

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a shareholder(s) of Premier Energy And Infrastructure Limited [formerly called Premier Housing And Industrial Enterprises Limited] (hereinafter referred to as "PEIL" or "the Company" or the "Target Company"). If you require any clarification about the action to be taken, you may consult your Stockbroker or Investment Consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your shares in "PEIL" 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.

Shri Housing Private Limited ("SHPL" or "Acquirer")

Registered Office No: 4, Mookambika Complex, 5th Floor, Lady Desikachary Road, Mylapore, Chennai – 600 004
Tel. No. (+91-44-24987624), Fax No. (+91-44-24987698), e-mail: srihousing@rediffmail.com

CASH OFFER AT RS. 10.68 PER FULLY PAID UP EQUITY SHARE OF RS. 10/- EACH INCLUSIVE OF INTEREST OF AN AMOUNT OF RS. 0.68 ONLY AND CASH OFFER AT RS. 5.34 PER PARTLY PAID UP SHARE OF RS. 10/- EACH (PAID UP RS. 5/- PER SHARE) INCLUSIVE OF INTEREST OF AN AMOUNT OF RS. 0.34 ONLY ("OFFER PRICE")

(THE PRICE CALCULATED AS PER THE PROVISIONS OF REGULATION 20 (5) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997, (THE "REGULATIONS") AND SUBSEQUENT AMENDMENTS THEREOF)

TO ACQUIRE 20,00,000 EQUITY SHARES

Representing 20.00% of the total issued and subscribed equity share capital and 20.00% of the voting rights of

Premier Energy And Infrastructure Limited ("Target Company" or "PEIL")

[Formerly called Premier Housing And Industrial Enterprises Limited]



Registered Office: No: 4, Il Link Street, CIT Colony, Mylapore, Chennai – 600 004.

Tel. No (+91-44-24661980), Fax No (+91-44-24661980), e-mail: premierhousing@gmail.com

Please Note:

1. This Offer is made pursuant to provisions of Regulations 10 and 12 and in compliance with the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "Regulations") and subsequent amendments thereto.
2. The offer is subject to the "Acquirer" obtaining the approval of RBI under FEMA to acquire shares tendered and accepted under the Offer, if any, from non-resident Indian shareholders of 'PEIL'. As on the date of this Letter of Offer there are no other approvals, statutory or otherwise, required under the Companies Act, 1956, Monopolies and Restrictive Trade Practices Act, 1969 and / or any other applicable laws and from any bank and /or financial institutions for the said acquisition.
3. If the aggregate of the valid response exceeds 20,00,000 shares, then, the Acquirer shall accept the shares equal to the offer size i.e. 20,00,000 shares, on a proportionate basis, in consultation with the Manager to the Offer, in accordance with Regulation 21(6) of the Regulations.
4. Upward revision / withdrawal of offer, if any, would be informed by way of Public Announcement on or before 6th November, 2008 in respect of such changes in all the newspapers in which the original Public Announcement was made. The Acquirer shall pay the revised price for all the shares tendered any time during the offer and which are accepted by the Acquirer under the Offer.
5. The procedure of acceptance of this Offer is set out in Section 8 of this Letter of Offer. A Form of Acceptance cum Acknowledgement and an Instrument of Transfer are enclosed with this Letter of Offer.
6. **Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public Announcement/Letter of Offer, can withdraw the same up to three working days prior to the date of the "Closure of the Offer". The request for such withdrawal should reach to the designated centers before 4 p.m. on 12th November, 2008, by filing the withdrawal form attached herewith.**
7. The offer is not a competitive bid.
8. **If there is competitive bid:**
 - **The public offer under all the subsisting bids shall close on the same date.**
 - **As the Offer Price in such circumstance can not be revised during 7 working days prior to the closing date of the offer / bids, it would, therefore, be in the interest of shareholders to wait until the commencement of that period to know the final Offer price of each bid and tender their acceptance accordingly.**
9. The Acquirer shall make payment consideration to the shareholders latest by 2nd December, 2008. The Acquirer reserves the right to / may withdraw the Offer in terms of Regulation 27 of the Takeover Regulations. In the event of such withdrawal, the same would be notified in the form of a Public Announcement in the same newspapers where the original Public Announcement appeared.
10. No Litigations are pending against the Acquirer.
11. The offer is not conditional.
12. A copy of the Public Announcement dated 28th June, 2008 and a copy this Letter of Offer (including Form of Acceptance cum Acknowledgement) is available on SEBI website at <http://www.sebi.gov.in> Form of Acceptance cum Acknowledgement may be downloaded from the said website and used as an application.

All further correspondence, if any, should be addressed to the Registrar to the Offer at the address mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>Vivro Financial Services Pvt. Ltd. Contact Person: Mr. Jayesh Vithlani "Vivro House", 11, Shashi Colony, Opp. Suvidha Shopping Centre, Paldi, Ahmedabad – 380 007 Tel: +91-79 - 26650669, 26650670, 26650671 Fax: +91-79- 26650570 e-mail: ahmedabad@vivro.net</p>	 <p>Cameo Corporate Services Ltd. Contact Person: Ms. K. Sreepriya "Subramaniam Building" No.1 Club House Road, Chennai- 600 002 Tel: +91-44-28460390 [5 lines] Fax: +91-44-28460129 e-mail: investor@cameoindia.com</p>
OFFER OPENS ON: 29th October, 2008	OFFER CLOSSES ON 17th November, 2008

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Original Day & Date	Revised Day & Date
Public Announcement ("PA") Date	Saturday, 28th June, 2008	Saturday, 28th June, 2008
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Monday, 7 th July, 2008	Monday, 7 th July, 2008
Last date for Competitive Bid	Saturday, 19 th July, 2008	Saturday, 19 th July, 2008
Date by which Letter of Offer to be posted to the shareholders.	Tuesday, 12 th August, 2008	Monday, 27 th October, 2008
Date of Opening of the Offer	Friday, 22 nd August, 2008	Wednesday, 29 th October, 2008
Last date for revising the offer price / Number of shares	Monday, 1 st September, 2008	Thursday, 6 th November, 2008
Last date up to which shareholders may withdraw	Friday, 5 th September, 2008	Wednesday, 12 th November, 2008
Date of Closure of the Offer	Wednesday, 10 th September, 2008	Monday, 17 th November, 2008
Date by which acceptance/ rejection would be communicated and the corresponding payment for the acquired shares and/ or the unaccepted shares/ share certificates will be dispatched/ credited.	Friday, 26 th September, 2008	Tuesday, 2 nd December, 2008

Risk Factors:

1. Post this Offer, the Acquirer will be having a significant equity ownership and control over the Target Company pursuant to Regulations 10 & 12 and the interest of the Acquirer may conflict with those of the other shareholders.
2. In the event of either (a) a regulatory approval is not received in time or (b) there is any litigation leading to stay of the Offer, 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 "PEIL", whose Shares have been tendered and accepted in the Offer as well as the return of shares not accepted by the Acquirer, may be delayed. In case of delay due to non-receipt of regulatory approvals, as per Regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of the regulatory approvals was not due to the willful default or negligence or failure to diligently pursue on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders of "PEIL", as may be specified by SEBI.
3. The Offer involves an offer to acquire 20% of equity share capital of Premier Energy And Infrastructure Limited from its shareholders. In the case of oversubscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
4. The shares tendered in the Offer will be held in trust by the Registrar to the Offer, till the completion of the Offer formalities. Accordingly, 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 of "PEIL" on whether to participate or not to participate in the Offer.
5. The equity shares of the Target Company are presently de-listed from BSE with effect from 3rd July 2002 due to an ex-parte winding up order by Hon'ble High Court of Judicature at Madras dated 16th March 2000. The Target Company filed a Scheme of Arrangement with its creditors under Section 391 of the Companies Act 1956 under Company Petition No: 367 of 2003 in the Hon'ble High Court of Judicature at Madras. This scheme of arrangement was accepted by the creditors of the Target Company. The Hon'ble High Court vide its order dated 3rd February 2004 permanently stayed the winding up order of 16th March 2000 and passed orders sanctioning the Scheme of Arrangement to be implemented within three years from the date of sanction of the said scheme.

As on the date of this Letter of offer, the Equity Shares of the Target Company continue to be delisted from Bombay Stock Exchange Limited.
6. "SHPL" has made losses for the Financial Years ended 31st March 2007 and 31st March 2008, of (Rs. 449.39 Lakhs) and (Rs. 1.52 Lakhs) respectively.
7. The 'Acquirer' proposes to join the subsisting promoters of "PEIL", who are not parties to the Share Purchase Agreement dated 31st March 2008, in the ownership and control of the "Target Company" by its direct acquisition of 40.47 % of the equity and voting share capital in "PEIL". The 'Acquirer' makes no assurance with respect to the financial performance of the 'Target Company'.

The risk factors set forth above pertains to the Offer and not in relation to the present or future business operations of the 'Target Company' or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of "PEIL" are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in the offer.

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1. DEFINITIONS / ABBREVIATIONS

Acquirer	Shri Housing Private Limited
BSE	Bombay Stock Exchange Limited, Mumbai
CDSL	Central Depository Services (India) Limited
Company / Target Company/ PEIL	Premier Energy And Infrastructure Limited [Formerly called Premier Housing And Industrial Enterprises Limited]
Date of Closure of Offer	Monday, 17 th November, 2008
Eligible Person(s) for the Offer	All owners of Equity Shares (registered or unregistered) of Premier Energy and Infrastructure Limited (other than the Acquirer, Sellers and the Promoter Group of the Target Company) who own Equity Shares at any time prior to the closure of the Offer
Escrow Bank	HDFC Bank Ltd, Mariam Centre, 751-B, Anna Salai, Chennai-600 002
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance / FOA	Form of Acceptance-cum-Acknowledgement
FOW	Form of Withdrawal – cum – Acknowledgement
Letter of Offer (LOF)	This Letter of Offer
Manager / Manager to the Offer/ Merchant Banker /Vivro	Vivro Financial Services Private Limited
NSDL	National Securities Depository Limited
Non-Resident Shareholders	Non-Resident Indians holding equity shares of “PEIL”
Offer	Open Offer for acquisition of 20,00,000 equity shares, representing 20.00% of the total issued & subscribed equity share capital and 20.00% of voting capital of “PEIL” at the Offer Price being made by the Acquirer to the shareholders of “PEIL”.
Offer Price	Rs. 10.68 per fully paid up equity share of Rs. 10/- each inclusive of interest of Rs. 0.68 & Rs. 5.34 per partly paid up equity share of Rs. 10/- (Rs. 5/- paid up) inclusive of interest of Rs. 0.34 only
PA	Public Announcement dated Saturday, 28th June, 2008
Registrar / Registrar to the Offer	Cameo Corporate Services Limited.
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
Shares	Equity Shares having face value of Rs. 10/- each of “PEIL”
Sellers	(1) Maika Holdings, Berhad, Malaysia (2) Part of the Promoter Shareholders of “PEIL”
SPA	Share Purchase Agreements entered into between the Acquirer & Sellers both dated 31 st March 2008.
Specified Date	Date for the purpose of determining the names of the shareholders, as appearing in the Register of Members of “PEIL” to whom the letter of offer will be sent i.e. Monday, 7 th July , 2008
Takeover Regulations / Regulations / Takeover code	Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.
Transaction Shares	Equity shares held by “The Sellers” comprising 40.47 % of the existing total paid-up capital of “PEIL”.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE 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 THE LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF PREMIER ENERGY AND INFRASTRUCTURE LIMITED, 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 OF THE COMPANY WHOSE SHARES / CONTROL / IS PROPOSED TO BE ACQUIRED 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 THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER – VIVRO FINANCIAL SERVICES PVT LTD. HAS SUBMITTED DUE DILIGENCE CERTIFICATE DATED 11th JULY, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDMENTS THEREOF. 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

3.1.1 Background of the Offer

3.1.2. Shri Housing Private Limited a private company incorporated under the companies Act, 1956 is the Acquirer in the present offer (hereinafter referred to as **“The Acquirer”** or **“SHPL”**). No other entity /person is acting/deemed to be acting in concert with the Acquirer for the purpose of this Offer. The Offer is being made by the Acquirer in compliance with the Regulations 10 and 12 of the Regulations. The prime objective of the offer by the Acquirer is for substantial acquisitions of shares and voting rights accompanied with change in Control of “PEIL” limited to inclusion of the ‘Acquirer’ in the Promoter Group of the ‘Target Company’.

