LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder of **Shriram City Union Finance Limited**. If you require any clarifications about the action to be taken, you should consult your stock-broker or investment consultant or the Manager/ Registrar to the Offer. In case you have sold your Shares, please hand over this Letter of Offer, the accompanying Form of Acceptance, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

CASH OFFER ("Offer") AT Rs. 400.00 (Rupees Four Hundred only) PER FULLY PAID-UP EQUITY SHARE OF Rs. 10.00 (Rupees Ten Only)
Pursuant to Regulation 10 and Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

TO ACQUIRE

10,785,500 fully Paid-up Equity Shares of face value Rs. 10.00 each,
(Representing **23.5%** of the Fully Paid Up Equity Voting Capital and representing 20.0% of the Fully Diluted Equity Voting Capital)

OF

Shriram City Union Finance Limited ("SCUFL" / "Target Company")
having its registered office at:
123, Angappa Naicken Street, Chennai 600 001
Tel: +91 –44-25341431, Fax: +91-44-24660859

BY

Shriram Retail Holdings Private Limited ("SRHPL" / "Acquirer")
having its registered office at
Mookambika Complex, 2nd Floor, No. 4 Lady Desika Road, Mylapore, Chennai - 600 004
Tel: +91 –44-24990356, Fax: +91-44-24993272

ALONG WITH THE FOLLOWING PERSONS ACTING IN CONCERT
(hereinafter collectively referred to as the "PAC")

Shriram Capital Limited ("SCL")
having its registered office at
No. 123, Angappa Naicken Street, Chennai 600 001
Tel: +91–44-25341431, Fax +91-44-24660859

Shriram Enterprise Holdings Private Limited ("SEHPL")
having its registered office at
Mookambika Complex, 4th Floor, No. 4 Lady Desika Road, Mylapore, Chennai - 600 004
Tel: +91 44 24990356, Fax: + 91 44 24993272

TPG India Investments I, Inc ("TPG")
having its registered office at
Level 11, One Cathedral Square, Port Louis, Mauritius
Tel: (230) 210-4000, Fax: (230) 211-7549

TPG Asia V, L.P. ("TPG Asia")
having its registered office at
Offices of M&C Corporate Services Limited, Ugland House, P.O. Box 309, George Town, Grand Cayman
Tel: 1-817-871-4000, Fax: 1-817-871-4076

ATTENTION:

a) The Acquirer and PAC have received the necessary approvals from FIPB vide its letter with reference no. FC.II:296(2008)/292(2008) dated December 15, 2008 and from RBI vide its letter with reference no. FE CO FID/24640/10.21.133/2008-09 dated March 13, 2009 required for the Offer.
b) Besides the above, as on the date of this Letter of Offer, no other statutory approval is required to acquire Shares tendered pursuant to this Offer. If any other statutory approvals become applicable, in terms of Regulation 27 of SEBI (SAST) Regulations, SRHPL and the PAC will not proceed with the Offer in the event that such statutory approvals are refused.
c) In case of delay in receipt of any statutory approval(s), SEBI has powers to grant an extension of time to SRHPL / PAC for payment of consideration to Shareholders, subject to SRHPL / PAC agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by SRHPL / PAC in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also be applicable.
d) SRHPL / PAC do not require any approvals from financial institutions or banks for the Offer.
e) The Offer Price may be revised upwards up to seven working days prior to the closure of the Offer. In the event that there is any upward revision in the Offer Price till the last date of revision viz. September 04, 2009 or withdrawal of the Offer, the same will be informed by way of a public announcement in the same newspapers in which the PA appeared. SRHPL / PAC would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer.
f) *Shareholders who have accepted the Offer by tendering the requisite documents in terms of this Letter of Offer shall have the option to withdraw their acceptance up to September 10, 2009 i.e. 3 (three) working days prior to the date of closure of the Offer viz. Tuesday, September 15, 2009.*
g) ***As the Offer Price cannot be revised during the 7 (seven) working days prior to the date of closure of the Offer/bids, it would, therefore, be in the interest of the Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.***
h) There has been no competitive bid as of the date of this Letter of Offer.
i) Form of Acceptance and Form of Withdrawal are enclosed with this Letter of Offer.

THE PUBLIC ANNOUNCEMENT AND THIS LETTER OF OFFER, FORM OF ACCEPTANCE AND FORM OF WITHDRAWAL WOULD ALSO BE AVAILABLE ON SEBI'S WEBSITE (*www.sebi.gov.in*) FROM THE OFFER OPENING DATE VIZ. THURSDAY, AUGUST 27, 2009.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
BofA Merrill Lynch **DSP Merrill Lynch Limited** 10th Floor, Mafatlal Center, Nariman Point, Mumbai 400 021 Tel: +91 22 6632 8000, Fax: +91 22 2204 8518, Email: scuf_openoffer@ml.com Contact Person: Mr. Anupam Narayan	KARVY **Karvy Computershare Private Limited,** Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034 Tel: (91) - 40-23420815-23. Fax: (91) - 40-23431551 Email: murali@karvy.com Contact Person: Mr. M. Murali Krishna

SCHEDULE OF THE MAJOR ACTIVITIES IN RELATION TO THE OFFER:

	Original Schedule	Revised Schedule
Activity	**Day & Date**	**Day & Date**
PA Date	Monday, September 15, 2008	Monday, September 15, 2008
Specified Date *	Tuesday, September 30, 2008	Tuesday, September 30, 2008
Last date for a competitive bid	Sunday, October 05, 2008	Sunday, October 05, 2008
Date by which Letter of Offer to be dispatched to shareholders	Tuesday, October 28, 2008	Saturday, August 22, 2009
Date of opening of the Offer	Saturday, November 08, 2008	Thursday, August 27, 2009
Last date for revising the Offer Price	Tuesday, November 18, 2008	Friday, September 04, 2009
Last date for withdrawing acceptance from the Offer	Monday, November 24, 2008	Thursday, September 10, 2009
Date of closing of the Offer	Thursday, November 27, 2008	Tuesday, September 15, 2009
Last date of communicating rejection/ acceptance and payment of consideration for accepted tenders	Thursday, December 11, 2008	Wednesday, September 30, 2009

**Specified date is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of Shares (except SRHPL, the PAC and the PDAC) are eligible to participate in the Offer anytime before the closing of the Offer.*

OFFER OPENS ON: Thursday, August 27, 2009	OFFER CLOSES ON: Tuesday, September 15, 2009

RISK FACTORS

Risks related to the Offer.

a) If any statutory approval becomes applicable, SRHPL/PAC will have the right not to proceed with the Offer in terms of Regulation 27 of the SEBI (SAST) Regulations in the event that such statutory approval(s) are refused.

b) In the event of any regulatory approvals not being received in a timely manner or litigation leading to stay on the Offer, or SEBI instructing that the Offer should not be proceeded with, the Offer process may be delayed beyond the Schedule of the Major Activities of the Offer indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Shares have been accepted in the Offer as well as the return of the Shares not accepted in the Offer may be delayed. In case of delay due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to the willful default or negligence, grant an extension for the purpose of the completion of the Offer.

c) The Offer is being made under Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations pursuant to the execution of the SSA. Please refer to paragraph 2(a)(iii) in relation to the background for making this Offer under Regulation 12 of the SEBI (SAST) Regulations. Completion of the transactions contemplated in the SSA is subject to a number of conditions and there is no guarantee that the conditions will be satisfied.

d) The tendered Shares will lie to the credit of a designated escrow account until the completion of the Offer formalities and in the meantime during such period Shareholders will not be able to trade in such Shares. During such period, there may be fluctuation in the market price of the Shares of the Target Company.

e) In the event of oversubscription in the Offer, the acceptance will be on a proportionate basis and will be contingent on the level of oversubscription.

Risks related to the Acquirer / PAC

f) SRHPL/PAC makes no assurance with respect to the market price of the Shares during and/or after the Offer.

g) SRHPL/ PAC do not make any assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with SRHPL/PAC, but are only indicative. They do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. Shareholders are advised to consult their stock-broker, investment consultant or tax advisors, if any, for further risks with respect to their participation in the Offer.

INDEX

DEFINITIONS

Additional Cash Deposit	An amount of Rs. 2,444,713,334 being more than the amount of the SRHPL Bank Guarantee, by which SRHPL may increase the value of the Cash Deposit in terms of the Escrow Agreement
BSE	The Bombay Stock Exchange Limited
Bank Guarantees	The TPG Bank Guarantee and the SRHPL Bank Guarantee, collectively
CDSL	Central Depository Services Limited
Cash Deposit	A cash deposit of Rs. 43,142,000 made by SRHPL with the Escrow Agent in terms of the Escrow Agreement
Collective PAC Holding	Shall have the meaning assigned in paragraph 2(a) (iv)
DP	Depository Participant
DSPML/Manager/Manager to the Offer	DSP Merrill Lynch Limited
ESOPs	Employees' Stock Option
Eligible Person(s)	All Shareholders except SRHPL, PAC and PDAC
Escrow Account	An escrow account opened with the Escrow Agent in terms of Regulation 28 of the SEBI (SAST) Regulations
Escrow Agent	Standard Chartered Bank, a banking corporation incorporated in England by Royal Charter and having its Principal Office at 1, Aldermanbury Square, London, EC2V 7SB and carrying on the business of banking in India as a scheduled commercial bank with a Branch Office at 90, M.G. Road, Fort, Mumbai – 400 001
Escrow Agreement	An agreement dated September 10, 2008 entered into between SRHPL, TPG, the Founders, the Manager to the Offer and the Escrow Agent
Existing Investor Warrants	3,250,000 warrants issued by the Target Company to other investors who are not parties to the SSA
FEMA	Foreign Exchange Management Act, 1999 and subsequent amendments thereto
FIPB	Foreign Investment Promotion Board under the Department of Economic Affairs, Ministry of Finance, Government of India
FIPB Approval	Approval of the FIPB for the allotment of the SRHPL Shares and the Investor Warrants to TPG pursuant to the SSA
Form of Acceptance	Form of Acceptance cum Acknowledgement
Founders	Promoters of the Shriram group inter-alia being Mr. R. Thyagarajan, Mr. T. Jayaraman, SCL and Shriram Ownership Trust, collectively.
Fully Diluted Capital	The fully diluted paid-up equity share capital of the Target Company as on September 30, 2009 (i.e. 15 days post closure of the Offer) which will be Rs. 539.3 million divided into 53,927,500 Shares, assuming that each of the SRHPL Warrants and Existing Investor Warrants has been converted into Shares and further that each of the ESOPs has been exercised into Shares
US$	United States Dollar
INR or Rs.	Indian Rupees
Investor Warrants	1,538,278 warrants of SRHPL allotted to TPG under the SSA, each warrant being convertible in to one equity share of SRHPL at an exercise price of Rs. 2,388.80 per share
Letter of Offer	This Letter of Offer
Mm	Million
MSE	Madras Stock Exchange
Maximum Consideration	Rs. 4,314,200,000 being the total funding requirement for the acquisition of the Offer Shares at the Offer Price of Rs. 400.00 per Share
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer	This offer made pursuant to Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations by SRHPL and the PAC, to the Shareholders to acquire Offer Shares representing 23.5% of the Paid-up Capital

	(representing 20.0% of the Fully Diluted Capital) at the Offer Price payable in cash. Please refer to paragraph 2(a)(iii) in relation to the background for making this Offer under Regulation 12 of the SEBI (SAST) Regulations.
Offer Price	Rs. 400.00 (Rupees Four Hundred Only) per Share
Offer Shares	10,785,500 Shares
PAC	SCL, SEHPL, TPG and TPG Asia, collectively
PDAC	Persons Deemed to be Acting in Concert, namely Shriram Ownership Trust, Mr. R. Thyagarajan and Mr. T. Jayaraman
Paid-up Capital	The total paid-up equity capital of the Target Company as on the date of the Public Announcement being Rs. 458.50 million consisting of 45,850,000 fully paid-up Shares of par value of Rs 10 per Share.
Public Announcement/ PA	Announcement of the Offer issued on September 15, 2008 by the Manager on behalf of SRHPL and PAC
RBI	Reserve Bank of India
RBI Approval	Approval of the RBI for the acquisition of Shares tendered in this Offer.
Registrar	Karvy Computershare Private Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SEBI Act	The Securities and Exchange Board of India Act, 1992
SRHPL Bank Guarantee	A bank guarantee provided by SRHPL in favour of the Manager to the Offer and issued by Standard Chartered Bank, a banking corporation incorporated in England by Royal Charter and having its Principal Office at 1, Aldermanbury Square, London, EC2V 7SB and carrying on the business of banking in India as a scheduled commercial bank with a Branch Office at 90, M.G. Road, Fort, Mumbai – 400 001
SRHPL Shares	Equity shares of SRHPL of face value of Rs. 10.00 allotted to TPG in terms of the SSA
SRHPL Warrants	3,500,000 warrants issued by the Target Company to SRHPL
SSA	Share Subscription Agreement dated September 12, 2008 entered into between TPG, SRHPL, SEHPL, the Target Company and the Founders
Share(s)	Fully paid-up equity shares of face value of Rs. 10.00 each of the Target Company
Shareholders	Shareholders of the Target Company other than the Acquirer, PAC and PDAC
Shareholders Approval	Approval of the shareholders of SRHPL for allotment of the SRHPL Shares and Investor Warrants to TPG under the SSA
Specified Date	Tuesday, September 30, 2008
Stock Exchanges	BSE, NSE and MSE where the Shares are listed
Target Company	Shriram City Union Finance Limited
TPG Bank Guarantee	A bank guarantee provided by TPG in favour of the Manager to the Offer and issued by Bank of America, a banking corporation incorporated under the laws of United States of America having its head office at Charlotte, North Carolina, U.S.A. acting through its branch at Express Tower, Nariman Point, Mumbai

Rupee Translation

Certain financial details contained in this Letter of Offer are denominated in US$. The Rupee equivalent quoted in case of US$ is calculated in accordance with the RBI Reference rates as on September 12, 2008, namely 1 US$ = Rs. 45.77 *(Source: www.rbi.org.in)*. Please note that all financial data contained in this Letter of Offer has, where appropriate, been rounded off to the nearest lakhs or thousands except as stated otherwise.

1 DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT 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 A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF ACQUIRER OR THE COMPANY WHOSE SHARES ARE 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 LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER - DSP MERRILL LYNCH LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED SEPTEMBER 26, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER".

2 DETAILS OF THE OFFER

a) BACKGROUND OF THE OFFER

i. On September 12, 2008, TPG entered into the SSA with SRHPL, SEHPL, the Target Company and the Founders in terms of which TPG has agreed to subscribe to SRHPL Shares and Investor Warrants.

ii. As on the date of the PA, SRHPL held, directly and indirectly (through SEHPL, which is a wholly owned subsidiary of SRHPL), 23,363,162 Shares representing 51.0% of the Paid-up Capital of the Target Company. The SSA, inter-alia, provides for the subscription to, and allotment of the, 1,306,700 equity shares of SRHPL (representing 39.0% of the paid up equity share capital of SRHPL), to TPG at a price of Rs. 2,388.80 per SRHPL Share. The SSA also provides for allotment of 1,538,278 Investor Warrants to TPG, each Investor Warrant being convertible into one equity share of SRHPL at an exercise price of Rs. 2,388.80 per Investor Warrant. The said allotment of SRHPL Shares and Investor Warrants was completed on January 21, 2009. Upon allotment of the said 1,306,700 equity shares of SRHPL, TPG holds 39.0% of the paid up equity share capital of SRHPL whereas the Founders hold 61.0% of the paid up equity share capital of SRHPL. The acquisition of the SRHPL Shares and Investor Warrants by TPG could be regarded as an indirect proportionate acquisition of Shares.

iii. Accordingly, this Offer is being made in terms of Regulation 10 of the SEBI (SAST) Regulations to acquire the Offer Shares, which constitute 20% of the Fully Diluted Capital. This Offer is being made by SRHPL, acting as acquirer on behalf of TPG and the other PAC. While in terms of the SSA, TPG is not in control over the Target Company nor desirous of acquiring management or control over the Target Company, the Offer may also be considered to have been made under Regulation 12 of the SEBI (SAST) Regulations, by way of abundant caution, in view of certain investor-protection rights that TPG has in relation to the Target Company. Accordingly, this Offer is being made pursuant to Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations to acquire the Offer Shares, which constitute 20% of the Fully Diluted Capital. This Offer is being made by SRHPL, acting as acquirer on behalf of TPG and the other PAC.

iv. As detailed above, Shares tendered in the Open Offer shall be acquired by SRHPL or any of the "persons acting in concert" (within the meaning of the said term in Regulation 2(1)(e) of SEBI (SAST) Regulations) viz., SEHPL, SCL, TPG or TPG Asia. In addition to the PAC, the PDAC who are also signatories to the SSA but do not hold any shares in the Target Company and are not acquiring any shares in the Offer, shall be regarded as persons deemed to be acting in concert with the SRHPL/PAC.

v. Upon allotment of the SRHPL Shares and Investor Warrants, SRHPL continues to hold 5,441,700 shares representing 11.9% of the Paid-up Capital of the Target Company and SEHPL continues to hold 17,921,462 shares representing 39.1% of the Paid-up Capital of the Target Company. Hence, the aggregate collective shareholding (direct and indirect) of SRHPL and the PAC in the Target Company ("**Collective PAC Holding**") shall be 23,363,162 Shares representing 51.0% of the Paid-up Capital of the Target Company.

vi. An extraordinary general meeting of the shareholders of SRHPL was convened on January 21, 2009 to consider approval of the issuance of the SRHPL Shares and the Investor Warrants. The SRHPL Shares and the Investor Warrants have been issued in compliance with the provisions of Section 81(1A) of the Companies Act, 1956, the provisions of the Memorandum and Articles of Association of SRHPL, the guidelines issued by RBI and by all other concerned statutory and other authorities in this regard.

vii. Some of the salient provisions of the SSA are as follows:

- Shares tendered in the Offer shall be acquired by SRHPL, or by any of the PAC.
- The SSA also contains certain provisions pertaining to the transfer of shares in SRHPL by TPG and the Founders. The SSA restricts the ability of the Founders to transfer their beneficial interest in SRHPL or the Target Company for a period of three years from the date of closing under the SSA subject to certain terms and conditions contained therein. The SSA also provides for a right of first refusal in favour of TPG in the event that the Founders are desirous of transferring their beneficial interest in SRHPL or the Target Company. Further the SSA provides for mutual tag-along rights to the Founders and TPG in the event that either of them is desirous of transferring their beneficial interest in SRHPL or the Target Company.
- The SSA provides for management and control of the Target Company being retained by the Founders and provides for certain rights for investor protection such as consent of TPG and SRHPL in relation to certain fundamental decisions and actions that may be taken by the Target Company.
- The Founders and TPG have agreed to jointly fund the obligations of SRHPL under the Offer in the manner set out in the SSA.

