

## DRAFT 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 Shriram Asset Management Company Limited (hereinafter referred to as "SAMCO" or the "Target Company" or "TC"). 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 "SAMCO", please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement, and transfer deed to the member of the Stock Exchanges through whom the said sale was effected."

#### **Open Offer ("Offer")**

**BY**

#### **Shriram Credit Company Limited ("Acquirer" or "SCCL")**

having its registered office at: Shriram House, No.4, Burkit Road, T. Nagar, Chennai-600 017

Tel. No. :044-49052500, Fax: 044-49052696, Email:sccl@shriram.com

**TO**

#### **THE SHAREHOLDERS OF**

#### **Shriram Asset Management Company Limited ("SAMCO" or the "Target Company" or "TC")**

having its registered office at: Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Tel. No. -022-42410400. Email:srmf@shriramamc.com,

#### **TO ACQUIRE**

up to 15,60,000 (Fifteen Lakhs Sixty Thousand Only) Fully Paid Up Equity Shares of face value Rs. 10/- each ("Equity Share") representing 26% of the Issued, Subscribed, Paid Up Equity Share Capital having Voting Rights of SAMCO, at a price of Rs. 15.60 (Rupees Fifteen and Sixty Paise Only) per Fully Paid Up Equity Share ("Offer Price"), payable in cash pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations").

#### **Note :**

- This Offer is being made by the Acquirer pursuant to the Regulations 3(1) and 4 of SEBI (SAST) Regulations and subsequent amendments thereto.
- This Offer is not conditional upon any minimum level of acceptance by the Shareholders of the Target Company.
- The Acquirer has obtained in-principle approval from SEBI for acting as the Sponsor of Shriram Mutual Fund subject to compliance with the requirements under Regulation 22(e)(ii) of the SEBI (Mutual Funds) Regulations, 1996. No other statutory approvals are required by the Acquirer to complete this Offer. However, in case of any statutory approvals being required at a later date, this Offer will be subject to such approvals.
- This Offer is not a competing offer in terms of Regulation 20 of SEBI (SAST) Regulations.
- **There has been no competing offer or revision of Offer Price as on date of this Draft Letter of Offer.**
- Shareholders who have tendered shares in acceptance of the Offer by tendering the requisite documents, in terms of the Public Announcement / Detailed Public Statement/Letter of Offer, shall not be entitled to withdraw such acceptance during the Tendering Period.
- If there is any upward revision in the Offer Price by the Acquirer at any time prior to commencement of the last three Working Days before the commencement of the Tendering Period viz. June 25, 2013 the same will be informed by way of a public announcement in the same newspapers in which the Detailed Public Statement in relation to this Offer was published. The Acquirer shall pay such revised price for all shares validly tendered any time during the Offer and accepted under the Offer or if the Offer is withdrawn pursuant to Regulation 23 of SEBI (SAST) Regulations, the same would be communicated within two Working Days by an announcement in the same newspapers in which the Detailed Public Statement appeared. A Copy of the Public Announcement, Detailed Public Statement and Letter of Offer (including Form of Acceptance-cum-Acknowledgement) are also available on SEBI website at (<http://www.sebi.gov.in>).
- All correspondence relating to this Offer, if any, should be addressed to the Registrar to the Offer viz. Purva Shareregistry (India) Private Limited.

| <b>MANAGER TO THE OFFER</b>                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>REGISTRAR TO THE OFFER</b>                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Vivro Financial Services Private Limited</b><br>1 <sup>st</sup> Floor, "Manu Mansion" 16/18,<br>Shahid BhagatSingh Road,<br>Opp. Old Customs House, Fort,Mumbai-400 023<br>Tel. No.: 022 - 22657364,Fax: 022- 22658406<br>Email: investors@vivro.net,<br><b>SEBI Registration No. INM000010122</b><br>Contact Person : <b>Mr. Keval Gandhi / Ms. Shashi Singhvi</b> | <br><b>Purva Shareregistry (India) Private Limited</b><br>9,Shivshakti Industrial Estate,<br>J.R. Boricha Marg, Lower Parel (E)<br>Mumbai – 400 011.<br>Tel. No.: 022-23016761 / 2301 8261<br>Fax No.:022-23012517<br>E-mail ID :busicomp@vsnl.com<br><b>SEBI Registration No.INR000001112</b><br>Contact Person : <b>Mr. V.B. Shah (Compliance Officer)</b> |
| <b>OFFER OPENS ON : FRIDAY, JUNE 28, 2013</b>                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>OFFER CLOSES ON : THURSDAY, JULY 11, 2013</b>                                                                                                                                                                                                                                                                                                                                                                                                  |

| <b>SCHEDULE OF MAJOR ACTIIVITIES RELATING TO THE OFFER</b>                                                                                                                                     |                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| <b>Activity</b>                                                                                                                                                                                | <b>Day and Date</b>       |
| Issue of Public Announcement (PA)                                                                                                                                                              | Thursday, May 09, 2013    |
| Publication of Detailed Public Statement (DPS)                                                                                                                                                 | Wednesday, May 15, 2013   |
| Last date for public announcement for competing offer(s)                                                                                                                                       | Wednesday, June 05, 2013  |
| Identified Date (for the purpose of determining the name of Shareholders to whom the Letter of Offer will be sent)                                                                             | Friday, June 14, 2013     |
| Date by which Letter of Offer to be dispatched to the Shareholders                                                                                                                             | Friday , June 21, 2013    |
| Last date for upward revision of the Offer Price and/or the Offer Size                                                                                                                         | Tuesday, June 25, 2013    |
| Last date by which the committee of independent directors of the Target Company shall give its recommendations                                                                                 | Wednesday, June 26, 2013  |
| Advertisement of schedule of activities for Open Offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchanges and Target Company at its registered office | Thursday, June 27, 2013   |
| Commencement of Tendering Period (Offer Opening Date)                                                                                                                                          | Friday, June 28, 2013     |
| Closure of Tendering Period (Offer Closing Date)                                                                                                                                               | Thursday, July 11, 2013   |
| Date by which all requirements including payment of consideration would be completed                                                                                                           | Thursday, July 25, 2013   |
| Issue of post offer advertisement and last date for filing of final report with SEBI                                                                                                           | Thursday, August 01, 2013 |

\*“Identified Date” is only for the purpose of determining the names of the Shareholder(s) as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirer and the Sellers under the SPA and their PACs and PDACs) are eligible to participate in the Offer any time before the Closure of the Tendering Period.

## **RISK FACTORS**

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

### **A. RISK RELATING TO THE OFFER**

1. The Offer involves an offer to acquire up to 26% of the Issued, Subscribed, Paid Up Equity Share Capital having Voting Rights of SAMCO from the Eligible Shareholders. In the case of over subscription in the Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Shareholders in the Offer will be accepted.
2. As on the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer there are no statutory approvals required by the Acquirer. However, in case of any other statutory approval being required by the Acquirer at a later date during the Offer Period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. In case of delay in receipt of any statutory approval which may be required by the Acquirer at a later date, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Shareholders of the Target Company, who have validly tendered their Equity Shares under the Offer and whose Equity Shares have been validly accepted in this Offer, for delay beyond 10 Working Days at such rate as may be specified by SEBI from time to time in accordance with Regulation 18(11) of SEBI (SAST) Regulations.

Furthermore, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment consideration to the Shareholders whose Equity Shares are validly accepted in this Offer, as well as the return of Equity Shares not validly accepted in this Offer, may be delayed. Where the statutory approvals extend to some but not all the Shareholders, the Acquirer will have the option to make payment of the consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. The Acquirer will have the right not to proceed with this Offer in the event any statutory approval, as may be required, is refused subject to Regulation 23(1)(a) of SEBI (SAST) Regulations.

3. Eligible Shareholders should note that Equity Shares once tendered through Form of Acceptance-cum-Acknowledgement in the Offer, such Shareholders will not be entitled to withdraw such acceptances during the Tendering Period and even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed.
4. The Equity Shares tendered in the Offer will be held in trust for the Acquirer, by the Registrar to the Offer until the completion of the Offer formalities and Shareholders would not be able to trade in such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares. Accordingly, the Acquirer makes no assurance with respect to the market price of the Equity Shares both during the Tendering Period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any Shareholder on whether or not to participate in the Offer.
5. The Acquirer and the Manager to the Offer jointly and severally do not accept any responsibility for statements made otherwise than in this Draft Letter of Offer, Detailed Public Statement, Public Announcement or in the advertisement or any materials issued by or at the instance of the Acquirer and any person placing reliance on any other sources of information (not released by the Acquirer) would be doing so at its own risk.
6. This Offer is subject to completion risks as would be applicable to similar transactions.
7. The Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) need to comply with applicable laws.

**B. RISK IN ASSOCIATION WITH THE ACQUIRER**

1. The Acquirer makes no assurance with respect to their investment/ divestment decisions relating to their proposed shareholding in the Target Company.
2. They also make no assurance with respect to the market price of the Equity Shares, and financial performance of the Target Company upon the completion of the Offer, and disclaim any responsibility with respect to any decision by the Eligible Shareholders on whether or not to participate in the Offer.
3. The Acquirer does not accept any responsibility for statements made otherwise than in the Letter of Offer (LOF)/Draft Letter of Offer (DLOF)/ Detailed Public Statement (DPS)/Public Announcement (PA) and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk.

**C. RISK RELATING TO THE TRANSACTION**

1. The Offer is subject to the compliance of terms and conditions as mentioned under the Share Purchase Agreement (SPA) dated May 09, 2013. The transaction contemplated under the SPA shall be completed upon fulfillment of the conditions precedent agreed between the Acquirer, Target Company and Sellers. If such conditions precedent and other conditions are not satisfactorily fulfilled, the Offer would stand withdrawn, subject to SEBI's approval.
2. If, at a later date, any other statutory or regulatory or other approvals / no objections are required, the Offer would become subject to receipt of such other additional statutory or regulatory or other Approvals/ no objections.

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### 1 ABBREVIATIONS/ DEFINITIONS

|                                                 |                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Acquirer/Purchaser                              | Shriram Credit Company Limited ("SCCL") having its registered office at Shriram House, No.4, Burkit Road, T. Nagar, Chennai-600 017.                                                                                                                                                                                                                              |
| BSE                                             | BSE Limited.                                                                                                                                                                                                                                                                                                                                                      |
| CDSL                                            | Central Depository Services (India) Limited.                                                                                                                                                                                                                                                                                                                      |
| Closing Date                                    | Any date when last of the conditions precedent mentioned in Clause 3.1.6 of this LOF is complied with but not earlier than 21 (twenty one) Working Days from the date of the DPS.                                                                                                                                                                                 |
| Closure of Tendering Period                     | Thursday, July 11,2013                                                                                                                                                                                                                                                                                                                                            |
| Consideration                                   | Shall mean sum of Rs.3,99,36,156/- (Rupees Three Crores Ninety Nine Lakhs Thirty Six Thousand One Hundred and Fifty Six Only) subject to applicable taxes, to be paid by the Purchaser to the Sellers in consideration of the Sale Shares.                                                                                                                        |
| Depository Escrow Account                       | The depository account opened by the Registrar to the Offer with BCB Brokerage Private Limited.                                                                                                                                                                                                                                                                   |
| Depositories                                    | CDSL and NSDL.                                                                                                                                                                                                                                                                                                                                                    |
| DP                                              | Depository Participant.                                                                                                                                                                                                                                                                                                                                           |
| DLOF                                            | This Draft Letter of Offer dated May 20, 2013.                                                                                                                                                                                                                                                                                                                    |
| DPS / Detailed Public Statement                 | Detailed Public Statement relating to the Offer published on May 15, 2013 on behalf of the Acquirer in all editions of Business Standard (English & Hindi) and Mumbai edition of Tarun Bharat (Marathi).                                                                                                                                                          |
| Eligible Person(s) / Shareholders for the Offer | All owners (registered or unregistered) of Equity Shares of the Target Company who own the shares at any time before the Closure of the Tendering Period, except the Acquirer and the existing promoter and the Sellers under the SPA and their PACs and PDACs.                                                                                                   |
| Encumbrance                                     | means any encumbrance including without limitation any claim, debenture, mortgage, pledge, charge (fixed or floating), hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, right to acquire, right of first refusal, right of first offer or similar right, assignment by way of security or trust arrangement for the |

