LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as a shareholder of Cholamandalam Investment and Finance Company Limited. If you require any clarifications about the action to be taken, you should consult your stockbroker or investment consultant or the Manager/Registrar to the Offer. In case you have sold your Shares, please hand over this Letter of Offer, the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

CASH OFFER AT Rs. 150/- (RUPEES ONE HUNDRED FIFTY ONLY) PER FULLY PAID-UP EQUITY SHARE OF Rs. 10 (RUPEES TEN ONLY)

Pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

TO ACQUIRE

Up to 75,89,296 Fully Paid-up Equity Shares of face value Rs. 10/- each, representing 20% of the Paid-up Equity Capital

OF

Cholamandalam Investment and Finance Company Limited

having its registered office at
Dare House, No. 2. NSC Bose Road, Parrys, Chennai, India - 600 001
Tel: +91 44 2530 7172 Fax: +91 44 2534 6464

BY

DBS Bank Ltd.

having its registered office at
6 Shenton Way, DBS Building Tower One, Singapore - 068809
Tel: +65 6878 8888 Fax: +65 6445 1267

ATTENTION

a) The Offer (as defined herein) is subject to the receipt of approval from (i) the Foreign Investment Promotion Board of India ("**FIPB**") and (ii) the Reserve Bank of India ("**RBI**") for the acquisition of Shares (as defined herein) by DBS Bank Ltd. (the "**Acquirer**") under the Purchase (as defined herein) and the Offer, in terms of the Foreign Exchange Management Act, 1999 ("**FEMA**").

b) Besides the above approvals from the FIPB and the RBI, no other statutory approvals are required to acquire the Shares tendered pursuant to the Offer. The Acquirer will not proceed with the Offer in the event that any statutory approval that is required (i.e., the approvals from the FIPB and the RBI) is not obtained in terms of Regulation 27 of the SEBI (SAST) Regulations (as defined herein).

c) In case of delay in the receipt of any statutory approval(s), SEBI (as defined herein) has the power to grant extension of time to the Acquirer for payment of consideration to shareholders of Cholamandalam Investment and Finance Company Limited (the "**Company**") who have validly tendered their Shares, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

d) If there is any upward revision in the Offer Price (as defined herein) by the Acquirer prior to or on the last date for revising the Offer Price viz., Tuesday, October 25, 2005 or if the Offer is withdrawn, you will be informed by way of another public announcement in the same newspapers where the Public Announcement (as defined herein) had appeared. The Acquirer would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer.

   1. *<u>Shareholders who have accepted the Offer by tendering the requisite documents in terms of this Letter of Offer shall have the option to withdraw acceptance tendered by them up to Monday, October 31, 2005 , i.e., three (3) working days prior to the date of closure of the Offer viz. Saturday, November 5, 2005.</u>*

e) There is no competitive bid

f) The Public Announcement and this Letter of Offer, Form of Acceptance and Form of Withdrawal would also be available on SEBI's website (www.sebi.gov.in) from the Offer opening date viz. Monday, October 17, 2005.

g) The Form of Acceptance and Form of Withdrawal are enclosed with this Letter of Offer.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
DSP Merrill Lynch **DSP Merrill Lynch Limited** 10th Floor, Mafatlal Center, Nariman Point Mumbai 400 021 Tel: +91 22 5632 8000 Fax: +91 22 2204 8518 Email: cifl_openoffer@ml.com Contact Person: Mr. Nitin Nayak	KARVY **Karvy Computershare Private Limited** 46, Avenue 4, Street No. 1, Banjara Hills Hyderabad - 500 034 Tel: (040) 2331 2454 Fax: (040) 2331 1968 Email: murali@karvy.com Contact Person: Mr. Murali Krishna
OFFER OPENS ON : OCTOBER 17, 2005	**OFFER CLOSES ON: NOVEMBER 5, 2005**

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Date	Day of Week
Public Announcement Date	June 18, 2005	Saturday
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be posted)	July 8, 2005	Friday
Last date for a competitive bid	July 9, 2005	Saturday
Date by which Letter of Offer will be dispatched to shareholders	October 10, 2005	Monday
Date of opening of the Offer	October 17, 2005	Monday
Last date for revising the Offer Price	October 25, 2005	Tuesday
Last date for withdrawing acceptance from the Offer	October 31, 2005	Monday
Date of closure of the Offer	November 5, 2005	Saturday
Last date of communicating rejection/ acceptance and payment of consideration for accepted Shares	November 19, 2005	Saturday

RISK FACTORS

i. Acceptance of the Shares tendered in the Offer is subject to receipt of the approval of the FIPB and the RBI. In the event that either the FIPB or the RBI does not grant approval, the Offer would stand withdrawn in terms of the SEBI (SAST) Regulations. For further details, see Section 7 of this Letter of Offer.

ii. In the event that either (a) a regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of the Company whose Shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed.

iii. The Shares tendered in the Offer will lie to the credit of a designated escrow account, till the completion of the Offer formalities. The Acquirer makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

iv. Association of the Company with the Acquirer does not warrant any assurance with respect to the future financial performance of the Company or any of its subsidiaries.

v. The Acquirer makes no assurance with respect to the financial performance of the Company or any of its subsidiaries. The Acquirer makes no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Company.

The risk factors set forth above pertain to the Offer and are not in relation to the present or future business or operations of the Company or its subsidiaries or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Company are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

TABLE OF CONTENTS

1. DEFINITIONS

Acquirer / DBS	DBS Bank Ltd.
Agreements	The Share Purchase Agreement and the Shareholders' Agreement
Bn	Billion or 100 Crores or 1,000 million or 10,000 lakhs
BSE	Bombay Stock Exchange
CDSL	Central Depository Services (India) Limited
DBSH	DBS Group Holdings Limited
DP	Depository Participant
Eligible Person(s) for the Offer	All owners (registered or unregistered) of Shares (other than the Acquirer, the parties to the Agreements and the Promoter Group) any time before the closure of the Offer
Exchange Rate	Certain financial details contained in this document quoted in Rupees are denominated in US$ and SG$. The Rupee equivalent quoted in each case is calculated in accordance with RBI reference rates as on October 7, 2005, namely 1US$= Rs.44.32 and 1SG$= Rs.26.36 (Source: www.rbi.org.in and Bloomberg)
FEMA	Foreign Exchange Management Act, 1999
FIPB	Foreign Investment Promotion Board of India
Form of Acceptance	Form of Acceptance cum Acknowledgement
FY	Financial Year ending March 31
Licensing and Branding Agreements	The agreements to be entered into between the Acquirer, the Promoter and the Company which would become effective on the date on which the Shareholders' Agreement becomes effective, pursuant to which the Acquirer and the Promoter will license their respective trademarks to the Company and its specified subsidiaries for use in their business in India
Letter of Offer	Offer Document
Manager/ Manager to the Offer / DSPML	DSP Merrill Lynch Limited
Mn	Million or 10 Lakhs
MSE	Madras Stock Exchange
NSE	The National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Offer	Open offer for acquisition of up to 75,89,296 Shares, representing 20% of the paid-up equity capital of the Company as at the date of the Public Announcement i.e., June 18, 2005 at the Offer Price per Share
Offer Price	Rs. 150/- (Rupees One Hundred Fifty only) per Share
Promoter	Tube Investments of India Limited
Promoter Group	The Promoter together with other members of the group who are declared as the current promoters of the Company in terms of the SEBI (SAST) Regulations as on the date of the Public Announcement. The shareholding of the Promoter Group as of such date is broadly as follows: Tube Investments of India Limited. (48.81%) and other promoters (6.55%)

Public Announcement/ PA	Announcement of the Offer made by the Acquirer on June 18, 2005
Purchase	The purchase of Shares by the Acquirer pursuant to the Share Purchase Agreement (as more particularly explained in Section 3.1(b) below)
RBI	Reserve Bank of India
Registrar/ Registrar to the Offer	Karvy Computershare Private Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SEBI Act	The Securities and Exchange Board of India Act, 1992
SG$	Singapore Dollar
Share(s)	Fully Paid-up Equity Shares of face value of Rs. 10/- each in the capital of the Company
Shareholders' Agreement	Shareholders' Agreement executed on June 16, 2005, and as may from time to time be amended, by and between the Acquirer, the Promoter and the Company, to come into effect only on the Effective Date (as defined in Section 3.1(c)(ii) below)
Share Purchase Agreement	Share Purchase Agreement executed on June 16, 2005, and as may from time to time be amended, by and between the Acquirer and the Promoter
Specified Date	July 8, 2005
Target Company/ Company	Cholamandalam Investment and Finance Company Limited
US$	United States Dollar

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER - DSP MERRILL LYNCH LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED JUNE 21, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER".

3. DETAILS OF THE OFFER

3.1 Background

a) The Offer is being made by the Acquirer pursuant to the signing of the Share Purchase Agreement and is being made in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulation.

b) In the Share Purchase Agreement, the Acquirer has agreed to purchase (i) a minimum of 57,29,918 Shares, representing 15.1% of the issued and fully paid-up equity share capital of the Company as at June 16, 2005, and (ii) such additional number of Shares as shall be required to ensure that, after taking into account the number of Shares to be acquired by the Acquirer pursuant to the Offer, the Acquirer and the Promoter Group hold an equal number of Shares, provided that the number of Shares to be sold pursuant to the Share Purchase Agreement shall be a maximum of 1,04,27,337 Shares, representing approximately 27.5% of the issued and fully paid-up equity share capital of the Company as at June 16, 2005 (the "**Purchase**"). The purchase price under the Share Purchase Agreement is Rs.150/- per Share. The Purchase is conditional upon the fulfilment of various conditions precedent as contained in the Share Purchase Agreement, including the receipt of requisite regulatory approvals (including approvals from the FIPB and the RBI), the completion of the Offer and the disposal of certain investments by the Company.

c) The following Agreements have been entered into on June 16, 2005:

   i. The Share Purchase Agreement between the Acquirer and the Promoter as described in paragraph (b) above.

   ii. A Shareholders' Agreement between the Acquirer, the Promoter and the Company to come into effect only on the date (the "**Effective Date"**) on which the Acquirer and the Promoter Group hold an equal number of Shares pursuant to the Purchase and the Offer. Under the Shareholders' Agreement, the Acquirer and the Promoter have, *inter alia*, agreed and / or undertaken to (1) change the name of the Company and its subsidiaries (together, the "Cholamandalam Group") so as to include the name of the Acquirer, (2) make their respective contributions to the business of the Cholamandalam Group, (3) enter into the Licensing and Branding Agreements, (4) certain rights for the appointment of directors on the board of the Company and its subsidiaries, (5) certain key matters involving the Cholamandalam Group which require the affirmative consent of the Acquirer and the Promoter, (6) not to compete under certain circumstances with the Cholamandalam Group in India and (7) certain obligations in relation to the transfer of their Shares, subject to certain shareholding thresholds and exceptions.

   Under the Shareholders' Agreement from the Effective Date and for as long as each of the Acquirer (and its affiliates) and the Promoter (and its affiliates) holds at least 25% of the total paid up equity share capital of the Company, the Board of the Company shall comprise a maximum of ten directors, of which three (3) shall be nominated by the Promoter, three (3) shall be nominated by the Acquirer and four (4) shall be Independent Directors.

   iii. A Share Subscription Agreement between the Company and the Acquirer, pursuant to which the Company was to issue new Shares to the Acquirer at an issue price of Rs. 150 per new share by way of a preferential allotment.

d) Subsequently, as informed to the Stock Exchanges by the Company vide its letter dated October 5, 2005, the parties to the Share Subscription Agreement agreed not to proceed with the preferential allotment referred to above.

e) The Acquirer does not hold any Equity Shares in the Company as of the date of the Public Announcement

f) The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act.

g) Both the Company and the Promoter have not received any directions from SEBI u/s 11B of the SEBI Act, prohibiting them from dealing in securities or under any of the regulations made under the SEBI Act.

