PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

SHRIRAM CITY UNION FINANCE LIMITED

(**Registered Office Address**: 123, Angappa Naicken Street, Chennai 600 001)

This Public Announcement ("PA") is being issued by DSP Merrill Lynch Limited ("**DSPML**" or "**Manager to the Offer**"), on behalf of Shriram Retail Holdings Private Limited acting as Acquirer ("**SRHPL**"/ "**Acquirer**") on behalf of TPG India Investments I, Inc.("TPG") and other PACs (defined below), pursuant to Regulation 10 of, and in compliance with, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("**SEBI (SAST) Regulations**").

I. Background to the Offer

1. On September 12, 2008, TPG India Investments I, Inc ("**TPG**") entered into a Share Subscription Agreement ("**SSA**") with SRHPL, Shriram Enterprise Holdings Private Limited ("**SEHPL**"), Shriram City Union Finance Limited ("**SCUFL**" / "**Target Company**"), and the promoters of the Shriram Group (the "**Founders**") inter-alia being Mr. R. Thyagarajan, Mr. T. Jayaraman, Shriram Capital Limited ("**SCL**") and Shriram Ownership Trust.
2. As on the date of this PA, SRHPL holds, directly and indirectly (through SEHPL, which is a wholly owned subsidiary of SRHPL), 23,363,162 equity shares representing 51.0% of the Paid-up Capital (as defined in Paragraph 49) of the Target Company. The SSA, inter-alia, provides for the subscription to, and allotment of, 1,306,700 equity shares of SRHPL ("**SRHPL Shares**") of face value of Rs. 10 each, to TPG at a price of Rs. 2,388.80 per SRHPL Share. The SSA also provides for allotment of 1,538,278 warrants ("**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. Upon allotment of the said SRHPL Shares TPG shall hold 39.0% of the paid up equity share capital of SRHPL whereas the Founders shall 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 in the Target Company. Accordingly, this open offer ("**Offer**" / "**Open Offer**") is being made in terms of Regulation 10 of the SEBI (SAST) Regulations to acquire up to 10,785,500 equity shares ("**Shares**") of the Target Company, which constitutes 20% of the Fully Diluted Capital (as defined in Paragraph 57). by SRHPL, acting as Acquirer on behalf of TPG and other PACs
3. As detailed above, Shares of the Target Company 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 V, L.P. ("**TPG Asia**"). SEHPL, SCL, TPG and TPG Asia are hereinafter referred to as the "**PACs**" collectively and as "**PAC**" individually. In addition to the PACs, Shriram Ownership Trust, Mr. R. Thyagarajan and Mr. T. Jayaraman 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 "Person Deemed to be Acting in Concert" ("PDAC") with SRHPL and the PACs.
4. Upon allotment of the SRHPL Shares and Investor Warrants, the aggregate collective shareholding (direct and indirect) of SRHPL and the PACs in the Target Company ("**Collective PAC Holding**") shall be 23,363,162 equity shares representing 51.0% of the Paid-up Capital of the Target Company.
5. An extraordinary general meeting of the shareholders of SRHPL will be convened to consider approval of the issuance of the SRHPL Shares and the Investor Warrants. The SRHPL Shares and the Investor Warrants will be 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 the Reserve Bank of India ("**RBI**") and by all other concerned statutory and other authorities in this regard.
6. The subscription and allotment of the SRHPL Shares and the Investor Warrants is subject to various conditions precedent being fulfilled as per the terms of the SSA, including inter-alia (i) the approval of the shareholders of SRHPL ("**Shareholders Approval**"); and (ii) approval of the Foreign Investment Promotion Board, Department of Industrial Policy and Promotion, Government of India ("**FIPB**") ("**FIPB Approval**") and consequently the acquisition of Shares pursuant to this Open Offer. Subject to receipt of the Shareholders Approval, satisfactory fulfilment of various other conditions precedent as per terms of the SSA and the FIPB Approval, the SRHPL Shares and the Investor Warrants shall be allotted in terms of the SSA.
7. Some of the salient provisions of the SSA are as follows:
   - Shares of the Target Company tendered in the Offer shall be acquired by SRHPL, or by any of the PACs.
   - TPG and the Founders shall each be entitled to representation on the Board of Directors of SRHPL, SEHPL and the Target Company and also entitled to certain specific investor protection rights in respect of the Target Company such as right to information and other rights.
   - The SSA also contains certain provisions pertaining to the transfer of shares in SRHPL by TPG and the Founders.
   - 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.
   - The Investor Warrants shall be exercised by TPG in one or more tranches in accordance with the terms and conditions of the SSA.
8. 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 of the Target Company pursuant to the exercise of the Investor Warrants.