|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                         | purpose of providing security or other security interest of any kind (including any retention arrangement), beneficial ownership (including usufruct and similar entitlements) or any agreement to create any of the foregoing.                                                                                                                                                                                |
| EPS                                                     | Profit after tax less preference dividend / Number of issued, subscribed and fully paid-up equity shares.                                                                                                                                                                                                                                                                                                      |
| Equity Shares                                           | Fully paid up equity shares of the Target Company, having face value of Rs. 10/- each.                                                                                                                                                                                                                                                                                                                         |
| Escrow Account                                          | Escrow Account No. 000405103049 opened by the Acquirer in relation to this Offer.                                                                                                                                                                                                                                                                                                                              |
| Escrow Agreement                                        | The escrow agreement dated May 09, 2013 entered into amongst the Acquirer, the Manager to the Offer and the Escrow Bank.                                                                                                                                                                                                                                                                                       |
| Escrow Bank                                             | ICICI Bank Limited, having its registered office at Landmark Race Course Circle, Vadodara-390 097 and acting through its branch at ICICI Bank, - Capital Markets Division, Rajabhadur Mansion, 30, Mumbai Samachar Marg, Fort, Mumbai – 400001.                                                                                                                                                                |
| FII(s)                                                  | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India.                                                                                                                                                                                                                                                |
| Form of Acceptance / FOA                                | Form of Acceptance-cum-Acknowledgement.                                                                                                                                                                                                                                                                                                                                                                        |
| Identified Date                                         | June 14, 2013, being the date for the purpose of identifying Eligible Shareholders to whom the Letter of Offer will be sent.                                                                                                                                                                                                                                                                                   |
| Income Tax Act                                          | Income Tax Act, 1961 and subsequent amendments thereto.                                                                                                                                                                                                                                                                                                                                                        |
| Letter of Offer (LOF)                                   | This Letter of Offer including the Form of Acceptance-cum-Acknowledgement relating to the offer dated [●]                                                                                                                                                                                                                                                                                                      |
| Listing Agreement                                       | The Listing Agreement entered into by SAMCO with BSE and MSE.                                                                                                                                                                                                                                                                                                                                                  |
| Manager / Manager to the Offer / Merchant Banker /Vivro | Vivro Financial Services Private Limited<br>1 <sup>st</sup> Floor, “Manu Mansion” 16/18, Shahid Bhagat Singh Road, Opp. Old Customs House, Fort, Mumbai-400 023.                                                                                                                                                                                                                                               |
| MSE                                                     | Madras Stock Exchange Limited.                                                                                                                                                                                                                                                                                                                                                                                 |
| Maximum Consideration                                   | The maximum consideration payable under this Offer, assuming full acceptance, i.e. Rs. 2,43,36,000/- (Rupees Two Crores Forty Three Lakhs and Thirty Six Thousand Only).                                                                                                                                                                                                                                       |
| Mutual Fund Regulations                                 | Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and subsequent amendments thereof.                                                                                                                                                                                                                                                                                                     |
| Negotiated Price                                        | Rs. 15.60 (Rupees Fifteen and Sixty Paise Only) per Fully Paid-up Equity Share of face value of Rs. 10/- each.                                                                                                                                                                                                                                                                                                 |
| NECS                                                    | National Electronic Clearing Services.                                                                                                                                                                                                                                                                                                                                                                         |
| NEFT                                                    | National Electronic Funds Transfer.                                                                                                                                                                                                                                                                                                                                                                            |
| N.A                                                     | Not Applicable.                                                                                                                                                                                                                                                                                                                                                                                                |
| Non-Resident Shareholders                               | Non-Resident Indians and OCBs holding Equity Shares of “SAMCO”.                                                                                                                                                                                                                                                                                                                                                |
| NRI                                                     | Non Resident Indians as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.                                                                                                                                                                                                                                                                                                             |
| NSDL                                                    | National Securities Depository Limited.                                                                                                                                                                                                                                                                                                                                                                        |
| OCBs                                                    | Overseas Corporate Body as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.                                                                                                                                                                                                                                                                                                          |
| Offer/ Open Offer                                       | Open Offer being made by the Acquirer to the Shareholders of SAMCO (other than the promoters, PAC, PDACs and parties to the SPA) to acquire up to 15,60,000 Fully Paid Up Equity Shares of Rs. 10/- each, representing 26% of the Issued, Subscribed Paid up Equity Share Capital having Voting Rights of the TC at an Offer Price of Rs. 15.60 (Rupees Fifteen and Sixty Paise Only) per Equity Share payable |

|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                        | in cash.                                                                                                                                                                                                                                                                                                                                                                                               |
| Offer Price                                            | Rs. 15.60 (Rupees Fifteen and Sixty Paise Only) per Fully Paid Up Equity Share of Rs. 10/- each.                                                                                                                                                                                                                                                                                                       |
| Offer Size                                             | Up to 15,60,000 Equity Shares, representing 26% of the Issued, Subscribed Paid Up Equity Share Capital having Voting Rights of the TC, as of the 10th Working Day from the Closure of the Tendering Period.                                                                                                                                                                                            |
| Offer / Offering period                                | Period from the date of release of Public Announcement to the date of payment of consideration to the Shareholders whose Equity Shares are validly accepted under this Open Offer or the date on which this Offer is withdrawn.                                                                                                                                                                        |
| PA / Public Announcement                               | Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirer on May 09, 2013 in accordance with the SEBI (SAST) Regulations.                                                                                                                                                                                                                                         |
| PACs / Person Acting in Concert                        | "PACs"/ "Person Acting in Concert" shall have the meaning as defined under Regulation 2(1)(q)(1) of SEBI (SAST) Regulations.                                                                                                                                                                                                                                                                           |
| PDACs/ Persons Deemed to be Acting in Concert          | Persons Deemed to be Acting in Concert shall have the meaning as defined under Regulation 2(1)(q)(2) of SEBI (SAST) Regulations.                                                                                                                                                                                                                                                                       |
| Registrar / Registrar to the Offer                     | Purva Shareregistry (India) Private Limited appointed by the Acquirer in relation to this Offer, having its office at:<br>9, Shivshakti Industrial Estate ,<br>J.R. Boricha Marg, Lower Parel (E) Mumbai – 400 011.<br>Tel. No.: 02223016761 / 2301 8261 Fax No.: 02223012517<br><a href="mailto:busicomp@vsnl.com">Email: busicomp@vsnl.com</a><br>Contact Person: Mr. V.B. Shah (Compliance Officer) |
| RBI                                                    | Reserve Bank of India.                                                                                                                                                                                                                                                                                                                                                                                 |
| Rs. / Rupees/ /INR                                     | Indian Rupees.                                                                                                                                                                                                                                                                                                                                                                                         |
| RTGS                                                   | Real Time Gross Settlement                                                                                                                                                                                                                                                                                                                                                                             |
| Sale Shares                                            | Shall mean 25,60,010 fully paid up Equity Shares of Rs. 10/- each representing 42.67% of the Issued, Subscribed, Paid Up Equity Share Capital having Voting Rights of the Target Company to be purchased from the Sellers.                                                                                                                                                                             |
| SEBI/Board                                             | Securities and Exchange Board of India.                                                                                                                                                                                                                                                                                                                                                                |
| SCCR                                                   | Securities Contracts (Regulation) Rules, 1957, and subsequent amendments thereof.                                                                                                                                                                                                                                                                                                                      |
| SEBI Act                                               | Securities and Exchange Board of India Act, 1992, as amended or modified from time to time.                                                                                                                                                                                                                                                                                                            |
| SEBI (SAST) Regulations/ SEBI (SAST) Regulations, 2011 | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof.                                                                                                                                                                                                                                                         |
| SEBI (SAST) Regulations, 1997                          | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof.                                                                                                                                                                                                                                                         |
| Sponsor                                                | Sponsor as defined in SEBI (Mutual Funds) Regulations, 1996.                                                                                                                                                                                                                                                                                                                                           |
| Shareholders/Equity Shareholders                       | The shareholders and beneficial owners (registered or otherwise) of Equity Shares, other than, the Promoters, PAC, PDACs & parties to the SPA.                                                                                                                                                                                                                                                         |
| Sellers                                                | Shriram Transport Finance Co Limited (Selling Shareholder-1) and Mr. R. Thyagarajan (Selling Shareholder-2).                                                                                                                                                                                                                                                                                           |

|                                    |                                                                                                                                                                                                                 |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stock Exchanges                    | Any recognized stock exchange.                                                                                                                                                                                  |
| SPA / Agreement                    | Share Purchase Agreement entered into between the Acquirer, Sellers and the Target Company dated May 09, 2013.                                                                                                  |
| Company/Target Company/ TC "SAMCO" | Shriram Asset Management Company Limited ("SAMCO") having its registered office at: Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.                |
| Tendering Period / Offer Period    | Period within which Shareholders of Target Company may tender their Equity Shares in acceptance to the Offer i.e., the period commencing from June 28, 2013 and closing on July 11, 2013 (both days inclusive). |
| Working Day                        | A working day of SEBI.                                                                                                                                                                                          |
| Voting Rights                      | Shall mean the right to vote attached to the equity share capital as defined in Section 87(1) of the Companies Act, 1956.                                                                                       |

## **2   DISCLAIMER CLAUSE**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD, NOT IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR 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 SHRIRAM ASSET MANAGEMENT COMPANY 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 DRAFT 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 DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER OF THE OFFER – VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS SUBMITTED DUE DILIGENCE CERTIFICATE DATED MAY 20, 2013 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT HOWEVER ABSOLVE, THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

### 3 DETAILS OF THE OFFER

#### 3.1 Background to the Offer

3.1.1. The Offer is a mandatory offer and is being made under Regulations 3(1) and 4 of SEBI (SAST) Regulations for substantial acquisition of Equity Shares having Voting Rights accompanied with change in control and management of the Target Company.

3.1.2. On May 09, 2013, the Acquirer has entered into the Share Purchase Agreement ("SPA") with Shriram Transport Finance Co. Limited (Selling Shareholder 1 or "STFC") and Mr. R. Thyagarajan (Selling Shareholder 2), collectively referred to as the "Sellers" and the Target Company to acquire 25,60,010 Fully Paid Up Equity Shares of Rs. 10/- each representing 42.67% of the Issued, Subscribed Paid-Up Equity Share Capital having Voting Rights of the Target Company ("Sale Shares"), presently held by the Sellers, at a price of Rs. 15.60 (Rupees Fifteen and Sixty Paise Only) per fully paid up Equity Share for cash consideration ("Consideration").

3.1.3. The Acquirer and the Sellers belong to the same promoter group.

3.1.4. By the above proposed acquisition pursuant to SPA, the Acquirer will be holding substantial stake & will be in control of the Target Company, which resulted in triggering of SEBI (SAST) Regulations.

3.1.5. Details of the Sellers under the SPA are as under:

| Sr. No. | Name and address of the Sellers under the SPA                                                                                                                      | Nature of Entity Listed/ Unlisted | Shareholding in the Target Company (no. of Equity Shares) | % of paid up Equity Share Capital having Voting Rights of the Target Company |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------|
| 1       | Shriram Transport Finance Co. Limited having its registered office at: Mookambika Complex, 3 <sup>rd</sup> Floor, No.4, Lady Desika Road, Mylapore, Chennai-600004 | Listed                            | 24,00,000                                                 | 40%                                                                          |
| 2       | Mr. R Thyagarajan Address: New No. 23, Old No. 12, Besant Road, Royapettah off Lloyds Road, Chennai- 600014                                                        | NA                                | 1,60,010                                                  | 2.67%                                                                        |
|         | <b>Total Shares</b>                                                                                                                                                |                                   | <b>25,60,010</b>                                          | <b>42.67%</b>                                                                |

3.1.6. The salient features of the SPA are as follows:

- a) The Sellers jointly agree and undertake to sell, transfer, convey, assign and deliver to the Purchaser, relying upon the representations, warranties, covenants and undertakings of the Sellers, have agreed and undertaken to purchase, acquire and accept from the Sellers on the Closing Date, the Sale Shares, free from all Encumbrance, and with all rights, title and interest in and to the Sale Shares, together with all benefits and rights attaching thereto, without any restrictions whatsoever, for the Consideration, as specified in the SPA. The Sellers acknowledge and agree that the Consideration is the full and complete consideration for the Sale Shares. The parties agree and acknowledge that the sale, purchase and transfer of Sale Shares as contemplated herein is in accordance with the terms of the applicable law.

- b) The sale and purchase of the Sale Shares under the SPA is subject to the following conditions precedent :
- i. Signing of the Escrow Agreement by the Purchaser, the Escrow Agent and the Manager to the Offer not later than 2 (Two) Working Days prior to the date of the Detailed Public Statement as prescribed in Regulations 13, 14 and 15 of the SEBI (SAST) Regulations;
  - ii. The Target Company sending a written communication about the proposed change in its shareholding to each unit holder/person who has not yet claimed their monies on account of the winding up of the schemes of Shriram Mutual Fund and advertisements being published in newspapers, in the manner prescribed under the Mutual Fund Regulations;
  - iii. The Purchaser making a Public Announcement simultaneously on the date of SPA as prescribed in Regulation 13 of the SEBI (SAST) Regulations;
  - iv. The Purchaser making a Detailed Public Statement within 5 (five) Working Days from the date of Public Announcement as prescribed in Regulations 13, 14 and 15 of the SEBI (SAST) Regulations; and
  - v. The Purchaser having deposited in cash with the Escrow Agent in the Escrow Account referred to in Regulation 17 of the SEBI (SAST) Regulations, 100% (one hundred per cent) of the consideration payable by it under the Open Offer within an initial period of 15 (fifteen) Working Days from the date of the Detailed Public Statement.
- c) Upon completion of the sale and transfer of the Sale Shares by the Sellers to the Purchaser pursuant to the SPA, the Sellers will cease to be the promoters and members of the Target Company and Selling Shareholder – 1 shall cease to be the Sponsor of Shriram Mutual Fund. Upon closing on the Closing Date, the Purchaser shall become the new promoter and member of the Target Company under the provisions of the SEBI (SAST) Regulations and the Sponsor of Shriram Mutual Fund under the Mutual Fund Regulations and shall be deemed to have assumed any and all the rights and obligations of the Sellers including that of Mutual Fund Regulations.
- d) The SPA shall continue in full force and effect until the Open Offer made by the Purchaser is successfully completed in accordance with the SEBI (SAST) Regulations. The SPA can be terminated by parties to the SPA by giving a written notice only if the Purchaser is unable, for the reasons outside its reasonable control, to make and complete the Open Offer in respect of acquisition of a minimum of 26% stake in the Target Company through an Open Offer in accordance with the SEBI (SAST) Regulations. In such an event, the Purchaser shall also have a right to withdraw the Open Offer in terms of Regulation 23(1)(c) of the SEBI (SAST) Regulations.
- 3.1.7. The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.
- 3.1.8. There is no separate arrangement for the proposed change in control of the Target Company, except for the terms as mentioned in SPA.
- 3.1.9 As on the date of this Draft Letter of Offer, the Acquirer does not hold any Equity Shares in the Target Company.
- 3.1.10 Consequent to the completion of this Open Offer and pursuant to the acquisition of the Equity Shares under the SPA, the Acquirer will be in a position to exercise effective control over the management and affairs of the Target Company.
- 3.1.11 Neither the Acquirer nor the promoter of the Acquirer has been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 ("SEBI Act") as amended, or under any of the Regulations made under the SEBI Act.

