LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder of **Shriram Overseas 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 of SOFL, please hand over this Letter of Offer, the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the Member of the Stock Exchange through whom the said sale was effected.

CASH OFFER AT Rs. 67.2 /- (Rupees Sixty Seven and Paise Twenty only) PER FULLY PAID-UP EQUITY SHARE OF Rs. 10 (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

Up to **6,215,176** fully Paid-up Equity Shares of face value Rs. 10/- each,
(representing an aggregate of 20% of the issued and fully diluted voting equity share capital) **("Offer")**

OF

Shriram Overseas Finance Limited ("SOFL")
having its Registered Office at:
123, Angappa Naicken Street, Chennai – 600 001, Tamil Nadu, India
Tel : +(91-44-25341431)

BY

Shriram Holdings (Madras) Private Limited ("SHMPL")
having its Registered Office at
Mookambika Complex, No.4, Lady Desika Road, Mylapore, Chennai 600 004, Tamil Nadu, India
Tel : +(91-44-24990960/24991363), Fax +(91-44-24993272)

ALONG WITH THE FOLLOWING PERSONS ACTING IN CONCERT

Newbridge India Investments II Limited ("NI II")
having its Registered Office at
Level 11, One Cathedral Square, Port Louis, Mauritius
Tel : +(230 210 4000), Fax +(230 211 7549)

Newbridge India Investments III Limited ("NI III")
having its Registered Office at
Level 11, One Cathedral Square, Port Louis, Mauritius
Tel : +(230 210 4000), Fax +(230 211 7549)

Newbridge Asia IV, L.P. ("NA IV")
having its Registered Office at
Ugland House, South Church Street,PO Box 309, George Town, Grand Cayman, Cayman Islands, BWI
Tel : +(1 817 871 4000), Fax +(1 817 850 4076)

Shriram Financial Services Holdings Private Limited ("SFSHPL")
having its registered office at
123, Angappa Naicken Street, Chennai – 600 001, Tamil Nadu, India
Tel : +(91-44-25341431)

Southern Pine Pte. Ltd. ("Southern Pine")
having its registered office at
168 Robinson Road, #37-01 Capital Tower, Singapore 068 912
Tel : +(65 6889 8888), Fax : +(65 6889 8590)

ATTENTION:

a) No statutory approval is required to acquire the shares that may be tendered in acceptance of the Offer except for the approval of RBI under the Foreign Exchange Management Act, 1999 (**"FEMA"**), for acquiring shares from the non-resident shareholders
b) In case of delay in the receipt of any statutory approval(s), SEBI has the power to grant extension of time to SHMPL for payment of consideration to shareholders who have validly tendered their Shares, subject to SHMPL 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 SHMPL in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.
c) If there is any upward revision in the Offer Price by SHMPL prior to or on the last date for revising the Offer Price viz. September 20, 2006, you would be informed by way of another Public Announcement in the same newspapers where the first Public Announcement for this Offer had appeared. SHMPL would pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.
d) ***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 26, 2006 *i.e. 3 (three) working days prior to the date of closure of the Offer viz* September 30, 2006.**
e) There was no competitive bid.
f) Form of Acceptance and Form of Withdrawal are enclosed with this Letter of Offer.
g) 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. **September 11, 2006**.

MANAGERS TO THE OFFER	REGISTRARS TO THE OFFER
DSP Merrill Lynch Limited 10th Floor, Mafatlal Center, Nariman Point, Mumbai 400 021 Tel: +91 22 5632 8000 Fax: +91 22 2204 8518 Email: sofl_openoffer@ml.com Contact Person: Shradha Kothari	**Cameo Corporate Services Limited** Subramanian Building, No. 1, Club House Road, Chennai – 600 002, Tamil Nadu, India Tel: +(044 - 2846 0390) Fax: +(044 - 2846 0129) Email: cameo@cameoindia.com Contact Person: Mr. R.D. Ramasamy

OFFER OPENS ON : September 11, 2006	**OFFER CLOSES ON : September 30, 2006**

Schedule of the Major Activities of the Offer:

Activity	Original Schedule	Revised Schedule
Public Announcement Date	Wednesday,February 8, 2006	Wednesday,February 8, 2006
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be posted)	Friday,February 24, 2006	Friday,February 24, 2006
Last date for a competitive bid	Wednesday,March 1, 2006	Wednesday,March 1, 2006
Date by which Letter of Offer will be dispatched to shareholders	Thursday,March 16, 2006	Thursday,September 7, 2006
Date of opening of the Offer	Wednesday,March 22, 2006	Monday, September 11, 2006
Last date for revising the Offer Price	Wednesday,March 29,2006	Wednesday,September 20, 2006
Last date for withdrawing acceptance from the Offer	Tuesday,April 4, 2006	Tuesday,September 26, 2006
Last date of closure of the Offer	Monday,April 10, 2006	Saturday,September 30, 2006
Last date of communicating rejection/ acceptance and payment of consideration for accepted Shares/dispatch of the share certificate in case of rejection	Tuesday,April 25, 2006	Saturday,October 14, 2006

RISK FACTORS

Given below are the risks related to the transaction and the Offer:

a) In the event of 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.

b) SHMPL makes no assurance with respect to the market price of the shares during/ after the Offer.

c) The tendered Shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the Shares of SOFL.

d) 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.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of SOFL 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. The shareholders of SOFL are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

TABLE OF CONTENTS

DEFINITIONS

BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CSE	Coimbatore Stock Exchange Limited
DP	Depository Participant
DSPML	DSP Merrill Lynch Limited
Eligible Person(s) for the Offer	All owners (registered or unregistered) of Shares of SOFL [except SHMPL, PACs and the parties to the SSA (defined below)] anytime before the Closure of the Offer.
FEMA	Foreign Exchange Management Act, 1999 and subsequent amendments thereto.
Form of Acceptance	Form of Acceptance cum Acknowledgement
Founders	SFSHPL, Mr. R. Thyagarajan, Mr. T. Jayaraman and Mr. A.V.S. Raja
INR or Rs.	Indian Rupees
Letter of Offer	Offer Document
Manager/ Manager to the Offer	DSP Merrill Lynch Limited
mm	Million
MSE	Madras Stock Exchange Limited
NA IV	Newbridge Asia IV, L.P.
NI II	Newbridge India Investments II Limited
NI III	Newbridge India Investments III Limited
NRI(s)	Non-Resident Indian(s)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer Price	Rs. 67.2 (Rupees Sixty Seven and Paise Twenty only) per fully paid-up equity share of Rs.10/- of SOFL
PACs	Persons Acting in Concert (NI II, NI III, NA IV, SFSHPL and Southern Pine) along with SHMPL
PDACs	Persons Deemed to be Acting in Concert (Mr R.Thyagarajan, Mr T. Jayaraman and Mr A.V.S. Raja)
Public Announcement	Announcement of the Offer made by SHMPL and PACs on February 8, 2006
RBI	Reserve Bank of India
RBI Approval	The approval of RBI required under FEMA in connection with the Offer for acquisition of shares from NRI(s)
Registrar/ Registrar to Offer	Cameo Corporate Services Limited
Rupee Translation	Certain financial details contained in this Letter of Offer are denominated in USD. The Rupee equivalent quoted in case of USD is calculated in accordance with the RBI Reference rates as on February 3, 2006, namely 1USD = Rs. 44.2 *(Source: www.rbi.org.in)*
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Share(s)	Fully paid-up equity shares of face value of Rs.10 each of SOFL
SSA	Share Subscription Agreement entered into by NI II with SHMPL, SFSHPL, STFC, SOFL (defined below), SRTL (defined below), Mr. R. Thyagarajan, Mr. T. Jayaraman and Mr. A.V.S. Raja
SFSHPL	Shriram Financial Services Holdings Private Limited
SHMPL	Shriram Holdings (Madras) Private Limited
SOFL	Shriram Overseas Finance Limited
Southern Pine	Southern Pine Pte. Ltd.
SRTL	Shriram Recon Trucks Limited
STFC	Shriram Transport Finance Company Limited
Specified Date	February 24, 2006
USD	United States Dollars

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 SOFL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF SHMPL OR OF PACs OR OF SOFL, 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 SHMPL AND THE PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT SHMPL AND THE PACs DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER - DSP MERRILL LYNCH LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED FEBRUARY 21, 2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE SHMPL AND THE PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER".