3.2 The Offer

a) The Public Announcement dated June 18, 2005 was made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	Editions
Financial Express	All Editions (English)
Jansatta	All Editions (Hindi)
Tarun Bharat	Mumbai Edition (Marathi)
Makkal Kural	Chennai Edition (Tamil)

On October 9, 2005 the Manager to the Offer made a supplemental Public Announcement in the newspapers mentioned above (except for Tarun Bharat, the supplemental PA was published in Navshakthi - Mumbai Edition) to inform the Shareholders of the Company of certain changes to the transaction.

(The Public Announcement and the supplemental Public Announcement are also available at the SEBI website, www.sebi.gov.in)

b) The Acquirer will acquire all the Shares tendered and accepted under the Offer subject to the conditions mentioned in Section 7 of this Letter of Offer.

c) The Offer is not conditional on any minimum level of acceptance by the shareholders.

3.3. Object of the Offer and Acquirer's Future Plans for the Company

a) The Offer to the shareholders of the Company is being made pursuant to the signing of the Share Purchase Agreement and is being made in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations.

b) The Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Company in the next two (2) years, except in the ordinary course of business of the Company and except to the extent required for the purpose of restructuring and/or rationalisation of assets, investments, liabilities or otherwise of the Company.

c) Other than in the ordinary course of business, the Acquirer undertakes that it shall not sell, dispose of or otherwise encumber any substantial asset of the Company except with the prior approval of shareholders of the Company.

d) The Acquirer is pursuing the Offer as a means of participating in India's fast-growing consumer finance market through a partnership with the Company. The Acquirer's intention is to assist the Company in growing its financial services business by transferring technology, products and marketing expertise, and risk management skills.

e) The Acquirer has a banking licence and conducts its existing operations in India through a branch in Mumbai. The Acquirer's branch is primarily focused on providing banking services to large and medium-sized corporations. The Company is primarily engaged in providing vehicle finance including heavy commercial vehicle, light commercial vehicle and automobile finance, as well as financing against shares and property finance. The Company also provides investment advisory, asset management and brokerage services through its subsidiaries, activities in which the Acquirer has no presence in India. The current businesses of the Acquirer in India and that of the Company are different. Each of the Acquirer and the Promoter has under the Shareholders' Agreement agreed that going forward, subject to certain exceptions, it will not compete with business of the Cholamandalam Group in India. The exceptions include portfolio investments not exceeding 10% in nominal value of the securities in any company. The Acquirer and Promoter are also not prohibited from conducting banking and insurance business in India respectively.

4. BACKGROUND OF THE ACQUIRER

4.1 DBS

a) The Acquirer was incorporated in 1968 under the laws of Singapore with its principal executive office located at 6, Shenton Way, DBS Building Tower One, Singapore - 068809. Tel: +65 6878 8888 Fax: +65 6445 1267.

b) The Acquirer is a 100% subsidiary of DBSH.

c) The Acquirer is not a listed company.

d) The Acquirer is in the business of commercial banking and financial services.

e) DBS group, headquartered in Singapore, is one of the largest financial services groups in Asia. The largest bank in Singapore and the fifth largest banking group in Hong Kong as measured by assets, DBS group has leading positions in consumer banking, treasury and markets, asset management, securities brokerage, equity and debt fund raising. Beyond the anchor markets of Singapore and Hong Kong, DBS group serves corporate, institutional and retail customers through its operations in Thailand, Malaysia, Indonesia, India, China and the Philippines. In India, the Acquirer has a branch in Mumbai. The Acquirer's credit ratings are amongst the highest among competing banks in the Asia Pacific Region and the highest among the banks in Singapore.

f) The provisions of chapter II of SEBI (SAST) Regulations are not applicable to the Acquirer.

g) The board of directors of the Acquirer comprised 12 directors as at the date of the Public Announcement. Their details are as under:

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
Mr. S Dhanabalan	Chairman July 1, 1999	Mr. Dhanabalan has 45 years of professional experience and has held various positions such as Administrative Officer - Ministry of Finance - Singapore, Cabinet Minister and Member of Parliament - Government of Singapore and Chairman of Singapore Airlines over the period. In addition to being the Chairman of DBS, he is also the chairman of DBS Bank Executive Committee, DBSH, Parameswara Holdings Ltd. and Temasek Holdings (Private) Limited ("Temasek"). His other major appointments include being a Member of the Presidential Council of Minority Rights and Founder Member of the Singapore International Foundation. Mr. Dhanabalan's educational qualifications: Bachelor of Arts (Honours) in Economics, University of Malaya, Singapore	1E Chatsworth Avenue S(249842)
Mr. Jackson Tai	Vice Chairman May 13, 2001	Mr. Tai has 31 years of professional experience in investment banking and financial services businesses. He joined DBS in July 1999 as Chief Financial Officer and was Chief Operating Officer from January 2001 to June 2002. Prior to his appointment at DBS, he completed 25 years of service with J.P.Morgan & Co. as Managing Director in the Investment Banking division. He also serves on the boards of DBSH, Singapore Telecommunications and CapitaLand. Mr. Tai's educational qualifications: Bachelor of Science - Rensselaer Polytechnic Institute, Master of Business Administration - Harvard University.	8 Cuscaden Walk # 27-01 S(249692)

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
Mr. Frank Wong Kwong Shing	Vice Chairman September 16, 2003	Mr. Wong has 38 years of professional experience in investment banking and financial services businesses. He joined DBS in March 1999, prior to which he was the regional Managing Director (Asia Pacific) of National Westminster Bank between 1994 to 1999 before which he served many years with JP Morgan and Citibank. Mr. Wong's educational qualifications: Hong Kong English School Certificate.	6 Swiss Club Road S(288141)
Mr. Ang Kong Hua	Director March 21, 2005	Mr. Ang has 39 years of professional experience in investment banking and manufacturing industries. He joined DBS during its inception in 1968 and was instrumental in setting up its investment banking division. He is also the Executive Director of Natsteel Ltd. in which he served as the Chief Executive Officer for 28 years. He is also on the boards of Neptune Orient Lines Ltd., K1 Ventures Ltd. and Government of Singapore Investment Corporation Pte Ltd. Mr Ang's educational qualifications: Bachelor of Science in Economics, University of Hull, UK.	6, Swettenham Road S(248135)
Mr. Kwa Chong Seng	Director July 29, 2003	Mr. Kwa has 36 years of professional experience in petroleum industry. He is currently the Chairman and Managing Director of ExxonMobil Asia Pacific Private Ltd. He is also currently the Deputy Chairman of Temasek and also serves on the Public Service Commission, the Legal Service Commission in Singapore and the National University of Singapore Council. Mr Kwa's educational qualifications: Bachelor of Engineering - University of Singapore	19, Victoria Park Road S(266498)
Mr. Luen Chun Ying	Director July 22, 2002	Mr. Luen is the Chairman of DTZ Debenham Tie Leung Global, a leading property services company. He was extensively involved in the establishment of Hong Kong as a Special Administrative Region. In 1997 he was appointed as the member of the Executive Council of Hong Kong after which he became the convenor. Currently he is the non-official member of the Executive Council of Hong Kong. Mr Luen's educational qualifications: Hon. Doctor of Business Administration - Hong Kong Polytechnic University, Hon. Doctor of Business Administration - University of the West of England.	Room 1001 10/F Jardine House, No. 1 Connaught Place, Central Hong Kong

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
Mr. Narayana Murthy	Director August 19, 2003	Mr. Murthy has 36 years of professional experience in the information technology industry. He is currently the Chairman of Infosys Technologies Ltd. Mr. Murthy is also a director on the board of Reserve Bank of India, Co-Chairman of Indo-British Partnership, a Director of Bangalore International Airport and a member of the Prime Minister's Council on Trade and Industry. Mr Murthy's educational qualifications: Bachelor of Engineering - University of Mysore, Masters in Technology - Indian Institute of Technology Kanpur.	575 21st Main Jayanagar 4T Block Bangalore 560 041, India
Mr. Peter Ong Boon Kwee	Director March 26, 2003	Mr. Ong is the Permanent Secretary at the Ministry of Transport, Singapore. He is also the Chairman of the Maritime and Port Authority and a Director of ITF Ventures Pte Ltd. Mr Ong's educational qualifications: Bachelor of Economics - University of Adelaide, Master of Business Administration - Stanford University.	325 Bukit Timah Road City Tower S(259714)
Mr. John Alan Ross	Director February 6, 2003	Mr. Ross has over 35 years of experience in the field of banking. He was with the Bank of New York from 1971 to 1992 after which he joined Deutsche Bank. He retired as the Chief Operating Officer of the Deutsche Bank group on March 31, 2002. Mr Ross' educational qualifications: Bachelor of Arts - Hobart College, Master of Business Administration - The Wharton School.	830 Park Avenue Apt 11B New York NY 10021, USA
Mr. Goh Geok Ling	Director May 3, 2004	Mr. Goh was in the electronics industry for 29 years. He is the Chairman of Tuas Power Ltd. and was the Managing Director of Texas Instruments Singapore Pte Ltd. He also serves on the board of SembCorp Industries Ltd, ASTI Holdings Ltd, 02 Micro International Ltd., Singapore Technologies Pte Ltd. and PKTech International Ltd. Mr Goh's educational qualifications: Bachelor of Engineering - University of Sydney.	37 Jalan Kampong Chantek S(588615)
Mr. Wong Ngit Liong	Director May 3, 2004	Mr. Wong has wide experience in the information technology industry. He is currently the Chairman and CEO of the Venture Group. Prior to joining Venture he was with Hewlett - Packard Company for more than 12 years. Mr Wong's educational qualifications: Bachelor of Science - University of California, Master of Science - University of California.	3A Camden Park S(299817)

Name	Designation & Appointment Date as Director	Experience and Qualification	Residential Address
Mr. Koh Boon Hwee	Director June 15, 2005	Mr. Koh started his career in 1977 at Hewlett Packard and rose to become its Managing Director in Singapore, a post he held from 1985 to 1990. From 1991 to 2000, he was Executive Chairman of the Wuthelam Group. He was the Chairman of the Singapore Telecommunications group from 1986 to 2001. During his 15-year term as Chairman of SingTel, he successfully led the company through its transformation from a statutory board to a publicly-listed company, and from a domestic operator in Singapore to one of Asia Pacific's leading integrated communication service providers. He is the current Chairman of the Council of Nanyang Technological University, council member of Singapore Business Federation and director of the Singapore Harvard Foundation. He is an Executive Director of MediaRing Ltd and Tech Group Asia Ltd. He serves on boards of Temasek and Agilent Technologies, Inc. in the United States. Mr Koh's educational qualifications: Bachelor of Mechanical Engg, Imperial College, London MBA (Distinction), Harvard Business School.	27 Queen Astrid Park, Singapore 266832

h) None of the Directors of the Acquirer has acquired any Shares during the preceding 12 months.

i) None of the Directors of the Acquirer is on the board of the Company.

j) Key audited financials of the Acquirer are:

Income Statement	For the year ended December 31, 2004		For the year ended December 31, 2003		For the year ended December 31, 2002	
	SG$ mn	Rs crores	SG$ mn	Rs crores	SG$ mn	Rs crores
Interest Income	2,712	7,149	2,228	5,873	2,723	7,178
Less: Interest Expense	1,051	2,771	775	2,043	1,029	2,713
Net Interest Income	1,661	4,379	1,453	3,830	1,694	4,466
Fee and Commission Income	523	1,379	457	1,205	427	1,126
Dividend Income	121	319	109	287	198	522
Rental Income	21	55	20	53	17	45
Other Income	1,179	3,108	651	1,716	558	1,471
Income before Operating Expenses	3,505	9,240	2,690	7,091	2,894	7,629
Operating Expenses	1,235	3,256	1,050	2,768	1,073	2,829
Operating Profits before Provisions	2,270	5,984	1,640	4,323	1,821	4,800
Less: Provision for possible loan losses and diminution in value of other assets	1	3	643	1,695	595	1,569
Net Profit before Taxation	2,269	5,981	997	2,628	1,226	3,232
Less: Taxation	332	875	255	672	279	735
Net Profit after Taxation	**1,937**	**5,106**	**742**	**1,956**	**947**	**2,496**