- 3.1.12 The Acquirer may, subsequent to the completion of this Offer, reconstitute the Board of Directors of the Target Company. As on date, the Acquirer has not decided on the names of persons who may be appointed on Board of Directors of the Target Company. However, as on the date of this Draft Letter of Offer, Mr. Akhilesh Kumar Singh and Mr. Rangaswamy SundaraRajan, being directors of the Acquirer are also the Managing Director and Director in the Target Company respectively. In terms of Regulation 24(4) of the SEBI (SAST) Regulations, the aforesaid directors have neither participated nor shall participate in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to this Open Offer.
- 3.1.13 Apart from the consideration of Rs. 15.60 (Rupees Fifteen and Sixty Paise Only) per Equity Share, no other compensation, directly or indirectly, is payable to the Sellers under the SPA or otherwise. The total consideration is payable in cash for both the SPA and the present Offer.
- 3.1.14 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company is required to constitute a committee of independent directors to provide its reasoned recommendation on this Offer to the Shareholders. Such recommendation shall be published at least two Working Days before the commencement of the Tendering Period, in the same newspapers where the DPS was published and a copy of such recommendation shall also be sent to BSE, MSE, SEBI and Manager to the Offer and in case of a competing offer(s) to the Manager(s) of such competing offer(s).

## 3.2 Details of the Proposed Offer:

- 3.2.1 In accordance with Regulation 13(4) of the SEBI (SAST) Regulations, the Acquirer has released the DPS on May 15, 2013 which appeared in the following newspapers:

| Name of the Newspaper | Edition                | Date         |
|-----------------------|------------------------|--------------|
| Business Standard     | English                | May 15, 2013 |
| Business Standard     | Hindi                  | May 15, 2013 |
| Tarun Bharat          | Regional (BSE) Marathi | May 15, 2013 |

A copy of the DPS is also available on the SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)).

- 3.2.2 This Offer is made by the Acquirer to all the Shareholders of the TC (other than the promoters, PACs, PDACs and parties to the SPA), to acquire up to 15,60,000 (Fifteen Lacs and Sixty Thousand only) Fully Paid Up Equity Shares representing 26% of the Issued, Subscribed, Paid Up Equity Share Capital having Voting Rights of the Target Company ("Offer Size") at a price of Rs. 15.60 (Rupees Fifteen and Sixty Paise Only) ("Offer Price") per Fully Paid Up Equity Share of Rs. 10/- each, payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, the DPS and this Draft Letter of Offer.
- 3.2.3 As on the date of the Draft Letter of offer, there are no partly paid up shares and no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date in the Target Company.
- 3.2.4 There is no differential pricing in the Offer.
- 3.2.5 This is not a competing offer in terms of Regulation 20 of SEBI (SAST) Regulations and there have been no competing offers as on the date of this Draft Letter of Offer.
- 3.2.6 The Acquirer has obtained in-principle approval from SEBI for acting as the Sponsor of Shriram Mutual Fund subject to compliance with the requirements under Regulation 22(e) (ii) of the Mutual Fund Regulations. To the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer.

However, in case of any statutory approval being required by the Acquirer at a later date before the Closure of the Tendering Period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. In the event that the statutory approvals which may be required at a later date are refused for any reason outside the reasonable control of the Acquirer, the Acquirer shall have the right to withdraw this Offer in terms of Regulation 23(1)(a) of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a

public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to BSE, MSE, SEBI and the Target Company at its registered office.

- 3.2.7 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 (1) of SEBI (SAST) Regulations.
- 3.2.8 The Acquirer has not acquired any shares of the Target Company from the date of the PA i.e. May 09, 2013 up to the date of this Draft Letter of Offer.
- 3.2.9 If the aggregate valid responses to this Offer by the Shareholders are more than the Offer Size, then the offers received from the Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner. The Acquirer will acquire all the Equity Shares validly accepted in this Offer.
- 3.2.10 The Equity Shares of the Target Company will be acquired by the Acquirer free from all liens, charges and Encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.2.11 Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer has appointed Vivro Financial Services Private Limited as the Manager to the Offer.
- 3.2.12 The Manager to the Offer, Vivro Financial Services Private Limited, does not hold any Equity Shares in the Target Company as on the date of this Draft Letter of Offer and is not related to the Acquirer and the Target Company in any manner whatsoever. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.
- 3.2.13 The Equity Shares of the Target Company are listed on BSE Limited and Madras Stock Exchange Limited. As per Clause 40A of the Listing Agreement read with Rule 19A of the Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto ("**SCRR**"), the Target Company is required to maintain at least 25% public shareholding, on a continuous basis for listing. The Offer (assuming full acceptance) would not result in public shareholding in Target Company being reduced below the minimum level required as per the Listing Agreement with the Stock Exchanges for the purpose of listing on continuous basis.

### **3.3 Objects of the Acquisition / Offer:**

- 3.3.1. This Offer is being made by the Acquirer to the Shareholders of the Target Company in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations. The main purpose of takeover is to bring synergy in its retail investor focused business and to act as the Sponsor of the Target Company.
- 3.3.2. The Acquirer belongs to the Shriram Group of Chennai. Shriram Group has diversified business portfolio and is one of the leaders in the business of asset finance, lending activities and distribution of financial products. As per the terms of the SPA, the TC and the Acquirer have obtained the required approval and No- Objection from SEBI for carrying out the change in sponsorship of the Shriram Mutual Fund from the existing Sponsor. Upon the transfer of the Sale Shares, as contemplated in the SPA, the Acquirer shall become the member and new promoter of the Target Company under the provisions of the SEBI (SAST) Regulations and also the Sponsor of Shriram Mutual Fund and shall be deemed to have assumed any and all the rights and obligations of the Sponsor under Mutual Fund Regulations.
- 3.3.3. The Acquirer intends to continue with the existing business of the Target Company. The Acquirer through its subsidiaries is engaged in the business of providing broking and DP services, lending money on securities, moveable and immoveable properties, distribution of financial products and wealth management advisory services. The current business of the Target Company will be well aligned with the future business plans of the Acquirer which will take the Shriram Group to the next strategic level.

- 3.3.4. The Acquirer believes that there will not be any substantial change in the market positioning of the Target Company post its acquisition of the Target Company. As on the date of this Draft Letter of Offer, the Acquirer cannot ascertain the repercussions, if any, on the employees and locations of the Target Company's places of business.
- 3.3.5. The Acquirer does not have any plans to alienate any material assets of the Target Company whether by way of sale, lease, Encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The Acquirer's future policy for disposal of its assets, if any, for two years from the completion of the Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through special resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations.

#### **4. BACKGROUND OF THE ACQUIRER;**

##### **4.1. Shriram Credit Company Limited ("Acquirer" or "SCCL")**

- 4.1.1. The Acquirer, a closely held public limited company, was originally incorporated on April 10, 1980 under the name Swastik Credit Company Limited. Subsequently, the name of the Acquirer was changed to Shriram Credit Company Limited and a fresh certificate of incorporation dated May 14, 1993 was issued by the Registrar of Companies, Tamil Nadu. The registered office of SCCL is situated at Shriram House, No.4, Burkit Road, T. Nagar, and Chennai-600 017 Tel. No.:044-49052500, Fax: 044-49052696.
- 4.1.2. The Acquirer is registered as Non-Deposit Taking Non Banking Finance Company with Reserve Bank of India (RBI) under Section 45 IA of The Reserve Bank of India Act, 1934 and received its Certificate of Registration on April 17, 2002 vide registration No.B-07.00709. The certificate is valid as on date. The Acquirer is engaged in the following activities:
- To lend money on securities, movable or immovable properties.
  - To deal in negotiable instruments and securities.
  - To deal in shares, stocks, bonds, securities of any government, local authority or a company.
  - Proposes to act as a Sponsor for mutual funds and to perform all relevant operations/ activities connected in this regard.
- 4.1.3. The Acquirer belongs to the Shriram Group of Chennai.
- 4.1.4. The Acquirer is a subsidiary of Shriram Capital Limited (SCL). As of the date of this Draft Letter of Offer, SCL holds 2,02,30,640 equity shares being 99.58% of the issued and paid-up equity share capital of Rs. 20,31,65,000/- of the Acquirer which consists of 2,03,16,500 equity shares of face value of Rs. 10/- each. The balance 0.42% of the issued and paid up equity share capital of SCCL is held by others.
- 4.1.5. The Acquirer has four direct subsidiary companies namely Shriram Insight Share Brokers Ltd. (SISBL), Shriram Fortune Solutions Ltd. (SFSL), Shriram Financial Products Solutions (Chennai) Pvt. Ltd. (SFPSPL) and Shriram Wealth Advisors Ltd. (SWAL) and one step down subsidiary i.e. Insight Commodities and Futures Pvt. Ltd. (ICFPL), a wholly owned subsidiary of SISBL.
- 4.1.6. The Authorized Share Capital of SCCL is Rs. 2900 lakhs comprising of 2,50,00,000 equity shares of Rs. 10/- each and 40,00,000 Compulsory Convertible Preference Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up Share Capital is Rs. 2410 lakhs comprising of 2,03,16,500 equity shares of Rs. 10/- each and 37,84,355 Compulsory Convertible Preference Shares of Rs. 10/- each
- 4.1.7. The shareholding pattern of the Acquirer as on date of this Draft Letter of Offer is as follows:

| <b>SR. NO.</b>                                     | <b>NAME</b>                        | <b>No. of Shares</b> | <b>%</b>      |
|----------------------------------------------------|------------------------------------|----------------------|---------------|
| <b>A. Equity Shares</b>                            |                                    |                      |               |
| 1.                                                 | Shriram Capital Limited (Promoter) | 20230640             | 99.58         |
| 2.                                                 | Others                             | 85860                | 0.42          |
|                                                    | <b>Total .....(A)</b>              | <b>20316500</b>      | <b>100.00</b> |
| <b>B. Compulsory Convertible Preference Shares</b> |                                    |                      |               |
| 1.                                                 | Leapfrog Financial Inclusion Fund* | 3784355              | 100.00        |
|                                                    | <b>Total .....(B)</b>              | <b>3784355</b>       | <b>100.00</b> |

\* The Preference shares are of the face value of Rs. 10/- each for a maximum tenure of three years. Preference Shareholder is entitled to receive a non cumulative dividend @ 0.001%. It is also entitled to equity dividend if any declared based on the number of equity shares that the preference shares are eligible to be converted into. The preference shares will be converted into equity shares so as to have a post issue stake between 10.1% to 14.6% depending upon the performance of the Acquirer.

4.1.8. Details of Directors on the Board of SCCL are as below :

| <b>Name, Designation &amp; DIN</b>                                               | <b>Age</b> | <b>Date of Appointment</b> | <b>Already a Director in TC yes / no</b> | <b>Qualification /Business Experience</b>                                                                                                                                                   |
|----------------------------------------------------------------------------------|------------|----------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Subramnaiyer Venkatakrishnan<br><br>Director<br>DIN: 136608                  | 83 years   | January 24, 2008           | No                                       | M.A<br><br>6 decades of experience in Banking and General Administration.                                                                                                                   |
| Mr. Ravi Devaki Venkataraman<br><br>Director<br>171603                           | 48 years   | January 24, 2008           | No                                       | B.COM PGDRM (IRMA)<br><br>3 decades of experience in the field of NBFC and allied activities                                                                                                |
| Mr. Gopalasamudram Srinivasaraghavan Sundararajan<br><br>Director<br>DIN: 361030 | 52 years   | October 1, 2009            | No                                       | B.E, MBA (IIM Ahmadabad)<br><br>3 decades of experience in the field of NBFC, microfinance, business credit management and allied activities                                                |
| Mr. Akhilesh Kumar Singh<br><br>Director<br>DIN: 421577                          | 50 years   | November 5, 2007           | Yes*                                     | B. Tech PGDBM from IIM Bangalore<br><br>18 years of experience in Financial Services space                                                                                                  |
| Mr. Rangaswamy SundaraRajan<br><br>Director<br>DIN: 498404                       | 64 years   | November 5, 2007           | Yes*                                     | B.E Mechanical, PGDM (IIM Ahmedabad), AIII (Insurance Institute of India)<br><br>Rich experience in General Management                                                                      |
| Mr. Darius James Roth<br><br>(Nominee of Leapfrog Financial Inclusion Fund)      | 43 years   | October 28, 2011           | No                                       | Jim holds a PhD on financial services for low-income clients from Cambridge. He is a leading expert in the global mass-market insurance sector and a pioneer of commercial micro insurance. |

\*Mr. Akhilesh Kumar Singh and Mr. R. SundaraRajan are the Managing Director and Director in the Target Company respectively.