3.1.3 “The Acquirer” has entered into two separate Share Purchase Agreements (**“SPAs”**) both dated 31st March 2008, as follows:

- a. With Maika Holdings, Berhad, Malaysia, having its Registered Office at 3rd Floor, Menara Manickavasangam, No: 1, Jalan Rahmat - 503050, Kuala Lumpur, [**hereinafter referred to as SPA -1**] acting through its representative and duly constituted Power of Attorney , Mr. S. Subramaniam, to acquire 24,00,000 [Twenty Four Lakhs only] equity shares of Rs.10/- each representing 24.00% of the paid up equity & voting share capital of “Target Company” at a price of Rs.10/- per equity share payable in cash for a Purchase Consideration of Rs.2,40,00,000/- [Rupees Two Crores Forty Lakhs only] (hereinafter called “Negotiated Price – SPA 1”).

With Individual / Bodies Corporate comprising the Promoter Group of the “Target Company” as detailed herein below [**hereinafter referred to as SPA – 2**] acting individually / through their lawfully constituted Power of Attorney, Mr. M. Narayanamurthi, Director, Software Ultratech Systems Private Limited [hereinafter called **“Promoter Shareholders”**] for the acquisition of their 16,47,538 [Sixteen Lakhs Forty Seven Thousand Five Hundred and Thirty Eight only] equity shares of Rs.10/- each representing 16.47 % of the paid up equity & voting share capital of “Target Company” a price of Rs.10 /- per equity share payable in cash for a Purchase Consideration of Rs.1,64,75,380/- [Rupees One Crore Sixty Four Lakhs Seventy Five Thousand Three Hundred and Eighty only] (hereinafter called “Negotiated Price- SPA - 2”)

Name of the Seller	Number of Shares held as on the date of PA	% of Equity Share Capital held as on the date of PA	Number of Equity Shares being sold to the Acquirer as per the SPA	% of Equity Share Capital being sold to the Acquirer as per the SPA	Address Phone No. & Fax No.
1. Software Ultratech Systems Private Limited	3,50,400	3.50%	3,50,400	3.50%	No: 4, II Link Street, CIT Colony, Mylapore, Chennai – 600 004 Tel. No (+91-44-24661980), Fax No (+91-44-24661980),
2. Yogya Investments & Finance Company Limited	6,20,238	6.20%	6,20,238	6.20%	No: 4, II Link Street, CIT Colony, Mylapore, Chennai – 600 004 Tel. No (+91-44-24661980), Fax No (+91-44-24661980),

3. Yogya Capital Market Services Limited	46,300	0.46%	46,300	0.46%	No: 4, II Link Street, CIT Colony, Mylapore, Chennai – 600 004 Tel. No (+91-44-24661980), Fax No (+91-44-24661980),
4. Premier Capital Market Services Limited	1,10,700	1.11%	1,10,700	1.11%	No: 4, II Link Street, CIT Colony, Mylapore, Chennai – 600 004 Tel. No (+91-44-24661980), Fax No (+91-44-24661980),
5. Premier Securities Limited	2,45,600	2.46%	2,45,600	2.46%	Vairam Complex, 112 Sir Thyagaraja Road , T. Nagar, Chennai – 600 017Tel.No.(+91-44-28154717)
6. Crimson Investments Limited	2,74,300	2.74 %	2,74,300	2.74 %	Tangy Apts, No: 34, Dr. PV Cherian Crescent, Egmore, Chennai – 600105
Total	16,47,538	16.47 %	16,47,538	16.47 %	

3.1.4 Maika Holdings, Berhad, Malaysia and the “Promoter Shareholders” of the “Target Company” are hereinafter collectively referred to as “**Sellers**”. The equity shares of “Target Company” covered under the respective SPAs aggregate to 40,47,538 [Forty Lakhs Forty Seven Thousand Five Hundred and Thirty Eight] fully paid up equity shares constituting 40.47 % of the equity and voting share capital of the “Target Company”, hereinafter referred to as “**Transaction Shares**”.

Maika Holdings, Berhad, Malaysia is not the promoter of the target company.

Maika Holdings, Berhad, Malaysia, was allotted 24,00,000 equity shares in the Target Company by way of a Preferential Allotment on 23rd December 1996. Equity shares in the Target company was allotted to Maika Holdings in full compliance of the then existing SEBI (DIP) Guidelines on Preferential Allotment of shares. There was no change in the shareholding of Maika Holdings, Berhad, Malaysia from 23rd December, 1996 as above stated till the date of execution of SPA with the Acquirer Company.

3.1.5 (i) The main provisions of the SPA -1 are as follows :

- The Purchase Price for purchase of 24, 00,000 (Twenty Four Lakhs only) fully paid Equity Shares shall be at price of Rs.10/- (Rupees Ten only) per Share, aggregating to Rs. 2,40,00,000/- (Rupees Two Crore and Forty Lakhs only) “Negotiated Price – SPA 1”.
- The Shares will be acquired by “The Acquirer”, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.
- Maika Holdings, Berhad, Malaysia and the “Acquirer” have entered into an “Escrow Agreement dated 31st March 2008 with Mr. R. Venkatavaradan, Advocate, [hereinafter referred to as “Escrow Agent”] detailing inter-alia the terms and conditions governing the transfer of the said 24,00,000 fully paid Equity Shares for achieving completion / closing of the transactions contemplated under the Share Purchase Agreement.

- On completion of the Offer, in accordance with the SPA and the Escrow Agreement the said 24,00,000 fully paid Equity Shares shall be transferred and delivered to the “Acquirer”.
 - The sale and purchase of the said shares shall be subject to strict compliance with the provisions of the SEBI (SAST) Regulations, 1997”. In case of non-compliance with any of the provisions of the “SEBI (SAST) Regulations 1997” by the ‘Acquirer’ or the seller, Maika Holdings, Berhad, Malaysia , the agreement for sale of the said shares shall not be acted upon by either parties.
- (ii) The main provisions of the SPA -2 are as follows:-
- The Purchase Price for purchase of 16,47, 538 (Sixteen Lakhs Forty Seven Thousand Five Hundred and Thirty Eight only) fully paid Equity Shares shall be at price of Rs.10/- (Rupees Ten only) per Share, aggregating to Rs. 1,64,75,380 /- (Rupees One Crore Sixty Four Lakhs Seventy Five Thousand Three Hundred and Eighty only) “Negotiated Price – SPA 2 ”.
 - The Sellers [constituting part of the “**Promoter Shareholders**”] of the “**Target Company**” shall as and from the date of this Agreement until closing, carry on the business of the Company in the ordinary course of business as Trustees for the “Acquirer”. The “**Target Company**” has simultaneously subscribed its seal on the duplicate of this Agreement signifying its knowledge and consent to this Agreement and acknowledges, confirms and declares that the Board of the Company shall carry out its business until the Closing Date, in trust for the “Acquirer”.
 - “The Acquirer” and the “Promoter Shareholders” agrees, undertakes and confirms that it shall comply with the provisions of “SEBI (SAST) Regulations, 1997 and in case of non-compliance of any of the provisions of the said Regulations, this Agreement shall not be acted upon by the Parties thereto.
- 3.1.6 Being parties to respective SPAs, the Sellers will not participate in this offer being made by the Acquirer.
- 3.1.7 The Acquirer intends to make an Open Offer in terms Regulation 10 and 12 of the SEBI (SAST) Regulation 1997 to the shareholders of the Target company to acquire 20,00,000 fully paid-up Equity Shares of Rs. 10/- each representing 20% equity share capital and voting rights of “PEIL”, at a price of .Rs. 10. 68 per fully paid up equity share of Rs.10/- each inclusive of interest of an amount of Rs. 0.68 only and at a price of Rs.5.34 per partly paid up share of Rs.10/- each (paid up Rs. 5/- per share) inclusive of interest of an amount of Rs. 0.34 only (“offer price”).
- 3.1.8 The Manager to the Offer, Vivro Financial Services Pvt. Ltd., does not hold any share in the Target Company. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of offer.
- 3.1.9 Acquirer, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B of the SEBI Act, 1992 or under any of the Regulations made under the SEBI Act, 1992
- 3.2. Details of the Proposed Offer:**
- 3.2.1 The Acquirer is making an offer to the shareholders of “PEIL” (other than the parties to the SPAs as stated in sub clause 3.1.3 above and to the other Promoter Shareholders of the “Target Company”) to acquire up to 20,00,000 fully paid-up Equity Shares of Rs. 10/- each of “PEIL ” (“Equity Shares”), representing 20% of the outstanding voting equity share capital of “PEIL ”, at a price of Rs. 10. 68 per fully paid up equity share of Rs. 10/- each inclusive of interest of an amount of Rs. 0.68 only and at a price of Rs. 5.34 per partly paid up share of Rs. 10/- each (paid up Rs. 5/- per share) inclusive of interest of an amount of Rs. 0.34 only (“offer price”).
- The offer price for partly paid up shares is the difference between the offer price and the amount due in respect of calls in arrears on such shares presently remaining unpaid and outstanding without

considering interest on calls in arrears payable in cash in terms of regulations 20 & 21 of the Regulations to those shareholders whose names appear on the Register of Members on Specified Date i.e. 7th July 2008

All owners of Equity Shares (registered or unregistered) of Premier Energy and Infrastructure Limited (other than the Acquirer, Sellers and the Promoter Group of the Target Company) who own Equity Shares at any time prior to the closure of the Offer are eligible to participate in the Offer.