II. The Offer

9. As set out in paragraph 2 above, this Open Offer is being made to acquire up to 10,785,500 Shares ("**Offer Shares**"), representing an aggregate of 20% of the Fully Diluted Capital (or 23.5% of the Paid-up Capital) of the Target Company at a price of Rs. 400 (Rupees Four Hundred Only) per Share (the "**Offer Price**"), payable in cash and subject to the terms and conditions mentioned hereinafter and in the letter of offer to be sent to the shareholders ("**Letter of Offer**").
10. Except for the PACs and certain persons deemed to be acting in concert for the purpose of this Offer as detailed hereafter, no other person is acting in concert for the purpose of this Offer.
11. SRHPL or any of the PACs will acquire all Shares tendered in acceptance of the Offer, subject to the terms and conditions set out in this Public Announcement and the Letter of Offer. Upon closing of the Offer (assuming full acceptances), SRHPL along with the PACs will hold 74.5% of the Paid-up Capital in the Target Company.
12. SRHPL directly holds 5,441,700 Shares of the Target Company as of the date of this PA. SEHPL directly holds 17,921,462 Shares of the Target Company as of the date of this PA. SRHPL has acquired the said 5,441,700 Shares of the Target Company during the 12 months period prior to the date of this Public Announcement 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 has also acquired 100% of the share capital of SEHPL from SCL, thereby indirectly acquiring 17,921,462 Shares of the Target Company which are held by SEHPL. Requisite filings under Regulation 3(3) and Regulation 3(4) of the SEBI (SAST) Regulations have already been made for these acquisitions. 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.
13. As of the date of this Public Announcement, TPG, TPG Asia and the Founders do not hold any Shares directly in the Target Company.
14. This Offer is not conditional on any minimum level of acceptance by the Shareholders of the Target Company.
15. The Shares are listed on the Bombay Stock Exchange Ltd. ("**BSE**"), National Stock Exchange of India Ltd. ("**NSE**") and Madras Stock Exchange Ltd. ("**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, the Shares are most frequently traded on the BSE.
16. The Offer Price of Rs. 400 (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 PACs are directly acquiring any Shares of the Target Company under the SSA.	Not Applicable
B)	The highest price paid by SRHPL (one of the PACs) 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)*

17. In the event that SRHPL / PACs acquire Shares of the Target Company after the date of this Public Announcement at any time upto seven working days prior to the closure of the Offer at a price higher than the Offer Price, then 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 and the highest price paid for such acquisition shall be payable for all Shares validly tendered under the Offer.
18. Shares tendered in the Offer, together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, must be free and clear of any liens, charges and encumbrances.

III. Information on SRHPL

Shriram Retail Holdings Private Limited

19. SRHPL is a company incorporated under the laws of India and having its registered office at Mookambika Complex, 2nd Floor, No. 4 Lady Desika Road, Mylapore, Chennai - 600 004.
20. SRHPL was incorporated in January, 2006 as Shriram Insurance Holdings Pvt. Ltd. and was renamed as SRHPL in January, 2008.
21. SRHPL is an investment holding company.
22. SRHPL is a 100% subsidiary of SCL.
23. Select financial information, based on the latest audited accounts of SRHPL is as under:

Rs.	12 month period ending March 31, 2007	12 month period ending March 31, 2008
Revenue	0.0	0.0
Profit / (Loss) after Tax	(6,744.72)	(9,052.08)
EPS	(0.14)	(0.18)
Return on Net worth	Not Applicable	Not Applicable
Equity Share Capital	500,000.0	500,000.0
Reserves & Surplus	(26,188.22)	(35,240.30)
Book Value per Share	9.20	9.09

24. SRHPL is an unlisted company and hence P/E ratio is not applicable

IV. Information on the PACs

Shriram Capital Limited

25. SCL is a company incorporated under the laws of India having its registered office at No. 123, Angappa Naicken Street, Chennai 600 001.
26. SCL was incorporated in 1974 as Shriram Chits & Investments Private Limited and was renamed Shriram Capital Limited in 2008.
27. SCL is a holding company which holds shares / investments in various entities engaged in financial services and certain other businesses.
28. Select financial information, based on the latest audited accounts of SCL is as under,

Rs. Lakhs	12 month period ending March 31, 2007	12 month period ending March 31, 2008
Revenue	2,295.40	4,625.42
Profit / (Loss) after Tax	666.35	2,291.19
Earnings Per Share (Rs.)	6.96	23.93
Return on Net worth	1.25%	4.19%
Equity Share Capital	9,574.81	9,574.81
Reserves & Surplus	43,870.95	45,115.81
Book Value per Share (Rs.)	558.19	571.19

29. As on the date of this Public Announcement, Shriram Ownership Trust holds equity shares of SCL representing 99.88% of the equity capital of SCL and the balance is held by Mr. R. Thyagarajan and others.
30. SCL is an unlisted company and hence P/E ratio is not applicable.

Shriram Enterprise Holdings Private Limited

31. SEHPL is a company incorporated under the laws of India and having its registered office at Mookambika Complex, 4th Floor, No. 4 Lady Desika Road, Mylapore, Chennai - 600 004 .
32. SEHPL was incorporated in June, 1995 as Shriram Financial Technology Services Pvt. Ltd. and was renamed as SEHPL in February, 2006.
33. SEHPL is an investment holding company.
34. SEHPL is a 100% subsidiary of SRHPL.
35. Select financial information, based on the latest audited accounts of SEHPL is as under:

Rs. Lakhs	12 month period ending March 31, 2007	12 month period ending March 31, 2008
Revenue	432.67	432.64
Profit / (Loss) after Tax	432.57	283.22
Earnings Per Share (Rs.)	43.26	28.32
Return on Net worth	1.86%	1.20%
Equity Share Capital	1,000.00	1,000.00
Reserves & Surplus	22,273.12	22,556.34
Book Value per Share (Rs.)	2,327.31	2,355.63

36. SEHPL is an unlisted company and hence P/E ratio is not applicable

TPG India Investments I, Inc

37. TPG is a private limited company incorporated 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.
38. TPG is a wholly-owned subsidiary of TPG Asia V, L.P. a Cayman Islands exempted limited partnership.
39. TPG was incorporated for the purpose of making investments in India.
40. TPG has not carried out any activity since its incorporation in May 2008.

TPG Asia V, L.P.

41. TPG Asia V is a Cayman Islands exempted limited partnership with its registered office located at Offices of M&C Corporate Services Limited, Ugland House, P.O. Box 309, George Town, Grand Cayman.
42. The general partner of TPG Asia V 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 V is conducted by its general partner. Under the limited partnership agreement of TPG Asia V, the limited partners of TPG Asia V have very limited rights to participate in the management, control, administration or business of TPG Asia V.
43. TPG Asia V has over US$4 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.
44. TPG Asia V was incorporated on June 4, 2007.
45. Select financial information based on the latest audited accounts of TPG Asia V is as under,

	For the period Jun 4, 2007 to Dec. 31, 2007		For the period Jan 1, 2008 to Mar. 31, 2008	
	US$ mm	Rs. lacs	US$ mm	Rs. lacs
Revenue	0.24	109.8	0.07	32.0
Profit / (Loss) after Tax	(39.6)	(18,124.9)	(18.5)	(8,467.5)
EPS	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Return on Net worth	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Equity Share Capital	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Reserves & Surplus	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Book Value per Share	Not Applicable	Not Applicable	Not Applicable	Not Applicable

46. As of March 31, 2008, the limited partners of TPG Asia V have funded capital contributions in the amount of US$ 0.3 billion (equivalent to Rs. 13.7 billion).