Balance Sheet Statement	As at December 31, 2004		As at December 31, 2003		As at December 31, 2002	
	SG$ mn	Rs crores	SG$ mn	Rs crores	SG$ mn	Rs crores
Share Capital						
Share Capital	1,962	5,172	1,962	5,172	1,962	5,172
Reserves	15,793	41,633	14,288	37,665	13,701	36,118
Shareholders' Funds	**17,755**	**46,805**	**16,250**	**42,837**	**15,663**	**41,290**
Liabilities						
Deposits and balances of banks	10,120	26,678	7,199	18,978	4,490	11,836
Deposits and other accounts of non- bank customers	84,891	223,785	77,293	203,755	71,185	187,654
Bills payable	265	699	275	725	376	991
Current taxation	552	1,455	433	1,141	359	946
Other liabilities	15,439	40,699	12,015	31,673	13,016	34,312
Other borrowings	362	954	376	991	393	1,036
Other debt securities in issue	3,295	8,686	2,382	6,279	1,756	4,629
Due to holding company	65	171	30	79	216	569
Due to subsidiary companies	2,420	6,379	2,227	5,871	2,179	5,744
Due to related companies	5	13	5	13	6	16
Subordinated term debts	4,654	12,269	3,571	9,414	3,649	9,619
Total Liabilities and Shareholders' funds	139,823	368,593	122,056	321,757	113,288	298,643
Assets						
Cash and balances and placements with central banks	10,218	26,936	4,861	12,814	2,005	5,285
Singapore Government securities and treasury bills	11,194	29,509	11,438	30,152	9,006	23,741
Trading securities	10,533	27,766	5,548	14,625	2,676	7,054
Balances, placements with and loans and advances to banks	19,658	51,821	21,768	57,384	31,833	83,916
Bills receivable from non-bank customers	2,073	5,465	1,051	2,771	1,210	3,190
Loans and advances to non-bank customers	44,948	118,489	39,382	103,817	35,904	94,648
Investment securities	15,241	40,177	14,469	38,142	7,634	20,124
Subsidiary companies	12,147	32,021	12,276	32,361	12,727	33,550
Associated and joint venture companies	595	1,569	613	1,616	874	2,304
Fixed assets	614	1,619	645	1,700	739	1,948
Deferred taxation assets	94	248	115	303	112	295
Other assets	12,508	32,973	9,890	26,071	8,568	22,586
Total Assets	**139,823**	**368,593**	**122,056**	**321,757**	**113,288**	**298,643**

Other Financial Data	As at December 31, 2004		As at December 31, 2003		As at December 31,2002	
Dividend (%)	40%		30%		30%	
Earnings per Share ("EPS")	SG$ 0.99	Rs. 26.10	SG$ 0.38	Rs. 10.02	SG$ 0.48	Rs. 12.65
Return on Net Worth (%)	11.39%		4.65%		6.63%	
Book Value per Share	SG$ 9.05	Rs. 238.57	SG$ 8.23	Rs. 216.95	SG$ 7.94	Rs. 209.31

Note:(1) Dividend (%) = Dividend per share / Face Value per share; (2) EPS = Profit After Tax / No. of shares outstanding; (3) Return on Net Worth = Profit after Tax / Average Net Worth at year-end; (4) Book Value per share = Net Worth / No. of shares outstanding (Source: Annual Report & Company Data)

k) The Acquirer's contingent liabilities are as under:

	As at December 31, 2004		As at December 31, 2003		As at December 31, 2002	
	SG$ mn	Rs crores	SG$ mn	Rs crores	SG$ mn	Rs crores
Contingent Liabilities	7,095	18,703	5,494	14,483	5,551	14,633
Commitments	58,203	153,431	47,661	125,641	45,961	121,160
Financial Derivatives	1,512,169	3,986,292	1,225,945	3,231,765	738,576	1,946,991

l) Comparison of results

2004 - 2003

Net Interest Income:

In 2004 Net Interest Income grew by 14.32% over 2003 to SG$ 1,661 mn (equivalent to Rs. 4,379 crores). This was largely due to growth in interest bearing assets especially customer loans.

Non-interest Income:

In 2004 Non-interest Income grew by 49.07% over 2003 to SG$ 1,844 mn (equivalent to Rs. 4,861 crores) due to increases in treasury income, as well as the sale of non-core assets.

Operating Expenses:

In 2004 Operating Expenses increased to SG$ 1,235 mn (equivalent to Rs. 3,256 crores) from SG$ 1,050 mn (equivalent to Rs. 2,768 crores) in 2003 mainly due to higher staff costs, advertising and promotion expenses and technology related practices. The increase was mainly due to higher staff costs from bonus accrual in line with the stronger bottom-line performance in 2004 and business expansion. Spending on advertising and promotions for retail products were higher with new product launches and branding initiatives in 2004.

Provision charge:

Provision for possible loan losses and diminution in value of other assets decreased to SG$ 1 mn (equivalent to Rs. 3 crores) in 2004 from SG$ 643 mn (equivalent to Rs. 1,695 crores) in 2003. The decrease was due to better economic conditions and overall credit quality of the loan portfolio, as well as improved valuations.

Net Profit after taxation:

In 2004 Net Profit after taxation grew by 161% over 2003 to SG$ 1,937 mn (equivalent to Rs. 5,106 crores).

2003 - 2002

Net Interest Income:

In 2003 Net Interest Income decreased to SG$ 1,453 mn (equivalent to Rs. 3,830 crores) from SG$ 1,694 mn (equivalent to Rs. 4,4066 crores) in 2002. The decrease was mainly due to narrower spread on loans and debt securities in a highly competitive loan market and low interest rate environment.

Non-interest Income:

In 2003 Non-interest Income grew by 3.08% over 2002 to SG$ 1,237 mn (equivalent to Rs. 3,261 crores)

Operating Expenses:

In 2003 Operating Expenses were SG$ 1,050 mn (equivalent to Rs. 2,768 crores) compared to SG$ 1,073 mn (equivalent to Rs. 2,829 crores) in 2002.

Provision charge:

Provision for possible loan losses and diminution in value of other assets increased to SG$ 643 mn (equivalent to Rs. 1,695 crores) in 2003 from SG$ 595 mn (equivalent to Rs. 1,569 crores) in 2002. Higher general provisions were made in 2003 following an increase in customer loans and investment securities.

Net Profit after taxation:

In 2003 Net Profit after taxation decreased to SG$ 742 mn (equivalent to Rs. 1,956 crores) compared to SG$ 947 mn (equivalent to Rs. 2,496 crores) in 2002.

m) The significant accounting policies of DBS, as per the audited financial statements for the year ended December 31, 2004 are as follows:

Basis of Presentation:

These financial statements are prepared in accordance with historical cost convention, modified by the revaluation of certain treasury instruments to market value.

The financial statements comply with Singapore Financial Reporting Standards ("FRS") including related interpretations promulgated by the Council on Corporate Disclosure and Governance.

Foreign Currencies:

Assets and liabilities denominated in foreign currencies are translated into Singapore dollars using the closing exchange rates at balance sheet date. Income and expenses are translated using exchange rates at the transaction date. All resulting changes are recognised in the profit and loss account.

The profit and loss account of foreign entities not reporting in Singapore dollars are translated at the average rates of exchange. Balance sheets are translated at closing rates. Exchange differences arising from the retranslation of opening foreign currency net investments and the related cost of hedging as well as exchange differences arising from retranslation of the result for the year from average rates to the year end rates are accounted for in reserve.

Cash and cash equivalents:

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with the central banks.

Loans and Advances:

Loans and advances are carried at recoverable amounts i.e., outstanding balances after deduction of provisions for bad and doubtful debts.

Loans are classified in accordance with the Monetary Authority of Singapore's ("MAS") guidelines as well as internal loan grading policies. These classifications, and underlying collateral valuations, are used to determine the amount of provision required. MAS' guidelines require banks to classify their loan portfolios into five categories - two categories for performing loans (Pass and Special Mention) and three categories for classified, or non-performing loans (Substandard, Doubtful or Loss).

When concessions are granted to the original terms of the loan for reasons that relate to the financial difficulties of the borrower, the loan is considered a Restructured Loan. A Restructured Loan is generally graded as Substandard or worse. Restructured Loans are not returned to performing status until specific conditions have been met, including there being no longer any reasonable doubt regarding the timely collection of principal and interest and there having been a reasonable period of sustained performance under the restructured terms.

Provision for Loan Losses:

Provision for loan losses comprise specific provisions against certain loans and advances and a general provision on total loans and advances.

A specific provision is made when a loan is classified as Substandard or worse and there is insufficient collateral security or other unencumbered assets available to repay the loan in full. Specific provisions are based on several factors including the loan amount, other commitments to the borrower, the borrower's payment history and business prospects, collateral value, and the estimated costs to obtain repayment. The actual percentage provided depends on management's judgement and whether the loan is graded Substandard, Doubtful, or Loss. Substandard loans will generally have a specific provision of 10% to 49% of the unsecured principal amount. Doubtful loans will typically have a specific provision of 50% to less than 100% of the unsecured principal amount, and Loss grade loans are provisioned at 100% of the unsecured principal amount. Interest on Substandard and worse loans is provisioned at 100% of the accrued amount.

General provisions are maintained for losses that can reasonably be expected to arise, based on historical experience, from the existing overall loan portfolio over its remaining life but which are not yet identifiable. In determining the level of general provision, reference is also made to country conditions, the composition of the portfolio and industry practices.

In the case of loans managed on an individual basis, bad debts are written off against provisions when recovery action has been instituted and the losses can be determined with reasonable certainty. For loans managed on a portfolio basis, unsecured bad debts are written off against provisions when amounts owing are 180 days past due while secured bad debts are written off to provisions when the collateral has been disposed of or sold. DBS continues to make every effort to recover amounts owing, even after write-offs have been recorded.

Debt Securities and Equities:

Singapore Government Securities and Treasury Bills

Singapore Government securities and treasury bills classified for trading purposes are recorded at fair value on the balance sheet, with changes in fair value recorded in "Other income" in the profit and loss account, while those classified for investment purposes are stated at costless provision. Provision is made for the investment portfolio when there is deemed to be a permanent diminution in value and this is recognised as a charge to the profit and loss account as it arises. Interest income for Singapore Government securities and treasury bills, for both trading and investment purposes, are included in interest income.

Trading Securities

Trading securities are recorded at fair value on the balance sheet, with changes in fair value recorded in "Other income" in the profit and loss account. Where the market price may not be achievable as a result of operating in illiquid markets, appropriate adjustments to the market value are made. Interest earned and dividends received are included in interest and dividend income respectively.

Investment Securities

Investments in other government securities and treasury bills, equity securities and debt securities not classified as held for trading are classified as investment securities, and are stated at cost less provision. Specific provision is made for an individual investment when there has been a diminution in value, except where such diminution is temporary and is recognised as a charge to the profit and loss account as it arises. General provision is made for certain securities for possible losses that may arise, but which are not yet identifiable.

Repurchase and reverse repurchase agreements ("repos" and "Reverse repos")

Repos are treated as collateralised borrowing and the amount borrowed is shown as a liability. The securities sold under repos are treated as pledged assets and remain on the balance sheet as an asset, included in "Singapore Government securities and treasury bills", "Trading securities" and "Investment securities". Reverse repos are treated as collateralised lending and the amount lent is shown as an asset. The difference between the amount received and the amount paid under repos and reverse repos is amortised as interest expense and interest income respectively on a straight-line basis.