- 3.2.2. The Offer is being made in accordance with regulations 10 and 12 of the Regulations, pursuant to substantial acquisition of equity shares with change in management control in the Target Company limited to the inclusion of the 'Acquirer' in the Promoter Group of 'PEIL' as a consequence of execution of the SPAs referred to in paragraph 3.1.3 above.
- 3.2.3 As on the date of this PA, the Acquirer does not hold any equity shares of "PEIL". The Acquirer has not acquired any equity share of "PEIL" during the 12 months preceding the date of PA.
- 3.2.4 The Offer is not conditional on any minimum level of acceptance.
- 3.2.5 The offer is not as a result of global acquisition leading to indirect acquisition of the Target Company.
- 3.2.6 The offer is not a Competitive Bid.
- 3.2.7 The Offer is subject to the terms and condition set out herein and in this LOF.
- 3.2.8 This Offer is subject to receipt of the statutory / regulatory approvals mentioned in paragraph 8 of the LOF. In terms of regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- 3.2.9 The Public Announcement dated 28th June 2008 was made in the following newspapers, in accordance with Regulation 15 of the Takeover Regulations

Newspapers	Language	Editions
Business Standard	English	All Editions
Pratah Kal	Hindi	All Editions
Thina Bhoomi	Tamil	Regional Edition

The Public Announcement dated 28th June 2008 is also available on SEBI's website at <http://www.sebi.gov.in>

- 3.2.10 The Equity Shares of "PEIL" to be acquired, pursuant to the offer shall be, free from all lien, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid.
- 3.2.11 There has been no acquisition of any further shares of the Target Company by the Acquirer after the date of Public Announcement.

3.3 Rationale for the Acquisition / Offer

- 3.3.1 Pursuant to execution of Shareholders Agreements as stated in paragraph 3.1.3 above, the "Acquirer" would control substantial shareholding in the "Target Company" effective upon closure of the Offer. The Offer to the shareholders of "Target Company", as explained in paragraph 3.1.2 above, is being made pursuant to Regulation 10 and 12 of the "SEBI (SAST) Regulations, 1997" for substantial acquisition of equity shares of "Target Company".
- 3.3.2 To the extent required to optimize shareholder value, the Acquirer may, subject to applicable shareholders' consent, enter into any compromise or arrangement, reconstruction, restructuring, merger/de-merger, rationalizing and/or streamlining of various operations, assets, liabilities, investments and businesses or otherwise of "PEIL". The Board of Directors of "PEIL" will take appropriate decisions in these matters. The Acquirer does not have any plan to dispose off or otherwise encumber any asset of "PEIL" in the next two years from the date of closure of the Offer except in the ordinary course of business of "PEIL" and except to the extent mentioned above. However, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of "PEIL" except with the prior approval of the shareholders of "PEIL".
- 3.3.3 The Acquirer has plans to venture into and make investments in the businesses that are presently

undertaken / proposed to be undertaken by the “Target Company”. The “Acquirer” will bring in the required inputs by drawing on the managerial expertise / other factors and resources available to it through its group synergy.

4 BACKGROUND OF THE ACQUIRER

4.1 Information on Shri Housing Private Limited (The “Acquirer”)

4.1.1 Shri Housing Private Ltd (“SHPL”) is a private limited company incorporated on 28th February 1995 under the Companies Act, 1956 under Certificate of Incorporation No:18- 30333 of 1995 issued by the Registrar of Companies, Tamil Nadu. The registered office of the company is situated at No: 4, 5th Floor, Mookambika Complex, Lady Desikachary Road, Mylapore, Chennai – 600 004. Tel No: +91-44-24987624, Fax No: +91-44-24987698.

Shriram Auto Finance is the Holding entity of Shri Housing Pvt. Ltd. Shriram Auto Finance is a Partnership firm. Mrs. Vathsala Ranganathan and Mrs. Vidya Narayanamurthi are partners in the Profit/ Loss sharing ratio of 56% and 44% respectively. The office of Shriram Auto Finance is situated at Mookambika Complex, 4- Lady Desikachari Road, Mylapore, Chennai-600 004.

Shriram Auto Finance has promoted the following listed companies:

1. Shriram EPC Limited
2. Ennore Coke Limited.

4.1.2 “SHPL” is in the business of Real Estate owners / developers / co-developers; promoters, builders and contractors of commercial properties.

- The Target Company on the other hand, proposes to engage in businesses connected with the renewable / non-renewable energy value chain as also in other infrastructure related projects. Consistent with its future objectives, the Target Company has changed its name to Premier Energy and Infrastructure Ltd. vide postal ballot dated 7th January 2008 and has been issued a fresh certificate of incorporation by the Registrar of Companies, Tamil Nadu.
- The Acquirer as the promoter company of Shriram EPC Ltd and through it and its step down subsidiaries has vast expertise in renewable energy businesses. The Target Company will benefit from the technical / manpower inputs and synergies brought in by the group companies belonging to the Acquirer Group.

4.1.3 The Authorized Capital of “SHPL” is Rs.5.50 Crores comprising of 55,00,000 equity shares of Rs.10/- each. Its paid up capital as on the date of PA and this LOF is Rs. 3,91, 87,000 – comprising of 39,18,700 fully paid up equity shares of Rs.10/- each.

4.1.4 “SHPL” is the sole Acquirer in the present offer and there is no person acting in concert with the Acquirer.

4.1.5 The promoters of “SHPL” belong to the Shriram Auto Finance group.

4.1.6 “SHPL” has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or under any other regulation made under the SEBI Act.

4.1.7 None of the Directors of “PEIL” represent the Acquirer.

4.1.8 The ‘Acquirer’ has not promoted any company.

4.1.9 The Shareholding Pattern of ‘SHPL’ as on the date of PA is as under:

No:	Name of the share holder	No: of Equity Shares	% of Equity Shares
1.	Mr. S. Ramakrishnan	100	0.01
2.	Mr. S. Dandapani	100	
3.	Shriram Auto Finance	39,18,500	99.99
Total		39,18,700	100.00

4.1.10 The Composition of Board of Directors of “SHPL” as on the date of PA is as follows:

Name	Residential Address	Qualification & Experience	Date of Appointment
Mr. S.Shankar	Flat No: 1B, Kamadhenu Apartment No:8, Binny Road, Poes Garden, Chennai – 600 086	Bachelor of Engineering. Over 20 years experience in General Administration	27-08-2001
Mr. N. Mani	No:4, Postal Colony, 4 th Street, West Mambalam, Chennai – 600 033	Bachelor of Arts. Over 25 years of experience in Finance / General Administration	16-01-2004

4.1.11 The shares of Shri Housing Pvt. Ltd. are not listed on any Stock Exchange.

4.1.12 **Brief Audited Financials of “SHPL”**

The summarized consolidated financial statements of “SHPL” are as follows:

(a) **Profit and Loss Statement**

(Rs. in Lakhs)

Profit & Loss Statement	31/03/2006 (Audited)	31/03/2007 (Audited)	31/03/2008 (Audited)
Income from operations	-	-	
Other Income	48.56	1.13	1.95
Total Income	48.56	1.13	1.95
Total Expenditure.	10.88	450.89	3.16
Profit Before Depreciation Interest and Tax (PBITD)	37.68	(449.76)	(1.21)
Depreciation	0.73	0.37	0.31
Interest	-	-	-
Profit Before Tax (PBT)	36.95	(449.39)	(1.52)
Provision for Tax	3.00	-	-
Deferred Tax	-	-	-
Profit After Tax (PAT)	33.95	(449.39)	(1.52)
Balance brought from Previous Year	(296.22)	(262.27)	(711.66)
Net profit transferred to Balance sheet	(262.27)	(711.66)	(713.18)

(b) **Balance Sheet Statement**

(Rs. in Lakhs)

Balance Sheet Statement	31/03/2006 (Audited)	31/03/2007 (Audited)	31/03/2008 (Audited)
Sources of Funds:			
Paid up share Capital	400.02	400.02	391.87
Reserves & Surplus (excluding revaluation reserve)	-	-	1143.70
Total Own Funds	400.02	400.02	1535.57
Less: 1.Misc. Exps. Not W/off	-	-	-
2.Profit & Loss a/c [Dr.]	262.27	711.66	713.18

Premier Energy And Infrastructure Limited
[formerly called Premier Housing And Industrial Enterprises Limited]

Net Worth	137.75	(311.64)	822.39
Deferred Tax Liability	-	-	-
Secured Loans	-	-	-
Unsecured Loans	-	-	50.00
Share Application Money	382.28	377.05	-
Total	520.03	65.41	872.39
Use of Funds:			
Net Fixed Assets	2.14	1.76	1.45
Investment	533.67	309.42	369.42
Net Current Assets	(15.78)	(245.77)	501.52
Deferred Tax Asset	-	-	-
Total	520.03	65.41	872.39
Other Financial Data			
	31/03/2006	31/03/2007	31/03/2008
	(Audited)	(Audited)	(Audited)
Dividend (%)	-	-	-
Earning Per Share	16975	(224695)	(0.04)
Return on Net worth %	(12.95)%	63.15%	(.18%)
Book Value Per Share	(131125)	(355820)	20.98

(There were 4,00,000 18% non-convertible preference share of Rs. 100/- each, which were excluded in the valuation of earning per share, return on net worth and book value per share)

(Source: Audited Financial Statements of "SHPL" for the financial years ended 31st March, 2006, 31st March 2007 and 31st March 2008.)

Note: 1. There is no change in the accounting policy in last 3 financial years. 'SHPL' does not have any contingent liabilities.

Note: 2 In the FY 2006 - 07 the paid up capital of the Acquirer Company was Rs.400.02 Lakhs as follows :-

- (1) 200 equity shares of Rs.10/- each - Rs.0.02 Lakhs.
- (2) 4,00,000 18% Non-Convertible Preference Shares of Rs.100/- each Rs. 400.00 Lakhs .
 During FY 2007-08 the Non-Convertible Preference Shares were redeemed at Rs.10/- per preference share and the balance Rs.360.00 Lakhs credited to capital reserve.
 During Financial Year 2007-08 the company issued 39,18,500 equity shares of Rs.10/- each to Shriram Auto Finance at a premium of Rs.20/-per equity share. The issued subscribed and paid up capital as on 31st March 2008 was 39,18,700 equity shares of Rs. 10/- each aggregating to Rs.391.87 Lakhs.

Note: 3 The Acquirer Company is in the business of real estate promoters /developers /builders / contractors. Due to recession in the industry there were no projects under execution during the relevant financial years. Consequently there was no operating income during these financial years.

Reasons for fall/rise in total income and Profit after Tax:

Financial Year 2006-07 vis-à-vis Financial Year 2005-06

The total income of the Company reduced by 97.67 % to Rs.1.13 Lakhs in 2006-07 compared to Rs.48.56 Lakhs in 2005-06. The Company has incurred a loss of Rs. 449.39 Lakhs in 2006-07 as compared to profit after tax of Rs. 33.95 Lakhs in the 2005-06. The decrease in the total income was due to substantial reduction in professional charges received by the company. During financial year 2006-07 the company booked a loss of Rs. 450.00 Lakhs on sale of its investment. This contributed to the loss recorded by the company during the fiscal ended 31st March 2007.

