SHRIRAM Mutual Fund

FOR THE ATTENTION OF THE SHAREHOLDERS OF THE

Shriram Asset Management Company Limited

Regd. Office: Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to Equity Shareholders of Shriram Asset Management Company Limited (Target Company) by Shriram Credit Company Limited (Acquirer) for acquisition of up to 15,60,000 Equity Shares representing 26% of the Issued, Subscribed and Paid up Equity Share Capital having Voting Rights of the Target Company under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

1	Date	October 18, 2013
2	Name of the Target Company (TC)	Shriram Asset Management Company Limited
3	Details of the Offer pertaining to TC	The Offer is being made by the Acquirer under Regulation 3(1) and 4 of the SEBI (SAST) Regulations, 2011, to the Equity Shareholders of the Target Company for acquiring up to 15,60,000 Equity Shares of Face Value of ₹10/- each of the TC at a price of ₹17.70 (Rupees Seventeen and Seventy Paise Only) per Equity share representing 26 % of the Issued, Subscribed and paid up Equity Share capital having Voting Rights of the TC.
4	Name of the acquirer and Persons(s) Acting in Concert (PAC) with the acquirer	Acquirer: Shriram Credit Company Limited @Please see the note below
5	Name of the Manager to the Offer	Vivro Financial Services Private Limited SEBI Regn.No.: **INM000010122** Address:-1st Floor, "Manu Mansion" 16/18, Shahid Bhagat Singh Road, Opp. Old Customs House, Fort, Mumbai - 400 023 Tel. No.: 022 - 22657364 Fax No.: 022 - 22658406 E Mail id: investors@vivro.net
6	Members of the Committee of Independent Directors (IDC)	1. Mr. Prabhakar Karandikar - Committee Chairman 2. Mr. Dhruv Mehta - Member
7	IDC Member's relationship with TC (Director, Equity Shares owned, any other contract/ relationship), if any	IDC Members are Independent and Non Executive Directors of the Target Company. Mr. Prabhakar Karandikar and Mr. Dhruv Mehta do not hold any shares in the Target Company. None of the Members of the IDC: 1. have any relationship with the Target Company's other Directors; and 2. have any contract/relationship with the Target Company.
8	Trading in the Equity Shares/other securities of TC by IDC Members	None of the IDC Members have traded in equity share of Shriram Asset Management Company Limited during the period of 12 months prior to the date of the Public Announcement of May 9, 2013.
9	IDC Member's relationship with the acquirer (Director, Equity Shares owned, any other contract/ relationship), if any	None of the IDC Members has any relationship with Acquirer. None of the IDC Member holds any equity shares of Acquirer. None of the IDC Member has any contract/relationship with the Acquirer.
10	Trading in the Equity shares/ other securities of the acquirer by IDC Members	Since Acquirer is an unlisted entity, this clause is not applicable.
11	Recommendation on the Open Offer, as to whether the offer is or is not, fair and reasonable	IDC Members believes that the Offer is fair and reasonable.
12	Summary of reasons for recommendation:	In forming the aforesaid opinion/recommendations the IDC has considered the following:- 1. The Offer Price of ₹17.70 per fully paid up equity share offered by Acquirers is more than the price paid to sellers, who sold their holdings via SPA at price of ₹15.60 per fully paid up equity share. 2. While determining the Fair Value of the Equity Shares of Company at ₹15.60 (Rupees Fifteen and Sixty Paise Only) for the Offer Price as set out under Regulations 8(2)(e) of the SEBI (SAST) Regulations, Mr. H.N. Motiwalla, Chartered Accountants, had considered various methods of valuation and finally determined the break-up value i.e Net Asset Value(NAV) as the Fair Value. While arriving at the NAV, the Chartered Accountants have stated in their report, the market value of the office premises has not been considered as no valuation report of the said premises has been obtained. Subsequently, the Acquirer has obtained the Valuation Report of the said office premises from M/s. Hejjaji Associates, Consulting Engineers & Valuers, Bangalore, dated September 10, 2013. As regards the current market value of the properties owned by the Company, the impact on the fair value is ₹2.05 per Equity Share. Considering the above facts, the Acquirer has revised upward the offer price from ₹15.60 to ₹17.70 per share. Hence, the Open Offer by the Acquirers appear to be fair and reasonable.
13	Details of Independent Advisors, if any	Nil
14	Any other matter to be highlighted	Nil

@ There is no 'Person Acting in Concert' within the meaning of Regulation 2(1)(q) of the SEBI (SAST) Regulations, 2011, in relation to the Acquisition and this Offer, as there are no persons / entities, other than the Acquirer, acquiring shares or voting rights in the TC, pursuant to SPA.

However due to the applicability of Regulation 2 (1)(q)(2) of the SEBI (SAST) Regulations, there are certain entities/persons deemed to be Persons Acting in Concert with the Acquirer (within the meaning of the aforesaid Regulation) viz. Shriram Ownership Trust, Shriram Automall India Ltd., Shriram Equipment Finance Company Ltd., Shriram Insurance Broking Company Limited, Shriram Capital Limited, Shriram Retail Holdings Pvt. Ltd., Shriram Life Insurance Company Ltd., Shriram General Insurance Company Ltd., Bharat Reinsurance Brokers Pvt. Ltd., Shriram Overseas Investments Pvt. Ltd., Shriram Investments Holdings Ltd., Shriram Insight Share Brokers Ltd., Shriram Wealth Advisors Ltd., Shriram Fortune Solutions Ltd., Shriram Financial Products Solutions (Chennai) Pvt. Ltd., Insight Commodities and Futures Pvt. Ltd., Shriram City Union Finance Ltd., Shriram Housing Finance Ltd., Shriram Enterprises Holdings Pvt. Ltd., Shriram Financial Ventures (Chennai) Pvt. Ltd., Shriram Transport Finance Co. Limited, Sanlam Emerging Markets (Mauritius) Ltd., Bharat Investment Pte. Ltd., Singapore, Shriram Mutual Fund, Mr. S Krishnamurthy (Trustee of Shriram Mutual Fund), Mr. S M Prabakaran (Trustee Shriram Mutual Fund), Mr. V. N. Shiva Shankar (Trustee of Shriram Mutual Fund) and the managing director and directors of the Acquirer, directors of the holding company and subsidiary companies of the Acquirer.

Except, Mr. Rangaswamy Sundararajan (Director of SCCL and SAMCO), Mr. Umesh Revankar (Director of Shriram Fortune Solutions Ltd.), Mr. Ronald D'Souza (Director of Shriram Financial Products Solutions (Chennai) Pvt. Ltd.) and Mr. T. Jayaraman (Director of Shriram Insight Share Brokers Ltd.), none of the above mentioned entities and persons hold any Shares in the TC.

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is , in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the TC under the Takeover Code.

For and on behalf of the
Committee of Independent Directors of
Shriram Asset Management Company Limited

Sd/-
Chairman (Committee of Independent Directors)

Place : Mumbai
Date : October 18, 2013