  It is the commercial understanding between the Founders and TPG to hold shares of SRHPL (the unlisted company which holds 51.0% of the share capital of the Target Company) and consequently the indirect beneficial interest in the Target Company. Further, it is also agreed between the Founders and TPG under the SSA that neither party shall directly hold any Shares of the Target Company. To achieve this objective, it has been agreed under the SSA that (i) Shares of the Target Company tendered in the Offer shall be acquired by SRHPL and (ii) the Founders and TPG shall jointly provide funds to SRHPL, as per terms agreed in the SSA, to make such acquisition so as to maintain the agreed inter se shareholding ratio between the Founders and TPG in SRHPL.
- The Investor Warrants shall be exercised by TPG in one or more tranches in accordance with the terms and conditions of the SSA, which are summarized as under:

  The Founders and TPG have agreed to fund SRHPL, through subscription of shares/warrants to enable it to complete its obligations under the Offer. The Investor Warrants have been allotted to TPG to contribute its portion of the Offer funding requirement. Accordingly, the number of Investor Warrants to be exercised by TPG in SRHPL would depend upon the number of Shares tendered in the Offer and the consequent funding requirement for the same. Simultaneously with the exercise of the Investor Warrants, the Founders would subscribe to further shares of SRHPL to contribute to their portion of the Offer funding requirement. Since such exercise of Investor Warrants of SRHPL by TPG shall be made during the offer period itself (to enable SRHPL to acquire shares tendered in the Offer), the exercise of such Investor Warrants shall not trigger another offer. The SSA also provides for exercise of Investor Warrants by TPG after a period of one year from the date of closing under the SSA towards further investment in SRHPL and upon such exercise of Investor Warrants, the indirect beneficial interest of TPG in the Target Company shall not exceed the creeping acquisition limits provided under the SEBI (SAST) Regulations.

- The SSA provides for certain "Investor Protection Rights" to TPG which include inter-alia the following:

  a. TPG has affirmative/veto rights over certain fundamental and crucial matters in relation to SRHPL, SEHPL and the Target Company such as (a) commencement of new line of business which is unrelated to the business of these companies, (b) any bankruptcy, dissolution, insolvency, recapitalization, reorganization, assignment to its creditors winding up and / or liquidation, (c) acquisition of assets of other businesses, or creation of joint ventures / partnership, mergers, de-mergers and consolidations or any other business combination with another entity, (d) changes to material accounting or tax policies or practices, (e) related party transactions, (f) shifting of registered office, (g) divestment of shares of any subsidiary, (h) any increase in the issued, subscribed or paid up equity or preference share capital, or re-organization of the share capital, including new issue of shares or other securities or any preferential issue of shares or redemption of any shares, issuance of debentures or warrants, or grant of any options over shares, (i) any agreement, arrangement, transaction for assignment of intellectual property rights including those relating to copyrights, trademarks, patents and designs, (j) amendments or any proposal to amend the memorandum or articles of association of SRHPL, SEHPL of the Target Company including change in the maximum or minimum number of board members provided in the articles, (k) incurrence of any indebtedness (including capitalized lease obligations) by SRHPL and SEHPL (not being the listed company); and such other issues as would have a bearing on the value of the investment being made by TPG.

  b. The SSA also provides for non-compete obligations on the Founders to ensure that the Founders do not erode value of the investment by conduct of any parallel or side business in conflict with the interests of the Target Company.

  c. TPG is entitled to appoint three nominees on the board of directors of the Target Company out of the total board strength of twelve directors. Further TPG is also allowed to appoint three nominees on the board of directors of SRHPL and SEHPL.

  Right to information

  Since TPG is a financial investor and not involved in the day to day operations and management of the Target Company, and since the promoters will be in management control of the Target Company, TPG and its nominee directors on the Target Company are entitled to receive certain information to enable it to monitor its investment such as audited financial statements, etc., not being unpublished price sensitive information.

  Other Rights

  Some of the other rights of TPG under the SSA are as under:

  a) The SSA provides that TPG is free to make similar investments in other companies engaged in the same line of business as the Target Company.

  b) TPG also has certain rights to indemnity in the event of any breach of representations and warranties provided by the Founders, SRHPL, SEHPL and the Target Company to TPG under the SSA.

viii. The exercise price payable by TPG upon conversion of the Investor Warrants shall be utilized by SRHPL inter-alia to fund the acquisition of Shares under the Offer and to repay existing debts in SRHPL and / or SEHPL. Upon exercise of the Investor Warrants by TPG, the Collective PAC Holding in the Target Company shall not undergo any change. Consequently, no open offer will be made to the Shareholders pursuant to the exercise of the Investor Warrants.

ix. SRHPL/PAC, the Target Company and their respective directors have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulations made under the SEBI Act.

x. In terms of the SSA, TPG has a right to nominate three directors on the Board of Directors of the Target Company. However, TPG shall not appoint its nominees on the Board of Directors of the Target Company until all obligations under the SEBI (SAST) Regulations in connection with this Offer have been complied with.

b) DETAILS OF THE OFFER

i. The PA dated September 15, 2008 was made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Navshakti	Marathi	Mumbai
Makkal Kural	Tamil	Chennai

(The PA is also available at the SEBI website: www.sebi.gov.in)

ii. This Open Offer is being made to acquire the Offer Shares, representing an aggregate of 20% of the Fully Diluted Capital (or 23.5% of the Paid-up Capital) at the Offer Price (Rs. 400.00 per Share), payable in cash and subject to the terms and conditions mentioned hereinafter and in Letter of Offer.

iii. Except for the PAC, no other person is acting in concert with SRHPL for the purpose of this Offer.

iv. SRHPL or any of the PAC will acquire all Shares tendered in acceptance of the Offer, subject to the terms and conditions set out in the PA and the Letter of Offer. Upon closing of the Offer (assuming full acceptances and no equity dilution in interim period), SRHPL along with the PAC will hold 74.5% of the Paid-up Capital.

v. SRHPL directly held 5,441,700 Shares of the Target Company as of the date of the PA. SEHPL directly holds 17,921,462 Shares of the Target Company as of the date of the PA. SRHPL has acquired the abovementioned 5,441,700 Shares of the Target Company during the 12 months period prior to the date of the PA at a weighted average price of Rs. 378.94 per Share with the highest price being Rs. 379.00 per Share and lowest price being Rs. 362.95 per Share. The said Shares were acquired by SRHPL from SCL on June 13, 2008 and through open market purchases on June 17, 2008. Further, on June 13, 2008, SRHPL also acquired 100% of the share capital of SEHPL from SCL. These acquisitions were undertaken in terms of Regulation 3(1)(e) of the SEBI (SAST) Regulations and in respect of which requisite filings under Regulation 3(3) and Regulation 3(4) of the SEBI (SAST) Regulations have already been made. Out of the 17,921,462 Shares held by SEHPL, 2,055,000 Shares were acquired on March 20, 2008 by way of conversion of 2,055,000 warrants of the Target Company into Shares at a price of Rs. 160 per Share. The said 2,055,000 warrants had been subscribed to by SEHPL on December 29, 2006. Out of the 17,921,462 Shares held by SEHPL, 1,445,000 Shares were acquired on June 27, 2008 by way of conversion of 1,445,000 warrants of the Target Company into Shares at a price of Rs. 160 per Share. The said 1,445,000 warrants had been subscribed on December 29, 2006.

vi. Save for the SRHPL Warrants, the Existing Investor Warrants and ESOPs, there are no other outstanding instruments convertible or resulting into Shares or partly paid-up Shares.

vii. There are no partly paid-up equity shares issued by the Target Company.

viii. If there is a competitive bid:

a) The public offers under all the subsisting bids shall close on the same date.

b) As the Offer Price cannot be revised during 7 (seven) working days prior to the closure of the Offer/bids, it would, therefore be in the interest of the Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.

ix. This is not a competitive bid and there have been no competitive bids as of the date of the Letter of Offer.

x. This Offer is being made to all Eligible Persons to participate in the Offer.

xi. Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer. Applications in respect of Shares that are the subject matter of litigation wherein the Shareholders may be prohibited from transferring the Shares during the pendency of such litigation are liable to be rejected if the directions / orders permitting transfer of these Shares are not received together with the Shares tendered under the Offer.

xii. As of the date of the Letter of Offer, the PAC/PDAC does not directly hold any Shares in the Target Company.

xiii. SRHPL or any of the PAC has not purchased any Shares from the date of PA and up to the date of this Letter of Offer.

xiv. The Offer is not conditional on any minimum level of acceptances by the shareholders. Accordingly, SRHPL will accept all Shares tendered by the Shareholders pursuant to the Offer at the Offer Price subject to the Offer Size not being exceeded. In case the number of Shares received in the Offer exceeds the Offer Size, the acceptance will be made on a proportionate basis.

3 OBJECT OF THE OFFER

This Offer is being made pursuant to the execution of the SSA and in accordance with Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations since the acquisition of SRHPL Shares and Investor Warrants by TPG could be regarded as an indirect acquisition of Shares and voting rights in the Target Company. The object of the SSA and subscription to, and allotment of the equity shares and Investor Warrants of SRHPL is in the nature of financial investment by TPG. The object of the acquisition is for TPG to acquire a substantial beneficial interest in the shareholding of the Target Company and for the Founders and TPG to maintain their beneficial shareholding in the Target Company in a pre-determined proportion. Please refer to paragraph 2(a)(iii) in relation to the background for making this Offer under Regulation 12 of the SEBI (SAST) Regulations.

4 BACKGROUND OF SRHPL

a) SRHPL is a company incorporated under the laws of India and having its registered office and corporate office at Mookambika Complex, 2nd Floor, No. 4 Lady Desika Road, Mylapore, Chennai - 600 004. Phone No:+91-44-24990356, Fax-+91-44-24993272

b) SRHPL was incorporated in January, 2006 as Shriram Insurance Holdings Pvt. Ltd. and was renamed as Shriram Retail Holdings Limited in January, 2008.

c) SRHPL is an investment holding company forming part of the Shriram Group.

d) SRHPL directly holds 5,441,700 Shares constituting 11.87% of the fully Paid-up Share Capital.

e) SRHPL has complied with all applicable provisions of Chapter II of SEBI (SAST) Regulations till date.

f) SRHPL is a 100% subsidiary of SCL. The detailed shareholding pattern of SHRPL as on the date of the PA is as under:

Shareholder	No. of shares	%	Voting Rights	%
Shriram Capital Limited	2,040,000*	100%	2,040,000*	100%
TOTAL	**2,040,000**	**100%**	**2,040,000**	**100%**

** Out of the above for the purpose of the requirements of the Companies Act 1956, 10 shares are jointly held by Mr. R Thyagarajan and Shriram Capital Limited*

g) The composition of the Board of Directors of SRHPL as on the date of the PA is as follows:

Name of the Director	Designation	Appointment Date	Qualification	Experience	Residential Address	Director Identification Number (DIN)
Mr. D.V. Ravi	Director	24.01.2006	A Management Graduate with expertise in the area of corporate financial restructuring.	He has over 20 years of industry experience in various senior positions. Has been associated with Shriram Group since 1992.	B3E,Regal Palm Gardens, 72 Cee Dee Yes Apartments, Velachery Tambaram Road, Velachery Chennai – 600 042	00171603
Mrs. Akhila Srinivasan	Director	24.01.2006	M.Phil in Economics.	She joined Shriram Group in 1986. She is presently the Managing Director of Shriram Life Insurance Co. ltd.	No.5, Appakannu Street, Royapettah Chennai-600 004	01193566

h) None of the Directors of SRHPL are on the board of the Target Company.

i) The shares of SRHPL are not listed on any stock exchange.

j) The brief financials of SRHPL (audited for the years ended March 31, 2006, March 31, 2007, March 31, 2008 and March 31, 2009) are as follows:

Profit & Loss Statement for the last 4 years

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
	Lakhs	Lakhs	Lakhs	Lakhs
Income				
Total Income	Nil	Nil	Nil	513.74
Expenditure				
Audit Fees	0.01	0.01	0.01	0.15
Filing Fees	0.17	0.01	0.04	58.65
General Charges	0.01	0.01	0.00	0.72
Service Tax Paid	-	0.00	0.00	0.00
Bank & Management Charges	0.00	0.00	0.01	548.34
Preliminary Expenses Written off	-	0.04	0.03	0.04
Total Expenditure	**0.19**	**0.07**	**0.09**	**607.90**
Profit / (Loss) Before Tax	(0.19)	(0.07)	(0.09)	(94.16)
Balance Carried from Last Year	-	(0.19)	(0.26)	(0.35)
Balance Carried to Balance Sheet	(0.19)	(0.26)	(0.35)	(94.51)

Balance Sheet as at

	Mar 31, 2006	Mar 31,2007	Mar 31, 2008	Mar 31, 2009
	Lakhs	Lakhs	Lakhs	Lakhs
Sources of Funds				
Equity Share Capital	5.00	5.00	5.00	334.67
Unsecured Loans	0.59	-	-	43,092.94
Reserves and Surplus				33,730.94
Total Sources	**5.59**	**5.00**	**5.00**	**77,158.55**
Application of Funds				
Investments				44,904.27
Current Assets				
Bank Balances	5.24	4.61	4.55	32,021.62
Other Current Assets				138.79
Total Current Assets	**5.24**	**4.61**	**4.55**	**32,160.41**
Current Liabilities & Provisions				
Less: Current Liabilities	0.02	0.01	0.01	0.70
Total Current Liabilities	**0.02**	**0.01**	**0.01**	**0.70**
Net Current Assets	**5.22**	**4.60**	**4.54**	**32,159.71**
Miscellaneous Expenditure				
Preliminary Expenses - To the extent not written off	0.18	0.14	0.11	0.06
Profit & Loss Account	0.19	0.26	0.35	94.51
Total Applications	**5.59**	**5.00**	**5.00**	**77,158.55**

Other Financial Data	**FY 2005-06**	**FY 2006 -07**	**FY 2007 - 08**	**FY 2008 – 09**
Dividend (%)	Nil	Nil	Nil	Nil
Earnings Per Share (Rs.)	(0.39)	(0.14)	(0.18)	(2.81)
Return on Net Worth	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Book Value per Share (Rs.)	9.26	9.20	9.09	1,015.06

Notes:
(1) Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the equity shares outstanding at the end of the year.
(2) Return on Net worth = Profit after tax/Total Net worth. Negative Return on Net Worth has been disclosed as Not Applicable.
(3) Book Value per Share = Net worth excluding preference shares/Number of equity shares outstanding at the end of the year.
(4) Figures have been regrouped/ rounded up or down to ensure appropriate disclosures.

k) There are no major contingent liabilities

l) Reasons for the fall/rise in the total income :

FY 2008-09: The increase in total income in FY 2008-09 was due to dividend received on investment in shares made during the year.

m) Summary of significant accounting policies

a. The financial statements have been prepared on historical cost convention and in accordance with generally accepted accounting policies

b. Revenue Recognition

i. Dividend is recognized, when the right to receive the dividend is established.

ii. All other revenue is recognised and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.

c. Investments

i. Long term investments are valued at cost. Diminution in the value of long term investments, if considered to be permanent is written off and such investments are shown at the diminished value.

n) Details of acquisition of shares by SRHPL in the Target Company:

Date of Acquisition	No. of Shares	Cumulative shareholding	% Change in Shareholding	Mode	Price / Share (Rs.)	Selling Shareholder	SEBI(SAST) Disclosures
13.6.08	5,420,000	5,420,000	12.21	Block Deal	Rs.379.00	SCL	Complied with.
17.6.08	21,700	5,441,700	0.05	Open Market	Rs.364.87 (Weighted Average Price)	Open Market	* Not applicable

** Not applicable since % of acquisition was below the statutory limits as prescribed under the SEBI (SAST) Regulations.*

5 BACKGROUND ON THE PAC

Shriram Capital Limited

a) SCL is a company incorporated under the laws of India having its registered office at No. 123, Angappa Naicken Street, Chennai 600 001 and its corporate office at 4th Floor, Mookambika Complex, No.4, Lady Desika Road, Mylapore, Chennai – 600004. Tel No. +91 44 24990356, 24991363, Fax No. +91 44 24993272

b) SCL was incorporated in 1974 under the Companies Act, 1956 as Shriram Chits & Investments Private Limited and was renamed Shriram Capital Limited in March, 2008.

c) SCL is a holding company which holds shares / investments in various entities engaged in financial services and certain other businesses and is a part of the Shriram Group.

d) SCL has complied with all applicable provisions of Chapter II of SEBI (SAST) Regulations till date.

e) The shareholding pattern of SCL as on the date of the Public Announcement is as under:

Shareholder	No. of shares	%	Voting Rights	%
Mr R Thyagarajan	2,250	0.02%	2,250	0.02%
Shriram Ownership Trust *	9,563,715	99.88%	9,563,715	99.88%
Public	8,845	0.10%	8,845	0.10%
TOTAL	**9,574,810**	**100.00%**	**9,574,810**	**100.00%**

*Details of the Trustees of Shriram Ownership Trust are as follows:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Mr. R Thyagarajan	Tustee	11.09.2006	M.A, M.Stats, A.C.I.I	50 Yrs Experience in Insurance and Banking Industry and profound understanding of the Hire Purchase Business. Associated with Vysya Bank for a brief span of time. Associated with New India Assurance Company Ltd in the capacity of Divisional Manager over 15 years and with J.B Boda & Co one of the leading Insurance and Reinsurance brokers for over 10 years	12 Besant Road, off Lloyds Road, Royapettah, Chennai 600014
Mr. R Kannan	Trustee	11.09.2006	B A	50 Yrs Experience in Banking Sector, Chit Business and Financial Services	S-46, 35th Cross St, Besant Nagar Chennai 600 090