Financial Year 2007-08 vis-à-vis Financial Year 2006-07

The total income of the company during financial year ended 31st March 2008 was 1.95 Lakhs as compared to Rs. 1.13 Lakhs during the preceding financial year ended 31st March 2007. The marginal increase in total income was due to a corresponding increase in its income from professional charges. The Company has incurred a loss of Rs. 1.52 Lakhs in 2007-08 as compared to a loss of Rs. 449.39 Lakhs in the 2006-07 which was primarily due to sale of investments at a loss.

SIGNIFICANT ACCOUNTING POLICIES

There were no changes in the accounting policies of the Company for the last three years. The significant accounting policies followed by the Company are:

- Basis of Accounting: The accounts have been prepared on the basis of historical costs.
- Fixed Assets : Fixed assets have been valued at cost less depreciation. Depreciation on Fixed Assets are charged under W.D.V. method at the rates specified in the Income TA Act.
- Investments are stated at cost.
- None of the employees have received remuneration in excess of limit prescribed u/s 217 2A of the Companies Act, 1956
- Interest payable on advance received from Group company have not been paid nor provided for in accounts.

4.1.13 There are no legal cases pending in any forum by or against the Acquirer / Directors & Promoters of the 'Acquirer' company.

4.1.14 There has been no merger/demerger; spin off during last 3 years involving the acquirer company.

4.1.15 SEBI may initiate action against the acquirer for failure in making the Public Announcement in terms of Regulations.

4.1.16 Shriram Auto Finance is a Partnership firm. Mrs. Vathsala Ranganathan and Mrs. Vidya Narayanamurthi are two partners in the profit/Loss sharing ratio of 56% and 44% respectively.

4.2 DISCLOSURE IN TERMS OF REGULATION 16(ix)

4.2.1 This Offer is being made in compliance with regulations 10 and 12 of Regulations pursuant to the execution of the SPAs as detailed in the paragraph 3.1.3 above for substantial acquisition of equity shares and voting rights accompanied with change in control of "PEIL" limited to the inclusion of the 'Acquirer' in the Promoter Group of the 'Target Company' post completion of this Offer.

4.2.2 In terms of Regulation 16(ix) the Acquirers do not have any plans to dispose off or otherwise encumber any assets of the Company in the succeeding two years from the date of the closure of the offer, except in the ordinary course of business with the prior approval of the shareholders of the Company.

4.2.3 To the extent required to optimize shareholder value, the Acquirer may, subject to applicable shareholders' consent, enter into any compromise or arrangement, reconstruction, restructuring, merger/de-merger, rationalizing and/or streamlining of various operations, assets, liabilities, investments and businesses or otherwise of "PEIL". The Board of Directors of "PEIL" will take appropriate decisions in these matters. The Acquirer does not have any plan to dispose off or otherwise encumber any asset of "PEIL" in the next two years except in the ordinary course of business of "PEIL" and except to the extent mentioned above. However, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of "PEIL" except with the prior approval of the shareholders of "PEIL".

4.2.4 The Acquirer has plans to venture into and make investments in the businesses that are presently undertaken / proposed to be undertaken by the "Target Company". The "Acquirer" will bring in the required inputs by drawing on the managerial expertise / other factors and resources available to it through its group synergy.

5. DELISTING OPTION TO THE ACQUIRERS IN TERMS OF REGULATION 21 (2)

The Public Shareholding shall not reduce to a level below the limit specified in the Listing Agreement with the stock exchanges for the purpose of listing on continuous basis as a consequence of the Offer. Hence the provision of Regulation No. 21(2) does not apply.

6. BACKGROUND OF PREMIER ENERGY AND INFRASTRUCTURE LIMITED (“Target Company”)

[Note: The Information under this section is sourced from the Target Company and also from the Public Sources.]

6.1 Brief History and Location of the Company

6.1.1 “PEIL” was incorporated as a public limited company under the Companies Act 1956, with Registrar of Companies, Tamil Nadu; under certificate of incorporation number 18- 15521 dated 25th March 1988 in the name of Premier Housing and Industrial Enterprises Limited. The Company obtained the certificate of Commencement of Business on 20th June 1988.

Originally the company was incorporated under the name of Premier Housing and Industrial Enterprises Limited on 25th March 1988 with the Registrar of Companies, Tamil Nadu. Subsequently the name of the company was changed to Premier Energy And Infrastructure Limited and a fresh Certificate of Incorporation obtained from the Registrar of Companies, Tamil Nadu dated 19th May 2008.

The shares of the target company were listed on 12th March,1990 on Madras Stock Exchange Limited, Ahmedabad Stock Exchange Limited, and Bangalore Stock Exchange Limited.

6.1.2 The “Target Company” vide notice of Postal Ballot dated 7th January 2008, has changed its name to **Premier Energy And Infrastructure Limited**. All procedural requirements attendant with passing of the above said resolution having been complied with, as required under Section 192A of the Companies Act 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules 2001, the Registrar of Companies, Tamil Nadu, has issued a fresh Certificate of Incorporation dated 19th May 2008 consequent upon change of name.

6.1.3 The Registered Office of the ‘Target Company’ is situated at “No: 4, II Link Street, CIT Colony, Mylapore, Chennai – 600 004, Tel. No (+91-44-24661980), Fax No (+91-44-24661980).

6.2 Main Areas of Operation

6.2.1 “Target Company” is primarily engaged in the business of property development, housing construction, property services and other allied businesses. The “Target Company” vide Postal Ballot dated 7th January 2008 has amended its object clause pursuant to Section 17 of the Companies Act 1956 by the insertion of new sub clauses 2 to 5 in the Clause III (A) [Object Clause] of the Memorandum of Association of the “Target Company” and has accorded sanction to its Board of Directors to commence and undertake the businesses as envisaged under the amended clause III (A) 2 to 5 of the Memorandum of Association of the “Target Company” under Section 149(2A) of the Companies Act 1956. The new objects enable the “Target Company” entry into businesses connected with Renewable & Non- Renewable Energy / Infrastructure Projects related areas.

6.3 Share Capital Structure of “PEIL”

6.3.1 As on the date of PA, the Authorised Capital of the “Target Company” is Rs.25.00 Crores divided in to 2,50,00,000 Equity Shares of Rs. 10/- each The present issued share capital of “Target Company” is Rs.10,00,00,000/- divided into 1,00,00,000 equity shares of Rs.10/- each and the subscribed and paid up share capital of “Target Company” is 99,89,600 Equity Shares of Rs. 10/- each and Rs. 9,99,48,000/- respectively. As at the date of this PA there are 10,400 partly paid up equity shares in the “Target Company”. As per information provided by “Target Company” the breakup of subscribed and paid - up Equity Share capital is as follows:

Subscribed and Paid-up Equity Share Capital	No: of Equity Shares	% of Equity Shares
(a) Fully paid – up equity shares	99,89,600	99.90 %
(b) Partly paid-up Equity Shares	10,400	0.10 %
(c) Total Subscribed Equity Shares	1,00,00,000	100.00 %
(d) Total Voting Rights	99,89,600	99.90 %

Note: The partly paid-up equity shares do not carry any voting rights as per the Article 98 of the Articles Association of “Target Company” as calls have been made on the shares and the calls remain unpaid as on the date of PA.

6.4 Capital build-up of “PEIL” since inception :

Date of Allotment	Equity Shares		Cumulative Paid-up Equity Share Capital (Rs)	Mode of Allotment	Identity of Allottees (Promoters / Ex. Promoters / Others)
	No. of shares	Cumulative %			
(Incorporation) 20-06-1988	80	-	800	On Incorporation	Subscribers to the Memorandum of Association
31-08-1988	10,800	0.11	1,08,800	Allotment – Pre IPO	Promoters, their relatives, friends & associates
21-03-1989	58,400	0.58	6,92,800	Allotment – Pre IPO	Promoters, their relatives, friends & associates
30-06-1989	2,82,700	2.83	35,19,800	Allotment – Pre IPO	Promoters, their relatives, friends & associates
29-07-1989	5,24,800	5.25	87,67,800	Allotment – Pre IPO	Promoters, their relatives, friends & associates
08-02-1990	25,73,220	25.73	3,45,00,000	Allotment - Public Issue	Promoters/ Public
14-11-1992	34,52,600	34.53	6,90,26,000	Allotment – Rights Issue	Promoters/ Public
23-12-1996	30,97,400	30.97	10,00,00,000	Preferential Issue	Promoters / Others
Total	1,00,00,000	100.00			

6.5 The Equity Shares of “Target Company” have been de-listed from the Bombay Stock Exchange Ltd [BSE] vide notice no: 124213 / 02 with effect from 3rd July 2002 due to an ex-parte winding up order by Hon’ble High Court of Judicature at Madras dated 16th March 2000. The Target Company filed a Scheme of Arrangement with its creditors under Section 391 of the Companies Act 1956 under Company Petition No: 367 of 2003 in the Hon’ble High Court of Judicature at Madras. This scheme of arrangement was accepted by the creditors of the Target Company. The Hon’ble High Court vide its order dated 3rd February 2004 permanently stayed the winding up order of 16th March 2000 and passed orders sanctioning the Scheme of Arrangement to be implemented within three years from the date of sanction of the said scheme. By its certificate dated 6th May 2008 the “Target Company”

has certified that it has complied with Scheme of Arrangement, as above stated.

The equity shares of the “Target Company” continue to be listed on the Madras Stock Exchange Limited, Chennai, Ahmedabad Stock Exchange Limited, Ahmedabad and the Bangalore Stock Exchange Limited, Bangalore. The “Target Company” has paid the up to date listing fees, as applicable, to these Stock Exchanges.

- 6.6 The Target Company has complied with the provisions of Regulation 8(3) from time to time. On a creditors petition the High Court of Madras passed an ex-parte winding up order dated 16th March 2000. The Target Company filed a Scheme of Arrangement with its creditors under Section 391 of the Companies Act 1956 in the High Court of Judicature at Madras. The scheme was sanctioned by the Hon’ble High Court vide its order dated 03-02-2004. Consequently the company was not in operation from date of the said winding up order until the date of sanction of the scheme of arrangement with its creditors.

The promoters of the target company have complied with the applicable provisions of Chapter II of SEBI Takeover Regulations.

Suitable action may be initiated by SEBI at a later stage for non compliances, if any of Chapter II of SEBI (SAST) Regulations 1997 by the Promoter/sellers/Target company/major share holders of Target company.

- 6.7 R. Sridharan & Associates, Company Secretaries, vide their certificate dated 7th May 2008 has certified that the “Target Company” has generally complied with the Listing Agreement with the Stock Exchanges except the following:
- Clause 41 – Publication and submission of Financial Results, Intimation of Board Meetings and Publication of Financial Results in the newspapers.
 - Not having entered into a tripartite agreement with the Depositories i.e. National Securities Depository Limited [NSDL] / Central Depository Services [India] Limited, [CDSL] for holding shares in demat mode.