4.1.9. The equity shares of the Acquirer are not listed on any Stock Exchanges in India.

- 4.1.10. The Acquirer 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 any other Regulations made under the SEBI Act.
- 4.1.11. As on date of this Draft Letter of Offer, the Acquirer does not hold any Equity Shares of the Target Company and hence the provisions of Chapter V of SEBI (SAST) Regulations are not applicable to the Acquirer with respect to the Target Company.
- 4.1.12. Brief audited standalone financial information of SCCL as per the audited accounts for the financial year ended March 31, 2010, March 31, 2011, March 31, 2012 and un-audited standalone financials certified by the Acquirer's Auditor as at and for the nine (9) months period ended December 31, 2012 are as follows. The said financials have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

(Amount in Rs. Lakhs except per share data)

| <b>Profit &amp; Loss Statement for the Fiscal Year and Period Ended</b> | <b>FY 2010</b> | <b>FY 2011</b> | <b>FY 2012</b> | <b>9 Months period ended December 31, 2012</b> |
|-------------------------------------------------------------------------|----------------|----------------|----------------|------------------------------------------------|
| Revenue from operations                                                 | 454.02         | 1325.25        | 1344.10        | 770.87                                         |
| Other income                                                            | 30.03          | 0.00           | 0.00           | 147.70                                         |
| <b>Total Income</b>                                                     | <b>484.05</b>  | <b>1325.25</b> | <b>1344.10</b> | <b>918.57</b>                                  |
| <b>Total Expenditure</b>                                                | <b>316.59</b>  | <b>1255.03</b> | <b>766.64</b>  | <b>311.83</b>                                  |
|                                                                         |                |                |                |                                                |
| <b>Profit before taxation</b>                                           | <b>167.46</b>  | <b>70.22</b>   | <b>577.46</b>  | <b>606.74</b>                                  |
| <b>Provision for taxation</b>                                           |                |                |                |                                                |
| Current tax                                                             | 49.15          | 28.00          | 195.60         | 198.48                                         |
| Deferred tax                                                            | 0.00           | (5.79)         | (7.42)         | (42.92)                                        |
| <b>Total tax expense</b>                                                | <b>49.15</b>   | <b>22.21</b>   | <b>188.18</b>  | <b>155.56</b>                                  |
|                                                                         |                |                |                |                                                |
| <b>Profit after tax from continuing operations</b>                      | <b>118.31</b>  | <b>48.01</b>   | <b>389.28</b>  | <b>451.18</b>                                  |

| <b>Balance Sheet Statement As at</b> | <b>As at March 31, 2010</b> | <b>As at March 31, 2011</b> | <b>As at March 31, 2012</b> | <b>As at Dec 31, 2012</b> |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|
| <b>I. EQUITY AND LIABILITIES</b>     |                             |                             |                             |                           |
| <b>(1) Shareholders' funds</b>       |                             |                             |                             |                           |
| (a) Share capital                    | 2,031.65                    | 2,031.65                    | 2,410.09                    | 2,410.09                  |
| (b) Reserves and surplus             | 399.24                      | 447.25                      | 7,758.11                    | 8,209.33                  |
|                                      | <b>2,430.89</b>             | <b>2,478.90</b>             | <b>10,168.20</b>            | <b>10,619.42</b>          |
| <b>(2) Non-current liabilities</b>   | -                           | -                           | -                           | -                         |
|                                      |                             |                             |                             |                           |
| <b>(3) Current liabilities</b>       |                             |                             |                             |                           |
| (a) Short term Borrowings            | 1,648.20                    | 6,206.20                    | 1,500.00                    | 1,500.00                  |
| (b) Trade Payables                   | 0.98                        | 7.30                        | 2.28                        | 0.02                      |
| (b) Short-term provisions            | 13.67                       | 17.42                       | 194.70                      | 338.15                    |
| (c) Other Current liabilities        | 18.97                       | 9.43                        | 38.50                       | 67.96                     |
|                                      | <b>1,681.82</b>             | <b>6,240.35</b>             | <b>1,735.48</b>             | <b>1,906.13</b>           |
| <b>Total</b>                         | <b>4,112.71</b>             | <b>8,719.25</b>             | <b>11,903.68</b>            | <b>12,525.55</b>          |
|                                      |                             |                             |                             |                           |

|                                   |                 |                 |                  |                  |
|-----------------------------------|-----------------|-----------------|------------------|------------------|
| <b>II. ASSETS</b>                 |                 |                 |                  |                  |
| <b>(1) Non-current assets</b>     |                 |                 |                  |                  |
| (a) Fixed assets                  |                 |                 |                  |                  |
| (i) Tangible assets               | 0.08            | 0.07            | 0.06             | 0.05             |
| (b) Non-current investments       | 1,327.10        | 1,384.10        | 1,464.94         | 1,464.94         |
| (c) Deferred tax assets(net)      | -               | 5.79            | 13.21            | 56.16            |
| (e) Other non-current assets      | -               | 28.45           | -                | -                |
|                                   | <b>1,327.18</b> | <b>1,418.41</b> | <b>1,478.21</b>  | <b>1,521.15</b>  |
| <b>(2) Current assets</b>         |                 |                 |                  |                  |
| (a) Current investments           | -               | -               | 1,729.99         | 3,421.75         |
| (b) Cash and bank balances        | 481.92          | 234.48          | 1,116.98         | 277.80           |
| (c) Trade Receivables             | 2,238.14        | -               | -                | -                |
| (c) Short-term loans and advances | 65.39           | 7,066.36        | 7,578.50         | 7,304.85         |
| (d) Other current assets          | 0.08            | -               | -                | -                |
|                                   | 2,785.53        | 7,300.84        | 10,425.47        | 11,004.40        |
| <b>Total</b>                      | <b>4,112.71</b> | <b>8,719.25</b> | <b>11,903.68</b> | <b>12,525.55</b> |
| <b>Other Financial Data</b>       |                 |                 |                  |                  |
| Dividend (%)                      | -               | -               | -                | -                |
| Basic Earnings per Share          | <b>0.62</b>     | <b>0.24</b>     | <b>1.92</b>      | <b>2.22</b>      |

**[Source: Audited Annual Reports for last 3 financial years and Financial Statements for the 9 months period ended on December 31, 2012 certified by the Statutory Auditor of SCCL.]**

#### 4.1.13. Major Contingent Liability as on March 31, 2012

The major contingent liability of the Acquirer consists of income tax demand of Rs. 12.97 lakhs and a corporate guarantee to a subsidiary company amounting to Rs. 5500 Lakhs.

#### 4.2. Details of the promoter of the Acquirer -

##### **Shriram Capital Limited ("SCL")**

- 4.2.1. SCL, a closely held public limited company, was originally incorporated on April 5, 1974 under the name Shriram Chits and Investments Private Limited with the Registrar of Companies, Tamil Nadu. The word Private Limited was deleted under the provisions of Section 43-A of the Companies Act, 1956 and the company became Deemed Public Limited Company w.e.f. November 18, 1997, the word Pvt. was reinserted u/s 43A (2A) of the Companies Act, 1956 w.e.f. June 7, 2001. Subsequently, the name of the company was changed to Shriram Financial Services Holdings Private Limited and a fresh certificate of incorporation dated December 21, 2004 was issued by the Registrar of Companies, Tamil Nadu. Subsequently, SCL was converted into Public Limited Company and fresh certificate of incorporation was issued by Registrar of Companies, Tamil Nadu on February 11, 2008. Thereafter, name of the company was changed to Shriram Capital Limited and a fresh certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu on March 20, 2008. The registered office of the SCL is at Shriram House", No. 4, Burkit Road, T. Nagar, Chennai – 600017, Tel. No.044-49052500, Fax No.044-49052696
- 4.2.2. SCL is registered as Systemically Important Non-Deposit taking Core Investment Company with Reserve Bank of India (RBI) under Section 45-IA of The Reserve Bank of India Act, 1934 and received its Certificate of Registration on November 16, 2011 vide registration No.N-07-00791. The certificate is valid as on date.
- 4.2.3. SCL is primarily engaged in the business of investment promotion including facilitating Strategic Investor/ Private Equity Investor / third parties to invest in the promoted entities. SCL belongs to the Shriram Group of Chennai.

- 4.2.4 The Authorized Share Capital of SCL as on the date of this Draft Letter of Offer is Rs. 97500 lakhs comprising of 97,50,00,000 equity shares of Rs. 10/- each. The issued, subscribed and paid-up capital is Rs. 91333.64 Lakhs comprising of 91,33,36,411 equity shares of Rs. 10/- each.
- 4.2.5 The present directors of SCL are Mr. Arun Duggal, Mr. Ramachandran Sridhar, Mr. Puneet Bhatia, Mr. Ravi Devaki Venkataraman, Mr. Gopalamudram Srinivasaraghavan Sundararajan and Mr. Heinie Carl Werth.
- 4.2.6 The Shares of SCL are not listed on any Stock Exchanges in India.
- 4.2.7 As on the date of this Draft Letter of Offer, Shriram Capital Ltd. holds 5,85,02,778 equity shares of face value of Rs. 10/- each representing **25.79%** of the issued and paid-up equity share capital of Shriram Transport Finance Co. Limited. ("STFC" or "Selling Shareholder-1"). STFC holds 24,00,000 Fully Paid Up Equity Shares, representing 40% of the Issued, Subscribed, Paid-Up Equity Share Capital of the Target Company.
- 4.3 There is no 'Person Acting in Concert' within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations in relation to the acquisition and this Offer, as there are no persons / entities, other than the Acquirer, acquiring Equity Shares having 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 Ltd., 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 Prabhakaran (Trustee Shriram Mutual Fund), Mr. V. N. Shiva Shankar (Trustee of Shriram Mutual Fund), Mr. N. R. Sridharan (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. R. 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.

Shriram Transport Finance Co. Limited, Selling Shareholder-1 in the SPA, shall cease to be shareholder of TC on completion of the acquisition by the Acquirer pursuant to Regulation 22(2) of SEBI (SAST) Regulations.

- 4.4 No financial or any other support has been provided by the PACs/PDACs to the Acquirer for the purpose of this Offer.

## **5 BACKGROUND OF THE TARGET COMPANY**

### **SHRIRAM ASSET MANAGEMENT COMPANY LIMITED ("TARGET COMPANY" OR "SAMCO" or "TC")**

- 5.1. The Target Company, a public limited company, was incorporated on July 27, 1994 under the Companies Act, 1956 as limited company with the Registrar of Companies, Maharashtra. The Target Company had obtained the Certificate for Commencement of Business on December 5, 1994 from the Registrar of Companies, Maharashtra. The registered office of TC is situated at Wockhardt Towers, 2<sup>nd</sup> Floor, East Wing, C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Tel. No. 022-42410400, Email: srmf@shriramamc.com Website: www.shriramamc.com. The Corporate Identification Number of the Target Company is L65991MH1994PLC079874.

- 5.2. The Target Company is primarily engaged in the business of promoting, establishing and acting as managers, administrators, attorneys, representatives of mutual funds under the Mutual Fund Regulations
- 5.3. The Target Company is an Asset Management Company ("AMC") approved by SEBI. The TC received approval from SEBI to act as an AMC for Shriram Mutual Fund vide SEBI letter no. IIMARP/2336/94 dated November 21, 1994. "Shriram Mutual Fund" received the Certificate of Registration as a Mutual Fund on November 21, 1994 under SEBI (Mutual Funds) Regulations, 1993. The Registration Code for the Mutual Fund is MF/ 017/94/4. Presently; there is no active and live scheme in operation of Shriram Mutual Fund in the market.
- 5.4. The Acquirer has obtained in-principle approval from SEBI for acting as a Sponsor of Shriram Mutual Fund and re-start the business activity of Shriram Mutual Fund vide SEBI letter no. OW/25380/2012 dated November 12, 2012 subject to the condition mentioned under Regulation 22 (e) (ii) of the Mutual Fund Regulations.
- 5.5. As on the date of this Draft Letter of Offer, the Authorized Share Capital of the Target Company is Rs. 1500 lakhs divided into 90,00,000 Equity Shares of face value of Rs. 10/- each and 6,00,000 Redeemable Non-Convertible Preference Shares of face value of Rs. 100/- each. The present Issued, Subscribed and Paid Up Capital of the Target Company is Rs. 7,00,00,000/- comprising of 60,00,000 Equity Shares of face value Rs. 10/- each Fully Paid Up and 1,00,000 0.01% Redeemable Non Convertible Preference Shares of Rs. 100/- each Fully Paid Up. There are no calls in arrears and no partly paid up shares in the Target Company.
- 5.6. Share Capital Structure of SAMCO:

| <b>Paid up Equity Shares of the Target Company</b> | <b>No. of Equity shares / Voting Rights</b> | <b>Percentage of Equity Shares / Voting rights</b> |
|----------------------------------------------------|---------------------------------------------|----------------------------------------------------|
| Fully Paid up Equity Shares                        | 60,00,000                                   | 100 %                                              |
| Partly Paid up Equity Shares                       | NIL                                         | NIL                                                |
| Total Paid up Equity Shares                        | 60,00,000                                   | 100 %                                              |
| Total voting rights in Target Company              | 60,00,000                                   | 100 %                                              |

*Apart from the above, the Target Company has 1,00,000 0.01 % Redeemable Non Convertible Preference Shares of Rs. 100/- each forming part of the total Issued, Subscribed and Paid up Capital of the Target Company.*

- 5.7. The entire present Issued, Subscribed Paid up Equity Share Capital having Voting Rights of the Target Company is currently listed on BSE Limited (Scrip Code: 531359) and Madras Stock Exchange Limited (Scrip Symbol: SSMN). The Equity Shares of the Target Company are currently traded on BSE Limited.
- 5.8. The Equity Shares of the Target Company are not frequently traded within the meaning of Regulation 2(1)(j) of SEBI (SAST) Regulations.
- 5.9. As on the date of this Draft Letter of Offer, there are no partly paid up shares and no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date in the Target Company.
- 5.10. There has been no merger, de-merger and spin off in the last three years in the Target Company.
- 5.11. Trading of the Equity Shares is not currently suspended on the Stock Exchanges.