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Mr. D V Ravi	Managing Trustee	11.09.2006	A Management Graduate with expertise in the area of corporate financial restructuring.	He has over 20 years of industry experience in various senior positions. Has been associated with Shriram Group since 1992	B3E,Regal Palm Gardens, Cee Dee Yes Apartments, Velachery Tambaram Road, Velachery Chennai – 600 042
Mr. Arun Duggal	Trustee	11.09.2006	B TECH , IIT, Delhi M B A IIM, Ahmedabad	30 Yrs International banking, financial strategy, merger and acquisitions	A-4, 3rd Floor, West End New Delhi 110 021
Mr. D A Prasana	Trustee	11.09.2006	B.E. National Institute of Enginering, Mysore MBA IIM, Ahmedabad	35 Yrs Worked in global leadership position in GE and Vice Chairman at Wipro;Currently serves on the Boards of various Pharma Companies and Research Institutes	Casa Laguna, 6/3 Gangadhar Chetty Road, Ulsoor, Bangalore 560042

f) The composition of the Board of Directors of SCL as on the date of the PA is as follows:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address	Director Identification Number (DIN)
Mr D.V.Ravi	Managing Director	30/09/2005 MD w.e.f. 09/11/2007	A Management Graduate with expertise in the area of corporate financial restructuring.	He has over 20 years of industry experience in various senior positions. Has been associated with Shriram Group since 1992	B3E,Regal Palm Gardens, Cee Dee Yes Apartments, Velachery Tambaram Road, Velachery Chennai – 600 042	00171603
Mr S.Natarajan	Director	31/01/2007	A practising Chartered Accountant with specialization in taxation matters	He has been a Director on the Board of Binny Ltd. since 1987 and was responsible for rehabilitation and restructuring of the Company. Joined Shriram Group in 2001.	New No 7 (Old No 4) Crescent Avenue, Kesavaperumalpuram, Raja Annamalai Puram, Chennai - 600 028.	00155988
Mr R.Sundara Rajan	Director	01/07/2005	A Mechanical Engineer and an MBA from the Indian Institute of Management, Ahmedabad. He is also a Chartered Engineer and Associate of the Insurance Institute of India.	Has about 30 years of industry experience in senior management positions, out of which 15 years as CEO, mainly in the pharmaceutical industry. He is currently advisor to Shriram Group.	30/A, Davis Road, Cooke Town, Bangalore - 560 084	00498404

g) None of the directors of SCL are on the board of the Target Company.

h) The shares of SCL are not listed on any stock exchange.

i) The brief financials of SCL (audited for the years ended March 31, 2006, March 31, 2007 March 31, 2008 and provisional (un-audited) results for the nine months ended December, 2008) are as follows:

Profit & Loss Statement for the last 3 years

	FY 2005-06	FY 2006-07	FY 2007-08	Provisional (un-audited) for nine months ended Dec 31, 2008
	Lakhs	**Lakhs**	**Lakhs**	**Lakhs**
Income				
Income	28,932.52	2,295.40	4,625.42	4,347.05
Total Income	**28,932.52**	**2,295.40**	**4,625.42**	**4,347.05**
Expenditure				
Interest & Finance Charges	364.30	160.27	548.36	263.91
Personnel Expenses		13.86	81.43	84.47
Remuneration to Director	4.50	-	-	-
Other Expenses	5,877.80	1115.00	605.03	3,717.51
Depreciation	12.05	50.27	49.45	38.77
Total Expenditure	**6,258.65**	**1,339.40**	**1284.27**	**4,104.66**
Profit / (Loss) Before Tax & Extraordinary Items	**22,673.87**	**956.00**	**3,341.15**	**242.39**
Add: Earlier Year Share of Profit from Partnership Firms	2.57			-
Profit / (Loss) Before Tax	**22,676.44**	**956.00**	**3,341.15**	**242.39**
Less: Provision for Current Tax	365.18	283.39	1,045.34	-
Fringe Benefit Tax	1.10	0.86	5.62	
Add: Deferred Tax (Net)	16.58	(5.40)	1.00	-
Profit After Tax	22,326.74	666.35	2,291.19	242.39
Profit / (Loss) B/F from Last Year	1,071.33	23,379.58	24,045.93	5,290.79
Add: Excess Tax Provision Earlier Year	-	-	30.94	-
Less: Income Tax - Prior Period		-	1077.27	-
Less: Deferred Tax (Net)	18.49	-	-	-
Profit Available for Appropriation	23,379.58	24,045.93	25,290.79	5,533.18
Transfer to General Reserve	-	-	20,000.00	-

Balance Sheet as at

	Mar 31, 2006	Mar 31, 2007	Mar 31, 2008	Provisional (un-audited) Dec 31, 2008
	Lakhs	**Lakhs**	**Lakhs**	**Lakhs**
Sources of Funds				
Shareholders Funds				
Equity Share Capital	8,910.81	9,574.81	9,574.81	9,574.81
Reserves & Surplus	23,379.58	43,870.95	45,115.81	68,039.78
Loan Funds				
Unsecured Loans	21,622.39	14,800.75	16,359.88	23,502.39
Deferred Tax Liability (Net)	1.91	7.31	6.31	6.31
Total Sources	**53,914.69**	**68,253.82**	**71,056.81**	**101,123.29**
Application of Funds				

	Mar 31, 2006	Mar 31, 2007	Mar 31, 2008	Provisional (un-audited) Dec 31, 2008
	Lakhs	**Lakhs**	**Lakhs**	**Lakhs**
Fixed Assets				
Gross Block	246.94	582.68	596.10	662.14
Less: Depreciation Reserve	54.18	104.44	153.89	192.66
Net Block	192.76	478.24	442.21	469.48
Construction Work in Progress	-	-	200.00	1,100.00
Investments	53,856.05	66,219.61	69,199.44	56,027.29
Current Assets, Loans & Advances				
Current Assets	536.11	731.24	240.09	184.44
Loans & Advances	1851.10	3,349.11	5,383.30	51,968.25
Less: Current Liabilities	1,928.01	1,646.81	2,737.68	6,955.62
Less: Provisions	593.32	877.57	1,670.55	1,670.54
Net Current Assets	**(134.12)**	**1,555.97**	**1,215.16**	**43,526.52**
Total Applications	**53,914.69**	**68,253.82**	**71,056.81**	**101,123.29**

Other Financial Data	FY 2005–06	FY 2006-07	FY 2007-08	Provisional (un-audited) for nine months ended Dec 31, 2008
Dividend (%)	-	-	-	-
Earnings Per Share (Rs.)	250.56	6.96	23.93	2.53
Return on Net Worth	69.14%	1.25%	4.19%	0.31%
Book Value per Share (Rs.)	362.37	558.19	571.19	810.61

Notes:
(1) Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the equity shares outstanding at the end of the year.
(2) Return on Net worth = Profit after tax/Total Net worth.
(3) Book Value per Share = Net worth excluding preference shares/Number of equity shares outstanding at the end of the year.
(4) Accounts for nine months ended 31.12.2008 are management estimates and subject to audit.
(5) Provision for taxation for the nine months ended 31.12.2008 has not provided. The same will be computed for full FY 2008-09 and provided thereafter.

j) Major contingent liabilities

Provision has not been made towards income tax amounting to Rs. 571.47 Lakhs for the A.Y.s 1998-1999 to 2004-05 as SCL has preferred appeals before CIT (A) against the demand raised by the Income Tax Department. Appellate Orders from Income Tax Appellate Tribunal for the A.Y. 2002-03 and Appellate Orders from CIT(A) for the A.Ys 1999-2000 to 2001-02 and 2003-04 have been received in SCL's favour. The Assessing Officer has not yet passed revision orders for giving effect to the appellate orders. On giving effect to the appellate orders, there will be no tax demand for these years. Out of the demand of Rs. 200.71 Lakhs for A.Y. 2005-06, Rs. 200 Lakhs have already been paid.

k) Reasons for the fall/rise in the total income and Net Income:

FY 2008-09 (nine months ended December 31, 2008): The rise in total income was on account of increase in service/royalty income received from subsidiaries / Associate Companies. The Net Income has reduced due to the incidence of one time expenditure of Rs. 3,300 lakhs for access to branch network.

FY 2007-08: The rise in total and net income in FY 2007-08 was mainly on account of performance related consideration of Rs. 2,183 Lakhs received during the year from Joint Venture partner for Life Insurance Business.

FY 2006-07: The total income fell from Rs. 28,932.52 Lakhs in FY 2005-06 to Rs. 2,295.40 Lakhs in FY 2006-07 due to profit on sale of shares being lower at Rs. 34.74 Lakhs in FY 2006-07 as against Rs. 25,334.74 Lakhs in FY 2005-06 and dividend income being lower by Rs. 1,008.12 Lakhs due to sale of certain holdings. The expenditure in FY 2006-07 was lower by Rs. 4,919.25 Lakhs since one time expenditure of Rs. 5,000 Lakhs was incurred in FY 2005-06 for access to branch network and severance compensation. The net result was fall in net income by Rs. 21,660.39 Lakhs.

FY 2005-06: The rise in total income by Rs. 26,932.41 Lakhs in FY 2005-06 was mainly on account of profit on sale of shares of Rs. 25,334.74 Lakhs and increase in other income. The expenditure during FY 2005-06 was higher by Rs. 5,364.46 Lakhs due to incidence of one time expenditure of Rs. 5,000 Lakhs for access to branch network and severance compensation. The effect of the above resulted in a rise in net income by Rs.21,220.82 Lakhs.

l) A petition has been filed with the Madras High Court for demerger of non-core investments amounting to Rs.173.86 lakhs. In the event of Court approving the scheme effective from 1.4.2008, these investments will be transferred to the resulting company. However these investments are less than 0.5% of the total investments.

m) Amount of Rs. 4,228.30 lakhs and Rs. 43,092.94 lakhs are due from Shriram Enterprises Holdings Pvt. Ltd and Shriram Retail Holdings Pvt. Ltd respectively, which are shown under Loans and advances. As per the SSA, portion of these loans will be converted into equity shares in Shriram Retail Holdings Pvt. Ltd depending upon the shares tendered in the open offer.

n) Summary of significant accounting policies

a. Basis of preparation of financial statements

i. The financial statements have been prepared under the historical cost convention and in accordance with generally accepted accounting policies.

b. Revenue Recognition

i. Dividend is recognized, when the right to receive the dividend is established.

ii. Royalties: on accrual basis in accordance with the terms of the relevant agreements

iii. All other revenues are recognised and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.

c. Investments

i. Investments Long term investments are valued at cost. Diminution in the value of long term investments, if considered to be permanent, is written off and such investments are shown at the diminished value.

o) Details of acquisition/sale of shares by SCL in the Target Company:

Date of Acquisition	No. of Shares Acquired / (Sold)	Cumulative shareholding	% Change in Shareholding	Mode	Price / Share (Rs.)	Selling / Acquiring Shareholder	SEBI(SAST) Disclosures
22.3.03	1,600	1,600	0.02	Open Market	5.99	Public	Not applicable
27.3.03	2,000	3,600	0.03	Open Market	8.81	Public	Not applicable
3.4.03	500	4,100	0.01	Open Market	10.36	Public	Not applicable
4.4.03	437	4,537	0.01	Open Market	10.06	Public	Not applicable
8.4.03	425	4,962	0.01	Open Market	12.00	Public	Not applicable
26.4.03	18,000	22962	0.24	Open Market	12.23	Public	Not applicable
3.5.03	7,500	30462	0.10	Open Market	12.36	Public	Not applicable
6.5.03	16,500	46,962	0.22	Open Market	13.53	Public	Not applicable
7.5.03	8,000	54,962	0.11	Open Market	12.36	Public	Not applicable
13.5.03	6,125	61,087	0.08	Open Market	12.85	Public	Not applicable
24.5.03	(5,000)	56,087	(0.07)	Open Market	13.50	Public	Not applicable
28.5.03	1,900	57,987	0.03	Open Market	12.61	Public	Not applicable
7.6.03	5,000	62,987	0.07	Open Market	13.36	Public	Not applicable
20.6.03	(42,555)	20,432	(0.57)	Open Market	11.37	Public	Not applicable
4.7.03	10,500	30,932	0.14	Open Market	13.61	Public	Not applicable
8.7.03	8,500	39,432	0.11	Open Market	13.61	Public	Not applicable
12.9.03	19,600,000	19,639,432	72.32	Preferential	15.35	Preferential	Complied with

				Allotment		Allotment	
27.2.04	202,030	19,841,462	0.75	Open Offer	15.35	Open Offer	Not applicable since acquired through Open Offer
30.3.06	(2,400,000)	17,441,462	(8.86)	Block Deal	150.58	SEHPL	Complied with
31.3.06	(11,621,462)	5,820,000	(42.88)	Block Deal	158.68	SEHPL	Complied with
31.3.06	(400,000)	5,420,000	(1.48)	Block Deal	164.13	SEHPL	Complied with
13.6.08	(5,420,000)	Nil	(12.21)	Block Deal	379.00	SRHPL	Complied with

**Not applicable since % of acquisition was below the statutory limits as prescribed under the SEBI (SAST) Regulations.*

Shriram Enterprise Holdings Private Limited

a) SEHPL is a company incorporated under the laws of India and having its registered office and corporate office at Mookambika Complex, 4th Floor, No. 4 Lady Desika Road, Mylapore, Chennai - 600 004. Tel : +91 44 24990356, Fax: + 91 44 24993272

b) SEHPL was incorporated under the Companies Act, 1956 in June, 1995 as Shriram Financial Technology Services Private Limited and was renamed as Shriram Enterprise Holdings Private Limited in February, 2006.

c) SEHPL is an investment holding company and is part of the Shriram Group.

d) SEHPL has complied with all applicable provisions of Chapter II of SEBI (SAST) Regulations till date.

e) The shareholding pattern of SEHPL as on the date of the PA is as under:

Shareholder	No. of shares	%	Voting Rights	%
Shriram Retail Holdings Private Limited *	1,000,000	100%	1,000,000	100%
TOTAL	**1,000,000**	**100%**	**1,000,000**	**100%**

** Out of the above for the purpose of the Companies Act, 1956, 9 shares are jointly held by Mr. R Thyagarajan and SRHPL. It may further be noted that 1 share is held by Mr. R Thyagarajan, the beneficial holder being Shriram Motor Finance and SRHPL.*

f) The composition of the Board of Directors of SEHPL as on the date of the PA is as follows:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address	Director Identification Number (DIN)
Mr. D.V. Ravi	Director	25.11.2005	A Management Graduate with expertise in the area of corporate financial restructuring.	He has over 20 years of industry experience in various senior positions. Has been associated with Shriram Group since 1992.	B3E, Regal Palm Gardens, 72, Cee Dee Yes Apartments, Velachery Tambaram Road, Velachery Chennai – 600 042	00171603
Mr. R. Sundara Rajan	Director	28.02.2006	A Mechanical Engineer and an MBA from the Indian Institute of Management, Ahmedabad. He is also a	Has about 30 years of industry experience in senior management positions, out of which 15	30A, Davis Road, Cooke Town Bangalore – 560 084.	00498404

Name	Title	Date of Appointment	Qualification	Experience	Residential Address	Director Identification Number (DIN)
			Chartered Engineer and Associate of the Insurance Institute of India.	years as CEO, mainly in the pharmaceutical industry. He is currently advisor to Shriram Group.		
Mr. V. Mahalingam	Director	26.06.1995	ACS, AICWA	Professional with more than half a decade of experience in various companies. Has been working in Shriram Group for the last 20 years.	29D, Patel Street Chromepet, Chennai – 600 044.	00163578
Mr. R. Chandrasekar	Director	28.02.2006	B.Com, AICWA	Has been working in various senior positions in Shriram Chits for the last 17 years.	No.14B, Warren Road Mylapore, Chennai – 600 004.	00156485
Mr S Murali	Director	6.9.2008	ACA, ACS, Grad CWA, CMA(CIMA, UK)	19 Yrs Experience in various industries in India and Abroad.	No.12, Pinjala Subramaniam Street, T Nagar, Chennai 600 017	02120709

g) None of the directors of SEHPL are on the board of the Target Company.

h) The shares of SEHPL are not listed on any stock exchange.

i) The brief financials of SEHPL (audited for the years ended March 31, 2006, March 31, 2007, March 31, 2008 and March 31, 2009) are as follows:

Profit & Loss Statement for the last 4 years

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
	Lakhs	Lakhs	Lakhs	Lakhs
Income				
Dividend Received	-	432.64	432.64	716.85
Interest Received	0.03	0.03	-	-
Total Income	**0.03**	**432.67**	**432.64**	**716.85**
Expenditure				
Consultancy Charges	0.10	-	-	6.25
Audit Fees	0.02	0.05	0.10	0.12
General Charges	0.02	-	-	0.47
Filing Fees	0.12	0.03	6.50	1.06
Preliminary Expenses Written Off	0.00	-	-	-
Postage & Courier	-	0.01	0.30	-

Conveyance	-	0.00	-	-
Loss on Sale of Shares	-	-	142.50	-
Bank Charges	0.00	0.01	0.02	0.04
Service Tax Paid	0.01	-	-	-
Total Expenditure	**0.27**	**0.10**	**149.42**	**7.94**
Profit / (Loss) Before Tax	(0.24)	432.57	283.22	708.91
Balance Carried from Last Year	(2.56)	(2.80)	429.77	712.99
Balance Carried to Balance Sheet	(2.80)	429.77	712.99	1,421.90

Balance Sheet as at

	Mar 31, 2006	Mar 31, 2007	Mar 31, 2008	Mar 31, 2009
	Lakhs	Lakhs	Lakhs	Lakhs
Sources of Funds				
Equity Share Capital	3.25	1,000.00	1,000.00	1,000.00
Share Application Money	22,754.10	-	-	-
Reserves & Surplus	-	22,273.12	22,556.34	23,265.26
Unsecured Loan		-	2,682.50	4,228.30
Total Sources	**22,757.35**	**23,273.12**	**26,238.84**	**28,493.56**
Application of Funds				
Investments	22,711.74	23,271.74	26,230.94	28,311.74
Cash & Bank Balances	42.64	1.25	7.80	181.74
Current Assets, Loan & Advances	0.20	0.18	0.18	0.18
Less: Current Liabilities	0.02	0.05	0.08	0.10
Net Current Assets	**42.82**	**1.38**	**7.90**	**181.82**
Profit & Loss Account	2.79	Nil	Nil	Nil
Total Applications	**22,757.35**	**23,273.12**	**26,238.84**	**28,493.56**

Other Financial Data	**FY 2005- 06**	**FY 2006 – 07**	**FY 2007-08**	**FY 2008-09**
Dividend (%)	-	-	-	-
Earnings Per Share (Rs.)	(7.33)	43.26	28.32	70.89
Return on Net Worth	Not Applicable	1.86%	1.20%	2.92%
Book Value per Share (Rs.)	14.08	2,327.31	2,355.63	2,426.53

Notes:
(1) Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the equity shares outstanding at the end of the year.
(2) Return on Net worth = Profit after tax/Total Net worth. Negative Net Worth has been disclosed as Not Applicable.
(3) Book Value per Share = Net worth excluding preference shares/Number of equity shares outstanding at the end of the year.
(4) Figures have been regrouped/ rounded up or down to ensure appropriate disclosures.

j) There are no major contingent liabilities.

k) Reasons for the fall/rise in the total income and net Income:

FY 2008-09: The increase in total and net income in FY 2008-09 was due to the higher amount of dividend received on additional investment in shares.

FY 2007-08: While the quantum of total income in FY 2007-08 was the same as in FY 2006-07, the net income fell by Rs. 149.35 Lakhs in FY 2007-08 mainly due to loss on sale of shares of Rs. 142.50 Lakhs.

FY 2006-07: The increase in total and net income in FY 2006-07 was due to the dividend received on investment in shares.