2 DETAILS OF THE OFFER

2.1 Background

a) SHMPL, a company incorporated under the Companies Act, 1956 along with SFSHPL, a company incorporated under the Companies Act, 1956; NI II, a private company incorporated under the laws of the Republic of Mauritius; NI III, a private company incorporated under the laws of the Republic of Mauritius; NA IV, a Cayman Islands exempted limited partnership; Southern Pine, an unlisted company incorporated under The (Singapore) Companies Act, Cap 50, together acting as persons acting in concert within the meaning of Regulation 2(1)(e) of SEBI (SAST) Regulations, are making an offer to the public shareholders of SOFL to acquire up to 6,215,176 shares, representing an aggregate of 20% of the issued and fully diluted voting equity share capital of SOFL, at the Offer Price, payable in cash and subject to the terms and conditions mentioned hereinafter (the "**Offer**").

b) On February 2, 2006, NI II entered into the SSA with SHMPL, SFSHPL, STFC, SOFL, SRTL, Mr. R Thyagarajan, Mr. T. Jayaraman and Mr. A.V.S. Raja with respect to (i) subscription and allotment to NI II on a preferential basis of 6,868,696 new equity shares of SHMPL at a price of Rs. 300 per equity share, 4,166,171 warrants at a subscription price of Rs. 285 per warrant and 3,953,772 additional warrants at no subscription price, with each warrant conferring an option to the holder to subscribe to one equity share of SHMPL at an exercise price not less than Rs. 300, with the subscription amount paid on the warrants being adjusted against the exercise price of the warrants, the shares and warrants representing 49% of the fully diluted equity share capital of SHMPL and (ii) subscription and allotment to the Founders on a preferential basis of 8,451,368 warrants of SHMPL at no subscription price, with each warrant conferring an option to the holder to subscribe to one equity share of SHMPL at an exercise price not less than Rs. 301.68. In accordance with the SSA, SOFL, would allot to SHMPL on a preferential basis ("**Preferential Issue**"), up to 4,868,378 new equity shares of face value Rs.10.00 each, for cash at a price not less than Rs. 67.20 per equity share (including a premium of Rs. 57.20 per equity share) which is higher than the price determined in accordance with the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and representing 18.67% of the expanded equity share capital of SOFL.

c) On December 21, 2005 (the "**Board Meeting Date**"), the Board of Directors (**"Board"**) of SOFL, subject to the consent of the shareholders, approved the Preferential Issue, and convened an Extraordinary General Meeting of shareholders of SOFL on January 20, 2006 to obtain their consent under Section 81(1A)of the Companies Act,1956 for the Preferential Issue and to authorize the Board to allot the new shares pursuant to the SSA to SHMPL

d) In the Extraordinary General Meeting held on January 20, 2006 the shareholders approved pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, Chapter XIII on Preferential Issue in SEBI (Disclosure and Investor Protection) Guidelines, 2002, and in terms of the provisions of the Listing Agreement the Preferential Issue and authorised the Board to allot the new shares to SHMPL pursuant to the SSA.

e) On February 2, 2006, the Board of Directors of SOFL passed a resolution (**"Board Resolution"**) to allot to SHMPL pursuant to the SSA, new shares in the Preferential Issue. Pursuant to the Board Resolution new shares were allotted to SHMPL on February 2, 2006 in accordance with the Preferential Issue.

f) Some of the Salient Clauses in the SSA are as follows:

- NI II is entitled to representation on the Board of Directors of SOFL and also entitled to specific rights in relation to SOFL such as information and other rights.

- The SSA also contains certain provisions, as detailed below, relating to the transfer of shares in SHMPL by NI II and Founders as the case may be.
  - The Founders of SHMPL cannot transfer shares for a period of three years without the prior written consent of NI II
  - NI II has the first right of refusal for the Founders' holding in SHMPL
  - If NI II or the Founders propose to transfer their shares in SHMPL, the party not transferring the shares has the right to sell the proposed transferee a specified percentage of shares.
  - NI II and the Founders can sell an aggregate of upto 25% of their fully diluted beneficial ownership in the open market (otherwise than by way of a block deal).
- Pursuant to this Offer, the Acquirer, PACs and the PDACs will be in control of SOFL. Accordingly, any change in control from joint to sole or a third party acquiring control, unless done in accordance with the exemption provisions of the SEBI (SAST) Regulations, may result in the trigger of the SEBI (SAST) Regulations.
- The SSA provides for certain investor protection rights in favour of NI II and the Founders in relation to certain decisions and actions that may be taken by SOFL.
- The SSA provides for a future change in shareholding pattern in SHMPL's equity share capital with NI II being able to acquire an additional 2% of the capital of SHMPL at a future date.