6.8 **Details of the Board of Directors of “PEIL” as on the date of the PA:**

Name, Designation and Address	Date of Appointment	No. of Shares held in “PEIL”	Qualification	Experience
Mr. M. Narayanamurthi	3 rd August 1989	53420	FCA, ACS, Member of Institute of Cost and Management Accountants [London].	Over 30 years experience in Finance / Management/ Property Development
Mr. A. Sriram	5 th March 2004	200	B.Com	Over 27 years experience in Finance / Accounts/ General Administration
Mr. T R Murali	5 th March 2004	-	B.A	Over 25 years experience in General Administration
Mr. S. Jaganathan	5 th March 2004	-		Over 30 years experience in General Administration

In terms of Regulation 22(9) there are no persons representing or having interest in the Acquirer who is already a director on the Board of the Target company or is an insider within the meaning of Securities and Exchange Board of India (Insider Trading Regulations) 1992.

- 6.9 “PEIL” has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the “SEBI Act”) or under any other regulation made under the SEBI Act.
- 6.10 The “Target Company” is not a sick company within the meaning of the provisions contained in Section 424A – 424L under chapter VI A of the Companies Act 1956.

- 6.11 There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date.
- 6.12 Under a Scheme of Arrangement (the “**Scheme**”) between Rayala Office Equipments Private Limited, Chennai, (“**ROEPL**”) a wholly owned subsidiary of the “**Target Company**”, pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, “**ROEPL**” was amalgamated with the “**Target Company**” (the “**Merger**”), with the appointed date being April 1, 2007 (“**Appointed Date**”). The Hon’able High Court of Judicature at Madras had passed an order sanctioning the Scheme on March 3, 2008. The Merger became effective on March 23, 2008 (“**Effective Date**”) upon making of the requisite filings with the Registrar of Companies. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking of “**ROEPL**” now stands transferred to and vested in and merged into the “**Target Company**”.

6.13 Brief Audited Financials of “PEIL”

The summarized consolidated financial statements of “**PEIL**” are as follows:

(a) Profit and Loss Statement (Rs. In Lakhs)

Profit & Loss Statement	31/03/2006 (Audited)	31/03/2007 (Audited)	31/03/2008 (Audited)
Income from Operations	65.72	1493.85	6872.18
Other Income	11.87	12.95	76.55
Total Income	77.59	1506.80	6948.73
Total Expenditure.	359.47	1414.66	6269.24
Profit Before Depreciation Interest and Tax (PBIDT)	(281.88)	92.14	679.49
Depreciation	33.77	37.45	33.31
Interest	-	-	197.41
Profit Before Tax (PBT)	(315.65)	54.69	448.77
Provision for Tax	-	4.22	38.25
Deferred Tax	-	-	-
Profit After Tax (PAT)	(315.65)	50.47	410.52
Profit carried forward from PY	(1069.11)	(1384.76)	(1334.29)
Net profit transferred to Balance sheet	(1384.76)	(1334.29)	(923.77)

(b) Balance Sheet Statement

(Rs. in Lakhs)

Balance Sheet Statement	31/03/2006 (Audited)	31/03/2007 (Audited)	31/03/2008 (Audited)
Sources of Funds:			
Paid up share Capital	999.48	999.48	999.48
Reserves & Surplus (excluding revaluation reserve)	-	-	146.91
Own Funds	999.48	999.48	1146.39
Less: 1. Misc. Expenditure	-	-	-
2. P&L A/c [Dr.]	309.34	258.87	-

Net Worth	690.14	740.61	1146.39
Deferred Tax Liability	-	-	-
Secured Loans	3426.85	457.68	-
Unsecured Loans	1325.59	522.96	1957.87
Total	5442.58	1721.25	3104.26
Use of Funds:			
Net Fixed Assets	307.35	269.97	361.22
Investment	364.26	20.78	20.78
Net Current Assets	4770.97	1430.50	2722.26
Total	5442.58	1721.25	3104.26

Other Financial Data	31/03/2006 (Audited)	31/03/2007 (Audited)	31/03/2008 (Audited)
Dividend (%)	-	-	-
Earning Per Share (Rs.)	(3.15)	0.50	4.11
Return on Net worth (%)	(45.74)	6.81	35.81
Book Value Per Share (Rs.)	6.90	7.41	11.47

(Source: Audited Financial Statements of "PEIL" for the financial years ended 31st March, 2006, 31st March 2007 and 31st March 2008)

Note: Pursuant to the Merger becoming effective, the Target Company has drawn up its Un-Audited Accounts for Financial Year ended March 31, 2008 on a consolidated basis, after consolidating the financials of "ROEPL" with the standalone financials of the Target Company, before Merger

Note on Increase/Decrease in unsecured Loans in FYs 2005-06, 2006-07, 2007-08

Amt. in Rs.

Particulars	F Y 2006	F Y 2007	F Y 2008
Unsecured Loans	25,953,750	22,794,050	2,796,500
Fixed Deposit			
Decrease due to	Repayment.	Repayment.	Repayment.
Short Term Loans and Advances	106,604,992	29,502,136	192,990,693
Decrease due to	Repayment.	Repayment.	1,100,000 (Repayment) 164,588,557 (Fresh Loan)

6.14 Comparison of Financial Results

Reasons for fall/rise in total income and Profit after Tax:

Financial Year 2006-07 vis-à-vis Financial Year 2005-06

The total income of the Company increased substantially to Rs.1506.80 Lakhs in 2006-07 compared to Rs.77.59 Lakhs in 2005-06. The Company earned a profit after tax of Rs. 50.47 Lakhs in 2006-07 as compared to a loss of Rs. 315.65 Lakhs in the 2005-06. The increase in the total income in financial year 2006-07 was owing to the company concluding sales of several of its completed projects. This primarily contributed to the company turning around with a profit situation during the financial year 2006-07.

Financial Year 2007-08 vis-à-vis Financial Year 2006-07

The total income of the company during financial year ended 31st March 2008 substantially increased to Rs.6947.55 Lakhs as against Rs.1506.80 Lakhs in 2006-07. The profit after tax was Rs.407.65 Lakhs in 2007-08 as against Rs.50.47 Lakhs during the financial year 2006-07. The increase in total income was due to favorable prices which enabled the company to sell one of its major completed projects during financial year 2007-08. This in turn resulted in higher profit after tax in 2007-08.

In the financial year ended 2006 there was decrease in total income due to compression of business volume because of reduction in selling prices which ultimately resulted in more loss as compared to financial year ended 2005.

6.15 Pre and Post- Offer Share Holding Pattern of “PEIL” as on the date of Letter of Offer:

Shareholders' Category	Shareholding & voting rights prior to the agreement/ acquisition and offer		Shares / voting rights agreed to be acquired which triggered off the Regulations.		Shares/ voting rights to be acquired in open offer(Assuming full acceptances)		Share holding / voting rights after the acquisition and offer.	
	(A)		(B)		(C)		D =A+B+ C	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
a) Parties to SPA, if any	16,47,538	16.47	(16,47,538)	(16.47)	Nil	Nil	Nil	Nil
b) Promoters other than 'a' above	4,26,000	4.26	Nil	Nil	Nil	Nil	4,26,000	4.26
Total (1) (a+ b)	20,73,538	20.73	(16,47,538)	(16.47)	Nil	Nil	4,26,000	4.26
1. (a)Main Acquirers “SHPL”	Nil	Nil	40,47,538	40.47	20,00,000	20.00	60,47,538	60.47
(b) PAC	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (2) (a+ b)	Nil	Nil	40,47,538	40.47	20,00,000	20.00	60,47,538	60.47
3. Parties to Agreement other than 1 (a) & 2 above	24,00,000	24.00	(24,00,000)	(24.00)	Nil	Nil	Nil	Nil
4. Public (other than parties to agreement, acquirers & PACs)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) FI s / MF s/ FI s / Banks, SFI s (indicate names)								
b) Others	55,26,462	55.27	Nil	Nil	(20,00,000)	(20.00)	35,26,462	35.26
Total (4) (a + b)	55,26,462	55.27	Nil	Nil	(20,00,000)	(20.00)	35,26,462	35.26
Grand Total (1+2+3+4)	100,00,000	100	Nil	Nil	Nil	Nil	100,00,000	100

Source: The above information is drawn from the List of shareholders and shareholding pattern provided by “PEIL” and duly certified by the Director of “PEIL”.

6.16 Change in Shareholding of the Promoters as and when it happened ;

Date of allotment	No.of shares issued	Face value	Issue Price	Total Paid up capital	Promoter Holding	Percentage	Total Paid up Capital Rs.
Total shares held by the promoters as on 20.02.1997	NIL	10	-	1,00,00,000	21,03,148	21.03%	1,00,00,000
31.03.2008	NIL	10	-	1,00,00,000	20,73,538	20.73%	1,00,00,000

6.17. There are 11,752 shareholders under the public category as on the date of PA.

6.18 Compliance with the Corporate Governance:

- “PEIL” has complied with the applicable provisions of clause 49 of the Listing Agreement with the Stock Exchanges relating to Corporate Governance.
- The Board of Directors of “PEIL” consist of 4 Directors, 3 of whom are Non-Executive, Independent Directors
- The Company has constituted the Share Transfer and Investor Grievances Committee, which consist of three members, Mr. M.Narayanamurthi, the Promoter & Non – Executive Director is the Chairman of the Committee. Other members of this Committee are Mr. A. Sriram, Mr. T.R. Murali and Mr. S. Jaganathan. The Committee resolves complaints received from the investors / shareholders besides being an empowered committee to recommend share transfers. There were no investor complaints received and remaining un-addressed during the financial year 2007-08.
- The Audit Committee comprise of three non – executive Independent Directors, Mr. A. Sriram, Mr. T.R. Murali and Mr. S. Jaganathan.
- “PEIL” has not constituted a Remuneration Committee since none of the Directors on its Board draw remuneration from the company.

6.19 Details of Pending Litigations as on the Date of PA

The Target Company vide its certificate dated 6th June 2005 has certified that as on the date of Public Announcement there is no litigation (including court, arbitration and other proceedings), inquiry or order from any regulatory authority, current or pending against the company , which if adversely determined might have material adverse effect on the ability of the company to carry on its business or pay its debts as they fall due or on its ability to enter into any of the transactions contained in or contemplated by the Invitation for Expression of Interest.