5.12. Details of Directors on the Board of SAMCO are as below:

| Name                                | Date of appointment as Directors | Current Designation                                 |
|-------------------------------------|----------------------------------|-----------------------------------------------------|
| Mr. Prabhakar Dattatraya Karandikar | February 14, 2012                | Non Executive and Independent- Chairman             |
| Mr. Akhilesh Kumar Singh*           | December 15, 2011                | Executive and Non - Independent - Managing Director |
| Mr. Ranagaswamy.SundaraRajan*       | April 01, 2007                   | Non- Executive and Non-Independent Director         |
| Mr. Rajaratnam Sankaralingam        | August 02, 1994                  | Non – Executive and Independent Director            |
| Mr. Babu Srinivasan                 | January 22, 2009                 | Non – Executive and Non-Independent Director        |
| Mr. Dhruv Mehta                     | February 14, 2012                | Non – Executive and Independent Director            |

\*Mr. Akhilesh Kumar Singh and Mr. R. SundaraRajan are Directors in the Acquirer Company.

5.13. Brief audited standalone financial information of SAMCO as per the audited accounts for the financial year ended, March 31, 2011, March 31, 2012 and March 31, 2013 are as follows. The said financials have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

(Amount in Rs. Lakhs except per share data)

| Profit & Loss Statement for the Fiscal Year Ended  | FY 2011                     | FY 2012                     | FY 2013                     |
|----------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenue from operations                            | -                           | -                           | -                           |
| Other income                                       | 80.38                       | 89.40                       | 67.77                       |
| <b>Total Income</b>                                | <b>80.38</b>                | <b>89.40</b>                | <b>67.77</b>                |
| <b>Total Expenditure</b>                           | <b>56.24</b>                | <b>66.08</b>                | <b>182.72</b>               |
| <b>Profit before taxation</b>                      | <b>24.14</b>                | <b>23.32</b>                | <b>(114.95)</b>             |
| <b>Provision for taxation</b>                      |                             |                             |                             |
| Current tax                                        | 26.53                       | 8.31                        | 0.00                        |
| Deferred tax                                       | 0.00                        | 0.00                        | 0.00                        |
| <b>Total tax expense</b>                           | <b>26.53</b>                | <b>8.31</b>                 | <b>0.00</b>                 |
| <b>Profit after tax from continuing operations</b> | <b>(2.39)</b>               | <b>15.01</b>                | <b>(114.95)</b>             |
| <b>Balance Sheet Statement As at</b>               | <b>As at March 31, 2011</b> | <b>As at March 31, 2012</b> | <b>As at March 31, 2013</b> |
| <b>I. EQUITY AND LIABILITIES</b>                   |                             |                             |                             |
| <b>(1) Shareholders' funds</b>                     |                             |                             |                             |
| (a) Share capital                                  | 600.00                      | 600.00                      | 700.00                      |
| (b) Reserves and surplus                           | 435.80                      | 450.80                      | 335.85                      |
|                                                    | <b>1,035.80</b>             | <b>1,050.80</b>             | <b>1,035.85</b>             |
| <b>(2) Non-current liabilities</b>                 |                             |                             |                             |
| (a) Long term liabilities                          | -                           | 611.80                      | 688.09                      |
| (b) Long term provisions                           | 1.46                        | 2.91                        | 6.28                        |
|                                                    | <b>1.46</b>                 | <b>614.71</b>               | <b>694.37</b>               |
| <b>(3) Current liabilities</b>                     |                             |                             |                             |
| (a) Current liabilities                            | 5.35                        | 7.04                        | 49.51                       |
| (b) Short-term provisions                          | 27.13                       | 18.33                       | 2.40                        |
|                                                    | <b>32.48</b>                | <b>25.37</b>                | <b>51.91</b>                |

|                                   |                       |                       |                       |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| <b>Total</b>                      | <b>1,069.74</b>       | <b>1,690.88</b>       | <b>1,782.13</b>       |
| <b>II. ASSETS</b>                 |                       |                       |                       |
| <b>(1) Non-current assets</b>     |                       |                       |                       |
| (a) Fixed assets                  |                       |                       |                       |
| (i) Tangible assets               | 33.89                 | 31.79                 | 38.13                 |
| (ii) Intangible assets            | -                     | -                     | 3.96                  |
| (b) Non-current investments       | 2.29                  | 630.24                | 701.10                |
| (c) Long term loans and advances  | 0.61                  | 0.61                  | 0.61                  |
|                                   | <b>36.79</b>          | <b>662.64</b>         | <b>743.80</b>         |
| <b>(2) Current assets</b>         |                       |                       |                       |
| (a) Current investments           | 10.37                 | 18.10                 | 791.00                |
| (b) Cash and bank balances        | 347.25                | 307.72                | 157.53                |
| (c) Short-term loans and advances | 2.05                  | 3.11                  | 4.80                  |
| (d) Other current assets          | 673.28                | 699.31                | 85.00                 |
|                                   | 1,032.95              | 1,028.24              | 1,038.33              |
| <b>Total</b>                      | <b>1,069.74</b>       | <b>1,690.88</b>       | <b>1,782.13</b>       |
|                                   |                       |                       |                       |
| <b>Other Financial Data</b>       | <b>March 31, 2011</b> | <b>March 31, 2012</b> | <b>March 31, 2013</b> |
| Dividend (%)                      | Nil                   | Nil                   | Nil                   |
| EPS (Rs.)                         | (0.04)                | 0.25                  | (1.92)                |
| Return on Net worth (%)           | (0.23)                | 1.43                  | (11.10)               |
| Book Value Per Equity Share (Rs.) | 17.26                 | 17.51                 | 15.60                 |

**[Source: Audited Annual Reports for the last 3 financial years. The Financials as on March 31, 2013 are subject to the adoption in Annual General Meeting].**

- 5.14. The shareholding pattern of the Target Company before and after this offer as of March 31, 2013, is as follows:

| 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 acceptance) |              | Shareholding/Voting rights after the acquisition and offer |              |
|---------------------------------------------------|----------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------|----------------|------------------------------------------------------------------------------|--------------|------------------------------------------------------------|--------------|
|                                                   | (A)                                                                        |              | (B)                                                                            |                | (C)                                                                          |              | (A)+(B)+(C)                                                |              |
|                                                   |                                                                            |              |                                                                                |                |                                                                              |              | =(D)                                                       |              |
|                                                   | No.                                                                        | %            | No.                                                                            | %              | No.                                                                          | %            | No.                                                        | %            |
| <b>(1) Promoter Group</b>                         |                                                                            |              |                                                                                |                |                                                                              |              |                                                            |              |
| a. Parties to agreement, if any                   | 2560010                                                                    | 42.67        | (2560010)                                                                      | (42.67)        | -                                                                            | -            | -                                                          | -            |
| b. Promoters other than (a) above                 | -                                                                          | -            | -                                                                              | -              | -                                                                            | -            | -                                                          | -            |
| <b>Total 1(a+b)</b>                               | <b>2560010</b>                                                             | <b>42.67</b> | <b>(2560010)</b>                                                               | <b>(42.67)</b> | <b>-</b>                                                                     | <b>-</b>     | <b>-</b>                                                   | <b>-</b>     |
| <b>(2) Acquirers</b>                              |                                                                            |              |                                                                                |                |                                                                              |              |                                                            |              |
| a. Main Acquirer                                  | -                                                                          | -            | 2560010                                                                        | 42.67          | 1560000                                                                      | 26.00        | 4120010                                                    | 68.67        |
| b. PACs                                           | -                                                                          | -            | -                                                                              | -              | -                                                                            | -            | -                                                          | -            |
| <b>Total 2(a+b)</b>                               | <b>-</b>                                                                   | <b>-</b>     | <b>2560010</b>                                                                 | <b>42.67</b>   | <b>1560000</b>                                                               | <b>26.00</b> | <b>4120010</b>                                             | <b>68.67</b> |
| (3) Parties to agreement other than (1) (a) & (2) | -                                                                          | -            | -                                                                              | -              | -                                                                            | -            | -                                                          | -            |

|                               |                |               |            |            |                  |                |                |               |
|-------------------------------|----------------|---------------|------------|------------|------------------|----------------|----------------|---------------|
| (4) Public*                   |                |               |            |            |                  |                |                |               |
| a. Bodies Corporates          | 334097         | 5.57          |            |            |                  |                |                |               |
| b. Individuals                | 3097964        | 51.63         |            |            |                  |                |                |               |
| c. Qualified Foreign Investor | 45             | 0.00          |            |            |                  |                |                |               |
| d. Others                     | 7884           | 0.13          | -          | -          | (1560000)        | (26.00)        | 1879990        | 31.33         |
| <b>Total (a+b+c+d)</b>        | <b>3439990</b> | <b>57.33</b>  | <b>Nil</b> | <b>Nil</b> | <b>(1560000)</b> | <b>(26.00)</b> | <b>1879990</b> | <b>31.33</b>  |
| <b>GRAND TOTAL (1+2+3+4)</b>  | <b>6000000</b> | <b>100.00</b> | <b>Nil</b> | <b>Nil</b> | <b>Nil</b>       | <b>Nil</b>     | <b>6000000</b> | <b>100.00</b> |

\*Mr. R. Sundararajan (Director of SCCL and SAMCO) holding 38696 Equity Shares, Mr. Umesh Revankar (Director of Shriram Fortune Solutions Ltd) holding 500 Equity Shares, Mr. Ronald D'Souza (Director of Shriram Financial Products Solutions (Chennai) Pvt Ltd) holding 1000 Equity Shares and Mr. T. Jayaraman (Director of Shriram Insight Share Brokers Ltd.) holding 5000 Equity Shares, falling under the category of PDACs are included in the Public Category.

There are 1007 Shareholders under the public category as on March 31, 2013.

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1. Justification of Offer Price

#### 6.1.1. Direct Acquisition

6.1.2. The Equity Shares of the Target Company are listed on BSE and MSE. The Equity Shares are placed under Group 'B' having a Scrip Code of "531359" & Scrip Id: SRAMSET on BSE and having Scrip Symbol "SSMN" on MSE.

6.1.3. Based on the information available on the website of BSE, the Equity Shares of the Target Company are infrequently traded on BSE in terms of Regulation 2(1)(j) of SEBI (SAST) Regulations.

6.1.4. The trading turnover of the Equity Shares for BSE and MSE from May 01, 2012 to April 30, 2013 (12 calendar months preceding the calendar month in which PA is made) are set forth below:

| Stock Exchanges | No. of Equity Shares traded | Total No. of Listed Equity Shares | Trading Turnover as a % total Listed Equity Shares |
|-----------------|-----------------------------|-----------------------------------|----------------------------------------------------|
| BSE             | 71319                       | 6000000                           | 1.19                                               |
| MSE             | Nil                         | 6000000                           | Nil                                                |

(Source BSE website)

6.1.5. Since the Equity Shares of SAMCO have not been frequently traded at the Stock Exchanges during the 12 calendar months preceding the month in which the PA has been issued, the Offer Price has been determined taking into account, the following parameters, as set out under Regulations 8(2) of the SEBI (SAST) Regulations:

| Sr. No. | Particulars                                                                                                                                                                                  | Rs.            |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| A.      | Negotiated Price per share under the Share Purchase Agreement                                                                                                                                | 15.60          |
| B       | The volume-weighted average price paid or payable for acquisition whether by the Acquirer or by any Person Acting in Concert with him, during 52 weeks immediately preceding the date of PA. | Not Applicable |
| C       | The highest price paid or payable for any acquisition, whether by the Acquirer or by any Person Acting in Concert with him, during 26 weeks immediately preceding the date of the PA.        | Not Applicable |
| D       | The volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of Public Announcement as traded.                                  | Not Applicable |

|    |                                                                                                                                                                                                                                                                 |       |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| E. | The price determined by taking into account valuation parameters viz. Net Asset value, Price Earning Capacity Value, Average Market Price and such other parameters as are customary for valuation of shares of such companies which are not frequently traded. | 15.60 |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|

- 6.1.6. Mr. H.N. Motiwalla (Membership No. 11423) (Partner in H.N. Motiwalla & Co.) (FRN No. 111949W), Chartered Accountants having their office situated at 508, Sharda Chambers, 33, New Marine Lines, Mumbai - 400 020.Tel. No 022 -22002103 & 022- 22005431, Fax No.022 - 22094331, email: hnmotiwalla.ca@gmail.com has valued the Equity Shares of Target Company on the basis of Net Asset Value, Profit Earning Capacity Value and Average Market Price and calculated the fair value per share at Rs 15.60, keeping in view the Supreme Court's decision in the Hindustan Lever Employee's Union vs. Hindustan Lever Ltd. (1995) reported at (83 Companies Cases 30) and the guidelines for valuation of equity shares given by the erstwhile Controller of Capital Issues, Department of Economic Affairs, Ministry of Finance, Government of India.
- 6.1.7. In view of the parameters considered and presented in table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Rs. 15.60 (Rupees Fifteen and Sixty Paise Only) per Fully Paid Up Equity Share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.
- 6.1.8. There has been no corporate action by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.
- 6.1.9. In the event of further acquisition of Equity Shares of the Target Company by the Acquirer during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will stand revised to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer will not be acquiring any Equity Shares of the Target Company after the third Working Day prior to the commencement of the Tendering Period and until the Closure of the Tendering Period.
- 6.1.10. The Acquirer is permitted to revise the Offer Price upward at any time up to 3 Working Days prior to the commencement of the Tendering Period of this Offer in accordance with the Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such upward revision in the Offer Price, the Acquirer shall make further deposits into the Escrow Account, make a public announcement in the same newspapers where the original Detailed Public Statement has been published and simultaneously inform BSE, MSE, SEBI and Target Company at its registered office of such revision.
- As on the date of this Draft Letter of Offer, there is no revision in the Offer Price or to the Offer Size.
- 6.1.11. Where the Acquirer acquires any Equity Shares or Voting Rights of the Target Company during the period of twenty-six weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer will pay the difference between the highest acquisition price and the Offer Price, to all the Shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition in terms of Regulation 8(10) of the SEBI (SAST) Regulations. However, no such difference will be paid in the event that such acquisition is made under an open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of shares of the Target Company in any form.
- 6.1.12. There is no non-compete agreement hence no non-compete fee has been paid.
- 6.1.13. The Acquirer has not acquired any Equity Shares of the TC from the date of PA up to the date of this Draft Letter of Offer.
- 6.2. Financial Arrangement**
- 6.2.1. The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition up to 15,60,000 Fully Paid Up Equity Shares at Rs. 15.60 (Rupees Fifteen and Sixty Paise Only) per Fully Paid Up Equity Share is Rs. 2,43,36,000/- (Rupees Two Crores Forty Three Lakhs and Thirty Six Thousand Only).