g) A Special Resolution permitting a change in the control of SOFL(although no such change in control is envisaged as the control of the management / affairs of the company shall continue to remain with the present promoters of the company even after the occurrence of the preferential issue and the SSA) was passed by the shareholders of SOFL, by way of abundant caution, for the purpose of any applicable law or regulation and more specifically under the provisions of Regulation 12 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, through Postal Ballot, the result of which was declared and confirmed at an Extra-ordinary General Meeting of SOFL held on February 1, 2006. However, the Offer is still being made pursuant to Regulation 10 and Regulation 12 of SEBI (SAST) Regulations in view of substantial acquisition of shares of SOFL and by virtue of acquisition of specific rights by NI II and representation on the Board of Directors of SOFL (in terms of SSA) to NI II.

h) SHMPL and the 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.

i) If the number of shares offered for sale by the shareholders is more than the shares agreed to be acquired by SHMPL and the PACs, the offers received from the shareholders will be accepted on a proportional basis.

2.2 The Details of the Offer

a) The Public Announcement dated February 8, 2006 was made in the following newspapers, in accordance with Regulation 15 (1) of the SEBI (SAST) Regulations:

Publication	Editions
The Financial Express	All
Janasatta	All
Makkal Kural	All
Navshakti	Mumbai

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

b) SHMPL, along with the PACs is making an offer to the public shareholders of SOFL to acquire up to 6,215,176 shares, representing an aggregate of 20% of the issued and fully diluted voting equity share capital of SOFL, at the Offer Price, payable in cash and subject to the terms and conditions mentioned hereinafter.

c) No other person (other than the PACs) is acting in concert with SHMPL for the purpose of this Offer except the PDACs as detailed hereinafter.

d) SHMPL will acquire all the shares tendered in acceptance of the Offer, subject to certain conditions and other terms and conditions as were set out in the Public Announcement and set out in this Letter of Offer to be sent to the shareholders of SOFL.

e) The Offer is not conditional on any minimum level of acceptance by the shareholders of SOFL.

f) If there is any upward revision in the Offer Price by SHMPL till the last date of revision viz. September 20, 2006 or withdrawal of the Offer, the same will be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement had appeared. SHMPL would pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.

g) This is not a Competitive Bid.

h) As on the date of the Public Announcement, the Manager to the Offer does not hold any shares in SOFL.

2.3 Object of the Offer and SHMPL's Future Plans for SOFL

a) The Offer is being made pursuant to the signing of the SSA and pursuant to the Preferential Issue and is being made in accordance with Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations.

b) SHMPL does not have any plans to dispose of or otherwise encumber any assets of SOFL in the next 2 (two) years, except in the ordinary course of business of SOFL and except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities or otherwise of SOFL. Other than in the ordinary course of business, SHMPL undertakes that it shall not sell, dispose of or otherwise encumber any substantial asset of SOFL except with the prior approval of the shareholders of SOFL.

c) SHMPL and the PACs propose to change the current composition of the Board of Directors of SOFL as detailed in the SSA.

d) The object of the SSA and subscription to Preferential Issue is in the nature of financial investment by SHMPL and PACs in the ordinary course of business. SOFL intends to use the fund generated out of Preferential Issue to augment its working capital and to increase its net worth.

3 BACKGROUND OF SHMPL AND THE PACs

A) Shriram Holdings (Madras) Private Limited ("SHMPL")

i) SHMPL was incorporated as a private limited company on April 19, 1993 with the name Rambal Holdings Private Limited. This name was changed to Shriram Holdings (Madras) Private Limited on February 11, 1994.

ii) SHMPL has its Registered Office at Mookambika Complex, No.4, Lady Desika Road, Mylapore, Chennai 600 004, Tamil Nadu, India.

iii) The shares of SHMPL are not listed on any stock exchange.

iv) SHMPL is a subsidiary of Shriram Financial Services Holdings Private Limited, which owns 51% of SHMPL. NI II owns 49% of SHMPL.

v) SHMPL is in the business of holding shares and investments inter alia in SOFL.

vi) SHMPL 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.

vii) SHMPL owns 7,061,478 equity shares in SOFL as on the date of the Public Announcement. The details of shares of SOFL purchased by SHMPL in preceding 12 months from the date of the Public Announcement are as follows : -

