PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

*This Public Announcement is being issued by DSP Merrill Lynch Limited ("**Manager to the Offer**"/"**DSPML**"), on behalf of DBS Bank Ltd. ("**Acquirer**"/"**DBS**"), pursuant to Regulations 10 and 12 of, and in compliance with, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("**SEBI (SAST) Regulations**").*

I. Background to the Offer

a) The Acquirer has entered into a Share Purchase Agreement ("**SPA**") with Tube Investments of India Limited ("**TI**") on June 16, 2005. In the SPA, the Acquirer has agreed to purchase (i) a minimum of 5,729,918 equity shares of Rs.10 each ("**Shares**") in the capital of Cholamandalam Investment and Finance Company Limited (the "**Company**" or "**CIFL**)), representing 15.1% of the paid-up equity share capital of the Company as at the date hereof, 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 (as defined below) and the number of Shares to be allotted to the Acquirer pursuant to the Preferential Issue (as defined below), the Acquirer and TI together with other group members constituting the promoter's holding in the Company and as listed out in the SPA (collectively the "**TI Group**") hold an equal number of Shares in aggregate, provided that the number of Shares to be sold pursuant to the SPA shall not exceed 9,486,619 Shares, representing 25% of the issued and fully paid-up equity share capital of the Company as at the date hereof (the "**Purchase**"). The purchase price under the SPA is Rs.150/- per share. The Purchase is conditional upon the fulfilment of various conditions precedent as contained in the SPA including, the receipt of requisite regulatory approvals (including approval from the Foreign Investment Promotion Board ("**FIPB**") and the Reserve Bank of India ("**RBI**")), the completion of the Offer and the Preferential Issue and the disposal of certain investments by the Company.

b) The Acquirer has also entered into a Share Subscription Agreement ("**SSA**") with the Company for the subscription and allotment, on a preferential allotment basis ("**Preferential Issue**"), of up to <u>3,000,000 new Shares representing 7.33% of the expanded equity share capital of the Company, provided that the </u>number of new Shares to be issued pursuant to the SSA shall <u>not exceed</u> the number of Shares the allotment of which (i) will result in the public float being less than 25% of the issued and fully paid-up equity share capital of the Company following the allotment of the new Shares pursuant to the SSA and (ii) will, after taking into account the number of Shares to be acquired by the Acquirer pursuant to the Offer and the number of Shares to be sold to the Acquirer pursuant to the SPA, result in the Acquirer and TI Group holding an equal number of Shares in aggregate. The subscription price under the SSA is Rs 150/- per share (<u>comprising a par value of Rs.10/- per share and a premium of Rs.140/- per share)</u>. The Preferential Issue is conditional upon the fulfilment of various conditions precedent as set out in the SSA, including the receipt of requisite regulatory approvals (including approval from the FIPB and the RBI) and the approval of the shareholders of the Company.

c) On June 16, 2005 (the "**Board Meeting Date**"), the Board of Directors of the Company approved the SSA relating to the Preferential Issue and the SHA (as defined below), and called for an Extraordinary General Meeting on July 16, 2005 to obtain approval of the shareholders of the Company for the Preferential Issue and to authorize the Board to allot the new Shares pursuant to the SSA.

d) The following agreements (the "**Agreements**") have been entered into on June 16, 2005:

i. The SPA between the Acquirer and TI as described in paragraph (a) above.

ii. The SSA between the Acquirer and the Company as described in paragraph (b) above.

iii. A Shareholders' Agreement ("**SHA**") between TI, the Acquirer and the Company to come into effect only on the date (the "**Effective Date**") on which the Acquirer and the TI group hold an equal number of Shares in aggregate. Under the SHA, the Acquirer and TI 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 definitive agreements to permit the Cholamandalam Group to use both their respective trademarks for the business of the Cholamandalam Group, (4) certain rights for the appointment of directors on the board of the Company and its subsidiaries, (5) affirmative consents in respect of certain key matters involving the Cholamandalam Group, (6) not to compete with the Cholamandalam Group and (7) certain obligations in relation to the transfer of their Shares, subject to certain shareholding thresholds and exceptions.