FY 2005-06: The fall/rise in the total income and net Income was not significant and was attributable to normal activities of SEHPL.

l) Summary of significant accounting policies

a. Basis of preparation of financial statements.

i. The financial statements have been prepared on historical cost convention and in accordance with generally accepted accounting policies.

b. Revenue Recognition

i. Dividend is recognized, when the right to receive the dividend is established.

ii. All other revenue is recognised and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.

c. Investments

i. Long term investments are valued at cost. Diminution in the value of long term investments, if considered to be permanent is written off and such investments are shown at the diminished value.

m) Details of acquisition of shares by SEHPL in the Target Company:

Date of Acquisition	No. of Shares	Cumulative shareholding	% Change in Shareholding	Mode	Price / Share (Rs.)	Selling Shareholder	SEBI(SAST) Disclosures
30.3.06	2,400,000	2,400,000	8.86	Block Deal	150.58	SCL	Complied with
31.3.06	11,621,462	14,021,462	42.88	Block Deal	158.68	SCL	Complied with
31.3.06	400,000	14,421,462	1.48	Block Deal	164.13	SCL	Complied with
20.3.08	2,055,000	16,476,462	4.99	Conversion of Warrants	160.00	Not Applicable	Complied with
27.6.08	1,445,000	17,921,462	3.15	Conversion of Warrants	160.00	Not Applicable	Complied with

TPG India Investments I, Inc

a) TPG is a private limited company incorporated on May 29, 2008 under the laws of the Republic of Mauritius and having its registered office at Level 11, One Cathedral Square, Port Louis, Mauritius; Telephone Number: (230) 210-4000, Fax Number: (230) 211-7549.

b) TPG was incorporated for the purpose of making investments in India.

c) The stated capital of TPG is US$68,000,001 comprising of 68,000,001 shares of US$ 1.

d) As of the date of the PA, TPG had not acquired any Shares since its incorporation in May 2008, hence, the reporting requirements under Chapter II of the SEBI (SAST) Regulations are not applicable to TPG with reference to the Target Company.

e) The shares of TPG are not listed on any stock exchange.

f) TPG is a wholly-owned subsidiary of TPG Asia V, L.P. a Cayman Islands exempted limited partnership, the shareholding pattern of TPG as on the date of the PA was as under:

Shareholder	No. of shares	%	Voting Rights	%
TPG Asia V, L.P.	1	100%	1	100%
TOTAL	**1**	**100%**	**1**	**100%**

g) The composition of the Board of Directors of TPG as on the date of the PA is as follows:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Amal A. Autar	Director	29 May, 2008	Graduate (University of Witwatersrand South Africa)	10 yrs; Areas of Experience: Adminstration of companies, trusts and funds	Royal Road, Petit Raffray, Mauritius
Patrick Lim	Director	29 May, 2008	B.A. (University of Sheffield), Fellow of the UK Association of Chartered Certified Accountants	13 years; Areas of Experience: Administration, compliance, finance and operations.	Rue Labourdonnais, Rose Hill, Mauritius
Clive D. Bode	Director	16 June, 2008	B.A. (Oakland University), J.D. (University of Michigan Law School)	31 years; Areas of Experience: Legal, Investing	464 Tehema Street, San Francisco, CA 94103 USA
David Reintjes	Director	16 June, 2008	B.A. (University of Notre Dame), J.D. (University of Kansas)	11 years; Areas of Experience: Legal, Investing	6001 Merrymount Road, Fort Worth, TX 76107 USA
Gary D. Puckett	Director	16 June, 2008	MPA in Tax (University of Texas, Arlington), BBA in Accounting (University of Texas, Arlington), Certified Public Accountant and a Certified Financial Planner	28 years of experience in tax	2200 Pine Thickett Lane, Bedford, TX 76021 USA
Daniel A. Carroll	Director	16 June, 2008	B.A. (Harvard University), M.B.A. (Stanford Graduate School of Business)	14 years; Areas of Experience: Finance, Investing	2120 Lyon Street, San Francisco, CA 94115 USA
David Bonderman	Director	16 June, 2008	B.A. (University of Washington), J.D. (Harvard University)	40 years; Areas of Experience: Finance, Investing, Legal	500 Throckmorton #3604, Fort Worth, TX 76102 USA
Jeffery D. Ekberg	Director	16 June, 2008	B.S. (California State University)	14 years; Areas of Experience: Finance, Investing	4141 Ranier Ct., Fort Worth, TX 76109 USA
John E. Viola	Director	16 June, 2008	B.A. (Loyola Marymount University), M.B.A. (University of California, Los Angeles)	19 years; Areas of Experience: Finance, Investing	301 Commerce Street, Suite 3300, Fort Worth, TX 76102 USA

h) None of the directors of TPG is on the board of the Target Company.

i) The brief financials of TPG audited for the period ended December 31, 2008 and un-audited for the period ended March 31, 2009 are as follows:

Statement of Operations

	May 29, 2008 to Dec 31, 2008	Jan 1, 2009 to Mar 31, 2009(Un-audited)	May 29, 2008 to Dec 31, 2008	Jan 1, 2009 to Mar 31, 2009(Un-audited)
	US$ '000s	US$ '000s	INR Lakhs	INR Lakhs
EXPENSES				
Commitment Fees	47.94	-	21.94	-
Loan Origination Fees	18.18	15.91	8.32	7.28
Professional Fees	10.53	4.34	4.82	1.99
Other	36.93	0.20	16.90	0.09
Total Expenses	113.58	20.45	51.99	9.36
Loss On Investments	-	5,826.25	-	2,666.67
Net Loss	(113.58)	(5,846.70)	(51.99)	(2,676.03)

Statement of Assets, Liabilities & Shareholders Equity

	Dec 31, 2008	Mar 31, 2009 (Un-audited)	Dec 31, 2008	Mar 31, 2009 (Un-audited)
	US$ '000s	US$ '000s	INR Lakhs	INR Lakhs
Assets				
Investments, Fair Value	-	58,727.57	-	26,879.61
Cash	-	0.48	-	0.22
Prepaid Expenses	1.56	-	0.71	-
Deferred Loan Origination Fees	31.82	15.91	14.56	7.28
Receivable From Affiliates	-	-	-	-
TOTAL	33.38	58,743.96	15.28	26,887.11
Liabilities & Sharholder's Equity				
Liabilities				
Accrued Expenses	0.56	-	0.26	-
Payable to Affiliates	146.40	149.73	67.01	68.53
	146.96	149.73	67.26	68.53
Sharholder's Equity				
Common Stock,$1 par value	-	-	-	-
Share Application Money	-	64,554.50	-	29,546.59
Accumulated Deficit	(113.58)	(5,960.27)	(51.99)	(2,728.02)
	(113.58)	58,594.23	(51.99)	26,818.58
TOTAL	33.38	58,743.96	15.28	26,887.11

Other Financial Data	**2008**	**Mar 31, 2009**
Dividend (%)	Not Applicable	Not Applicable
Earnings Per Share	Not Applicable	Not Applicable
Return on Net Worth	Not Applicable	Not Applicable
Book Value per Share	Not Applicable	Not Applicable

j) There are no major contingent liabilities.

k) Decrease in total income and net income from December 31, 2008 to March 31, 2009 is primarily attributable to unrealized loss in investments.

l) Summary of significant accounting policies:

i. **Basis of Accounting**
Financial statements are presented on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

ii. **New Accounting Standards**
In June 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109* (FIN 48). FIN 48 requires companies to recognize the tax benefits of uncertain tax positions only when the position is "more likely than not" to be sustained assuming examination by tax authorities. The tax benefit recognized is the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. During 2008, FSP FIN 48-3 was issued deferring FIN 48 for certain nonpublic enterprises and making it effective for fiscal years beginning after December 15, 2008. The Company has elected to defer FIN 48 in accordance with this FSP. The Company's current policy for evaluating uncertain tax positions is to recognize them in the financial statements if they are probable and the amount can be reasonably estimated.

iii. **Income Taxes**
Under the applicable laws, the Company is liable for income tax in Mauritius on its chargeable income at 15%. The Company may claim a tax credit equivalent to the higher of the foreign tax paid or 80% of the Mauritius tax on its foreign-source income. The Company has no U.S. source trade or business income and is therefore not subject to United States federal income tax. Consequently, no United States federal income tax has been reflected in the accompanying financial Statements.

iv. **Management Estimates**
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

TPG Asia V, L.P.

a) TPG Asia is a Cayman Islands exempted limited partnership incorporated on June 4, 2007 with its registered office located at Offices of M&C Corporate Services Limited, Ugland House, P.O. Box 309, George Town, Grand Cayman and its principal office located at 301, Commerce Street, Suit 3300, Fort Worth, Texas 76102. Tel no.: 1-817-871-4000, Fax no.: 1-817-871- 4076.

b) The general partner of TPG Asia is TPG Asia GenPar V, L.P, a Cayman Islands exempted limited partnership, the general partner of which is TPG Asia Advisors V, Inc., a Cayman Islands Exempted Company. The management of TPG Asia is conducted by its general partner. Under the limited partnership agreement of TPG Asia, the limited partners of TPG Asia have very limited rights to participate in the management, control, administration or business of TPG Asia.

c) TPG Asia has over US$3.8 billion of committed capital and was organized principally to invest, directly or indirectly, in entities organized or doing business in Asia, including India, Greater China (the People's Republic of China, Hong Kong S.A.R. and Taiwan), Indonesia, Japan, South Korea, the Philippines, Singapore, Australia, New Zealand, Vietnam, Malaysia, Brunei and Thailand.

d) As of March 31, 2009, the limited partners of TPG Asia have funded capital contributions in the amount of US$ 0.8 billion (equivalent to Rs. 36.61 billion).

e) The TPG group ("Group") is a leading global private investment firm with approximately $45 billion of capital under management. The Group manages a family of funds including private equity, venture capital and public equity and debt investing. Since the firm's founding in 1992, the Group's investment philosophy has been to create value by investing in change - change created by industry trends, economic cycles or specific company circumstances. The Group invests in companies across a broad range of industries and geographies. The Group's goal is to help management teams build long-term value that benefits all stakeholders. TPG Capital is the global buyout group of the Group.

f) The composition of the Board of Directors of TPG Asia Advisors V, Inc., as on the date of the PA is as follows:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
David Bonderman	Director	May 29, 2007	B.A. (University of Washington), J.D. (Harvard University)	40 years; Areas of Experience: Finance, Investing, Legal	333 Throckmorton Apt 912, Fort Worth, TX 76102 USA
Daniel A. Carroll	President	June 8, 2007	B.A. (Harvard University), M.B.A. (Stanford Graduate School of Business)	14 years; Areas of Experience: Finance, Investing	2120 Lyon Street, San Francisco, CA 94115 USA
John E. Viola	Vice President	June 8, 2007	B.A. (Loyola Marymount University), M.B.A. (University of California, Los Angeles)	19 years; Areas of Experience: Finance, Investing	301 Commerce Street, Suite 3300, Fort Worth, TX 76102 USA
Clive D. Bode	Vice President	June 8, 2007	B.A. (Oakland University), J.D. (University of Michigan Law School)	31 years; Areas of Experience: Legal, Investing	464 Tehema Street San Francisco, CA 94103 USA
Jeffrey D. Ekberg	Vice President, Treasurer	June 8, 2007	B.S. (California State University)	14 years; Areas of Experience:	4141 Ranier Ct Fort Worth, TX

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
				Finance, Investing	76109 USA
Gary D. Puckett	Assistant Treasurer	June 8, 2007	B.B.A. and M.P.A. (University of Texas)	28 years; Areas of Experience: Tax	2200 Pine Thickett Lane Bedford, TX 76021 USA
James G. Coulter	Director	May 29, 2007	M.B.A. (Stanford Graduate School of Business), Phi Beta Kappa, summa cum laude (Dartmouth College)	26 years of experience in financing and investmnet	c/o TPG, 301 Commerce Street, Suite 3300, Ft.Worth, TX, 76102 USA
Weijian Shan	Vice President	June 8, 2007	Ph.D and M.A. in Economonics (University of California, Berkeley), M.B.A. (University of San Francisco)	15 years of experience in investment	Suite 5704-13, Two International Finance Center, Central, Hong Kong, China
Vanessa Chien	Assistant Secretary	June 18, 2007	B.A., summa cum laude (Amherst College), J.D. (Yale Law School)	11 years of experience in legal	57/F Two International Finance Centre Suite 5704-5713 No. 8 Finance Street, Central Hong Kong

g) None of the directors of TPG Asia is on the board of the Target Company.

h) The brief financials of TPG Asia audited for the period ended December 31, 2007, December 31, 2008 and un-audited for the period ended March 31, 2009 are as follows:

Statement of Operations

	June 4, 2007 to Dec 31, 2007	Jan1, 2008 to Dec 31, 2008	Jan 1, 2009 to Mar 31, 2009 (Un-audited)	Jun 4, 2007 to Dec 31, 2007	Jan 1, 2008 to Dec 31, 2008	Jan 1, 2009 to Mar 31, 2009 (Un-audited)
	US$ '000s	**US$ '000s**	**US$ '000s**	**INR Lakhs**	**INR Lakhs**	**INR Lakhs**
INVESTMENT INCOME						
Interest Income	240.00	236.00	8.00	109.85	108.02	3.66
Other			2,151.00			
Total Investment Income	**240.00**	**236.00**	**2,159.00**	**109.85**	**108.02**	**988.17**
EXPENSES				-	-	-
Management Fees	30,854.00	60,427.00	14,630.00	14,121.88	27,657.44	6,696.15
Organisation Costs	1,941.00	25.00		888.40	11.44	-
Professional Fees	7,362.00	25,930.00		3,369.59	11,868.16	
Other	15.00	1,197.00	61.00	6.87	547.87	27.92
Total Expenses	**40,172.00**	**87,579.00**	**14,691.00**	**18,386.72**	**40,084.91**	**6,724.07**
Loss Before Loss On Investment	**(39,932.00)**	**(87,343.00)**	**(12,532.00)**	**(18,276.88)**	**(39,976.89)**	**(5,735.90)**
					-	-
Gain On Investments					-	-
Change in Unrealized Gain On Investment	366.00	(209,467.00)	(26,365.00)	167.52	(95,873.05)	(12,067.26)
Loss On Investment	366.00	(209,467.00)	(26,365.00)	167.52	(95,873.05)	(12,067.26)
NET LOSS	**(39,566.00)**	**(296,810.00)**	**(38,897.00)**	**(18,109.36)**	**(135,849.94)**	**(17,803.16)**

Statement of Assets, Liabilities & Partners Capital

	Dec 31, 2007	Dec 31, 2008	Mar 31, 2009 (Un-audited)	Dec 31, 2007	Dec 31, 2008	Mar 31, 2009 (Un-audited)
	US$ '000s	US$ '000s	US$ '000s	INR Lakhs	INR Lakhs	INR Lakhs
Assets						
Investment at Fair Value	244,259.00	135,865.00	174,908.00	111,797.34	62,185.41	80,055.39
Cash & Cash Equivalents	228.00	70.00	22,865.00	104.36	32.04	10,465.31
Prepaid Management Fees	-	-	13,494.00	-	-	6,176.20
Receivable From Affiliates	1,430.00	965.00	1,544.00	654.51	441.68	706.69
Interest Receivable	77.00	-	-	35.24	-	-
Other Assets	1,943.00	1,164.00	-	889.31	532.76	-
TOTAL	**247,937.00**	**138,064.00**	**212,811.00**	**113,480.76**	**63,191.89**	**97,403.59**
Liabilities & Partner's Capital						
Liabilities						
Accrued Expenses	6,831.00	4,176.00	544.00	3,126.55	1,911.36	248.99
Payable to Affiliates	5,672.00	12,450.00	-	2,596.07	5,698.37	-
	12,503.00	16,626.00	544.00	5,722.62	7,609.72	248.99
Partner's Capital				-		
General Partner	104.00	30.00	49.00	47.60	13.73	22.43
Limited Partner	235,330.00	121,408.00	212,218.00	107,710.54	55,568.44	97,132.18
	235,434.00	121,438.00	212,267.00	107,758.14	55,582.17	97,154.61
TOTAL	**247,937.00**	**138,064.00**	**212,811.00**	**113,480.76**	**63,191.89**	**97,403.59**

Other Financial Data	**2007**	**2008**	**2009**
Dividend (%)	Not Applicable	Not Applicable	Not Applicable
Earnings Per Share	Not Applicable	Not Applicable	Not Applicable
Return on Net Worth	Not Applicable	Not Applicable	Not Applicable
Book Value per Share	Not Applicable	Not Applicable	Not Applicable

i) There are no major contingent liabilities.

j) Reasons for the fall/rise in the total income and net income:

   i. Decreased Net Loss is primarily attributable to a decrease in Net Loss on Investments.
   ii. Decrease in Management Fees is primarily attributable to difference in the lengths of periods compared.

k) Summary of significant accounting policies:

   i. **Reporting Currency:** The financial statements are presented in US Dollars.
   ii. **Basis of Accounting:** The accounts are prepared under the accrual basis of accounting method in conformity with U.S. generally accepted accounting principles (U.S. GAAP).
   iii. **Cash and Cash Equivalents:** For purposes of reporting cash flows, Cash and Cash Equivalents include cash on deposit with banks and other short-term investments with an initial maturity of 90 days or less.
   iv. **Investments:** Investments are recorded at fair value, as determined by the General Partner, with any resulting change in value, including foreign currency gains/losses, reflected as unrealized gain or loss in the Statement of Operations. Investments in publicly-traded securities are valued at observable market prices based upon the last sales price on the measurement date. Investments for which observable market prices do not exist are valued by the General Partner using either the market or income approach. In establishing the fair value of investments for which observable market prices do not exist, the General Partner assumes a reasonable period of time for liquidation of the investment, and takes into consideration the financial condition and operating results of the underlying portfolio company, nature of the investment, restrictions on marketability, holding period, market conditions, foreign currency exposures, and other factors the General Partner deems appropriate. Due to the inherent

uncertainty of valuations, these fair values may differ significantly from values that would have been used had an active market for the investments existed, and the differences could be material.

v. **Income Taxes:** The following is the major tax jurisdiction for the partnership – Cayman Islands. There is currently no taxation imposed on income by the Government of the Cayman Islands. In accordance with United States federal income tax regulations, no income taxes are levied on a partnership, but rather on the individual partners. Due to the nature of the Partnership's activities and its organization as a limited partnership, state income taxes are not imposed on the Partnership. Consequently, federal, state and Cayman Islands income taxes are not reflected in the financial statements. In June 2006, the FASB issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109 (FIN 48). FIN 48 requires companies to recognize the tax benefits of uncertain tax positions only when the position is "more likely than not" to be sustained assuming examination by tax authorities. The tax benefit recognized is the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. The Partnership adopted FIN 48 as of January 1, 2008.

vi. **Management Estimates:** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

6 SRHPL / PAC FUTURE PLANS FOR THE TARGET COMPANY

a) SRHPL / PAC do not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next 2 (two) years, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities or otherwise of the Target Company. It will be the responsibility of the Board of Directors of the Target Company to make appropriate decisions in these matters in accordance with the requirements of the business. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time.

b) Further, SRHPL / PAC undertake that they shall not sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the Shareholders

7 DISCLOSURE IN TERMS OF REGULATION 21(2) OF THE SEBI (SAST) REGULATIONS

SRHPL / PAC do not intend to delist the Target Company as a result of the Offer. In the event the combined Shareholding of SRHPL / PAC were to exceed the threshold specified in the listing agreement for delisting, SRHPL / PAC will take the necessary steps as per the listing agreements prescribed by the stock exchanges to maintain a minimum threshold of public shareholding for listing on a continuous basis, within the timeframe specified therein. The minimum threshold of public shareholding of the Target Company as of the date of the PA was 10%.