V. Information about Target Company

Shriram City Union Finance Limited

47. The Target Company was incorporated 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.
48. The registered office of the Target Company is located at 123, Angappa Naicken Street, Chennai 600 001.
49. The Target Company is a part of the Shriram group of companies. Its promoters are SEHPL, SRHPL and the Founders. As of the date of this Public Announcement, the total paid-up capital ("**Paid-up capital**") of the Target company is Rs. 458.50 million consisting of 45,850,000 fully paid-up Shares of par value of Rs 10 per Share. There are no partly paid Shares. As of the date of this Public Announcement, 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.
50. 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.
51. 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.
52. Some of the financial details of the Target Company based on the latest audited annual accounts are as follows:

Rs. Lakhs	12 month period ending Mar 31, 2007	12 month period ending Mar 31, 2008
Revenue	34,805.91	62,318.76
Profit / (Loss) after Tax	5,162.16	8,763.50
Basic Earnings Per Share (Rs.)	16.48	21.95
Diluted Earnings Per Share (Rs.)	16.44	21.74
Return on Net worth	16.13%	20.93%
Equity Share Capital	3,910.00	4,115.50
Reserves & Surplus	28,096.77	37,761.03
Book Value per Share (Rs.)	81.86	101.75

53. Based on the closing price of the Shares of Rs. 370.00 as on September 12, 2008 on BSE, and the EPS of Rs. 21.95 for the year ended March 31, 2008, the P / E ratio is 16.9 times.
54. The Target Company has granted stock options to its employees ("**ESOPs**"), which if exercised would result in the issue of 1,327,500 Shares.
55. The Target Company has allotted 3,500,000 warrants ("**SHRPL Warrants**") to SRHPL which are convertible into 3,500,000 Shares. The Target Company has also allotted 3,250,000 warrants ("**Existing Investor Warrants**") to other investors (not being parties to the SSA) which are convertible into 3,250,000 Shares.
56. Save for the SRHPL Warrants, Existing Investor Warrants and ESOPs, there are no other outstanding instruments convertible or resulting into Shares or partly paid-up Shares.
57. The fully diluted paid-up equity share capital of the Target Company ("**Fully Diluted Capital**") is Rs. 539.3 million divided into 53,927,500 Shares. The Fully Diluted Capital assumes 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.
58. There are no common directors on the board of SRHPL/PAC's and the Target Company.

VI. Reasons for the Acquisition and Offer and Future Plans about the Target Company, if any.

59. This Offer is being made pursuant to the execution of the SSA in accordance with and in compliance of Regulation 10 of the SEBI (SAST) Regulations for an indirect acquisition of Shares of the Target Company.
60. SRHPL or the PACs 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. Further, SRHPL / PACs 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 of the Target Company.

VII. Statutory Approvals for the Offer

61. The subscription of the SRHPL Shares and Investor Warrants by TPG pursuant to the terms of the SSA and consequently the acquisition of Shares under this Offer is subject to approval from SRHPL's shareholders and receipt of the FIPB Approval.
62. The Offer is also subject to the receipt of approval from the Reserve Bank of India in terms of the RBI's Master Circular No. 02/2008-09 dated July 1, 2008 for the acquisition of Shares tendered in this Offer.
63. An application for the aforesaid statutory approvals shall be made in due course.
64. Besides the above, as on the date of this Public Announcement, no other statutory approval is required to acquire Shares tendered pursuant to this Offer. In terms of Regulation 27 of SEBI (SAST) Regulations, SRHPL / PACs will not proceed with the Offer in the event that any of the statutory approvals indicated above is refused for the proposed subscription of SRHPL Shares and Investor Warrants.
65. In case of delay in receipt of any statutory approval(s), SEBI has powers to grant an extension of time to SRHPL / PACs for payment of consideration to Shareholders, subject to SRHPL / PACs 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 / PACs in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also be applicable.
66. SRHPL / PACs do not require any approvals from financial institutions or banks for the Offer.