- 6.2.2. In accordance with Regulation 17 (1) of the SEBI (SAST) Regulations, the Acquirer has opened a "Cash Escrow Account" in the name and style of **"SAMCO-OPEN OFFER ESCROW ACCOUNT"** bearing Account No.000405103049 with ICICI Bank Limited, having its registered office at Landmark Race Course Circle, Vadodara-390 097 and for the purpose of this Offer acting through its branch at ICICI Bank - Capital Markets Division, Rajabhadur Mansion, 30, Mumbai Samachar Marg, Fort, Mumbai - 400001 (hereinafter referred to as "Escrow Bank") and made a cash deposit of Rs. 2,43,36,000/- (Rupees Two Crores Forty Three Lakhs and Thirty Six Thousand Only) which represents 100% of the Offer consideration in the account.
- 6.2.3. A lien has been marked on the said Escrow Account in favour of the Manager to the Offer by the Escrow Bank. The Manager to the Offer has been solely authorized by the Acquirer to operate & realize the monies lying to the credit of the said Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.4. In case of any upward revision in the Offer Price or the Offer Size, the cash escrow amount shall be increased by the Acquirer prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
- 6.2.5. The Acquirer has made firm financial arrangements for fulfilling the payment obligations under this Offer in terms of Regulation 25 (1) of the SEBI (SAST) Regulations and the Acquirer is able to implement this Offer. The Acquirer proposes to fund the Offer out of their internal accruals.
- 6.2.6. M/s. Datta Roy & Associates, Chartered Accountants (Registration No. 323778E) having their office at 102, B T Road, B 8/8 Uttarayan Kolkata-700108 Tel. No. (O) 033 -25310125 Email: [Indranildattaroy@yahoo.Co.In](mailto:Indranildattaroy@yahoo.Co.In), Proprietor Name: Indranil Datta Roy, Membership No. 054772 by their certificate dated May 04, 2013 has certified that the Acquirer has made firm financial arrangements to meet its financial obligations under the Offer.
- 6.2.7. On the basis of the aforesaid financial arrangements and the Chartered Accountant's certificate, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations, as firm financial arrangements for payment through verifiable means are in place to fulfill the obligations of the Acquirer under this Offer.

## **7. TERMS AND CONDITIONS OF THIS OFFER**

### **7.1. Eligibility for accepting the Offer:**

The Offer is made to all the Shareholder(s) (other than the promoters, PACs, PDACs and parties to the SPA) whose names appeared in the register of shareholder(s) on June 14, 2013 ("Identified Date") and also to those persons who own shares any time prior to the Closure of Tendering Period, but are not registered Shareholder(s).

- 7.2. The Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all those Shareholder(s) of the Target Company (other than the promoters, PACs, PDACs and parties to the SPA) whose name appear on the Register of Members of the Target Company at the close of business hours on June 14, 2013 ("Identified Date") and also to those persons who own shares any time prior to the Closure of the Tendering Period, but who are not registered Shareholder(s).
- 7.3. In the event of further acquisition of Equity Shares of the Target Company by the Acquirer during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will stand revised to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer will not be acquiring any Equity Shares of the Target Company after the third Working Day prior to the commencement of the Tendering Period and until the Closure of the Tendering Period.
- 7.4. All owners of the shares, registered or unregistered (other than the promoters, PACs, PDACs and parties to the SPA), who own the shares any time prior to the Closure of the Tendering Period are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the name & address of the first holder, name(s) & address (es) of joint holder(s) if any, number of shares held, number of shares offered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer

deeds and the original contract notes issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

- 7.5. Accidental omission to dispatch this Letter of Offer or the non-receipt or delayed receipt of this Letter of Offer will not invalidate the Offer in anyway.
- 7.6. Subject to the conditions governing this Offer, as mentioned in the Letter of Offer, the acceptance of this Offer by the Shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.
- 7.7. The Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are free and clear from all liens, charges and Encumbrances. The Acquirer shall acquire the Equity Shares that are validly accepted in this Offer, together with all rights attached thereto, including the rights to dividends, bonuses and rights offers declared thereof.
- 7.8. The Form of Acceptance and instructions contained therein constitute an integral part of this Letter of Offer.
- 7.9. The acceptance of this Offer must be unconditional, absolute and unqualified and should be sent with the attached Form-cum-Acknowledgment duly filled in, signed by the applicant Shareholder(s), which should be received by the Registrar to the Offer at the address mentioned in paragraph 8.3 below during business hours (i.e. between 11 am to 5:00 pm) on or before i.e., Closure of the Tendering Period. In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgment or if any condition is inserted therein by the Shareholder, the Acquirer reserves the right to reject the acceptance of this Offer by such Shareholder.
- 7.10. Each Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer
- 7.11. The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1(One only).
- 7.12. There are no locked-in shares in the Target Company.
- 7.13. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 (1) of the SEBI (SAST) Regulations.
- 7.14. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 7.15. The Shareholders who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of the PA, DPS and this Letter of Offer, are **not** entitled to withdraw such acceptance during the Tendering Period for this Offer.
- 7.16. In the event that the Equity Shares tendered in this Offer by the Shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on proportionate basis.
- 7.17. All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of Equity Shares tendered, date of lodgment of the Form of Acceptance and other relevant particulars.
- 7.18. Neither the Acquirer nor the Manager nor the Registrar nor the Target Company will be responsible for any loss in transit or delay in receipt of the completed Form of Acceptance, share certificate(s), share transfer deed(s) and/or other documents.
- 7.19. **Statutory & Other Approvals:**
  - 7.19.1. The Acquirer has obtained in-principle approval from SEBI for acting as the Sponsor of Shriram Mutual Fund subject to compliance with the requirements under Regulation 22(e)(ii) of the Mutual Fund Regulations.
  - 7.19.2. As on the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer, there are no other statutory approvals required to acquire the Equity Shares of the Target Company that

may be tendered pursuant to the Offer. If any other statutory approval becomes applicable at a later date during the Offer Period, the Offer would be subject to such statutory approvals. The Acquirer will not proceed with the Offer in the event that such statutory approvals that are required are refused in terms of Regulation 18(11) read with Regulation 23(1)(a) of the SEBI (SAST) Regulations. The Open Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of the Open Offer.

- 7.19.3. The Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) need to comply with applicable laws.
- 7.19.4. As on the date of this Draft Letter of Offer, no approval from any bank/ financial institution is required for the purpose of this Offer, to the best of the knowledge of the Acquirer.
- 7.19.5. In case of delay in receipt of any statutory approval which may be required by the Acquirer at a later date, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders of the Target Company, (who have validly tendered their Equity Shares under the Offer and whose Equity Shares have been validly accepted in this Offer ) as directed by SEBI, in terms of Regulation 18(11) of SEBI (SAST ) Regulations.
- 7.19.6. Shareholder(s) should note that Shareholder(s) who have tendered shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the tendering period even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.
- 7.19.7. The Acquirer will have the right to withdraw this Offer in accordance with Regulation 23 of SEBI (SAST) Regulations, in the event the statutory approvals (if required as indicated above) are refused for any reason outside the reasonable control of the Acquirer. In the event of withdrawal of this Offer, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspaper in which the DPS has been published and such public announcement will also be sent to BSE, MSE, SEBI and the Target Company at its registered office.

## **8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER**

- 8.1. This Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to the Shareholders (other than the promoters, PACs, PDACs and parties to the SPA), whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective Depositories, as of the close of business on June 14, 2013 i.e. the Identified Date.
- 8.2. The Shareholders can also download this Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).
- 8.3. The Shareholders who wish to accept this Offer can hand-deliver the Form of Acceptance-cum-Acknowledgement along with the other documents required to accept this Offer, at the collection center mentioned below so as to reach the Registrar to the Offer during business hours (i.e. between 11.00 am to 5.00 pm) on all Working Days on or before July 11, 2013 i.e., Closure of the Tendering Period, in accordance with the procedure as set out in this Letter of Offer:

| <b>Collection Centre</b>                   | <b>Address of Collection Centre</b>                                                         | <b>Contact Person / Email-id</b>      | <b>Telephone No. / Fax no.</b>                         | <b>Mode of Delivery</b>                         |
|--------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------|-------------------------------------------------|
| Purva Sharegistry (India) Private Limited. | 9 Shiv Shakti Industrial Estate.<br>J. R. Boricha Marg<br>Lower Parel (E)<br>Mumbai 400 011 | Mr. V.B. Shah<br>(Compliance Officer) | 022 -2301 6761 /<br>2301 8261<br>Fax No. 022 2301 2517 | Any mode i.e. Courier, Post, Hand Delivery etc. |

The center mentioned above will remain open on all the Working Days (Monday to Saturday) during business hours between 11.00 am to 5.00 pm (except public holidays).

- 8.4. **The Equity Shares and all other relevant documents should only be sent to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer or the Target Company.**
- 8.5. Applicants who cannot hand deliver their documents at the collection center referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: Purva Sharegistry (India) Private Limited, Unit: Shriram Asset Management Company Limited – Open Offer, 9 Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (E), Mumbai 400 011, Contact Person: Mr. V.B. Shah, Tel. No.: 022 - 23016761 / 2301 8261 Fax No.:022–23012517, Email: busicomp@vsnl.com, so as to reach the Registrar to the Offer on or before 5:00 pm on July 11, 2013, i.e. Closure of the Tendering Period.
- 8.6. **Shareholders who are holding Equity Shares in physical form:**
- 8.6.1. The Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer will be required to duly complete, sign and send the Form of Acceptance-cum-Acknowledgement in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appears on the equity share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer. Original equity share certificate(s) and valid transfer deed(s), duly completed and signed, in accordance with the instructions specified in this Letter of Offer and the Form of Acceptance-cum-Acknowledgement along with self attested copy of PAN Card of all the transferors are required to be submitted.
- 8.6.2. Valid transfer deed(s) should be duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The transfer deed(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer deed(s)) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank.
- 8.6.3. Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected in this Offer.
- 8.6.4. For Equity Shares held in physical mode by resident Shareholders, in case of non-receipt of the duly completed Form of Acceptance-cum-Acknowledgement, but receipt of other documents including the original share certificates, valid share transfer deeds and PAN, before the Closure of the Tendering Period, the Acquirer may, at its sole discretion, deem the Equity Shares to have been accepted under the Open Offer.
- 8.7. **Shareholders who are holding Equity Shares in dematerialized form**
- 8.7.1. Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counter foil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the DP, in favour of the Depository Escrow Account. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein, by the sole /joint Shareholder(s) whose name appears in the beneficiary account and in the same order therein. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder of the Equity Shares only.
- 8.7.2. The Registrar to the Offer has opened a Depository Escrow Account with BCB Brokerage Private Limited in the name of PSIPL ESCROW A/C SAMCO OPEN OFFER PSIPL(**"Depository Escrow Account"**).The Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Depository Escrow Account:

|                        |                                            |
|------------------------|--------------------------------------------|
| Depository Participant | BCB Brokerage Private Limited              |
| DP ID                  | 12010400                                   |
| Client ID              | 00039921                                   |
| Account Name           | PSIPL ESCROW A/C SAMCO OPEN OFFER<br>PSIPL |
| Depository             | CDSL                                       |
| ISIN                   | INE777G01012                               |

