN card

ii) If applicable, self declaration form in Form 15G or Form 15H

iii) Certificate from the Income-tax Authorities under Section 197 of the I-T Act, wherever applicable

iv) For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the Income Tax Act – Copy of relevant registration or notification (applicable only for the interest payment, if any)

The above list of documents is indicative, and further details shall be mentioned in the Form of Acceptance-cum-Acknowledgement which will be mailed to the Shareholders, along with the Letter of Offer.

8. DOCUMENTS FOR INSPECTION

8.1 The following documents are available for inspection to the Shareholders at the office of the Manager to the Offer at ICICI Securities Limited, ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai - 400 020, between 10:00am and 17:00 on all Working Days (except Saturdays, Sundays and bank holidays) till the Closure of the Tendering Period, i.e., February 22, 2013:

8.1.1 Copies of the certificate of incorporation and articles of association of the Acquirer and the PAC;

8.1.2 Copy of the certificate issued by Vijay Savla & Co., Chartered Accountants dated December 13, 2012 relating to sufficiency of funds;

8.1.3 Copy of the audited annual accounts of the Acquirer for the last 3 (three) financial years ended on December 31, 2011, December 31, 2010 and December 31, 2009;

8.1.4 Copy of the audited annual accounts of the PAC for the last 3 (three) financial years ended on December 31, 2011, December 31, 2010 and December 31, 2009;

8.1.5 Copy of the audited annual reports of the Target Company for the last 3 (three) financial years ended on March 31, 2012, March 31, 2011, March 31, 2010;

8.1.6 Copy of the letter dated December 20, 2012, issued by the Hongkong and Shanghai Banking Corporation Limited confirming the amounts kept in the escrow account;

8.1.7 Copy of the PA, DPS [and the Offer opening public announcement];

8.1.8 [Copy of the recommendation dated [●] made by the Target Company's committee of independent directors, as required under Regulation 26(7) of the SEBI (SAST) Regulations];

8.1.9 [Copy of the letter from SEBI dated [●] containing its comments on this Letter of Offer];

8.1.10 Agreement entered into with the DP for opening the Special Depository Account

8.1.11 Copy of the valuation report of Vijay Savla & Co. dated December 13, 2012.

9. DECLARATION BY THE ACQUIRER AND THE PAC

9.1 The Acquirer and the PAC along with their directors accept full responsibility, severally and jointly, for ensuring compliance with the SEBI (SAST) Regulations and for fulfilling their obligations as laid down in terms of the SEBI (SAST) Regulations and for the information contained in this Draft Letter of Offer.

9.2 The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer, unless expressly stated otherwise.

9.3 The persons signing this Draft Letter of Offer on behalf of the Acquirer and the PAC have been duly and legally authorized by the respective boards of directors to sign this Draft Letter of Offer.

For and on behalf of the Acquirer	**For and on behalf of the PAC**
Sd/- **Mr. John Michael Anthony Akers** **Director**	**Sd/-** **Mr. John Michael Anthony Akers** **Authorized Signatory**

Date: January 1, 2013
Place: London