VIII. Disclosure in terms of Regulation 21 (2) of the SEBI (SAST) Regulations, 1997

67. SRHPL / PACs do not intend to delist the Target Company as a result of the Offer. In the event the Shareholding of SRHPL / PACs were to exceed the threshold specified in the listing agreement for delisting, SRHPL / PACs 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.

IX. Financial Arrangements

68. The total funding requirement for the acquisition of the Offer Shares at the Offer Price of Rs. 400 is Rs. 4,314,200,000 (Rs. Four Thousand Three Hundred and Fourteen Million and Two Hundred Thousand) ("**Maximum Consideration**"). To meet the obligations under Regulation 29 of the SEBI (SAST) Regulations, the SRHPL / PACs have provided bank guarantees and cash deposit, the details of which are given below.
69. TPG, one of the PACs, has provided a bank guarantee ("**TPG Bank Guarantee**") 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 for an amount of Rs. 2,113,958,000 (Rupees Two Thousand One Hundred and Thirteen Million Nine Hundred and Fifty Eight Thousand). SRHPL has also provided a bank guarantee ("**SRHPL Bank Guarantee**") 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 (hereinafter referred to as "SCB", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) for an amount of Rs. 2,201,000,000 (Rupees Two Thousand Two Hundred and One Million). The TPG Bank Guarantee and the SRHPL Bank Guarantee are hereinafter referred to as "the Bank Guarantees". 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 made a cash deposit of Rs. 43,142,000 ("**Cash Deposit**") being 1% of the Maximum Consideration in an escrow account ("**Escrow Account**") opened with SCB ("**Escrow Agent**"). The Manager to the Offer has been authorized to realize the value of the Cash Deposit in terms of an Escrow Agreement dated September 10, 2008 ("**Escrow Agreement**") entered into between SRHPL, TPG, the Founders, the Manager to the Offer and the Escrow Agent. In terms of the Escrow Agreement, SRHPL may increase the value of the Cash Deposit by an amount of Rs. 2,444,713,334 ("**Additional Cash Deposit**") which 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 being deposited in the Escrow Account, the SRHPL Bank Guarantee shall be returned by the Manager to the Offer and shall stand cancelled.
70. In light of the Cash Deposit, the Bank Guarantees and the proposed Additional Cash Deposit the Manager to the Offer is satisfied about the ability of SRHPL / PACs to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfil the obligations under the SEBI (SAST) Regulations.

X. Other Terms of the Offer

71. 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, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on September 30, 2008 (the "**Specified Date**").
72. Shareholders who wish to tender their Shares will be required to send the Form of Acceptance Cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer – **Karvy Computershare Private Limited**, 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 November 27, 2008, 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.
73. The Registrar has opened a special depository account with DSP Merrill Lynch Limited at the National Securities Depositories Ltd. ("**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.
74. 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 along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("**DP**"), in favour of the special depository account to the Registrar, 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 November 27, 2008 , 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 November 27, 2008.
75. 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.
76. 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 November 27, 2008. 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	022-66382666	022-66331135	Hand Delivery
2	New Delhi	Karvy Computershare Pvt Ltd., 2E/23, Jhandewalan Extn, New Delhi 110 055	Mr. Rajendra/ Michael George	011- 43681700	011-43324621	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	079-26400528	079-26565551	Hand Delivery
4	Chennai	Karvy Computershare Pvt Ltd., No. 33/1, Venkatraman Street, T.Nagar, Chennai - 600017	Mr. Gunashekhar	044 – 28151793/ 1794/ 4781	044-28153181	Hand Delivery
5	Hyderabad	Karvy Computershare Pvt Ltd., Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081	Ms. Rinki Sareen	040-23420818	040-23420814	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	033-24644891	033-24644866	Hand Delivery
7	Bangalore	Karvy Computershare Pvt Ltd., No.59, Skanda, Putana Road, Basavanagudi Bangalore 560 004	Ms.Sudha/ Aparna	080-26621192	080-26621169	Hand Delivery