II. The Offer

a) The Acquirer, incorporated under the laws of Singapore and having its registered office and principal executive office at 6 Shenton Way, DBS Building Tower One, Singapore 068809, is making an offer to the public shareholders of the Company to acquire up to 8,189,295 Shares, representing in aggregate 20% of the issued and fully paid-up equity share capital of the Company assuming that the maximum number of new Shares pursuant to the Preferential Issue were allotted, at a price of Rs. 150/- (Rupees One Hundred Fifty only) per Share (the "**Offer Price**"), payable in cash and subject to the terms and conditions mentioned hereinafter (the "**Offer**").

b) The Acquirer is a 100% subsidiary of DBS Group Holdings Ltd. ("**DBSH**"), a company incorporated under the laws of Singapore and having its registered office at 6 Shenton Way, DBS Building Tower One, Singapore 068809. DBSH is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

c) The Acquirer does not hold any Shares as of the date of this Public Announcement.

d) The Acquirer will acquire all the Shares tendered in acceptance of the Offer, subject to certain conditions and other terms and conditions set out in this Public Announcement and the Letter of Offer to be sent to the shareholders of the Company.

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

f) The Shares are listed on the Stock Exchange Mumbai (BSE), Madras Stock Exchange (MSE) and the National Stock Exchange (NSE). Based on the information available, the Shares are frequently traded on the NSE and the BSE *(Source: Bloomberg)* within the meaning of explanation (i) to Regulation 20 (5) of the SEBI (SAST) Regulations and may be infrequently traded on MSE within the meaning of explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations. The Offer Price is justified in terms of Regulations 20 (4) and 20 (5) of the SEBI (SAST) Regulations in view of the following:

i. Under the SPA and SSA, the Acquirer has agreed to purchase the Shares at Rs. 150/- per Share. Other than pursuant to the SPA and SSA, the Acquirer has not acquired any Shares including through allotment in a public, rights or preferential issue during the 26-week period prior to the date of this Public Announcement.

ii. The share price data of the Company on the NSE prior to the Public Announcement date June 18, 2005, where it is most frequently traded, is as under:

The average of the weekly high and low of the closing prices of the Shares during the 26-week period prior to the Public Announcement	Rs. 89.96
The average of the daily high and low of the Shares during the 2-week period prior to the Public Announcement	Rs. 142.11

iii. The share price data of the Company on the NSE prior to the Board Meeting date June 16, 2005, authorising the Preferential Issue where it is most frequently traded, is as under:

The average of the weekly high and low of the closing prices of the Shares during the 26-week period prior to the Board Meeting date	Rs.88.94
The average of the daily high and low of the Shares during the 2-week period prior to the Board Meeting date	Rs. 140.61

iv. The 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).

III. Information on the Acquirer

DBS Bank Ltd.

a) DBS, a 100% subsidiary of DBSH, was incorporated on July 16, 1968 under the laws of Singapore with its principal executive office located at 6 Shenton Way, DBS Building Tower One, Singapore - 068809.

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

c) 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 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 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 Bank's credit ratings are among the highest among competing banks in the Asia Pacific Region and the highest among the banks in Singapore.

d) The paid-up capital of the Acquirer as on December 31, 2004 is SG$ 1,962 million (equivalent to Rs.51,090 million). The Acquirer's shareholders funds as at December 31, 2004 were SG$ 17,755 million (equivalent to Rs.462,340 million) compared to SG$ 16,250 million (equivalent to Rs. 423,150 million) for the year ended December 31, 2003.

e) The Acquirer's total revenue for the year ended December 31, 2004 was SG$ 4,556 million (equivalent to Rs. 118,638 million) as compared to SG$ 3,465 million (equivalent to Rs. 90,229 million) for the year ended December 31, 2003.

f) The Acquirer's profit after tax for the year ended December 31, 2004 was SG$ 1,937 million (equivalent to Rs. 50,439 million) as compared to SG$ 742 million (equivalent to Rs. 19,322 million) for the year ended December 31, 2003.

g) For the year ended December 31, 2004, the Acquirer had earnings per equity share of SG$ 0.99 (equivalent to Rs 25.70). For the year ended December 31, 2003, the Acquirer had earnings per equity share of SG$ 0.38 (equivalent to Rs 9.85). Book Value per share as at December 31, 2004 was SG$ 9.05 (equivalent to Rs. 235.60). The Acquirer's return on average net worth calculated using the profit after tax for the year ended December 31, 2004 and shareholders' funds as at December 31, 2004 is 11.39%.