Date	No. of Shares	Purchase Price (Rs. Per share)	Cumulative Holding
19.9.05	2,186,380	2.78	2,186,380
25.1.06	6,720	59.00	2,193,100
2.2.06	4,868,378	67.20	7,061,478

viii) The shareholding pattern of SHMPL as on June 30, 2006 is as under

Sr. No.	Shareholder's Category	No. of shares	%
1.	Promoters	7,149,051	51%
2.	FII/FC/Mutual Funds/FIs/Banks	6,868,696	49%
3.	Public	-	-
	Total Paid Up Capital	**14,017,747**	**100%**

ix) Details of the Board of Directors of SHMPL are as below:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Mr G V Raman	Director	February 02, 2006	B.Com, F C A	45 yrs in audit,taxation and finance	Lavanya , 26 M G Chakrapani Street, Satya Gardens, Chennai 600 093
Mr Daniel A Carroll	Director	February 02, 2006	BA (Havard University), MBA (Stanford Graudate School of Business	15 yrs in Finance, Investing	House 55, 56 Repulse Bay Road, Repulse Bay, Hong Kong
Mr Amol Jain	Director	February 02, 2006	BTech (IIT Bombay), PGDM (IIM Ahmedabad)	10 yrsin Finance, Investing	Flat No.12, Merry Niketan, Mt Mary Road, Bandra (W) Mumbai 400 050
Mr Puneet Bhatia	Director	February 02, 2006	B.Com (Hons) Shriram College Delhi, MBA-PGDM (IIM Calcutta)	15 years in Finance, Investing	LGG 123 Laburnum, Sushant Lok 1 Gurgaon, 122 002
Mr. R Sridhar	Director	Sep 30, 2005	B.Sc., FCA	21Yrs in truck financing operations and corporate affairs	Bungalow No.33,Attur Park (Bungalows) V N Purav Marg,Chembur,Mumbai 400 071
Mr. D V Ravi	Director	Sep 30, 2005	B.Com.,PGDRM (IRMA)	19 Yrsin business processing, re-engineering, organisation & designing MIS system	B3E, Regal Palm Gardens,Ceedeesyes Apts Velachery Tambaram Road, Velachery, Chennai 600 042

x) None of the Directors of SHMPL have acquired any shares of SOFL during the preceding 12 months except Mr. R. Sridhar who acquired 7,150 shares of SOFL during the period from February 3, 2005 to February 2, 2006

xi) None of the Directors of SHMPL are Directors on the Board of SOFL.

xii) The total paid up capital of SHMPL as on June 30, 2006 is Rs. 1,401.77 lacs and the Face Value per share is Rs. 10/-The Audited financial highlights of SHMPL for the last three financial years ended March 31 and for the period from April 1, 2005 to January 28, 2006; as certified by Mr. V.S. Saptharishi, Chartered Accountant, Membership No. 24123 are as below : -

Balance Sheet (In Rs. Lacs)	As On January 28, '06	FY05	FY04	FY03
Source of funds				
Share Capital	714.91	125.30	125.30	125.30
Reserves and Surplus (excluding revaluation reserves)	4,846.19	27.97	-	-
Networth	5,561.10	153.27	18.79	(279.31)
Unsecured Loans	-	612.69	618.69	455.85
Total	**5,561.10**	**765.96**	**743.99**	**581.15**
Application of funds				
Net Fixed Assets	-	-	-	-
Investments	5,579.07	578.01	578.01	578.01
Net Current Assets	(17.96)	187.95	59.47	(401.47)
Profit and Loss Account	-	-	106.51	404.61
Total	**5,561.10**	**765.96**	**743.99**	**581.15**

Profit and Loss (In Rs. Lacs)	From April 1, 05 to January 28, '06	FY05	FY04	FY03
Income				
Dividend Income	142.35	-	-	-
Interest Received	4.35	8.00	9.83	162.78
Share of profits from partnership firms	-	136.66	301.94	26.98
Total Income	**146.71**	**144.66**	**311.77**	**189.76**
Total Expenditure	**19.95**	**8.24**	**13.68**	**163.20**
Profit before tax	**126.76**	**136.43**	**298.09**	**26.56**
Less: Provision for tax	1.35	1.94	-	-
Net Profit after tax	**125.41**	**134.48**	**298.09**	**26.56**

Note: SHMPL does not have any depreciation and interest expense.

Other Financial Data	From April 1, 05 to January 28, 06	FY05	FY04	FY03
Dividend (%)	-	-	-	-
Earning (loss) Per Share (Basic) (Rs.) (annualized)	2.10	4482.78	9936.40	885.33
Return on Net Worth (%) (annualized)	2.7	87.74	1586.84	NA
Book Value per equity Share (Rs.)	77.79	942.30	NA	NA

Note: EPS = (Profit after tax – Preference dividend)/ No of equity shares outstanding

Return on Net Worth = Profit after tax / Total Net Worth (including preference capital, warrants subscription amount, share application money pending allotment)

Book Value per Share = Net Worth (excluding preference shares) / No of equity shares outstanding

Note: For the financial years ended March 31, 2003 to March 31, 2005, the changes in the income was on account of variation in the share of profits received from the entities where the investments have been made by the company. For the year ended March 31, 2003, a major component of income was out of interest earned on loans provided by the company. For the period ended January 28, 2006, the increase in income was due to re-alignment of investments of the company.

xiii) Significant accounting policies are as follows :

a) The Financial Statements have been prepared on historical cost convention and in accordance with generally accepted accounting policies.

xv) There have been no companies promoted by SHMPL in the last three years.