8 BACKGROUND OF THE TARGET COMPANY

Shriram City Union Finance Limited

a) The Target Company is a public limited company with registered office located at 123, Angappa Naicken Street, Chennai 600 001 and its corporate and administrative office at No.221 Royapettah High Road, Mylapore, Chennai 600 004. Tel: +91-44-43915300–04 Fax: +91-44-43915351

b) The Target Company was incorporated under the Companies Act, 1956 as a private limited company on March 27, 1986 and was converted to a public limited company on October 29, 1998. The name of the Target Company was changed to Shriram City Union Finance Limited with effect from April 10, 1990.

c) The Target Company is part of the Shriram group. Its existing promoters who hold shares in the Target Company are SEHPL and SRHPL.

d) In December 1994, the Target Company made a public issue of Rs.400 lakhs.

e) In February 1996, the Target Company issued bonus shares in the ratio of one share for every four shares held.

f) In September 2003 the Target Company allotted 19,600,000 Shares on preferential basis to Shriram Capital Limited (then known as Shriram Chits and Investments Private Limited).

g) The Target Company is registered as non banking finance company with the RBI. Prior to 2002, the Target Company was exclusively engaged in transport finance with emphasis on financing used commercial vehicle to small road transport operators. Since 2002, the Target Company's product lines have expanded to include financing of consumer durables, two-wheelers, three-wheelers, tractors, commercial vehicles and non-commercial vehicles, personal loans and enterprise funding.

h) As of the date of the PA, the total paid-up capital of the Target Company is Rs. 458.50 million consisting of 45,850,000 fully paid-up Shares. There are no partly paid Shares. As of the date of the PA, SEHPL holds 17,921,462 Shares in the Target Company representing 39.09% of the Paid-up Capital of the Target Company and SRHPL holds 5,441,700 Shares in the Target Company representing 11.9% of the Paid-up Capital of the Target Company.

i) The share capital structure of the Target Company as on the date of the PA is as follows:

	No. of Shares/voting rights Face Value (Rs. 10 each)	% of Shares
Fully Paid-up Equity Shares	45,850,000	100%
Partly paid-up Equity Shares	Nil	-
Total paid-up Equity Shares	45,850,000	100%
Total voting rights in the Target Company	45,850,000	100%

j) The share capital structure of the Target Company since inception and the disclosure status of compliance with applicable provisions of SEBI (SAST) Regulations/other applicable Regulations under the SEBI Act 1992 and other statutory requirements as applicable is as follows:

Date of Allotment	No. of Shares issued	% of Shares issued	Face Value (Rs)	Cumulative Paid up Capital Rs.	Mode of Allotment	Identity of Allottees	Status of Compliance
27.3.86	20	100	100	2,000	Subscribers to Memorandum	Non Promoters	Complied with
7.4.86	4,980	99.60	100	500,000	Further Issue	Promoters & Non Promoters	Complied with
14.5.86	1,000	16.67	100	600,000	-do-	Promoters & Non Promoters	Complied with
30.5.86	4,000	40.00	100	1,000,000	-do-	Promoters & Non Promoters	Complied with
2.8.86	1,000	9.09	100	1,100,000	-do-	Promoters & Non Promoters	Complied with
6.9.86	5,000	31.25	100	1,600,000	-do-	Promoters & Non Promoters	Complied with
29.11.86	4,000	20.00	100	2,000,000	-do-	Promoters & Non Promoters	Complied with
7.3.87	3,500	14.89	100	2,350,000	-do-	Promoters & Non Promoters	Complied with
14.4.87	3,500	12.96	100	2,700,000	-do-	Promoters & Non Promoters	Complied with
21.11.87	8,000	22.86	100	3,500,000	-do-	Promoters & Non Promoters	Complied with
11.6.88	15,000	30.00	100	5,000,000	-do-	Promoters & Non Promoters	Complied with
29.10.88	10,000	16.67	100	6,000,000	Rights Issue	Promoters & Non Promoters	Complied with
30.12.88	150,000	20.00	10	7,500,000	-do-	Non Promoters	Complied with
27.3.89	240,000	24.24	10	9,900,000	-do-	Non Promoters	Complied with
22.1.91	990,000	50.00	10	19,800,000	Rights Issue	Non Promoters	Complied with
10.6.93	1,980,000	50.00	10	39,600,000	Rights Issue	Non Promoters	Complied with

Date of Allotment	No. of Shares issued	% of Shares issued	Face Value (Rs)	Cumulative Paid up Capital Rs.	Mode of Allotment	Identity of Allottees	Status of Compliance
14.6.94	40,000	1.00	10	40,000,000	Preferential Issue	Non Promoters	Complied with
22.12.94	2,000,000	33.33	10	60,000,000	Public issue	Promoters & Non Promoters	Complied with
19.2.96	1,500,000	20.00	10	75,000,000	Bonus Issue	Promoters & Non Promoters	Complied with
12.9.03	19,600,000	72.32	10	271,000,000	Preferential Issue	Promoters*	Complied with
22.12.06	4,000,000	12.86	10	311,000,000	Preferential Issue	Non Promoters	Complied with
27.12.06	4,000,000	11.40	10	351,000,000	Preferential Issue	Non Promoters	Complied with
29.12.06	4,000,000	10.23	10	391,000,000	Preferential Issue	Non Promoters	Complied with
20.3.08	2,055,000	4.99	10	411,550,000	Preferential Issue (conversion of warrants)	Promoters	Complied with
14.5.08	1,837,500	4.27	10	429,925,000	Preferential Issue	Non Promoters	Complied with
16.5.08	1,412,500	3.18	10	444,050,000	Preferential Issue	Non Promoters	Complied with
27.6.08	1,445,000	3.15	10	458,500,000	Preferential Issue (conversion of warrants)	Promoters	Complied with

**The Board of the Target Company at its meeting held on 12 September 2003 allotted 1,96,00,000 equity shares constituting 72.32% of the then paid up capital of the Target Company to Shriram Capital Limited (then known as Shriram Chit and Investments Pvt. Limited) at a price of Rs 15.35 per share on a preferential allotment basis. Such preferential allotment of shares was approved by the shareholders of the Target Company at the Annual General Meeting of the Target Company held on 4 September 2003. Consequent to the said preferential allotment, an open offer was made by Shriram Capital Limited under Regulation 10 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 which closed on 27 February 2004. Necessary compliances with regard to the open offer and listing formalities have been completed. Upon completion of the said offer, Shriram Capital Limited held 19841462 shares of the Target Company constituting 73.22% of the then paid up share capital of the Target Company*

The applicable regulations at the time of each allotment have been complied with.

The public shareholders holding more than 5% of the share capital of the Target Company as of September 30, 2008 have complied with the provisions of Chapter II of the SEBI (SAST) Regulations with respect to their investments in the Target Company as of the date of the PA.

k) There has been no suspension of trading of the Shares on any of the Stock Exchanges where it is listed.

l) The Target Company has granted stock options to its employees ("**ESOPs**"), which if exercised would result in the issue of 1,327,500 Shares.

m) The Target Company has allotted the SRHPL Warrants to SRHPL which are convertible into 3,500,000 Shares. The Target Company has also allotted the Existing Investor Warrants which are convertible into 3,250,000 Shares.

n) Save for the SRHPL Warrants, the Existing Investor Warrants and ESOPs, there are no other outstanding instruments convertible or resulting into Shares or partly paid-up Shares.

o) The Fully Diluted Capital of the Target Company as on September 30, 2009, being the date which is fifteen days from the date of closure of the Offer would be Rs. 539.3 million divided into 53,927,500 Shares assuming that each of the SRHPL Warrants and Existing Investor Warrants has been converted into Shares and further that each of the ESOPs has been exercised into Shares.

p) The Shares are listed on the NSE, the BSE and the MSE and are most frequently traded on the BSE. As of September 12, 2008 the closing price of the Shares on BSE was Rs. 370.00 per Share, and on NSE was Rs. 368.00 per share.

q) Except as mentioned below, the Target Company has complied with applicable provisions of Chapter II of SEBI (SAST) Regulations.

i. There was a delay in filing under Regulation 7 (3) of the SEBI (SAST) Regulations by the Target Company in 1999. The Target Company had submitted to SEBI to condone the delay and accordingly vide letter no. SRO /ADJ/EIF/2002/1 / 3641 dated 30th June 2004, SEBI had passed an order levying a penalty of Rs. 25,000/- for violation of

Regulation 7(3) and the said sum was duly paid by the Target Company on 7th July 2004..

ii. There was a delay in filing under Regulation 8 (3) of the SEBI (SAST) Regulations by the Target Company in 1997 which was regularized by the Target Company under the SEBI Regularisation Scheme in the year 2003. The same was intimated to SEBI. However, vide letter no. SRO /ADJ/EIF/2002/1 / 3641 dated 30th June 2004, SEBI had intimated the Target Company that proceedings in respect of this delay were dropped.

iii. SEBI has vide letter dated 16/11/04 cited violation of regulation 8 (3) of SEBI (SAST) Regulations for record date for 2001 and sought for penalty of Rs. 25,000/-. The Company has replied vide its letter dated 16/12/2004 explaining its case.

r) The Target Company is in compliance with the listing agreement as on the date of the PA and no penal/punitive action has been initiated against the Target Company by the Stock Exchanges.

s) The Board of Directors of the Target Company as on the date of the PA was as follows:

Name	Title	Date Of Appointment	Qualification	Experience	Residendial Address	Director Identification Number (Din)
Sri Arun Duggal	Chairman	25/05/2007	B TECH , IIT, Delhi M B A IIM, Ahmedabad	30 Yrs International banking, financial strategy, merger and acquisitions	A-4, 3rd Floor, West End New Delhi 110 021	00024262
Sri R Kannan	Managing Director	15/9/2005	B A	50 Yrs Experience in Banking Sector, Chit Business and Financial Services	S-46, 35th Cross St, Besant Nagar Chennai 600 090	00140363
Sri S Venkatakrishnan	Director	28/7/2000	M A , I A & A S (Retd)	55 yrs He is an IA & AS Officer (Retd.,). He has served in Senior Finance, Audit & Accounts posts in Government Department and Public Undertakings.	34, Oliver Road, Mylapore, Chennai 600004	00136608
Sri S Krishnamurthy	Director	28/4/2005	B.A., CAIIB, Master's Degree in Labour Mgt. BGL., P G Diploma in IR & PM & HRM	40 Yrs Professional / Banking experience in Reserve Bank of India and Commercial Banks	C/39, Ashtalakshmi Apts, 59, Arundale Beach Road, Besant Nagar, Chennai 600 090	00140414
Dr T S Sethurathnam	Director	30/10/1999	P hd in Power	41 Yrs In senior positions in Govt, organizations including power generation and distribution	C-139, Sarvodaya Enclave New Delhi 110 017	00042704
Sri V Parthasarathi	Director	15/06/2007	B.Sc., B.Sc (TECH), CAIIB	38 yrs He has rich experience in Commercial Banking both in India and abroad, International	9H, Chamiers Road, 4th Lane, Nandanam, Chennai 600 035	01588122

Name	Title	Date Of Appointment	Qualification	Experience	Residendial Address	Director Identification Number (Din)
				Trade and Finance, Export Credit Finance, Export Credit Insurance, Investment Insurance and project Exports.		
Sri Mukund Govind Diwan	Director	15/06/2007	M Sc., F I A, F A S I, F I I I	40 Yrs He has got rich experience in Insurance Industry	Flat No.3, Gulmohar Building, 1st Floor, Vile Parle, Mumbai 400 056	00001097
Sri Vipen Kapur	Director	15/06/2007	B Com, Associate of Institute of Bankers, London	40 yrs He has rich experience in Banking Sector	101, Sushant Plaza, 'A' Block Sector-28, Gurgaon 122 002.	01623192
Sri Sunil Varma	Director	17/08/2007	B A., F C A , ACWA	30 yrs Extensive consulting experience with Price Waterhouse Management Consultants and IBM consulting group, specializing in management and business process consulting	104, Aradhana Apartments, R K Puram Sec – 13 New Delhi 110 066	01020611

t) There are no common directors on the board of the SRHPL / PAC and the Target Company

u) As on the date of this Letter of Offer, there are no directors representing TPG on the board of Directors of the Target Company

v) There has not been any merger/de-merger/spin-off in the last 3 years in the Target Company.

w) The brief financials of the Target Company (audited for the years ended March 31, 2006, March 31, 2007, March 31, 2008 and March 31, 2009) are as follows

Profit & Loss Statement for the year ended:

	Mar 31, 2006	Mar 31, 2007	Mar 31, 2008	Mar 31, 2009
	Lakhs	Lakhs	Lakhs	Lakhs
Income				
Income	19,609.05	33,415.97	60,598.33	92,356.19
Other Income	866.31	1,482.33	1,720.43	1,037.56
Total Income	**20,475.36**	**34,898.30**	**62,318.76**	**93,393.75**
Expenditure				
Interest & Other Charges	9,648.25	13,222.58	25,037.03	43,072.66
Personnel Expenses	562.37	929.82	2,272.05	3,582.75
Operating & Other Expenses	3,422.04	9942.40	16,087.61	18,858.72
Depreciation & Impairment Loss	415.38	373.35	1,127.52	2,205.04
Share Issue Expenses Written Off	1.69	1.69	2.13	-
Provisions and Write Off	1,613.19	2,485.14	5,093.96	7,701.05
Total Expenditure	**15,662.92**	**26,954.98**	**49,620.30**	**75,420.22**

	Mar 31, 2006	Mar 31, 2007	Mar 31, 2008	Mar 31, 2009
	Lakhs	Lakhs	Lakhs	Lakhs
Profit / (Loss) Before Tax	**4,812.44**	**7,943.32**	**12,698.46**	**17,973.53**
Less: Provision for Taxation				
Current	1,229.25	2,902.09	6,134.29	7,055.25
Deferred	390.54	(191.70)	(2,340.33)	(946.04)
Wealth Tax				1.76
Fringe Benefit Tax	25.36	70.77	141.00	161.79
	1,645.15	**2,781.16**	**3,934.96**	**6,272.76**
Profit After Tax	**3,167.29**	**5,162.16**	**8,763.50**	**11,700.77**
Profit / (Loss) B/F from Last Year	1,186.16	2,264.35	4471.38	8,412.03
Amount Available for Appropriation	4,353.45	7,426.51	13,234.88	20,112.80

Balance Sheet as at

	Mar 31, 2006	Mar 31, 2007	Mar 31, 2008	Mar 31, 2009
	Lakhs	Lakhs	Lakhs	Lakhs
Sources of Funds				
Shareholders Funds				
Share Capital				
Stock Options Outstanding	-	-	542.08	1,637.97
Equit Share Capital	2,710.00	3,910.00	4,115.50	4,585.68
Preference Share Capital	2,328.98	2,328.98	2,328.98	-
Optionally Convertible Warrants	-	560.00	232.20	2,700.00
Reserves & Surplus	6,335.04	28,096.77	37,761.03	62,050.59
Loan Funds				
Secured Loans	77,208.52	132,065.19	263,187.63	390,445.43
Unsecured Loans	9,601.46	20,423.13	37,343.78	41,831.33
Deferred Tax Liability (Net)	3,165.02	2,973.32	632.99	-
TOTAL	**101,349.02**	**190,357.39**	**346,144.19**	**503,251.00**
Application of Funds				
Fixed Assets				
Gross Block	7,111.30	7,224.79	7,100.42	7,918.90
Less: Depreciation & Impairment Loss	1,533.31	1,654.31	1,992.36	4,196.92
Net Block	5,577.99	5,570.48	5,108.06	3,721.98
Investments	664.03	664.03	604.98	606.45
Deferred tax assets (net)				313.05
Current Assets, Loans & Advances				
Current Assets	108,861.11	207,929.47	362,864.01	536,701.58
Loans & Advances	11,120.21	13,955.83	10,277.10	2,817.56
	119,981.32	221,885.30	373,141.11	539,519.14
Less: Current Liabilities & Provisions				
Current Liabilities	19,932.28	29,307.62	28,440.20	33,125.35
Provisions	4,945.85	8,456.93	4,269.76	7,784.27
Net Current Assets	95,103.19	184,120.75	340,431.15	498,609.52
Miscellaneous Expenditure	3.81	2.13		-
(to the extent not written off or adjusted)				
TOTAL	**101,349.02**	**190,357.39**	**346,144.19**	**503,251.00**

Other Financial Data

	Mar 31, 2006	Mar 31, 2007	Mar 31, 2008	Mar 31,2009
Dividend	30.00%	30.00%	40.00%	40.00%
Earning per Share (Basic) (Rs)	10.91	16.48	21.95	25.77
Return on Net Worth	35.03%	16.13%	20.93%	17.56%
Book Value per Share (Rs)	33.38	81.86	101.75	145.31

Notes:
(1) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.
(2) Return on Net worth = Profit after tax/Total Net worth.
(3) Book Value per Share = Net worth excluding preference shares/Number of equity shares outstanding at the end of the year.
(4) Figures have been regrouped/ rounded up or down to ensure appropriate disclosures.

x) Reasons for the fall/rise in the total income and Net Income :

FY 2005-2006: The Target Company has achieved increased lending volume. This has resulted in increase of the Total Income and Profit after tax.

FY 2006-2007: The Target Company has achieved increased lending volumes by concentrating on the high-potential areas on personal loans, jewel loans, vehicle financing and small business loans. This has resulted in increase of total income and profit after tax.

FY 2007-2008: The Target Company has achieved increased lending volume. This has resulted in increase in total income. The Target Company has also reduced its average cost of borrowing by availing loans at cheaper rates. Above factors have resulted in increase in profit after tax.