IV. Information about Target Company

Cholamandalam Investment and Finance Company Limited

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.

b) The Company is primarily engaged in 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 broking services through its subsidiaries.

c) The Shares are listed on the various stock exchanges including NSE, where they are most frequently traded. As of June 17, 2005, the closing price of the Shares on NSE was Rs.136.20/- per Share.

d) Based on the latest audited Standalone Annual Accounts of the Company, the Total Income for the year ended March 31, 2005 was Rs. 2,147.1 million as compared to Rs. 2263.5million for the year ended March 31, 2004.

e) Profits/(Loss) after Tax for the year ended March 31, 2005 was Rs. 340.7 million as compared to Rs. 321.0 million for the year ended March 31, 2004.

f) The Paid-up Equity Share Capital for the year ended March 31, 2005 was Rs. 380.1 million. Reserves & Surplus excluding revaluation reserves for the year ended March 31, 2005 was Rs. 2,647.4 million.

g) Total Paid-up Equity Share Capital of the Company, as on the date of this Public Announcement is Rs. 380.1 million, divided into 37,946,476 fully paid-up shares of Rs. 10/- each.

V. Reasons for the Offer and Future Plans

a) The Offer is being made pursuant to the signing of the SPA and SSA 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 2 (two) years, except in the ordinary course of business of the Company and except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities or otherwise of the Company. 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 the shareholders of the Company.

VI. Statutory Approvals for the Offer

a) The Offer is subject to the receipt of requisite regulatory approvals for the acquisition of Shares under the SPA, SSA and the Open Offer from (i) the FIPB and (ii) the RBI, under the Foreign Exchange Management Act, 1999 ("**FEMA**"). Besides this, as on the date of this Public Announcement, no other statutory approval is required to acquire the Shares that may be tendered in acceptance of the Offer. The Acquirer will not proceed with the Offer in the event that any statutory approval indicated above is not obtained in terms of Regulation 27 of the SEBI (SAST) Regulations.

b) In case of delay in receipt of any statutory approval(s), SEBI has powers to grant an extension of time to the Acquirer for payment of consideration to shareholders of the Company, 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.

VII. Financial Arrangements

a) The total funding requirement for the acquisition of up to 8,189,295 Shares held by shareholders of the Company at the Offer Price is Rs.1,228,394,250 (Rs. One Billion Two Hundred Twenty Eight Million Three Hundred Ninety Four Thousand Two Hundred Fifty Only). Ernst & Young, who are the statutory auditors of the Acquirer, have vide their letter dated June 13, 2005 confirmed that the Acquirer has adequate financial resources 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 approximately Rs.273,340,285 only) being in excess of the amount required under Regulation 28(2) of the SEBI (SAST) Regulations, i.e., 25% for the first Rs. 1,000 million 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. 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.

VIII. Other Terms of the Offer

a) The Letter of Offer together with the Form of Acceptance Cum Acknowledgement will be mailed to the shareholders of the Company (except the Acquirer and parties to the Agreements), whose names appear on the Register of Members of the Company and to the beneficial owners of the shares of the Company, whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on July 8, 2005 (the "**Specified Date**").

b) Shareholders who wish to tender their Shares will be required to send the Form of Acceptance Cum Acknowledgement, 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 close of the Offer, i.e. no later than August 8, 2005, so as to reach the Registrar on or before the close of business hours, i.e. no later than August 8, 2005 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement.

c) The Registrar to the Offer, Karvy Computershare Private Limited, has opened a special depository account with DSP Merrill Lynch Limited at the National Securities Depositories Ltd. (NSDL), called "Escrow Account – CIFL Offer". The DPID is IN 302638 and Client ID is 10011667. Shareholders having their beneficiary account in CDSL have to use the inter-depository delivery instruction slip for the purpose of crediting their shares in favor of the special depository account with NSDL.

d) Beneficial owners (holders of Shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance Cum Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the 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 close of the Offer, i.e., no later than August 8, 2005, so as to reach the Registrar on or before the close of business hours, i.e. no later than August 8, 2005 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement. The credit for the delivered Shares should be received in the special depository account on or before close of the Offer, i.e., no later than August 8, 2005.

e) In addition to the above-mentioned address, the shareholders of the Company who wish to avail of and accept the Offer can also deliver the Form of Acceptance Cum Acknowledgement along with all the relevant documents at any of the collection centres below in accordance with the procedure as set out in the Letter of Offer on or before close of the Offer, i.e., no later than August 8, 2005. All the centres mentioned herein below would be open as follows:

(Monday to Saturday: 10.00 a.m. to 7.00 p.m.)