Foreclosed properties:

Foreclosed properties are acquired in full or partial satisfaction of debts, and are accounted for at the lower of settlement or market value on an individual asset basis. The shortfall between the prevailing market value of the foreclosed asset and the related loan outstanding is recognised as a loss in the profit and loss account in the year the foreclosed properties are taken over in satisfaction of the debt. Market value is based on the appraised value of an independent appraiser less selling costs. The excess of the cost over the market value is recognised as a loss in the profit and loss account. Gains and losses on disposals of such properties are recognised in the profit and loss account at the date of disposal.

Fixed Assets including Investment Properties:

Fixed assets are stated at historical cost less accumulated depreciation. The basis of depreciation is as follows:

i. Leasehold land, where the balance of the leasehold period is 100 years or less, is amortised over the remaining period of the lease. No amortisation is made on freehold land and on leasehold land where the unexpired lease period is more than 100 years.

ii. Buildings, excluding equipment installed therein, are depreciated on a straight-line basis over their useful lives estimated at 50 years or over the period of the respective leases, whichever is shorter.

iii. Other fixed assets are depreciated on a straight-line basis over their estimated useful lives, including:

Computer hardware and software	3-5 years
Office equipment	5-8 years
Furniture and fittings	1-10 years

The estimated useful lives of these fixed assets are assessed on a periodic basis to ensure that they continue to be appropriate.

Fixed assets are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals of fixed assets are determined by reference to their carrying amount and are taken into account in determining operating profit.

Treasury related off-balance sheet financial instruments:

The accounting treatment applied to treasury related off-balance sheet financial instruments, including forwards, swaps, futures and options, is based upon the intention for entering into the transactions as elaborated below.

a) Non-Trading Transactions

Derivatives may be used to hedge interest rate, exchange rate or other price exposures that are inherent in the assets and liabilities of DBS.

The criteria required for a derivative instrument to be classified as a designated hedge are:

(i) The derivative instrument must be reasonably expected to match or eliminate a significant proportion of the risk inherent in the assets, liabilities, other positions or cash flows being hedged; and

(ii) There is adequate evidence of the intention to hedge. Linkage withthe underlying risk inherent in the assets, liabilities, other positions or cash flows being hedged, must be established at the outset of the transaction.

Profits and losses on derivatives entered into for specifically designated hedging purposes against assets, liabilities, other positions or cash flows measured on an accrual accounting basis are included in the related category of income or expense in the profit and loss account on the same basis as that arising from the underlying hedging transactions.

Hedging transactions, which have been superseded, or ceased to be effective prior to the end of the life of the assets, liabilities, other positions or cashflows being hedged, are measured at fair value. Any profit or loss arising from the fair value measurement or on termination of hedging transaction is deferred and amortised as interest income or expense in the profit and loss account over the remaining life of the items previously being hedged.

When the underlying assets, liabilities, other positions or cash flows are terminated prior to the hedging transactions, or anticipated transactions are no longer likely to occur, the hedging transactions are measured at fair value prior to being transferred to the trading portfolio. The profit or loss arising from the fair value measurement prior to the transfer to the trading portfolio is included in the category of income and expense in the profit and loss account relating to the previously hedged transactions.

b) Trading Transactions

Transactions undertaken for trading purposes are stated at fair value. Quoted market prices, when available, are used to determine the fair values of derivatives held for trading. Where mid prices are used, a bid-offer spread adjustment will be made to ensure that all long positions are marked to bid prices and short positions to offer prices. Liquidity reserve is taken when a market price may not be achievable as a result of certain material positions held by DBS. Methodology deficiency reserves address approximation uncertainties from modelling methods and numerical methods. When parameters are unobservable or stem from illiquid markets, uncertainty in their true (market implied) value arises and a parameter deficiency reserve is taken for the potential impact on mark to market valuations.

Resultant gains and losses from changes in fair value of trading transactions are recognised as "Other income" in the profit and loss account. Unrealised valuation gains or losses are included in "Other assets" or "Other liabilities" respectively.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Interest Income:

Interest income is recognised on an accrual basis.

Interest earned but not received on non-performing loans is not recognised as income in the profit and loss account until receipt. All interest accrued previously and recognised in the profit and loss account is reversed from interest income once a loan is classified as non-performing.

Amortisation of premiums and discounts are recognised as interest expense or interest income on a straight-line basis over the life of the asset or liability.

Fee and Commission income:

Fees and commissions are recognised in the profit and loss account as and when the service is performed and when considered recoverable. Fee income relating to loans and guarantees is recognised over the period during which the related service is provided or credit risk is undertaken. Where a fee is charged in lieu of interest, such fee is amortised over the same period as the related income is recognised.

Dividend Income:

Dividends from equities are recognised when declared payable.

Operating Leases:

Operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period when termination takes place.

Taxation:

The current taxation charged to the profit and loss account represents tax at the current rate based on taxable profits earned during the financial year. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

The principal temporary differences arise from depreciation of fixed assets, provision for loan losses, tax losses carried forward; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Provisions and other liabilities:

Provisions are recognised when DBS has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Share Capital:

Ordinary shares, non-voting convertible preference shares and non-voting redeemable convertible preference shares with discretionary dividends are classified as equity.

Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are deducted from equity net of any related income taxes.

FRS 32, “Financial Instruments: Disclosures and Presentation”, requires the issuer of a financial instrument to classify the instrument either as a liability or equity in accordance with the substance of the contractual arrangement on initial recognition. Preference shares which are highly likely to be redeemed are classified as liabilities.

Dividend:

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders at the Annual General Meeting.

Fiduciary activities:

Assets and income arising thereon together with related undertakings to return such assets to customers are excluded from the financial statements where DBS acts in a fiduciary capacity such as nominee, trustee or agent.

Borrowings:

Borrowings are recognised initially at “cost”, being their issue proceeds (fair value of consideration received) net of transaction costs incurred.

Deposits and other account of customers:

Deposits and other accounts are recognised initially at cost.

Placements with and deposits of banks:

The balances due from and to banks are stated at the initial amount placed or deposited. Provision, if required, is made for any placements or loans considered to be doubtful of collection.

n) Details of companies promoted by DBS in the last three years are as follows:

Capital OK Company Limited:

Date of Incorporation:	December 24, 2003
Country of Incorporation:	Thailand
Nature of Business:	Consumer Finance

	As at December 31, 2004		As at December 31, 2003	
	US$ '000	**Rs. lakhs**	**US$ '000**	**Rs. lakhs**
Shareholders' Funds / Net Asset Value	18,737	8,318	24,482	10,867
	For the year ended December 31, 2004		**For the year ended December 31, 2003**	
	US$ '000	Rs. lakhs	US$ '000	Rs. lakhs
Total Revenue	3,581	1,590	2	1
Profit after tax	(5,744)	(2,550)	(11)	(5)

o) As at the date of the Public Announcement, the Acquirer did not hold any securities of the Company. The Acquirer did not acquire any securities of the Company in the past 12 months

p) The Acquirer is pursuing the Offer as a means of participating in India's fast-growing consumer finance market through a partnership with the Company. The Acquirer's intention is to assist the Company in growing its financial services business by transferring technology, products and marketing expertise, and risk management skills.

q) The Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Company in the next two (2) years, except in the ordinary course of business of the Company and except to the extent required for the purpose of restructuring and/or rationalisation of assets, investments, liabilities or otherwise of the Company.

r) Other than in the ordinary course of business, the Acquirer undertakes that it shall not sell, dispose of or otherwise encumber any substantial asset of the Company except with the prior approval of

5. BACKGROUND OF COMPANY

a) The Company is a public limited company with its registered office located at "Dare House", No.2, NSC Bose Road, Parrys, Chennai, India 600 001. Tel: +91 44 2530 7172. Fax: +91 44 2534 6464

b) The Company is primarily engaged in providing vehicle finance including heavy commercial vehicle, light commercial vehicle, and automobile finance, as well as financing against shares and property finance. It also provides investment advisory, asset management, and brokerage services through its subsidiaries.

c) Capital structure of the Company on March 31, 2005, is as under:

	No. of Shares	% of Paid-up Equity Capital
Fully Paid-up Equity Shares	3,79,46,476	100%
Partly Paid-up Equity Shares	-	-
Total Paid-up Equity Shares	3,79,46,476	100%
Total Voting Rights	3,79,46,476	100%

d) Details of changes in the equity share capital of the Company since incorporation are as follows:

Date of allotment	No of Shares issued	% of total Share Capital	Cumulative paid up capital	Mode of allotment	Identity of allottees (Promoters/Others)	Status of Compliance
1978	700	100.00%	700	Subscription to MOA/AOA	Promoters/others	Complied with
1978	27,700	97.54%	28,400	Private placement	Promoters/others	Complied with
1978	21,775	43.40%	50,175	-do	Promoters/others	Complied with
1979	2,100	4.02%	52,275	-do	Promoters/others	Complied with
1979	100	0.19%	52,375	-do	others	Complied with
1979	600	1.13%	52,975	-do-	others	Complied with
1979	2,125	3.86%	55,100	-do-	Promoters	Complied with
1980	44,900	44.90%	1,00,000	-do-	Promoters/others	Complied with
1980	1,50,000	60.00%	2,50,000	Public issue	Others	Complied with
1982	1,35,856	35.21%	3,85,856	Rights Issue	Others	Complied with
1983	1,13,444	22.72%	4,99,300	-do-	Others	Complied with
1985	4,99,300	50.00%	9,98,600	Rights issue	Promoters/others	Complied with
1986	1,400	0.14%	10,00,000	-do-	Promoters/others	Complied with
1986	4,54,428	31.24%	14,54,428	-do-	Promoters/others	Complied with
1986	1,20,030	7.62%	15,74,458	-do-	Promoters/others	Complied with
1987	25,542	1.60%	16,00,000	-do-	Promoters/others	Complied with
1990	8,00,000	33.33%	24,00,000	Bonus issue	Promoters/others	Complied with
1991	18,47,435	43.50%	42,47,435	Rights issue	Promoters/others	Complied with
1991	265	0.01%	42,47,700	-do-	Promoters/others	Complied with
1993	42,52,100	50.03%	84,99,800	-do-	Promoters/others	Complied with
1995	42,49,425	33.33%	1,27,49,225	-do-	Promoters/others	Complied with
1995	42,49,900	25.00%	1,69,99,125	Public issue	Others	Complied with
Less:2001	(1,30,900)	-0.78%	16,868,225	Forfeited shares	N.A	Complied with
2003	84,30,808	33.32%	2,52,99,033	Rights issue	Promoters/others	Complied with
2004	1,26,47,443	33.33%	3,79,46,476	-do-	Promoters/others	Complied with

Details of changes in the preference share capital of the Company since incorporation are as follows:

Date of allotment	No and % of Shares issued	Cumulative paid up capital	Mode of allotment	Identity of allottees (Promoters/ Others)	Status of Compliance
2002	23,00,000	23,00,000	Private placement	others	Complied with
2003	10,00,000	33,00,000	-do-	-do-	Complied with
Less: 2003	10,00,000	23,00,000	Option for early redemption exercised	N.A	Complied with
Less: 2004	13,00,000	10,00,000	Option for early redemption exercised	N.A	Complied with

Details of dividend paid on Preference Shares:

Date of allotment	No of Shares	Coupon
2003	23,00,000	8.50%
	10,00,000	8.75%
2004	13,00,000	8.50%
	10,00,000	8.75%
2005	10,00,000	6.85%

e) The Shares are listed on the NSE, BSE and MSE. The Shares are frequently traded on NSE and BSE and most frequently traded on NSE. As on June 17, 2005, the closing price of the Shares on NSE was Rs.136.2/- per Share.

f) There are no partly paid-up equity shares or outstanding convertible instruments as at the date of the Public Announcement.

g) The Company and its Promoters have complied with applicable provisions of Chapter II of SEBI (SAST) Regulations within the specified time.