FY 2008-2009: The Target Company has achieved increased lending volume. This has resulted in increase of the Total Income and Profit after Tax

y) The Pre and Post- Offer shareholding pattern of the Target Company as on the date of Public Announcement is as follows:

Shareholders' category	Shareholding prior to the agreement/ acquisition and Offer (A)	Voting rights prior to the agreement/ acquisition and Offer (A)	Shares agreed to be acquired which triggered off the Regulations [1] (B)	Voting rights agreed to be acquired which triggered off the Regulations (B)	Shares to be acquired in the open Offer (Assuming full acceptances) (C)[2]	Voting rights to be acquired in the open Offer (Assuming full acceptances) (C)	Shareholding after the acquisition and Offer (A)+(B)+(C) = (D)	Voting rights after the acquisition and Offer (A)+(B)+(C) = (D)
(1) Promoter and Promoter Group								
(a) SRHPL (Party to the agreement)	5,441,700	11.9%	Nil	Nil				
(b) SEHPL (Party to the agreement)	17,921,462	39.1%						
(c) Promoters other than (a) and (b) above	-	-	-	-	10,785,500	23.5%	34,148,662	74.5%
Total 1 (a1+a2+b)	**23,363,162**	**51.0%**	**Nil**	**Nil**				
(2) TPG (PAC)	-	-	**Nil**	**Nil**				
Total 2	**-**	**-**	**Nil**	**Nil**				
Sub Total (1+2)	**23,363,162**	**51.0%**	**-**	**-**	**10,785,500**	**23.5%**	**34,148,662**	**74.5%**
(3) Parties to the agreement, other than (1) & (2)	-	-	-	-				
(4) Public Shareholding (other than parties to the agreement, acquirers & PAC)PACs)								
(a) Institutions	3,222,055	7.0%	-	-	(10,785,500)	(23.5%)	11,701,338	25.5%
(b) Non-Institutions	19,264,783	42.0%	-	-				
Total 4 (a+b)	**22,486,838**	**49.0%**	**-**	**-**	**(10,785,500)**	**(23.5%)**	**11,701,338**	**25.5%**
Grand Total (1+2+3+4)	**45,850,000**	**100.0%**	**-**	**-**	**-**	**-**	**45,850,000**	**100.0%**

(1) SRHPL/PAC is not directly acquiring any Shares of the Target Company.
(2) Open Offer size of 10,785,500 shares representing 20% of Fully Diluted Capital.
Note: All percentage shareholding figures computed based on Paid-up Capital.

z) As on June 30, 2009, there were 5,334 number of public shareholders of the Target Company

aa) Details of the outstanding convertible warrants of the Target Company as on the date of Public Announcement is as follows:

Date of Issue	Number of Warrants	%age of the Total Capital*	Exercise Price per Warrant (Rs.)	Exercise Period From The Date of Issue	Acquirer
Investor Warrants:					
14-May-08	1,250,000	2.9%	400	18 Months	Bessemer Venture Partners Trust
14-May-08	587,500	1.4%	400	18 Months	Asiabridge Fund I LLC
16-May-08	750,000	1.7%	400	18 Months	The Western India Trustee & Executor Company Limited - (India Advantage Fund VI)
16-May-08	662,500	1.5%	400	18 Months	Van Gogh Limited
Total	**3,250,000**				
SRHPL Warrants:					
16-May-08	3,500,000	7.9%	400	18 Months	SRHPL
Total	**3,500,000**				

**Total outstanding equity share capital at the close of the day of issue of warrants*

Applicable provisions of the SEBI (SAST) Regulations shall be complied with at the time of conversion of the above mentioned warrants.

bb) Details of the change in the shareholding of the promoters in the Target Company are given below:

Year	Acquirer / Seller	Shares Acquired/(Sold)	Total Holding of Promoters	Total Promoter Shareholding %	Change in Promoter Shareholding %	Status of Compliance with SEBI (SAST) Regulations
22.12.94	T Jayaraman	800	800	0.01	0.00	Not applicable
19.2.96	T Jayaraman	200	1,000	0.01	0.00	Not applicable
22.3.03	SCL	1,600	2,600	0.03	0.02	Not applicable
27.3.03	SCL	2,000	4,600	0.06	0.03	Not applicable
3.4.03	SCL	500	5,100	0.07	0.01	Not applicable
4.4.03	SCL	437	5,537	0.07	0.01	Not applicable
8.4.03	SCL	425	5,962	0.08	0.01	Not applicable
26.4.03	SCL	18,000	23,962	0.32	0.24	Not applicable
3.5.03	SCL	7,500	31,462	0.42	0.10	Not applicable
6.5.03	SCL	16,500	47,962	0.64	0.22	Not applicable
7.5.03	SCL	8,000	55,962	0.75	0.11	Not applicable
13.5.03	SCL	6,125	62,087	0.83	0.08	Not applicable
24.5.03	SCL	(5,000)	57,087	0.76	(0.07)	Not applicable
28.5.03	SCL	1,900	58,987	0.79	0.03	Not applicable
7.6.03	SCL	5,000	63,987	0.85	0.07	Not applicable
20.6.03	SCL	(42,555)	21,432	0.29	(0.57)	Not applicable
4.7.03	SCL	10,500	31,932	0.43	0.14	Not applicable
8.7.03	SCL	8,500	40,432	0.54	0.11	Not applicable
12.9.03	SCL	19,600,000	19,640,432	72.47	72.32	Complied with
27.2.04	SCL	202,030	19,842,462	73.22	0.75	Not applicable since acquired through open offer

Year	Acquirer / Sellor	Shares Acquired/(Sold)	Total Holding of Promoters	Total Promoter Shareholding %	Change in Promoter Shareholding %	Status of Compliance with SEBI (SAST) Regulations
30.3.06	SCL	(2,400,000)	17,442,462	64.36	(8.86)	Complied with
31.3.06	SCL	(11,621,462)	5,821,000	21.48	(42.88)	Complied with
31.3.06	SCL	(400,000)	5,421,000	20.00	(1.48)	Complied with
30.3.06	SEHPL	2,400,000	7,821,000	28.86	8.86	Complied with
31.3.06	SEHPL	12,021,462	19,842,462	73.22	44.36	Complied with
20.3.08	SEHPL	2,055,000	21,897,462	53.21	4.99	Complied with
13.6.08	SCL	(5,420,000)	16,477,462	37.11	(12.21)	Complied with
13.6.08	SRHPL	5,420,000	21,897,462	49.31	12.21	Complied with
17.6.08	SRHPL	21,700	21,919,162	49.36	0.05	Complied with
17.6.08	T Jayaraman	(1,000)	21,918,162	49.36	(0.00)	Complied with
27.6.08	SEHPL	1,445,000	23,363,162	50.96	3.15	Complied with

cc) The Target Company has not received any directions from SEBI under Section 11B of the SEBI Act, prohibiting them from dealing in securities or under any of the Regulations made under the SEBI Act.

dd) The details regarding the corporate governance norms for the Target Company are as follows:

Particulars	Listing Agreement Clause
Board of Directors	49 I
Audit Committee	49 II
Shareholders / Investors Grievance Committee	49 VI (C)
Remuneration of Directors	49 III
Board Procedures	49 IV
Management	49 V
Shareholders	49 VII
Report on Corporate Governance	49 VII

The Target Company has complied with all of the above clauses.

ee) Contingent Liabilities not provided:

Issue	Amount
Guarantees outstanding	Rs.6.81 Lakhs

ff) Summary of major outstanding litigations :

Legal Case Title	Case Description	Present Status
Disputed Income Tax	Disallowances of additional finance charges, bad debts and statutory reserve by Income tax officer – Rs.1603.12 Lakhs	Pending before ITAT/CIT for various assessment years
Disputed Service Tax	Service tax on hire purchase/lease transactions- Rs 1,553.08 lakhs	The company has obtained stay from Madras High Court through Hire Purchase Association.

gg) Except as mentioned below, no penalty has been levied by SEBI or any other regulatory body or any other authority in India or abroad:

i. There was a delay in filing under Regulation 7 (3) of the SEBI (SAST) Regulations by the Target Company in 1999. The Target Company had submitted to SEBI to condone the delay and accordingly vide letter no. SRO /ADJ/EIF/2002/1 / 3641 dated 30th June 2004, SEBI had passed an order levying a penalty of Rs. 25,000/- for violation of Regulation 7(3) and the said sum was duly paid by the Target Company on 7th July 2004.

ii. There was a delay in filing under Regulation 8 (3) of the SEBI (SAST) Regulations by the Target Company in 1997 which was regularized by the Target Company under the SEBI Regularisation Scheme in the year 2003. The same was also intimated to SEBI. However, vide letter no. SRO /ADJ/EIF/2002/1 / 3641 dated 30th June 2004, SEBI had intimated the Target Company that proceedings in respect of this delay were dropped.

iii. SEBI has vide letter dated 16/11/04 cited violation of regulation 8 (3) of SEBI (SAST) Regulations for record date for 2001 and sought for penalty of Rs.25,000/-. The Company has replied vide its letter dated 16/12/2004 explaining its case.

hh) The compliance officer of the Target Company is:

Mr. Chitta Ranjan Dash,

Company Secretary & Compliance Officer

Tel: 91-44-24990356/91-44-24990960

Fax: 91-44-24993272

e-mail: sect@shriramcity.in

9 OFFER PRICE AND FINANCIAL ARRANGEMENTS

a) JUSTIFICATION OF OFFER PRICE

i. The Shares are listed on the BSE, the NSE and the MSE. Based on the information available, the Shares are frequently traded on the BSE (*Source: www.bseindia.com*) and NSE (*Source www.nseindia.com*) and are infrequently traded on MSE *(Source: letter dated September 12, 2008 from MSE)* within the meaning of explanation (i) to Regulation 20 (5) of the SEBI (SAST) Regulations. Moreover, for the purpose of Regulation 20 (4) of the SEBI (SAST) Regulations, the Shares are most frequently traded on the BSE.

ii. The annualised trading turnover during the preceding six months in each of the Stock Exchanges is detailed below:

Date	Name of Stock Exchange	Total number of shares traded during the preceding six calendar months	Total number of listed shares	Weighted number of listed shares	Annualised trading turnover (in terms of % of weighted number of listed shares)	Trading Status in terms of SEBI (SAST) Regulations
March 1, 2008 to August 31, 2008	NSE	1,559,854	45,850,000	43,375,246	7.19%	Frequently traded
March 1, 2008 to August 31, 2008	BSE	10,145,861	45,850,000	43,375,246	46.78%	Frequently traded
March 1, 2008 to August 31, 2008	MSE	Nil	45,850,000	43,375,246	Nil	In-frequently traded

(Source: www.bseindia.com, www.nseindia.com, Letter from MSE dated September 12, 2008)

iii. The Offer Price of Rs. 400.00 (Rupees Four Hundred Only) is justified in terms of Regulations 20 (4) and 20 (5) of the SEBI (SAST) Regulations being higher than the parameters set out below:

			Rs. / Share
A)	Negotiated Price: Neither SRHPL nor the PAC is directly acquiring any Shares of the Target Company under the SSA.		Not Applicable*
B)	The highest price paid by SRHPL for acquisition of Shares of the Target Company during the 26 week period prior to the date of the PA.		379.0
C)	Higher of (i) or (ii) below:		
	Share price data of the Target Company on BSE, where it is most frequently traded, is as under:		
	i)	the average of the weekly high and low of the closing prices of the Shares of the Target Company during the 26 weeks preceding the date of the PA.	367.99
	ii)	The average of the daily high and low of the closing prices of the Shares of the Target Company during the 2 weeks preceding the date of the PA.	365.54
D)	The following financial parameters of the Target Company based on the audited financials for the year ended March 31, 2008:		
	Return on Net-worth		20.93%
	Book Value Per equity share		101.75
	Earnings per Share		21.95
	P/E multiple (based on the Offer Price)		18.22
	Industry P/E multiple		20.4

*(Source: Capital Market dated September 08 – 21, 2008; Industry: Finance & Investments. **Note:** The industry P/E multiple is not comparable as the basket of companies therein include investment companies, financing companies and other financial services companies.)*

** In terms of the SSA, there is no negotiated price for the shares of the Target Company. However, as directed by SEBI, the implied price paid by TPG for each share of the Target Company has been computed which is Rs. 399.99 per share. Such implied price has been determined on the assumption that the negotiated price of Rs. 2,388.80 per Share of SRHPL is reflective of the shares held by SRHPL, directly and indirectly in the Target Company after appropriate adjustments with regard to the value of other assets and liabilities of SRHPL and SEHPL.*

Further, as provided in the SSA, the exercise price payable by TPG upon conversion of the Investor Warrants shall be utilized by SRHPL inter-alia to fund the acquisition of Shares under the Offer and to repay existing debts in SRHPL and / or SEHPL. At the time of conversion of Investor Warrants, TPG will bring in cash in SRHPL against which TPG will be issued shares of SRHPL and there will be no impact on the value of the direct and indirect investment in the Target Company in the books of SRHPL. Accordingly, the conversion of Investor Warrants will not have any impact on the implied price of shares of the Target Company which will continue to remain at Rs. 399.99 per Share

iv. 26 weeks weekly high/low data on BSE (most frequently traded Stock Exchange)

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	Friday, September 12, 2008	370.00	369.80	369.90	9,608
2	Friday, September 05, 2008	370.25	370.00	370.13	12,698
3	Friday, August 29, 2008	373.60	369.50	371.55	12,266
4	Friday, August 22, 2008	375.00	371.25	373.13	13,820
5	Thursday, August 14, 2008	375.90	374.10	375.00	15,677
6	Friday, August 08, 2008	380.00	374.95	377.48	27,453
7	Friday, August 01, 2008	380.00	370.00	375.00	17,105
8	Friday, July 25, 2008	382.15	367.25	374.70	45,360
9	Friday, July 18, 2008	379.80	350.80	365.30	58,245
10	Friday, July 11, 2008	379.00	367.55	373.28	27,754
11	Friday, July 04, 2008	379.10	339.85	359.48	34,494
12	Friday, June 27, 2008	354.35	340.00	347.18	43,793
13	Friday, June 20, 2008	367.25	347.00	357.13	6,959
14	Friday, June 13, 2008	380.00	364.90	372.45	5,432,242
15	Friday, June 06, 2008	383.00	358.00	370.50	779,214
16	Friday, May 30, 2008	367.20	357.00	362.10	436
17	Friday, May 23, 2008	383.80	364.40	374.10	301,165
18	Friday, May 16, 2008	385.00	376.00	380.50	2,207,881
19	Friday, May 09, 2008	375.00	364.35	369.68	1,005,615
20	Friday, May 02, 2008	379.00	374.95	376.98	18,830
21	Friday, April 25, 2008	379.95	365.90	372.93	7,021
22	Thursday, April 17, 2008	378.00	372.00	375.00	1,195
23	Friday, April 11, 2008	383.00	370.00	376.50	3,801
24	Friday, April 04, 2008	377.45	352.95	365.20	13,190
25	Friday, March 28, 2008	355.00	333.25	344.13	22,022
26	Wednesday, March 19, 2008	355.75	321.00	338.38	28,317
			26 week Avg.	**367.99**	

(Source: www.bseindia.com)

2 weeks daily high/low data on BSE (most frequently traded Stock Exchange)

Day no.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	Friday, September 12, 2008	370.00	368.50	369.25	1,177.00
2	Thursday, September 11, 2008	370.00	369.95	369.98	504.00
3	Wednesday, September 10, 2008	370.00	357.30	363.65	1,600.00
4	Tuesday, September 09, 2008	370.00	365.00	367.50	4,008.00
5	Monday, September 08, 2008	371.00	360.00	365.50	2,319.00
6	Friday, September 05, 2008	370.00	369.00	369.50	1,000.00
7	Thursday, September 04, 2008	370.00	323.00	346.50	1,389.00
8	Tuesday, September 02, 2008	370.00	365.00	367.50	1,205.00
9	Monday, September 01, 2008	371.00	369.95	370.48	9,104.00
			Average	**365.54**	

(Source: www.bseindia.com)

v. 26 weeks weekly high/low data on NSE

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	Friday, September 12, 2008	370.00	368.00	369.00	10,116
2	Friday, September 05, 2008	370.25	368.00	369.13	30,093
3	Friday, August 29, 2008	374.70	369.00	371.85	19,818
4	Friday, August 22, 2008	374.95	372.85	373.90	11,606
5	Thursday, August 14, 2008	375.50	374.15	374.83	33,870
6	Friday, August 08, 2008	380.00	374.90	377.45	71,328
7	Friday, August 01, 2008	380.75	374.60	377.68	52,674
8	Friday, July 25, 2008	381.25	371.25	376.25	318,410
9	Friday, July 18, 2008	380.40	362.00	371.20	268,925
10	Friday, July 11, 2008	380.15	369.80	374.98	91,584
11	Friday, July 04, 2008	378.05	343.20	360.63	164,694
12	Friday, June 27, 2008	354.10	340.20	347.15	101,556
13	Friday, June 20, 2008	369.35	353.65	361.50	44,775
14	Friday, June 13, 2008	381.25	367.85	374.55	10,391
15	Friday, June 06, 2008	383.85	362.00	372.93	20,785
16	Friday, May 30, 2008	370.65	349.60	360.13	12,433
17	Friday, May 23, 2008	381.90	365.50	373.70	3,847
18	Friday, May 16, 2008	387.10	361.00	374.05	17,829
19	Friday, May 09, 2008	375.95	358.55	367.25	14,330
20	Friday, May 02, 2008	380.45	375.80	378.13	8,300
21	Friday, April 25, 2008	382.00	375.00	378.50	25,700
22	Thursday, April 17, 2008	381.10	379.05	380.08	8,688
23	Friday, April 11, 2008	382.00	372.00	377.00	9,753
24	Friday, April 04, 2008	377.00	357.35	367.18	46,433
25	Friday, March 28, 2008	359.15	346.70	352.93	43,713
26	Wednesday, March 19, 2008	356.80	317.75	337.28	47,029
			26 week Avg.	**371.10**	

(Source: www.nseindia.com)

vi. 2 weeks daily high/low data on NSE

Day no.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	Friday, September 12, 2008	368.00	368.00	368.00	73
2	Thursday, September 11, 2008	369.80	366.25	368.03	645
3	Wednesday, September 10, 2008	370.00	365.50	367.75	1780
4	Tuesday, September 09, 2008	370.00	365.30	367.65	4216
5	Monday, September 08, 2008	372.90	367.00	369.95	3402
6	Friday, September 05, 2008	369.00	368.00	368.50	1050
7	Thursday, September 04, 2008	370.00	363.25	366.63	1872
8	Tuesday, September 02, 2008	372.90	365.60	369.25	8828
9	Monday, September 01, 2008	372.00	369.00	370.50	18343
			Average	368.47	

(Source: www.nseindia.com)

vii. On the basis of the above the Offer Price of Rs 400 per fully paid-up equity share is justified in terms of Regulation 20 (11) of the SEBI (SAST) Regulations.

viii. During the Offer period and in terms of the SSA, SRHPL/PAC have agreed not to purchase any additional Shares other than the Shares acquired pursuant to the transactions contemplated under the SSA. In the event that the SRHPL/PAC purchase any additional Shares during the Offer Period, in accordance with Regulation 20(7) of the SEBI (SAST) Regulations, such purchase shall be disclosed to the stock exchanges where the Shares are listed and to the Manager to the Offer in accordance with Regulation 22(17) of the SEBI (SAST) Regulations. Provided that in terms of Regulation 20(7) of the SEBI (SAST) Regulations, no such acquisitions shall be made during the last seven (7) working days prior to the closure of the Offer.