City	Address of collecting office	Contact Person	Telephone Number	Fax Number	Mode of Delivery
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
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
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
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
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
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
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

f) All owners (registered or unregistered) of Shares (except the Acquirer and the parties to the Agreements) are eligible to participate in the Offer anytime 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 the Name, Address, number of Shares held, number of Shares offered, Distinctive numbers, Folio number, together with the original share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their Shares. No indemnity is required from the unregistered owners.

g) 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 the Name, Address, number of Shares held, Distinctive numbers, Folio number, number of Shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the close of the Offer, i.e. no later than August 8, 2005, or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the 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, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e. no later than August 8, 2005.

h) In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, equity shareholders desirous of withdrawing the 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 August 2, 2005.

i. The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.

ii. 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 dematerialised Shares: 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 favor of the special depository account.

i) The Registrars to the Offer will hold in trust the Shares/share certificates, Shares lying in credit of the special depository account, Form of Acceptance Cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Company who have accepted the Offer, till the cheques/drafts for the consideration and/or the unaccepted Shares/share certificates are dispatched/returned.

j) If the aggregate of the valid responses to the Offer exceeds the Offer size of 8,189,295 Shares, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The Shares are compulsorily traded in dematerialized form, hence minimum acceptance will be one Share.

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

l) Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting their shares dematerialized 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 August 8, 2005, else their application will be rejected.

m) While tendering the Shares under the Offer, NRIs/OCBs/foreign shareholders will be required to submit the previous RBI approvals (specific or general) that they would have obtained for acquiring the Shares of CIFL. ***In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered.***

While tendering Shares under the Offer, NRI/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 shareholder.

n) A schedule of the activities pertaining to the Offer is given below:-

Activity	Day & Date
Specified Date *	Friday, July 8, 2005
Last date for a competitive bid	Saturday, July 9, 2005
Date by which Letter of Offer to be dispatched to shareholders	Friday, July 15, 2005
Date of opening of the Offer	Wednesday, July 20, 2005
Last date for revising the Offer Price	Thursday, July 28, 2005
Last date for withdrawing acceptance from the Offer	Tuesday, August 2, 2005
Date of closing of the Offer	Monday, August 8, 2005
Last date of communicating rejection/acceptance and payment of consideration for accepted tenders	Tuesday, August 23, 2005

* Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent and all owners (registered or unregistered) of the Shares (except the Acquirer and the parties to Agreements) are eligible to participate in the Offer anytime before the closure of the Offer.

IX. General

a) Shareholders who have accepted the Offer by tendering the requisite documents, in terms of this Public Announcement and the Letter of Offer shall have the option to withdraw acceptance tendered by them up to three (3) working days prior to the date of closure of the Offer, in terms of Regulations 22 (5A) of the SEBI (SAST) Regulations.

b) If there is any upward revision in the Offer Price by the Acquirer till the last date of revision viz. July 28, 2005, or withdrawal of the Offer, the same will be informed by way of a public announcement in the same newspapers in which this Public Announcement has appeared. The Acquirer would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer.

c) If there is a competitive bid:

- ***The public offers under all the subsisting bids shall close on the same date.***
- ***As the Offer Price cannot be revised during the seven (7) working days period prior to the Closing date of the Offers / bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.***

d) 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.

e) Pursuant to Regulation 13 of the SEBI (SAST) Regulations, the Acquirer has appointed DSPML as Manager to the Offer. As on the date of this Public Announcement, the Manager to the Offer does not hold any Shares in CIFL.

f) The Acquirer accepts responsibility for the information contained in this Public Announcement. The Acquirer is responsible for each of its obligations in terms of the SEBI (SAST) Regulations.

g) Certain financial details contained in this Public Announcement are denominated in US$ and SG$. The Rupee equivalent quoted in each case is calculated in accordance with the RBI Reference rates as on June 15, 2005 namely 1 US$ = Rs.43.66 and 1 SG$ = Rs.26.04 *(Source:* www.rbi.org.in *and Bloomberg)*

This Public Announcement will also be available on the SEBI's website *(www.sebi.gov.in)*. Eligible persons to the Offer may also download a copy of the Form of Acceptance Cum Acknowledgement, which will be available on SEBI's website at *(www.sebi.gov.in)* from the Offer Opening Date, i.e. July 20, 2005.

Issued by the Manager to the Offer

DSP Merrill Lynch Limited
10th Floor, Mafatlal Centre, Nariman Point, Mumbai- 400 021
Tel No: +91 22 5632 8000; Fax No: +91 22 2204 8518;
Email: cifl_openoffer@ml.com
Contact Person: Nitin Nayak

On behalf of: **The Acquirer**

Place : Mumbai
Date : June 18, 2005

CONCEPT

Size: 40x33 sq. cm