Status of compliance with the provisions of Chapter II of the Takeover Regulations (as applicable):

a) By the Promoters

Sl #	Regulation / Sub-regulation	Due date for compliance as mentioned in the Regulation	Actual date of compliance	Delay, if any	Remarks
1	6(1)	20.04.1997	17.04.1997	-	-
2	6(3)	20.04.1997		-	-
3	8(1)	21.04.1998	09.04.1998	-	-
4	8(2)	21.04.1998		-	-
5	8(1)	21.04.1999	09.04.1999	-	-
6	8(2)	21.04.1999		-	-
7	8(1)	21.04.2000	21.04.2000	-	-

Sl #	Regulation / Sub-regulation	Due date for compliance as mentioned in the Regulation	Actual date of compliance	Delay, if any	Remarks
8	8(2)	21.04.2000		-	-
9	8(1)	21.04.2001	20.04.2001	-	-
10	8(2)	21.04.2001		-	-
11	8(1)	21.04.2002	13.04.2002	-	-
12	8(2)	21.04.2002		-	-
13	8(1)	21.04.2003	10.04.2003	-	-
14	8(2)	21.04.2003		-	-
15	7(1)&(2)	NA	NA	-	-
16	7(1A)&(2)	NA	NA	-	-

a) By the Company

Sl #	Regulation / Sub-regulation	Due date for compliance as mentioned in the Regulation	Actual date of compliance	Delay, if any	Remarks
1	6(2)	20.05.1997	28.04.1997	-	-
2	6(4)	20.05.1997		-	-
3	8(3)	30.04.1998	29.04.1998	-	-
4	8(3)	30.04.1999	27.04.1999	-	-
5	8(3)	30.04.2000	28.04.2000	-	-
6	8(3)	30.04.2001	26.04.2001	-	-
7	8(3)	30.04.2002	20.04.2002	-	-
8	8(3)	30.04.2003	16.04.2003	-	-
9	7(3)	-	-	-	-

h) Both the Company and the Promoters have not received any directions from SEBI u/s 11B of the SEBI Act, prohibiting them from dealing in securities or under any of the regulations made under the SEBI Act.

i) The Company is in compliance with the listing agreements of the various stock exchanges on which it is listed and as on the date of the Public Announcement, no punitive action has been initiated against the Company by the stock exchanges where its Shares are listed.

j) Details of RBI Registration:

The Company has obtained a Certificate of Registration as a “Deposit Taking Company” with Reserve Bank of India, Department of Non-Banking Supervision, Regional Office, Chennai.

Regn No.:- 07.00306

Date: August 21, 1998

The Company is classified as a Hire Purchase and Equipment Leasing Company.

k) The Board of Directors of the Company as at the date of the Public Announcement are as follows:

Name & Residential Address	Designation	Qualification	Date of Appointment	Experience Yrs
MR. M A ALAGAPPAN 17, Chittaranjan Road Chennai 600 018	Chairman	B.com. He has also done a course in Management at University of Aston, U.K	30.07.2001	37 years in the fields of tubes, bi-cycle, agro-based industries and financial services.
MR. V P MAHENDRA "Lakshmi Vilas" No.5, Sankey Road, High Grounds Bangalore 560 052	Non-Executive Director	B.E (Bachelor of Engineering, Bangalore)	06.10.1994	37 years in the fields of tractors and tillers industry.
MR. R V KANORIA A 45 Vasant Marg Vasant Vihar New Delhi - 110 057	-do-	MBA from IMD, Switzerland and an alumnus of Wharton (USA)	14.09.1995	29 years in the fields of chemicals, petrochemicals, textiles and jute
MR. N C SINGHAL D 107, Poornima 23, Pedder Road, Mumbai 400 026	-do-	M.A. (Economics, Statistics and Administration). He has also received professional education at several specialized institutions in India including IIM Ahmedabad and Kolkata.	01.11.1996	47 years in the fields of banking & finance and oil and natural gas industry.
MR. RAVI RAMU 15/4, Primrose Road Bangalore 560 025	-do-	C.A. from India, England and Wales	30.10.2000	22 years in the fields of finance, audit consultancy in the area of information, communications and entertainment etc.
MR. A VELLAYAN No.5, Ambadi Road Kotturpuram Chennai 600 085	-do-	M.B.A. from University of Warwick Business school, U.K and a diploma holder in Industrial Administration from University of Aston, U.K	22.03.2002	29 years in the fields of automobile, chemicals, energy development, sugar and development of exports.
MR. M J SUBBAIAH # 201, Skyline Apartments Langford Road Bangalore 560 025	-do-	M.A. (Economics); AIIB (An associate of Indian Institute of Bankers)	27.05.2004	37 years in the fields of banking and finance
MR. PARTHO S DATTA 16, Boat Club Road R.A. Puram Chennai 600 028	-do-	C.A	30.07.2001	32 years in the fields of finance and accountancy
MR. M ANANDAN AL-192, 12th Main Road Anna Nagar Chennai 600 040	Managing Director	C.A	29.08.1997	31 years in the fields of finance and senior general management and corporate planning

l) The total Promoter Group shareholding in the Company, as at June 10, 2005, is 21,006,460 Shares representing 55.36%, as follows:

Shareholder	No of Shares	% of Total Equity Capital
A M M ARUNACHALAM SONS PRIVATE LTD	1,75,000	0.46
A.M.M.EDUCATIONAL FOUNDATION	225	0.00
AMBADI ENTERPRISES LTD	33,300	0.09
AMM VELLYAN & SONS PRIVATE LIMITED	3,037	0.01
AR LAKSHMI ACHI TRUST	54,531	0.14
CARBORUNDUM UNIVERSAL LIMITED	100	0.00
E.I.D.PARRY (INDIA) LTD.	225	0.00
M.M.MUTHIAH RESEARCH FOUNDATION	16,200	0.04
NEW AMBADI ESTATES PRIVATE LIMITED	100	0.00
NEW AMBADI INVESTMENTS PRIVATE LIMITED	435	0.00
PARRY AGRO INDUSTRIES LIMITED	100	0.00
PARRY ENGINEERING EXPORTS LIMITED	225	0.00
PRESSMET PVT LTD.	450	0.00
TUBE INVESTMENTS OF INDIA LTD	1,85,22,973	48.81
COROMANDEL HOLDINGS & MINERALS LTD	150	0.00
A A ALAGAMMAI	25,000	0.07
A V ARUNACHALAM	69,000	0.18
A VELLAYAN	78,375	0.21
A VENKATACHALAM	1,09,669	0.29
ARUN ALAGAPPAN	1,60,000	0.42
LAKSHMI VENKATACHALAM	64,105	0.17
LALITHA VELLAYAN	53,100	0.14
M A M ARUNACHALAM	22,500	0.06
M M MURUGAPPAN	21,150	0.06
M M MUTHIAH	30,900	0.08
M M VEERAPPAN	14,750	0.04
M M VENKATACHALAM	37,443	0.10
M V AR MEENAKSHI	94,875	0.25
M V MURUGAPPAN	1,35,000	0.36
M V MUTHIAH	16,743	0.04
M V SUBBIAH	1,25,025	0.33
M V SUBRAMANIAN	4,087	0.01
M.A.ALAGAPPAN	5,69,146	1.50

Shareholder	No of Shares	% of Total Equity Capital
MEENAKSHI MURUGAPPAN	38,150	0.10
MEYYAMMAI VENKATACHALAM	40,029	0.11
S VELLAYAN	1,25,025	0.33
V ARUNACHALAM	56,287	0.15
V NARAYANAN	57,600	0.15
M V VALLI MURUGAPPAN	85,500	0.23
M V SEETHA SUBBIAH	1,24,950	0.33
A.KEERTIKA UNNAMALAI	6,500	0.02
AM MEYYAMMAI	34,500	0.09
Total	2,10,06,460	55.36%

m) The build-up of shareholding of the Promoter Group is as follows:

Date	Resultant No. of Equity Share held	Method of allotment	Buildup(%)	Issue Price/ acquisition price (Rs)
March 31, 1997	72,42,458	Refer Note	42.60	Refer Note
March 31, 1998	73,35,328	Refer Note	43.15	Refer Note
March 31, 1999	78,05,278	Refer Note	45.92	Refer Note
March 31, 2000	79,29,968	Refer Note	46.65	Refer Note
March 31, 2001	80,04,863	Refer Note	47.09	Refer Note
March 31, 2002	81,45,076	Refer Note	48.29	Refer Note
March 31, 2003(2)	82,63,108	Refer Note	48.99	Refer Note
March 31, 2004(1)	1,39,54,765	Refer Note	55.16	Refer Note
March 31, 2005	2,10,06,460	Refer Note	55.36	Refer Note

Note: 1) 69,79,367 Shares purchased in rights issue in 2004 at Rs. 55/- per share; 2) 5,544,332 Shares purchased in rights issue in 2003 at Rs. 35/- per share; Except above two rights issues' subscription, rest of the Shares have been acquired in the secondary market at the then prevailing market prices.

The Promoters have complied with applicable provisions of Chapter II of SEBI (SAST) Regulations within the specified time.

n) The Company has not been involved in any merger/de-merger/spin-off in the last three years.

o) Key audited financials of the Company:

Standalone:

Income Statement	**For the year ended March 31, 2005 (Rs. lakhs)**	**For the year ended March 31, 2004 (Rs. lakhs)**	**For the year ended March 31, 2003 (Rs. lakhs)**
Income	21,471	22,635	23,648
Expenditure:			
Financing Charges	8,452	8,357	9,741
Business Origination Costs	1,771	2,628	1,435
Operating and other expenses	2,859	2,759	2,246
Depreciation	934	1,828	3,929
Provisioning and Other charges	2,299	2,457	1,743
Profit before extraordinary items	5,156	4,606	4,554
Extraordinary items	-	153	-
Profit before taxation	5,156	4,759	4,554
Provision for taxation			
Current	1,925	2,177	2,564
Deferred	(176)	(628)	(824)
Profit after taxation	3,407	3,210	2,814

Balance Sheet Statement	As at March 31, 2005 (Rs. lakhs)	As at March 31, 2004 (Rs. lakhs)	As at March 31, 2003 (Rs. lakhs)
Source of Funds			
Shareholders' Funds			
Equity	3,801	2,536	1,693
Preference	1,000	2,300	3,300
Total Share Capital	4,801	4,836	4,993
Reserves and Surplus	26,474	19,720	16,128
Loan Funds			
Secured Loans	72,762	67,963	68,051
Unsecured Loans	60,331	60,809	44,983
Deferred Tax Liability (Net)	-	-	618
Total	164,367	1,53,328	1,34,773
Application of Funds			
Fixed Assets			
Gross Block	8,463	13,086	19,228
Less: Depriciation	6,859	10,514	14,844
Net Block 1,604	2,571	4,384	
Investments	12,876	7,743	9,727
Deferred Tax Asset (Net)	186	10	-

Balance Sheet Statement	As at March 31, 2005 (Rs. lakhs)	As at March 31, 2004 (Rs. lakhs)	As at March 31, 2003 (Rs. lakhs)
Current Assets, Loans and Advances			
Stock on Hire	1,20,072	1,15,074	99,857
Sundry Debtors	5,510	4,925	4,088
Cash and Bank balances	4,171	3,114	2,140
Other Current Assets	479	610	460
Loans and Advances	27,068	26,992	20,632
Less: Current Liabilities and Provisions			
Liabilities	5,041	7,810	7,817
Provisions	2,926	685	524
Net Current Assets	1,49,332	1,42,221	1,18,836
Miscellaneous Expenditure	370	783	1,827
Total	1,64,367	1,53,328	1,34,773

Other Financial data	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
Dividend (%)	50%	50%	50%
No of Shares	3,79,46,476	2,52,99,033	1,68,68,225
Earnings per Share (Rs)	9.04	10.91	16.09
Return on Net Worth (%)	12.59%	13.50%	15.22%
Book Value per Equity Share (Rs)	79.78	87.97	105.65