ix. If SRHPL/PAC acquires Shares after the date of PA and upto 7 (seven) working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

x. There is no arrangement between SRHPL/PAC and the Target Company for payment of non-compete fees.

xi. The Shares will be acquired by SHRPL/PAC free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

b) FINANCIAL ARRANGEMENTS

i. To meet the obligations under Regulation 29 of the SEBI (SAST) Regulations for funding the Maximum Consideration, SRHPL / PAC have provided bank guarantees and cash deposit, the details of which are given below.

ii. TPG, one of the PAC, has provided the TPG Bank Guarantee for an amount of Rs. 2,113,958,000 (Rupees Two Thousand One Hundred and Thirteen Million Nine Hundred and Fifty Eight Thousand) issued by Bank of America NA having branch at Express Towers, Nariman Point, Mumbai 400 020). SRHPL has also provided the SRHPL Bank Guarantee for an amount of Rs. 2,201,000,000 (Rupees Two Thousand Two Hundred and One Million) issued by Standard Chartered Bank having branch at 90, Mahatma Gandhi Road, Fort, Mumbai 400 001. The Bank Guarantees have been issued in favor of the Manager to the Offer for an aggregate value of Rs. 4,314,958,000 which represents over 100% of the Maximum Consideration and the Manager to the Offer has been authorized to realize the value of the Bank Guarantees. Additionally, SRHPL has also deposited the Cash Deposit, being 1% of the Maximum Consideration in the Escrow Account opened with the Escrow Agent having branch at Standard Chartered Bank, 90, Mahatma Gandhi Road, Fort, Mumbai 400 001. The Manager to the Offer has been authorized to realize the value of the Cash Deposit in terms of the Escrow Agreement. Further subsequent to the date of the Public Announcement and in accordance with the terms of the Escrow Agreement, SRHPL has increased the value of the Cash Deposit by making the Additional Cash Deposit, which Additional Cash Deposit is more than the amount of the SRHPL Bank Guarantee. The Manager to the Offer has been authorized to realize the value of the Additional Cash Deposit and accordingly upon such Additional Cash Deposit having been deposited in the Escrow Account, the SRHPL Bank Guarantee has been returned by the Manager to the Offer and stands cancelled. The TPG Bank Guarantee is valid for a period of at least 30 days after the closure of the Offer.

iii. In light of the Cash Deposit, the TPG Bank Guarantee and the Additional Cash Deposit the Manager to the Offer is satisfied about the ability of SRHPL / PAC to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

10 TERMS AND CONDITIONS OF THE OFFER

a) STATUTORY APPROVALS REQUIRED FOR THE OFFER

i. The application for the FIPB Approval was made on September 22, 2008. The application for the RBI Approval was filed on October 13, 2008.

ii. The Acquirer and PAC have received the necessary approvals from FIPB vide its letter with reference no. FC.II:296(2008)/292(2008) dated December 15, 2008 and from RBI vide its letter with reference no. FE CO FID/24640/10.21.133/2008-09 dated March 13, 2009

iii. Besides the above, no other statutory approval is required to acquire Shares tendered pursuant to this Offer. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. In terms of Regulation 27 of SEBI (SAST) Regulations, SRHPL / PAC will not proceed with the Offer in the event that such statutory approvals are refused.

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

v. SRHPL/PAC do not require any approvals from financial institutions or banks for the Offer.

b) LOCKED IN SHARES

The Manger to the Offer shall ensure that there is no discrimination in the acceptance of locked-in and non-locked in Shares. The locked-in Shares shall be transferred to SRHPL/PAC subject to the continuation of the residual lock-in period in the hands of SRHPL/PAC.

c) ELIGIBILITY FOR ACCEPTING THE OFFER

(i) The Letter of Offer together with the Form of Acceptance Cum Acknowledgement will be mailed to all Shareholders (except the parties to the SSA), whose names appear on the register of members of the Target Company and to the beneficial owners of the Shares in dematerialized form, whose names appear as beneficiaries on the records of the respective depositories, in either case, at the close of business on the Specified Date.

(ii) All Shareholders other than SRHPL/PAC and the PDAC, whose names appear in the register of Shareholders on the Specified Date and also persons who own Shares any time prior to the closure of the Offer, whether or not they are registered Shareholders, are eligible to participate in the Offer anytime before the closure of the Offer.

(iii) The acceptance of the Offer is entirely at the discretion of the Shareholders and each Shareholder to whom the Offer is being made, is free to offer his shareholding in the Target Company, in whole or in part while accepting the Offer. SRHPL/PAC will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.

(iv) Shares that are subject to any charge, lien or encumbrance are liable to be rejected. Applications in respect of Shares that are subject matter of litigation wherein the Shareholders may be prohibited from transferring the Shares during the pendency of the said litigation are liable to be rejected if the directions / orders permitting transfer of these Shares are not received together with the Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

d) OTHERS

i. Accidental omission to dispatch this Letter of Offer or any further communication to any person to whom this Letter of Offer is or should be made or the non-receipt of this Letter of Offer by any such person shall not invalidate the Offer in any way.

ii. The instructions, authorisations and provisions contained in the Form of Acceptance cum Acknowledgement and Form of Withdrawal constitute an integral part of the terms of the Offer.

iii. Barring unforeseen circumstances and factors beyond their control, SRHPL intends to complete all formalities pertaining to the purchase of the Shares, including dispatch payment of consideration to the Shareholders who have accepted the Offer, by September 30, 2009.

11 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

(i) Shareholders who wish to tender their Shares held in physical form will be required to send the Form of Acceptance Cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer – Karvy Computershare Private Limited, Address: Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034. Tel: (91) - 40-23420815-23. Fax: (91) - 40-23431551. E-mail: murali@karvy.com. Contact Person: Mr. M. Murali Krishna ("Registrar") either by hand delivery on weekdays or by Registered Post, on or before the close of the Offer, i.e. no later than September 15, 2009, so as to reach the Registrar on or before the close of business hours, i.e. no later than 4:00 pm in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement. Holders of Shares in physical form should also send the following documents along with the Form of Acceptance cum Acknowledgement:

a) Registered Shareholders should enclose:

(i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appear in the Register of Shareholders and as per the specimen signature lodged with the Target Company;

(ii) Original Share certificate(s);

(iii) Valid Share transfer deed(s) duly signed as transferor(s) by the sole/joint Shareholders(s) in the same order as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures as mentioned above. Attestation, where required (thumb impressions, signature differences, 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 their seal of office and membership number or manager of the transferor's bank. A blank share transfer form is enclosed along with this Letter of Offer.

In case of registered Shareholders, the Offer shall be deemed to be accepted upon receipt of the Share certificates and the duly completed transfer deed despite non receipt of the aforesaid documents. Notwithstanding that the signature(s) of the transferor(s) has/have 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 Shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such Shares.

b) Unregistered owners of Shares should enclose :

(i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein;

(ii) Original Share certificate(s):

(iii) Original broker contract note;

(iv) Valid Share transfer deed(s) as received from the market. The details of buyer should be left blank failed which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signature(s) will be preconditions for acceptance.

(v) The acknowledgement received, if any, from the Target Company in case the Shares have been lodged with the Target Company.

(ii) The Registrar has opened a special depository account with DSPML at the NSDL, called **"SCUF Open Offer Escrow A/c".** The **DP ID is IN302638** and **the Client ID is 10049122**. Shareholders having their beneficiary account in CDSL have to use the inter-depository delivery instruction slip for the purpose of crediting their Shares in favor of the special depository account with NSDL.

(iii) The beneficial owners (holders of Shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance Cum Acknowledgement duly signed with the instructions contained therein by sole/joint Shareholders whose names appear in the beneficiary account and in the same order therein, along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the beneficial owners' depository participant, in favour of the Special Depository Account to the Registrar, either by hand delivery on weekdays or by Registered Post, so as to reach on or before the close of the Offer, i.e., no later than September 15, 2009, so as to reach the Registrar on or before the close of business hours, i.e. no later than 4:00 pm in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement. The credit for the delivered Shares should be received in the special depository account on or before close of the Offer, i.e., no later than September 15, 2009.The holders of the ESOPs who wish to avail of this Offer would need to exercise the ESOPs, if possible, and tender the resulting Shares in this Offer.

(iv) In addition to the above-mentioned address, the Shareholders who wish to avail of and accept the Offer can also deliver the Form of Acceptance Cum Acknowledgement along with all the relevant documents at any of the collection centres below in accordance with the procedure as set out in the Letter of Offer on or before close of the Offer, i.e., no later than September 15, 2009. All the centres mentioned herein below would be open as follows:

Timings:

Weekdays: 10.00 A.M. to 4.00 P.M.

Saturdays: 10.00 A.M. to 1.00 P.M.

Sr. No.	Centre	Address	Contact Person	Tel. No.	Fax. No,	Mode Of Delivery
1	Mumbai	Karvy Computershare. Pvt Ltd., 16-22 Bake House, Maharashtra Chamber. Of Commerce. Lane, Opp. MSC Bank, Fort Mumbai – 400 023	Ms. Varija Salian/Ms. Nutan shirke ircfort@karvy.com	022-66382666	022-66331135	Hand Delivery
2	New Delhi	Karvy Computershare. Pvt Ltd. 105/108,Arunachal Blad,19, Barakhamba road NewDelhi-110001	Mr. Rakesh Jamwal/John mathhew rakeshj@karvy.com jmathew@karvy.com	011-43509200	011-41036370	Hand Delivery
3	Ahmedabad	Karvy Computershare. Pvt Ltd. 201-203, Shail, Opp: Madhusudhan House Behind Girish Cold Drinks Off C G Road Ahmedabad ~ 380 006	Mr.Aditya Gupta/ Robert Joeboy /Jagruthi ahmedabad@karvy.com robert.joeboy@karvy.com	079-26400527/ 66614772	079-26565551	Hand Delivery
4	Chennai	Karvy Computershare. Pvt Ltd. No. 33/1, Venkatraman Street, T.Nagar, Chennai – 600017.	Mr. Gunashekhar/Rama krishna chennaiirc@karvy.com	044 – 28151793/ 1794	044-28153181	Hand Delivery
5	Hyderabad	Karvy Computershare. Pvt Ltd. Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081	Ms. Rinki Sareen ircmadhapur@karvy.com	040-23420818	040-23431551	Hand Delivery/ Regd Post
6	Kolkata	Karvy Computershare. Pvt Ltd. 49, Jatin Das Road, Nr.Deshpriya Park, Kolkatta 700 029	Mr. Sujit Kundu/ Mr. Debnath sujitkundu@karvy.com nilkanta@karvy.com	033-24644891	033-24644866	Hand Delivery
7	Bangalore	Karvy Computershare. Pvt Ltd. No.59, Skanda, Putana Road, Basavanagudi Bangalore 560 004	Mr.Kumaraswamy/V. Sudha ircbangalore@karvy.com	080-26621192	080-26621169	Hand Delivery

- All owners (registered or unregistered) of Shares (except the parties to the SSA) are eligible to participate in the Offer anytime before the closure of the Offer. Unregistered owners can send their application in writing to the Registrar on a plain paper stating the Name, Address, number of Shares held, number of Shares offered, Distinctive numbers, Folio number, together with the original share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their Shares. No indemnity is required from the unregistered owners. Unregistered owners, if they so desire, may also apply in the Form of Acceptance downloadable from SEBI's website (www.sebi.gov.in). If the signature of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, Shares tendered by such transferors are liable to rejected under the Offer even if the Offer has been accepted by a bona fide owner of such Shares.In case of non-receipt of the Letter of Offer due to accidental omission, the eligible persons may send their consent to the Registrar, on a plain paper stating the Name, Address, number of Shares held, Distinctive numbers, Folio number, number of Shares offered along with documents as mentioned above so as to reach the Registrar on or before the close of the Offer, i.e. no later than September 15, 2009, or in case of beneficial owners, they may send the application in writing to the Registrar, on a plain paper stating the name, address, number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar, on or before the close of the Offer, i.e. no later than September 15, 2009. Shareholders holding Shares in physical form should also send original Share certificate(s) and valid transfer deeds. Shareholders holding Shares in physical form who have lodged their Shares for transfer with the Target Company must also send the acknowledgement received, if any from the Target Company towards such lodging of Shares. Shareholders participating in the Offer should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of 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 deceased;
  - duly attested Power of Attorney if any person apart from the Shareholder has signed the application form and/or transfer deed(s);
  - no objection certificates from the charge holder/ lender, if the Shares in respect of which the application is sent, are under any charge, lien or encumbrance;

— in case of companies, the necessary corporate authorisation (including Board Resolutions);

— any other relevant documentation.

(v) Duly executed Form(s) of Acceptance along with share certificate(s) and share transfer form(s) should be sent only to the Registrar to the Offer and not to the Manager to the Offer, or SRHPL/PAC.

(vi) Payment of consideration will be made by crossed account payee cheques/ demand drafts to those Shareholders whose share certificates and other documents are found in order and accepted by SRHPL. The cheques / demand drafts will be made payable at par at any one of the collection centres mentioned herein above. All cheques /demand drafts will be drawn in the name of the first holder, in case of joint registered holders. In case of the extension of time for payment of consideration and payment of interest, please refer to Paragraph 140) hereinabove.

(vii) In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, Shareholders desirous of withdrawing the acceptance tendered by them in the Offer may do so up to three (3) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before September 10, 2009.

(viii) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer. Shareholders should enclose the following:

a. For Shares held in demat form:

(i) Duly signed and completed Form of Withdrawal. The signature(s) should be attested by the DP.

(ii) Acknowledgement slip in original/Copy of the submitted Form of Acceptance cum Acknowledgement submitted by registered post.

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

b. For Shares held in physical form:

Registered Shareholders should enclose:

(i) Duly signed and completed Form of Withdrawal.

(ii) Acknowledgement slip in original/Copy of the submitted Form of Acceptance cum Acknowledgement submitted by registered post.

(iii) In case of partial withdrawal, valid Share transfer form(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place.

Unregistered owners should enclose:

(i) Duly signed and completed Form of Withdrawal,

(ii) Acknowledgement slip in original/Copy of the submitted Form of Acceptance cum Acknowledgement submitted by registered post.

(ix) In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:

(a) In case of physical Shares: Name, Address, Distinctive numbers, Folio number, number of Shares tendered; and

(b) In case of dematerialised Shares: Name, Address, number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the special depository account.

(x) The withdrawal of Shares will be available only for the Share certificates/Shares that have been received by the Registrar to the Offer. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company /Depository as the case may be. **The Form of Withdrawal should be sent only to the Registrars to the Offer.** In case of partial withdrawal of Shares tendered in physical form by the registered Shareholder, if the original Share certificates are required to be split, the same will be returned on receipt of Share certificates from the Target

Company. Partial withdrawal of tendered Shares can be done only by the registered Shareholders/beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

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

(xii) If the aggregate of the valid responses to the Offer exceeds the Offer size of 10,785,500 Shares, then SRHPL / PAC shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The Shares are compulsorily traded in dematerialized form; hence minimum acceptance will be one Share.

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

(xiv) Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting their Shares dematerialized is completed well in time so that the credit in the special depository account is received on or before the date of closure of the Offer, i.e., no later than September 15, 2009, else their application will be rejected.

(xv) While tendering their Shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit the previous RBI approvals (specific or general) that they would have obtained for acquiring the Shares. In the event that the previous RBI approvals are not submitted, SRHPL / PAC reserve the right to reject such Shares tendered.

(xvi) While tendering their Shares under the Offer, NRIs, OCBs and other non-resident Shareholders will be required to submit a No Objection Certificate or Tax Clearance Certificate ("TCC") or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by SRHPL / PAC before remitting the consideration, failing which SRHPL / PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

As per the provisions of Section 196D (2) of the income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD of the Income Tax Act, 1961 to a Foreign Institutional Investor as defined in Section 115AD of the Income Tax Act, 1961. However the interest payment for delay in payment of consideration, if any, will not be governed by this provision. For interest payments, if any, NRIs, OCBs and other non-resident shareholders will be required to submit a No Objection Certificate or TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by SRHPL / PAC before remitting the consideration, failing which SRHPL / PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

Shareholders are advised to consult their tax advisors for their taxability or any other procedural aspects including the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. SRHPL/PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

(xvii) In case of resident Shareholders, tax will be deducted on the interest component exceeding Rs. 5000/- at the applicable current prevailing rates. If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholders will be required to submit a No Objection Certificate or TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by SRHPL / PAC or a self-declaration in form 15G of Form 15H as may be applicable. Shareholders eligible to receive interest component exceeding Rs. 5000/- would be required to submit their Permanent Account Number for Income Tax purposes. Clauses relating to payment of interest will become applicable only if SRHPL / PAC become liable to pay interest for delay in release of purchase consideration.

(xviii) Payment to those shareholders whose share certificates and / or other documents are found valid and in order and are approved by the Acquirer will be through Electronic Mode as detailed below or by way of a crossed account payee cheque / demand draft / pay order. The decision regarding the acquisition (in part or full), or rejection of, the Shares tendered pursuant to this Offer and (i) any corresponding payment for the acquired Shares and / or (ii) share certificates for any rejected Shares or Shares withdrawn, will be dispatched to the shareholders by registered post/speed post or by ordinary post as the case may be*, at the shareholder's sole risk. Shares held in dematerialized form to the extent not acquired or Shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum- Acknowledgement.

**Dispatches involving payment of a value in excess of Rs. 1,500/- will be made by registered post/speed post at the shareholder's sole risk. All other dispatches will be made by ordinary post at the shareholder's sole risk.*

(xix) Payment of Consideration through Electronic Mode:

Credit for the consideration will be paid to the shareholders who have tendered Shares in the Offer by Electronic Mode or crossed account payee cheques / pay orders/ demand drafts.

The payment of consideration, if any, would be done through various modes as given hereunder:

(a) **ECS**: Payment of consideration would be done through ECS for applicants having an account at the following 15 cities which have ECS centres managed by the Reserve Bank of India:

▪ Ahmedabad	▪ Kanpur
▪ Bangalore	▪ Kolkata
▪ Bhubneshwar	▪ Mumbai
▪ Chandigarh	▪ Nagpur
▪ Chennai	▪ New Delhi
▪ Guwahati	▪ Patna
▪ Hyderabad	▪ Thiruvananthapuram
▪ Jaipur	▪ Kanpur

This mode of payment of consideration would be subject to availability of complete bank account details in the Form of Acceptance-cum-Acknowledgement.

(b) **Direct Credit**: Applicants having bank accounts with the same bank through which payment consideration shall be made shall also be eligible to receive consideration through direct credit in their respective bank accounts as mentioned in the Form of Acceptance-cum-Acknowledgement.