6.20 Compliance Officer:

Mr. M. Narayanamurthi
4,First Floor, II Link Street,
CIT Colony,
Mylapore, Chennai-600 004
Phone No. +91-44 24661980

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

- 7.1.1 The equity shares of “PEIL” are listed on Madras Stock Exchange Limited (**MSE**), Ahmedabad Stock Exchange Limited, Ahmedabad (**ASE**) and the Bangalore Stock Exchange Limited (**BgSE**). The equity shares of “Target Company” are de-listed from BSE with effect from 3rd July 2002 as stated in sub clause 6.5 hereinabove.
- 7.1.2 “Target Company” vide its letter dated 12th June 2008 has confirmed that there was no trading of its equity shares on Madras Stock Exchange Limited (**MSE**), Ahmedabad Stock Exchange Limited (**ASE**) and the Bangalore Stock Exchange Limited (**BgSE**) since the last 8 [Eight] years. The equity shares have not been traded on the respective Stock Exchanges, as aforesaid, between December 2007 and May 2008 (six calendar months preceding the month in which this PA is made). Consequently, the minimum Offer Price to be computed for this Offer would be governed by Regulation 20(5) of “SEBI (SAST) Regulations, 1997” as per applicable parameters.
- 7.1.3 The annualized trading turnover in the shares of “PEIL” in each of the above mentioned Stock Exchanges based on trading volume during December 1st, 2007 to May 31st, 2008 (six calendar

months preceding the month in which the PA is made) is as given below:

Stock Exchange	Share Traded [December 2007 – May 2008]	Total Shares Listed	Trading Turnover [Annualised] % of total shares listed
MSE	Nil	1,00,00,000	N.A
ASE	Nil	1,00,00,000	N.A
BgSE	Nil	1,00,00,000	N.A

The shares of 'PEIL' are infrequently traded on MSE, ASE and BgSE within the meaning of Regulation 20(5) (i). Consequently, the minimum Offer Price to be computed for this Offer would be governed by Regulation 20(5) of the Takeover Regulations as per applicable parameters.

7.1.4 The Offer Price of Rs. 10.68/- per fully paid up equity share of Rs. 10/- each inclusive of interest of an amount of Rs. 0.68/- only and offer price of Rs. 5.34/- per partly paid up share of Rs. 10/- each (paid up Rs. 5/- per share) inclusive of interest of an amount of Rs. 0.34/- only.

The offer price for partly paid up shares is the difference between the offer price and the amount due in respect of calls in arrears on such shares presently remaining unpaid and outstanding without considering interest on calls in arrears is justified in terms of regulation 20(10) of the Regulations, in view of the following:-

1.	Negotiated Price under the agreement for acquisition of share or voting rights or deciding to acquire shares or voting rights	Rs.10.00
2.	Highest Price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of Public Announcement.	NA
3.	The highest of the average of the weekly high and low of the closing prices for the equity shares of "PEIL" for the 26 week period prior to 28 th June 2008 i.e. the date of the Public	N.A
4.	The highest of the average of the daily high and low prices of the equity shares during the 2 week period preceding the date of the Public Announcement.	N.A
5.	Other Parameters based on the audited accounts of "PEIL" for Financial Year ended 31 st March 2008	
(i)	Return on Net worth (%)	35.56
(ii)	Book Value per share (Rs.)	11.46
(iii)	Earnings Per Share (Rs.)	4.09
(iv)	Industry Average Price Earning Multiple [CMIE database as updated 6-6-08]	7 ^(*)

*(**Source:** Centre for Monitoring Indian Economy [CMIE] database as on 6th June 2008)

Sr. No.	Method	Value per share	Weights	Weighted Values*
1.	Net Asset Value Method	11.46	1	11.46
2.	Price Earning Capacity Value Method	2.42	2	4.85
3.	Imputed Market Value Method	Nil	-	-
	Fair Value of the Share			5.44

- 7.1.5 As the equity shares of the “Target Company” are deemed to be infrequently traded as per details stated above, so as to ascertain fair value of the equity shares of “**PEIL**”, in terms of the provisions of Regulation 20(5) of SEBI Takeover Regulations, the “Acquirer” has obtained a share valuation report dated October 16, 2008 from Malcolm Joseph [Membership No: 202680] partner CB Joseph & Co., Chartered Accountants, having its office at No:289, Pantheon Road, Egmore, Chennai - 600 008, Phone No: 044 - 28194091/ 044-42145501 . Fax No: 044-42145497 an independent Chartered Accountant , keeping in view the decision of the Hon’ble Supreme Court of India in the case of Hindustan Lever Employee Union v. Hindustan Lever Limited, (1995) 83 Comp Case 30. The said valuation report, prepared on the basis of Net Asset Value [Rs. 11.46 per share], Profit Earning Capacity Value [Rs.2.42 per share] and Market Value [Nil], state the fair value of the equity share of “**PEIL**” based on the audited financial statements as on March 31, 2008 to be Rs. **5.44 [Rupees Five and Forty Four paisa only]** per equity share as detailed above.
- 7.1.6 Based on the above information, in the opinion of the Manager to the Offer, the Offer Price of Rs. 10.68/- per fully paid up equity share of Rs.10/- each inclusive of interest of an amount of Rs. 0.68 only and offer price of Rs. 5.34 per partly paid up share of Rs.10/- each (paid up Rs. 5/- per share) inclusive of interest of an amount of Rs.0.34/- only is justified in terms of Regulation 20 (5) of the Takeover Regulations, applicable for companies whose shares are infrequently traded in view of the offer price being more than the Fair Value of the equity shares arrived at as per Supreme Court’s decision in the case of Hindustan Lever Employees Union Vs. Hindustan Lever Limited (1995) reported at (83 Company Cases 30)1997, as stated in sub clause 7.1.4 above.
- Considering the above parameters the Offer Price of Rs.10.68 (inclusive of interest) per fully paid-up Equity Share and Rs. 5.34 (inclusive of interest) per partly paid up equity shares of PEIL is justified in terms of Regulation 20(11).”
- 7.1.7 If the Acquirer acquires shares in the open market or through negotiations, after the date of Public Announcement and upto seven working days prior to the closure of the offer at a price higher than the offer price stated herein, the highest price paid for such acquisition shall be payable for all shares tendered and accepted under this offer as per regulation 20 (7) of the Takeover Regulations.
- 7.1.8 There is no Non-Compete agreement.
- 7.1.9 The Acquirer has not acquired any equity shares of “PEIL” from the date of the PA up to the date of the Letter of Offer.
- 7.2 Financial Arrangements:**
- 7.2.1 The Acquirer has made firm financial arrangements in terms of Regulation 16 (xiv) for financing the acquisition of equity shares under this public offer. The acquisition is to be financed through internal resources. No borrowings from Bank/ Financial Institution will be made for the purpose.
- The company has received Rs. 205.00 Lacs as application money from M/s. Shriram Auto Finance. The shares will be allotted @ Rs. 10/- each at par value and requisite number of shares of Rs. 404.63 lacs @ Rs. 10/- per share will be allotted to them to meet the obligations under the two SPAs at par value.
- The acquirer has already deposited Rs. 55.00 lacs in the Escrow Account opened for the open offer.
- 7.2.2 The maximum purchase consideration payable by the Acquirer in case of full acceptance of offer i.e. 20,00,000 fully paid up equity shares is Rs. 2,13,60,000/- at a price of Rs.10.68 per fully paid up equity share of Rs. 10/- each inclusive of interest of an amount of Rs. 0.68 only and offer price of Rs. 5.34 per partly paid up share of Rs.10/- each (paid up Rs.5/- per share) inclusive of interest of an amount of Rs. 0.34 only, (the “Offer Price”) payable in cash subject to the terms and conditions mentioned in this Letter of Offer.
- 7.2.3 In accordance with regulation 28 of the Regulations the ‘Acquirer’ has created an Escrow Account in the form of Fixed Deposit for Rs. 55, 00,000/- (Rupees Fifty Five Lakhs Only) bearing no: 00043590008704 being more than 25% of the total consideration payable under the Offer together with interest @ 10% on the total consideration amount under this Open Offer of Rs.2,00,00,000/- for a period of 247 [Two Hundred and Forty Seven] days from the date of signing the respective Share Purchase Agreements viz. March 31, 2008 [as stated in paragraph 3.1.3 hereinabove] upto

the date of payment of consideration i.e 2nd December, 2008. The Escrow Fixed Deposit is created with the Escrow Bank, HDFC Bank Limited at its branch office at Mariam Centre, 751 B, Anna Salai, Chennai - 600 002, and a lien has been marked on the said fixed deposit in favour of Vivro Financial Services Pvt. Ltd., Manager to the Offer. The Manager to the Offer has been authorized by the Acquirer to operate and realize the value of the said Escrow A/c in terms of the provisions of the Regulations.

7.2.4 Mr. K N Narayanan, partner K.N Narayanan & Associates, Chartered Accountants, (Membership No: F 22965) has certified vide their certificate dated 2nd May 2008 that sufficient financial resources are available with the “Acquirer” to meet its obligation under the Offer.

7.2.5 Based on the above certificate, Manager to the Offer, Vivro Financial Services Pvt. Ltd certify and confirm that firm arrangement of funds through verifiable means are put in place by the ‘Acquirer’ to fulfill its obligations under the Offer and implement the said offer in accordance with the Regulations.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 Statutory Approvals

- a) The Offer is subject to approval, if any, required from RBI under the Foreign Exchange Management Act, 1999 (FEMA) for the acquisition of equity shares by the ‘Acquirer’ from the Non Residents under the Offer.
- b) No approval from any Bank/ Financial Institution is required for the purpose of this Offer.
- c) No other statutory approvals are required to acquire the shares that may be tendered pursuant to the Offer.
- d) If any other statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals.
- e) Subject to the receipt of statutory approval, the Acquirer shall complete all procedure relating to the Offer including payment of consideration within a period of 15 days from the Offer Closing Date to those shareholders whose share certificates and / or other documents are found valid and approved for acquisition by the Acquirer. In case of delay in receipt of any statutory approval, if any, SEBI has power to grant extension of time to the Acquirer for the payment of the consideration to the tendering shareholders subject to the Acquirer agreeing to pay interest as directed by SEBI under Regulation 22(12) of SEBI (SAST) Regulations. If the delay occurs due to willful default of the Acquirer in obtaining the requisite approval, if any, Regulation 22(13) of SEBI (SAST) Regulations will become applicable.
- f) Locked-in Shares:
There are no locked-in shares in PEIL.

8.2 Other Terms of the Offer

- 8.2.1 This is not a conditional offer and there is no stipulation as to the minimum level of acceptance.
- 8.2.2 The Offer will be made to the shareholders of “PEIL” and the Letter of Offer (“LOF”) together with the Form of Acceptance cum Acknowledgement (“FOA”) and Form of Withdrawal will be mailed to those shareholders of “PEIL” (except Acquirer, the parties to the SPAs and the existing Promoter of “PEIL”) whose names appear on the register of members of “PEIL” and the beneficial owners of the shares whose names appear on the beneficial records of the respective share depositories, at the closure of business hours on Monday, 7th July 2008.(the “Specified Date”).
- 8.2.3. Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 8.2.4. Cameo Corporate Services Limited [SEBI Registration No: INR 000003753]** having their office at **Subramaniam Building, No. 1 Club House Road, Chennai –600 002** is acting as the Registrar to the Offer (“**Registrar**”).
- 8.2.5. Beneficial Owners and shareholders holding shares in physical form, will be required to send their Form of Acceptance Cum Acknowledgement to the Registrar to the offer either by hand delivery

during normal business hours or by registered post on or before the closure of the Offer i.e. Monday, 17th November 2008.