Note:(1) Dividend (%) = Dividend per share / Face Value per share; (2) EPS = Profit After Tax less Pref dividend / No. of equity shares outstanding; (3) Return on Net Worth = Profit after Tax / Average Net Worth at year-end; (4) Book Value per equity share = Equity Net Worth / No. of equity shares outstanding (Source: Annual Report & Company Data)

Consolidated:

Income Statement	For the year ended March 31, 2005 (Rs. lakhs)	For the year ended March 31, 2004 (Rs. lakhs)	For the year ended March 31, 2003 (Rs. lakhs)
Income	23,091	24,374	24,930
Expenditure			
Financing Charges	8,386	8,329	9,732
Business Origination Costs	1,883	2,743	1,659
Operating and other expenses	4,616	4,202	3,707
Depreciation	1,029	1,901	3,995
Provisioning and Other charges	2,303	2,589	1,791
Profit before extraordinary items	4,874	4,610	4,046
Extraordinary items	-	102	-
Profit before taxation	4,874	4,711	4,046
Provision for taxation			
Current	1,971	2,241	2,588
Deferred	(176)	(625)	(823)
Minority Interest in Net Income	(1)	(3)	(5)
Profit after taxation	3,078	3,098	2286

Balance Sheet Statement	As at March 31, 2005 (Rs. lakhs)	As at March 31, 2004 (Rs. lakhs)	As at March 31, 2003 (Rs. lakhs)
Source of Funds			
Shareholders' Funds			
Equity Share Capital	3,801	2,536	1,693
Preference Share Capital	1,000	2,300	3,300
Total Share Capital	4,801	4,836	4,993
Reserves and Surplus	25,046	18,621	15136
Minority Interest	7	7	10
Loan Funds			
Secured Loans	72,762	67,964	68,051
Unsecured Loans	60,331	60,809	44,983
Deferred Tax Liability (Net)	207	438	673
Total	1,63,154	1,52,675	1,33,846
Application of Funds			
Fixed Assets			
Gross Block	9,406	13,891	19,951
Less: Depreciation	7,282	10,842	15,100
Net Block	2,124	3,049	4,851
Goodwill on Consolidation			
Subsidiaries	207	207	207
Less: Capital Reserve in Associate	(4)	(4)	(4)
Investments	10,387	5,517	7,961
Deferred Tax Assets (Net)	335	390	-
Current Assets, Loans and Advances			
Stock on Hire	1,20,069	1,15,074	99,857
Stock in Trade	-	2	-
Sundry Debtors	6,000	5,291	4,312
Cash and Bank balances	4,391	3,500	2,321
Other Current Assets	480	615	461
Loans and Advances	27,338	27573	20,749
Less: Current Liabilities and Provisions			
Liabilities	5,568	8,573	8,113
Provisions	2,941	691	532
Net Current Assets	1,49,769	1,42,791	1,19,055
Miscellaneous Expenditure	336	725	1,776
Total	1,63,154	1,52,675	1,33,846

p) **Comparison of Results:**

The Company's disbursements in 2004-05 grew 69% in Heavy Commercial Vehicles (HCV) category and 26% in Light Commercial Vehicles (LCV) category; there was, however, a drop in disbursement in cars on account of pricing pressures. As on March 31, 2005, 78% of the Company's vehicle finance assets were in commercial vehicle category and 22% in cars and MUV (Multi Utility Vehicles) category.

The Company's choice of product mix is based on evaluation criteria that take into consideration the size of the market, the risk levels associated with the product category, the intensity of competition, company's ability to enhance customer value and financial viability. Given the constantly evolving market scenario and the Company's experience in specific products, the Company continuously reviews its product strategies to decide on the appropriate segments to focus on. Based on such an evaluation, the Company identified the commercial vehicle segment comprising of HCVs, LCVs and cargo three wheelers including used vehicle financing as the thrust products. It has discontinued fresh disbursements in two-wheelers. In the car and MUV segment, while the product is otherwise attractive, intense competition has impacted interest spreads, thereby making it financially less appealing. Hence, the Company has chosen to have a moderate presence in these products.

During the year, the Company's gross asset base (including securitised assets) grew 15% to Rs.1980 crores. Gross income was Rs.215 crores in 2004-2005 as against Rs.226 crores in 2003-2004.

Rs. crores

	FY 2005	FY 2004	% change
Income from operations - other than lease	207.15	206.73	-
Lease income	7.56	19.62	(62%)
Gross income	214.71	226.35	-5%
Less: Lease depreciation	7.08	16.23	(57%)
Less: Interest cost	84.52	83.57	1%
Gross spread	123.11	126.55	(3)%

Intense competition impacted gross interest spreads even though lowering of borrowing costs partly softened the impact.

Rs. crores

		FY 2005	**FY 2004**
a.	Earnings(1) on average total assets(2) (%)	11.88	12.76
b.	Financing cost on avg. borrowings(2) (%)	6.46	6.91
c.	Spread (%)(a - b)	5.42	5.85

1. Earnings is net of lease depreciation and business origination cost.
2. Average assets and average borrowings computed as simple average of opening and closing balances for the year

Provisions and other charges dropped by 7% to Rs.23 crs. Exit costs from two wheeler financing resulted in a higher loan loss charge. Overall Net NPAs have reduced to 1.20% of total risk weighted assets (including assets securitised) from 1.43% in the previous year. Out of the above, however, the net NPA pertaining to the core business of commercial vehicles and cars was considerably lower at 0.72% of total risk weighted assets..

With strong product focus on proven product categories coupled with the steps taken to strengthen the credit assessment and recovery mechanisms, the credit performance of the portfolio is showing improvement and the full benefit would be reflected in the coming years.

Operating expenses as a proportion of the asset base (including securitised assets) was reduced to 1.44% compared to 1.61% in the previous year.

The profit before tax grew by 12% to Rs.51.56 crs from Rs.46.06 crores in the previous year (before extraordinary items).

q) If the Offer is fully subscribed, the shareholding pattern of the Company prior to and following the purchase of Shares under the Share Purchase Agreement and the Offer is as set out in the table below. Please note that the following table assumes that:

(i) there will be a divestment of 1,51,786 Shares by the Promoter to the market prior to completion of the Offer (which is necessary to ensure that the public float of the Company, following completion of the Offer, does not fall below 25 per cent. of the paid up equity share capital of the Company); (ii) the number of Shares acquired by the Acquirer under the Offer will be 75,89,296 (which is equal to 20 per cent. of the paid-up equity capital of the Company as at the date of the Public Announcement) and;

(iii) the number of Shares to be sold by the Promoter to the Acquirer pursuant to the Share Purchase Agreement will be equal to 57,29,918 plus 9,02,771 Shares (the sale of such additional Shares is necessary in order to achieve equality of shareholding between the Acquirer and the Promoter Group).

	Shareholders' category	Shareholding & Voting rights prior to the agreement/ acquisition and Offer	Shares/ Voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations	Shares/ Voting rights to be acquired in the Open Offer	Shares/ Voting rights to be divested by Promoters to the Acquirer	Shareholding/ Voting rights after the agreement/ acquisition and Offer
		(A)	(B)	(C)	(D)	
1.	Promoters	2,10,06,460 (55.36%)	(57,29,918) (15.10%)	NA	(9,02,771) (2.38%)	1,42,21,985(2) (37.48%)
2.	Acquirer	Nil (0%)	57,29,918 (15.10%)	75,89,296 (20.00%)	9,02,771 (2.38%)	1,42,21,985 (37.48%)
3.	Non Promoter Shareholding Institutional Investors Mutual Funds & UTI	100 (0.00%)				
	Banks, Financial Institutions, Insurance Companies	3,64,370 (0.96%)				
	FII's	8,83,424 (2.33%)				
	Others Private Corporate Bodies	20,76,056 (5.47%)				
	Indian Public(1)	1,28,63,240 (33.90%)				
	NRIs/OCBs	7,52,826 (1.98%)				
	Total (3) :	1,69,40,016 (44.64%)		(75,89,296) (20.00%)		95,02,506(2) (25%)
	Grand Total (1+2+3)	3,79,46,476 (100%)				3,79,46,476 (100%)

Note: (1) The total number shareholders in the public category as of September 23, 2005 is 21,389.

(2) The Promoter will divest 1,51,786 Shares to the public to maintain the public shareholding limit at 25%.

r) The Promoter Group are the Promoters of the Company in terms of the SEBI (SAST) Regulations.

s) The total Promoter Groups shareholding in the Company, as at June 10, 2005, is 21,006,460 Shares representing 55.36%, as follows:

Sl. No.	Shareholder	No of Shares	% of Total Equity Capital
1	Indian Promoters	2,10,06,460	55.36
2	Foreign Promoters	-	-
	Total	2,10,06,460	55.36

t) The details of the corporate governance for the Company are as follows:

The Company has complied with all mandatory requirements of corporate governance norms as enumerated in clause 49 of the listing agreements with stock exchanges. The Company has obtained a certificate dated April 27, 2005 from M/s. Price Waterhouse, Chennai, statutory auditors of the Company, regarding the compliance with the provisions of the above clause.

The details of the compliance as at September 30, 2005 are as follows:

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No)	Remarks
Board of Directors	49 I	Yes	Nil
Audit Committee	49 II	Yes	Nil
Shareholders/Investors Grievance Committee	49 VI(C)	Yes	Nil
Remuneration of Directors	49 III	Yes	Nil
Board Procedure	49 IV	Yes	Nil
Management	49 V	Yes	Nil
Shareholders	49 VI	Yes	Nil
Report on Corporate Governance	49 VII	Yes	Nil

The Company has adopted the following non-mandatory requirements:

1. A remuneration and nomination committee has been constituted by the Company.
2. A newsletter from the Managing Director highlighting the significant achievements during the half-year ended 30 September 2004 and enclosing the financial results was sent to all the shareholders of the Company.

u) The details of pending litigation:

- Civil Cases: 201 civil cases filed by customers primarily relating to injunction on selling off of vehicles, whereof amounts are not quantifiable.
- Criminal Case: 57 criminal cases filed by customers primarily relating to repossession of assets etc. whereof amounts are not quantifiable.
- Consumer Disputes: 189 consumer dispute cases where amounts are not quantifiable. The cases primarily relate to seeking refunds or deficiency in services from the Company and are pending before various Consumer Forums / Courts.
- Income Tax Cases: 12 cases aggregating to Rs.242.60 lakhs, wherein appeals are pending with the Income Tax Appellate Tribunal.

v) The Company's contingent liabilities (Standalone and Consolidated) are as under:

Consolidated financials:

1) Disputed Income tax liability: Rs. 26.81 lakhs

Standalone financials: NIL

w) The compliance officer of the Company is Ms. P.Sujatha (Company Secretary). She can be reached at "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600 001, Phone: 044 25307172; Fax: 044 25346464; Email: nsujatha@chola.murugappa.com.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

a) The Shares are listed on the NSE, BSE and MSE. Based on the information available, the Shares are frequently traded on the NSE (Source: NSE website, www.nse-india.com) and BSE (Source: BSE website, www.bseindia.com) within the meaning of explanation (i) of Regulation 20 (5) of the SEBI (SAST) Regulations.

b) The annualised trading turnover during the preceding six months ended May 31, 2005 in each of the stock exchanges on which the Shares are listed is detailed below:

Name of Stock Exchange	Total number of Shares traded during the preceding six calendar months ended May 31, 2005	Total number of listed Share	Annualized trading turnover (in terms of % of total listed Shares)	Trading Status in terms of the SEBI (SAST) Regulations
NSE	2,06,22,564	3,79,46,476	4,12,45,128 (108.7%)	Frequently Traded
BSE	95,89,558	3,79,46,476	1,91,79,116 (50.5%)	Frequently Traded
MSE	Nil	3,79,46,476	Nil	Infrequently Traded