- 8.7.3. It is the sole responsibility of the Shareholders to ensure credit of their Equity Shares in the Depository Escrow Account, on or before 5:00 pm on July 11, 2013, i.e. Closure of the Tendering Period.
- 8.7.4. The Shareholders having their beneficiary account with National Securities Depository Limited (NSDL) shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Depository Escrow Account with CDSL.
- 8.7.5. The Form of Acceptance-cum-Acknowledgement in respect of dematerialized Equity Shares not credited to the Depository Escrow Account before the Closure of the Tendering Period is liable to be rejected.
- 8.7.6. For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.
- 8.7.7. In case the Equity Shares are held by a company / body corporate, then a certified true copy of a valid board resolution giving authority and certified true copy of the Memorandum and Articles of Association of such company / body corporate should also be enclosed.
- 8.7.8. In case the Equity Shares stand in the name of a sole Shareholder, who is deceased, the notarized copy of the legal representation obtained from a Competent Court.
- 8.7.9. For Equity Shares held in dematerialized form by resident Shareholders, in case of non-receipt of the duly completed Form of Acceptance-cum-Acknowledgement/photocopy of the delivery instruction/ other documents required, but receipt of the Equity Shares in the Depository Escrow Account before the Closure of the Tendering Period, the Acquirer may, at his sole discretion, deem the Equity Shares to have been accepted under the Open Offer.
- 8.8. **Shareholders who have sent their Equity Shares for dematerialization:**
- 8.8.1. The Shareholders who have sent their Equity Shares for dematerialization, who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Shareholder's DP, in accordance with the instructions mentioned in paragraph 8.11 below. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/ joint Shareholder(s) whose name appears on the equity share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
- 8.8.2. Such Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Depository Escrow Account, to be received on or before 5:00 pm on July 11, 2013, i.e. Closure of the Tendering Period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Shareholder's DP, the Shareholder can withdraw its dematerialization request and tender the equity share certificate(s) in this Offer as per the procedure mentioned in paragraph 8.6 above.
- 8.8.3. In case the Shareholder has already sold his Equity Shares, he may kindly forward this Offer document to the transferee or to the broker through whom the shares were sold. In case the shares were sold directly, this document may be forwarded to the purchaser of Equity Shares.
- 8.9. Unregistered Shareholders can also send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity

Shares tendered, distinctive numbers, folio number, together with the original equity share certificates, valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired their Equity Shares, either by hand delivery or by registered post, so that the same are received on or before 5:00 pm on July 11, 2013, i.e. Closure of the Tendering Period. Valid share transfer deed(s), as received from the market, duly executed in favour of the unregistered owner(s) as the proposed transferee(s) along with self attested copy of PAN card of all the transferees, should be submitted along with the application. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance. An additional valid share transfer deed should be duly signed by the unregistered owner(s) as transferor(s) by the sole/ joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer form should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. No indemnity is required from the unregistered Shareholders. In case the equity share certificate(s) and the transfer deed(s) are lodged with the Target Company/ its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/ its transfer agents, of the equity share certificate(s) and the transfer deed(s). The Shareholders should ensure that the equity share certificate(s) and above documents reach the designated collection centre on or before 5:00 pm on July 11, 2013, i.e. Closure of the Tendering Period.

- 8.10. The Shareholders should also provide all relevant documents, which are necessary to ensure transfer of the Equity Shares in respect to which the application is being sent. Such documents may include, but are not limited to:
  - Duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single Shareholder) if the original Shareholder is no more;
  - Duly attested power of attorney if any person apart from the Shareholder has signed the application form and/or transfer deeds;
  - In case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;
  - banker's certificate certifying inward remittances of funds for acquisition of Equity Shares; and
  - any other relevant documents.
- 8.11. In case of non-receipt of this Letter of Offer, the eligible persons may send their acceptance to this Offer to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the documents as mentioned above so as to reach the Registrar to the Offer on or before 5:00 pm on July 11, 2013 i.e. Closure of the Tendering Period, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction slip-in "Off-market" mode, duly acknowledged by the DP, in favour of the Depository Escrow Account, so as to reach the Registrar to the Offer, on or before 5:00 pm on July 11, 2013, i.e. Closure of the Tendering Period. In case of physical Equity Shares, original equity share certificate(s) and valid transfer deed(s), duly completed and signed, will also have to be submitted. The Shareholders who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of the Equity Shares. Shareholders who have sent their Equity Shares for dematerialization/ re-materialization need to ensure that the process of getting Equity Shares dematerialized/ rematerialized is completed well in time so that the credit in the Depository Escrow Account is received or physical equity share certificates are received by the Registrar to the Offer on or before 5:00 pm on July 11, 2013, i.e. Closure of the Tendering Period, else their application would be rejected.
- 8.12. If the Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or the Foreign Investment Promotion Board

("FIPB") or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If, the Equity Shares are held under general permission of the RBI, then non-resident Shareholders should state that the Equity Shares are held under general permission and whether on repatriable or non-repatriable basis. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.

- 8.13. In case of delay in receipt of any statutory approval, which may be required by the Acquirer at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond 10 Working Days at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all the Shareholders, of the Target Company, (who have validly tendered their Equity Shares under the Offer and whose Equity Shares have been validly accepted in this Offer) the Acquirer will have the option to pay consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 8.14. Equity Shares that are subject to any charge, lien or Encumbrance are liable to be rejected in this Offer. Applications in respect of the Equity Shares that are the subject of litigation, where in the Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/ orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. This Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.
- 8.15. The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Depository Escrow Account, the Form of Acceptance-cum-Acknowledgement, if any, the transfer form(s) and other documents submitted on behalf of the Shareholders whose Equity Shares have been validly accepted in this Offer, till completion of formalities relating to this Offer. In case of Equity Shares tendered in physical form, where the original equity share certificates are required to be split, all the documents will be returned only upon receipt of the equity share certificates from the Target Company.
- 8.16. If the aggregate valid responses to this Offer by the Shareholders are more than the Equity Shares agreed to be acquired in this Offer, then the offers received from the Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of the Equity Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot of the Target Company is 1 (One Only) Equity Share.
- 8.17. Unaccepted equity share certificates, transfer deeds and other documents, if any, will be returned by registered/ speed post at the Shareholders'/ unregistered Shareholders' sole risk to the sole/ first Shareholder. The unaccepted Equity Shares held in dematerialized form will be credited back to the same account from which they were tendered. It will be the responsibility of the Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the demat account is maintained till the completion of the formalities relating to this Offer.
- 8.18. Payment to those Shareholders whose Equity Shares and other documents are found valid and in order and are approved by the Acquirer, will be by way of a bankers' cheque/ demand draft/ direct

credit/NECS/NEFT/RTGS, so as to avoid fraudulent encashment in transit. In case of the Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). For Equity Shares that are tendered in dematerialized form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the payment shall be processed with the said bank particulars not from any details provided in the Form of Acceptance-cum-Acknowledgement. The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares; and/or (ii) the equity share certificates for any rejected Equity Shares, will be dispatched to the Shareholders by registered/ speed post or by ordinary post as the case may be, at the Shareholder's sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.

[Dispatches involving payment of value in excess of Rs. 1,500 will be made by registered/speed post at the Shareholder's sole risk. All other dispatches will be made by ordinary post at the Shareholders' sole risk]

- 8.19. The Acquirer shall complete all procedures relating to the Offer including payment of consideration to the Shareholders by July 25, 2013. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders of the Target Company, (who have validly tendered their Equity Shares under the Offer and whose Equity Shares have been validly accepted in this Offer) as directed by SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations.
- 8.20. For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/ not credited through NECS/NEFT/RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered/ speed post at the Shareholder's sole risk.
- 8.21. All bankers' cheques/ demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the bankers' cheque/demand draft.
- 8.22. **Compliance with Tax requirements:**
  - 8.22.1 As per the provisions of Section 195(1) of the Income Tax Act, 1961 ("**Income Tax Act**"), read with part II of the First Schedule of the Finance Act, 2012, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable to the Shareholders whose Equity Shares are validly accepted in this Offer would be chargeable to capital gains under Section 45 of the Income Tax Act or as business profits, as the case may be, the Acquirer is required to deduct taxes at source(including surcharge and education cess).
  - 8.22.2 In view of provisions of Section 206AA of Income Tax Act, resident and Non-Resident Shareholders (including FIIs) are required to submit their PAN. In case PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer will arrange to deduct tax at the rate of 20% or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act, whichever is higher. Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.
  - 8.22.3 Any Shareholder claiming benefit under any Double Taxation Avoidance Agreement ("**DTAA**") between India and any other foreign country should furnish 'Tax Residence Certificate' provided to

him /it by the income tax authority of such other foreign country of which he/it claims to be a tax resident. The Tax Residence Certificate should specify all the particulars as mentioned in Rule21AB(1) of the Income Tax Rules, 1962.

- 8.22.4 All Non-Resident Shareholders, who desire that no tax should be deducted at source or tax should be deducted at lower rate or on lesser amount, shall be required to submit certificate from the income tax authorities under Section195(3) of the Income Tax Act or Section197 of the Income Tax Act along with the Form of Acceptance-cum-Acknowledgement indicating the extent to which the tax is required to be deducted at source by the Acquirer before remitting the consideration to the Shareholders whose Equity Shares have been validly accepted in this Offer. The Acquirer will arrange to deduct taxes at source in accordance with such certificate. In absence of such certificate under Sections 195(3)or 197(b)and(c)below will apply.

Except in the case falling under (c) below, the Acquirer will arrange to deduct tax at the applicable rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, on the entire gross consideration and interest if any, payable to such Shareholder.

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

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

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

- 8.22.8 A FII should certify ("FII Certificate") the nature of its income arising from the sale of the Equity Shares as per the Income Tax Act (whether capital gains or otherwise)by tick marking on the appropriate option provided in the Form of Acceptance-cum-Acknowledgement for this purpose. In the absence of FII Certificate to the effect that their income from sale of Equity Shares is in the nature of capital gains, the Acquirer will deduct tax at the maximum rate applicable to the category to which such FII belongs (i.e. a company or a trust) on the entire consideration payable to such FII. In any case, if the FII submits a certificate under Section 195(3) or Section197 of the Income Tax Act from the income tax authorities while tendering the Equity Shares, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, the Acquirer will deduct tax in accordance with the same.

- 8.22.9 In respect of interest income, if the FII submits a certificate under Section 195(3) or Section 197 from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, the Acquirer will deduct tax in accordance with the certificate under Section 195(3) or Section197 so submitted. In absence of such certificate under Section 195(3) or Section 197 of the Income Tax Act, the Acquirer will arrange to deduct tax at the rate applicable to the category to which such FII belongs (i.e. a company or a trust).

- 8.22.10 In absence of any specific provision under the Income Tax Act, the Acquirer will not deduct tax on the consideration payable to resident Shareholders for acquisition of Equity Shares. Shareholders are liable to pay tax according to the applicable tax rate depending on the head of income under which it is charged (capital gain or business profit).

- 8.22.11 The Acquirer will deduct the tax at the stipulated rates on interest, if any, payable to resident Shareholders, if the amount of interest payable is in excess of Rs. 5,000.

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

## **9. DOCUMENTS FOR INSPECTION**

- 9.1. The following documents are available for inspection to the Shareholders at Shriram House, No.4, Burkit Road, T. Nagar, Chennai-600 017, the registered office of Shriram Credit Company Limited, the Acquirer. The documents can be inspected during normal business hours (10.00 A.M. to 5.00 P.M.) on all Working Days (except Saturdays and Sundays) during the period from the date of this Letter of Offer, till date of Closure of the Tendering Period.
- 9.2. Copies of the Certificate of Incorporation, Memorandum of Association and Articles of Association of Shriram Credit Company Limited, the Acquirer.
- 9.3. Copy of the Share Purchase Agreement dated May 09, 2013 entered into between the Acquirer, the Sellers and the Target Company.
- 9.4. Copy of Public Announcement dated May 09, 2013, published copy of the Detailed Public Statement dated May 15, 2013.
- 9.5. Copy of the certificate issued by Chartered Accountant dated May 04, 2013 certifying that the Acquirer has firm and adequate financial resources to meet the financial obligations under the Open Offer.
- 9.6. Copy of audited annual reports of the Acquirer for the last 3 financial years ended on March 31, 2010, March 31, 2011, March 31, 2012 and interim unaudited consolidated financial information for the 9 months period ending December 31, 2012, certified by its statutory auditor;
- 9.7. Copy of audited annual reports of the TC for the financial years ended on March 31, 2011, March 31, 2012 and financial statement along with all the documents forming part of the annual report for the financial year March 31, 2013.
- 9.8. Copy of letter dated May 15, 2013 from ICICI Bank Ltd. confirming Rs. 2,43,36,000/- has been deposited in the Escrow Account on May 11, 2013.
- 9.9. Copy of the recommendation made by the Target Company's committee of independent directors, as required in terms of Regulation 26(7) of SEBI (SAST) Regulations.
- 9.10. Copy of the letter received from SEBI dated [●] 2013 containing its comments on this Draft Letter of Offer in terms of provisions of Regulation 16(4) of SEBI (SAST) Regulations.
- 9.11. Copy of share valuation certificate dated May 04, 2013 stating the value of per Equity Share of SAMCO is Rs. 15.60 (Rupees Fifteen and Sixty Paise Only).
- 9.12. Copy of Due Diligence Certificate given by Vivro Financial Services Private Limited, Manager to the Offer dated May 20, 2013.

- 9.13. Copy of Memorandum of Understanding dated May 01, 2013 entered into between the Acquirer and Purva Sharegistry (India) Private Limited and Shriram Asset Management Company Limited to act as the Registrar to the Offer and share transfer agent for the purpose of this Offer.
- 9.14. Copy of the Escrow Agreement dated May 09, 2013 entered into amongst the Acquirer, Manager to the Offer and the Escrow Bank.
10. **DECLARATION BY THE ACQUIRER.**
- 10.1. The Acquirer and each of the directors of the Acquirer accept full responsibility for the obligations of the Acquirer as laid down in terms of the SEBI (SAST) Regulations and for the information contained in this DLOF. All information pertaining to the Target Company in this Draft Letter of Offer has been obtained from publicly available sources.
- 10.2. The Acquirer shall be responsible for ensuring compliances with the provisions of the SEBI (SAST) Regulations for its obligations laid down in the SEBI (SAST) Regulations.
- 10.3. The Manager to the Offer hereby states that the person signing this Draft Letter of Offer is the Acquirer / duly authorized person to sign this Draft Letter of Offer.