77. 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.
78. In case of non-receipt of the Letter of Offer, 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 November 27, 2008 , 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 November 27, 2008.
79. **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 Acquirer.**
80. 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 November 24, 2008.
    i. The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.
    ii. In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:
       - In case of physical shares: Name, Address, Distinctive numbers, Folio number, number of shares tendered; and
       - In case of dematerialised shares: Name, Address, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the special depository account.
81. 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.
82. If the aggregate of the valid responses to the Offer exceeds the Offer size of 10,785,500 shares, then SRHPL / PACs 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.
83. Unaccepted Share certificates, transfer forms and other documents, if any, will be returned by registered post at the Shareholders'/unregistered owners' sole risk to the sole / first Shareholder. Unaccepted Shares held in 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.
84. 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 November 27, 2008, else their application will be rejected.
85. While tendering their equity 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 of the Target Company. **In the event that the previous RBI approvals are not submitted, SRHPL / PACs reserve the right to reject such shares tendered**.
86. 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 / PACs before remitting the consideration, failing which SRHPL / PACs 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.
87. 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 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 / PACs before remitting the consideration, failing which SRHPL / PACs 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.

    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 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 / PACs 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 / PACs become liable to pay interest for delay in release of purchase consideration.
88. A schedule of the activities pertaining to the Offer is given below:-

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

** 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.*

XI. General

89. ***Shareholders who have accepted the Offer by tendering the requisite documents, in terms of this Public Announcement and the Letter of Offer shall have the option to withdraw acceptance tendered by them up to three (3) working days prior to the date of closure of the Offer, in terms of Regulations 22 (5A) of the SEBI (SAST) Regulations.***
90. 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. November 18, 2008 or withdrawal of the Offer, the same will be informed by way of a public announcement in the same newspapers in which this Public Announcement has appeared. SRHPL / PACs would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer.
91. ***If there is a competitive bid:***
    - ***The public offers under all the subsisting bids shall close on the same date.***
    - ***As the Offer Price cannot be revised during the seven (7) working days period prior to the Closing date of the Offers / bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.***
92. SRHPL / PACs have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act. Based on the information currently available, the Target Company has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act.
93. Pursuant to Regulation 13 of the SEBI (SAST) Regulations, DSPML has been appointed as Manager to the Offer. As on the date of this Public Announcement, the Manager to the Offer does not hold any shares in the Target Company. However Indopark Holdings Ltd., an affiliate ("**Associate**") of the Manager to the Offer holds 4,000,000 Shares as on the date of this Public Announcement. However, neither the Associate not its officers or employees are involved in any manner whatsoever with the preparatory steps leading upto this Offer.
94. The Board of Directors of SRHPL and PACs accept full responsibility for the information contained in this Public Announcement. SRHPL / PACs are responsible for each of their obligations in terms of the SEBI (SAST) Regulations.
95. Certain financial details contained in this Public Announcement are denominated in US $. The Rupee equivalent quoted in each case 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)

This Public Announcement will also be available on the SEBI's website (www.sebi.gov.in). Eligible persons to the Offer may also download a copy of the Form of Acceptance Cum Acknowledgement, which will be available on SEBI's website at (www.sebi.gov.in) from the Offer Opening Date, i.e. November 8, 2008

Issued by the Manager to the Offer

DSP Merrill Lynch

DSP Merrill Lynch Limited
10th Floor, Mafatlal Centre, Nariman Point,
Mumbai- 400 021
Tel No: +91 22 6632 8000; Fax No: +91 22 2204 8518
Email: scuf_openoffer@ml.com
Contact Person: Abhishek Garg

*On behalf of **SRHPL and the PACs***

Place: Mumbai
Date: September 15, 2008