(c) **RTGS**: Applicants having a bank account at any of the above mentioned centres and whose payment consideration exceeds Rs. 1 lakh, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive consideration through RTGS are required to provide the Indian Financial System Code ("**IFSC**") code in the Form of Acceptance-cum-Acknowledgement. In the event the same is not provided, payment consideration shall be made through other electronic modes or by cheques, pay orders or demand drafts payable.

(d) **NEFT**: Payment of consideration shall be undertaken through NEFT wherever the shareholders bank has been assigned the IFSC, which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the shareholder has registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the applicants through this method. The process flow in respect of consideration by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

(e) For all other applicants, including those applicants whose payment consideration is not credited by ECS / Direct credit due to technical errors or incomplete / incorrect bank account details, payment consideration will be dispatched by registered post/speed post or by ordinary post as the case may be*, at the shareholder's sole risk. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.

*Dispatches involving payment of a value in excess of Rs. 1,500/- will be made by registered post/speed post at the shareholder's sole risk. All other dispatches will be made by ordinary post at the shareholder's sole risk.

In case payment consideration is rejected through the ECS / Direct credit facility, the Registrar to the Offer would endeavor to dispatch the payment consideration within three (3) working days of such rejection.

The bank account details for ECS / Direct Credit / RTGS / NEFT will be directly taken from the depositories' database or from the details as mentioned by the shareholders in the Form of Acceptance-cum-Acknowledgement.

(xx) All cheques / demand drafts / pay orders will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the cheque / demand draft / pay order.

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

Activity	**Original Schedule**	**Revised Schedule**
	Day & Date	**Day & Date**
PA Date	Monday, September 15,2008	Monday, September 15, 2008
Specified Date *	Tuesday, September 30, 2008	Tuesday, September 30, 2008
Last date for a competitive bid	Sunday, October 05, 2008	Sunday, October 05, 2008
Date by which Letter of Offer to be dispatched to shareholders	Tuesday, October 28, 2008	Saturday, August 22, 2009
Date of opening of the Offer	Saturday, November 08, 2008	Thursday, August 27, 2009
Last date for revising the Offer Price	Tuesday, November 18, 2008	Friday, September 04, 2009
Last date for withdrawing acceptance from the Offer	Monday, November 24, 2008	Thursday, September 10, 2009
Date of closing of the Offer	Thursday, November 27, 2008	Tuesday, September 15, 2009
Last date of communicating rejection/acceptance and payment of consideration for accepted tenders	Thursday, December 11, 2008	Wednesday, September 30, 2009

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

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

(xxiii) The Offer Price may be revised upwards up to seven days prior to the closure of the Offer. In the event that there is any upward revision in the Offer Price till the last date of revision viz. September 04, 2009 or withdrawal of the Offer, the same will be informed by way of a public announcement in the same newspapers in which the PA appeared. SRHPL / PAC would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer.

(xxiv) If there is a competitive bid:

a) The public offers under all the subsisting bids shall close on the same date.

b) ***As the Offer Price cannot be revised during the seven (7) working days period prior to the Closing date of the Offers / bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.***

12 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer, DSP Merrill Lynch Limited, from 1100 hours to 1300 hours on any day, except Saturdays, Sundays and Holidays, until the Offer closure:

a) Certificate of Incorporation of SRHPL, SCL, SEHPL, TPG & TPG Asia;

b) Memorandum and Articles of Association of SRHPL, SCL, SEHPL, TPG & TPG Asia;

c) Audited financial accounts of SRHPL for four years ended March 31, 2006, 2007, 2008 & 2009;

d) Audited financial accounts of SCL for three years ended March 31, 2006, 2007 & 2008 and provisional (un-audited) for the nine months ended December, 2008;

e) Audited financial accounts of SEHPL for four years ended March 31, 2006, 2007, 2008 & 2009;

f) Audited financial accounts of TPG India for the period ended December 31, 2008 and un-audited for the period ended March 31, 2009

g) Audited financial accounts of TPG Asia for the period ended December 31, 2007, December 31, 2008 and un-audited for the period ended March 31, 2009;

h) Copy of the SSA;

i) Memorandum and Articles of Association of the Target Company;

j) Audited financial accounts of the Target Company for four years ended March 31, 2006, 2007, 2008 & 2009;

k) Letter dated September 11, 2008 from Escrow Agent to DSP Merrill Lynch Limited confirming the Cash Deposit;

l) Copy of the TPG Bank Guarantee;

m) Letter dated January 21, 2009 from Escrow Agent to DSP Merrill Lynch Limited confirming the Additional Cash Deposit;

n) Published copy of PA dated September 15, 2008;

o) FIPB approval vide its letter with reference no. FC.II:296(2008)/292(2008) dated December 15, 2008

p) RBI approval vide its letter with reference no. FE CO FID/24640/10.21.133/2008-09 dated March 13, 2009; And

q) SEBI observation letter dated August 12, 2009.

13 DECLARATION BY SRHPL AND PAC

(i) The Acquirer and the PAC accept responsibility for the information contained in this Letter of Offer.

(ii) The Acquirer and PAC shall be jointly and severally responsible for ensuring fulfillment of their obligations under this Offer to the extent provided in the SEBI (SAST) Regulations.

(iii) All information contained in this document is as on the date of the PA, unless stated otherwise.

(iv) As on the date of the PA and this Letter of Offer, in terms of Regulation 16(via), the Manager to the Offer does not hold any Shares. As required under Regulation 24(5A) of the SEBI (SAST) Regulations, the Manager to the Offer shall not deal in the Shares during the period commencing from the date of its appointment in terms of Regulation 13 of the SEBI (SAST) Regulations till the expiry of fifteen days from the date of closure of the Offer.

However, Indopark Holdings Ltd., an affiliate (“Associate”) of the Manager to the Offer held 4,000,000 Shares as on the date of the PA. However, neither the Associate nor its officers or employees were involved in any manner whatsoever with the preparatory steps leading upto this Offer. Subsequent to the PA, the Associate has sold its entire shareholding in the Target Company.

Shriram Retail Holdings Private Limited ("SRHPL")	Shriram Capital Limited ("SCL")	Shriram Enterprise Holdings Private Limited ("SEHPL")
(Acquirer)	*(PAC)*	*(PAC)*
(Authorised Signatory)	*(Authorised Signatory)*	*(Authorised Signatory)*
TPG India Investments I, Inc ("TPG")	**TPG Asia V, L.P. ("TPG Asia")**	
(PAC)	*(PAC)*	
(Authorised Signatory)	*(Authorised Signatory)*	

Date: August 21, 2009

Enclosures:

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

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to the Registrar to the Offer at its address given overleaf)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

From,
Name:
Status: Resident / Non-resident
Full Address

Offer TimeLine	
Offer Opens On:	August 27, 2009
Last Date Of Revision In Offer Price:	September 04, 2009
Offer Closes On:	September 15, 2009

Tel No. Fax No.
E-mail:

To,
Karvy Computershare Private Limited,
(Unit- Shriran City Union Finance Ltd Open Offer)
Plot No.17-24, Vithalrao Nagar, Madhapur
Hyderabad - 500 081
Telephone : +91- 40- 2342 0815-23; Facsimile : +91- 40- 23431551
Contact Person : Mr.M. Muralikrishna, E-mail : murali@karvy.com

Shares To Be Transferred To	
Account Name	SCUF Open Offer Escrow A/c
DP ID No.	IN 302638
DP Name	DSP Merrill Lynch Ltd
Client ID No.	10049122

Sub: Cash offer at Rs. 400.00 (Rupees Four Hundred only) per fully paid-up equity share of Rs. 10.00 (Rupees Ten Only) of Shriram City Union Finance Limited

Dear Sir,
I/We refer to the Letter of Offer dated August 21, 2009 constituting an offer to acquire the equity shares held by me/us in **Shriram City Union Finance Limited**. Capitalized terms used but not defined herein have the meaning ascribed to them in the Letter of Offer.
I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions mentioned therein.

For equity shares held in physical form
I/We hold equity shares in the physical form, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our equity shares as detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.	No. of equity shares
1				
2				
3				
Total Number of equity shares				

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

I/We confirm that the Offer is hereby accepted by me/us and that the equity shares which are being tendered herewith by me/us under this Offer are free from liens, charges and encumbrances of any kind whatsoever.
I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust by the Registrars to the Offer until the time the Acquirer make payment of the Offer Price as mentioned in the Letter of Offer.
I/We also note and understand that the Acquirer will pay the consideration only after documents are found valid and approved by the Acquirer.

For equity shares held in dematerialised form
I/We hold equity shares in dematerialised form, accept the Offer and enclose a photocopy of the delivery instructions duly acknowledged by the DP in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	Name of the Beneficiary	No. of equity Shares

----

Acknowledgement Receipt – Shriram City Union Finance Limited Open Offer

Received from Mr./Ms./M/s ____ Form of Acceptance cum Acknowledgement for **Shriram City Union Finance Limited** Open Offer as per details below:-

Folio No. ________________No. of Certificates Enclosed ________Certificate No.____________ Total No. of equity shares enclosed ____________________Copy of Delivery Instruction to DP__________________

(Delete whichever is not applicable)

Date of Receipt: ______________

Stamp of collection center: Signature of Official:

I/We have done an off market transaction for crediting the equity shares to the "**SCUF Open Offer Escrow A/c**" whose particulars are:

DP ID **IN302638**	Client ID **10049122**
We note and understand that the equity shares would remain in the said account i.e. "**SCUF Open Offer Escrow A/c**" until the Acquirer makes payment of the Offer Price as mentioned in the Letter of Offer.	

If my/our equity shares are held in a beneficiary account with CDSL, I/we enclose a copy of the 'Inter Depository Instruction' for the transfer of my/our equity shares to the Depository Escrow Account.

I/We authorise the Acquirer:

1. To acquire the equity shares so tendered by me/us in acceptance of the Offer in terms of and subject to the Letter of Offer.
2. To the extent that the equity shares tendered by me/us are not acquired (in terms of and subject to the Letter of Offer), to return to me/us share certificate(s) and in the case of dematerialised equity shares to credit such equity shares to my/our depository account, in each case at my/our sole risk and specifying the reasons thereof.
3. If the equity shares so tendered are withdrawn by me/us (in terms of and subject to the Letter of Offer), to return to me/us share certificate(s) and in the case of dematerialised equity shares to credit such equity shares to my/our depository account, in each case at my/our sole risk.

I/We authorise the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by Registered post / ordinary post (as described in the Letter of Offer) the crossed account payee cheque / demand draft / pay order as purchase consideration to the sole/first holder at the address mentioned below:

Yours faithfully
Signed and delivered

	1st Shareholder	**2nd Shareholder**	**3rd Shareholder**
Full Name			
PAN/GIR No. allotted under Income Tax Act 1961			
Signature			

Note: In case of joint holdings, all shareholders must sign. A body corporate must affix its company stamp.

Place:
Date:

In order to avoid fraudulent encashment of cheque / demand draft/pay order in transit, the applicants are requested to provide details of bank account of the sole/first shareholder and the crossed account payee cheque / demand draft/pay order will be drawn accordingly. Please indicate the preferred mode of receiving the payment consideration. (Please tick)

1. Electronic mode ______ 2. Physical mode ______

Name of Bank	
Branch Address	
Type of Account	
Account Number	
9 digit MICR code	
IFSC Code (for RTGS/NEFT transfers)	

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address:
Karvy Computershare Private Limited (Unit- Shriram City Union Finance Ltd Open Offer) Plot No.17-24, Vithalrao Nagar, Madhapur Hyderabad - 500 081 Telephone : +91- 40- 2342 0815-23 Facsimile : +91- 40- 23431551 Contact Person : Mr.M. Muralikrishna Email: murali@karvy.com

INSTRUCTIONS

1. **In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the "SCUF Open Offer Escrow A/c", before the closure of the Offer. The Form of Acceptance-cum-Acknowledgement of such demat shares not credited in favour of the special depository account, before the closure of the Offer will be rejected.**

2. **Shareholders are advised to ensure that the Form of Acceptance should reach the Registrar to the Offer at any of the Collection Centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the date of closure of Offer i.e. no later than 4.00 pm on September 15, 2009**

3. Shareholders should enclose the following:-.

   i. **Shareholders holding Shares in dematerialized form:-**

   Beneficial owners should enclose

   - 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).
   - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
   - For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance-cum-Acknowledgement.

   In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted.

   ii. **Shareholders holding Shares in physical form:-**

   Registered Shareholders should enclose:

   (a) 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.

   (b) **Original Share Certificate(s).**

   (c) **Valid Share transfer deed(s)** duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Shriram City Union Finance Ltd and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.

   In case of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates alongwith the duly completed transfer form, the Offer shall be deemed to be accepted.

   Unregistered owners should enclose:

   (a) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.

   (b) Original Share Certificate(s).

   (c) Original broker contract note.

   (d) Valid Share transfer deed(s) as received from the market.

   The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

4. The share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent **only** to the Registrar to the Offer and not to the Manager to the Offer or the Acquirer or Shriram City Union Finance Ltd.

5. **Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in the favour of the special depository account with NSDL.**

6. **Non resident shareholders should enclose a copy of the permission received from RBI for the equity shares held by them in Shriram City Union Finance Ltd. If, the shares are held under General Permission of RBI the non resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.**

7. **Non resident shareholders should enclose No Objection certificate/ Tax Clearance certificate from the Income Tax Authorities under Income-Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will deducted at maximum marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirer.**

8. Applicants who cannot hand deliver their documents at the collection centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Karvy Computershare Pvt.Ltd. (Unit : Sriram City Union Finance Company Ltd - Open Offer), Plot No.17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081, Telephone : +91- 40- 2342 0815-23, Facsimile : +91- 40- 23431551, Contact Person : Mr.M. Muralikrishna, E-mail : murali@karvy.com so as to reach the Registrar on or before the last date of withdrawal i.e. **no later than 4.00 pm on September 15, 2009**

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this form with enclosures to the Registrar to the Offer at its address given overleaf)

FORM OF WITHDRAWAL

Offer TimeLine	
Offer Opens On:	August 27, 2009
Last Date Of Withdrawal:	September 10, 2009
Offer Closes On:	September 15, 2009

From:

Name:
Status: Resident / Non-resident
Full Address

Tel No.
Fax No.
E-mail:

To,
Karvy Computershare Private Limited
(Unit- Shriran City Union Finance Ltd Open Offer)
Plot No.17-24, Vithalrao Nagar, Madhapur
Hyderabad - 500 081
Telephone : +91- 40- 2342 0815-23; Facsimile : +91- 40- 23431551
Contact Person : Mr.M. Muralikrishna, E-mail : murali@karvy.com

Sub: Cash offer at Rs. 400.00 (Rupees Four Hundred only) per fully paid-up equity share of Rs. 10.00 (Rupees Ten Only) of Shriram City Union Finance Limited

Dear Sir,

I/We refer to the Letter of Offer dated August 21, 2009 constituting an offer to acquire the equity shares held by me/us in **Shriram City Union Finance Limited**. Capitalised terms used but not defined herein have the meaning ascribed to them in the Letter of Offer.

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our equity shares from the Offer and I/We further authorize the Acquirer to return to me/us, the tendered Share Certificate(s)/share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our equity shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. September 10, 2009

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the equity shares held in physical form and also for the non-receipt of equity shares held in the dematerialized form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s)/equity shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

For equity shares held in physical form

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.	No. of equity shares
1				
2				
3				
Total Number of equity shares				

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

Acknowledgement Receipt – Shriram City Union Finance Limited Open Offer

Received from Mr./Ms./M/s ____________________
Form of Withdrawal for **Shriram City Union Finance Limited** Open Offer as per details below:-

Copy of depository instruction slip from DP ID _______________ Client ID _______________
Copy of acknowledgement slip issued when depositing dematerialized equity shares
Copy of acknowledgement slip issued when depositing physical equity

Date of Receipt: _______________
Stamp of collection center: Signature of Official:

For equity shares held in dematerialised form

I/We hold equity shares in dematerialized form and had executed an off-market transaction for crediting the equity shares to the **SCUF Open Offer Escrow A/c**. Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by the DP. The particulars of the account from which my/our equity shares have been tendered are as follows:

DP Name	DP ID	Client ID	Name of the Beneficiary	No. of equity Shares

I/We note that the equity shares will be credited back only to that depository account, from which the equity shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialized equity shares, I/We confirm that the signatures have been verified by the DP as per their records and that the same have been duly attested.

Yours Faithfully,
Signed and delivered

	1st Shareholder	2nd Shareholder	3rd Shareholder
Full Name			
PAN/GIR No. allotted under Income Tax Act 1961			
Signature			

Note: In case of joint holdings, all shareholders must sign. A body corporate must affix its company stamp.

Place:
Date:

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address:
Karvy Computershare Private Limited (Unit- Shriram City Union Finance Ltd Open Offer) Plot No.17-24, Vithalrao Nagar, Madhapur Hyderabad - 500 081 Telephone : +91- 40- 2342 0815-23 Facsimile : +91- 40- 23431551 Contact Person : Mr.M. Muralikrishna Email: murali@karvy.com

INSTRUCTIONS

1. **Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the Collection Centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. no later than 4.00 pm on September 10, 2009.**

2. Shareholders should enclose the following:-

   i. **Shareholders holding Shares in dematerialized form**:-

   Beneficial owners should enclose:

   (a) Duly signed and completed Form of Withdrawal.

   (b) Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

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

   ii. **Shareholders holding Shares in physical form**:-

   Registered Shareholders should enclose:

   (a) Duly signed and completed Form of Withdrawal.

   (b) Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

   (c) In case of partial withdrawal, Valid Share transfer deed(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with **Shriram City Union Finance Limited** and duly witnessed at the appropriate place.

   Unregistered owners should enclose:

   (a) Duly signed and completed Form of Withdrawal.

   (b) Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

3. The withdrawal of Shares will be available only for the share certificates/the Shares that have been received by the Registrar to the Offer/ “SCUF Open Offer Escrow A/c”.

4. The intimation of returned Shares to the shareholders will be at the address as per the records of the Target / Depository as the case may be.

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

6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target. The facility of partial withdrawal is available only to registered shareholders.

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

8. The Form of Withdrawal and other related documents should be submitted at any of the collection centers of Karvy Computershare Private Limited mentioned in the Letter of Offer

9. Applicants who cannot hand deliver their documents at the collection centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Karvy Computershare Pvt.Ltd. (Unit : Sriram City Union Finance Company Ltd - Open Offer), Plot No.17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081, Telephone : +91- 40- 2342 0815-23, Facsimile : +91- 40- 23431551, Contact Person : Mr.M. Muralikrishna, E-mail : murali@karvy.com so as to reach the Registrar on or before the last date of withdrawal i.e. **no later than 4.00 pm on September 10, 2009**