Signed by

On behalf of the Acquirer

For Shriram Credit Company Limited



Surajit Banerjee  
Chief Financial Officer  
Authorized Signatory

Date: May 20, 2013

Place: Chennai

Encl.: Form of Acceptance-Cum-Acknowledgement  
Share transfer form (only to Shareholders holding Equity Shares in physical form)

## 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 i.e. Purva Sharegistry (India) Private 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: \_\_\_\_\_

### OFFER

Opens on: Friday, June 28, 2013

Closes on: Thursday, July 11, 2013

Tel No: (\_\_\_\_) \_\_\_\_\_ Fax No.: (\_\_\_\_) \_\_\_\_\_ E-mail: \_\_\_\_\_

To,  
Purva Sharegistry (India) Private Limited  
9, Shivshakti Industrial Estate ,  
J.R. Boricha Marg, Lower Parel (E), Mumbai – 400 011.

Dear Sir/ Madam

**Re: Open Offer to acquire up to 15,60,000 Equity Shares of Rs. 10/- each, representing 26% of the Issued, Subscribed, Paid Up Equity Share Capital having Voting Rights of Shriram Asset Management Company Limited ("SAMCO" or the "Target Company" or "TC") at a price of Rs. 15.60 (Rupees Fifteen and Sixty Paise Only) per Equity Share ("Offer Price") payable in cash by Shriram Credit Company Limited ( "SCCL" or the "Acquirer") under SEBI (SAST) Regulations.**

- I / We refer to the Letter of Offer dated [●] constituting an Offer for acquiring the Equity Shares held by me/ us in **SAMCO**.
- I/We, the undersigned have read the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.
- I / We, unconditionally offer to sell to the Acquirer the following Equity Shares in SAMCO held by me / us, at a price of Rs. 15.60 (Rupees Fifteen and Sixty Paise Only) per Fully Paid-Up Equity Share.

### FOR SHARES HELD IN PHYSICAL FORM:

- I / We, holding Equity Shares in physical form, 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 Equity Shares |
|--------------------------------|-----------|-----------------|-------------------------------|----|----------------------|
|                                |           |                 | From                          | To |                      |
|                                |           |                 |                               |    |                      |
|                                |           |                 |                               |    |                      |
|                                |           |                 |                               |    |                      |
| Total number of certificate(s) |           |                 | Total number of Equity Shares |    |                      |

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

.....Tear along this line .....

**ACKNOWLEDGEMENT SLIP**  
SHRIRAM ASSET MANAGEMENT COMPANY LIMITED – CASH OFFER

Folio No.:

Received from Mr. / Ms. \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ Form of Acceptance for \_\_\_\_\_ Shares along with a  
copy of \_\_\_\_\_ Share Certificate(s) \_\_\_\_\_ Transfer  
Deed folio number (s) \_\_\_\_\_

**For accepting the Offer made by the Acquirer**

|                                           |                                 |                 |
|-------------------------------------------|---------------------------------|-----------------|
| Signature of official and date of receipt | Stamp of Registrar to the Offer | Date of receipt |
|                                           |                                 |                 |

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, on behalf of the Shareholders who have accepted this Offer, till completion of formalities relating to this Offer. I/We also note and understand that the consideration will be paid only to those Shareholders whose Equity Shares are validly accepted in this Offer, in accordance with the terms of the Letter of Offer.

**Enclosures:** (✓ whichever is applicable)

- ☐ Duly attested power of attorney, if any person apart from the Shareholder, has signed the Form of Acceptance-cum-Acknowledgement or Equity Share transfer deed(s)
- ☐ Original equity share certificates
- ☐ Valid Equity Share transfer deed(s)
- ☐ Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorized signatories
- ☐ Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder), in case the original Shareholder has expired;
- ☐ Self attested copy of PAN card of all the transferor(s)
- ☐ Other relevant documents (please specify)

**FOR SHARES HELD IN DEMATERIALIZED FORM**

6. I/ We, holding Equity Shares in dematerialized form, accept the Offer and enclose the photo copy or counterfoil of the delivery instruction slip by my/ our DP in respect of my/our Equity Shares as detailed below;

| DP Name | DP ID | Client ID | Beneficiary Name | No. of Shares |
|---------|-------|-----------|------------------|---------------|
|         |       |           |                  |               |

7. I/ We have executed an "Off-market" transaction for crediting the Equity Shares to the special Depository Escrow Account as per the details below :
- ☐ via a delivery instruction from my account with CDSL.
  - ☐ via an inter-depository delivery instruction from my account with NSDL.

.....*Tear along this line*.....  
**Acknowledgement slip** Shriram Asset Management Company Limited – cash offer  
 Sr. No.  
 (To be filled in by the Shareholders) (Subject to verification)

Received from Mr. /Mrs./ Ms.

Address: \_\_\_\_\_  
 \_\_\_\_\_

Physical shares: Folio No. \_\_\_\_\_/ Demat Shares: DP ID \_\_\_\_\_; Client ID: \_\_\_\_\_

Form of Acceptance-cum-Acknowledgement along with (Tick wherever is applicable):

Physical Shares: No. of shares \_\_\_\_\_; No. of certificates enclosed \_\_\_\_\_

Demat Shares: Copy of delivery instruction for \_\_\_\_\_ number of shares enclosed

|                       |  |                 |  |                   |  |
|-----------------------|--|-----------------|--|-------------------|--|
| Signature of Official |  | Date of Receipt |  | Registrar's Stamp |  |
|-----------------------|--|-----------------|--|-------------------|--|

☐ via an inter-depository delivery instruction from my account with CDSL

|                    |              |
|--------------------|--------------|
| DP Name -----      |              |
| DP ID -----        |              |
| Client ID-----     |              |
| Account Name ----- |              |
| Depository         |              |
| ISIN               |              |
| Market             | Off - Market |
| Date of Credit     |              |

8. I/We note and understand that the shares would lie in the Depository Escrow Account until the time the Acquirer dispatch the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.
9. I/We confirm that the Equity Shares of SAMCO, which are being tendered herewith by me/us under the Offer, are free from liens, charges and Encumbrances of any kind whatsoever. I/We are not debarred from dealing in shares.
10. I/We authorize the Acquirer to send by registered post as may be applicable at my/our risk, crossed account payee cheques/ demand drafts/ NEFT/ RTGS/ Direct Credit/ National Electronic Clearance Service, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned above.

11. In case I/We have tendered my Equity Shares in dematerialized form, I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my Depository Participant for the purpose of mailing the aforementioned instruments.
12. I/We authorize the Acquirer to accept the Equity Shares so offered 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, share certificate(s)/shares in respect of which the Offer is not found valid/not accepted.
13. I/We authorize the Acquirer to accept the Equity Shares so offered or such lesser number of shares that it may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer to split / consolidate the share certificates comprising the shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.
14. The Permanent Account Number allotted under the Income Tax Act, 1961 is as under.

|            | First/Sole Holder | Joint Holder 1 | Joint Holder 2 |
|------------|-------------------|----------------|----------------|
| <b>PAN</b> |                   |                |                |

**15. Bank Details**

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. For Equity Shares that are tendered in demat form, the bank account details as obtained from the beneficiary position download to be provided by the Depositories will be considered and the consideration payment will be issued with the said bank particulars, and not any details provided herein.

| Sr. No. | Particulars Required                     | Details |
|---------|------------------------------------------|---------|
| 1       | Bank Name                                |         |
| 2       | Complete Address of the Bank             |         |
| 3       | Account Type                             |         |
| 4       | Account No.                              |         |
| 5       | 9 Digit MICR Code                        |         |
| 6       | IFSC Code<br>(for RTGS/ NEFT transfers)* |         |

*\*With IFSC code please attach a cancelled cheque*

**For all Shareholders (other than FII and FII sub-accounts)**

Enclosures (Please tick as appropriate, if applicable)

- ☐ Duly attested Power of Attorney, if any person other than the Shareholder has signed the acceptance form or transfer deeds(s)
- ☐ Corporate authorization in case of companies along with board resolution & specimen signatures of authorized signatories.
- ☐ Duly attested death certificate/ succession certificate (in case of single Shareholder) in case original Shareholder has expired.
- ☐ Copy of Permanent Account Number (PAN)
- ☐ Certificate from Income-Tax Authorities under the Income-Tax Act, 1961, wherever applicable
- ☐ Others(please specify)

**For Non-Resident Shareholders (other than FII and FII sub-accounts)**

I / We, confirm that the shares of SAMCO are held by me / us is to be deducted on (*select whichever is applicable in your case*)

- ☐ Long-term capital gains.
- ☐ Short-term capital gains.

I / We, have enclosed the following documents

- ☐ RBI approvals for holding shares of SAMCO hereby tendered in the Offer.
- ☐ No Objection Certificate / Tax Clearance Certificate under Income Tax Act, 1961.
- ☐ Self attested copy of Permanent Account Number (PAN).

Yours faithfully,  
Signed and delivered

|                             | FULL NAME (S) OF THE HOLDER | SIGNATURE (S) |
|-----------------------------|-----------------------------|---------------|
| First / Sole Holder         |                             |               |
| 1 <sup>st</sup> Shareholder |                             |               |
| 2 <sup>nd</sup> Shareholder |                             |               |
| 3 <sup>rd</sup> 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:[●]

**SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRARS AFTER THE CLOSURE OF THE TENDERING PERIOD i.e. AFTER 5.00 P.M. ON JULY 11, 2013 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.**

## INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling this Form of Acceptance-cum-Acknowledgement.
2. The acceptance of the Offer is entirely at the discretion of the Eligible Shareholders. Each Eligible Shareholder to whom this Offer is being made is free to offer his/her shares in whole or in part while accepting the Offer.
3. Shareholders should enclose the following:
  - a. **For Equity shares held in demat form:**
    1. Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant ('DP').
    2. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.
    3. For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.
    4. In case of non-receipt of the Equity Shares in the Depository Escrow Account, before the Closure of the Tendering Period i.e. July 11, 2013, the form of acceptance shall not be considered for acceptance in the Offer.
  - b. **For Equity shares held in physical form:**
    1. Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the share certificates.
    2. Original share certificate(s).
    3. Valid share transfer form(s) duly signed as transferor(s), by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with SAMCO and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public Or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
    4. **Please do not fill in any other details in the transfer deed except name, signature and witness.**  
Verification and attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public Or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
  - c. **Unregistered owners should enclose-**
    1. Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
    2. Original share certificate(s).
    3. Original broker contract note.
    4. Valid share transfer form(s) as received from the market leaving details of buyer blank. If the same is filled in then the Equity Share(s) are liable to be rejected.
4. **In case of shares held in joint names**, names should be filled up in the same order in the form and in the transfer deed(s) as the order in which they hold Equity Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
5. **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public Or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
6. **The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to Purva Sharegistry (India) Private Limited, the Registrar to the Offer and not**

**to Vivro Financial Services Private Limited, the Manager to the Offer or the Acquirer or the Target Company.**

7. Shareholders having their beneficiary account in NSDL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in favour of the Depository Escrow Account with CDSL.
8. Non Resident Shareholders will be required to submit a no objection certificate ("NOC") or tax clearance certificate or certificate for deduction of tax at lower rate from Income Tax Authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. Failing which, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category of Shareholders on the entire consideration amount payable to such Shareholders. Non-Resident Shareholders should enclose a copy of the permission received from RBI for the Equity Shares held by them in SAMCO.
9. Where the number of Equity Shares offered for sale by the Eligible Shareholders are more than the Equity Shares agreed to be acquired by the Acquirer under this Offer, the Acquirer shall accept the offers received from the Eligible 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 nonmarketable lots, provided that acquisition of Equity Shares from an Eligible Shareholder shall not be less than the minimum marketable lot or the entire holding, if it is under the marketable lot.
10. Rejection of Shares:

If the Equity Shares are rejected for any of the following reasons, the Equity Shares will be returned to the sole/ first named holder along with all the documents received from them at the time of submission.

Please note that the following list is not exhaustive.

- a. The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of Target Company;
- b. The transfer deed is not complete or valid;
- c. The number of Equity Shares mentioned in the Form of Acceptance-cum-Acknowledgement does not tally with the actual physical share certificate(s) submitted or in case of dematerialized shares, the shares in the Form of Acceptance-cum-Acknowledgement do not tally with the instruction to the depository participant and the credit received in the Depository Escrow Account;
- d. The relevant documents, as applicable, as mentioned above are not submitted with the Form of Acceptance-cum-Acknowledgement. The Acquirer also reserves the right to reject such tenders from Shareholders, where the relevant documents are not submitted.

**All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address quoting your reference Folio No. / DP ID and Client ID**

**Purva Shareregistry (India) Private Limited**  
9, Shivshakti Industrial Estate ,  
J.R. Boricha Marg, Lower Parel (E), Mumbai – 400 011.  
Tel. No.: 022-23016761/ 2301 8261  
Fax No.: 022-23012517  
E-mail ID: [busicomp@vsnl.com](mailto:busicomp@vsnl.com)  
Website: [www.purvashare.com](http://www.purvashare.com)