8.2.6. In addition to the above mentioned address the equity shareholders of the “Target Company” who wish to avail of and accept the offer can also deliver the Acceptance Cum Acknowledgment Form along with all the relevant documents at the collection centers specified below on or before the closure of the offer i.e. not later than Monday, 17th November 2008, in accordance with the procedure as set out in this Letter of Offer The centers mentioned herein below would be open from Monday to Saturday (except Sundays and Public Holidays) during the business hours between 11.00 am and 4.00 p.m.

Sr. No.	Collection Centre	Address of Collection Centre	Contact Person	Telephone No. / Fax No.	Mode of Delivery
1.	Chennai	Cameo Corporate Services Limited Subramanian Building V floor, No.1, Club House Road Chennai - 600 002	Ms. K. Sreepriya	Tel:044-2846 0390 /0014 Fax: 044- 2846 0129	Post and Hand delivery
2.	Mumbai	Cameo Corporate Services Limited, 304, Sai Sadan 76-78, Mody Street, Fort Mumbai - 400 001	Mr. Prashant N. Sanil	Tel: 022-2264 4325/2979 Fax: 022-2264 4325	Hand delivery Only
3.	Ahmedabad	Cameo Corporate Services Limited 101, Shat Dal Complex, II Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009	Mr. M Bala Subramanian	Tel: 093270 55153	Hand delivery only
4	Bangalore	Cameo Corporate Services Limited No.263, Horamavu Main Road Opp. Govt. School Makkuntammanagara Banaswadi Bangalore 560 043	Mr. S. Ramakrishnan	Tel : 098801 98440	Hand delivery only

8.2.7 Shareholders who wish to tender their fully/ partly paid 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 at the address given above, either by hand delivery during normal business hours on Monday to Saturday between 11.00 a.m. to 4.00 p.m. (excluding Sunday and Public holidays) or by Registered Post on or before the closure of the offer i.e. Monday, 17th November 2008 in accordance with the instructions specified in this Letter of Offer and the Form of Acceptance cum Acknowledgement in an envelope subscribing the same with “**PEIL Limited – Open Offer**”.

8.2.8 All owners of fully/ partly paid-up equity shares registered or unregistered and the beneficial owners of the shares (except the Acquirer, the Sellers under the respective SPAs and existing Promoters of the Target Company) who own the shares at any time prior to the closure of the offer are eligible to participate in the offer. Unregistered owners/ shareholders who have not received Letter of Offer can send their application in writing, on a plain paper stating the Name, Address, Number of Shares

held, Number of Shares offered, Distinctive Numbers, Folio No., together with documents stated above so as to reach the Registrar to the Offer on or before the closure of the offer i.e. Monday, 17th November, 2008. In case of unregistered owners, the same should be accompanied by a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

- 8.2.9 In case of non-receipt of Letter Of Offer, eligible person may send their acceptance to the Registrar to the Offer on a plain paper stating the name, address, No. of Shares held, distinctive No., Folio No., No. of Shares offered, along with documents as mentioned above, so as to reach to the Registrar to the Offer at the above address on or before the closure of the Offer i.e. Monday, 17th November, 2008.
- 8.2.10 In case of non-receipt of Letter of offer, the eligible person may obtain the copy of the same from the Registrar to the Offer. Such shareholders may also download the Form of Acceptance Cum Acknowledgement from the website of SEBI i.e. <http://www.sebi.gov.in> which will be made available from the date of opening of the Offer.
- 8.2.11 **The Shareholders or Beneficial Owners shall not send the form of Acceptance cum Acknowledgement, original share certificate and transfer deed either to the Acquirer or Target Company.**
- 8.2.12 The Registrar to the Offer will hold in trust the shares, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company, who have accepted the offer, until the cheques / drafts for the consideration and / or the unaccepted shares/ share certificates are dispatched/ returned.
- 8.2.13 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 as appearing in the Register of Members of the 'Target Company'.
- 8.2.14 Shares, if any, that are subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these shares are not received together with the shares tendered under the offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.
- 8.2.15 In case the shares tendered in the open offer are more than the shares agreed to be acquired by the Acquirer, the Acquirer shall accept all valid application received from the shareholders on a proportional basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots.
- 8.2.16 Acquirer is confident of completing all the formalities pertaining to the acquisition of the said shares, within 15 days from the date of closure of this Offer including payment of consideration to the shareholders who have accepted the Offer and for the purpose open a Special account as provided under Regulation 29. Provided that where the Acquirer is unable to make payment to the shareholders who have accepted the offer before the said period of 15 days due to non-receipt of requisite statutory approval, if any, the SEBI may, if satisfied that non-receipt of requisites statutory approval was not due to any willful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the application for such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond 30 days, as may be specified by the SEBI from time to time.
- 8.2.17 In accordance with Regulation 22(5) (A) of the Regulations, shareholders who have tendered requisite documents in terms of Public Announcement and Letter of Offer shall have option to withdraw acceptance tendered upto 3 working days prior to the offer closing date i.e. Wednesday, 12th November, 2008. The withdrawal option can be exercised by submitting the form of withdrawal (separately enclosed with this Letter of Offer) together with copy of acknowledgment received from the Registrar to the Offer while tendering the acceptance together with following details:

Name, Address, Distinctive No., Folio No., No: of shares tendered / withdrawn.

In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making an application on the plain paper along with the details mentioned above.

8.2.18 Shareholders who have tendered Shares in physical form and wish to partially withdraw their tenders, should also enclose valid shares transfer form(s) for the remaining equity shares (i.e. Shares not withdrawn) duly signed by transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signature registered with "PEIL" and duly witnessed at the appropriate place.

- a) The withdrawal of Shares will be available only for the Shares certificates / shares that have been received by the Registrar to the Offer.
- b) The intimation of returned Shares to the shareholders will be at the address as per the records of "PEIL".
- c) The FOW should be sent to the Registrar to the Offer only, at the collection center mentioned in section 8.2.6 above.
- d) In case of partial withdrawal of Shares tendered in the Offer, if the original shares certificates are required to be split, the same will be returned on receipt of shares certificate from "PEIL".
- e) Partial withdrawal of tendered Shares can be done only by the registered shareholders. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.
- f) 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.
- g) The Registrar to the Offer will hold in trust the shares / share certificates, Form of Acceptance cum Acknowledgement, the transfer form(s) and Form of Withdrawal if any, on behalf of the shareholders of the ("PEIL") the Target Company, who have accepted the offer, until the Cheques / Demand drafts /pay orders for the consideration and / or the unaccepted shares/ share certificates are dispatched/ returned.
- h) In case any person has lodged shares for transfer and such transfer has not yet been effected, the concerned person may apply as per instruction contained in clause 8.2.9 above together with Acknowledgement of the lodgment of shares for transfer. Such person should also instruct "PEIL" and its Registrar and Transfer Agent to send the transferred shares certificate(s) directly to the collection center of the Registrars to the Offer at designated centers located at the addresses stated in section 8.2.6 above. The applicant should ensure that the certificate(s) reach the designated collection center not later than 4 PM on Monday, 17th November, 2008, the date of closure of the Offer.

9 Payment of Consideration

- a) The payment of consideration shall be made to those shareholders whose equity share certificates and / or other documents are found valid and in order by the Acquirer, and the same shall be through a crossed account payee cheque / demand draft / pay order. The intimation regarding the acquisition (in part or full) or rejection of the shares tendered by the shareholders in acceptance of this Offer and the corresponding payment for the acquired Shares and / or Share certificates for the rejected Shares will be dispatched to the shareholders by registered post or by ordinary post as the case may be, at the shareholders'/ unregistered owner's sole risk within 15 days from the date of closure of the offer i.e Tuesday, 2nd December, 2008.
- b) All cheques / demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of shares, payment will be made in the name of the person stated in the contract note. **It will be desirable if the shareholders provide bank account details in the Form of Acceptance cum Acknowledgement for incorporation in the cheque / demand draft.**
- c) However, if the Acquirer is unable to make the payment to the shareholders within 15 days due to non-receipt of any statutory approval to which the offer may be subject, the Board may, if it is satisfied that non receipt of requisite statutory approval was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension or time for the purpose, subject to payment of interest to the shareholders at such rate for delay beyond 15 days, as may be specified by the Board.

10. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection by the shareholders of "PEIL" at the office of the Manager to the Offer i.e. Vivro Financial Services Pvt. Ltd., from 10.30 a.m. to 3.00 p.m. on any working day except Sundays, and Public / Bank Holidays until the Offer closes on Monday, 17th November, 2008

- 1) Certificate of Incorporation and the Memorandum and Articles of Association of the "SHPL".
- 2) Certificate of Incorporation and the Memorandum and Articles of Association of "PEIL"
- 3) Copy of the Share Purchase Agreements dated 31st March 2008.
- 4) Published Copy of Public Announcement of Offer dated 28th June 2008.
- 5) The audited accounts of the Target Company for the Financial Years ended 31st March, 2006, 31st March 2007 and 31st March 2008.
- 6) Certificate of Mr. K N Narayanan, partner K.N Narayanan & Associates, Chartered Accountants, (Membership No: F 22965), dated 2nd May 2008 certifying that sufficient financial resources are available with the Acquirer to meet its obligation under the Offer.
- 7) The Audited Annual Accounts of Shri Housing Private Ltd for the Financial Years 31st March 2006, and 31st March 2007 and 31st March 2008.
- 8) Letter from the Acquirer regarding appointment of the Manager to the Offer.
- 9) Letters from the Escrow Bank confirming cash deposit in the form of Fixed Deposit of Rs.55,00,000/- bearing no: 00043590008704 and a lien marked in favor of the Manager to the Offer
- 10) Certificate dated 02-05-2008 certifying the net worth of the Acquirer obtained from Mr. K N Narayanan, partner K.N Narayanan & Associates, Chartered Accountants, (Membership No: F 22965).
- 11) Copy of SEBI letter No. CFD/DCR/TO/140895/08 dated October 14, 2008 issued in terms of proviso to the Regulation 18(2) of the Regulations.
- 12) Due Diligence Certificate given by Vivro Financial Services Pvt. Ltd., Manager to the Offer dated 11th July, 2008.
- 13) Certificate from Mr. Malcolm Joseph partner, C. B. Joseph & Co., Chartered Accountants (Membership No. 202680) dated 16th October, 2008, certifying fair value of the equity shares of Premier Energy and Infrastructure Ltd.

11. DECLARATION BY THE ACQUIRER

The Acquirer, Shri Housing Private Limited, accepts full responsibility for the information contained in this Letter of Offer. The Acquirer would be responsible for ensuring compliance with the Takeover Regulations. The information relating to the Target Company has been obtained from publicly available information and from the Company.