(Source: various stock exchanges)

c) The Offer Price of Rs. 150/- (Rupees One Hundred Fifty only) per Share is justified in terms of Regulation 20(4) of the SEBI (SAST) Regulations as it is the highest of the following:

a.	Negotiated Price (Price as per the Share Purchase Agreement)	Rs. 150/-
b.	Highest Price paid by the Acquirer for any acquisition including by way of allotment in a public or rights or preferential issue during the 26-weeks prior to the Public Announcement Date, i.e., June 18, 2005	NIL
c.	Summary of prices of the Shares during the 26 week and 2 week periods Preceding the Public Announcement Date, i.e., June 18, 2005	
	c-1 : The average of weekly high and low of the closing prices during the 26-weeks on NSE	89.96
	c-2 : The average of daily high and low prices during the 2-weeks on NSE	142.11
	c-3 : The average of weekly high and low of the closing prices during the 26-weeks on BSE	89.93
	c-4 : The average of daily high and low prices during the 2-weeks on BSE	142.45

c-1 The average of weekly high and low of the closing prices of the Shares during the 26-weeks preceding the Public Announcement Date on NSE (Source: www.nseindia.com)

Week #	End date	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume
1	24-Dec-04 Fri	72.55	70.70	71.63	2,65,099
2	31-Dec-04 Fri	75.15	72.75	73.95	4,71,032
3	07-Jan-05 Fri	74.45	68.30	71.38	3,58,238
4	14-Jan-05 Fri	70.50	67.40	68.95	2,21,819
5	21-Jan-05 Fri	67.80	66.70	67.25	74,396
6	28-Jan-05 Fri	67.25	65.90	66.58	1,09,331
7	04-Feb-05 Fri	69.15	66.55	67.85	2,65,558

Week #	End date	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume
8	11-Feb-05 Fri	73.55	67.20	70.38	6,04,454
9	18-Feb-05 Fri	72.75	70.60	71.68	3,70,181
10	25-Feb-05 Fri	73.85	70.40	72.13	5,05,890
11	04-Mar-05 Fri	75.70	71.30	73.50	4,94,475
12	11-Mar-05 Fri	86.35	76.70	81.53	21,37,120
13	18-Mar-05 Fri	89.55	84.35	86.95	14,23,137
14	25-Mar-05 Fri	83.85	77.30	80.58	4,03,754
15	01-Apr-05 Fri	83.75	76.95	80.35	3,88,531
16	08-Apr-05 Fri	88.05	84.90	86.48	4,82,835
17	15-Apr-05 Fri	98.50	89.80	94.15	17,69,486
18	22-Apr-05 Fri	99.05	94.80	96.93	12,69,825
19	29-Apr-05 Fri	98.90	93.05	95.98	4,51,717
20	06-May-05 Fri	103.65	94.80	99.23	10,91,909
21	13-May-05 Fri	109.50	103.85	106.68	8,72,542
22	20-May-05 Fri	126.55	113.95	120.25	17,48,114
23	27-May-05 Fri	128.30	117.75	123.03	9,71,852
24	03-Jun-05 Fri	138.25	120.70	129.48	24,35,344
25	10-Jun-05 Fri	148.35	139.40	143.88	35,85,088
26	17-Jun-05 Fri	140.10	136.20	138.15	34,49,095
		26 weeks average		**89.96**	

c-2 The average of daily high and low prices of the Shares during the 2-weeks preceding the Public Announcement Date on NSE (Source: www.nseindia.com)

Day #	End Date	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume
1	04-Jun-05 Sat	143.25	137.00	140.13	3,79,562
2	06-Jun-05 Mon	142.50	138.50	140.50	4,70,336
3	07-Jun-05 Tue	144.90	135.50	140.20	5,05,258
4	08-Jun-05 Wed	145.90	138.25	142.08	3,79,783
5	09-Jun-05 Thu	149.90	140.20	145.05	12,85,748
6	10-Jun-05 Fri	154.90	142.55	148.73	9,43,963
7	13-Jun-05 Mon	146.30	138.50	142.40	4,41,883
8	14-Jun-05 Tue	143.80	138.00	140.90	3,91,404
9	15-Jun-05 Wed	141.90	137.50	139.70	2,78,021
10	16-Jun-05 Thu	145.80	139.05	142.43	7,00,031
11	17-Jun-05 Fri	147.80	134.50	141.15	16,37,756
		2 weeks average		**142.11**	

c-3 The average of weekly high and low of the closing prices of the Shares during the 26-weeks preceding the Public Announcement Date on BSE (Source: www.bseindia.com)

Week #	End date	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume
1	24-Dec-04 Fri	72.30	70.40	71.35	1,76,082
2	31-Dec-04 Fri	75.45	72.25	73.85	1,76,229
3	07-Jan-05 Fri	74.25	68.10	71.18	1,00,078
4	14-Jan-05 Fri	70.65	66.80	68.73	76,459
5	21-Jan-05 Fri	67.50	66.70	67.10	33,345
6	28-Jan-05 Fri	67.50	65.60	66.55	31,751
7	04-Feb-05 Fri	69.80	66.60	68.20	78,716
8	11-Feb-05 Fri	73.15	67.60	70.38	2,03,495
9	18-Feb-05 Fri	72.05	70.40	71.23	1,12,669
10	25-Feb-05 Fri	73.45	69.85	71.65	1,71,437
11	04-Mar-05 Fri	75.90	70.85	73.38	2,22,100
12	11-Mar-05 Fri	86.50	76.70	81.60	11,84,064
13	18-Mar-05 Fri	89.50	83.30	86.40	10,70,168
14	25-Mar-05 Fri	83.30	77.35	80.33	1,45,563
15	01-Apr-05 Fri	83.35	77.80	80.58	1,92,808
16	08-Apr-05 Fri	88.25	85.10	86.68	1,99,521
17	15-Apr-05 Fri	99.00	90.35	94.68	8,67,798
18	22-Apr-05 Fri	98.50	95.40	96.95	5,95,174
19	29-Apr-05 Fri	99.80	93.05	96.43	2,37,700
20	06-May-05 Fri	102.75	94.70	98.73	3,07,076
21	13-May-05 Fri	109.40	103.25	106.33	3,11,505
22	20-May-05 Fri	126.05	113.55	119.80	9,03,283
23	27-May-05 Fri	128.95	118.30	123.63	4,09,144
24	03-Jun-05 Fri	139.90	120.60	130.25	9,52,847
25	10-Jun-05 Fri	149.10	139.40	144.25	21,81,495
26	17-Jun-05 Fri	140.25	135.90	138.08	19,40,728
		26 weeks average		**89.93**	

c-4 The average of daily high and low prices of the Shares during the 2-weeks preceding the Public Announcement Date on BSE (Source: www.bseindia.com)

Day #	End Date	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume
1	04-Jun-05 Sat	143.50	138.00	140.75	1,75,754
2	06-Jun-05 Mon	143.00	138.50	140.75	2,39,480
3	07-Jun-05 Tue	145.40	136.20	140.80	3,90,033
4	08-Jun-05 Wed	146.45	138.50	142.48	2,05,916
5	09-Jun-05 Thu	150.85	140.40	145.63	7,51,884
6	10-Jun-05 Fri	154.95	142.70	148.83	5,94,182
7	13-Jun-05 Mon	146.25	138.95	142.60	3,23,335
8	14-Jun-05 Tue	143.75	137.70	140.73	2,23,773
9	15-Jun-05 Wed	142.10	137.55	139.83	1,93,017
10	16-Jun-05 Thu	146.00	139.00	142.50	4,25,520
11	17-Jun-05 Fri	150.00	134.10	142.05	7,75,083
		2 weeks average		**142.45**	

d) The Offer Price of Rs. 150/- (Rupees One Hundred Fifty only) per Share is also justified in terms of Regulation 20(5) of the SEBI (SAST) Regulations, which considers the following:

a.	Negotiated Price (Price as per the Share Purchase Agreement)	Rs. 150/-
b.	Highest Price paid by Acquirer for any acquisition including by way of allotment in a public or rights or preferential issue during the 26-weeks prior to the Public Announcement Date, i.e., June 18, 2005	NIL
c.	Other financial parameters based on the audited financials for the year ended March 31, 2005 of the Company are: Return on Average Net-worth of 12.20 % Book Value per share of Rs. 80, Earnings per Share of Rs 9.04, P/E multiple of 16.59x (based on the Offer price) and Industry P/E multiple of 15.60x (source : Capital Market Vol. XX/07 dated June 6, 2005 - June 19, 2005 Industry: Finance and Investments)	

e) There is no non-compete fee paid or payable to any person under the non-compete provisions contained in the Shareholders' Agreement.

f) In the opinion of the Manager to the Offer and the Acquirer, the Offer Price is justified.

If the Acquirer acquires Shares after the date of the Public Announcement up to seven (7) working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

6.2 **Financial Arrangements**

a) The total funding requirement for the acquisition of up to 75,89,296 Shares held by shareholders of the Company at Rs. 150 per share is Rs. 1,13,83,94,400(Rs. One Hundred Thirteen Crores Eighty Three Lakhs Ninety Four Thousand Four Hundred Only). Ernst & Young, who are the statutory auditors for the Acquirer, have vide their letter dated June 13, 2005 (Ernst & Young, 10 Collyer Quay, #21 -01 Ocean Building, Singapore 049315; Phone: +65 6535 7777; Fax: +65 6532 7662) certified that the Acquirer has adequate internal accruals to fulfil its financial obligations arising out of the Offer. The Acquirer has agreed to make available the requisite funds to meet the obligations under Regulation 29 of SEBI (SAST) Regulations. The Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfil the obligations under the SEBI (SAST) Regulations.

b) Further, the Acquirer has made a cash deposit of US$ 6,260,657 (equivalent to approx. Rs.27,74,72,318 only) being in excess of the amount required under Regulation 28(2) of the SEBI (SAST) Regulations, i.e., 25% for the first Rs. 100 crores and 10% thereafter, in a bank account with Citibank, N.A, Singapore Branch, 3 Temasek Avenue, # 12-00 Centennial Tower, Singapore - 039190. DSPML has been authorized to realize the value of the aforesaid bank account. The Acquirer has agreed to maintain the minimum amount as stipulated in the SEBI (SAST) Regulations at all times irrespective of the fluctuations in the conversion rate. This amount will be transferred from the aforesaid bank account to a scheduled commercial bank in India after the requisite approval has been obtained from RBI for opening and operating the escrow account in India.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 **Statutory Approvals required for the Offer**

a) The Offer is subject to the receipt of approval from (i) the FIPB and (ii) the RBI for the acquisition of Shares by the Acquirer under the Purchase and the Offer, in terms of the FEMA.

b) In case of delay in receipt of any statutory approval(s), SEBI has a power to grant an extension of time to the Acquirer for payment of consideration to shareholders, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also be applicable.

7.2 **Others**

a) The Letter of Offer, together with the Form of Acceptance, will be mailed to the shareholders of the Company (excluding the Acquirer and the parties to the Agreements and the Promoter Group), whose names appear on the register of members of the Company, and to the beneficial owners of the Shares, whose names appear as beneficiaries on the records of the NSDL or Central Depository Services (India) Limited (“CDSL”) (collectively the “Depositories”), at the close of business on July 8, 2005 (“Specified Date”).

b) Holders of Shares in physical form who wish to tender their Shares will be required to send the Form of Acceptance, original share certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer - Karvy Computershare Private Limited, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034, Telephone: (040) 2331 2454, Fax No: (040) 2331 1968, either by hand delivery on weekdays or by registered post, on or before the closure of the Offer, i.e., no later than 1600 hours on November 5, 2005, so as to reach the Registrar on or before the close of business hours, i.e., no later than 1600 hours on November 5, 2005, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance.

c) The Registrar to the Offer, M/s Karvy Computershare Private Limited, has opened a special depository account with DSP Merrill Lynch Limited at NSDL called, “Escrow Account - CIFL Offer” (the “Special Depositary Account”). The details of the Special Depository Account are as under:

DP Name	DSP Merrill Lynch Limited
DP	IN 302638
Client ID	10011667

Shareholders of the Company having their beneficiary account with the CDSL must use the inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the Special Depository Account with the NSDL.

d) Beneficial owners (holders of Shares in dematerialised form) who wish to tender their Shares will be required to send their Form of Acceptance along with a photocopy of the delivery instruction in “Off-market” mode, or counterfoil of the delivery instructions in “Off-market” mode, duly acknowledged by the Depository Participant (“DP”), in favour of the Special Depository Account to the Registrar to the Offer - Karvy Computershare Private Limited, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034, Telephone: (040) 2331 2454, Fax No: (040) 2331 1968, either by hand delivery on weekdays or by registered post, on or before the closure of the Offer, i.e., no later than 1600 hrs November 5, 2005, so as to reach the Registrar on or before the close of business hours, i.e., no later than 1600 hours on November 5, 2005,in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance. The credit for the delivered Shares should be received in the Special Depository Account on or before closure of the Offer, i.e., no later than 1600 hours on November 5 , 2005.

e) All owners (registered or unregistered) of Shares (excluding the Acquirer and the parties to the Agreements and the Promoter Group) are eligible to participate in the Offer any time before the closure of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with name; address; number of Shares held; number of Shares offered; distinctive numbers; folio number; together with the original share certificate(s); valid transfer deed(s) and the original contract note issued by the broker through whom they acquired their Shares. No indemnity is required from the unregistered owners.

f) The acceptance of the Offer made by the Acquirer is entirely at the discretion of the shareholders of the Company. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the shareholders of the Company are advised to adequately safeguard their interest in this regard.

g) Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

h) Certain financial details contained in this document quoted in Rupees are denominated in US$ and SG$. The Rupee equivalent quoted in each case is calculated in accordance with the RBI reference rates as on October 7, 2005, namely 1 US$ = Rs. 44.32 and 1 SG$= Rs. 26.36 (Source: www.rbi.org.in and Bloomberg).

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

a) Shareholders of the Company who wish to avail of this Offer are free to offer their shareholding in whole or in part and should forward the under mentioned documents to the Registrar to the Offer at their office at Karvy Computershare Private Limited, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034, Telephone: (040) 2331 2454, Fax No: (040) 2331 1968, either by hand delivery on weekdays or by registered post, on or before the closure of the Offer, i.e., no later than 1600 hours on November 5, 2005 or at the collection centres, so as to reach the Registrar/collection centres on or before the close of business hours, i.e., no later than 1600 hours on November 5, 2005 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance. Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects, otherwise the same is liable to be rejected. In the case of Shares in dematerialised form, shareholders are advised to ensure that their Shares are credited in favour of the Special Depository Account before the closure of the Offer. The Form of Acceptance of such Shares in dematerialised form, not credited in favour of the Special Depository Account before the closure of the Offer, will be rejected.

i. For Shares held in physical form:

Registered Shareholders should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original share certificate(s).
- Valid share transfer forms duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Company and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this Letter of Offer.

Unregistered owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein.
- Original share certificate(s).
- Original broker contract note.
- Valid share transfer form(s) as received from the market.
- The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

ii. For Shares held in dematerialised form:

Beneficial owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, as per the records of the DP.
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.
- For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.

b) The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer, Acquirer or the Company.

c) In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer on a plain paper stating acceptance of the Offer along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e., no later than 1600 hours on November 5 , 2005.

   Persons holding Shares in physical form are required to state the following details: name; address; number of Shares held; distinctive number; folio number, number of Shares offered.

   Persons holding Shares in dematerialised form are required to state the following details: name; address; number of Shares held; number of Shares offered; 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 favour of the Special Depository Account.

   Eligible persons can also write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the closure of the Offer, i.e., no later than 1600 hours on November 5 , 2005. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the Letter of Offer and Form of Acceptance will be available on SEBI’s website (www.sebi.gov.in), from the date of opening of the Offer. Eligible persons can download the Form of Acceptance from the SEBI website and apply using the same.

d) If the aggregate of the valid responses to the Offer exceeds the Offer size of 75,89,296 Shares, then the Acquirer shall accept the Shares received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The Shares are compulsorily traded in dematerialised form and hence minimum acceptance will be one (1) Share.

e) Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting Shares dematerialised is completed well in time so that the credit in the Special Depository Account is received on or before the date of closure of the Offer, i.e., no later than 1600 hours on November 5 , 2005, else their application would be rejected.

f) While tendering Shares under the Offer, non-resident Indians (“NRIs”)/overseas corporate bodies (“OCBs”)/foreign shareholders will be required to submit the previous approvals from the RBI (specific or general) that they would have obtained for acquiring Shares. In case the previous approvals from the RBI are not submitted, the Acquirer reserves the right to reject such Shares tendered.

g) While tendering Shares under the Offer, NRIs/OCBs/foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such NRI/OCB/foreign shareholder.

h) In addition to the address mentioned in subsection 7(2), the shareholders of the Company who wish to avail of and accept the Offer can also deliver the Form of Acceptance along with all the relevant documents at any of the collection centres mentioned below in accordance with the procedure as set out in this Letter of Offer. All the centres mentioned herein below would be open as follows:

#	City	Address of collecting office	Contact Person	Telephone Number	Fax Number	Mode of Delivery
1	Ahmedabad	201-203 "Shail" Opp. Madhusudhan House, Behind Girish Cold drinks, Off C G.Road, Ahmedabad 380 006	Mr. Edward	(79) 26420 422 / 26400 527 / 26400 528	(79) 26565 551	Hand Delivery
2	Bangalore	T K N Complex, No.51/2, Vanivilas Road, Opp. National College, Basavanagudi, Bangalore 560 004	Mr. S Nandakishore	(80) 2662 1184 / 2662 1192	(80) 2662 1169	Hand Delivery
3	Chennai	G-1, Swathi Court, 22,Vijay Raghava Road, T. Nagar, Chennai 600 017	Mr. Gunashekhar	(44) 2815 3445 / 2815 1034 / 2815 3658	(44) 2815 3181	Hand Delivery
4	Kolkata	49, Jatindas Road, Near Deshpriya Park, Kolkata 700 029	Mr. Sujit Kundu	(33) 2464 4891 / 7231 / 2463 4788 / 89 / 2463 5432	(33) 2464 4866 / 2463 4787	Hand Delivery
5	Mumbai	7, Andheri Industrial Estate, Off Veera Desai Road, Andheri (W), Mumbai 400 053	Ms. Vishaka Shringarpure	(22) 2673 0799 / 153 / 292	(22) 2673 0152	Hand Delivery
		16/22, Bake House, Maharashtra Chamber of Commerce Lane, Kalaghoda, Fort, Mumbai - 400 023	Ms. Nutan Shirke	(22) 56382666	(22) 56331135	Hand Delivery
6	New Delhi	Karvy Computershare Pvt Ltd. 105-108, Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi 110 001	Mr. Michael George	(11) 2332 4401 / 2335 3835 / 981	(11) 2332 4621	Hand Delivery
7	Hyderabad	46, Avenue 4, Street No 1, Banjara Hills, Hyderabad - 500 034	Ms. Anitha	(40) 23312454 / 23320751 / 752/ 251	(40) 23311968	Hand Delivery / Regd. Post

The timings are Monday to Saturday 10 AM to 7 PM. Shareholders who cannot hand deliver their documents at the collection centres referred above, may send the same by registered post, at their own risk and cost, to the Registrar to the Offer at their address given below:

Karvy Computershare Private Limited, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034, Telephone: (040) 2331 2454, Fax No: (040) 2331 1968.

i) In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three (3) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before last date for withdrawing, i.e., no later than 1600 hours on October 31, 2005.

j) The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed with this Letter of Offer.

- Shareholders should enclose the following:

For Shares held in dematerialised form:

Beneficial owners should enclose

Duly signed and completed Form of Withdrawal.

Acknowledgement slip in original / copy of the submitted Form of Acceptance in case delivered by Registered A.D.

- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

  For Shares held in physical form:

  Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ copy of the submitted Form of Acceptance in case delivered by Registered A.D.
- In case of partial withdrawal, valid share transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Company and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ copy of the submitted Form of Acceptance in case delivered by Registered A.D.
- In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details
- In case of physical Shares: name; address; distinctive numbers; folio number; number of Shares tendered and
- In case of Shares in dematerialised form: name; address; number of Shares offered; 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 favour of the Special Depository Account.

i. The withdrawal of Shares will be available only for the share certificates/ Shares that have been received by the Registrar to the Offer/ Special Depository Account.

ii. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Company or the Depositories as the case may be.

iii. The Form of Withdrawal should be sent only to the Registrar to the Offer.

iv. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Company.

v. Partial withdrawal of tendered Shares can be done only by the registered shareholders / beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

vi. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

k) In case of delay in receipt of statutory approvals beyond November 19, 2005, interest will be payable for the delayed period in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

l) Payment of consideration will be made by crossed account payee cheque / demand draft and sent by registered post, to those shareholders/unregistered owners and at their own risk, whose Shares/Share certificates and other documents are found in order and accepted by the Acquirer. In case of joint registered holders, cheques /demand drafts will be drawn in the name of the sole/first named holder/unregistered owner and will be sent to him/her. It is desirable that shareholders provide bank details in the Form of Acceptance, so that the same can be incorporated in the cheque / demand draft.

m) Unaccepted or withdrawn share certificate(s), transfer form(s) and other documents, if any, will be returned by registered post at the shareholders'/unregistered owners' sole risk to the sole/first named shareholder/ unregistered owner. Unaccepted or withdrawn Shares held in dematerialised form will be credited back to the beneficial owner's depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance.

n) The Registrar to the Offer will hold in trust the Share(s)/Share certificate(s), Shares lying in credit of the Special Depository Account, Form of Acceptance, if any, and the transfer form(s) on behalf of the shareholders/unregistered owner(s) of the Company, who have accepted the Offer, till the cheques / drafts for the consideration and/or the unaccepted Shares/share certificates are despatched / returned.

9. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of the Company at the Mumbai office of the Manager to the Offer, DSP Merrill Lynch Limited, from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closes:

1. The Shareholders' Agreement between the Acquirer, the Promoter and the Company
2. The Share Purchase Agreement between the Acquirer and the Promoter
3. Amendments to the Shareholders' Agreement between the Acquirer, the Promoter and the Company
4. Amendments to the Share Purchase Agreement between the Acquirer and the Promoter
5. Memorandum & Articles of Association of the Acquirer
6. Memorandum & Articles of Association of the Company
7. Audited financial statements of the Acquirer for the financial periods ended December 31, 2004, December 31, 2003 and December 31, 2002.
8. Audited financial statements of the Company for the financial years ended March 31, 2005, March 31, 2004, and M arch 31, 2003.
9. Published copy of the Public Announcement dated June 18, 2005 and supplemental Public Announcement dated October 9, 2005.
10. Letter from E&Y, dated June 13, 2005 confirming that the Acquirer has adequate financial resources to fulfil its financial obligations arising out of the Offer.
11. Escrow Agreement dated June 15, 2005 between the Acquirer, DSP Merrill Lynch Limited and Citibank NA.

10. DECLARATION BY ACQUIRER

The Acquirer accepts responsibility for the information contained in this Letter of Offer and for fulfilment of its obligations under the SEBI (SAST) Regulations.

DBS Bank Ltd.

Sd/

Authorized Signatory

Place: Singapore

Date: October 10, 2005

Encl:

1. Form of Acceptance
2. Form of Withdrawal
3. Transfer deed for shareholders holding Shares in physical form