For and on behalf of The Acquirer

Shri Housing Private Limited
Director
(Acquirer)

Place: Chennai
Date: 23rd October 2008

The person signing the Letter of Offer is duly and legally authorized person.

- Attached:**
- 1. Form of Acceptance – cum – Acknowledgement**
 - 2. Form of Withdrawal – cum- Acknowledgement**
 - 3. Transfer Deed**

FORM OF ACCEPTANCE — CUM – ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Registrar to the Offer Cameo Corporate Services Limited at the address as mentioned in the Letter of Offer)

(All terms and expression used herein shall have the same meaning as described thereto in letter of offer and please read the instructions mentioned below before filling in this form of acceptance.)

From : _____

Name : _____

Address : _____

Tel No: (_____) _____

Fax No.: (_____) _____

E-mail: _____

To,

Cameo Corporate Services Limited
Subramaniam Building, No.1
Club House Road,
Chennai –600 002,

Dear Sir/Madam

Re: Open Offer to acquire 20,00,000 equity shares of Rs. 10/- each, representing 20.00% of the issued & subscribed Equity share Capital and 20.00% of the total voting equity share capital of Premier Energy and Infrastructure Ltd. (“Target Company” / “PEIL ”) at price of Rs. 10.68 per fully paid up equity share of Rs. 10/- each inclusive of interest of an amount of Rs. 0.68 only and offer price of Rs. 5.34 per partly paid up share of Rs. 10/- each (paid up Rs. 5/- per share) inclusive of interest of an amount of Rs. 0.34 only. (“Offer Price”) payable in cash by M/s. Shri Housing Private Limited (the “Acquirer”)

1. I/We refer to the Letter of Offer dated 23rd October 2008 constituting an offer for acquiring the equity shares held by me/us in **Premier Energy and Infrastructure Ltd**
2. I/We, the undersigned have read the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

-----Tear along this line-----

Acknowledgment Slip: Premier Energy and Infrastructure Ltd – Open Offer (to be filled in by the shareholders)

Sr. No.

Received from Mr./Ms./M/s _____

Form of Acceptance cum Acknowledgement for PEIL Offer as per details below :-

Physical Shares : Folio No. _____

No. of Certificates Enclosed _____ Certificate No. _____ Total

No. of Shares Enclosed _____

Date of Receipt : _____

Stamp of collection center :

Signature of Official :

1 SHARES HELD IN PHYSICAL FORM

3. I/We accept the Offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive No.(s)		No. of Shares
			From	To	

Total Number of shares

Please use additional sheet and authenticate the same in case of insufficient space.

<input type="checkbox"/> Power of Attorney	<input type="checkbox"/> Corporate authorization in Case of companies along With Board Resolution and specimen Signatures of authorized signatories
<input type="checkbox"/> Death Certificate / Succession Certificate	<input type="checkbox"/> others(Please specify) _____
<input type="checkbox"/> No objection Certificate & Tax Clearance Certificate under Income-Tax Act, 1961, for NRIs /OCBs /Foreign Shareholders as applicable	

4. I/We confirm that the equity shares of Premier Energy and Infrastructure Ltd which are being tendered here with by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.
5. I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me / us by the Registrar to the Offer until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.
6. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

-----Tear along this line-----

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the following Address quoting your Reference Folio No.

CAMEO CORPORATE SERVICES LIMITED

Contact Person: K. Sreepriya

Subramaniam Building, No.1 Club House Road, Chennai –600 002211,

Tel No.:(044)-28460390

Fax No.:(044) 28460129

e-mail: investor@cameoindia.com

7. I/We authorize the Acquirer to send by registered post/speed post/ UCP the draft/ cheque, in settlement of the amount to the sole/first holder at the address mentioned above.
8. I/We authorize the Acquirer to accept the Shares so offered or such lesser number of equity shares which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, equity share certificate(s) which is not found valid.
9. My/Our execution of this Form of Acceptance shall constitute my/our warranty that the Equity shares comprised in this application are owned by me/us and are transferred by me/us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I/We will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I/We agree that the Acquirer may pay the offer price only after due verification of the documents and signatures and on obtaining the necessary approvals as mentioned in the said letter of offer.
10. I/We undertake to execute such further documents and give further assurance as may be required or expedient to give effect to my/our agreeing to sell the said Equity shares.
11. So as to avoid fraudulent encashment in transit, Shareholder(s) should provide details of bank account of the first/sole shareholder and the cheque or demand draft will be drawn accordingly.
12. Applicants residing in 15 cities viz., Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram who wish to get the payment through ECS are required to give their bank details including MICR code (a nine digit code which appears in the cheque leaf).

Applicants in other cities will get payment through normal practice of registered/ordinary post

Name of Bank	Branch	City	Type of Account	Account Number
MICR Code				

The permanent Account No. (PAN/GIR No.) Allotted under the Income Tax Act 1961 is as under: -

	1 st Shareholder	2 nd Shareholder	3 rd Shareholder
PAN/GIR No.			

Yours faithfully,

Signed and delivered

	FULL NAME (S) OF THE HOLDER	SIGNATURE (S)
First/ Sole Holder		
1 st Shareholder		
2 nd Shareholder		
3 rd Shareholder		

Note : In case of joint holdings, all shareholders must sign. In case of body corporate, the company seal should be affixed and necessary Board Resolution should be attached.

Place : _____

Date : _____

13. I/We irrevocably authorize the Acquirer or the Manager to the Offer to send by registered post the draft/cheque, in settlement of purchase at my own risk and any excess share certificate, if any, to the Sole/first holder at the address mentioned below:

NAME AND COMPLETE ADDRESS OF THE SOLE/FIRST HOLDER (IN CASE OF MEMBER(S), ADDRESS as Registered with the Company.

Name :
Address :
Place :
Date :
Tele No :

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Withdrawal with enclosures to Registrar to the Offer Cameo Corporate Services Limited at the address as mentioned in the Letter of Offer)

**THIS FORM SHOULD BE USED BY THE SHAREHOLDERS
ONLY FOR EXERCISING THE WITHDRAWL OPTION
AS PROVIDED IN THE LETTER OF OFFER**

OFFER	
Opens on	Wednesday 29 th October, 2008
Last date of withdrawal	Wednesday, 12 th November, 2008
Closes on	Monday, 17 th November, 2008

To,

Cameo Corporate Services Limited
Subramaniam Building, No.1
Club House Road,
Chennai –600 002211,

Dear Sir/Madam,

Sub: Open Offer to acquire 20,00,000 equity shares of Rs. 10/- each, representing 20.00% of the issued & subscribed Equity share Capital and 20.00% of the total voting equity share capital of Premier Energy and Infrastructure Ltd. (“Target Company” / “PEIL”) at price of Rs.10. 68 per fully paid up equity share of Rs. 10/- each inclusive of interest of an amount of Rs. 0.68 only and offer price of Rs. 5.34 per partly paid up share of Rs. 10/- each (paid up Rs. 5/- per share) inclusive of interest of an amount of Rs. 0.34 only (“Offer Price”) payable in cash by M/s. Shri Housing Private Limited (the “Acquirer”)- withdrawal of Shares tendered in the Offer.

1. I/We refer to the Letter of Offer dated 23rd October, 2008, for acquiring the Shares held by me/us in Premier Energy and Infrastructure Ltd. I/we, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.
2. I/we have read the procedure for withdrawal of shares tendered by me/us in the Offer as mentioned in the Letter of offer and unconditionally agree to the terms and conditions mentioned therein.

—Tear along this line—

Acknowledgment Slip: Premier Energy and Infrastructure Ltd – Open Offer (to be filled in by the shareholders)

Sr. No.

Received from Mr./Ms./M/s _____

Form of Acceptance cum Acknowledgement for PEIL Offer as per details below :-

Physical Shares : Folio No. _____

No. of Certificates Enclosed _____ Certificate No. _____ Total

No. of Shares Enclosed _____

Date of Receipt : _____

Stamp of collection center :

Signature of Official :

3. I/we hereby consent unconditionally and irrecoverably to withdraw my/our Shares from the offer and I/we further authorize the Acquirer to return to me/us, tendered Share certificate(s)/ Share(s) at my /our sole risk.
4. I/We note that upon withdrawal of my/our shares from the offer, no claim or liability shall lie against the Acquirer /Manager to the Offer /Registrar to the offer.
5. I/We note that this Form of withdrawal should reach the Registrar to the offer at any of the collection centers mentioned in the Letter of offer as per the mode of delivery indicated therein on or before the last date of withdrawal.
6. I/we note that the Acquirer / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form due to inaccurate/incomplete particulars/instructions.
7. I/We also note and understand that the Acquirer shall return original Share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents and signatures.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Sr. No	Folio No.	Certificate No.	Distinctive No.(s)		No. of Shares
			From	To	
Tendered					
Withdrawn					

Total No. of equity shares

(In case of insufficient space, please use additional sheet and authenticate the same)

Yours faithfully,
Signed & Delivered

-----Tear along this line-----

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the following Address quoting your Reference Folio No.

CAMEO CORPORATE SERVICES LIMITED

Contact Person: K. Sreepriya
Subramaniam Building, No.1 Club House Road, Chennai –600 002211,
Tel No.:(044)-28460390
Fax No.:(044) 28460129
e-mail: investor@cameoindia.com

	FULL NAME (S) OF THE HOLDER	SIGNATURE (S)
First/ Sole Holder		
1 st Shareholder		
2 nd Shareholder		

Note: In case of joint holdings all must sign. A corporation must affix its common seal and necessary Board Resolution should be attached.

Place : _____

Date : _____

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection center mentioned In the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e.Wednesday, 12th November, 2008.
2. Shareholders should enclose the following:
 - a. **Registered Shareholders should enclose.**
 - a. Duly signed and completed Form of Withdrawal
 - b. Acknowledgement slip in original /copy of the submitted Form of acceptance- cum- Acknowledgement in case delivered by Registered A.D.
 - c. In case of partial withdrawal, valid share transfer form(s) for the remaining Shares (i.e. Shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Premier Energy and Infrastructure Ltd. and duly witnessed at the appropriate place.
 - b. **Unregistered owners should enclose.**
 - a. Duly signed and completed Form of Withdrawal.
 - b. Acknowledgement slip in original Copy of the submitted Form of Acceptance-cum- Acknowledgement in case delivered by Registered A.D.
3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer.
4. The intimation of returned Shares to the shareholders will be at the address as per the records of the Target Company.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. 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 Target Company. The facility of partial withdrawal is available only to registered shareholders.
7. The Form of Withdrawal and other related documents should be submitted at the Collection Center of **Cameo Corporate Services Limited** as stated in the Letter of Offer.

Applicants who cannot hand deliver their documents at the Collection Center, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at cameo Corporate Services Limited, Subramaniam Building, No.1 Club House Road, Chennai –600 002 so as to reach the Registrars to the offer on or before the last date of acceptance i.e. Monday, 17th November,2008