B) Newbridge India Investments II Limited ("NI II")

i) NI II is a private limited company incorporated in November 2005 under the laws of the Republic of Mauritius.

ii) Its registered office is located at Level 11, One Cathedral Square, Port Louis, Mauritius.

iii) The shares of NI II are not listed on any stock exchange.

iv) NI II is a subsidiary of NI III which holds 65% of NI II and the remaining 35% is held by Southern Pine.

v) NI II was incorporated for the purpose of making investments in India.

vi) NI II 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.

vii) NI II does not own any shares of SOFL on the Public Announcement date. NI II has not acquired any shares including through Rights or Public Issue or through Preferential Allotment of SOFL during the preceding 12 months.

viii) The shareholding pattern of NI II as on June 30, 2006 is as under

Sr. No.	Shareholder's Category	No. of shares	%
1.	Promoters	73,751,136	100%
2.	FII/FC/Mutual Funds/FIs/Banks	-	-
3.	Public	-	-
	Total Paid Up Capital	**73,751,136**	**100%**

ix) The Board of Directors of NI II comprise of the following persons:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Daniel A. Carroll	Director	Dec 28, 2005	B.A. (Harvard University), M.B.A. (Stanford Graduate School of Business)	15 years Areas of Experience: Finance, Investing	House 55, 56 Repulse Bay Road, Repulse Bay, Hong Kong
Jeffrey D. Ekberg	Director	Dec 28, 2005	B.S. (California State University) , Certified Public Accountant	12 years Areas of Experience: Finance, Accounting	4141 Ranier Court, Ft. Worth, TX 76109
John Viola	Director	Dec 28, 2005	B.S. (Loyola Marymount University), M.B.A. (University of California, Los Angeles)	17 years Areas of Experience: Finance, Investing	3913 Overton Park Drive East, Fort Worth, TX 76109
Amal Autar	Director	Nov 17, 2005	Graduate (University of Witwatersrand South Africa)	10 yearsAreas of Experience: Administration of companies and trusts	Royal Road, Petit Raffray, Mauritius
John Harper	Director	Nov 17, 2005	Chartered Accountant	30 years Areas of Experience: Finance	47 Bis, Morcellement des Jardins, Tamarin, Mauritius

x) None of the Directors of NI II have acquired any shares of SOFL during the preceding 12 months.

xi) None of the Directors of NI II are on the Board of SOFL as of the date of the Public Announcement.

xii) The disclosure requirements under Chapter II of the SEBI (SAST) Regulations are not applicable to NI II in reference to SOFL.

xiii) The total paid up capital of NI II is USD 73.75 mm (Rs. 32,598 lacs) and the face value of each share is USD 1 (Rs. 44.20) as on June 30th, 2006.

xiv) NI II has not carried out any activities since its incorporation in November 2005.

xv) NI II has been incorporated in November 2005 for the purpose of making investments in India. No other investment has been made by NI II, other than NI II, as on the date of the Public Announcement.

xvi) NI II does not have any direct holding in any listed company promoted by Founders. NI II also does not have any indirect holding in any listed company promoted by Founders except for SOFL and STFC. Since NI II has only an indirect holding in both these companies, the compliance under the provisions of SEBI (SAST) Regulations are not applicable to NI II in reference to the same.

xvii) The Management Accounts of NI II for the period from November 17, 2005 to December 31, 2005 are as follows:

Balance Sheet	**As On December 31, 2005 (In USD)**	**As On December 31, 2005 (In Rs. lacs)**
Source of funds		
Share Capital	1	0.00044
Reserves and Surplus (excluding revaluation reserves)	(8,000)	(3.53)
Networth	(7,999)	(3.53)
Borrowings	7,500	3.31
Total	**(499)**	**(0.22)**
Application of funds		
Net Fixed Assets	-	-
Investments	-	-
Net Current Assets	(499)	(0.22)
Total	**(499)**	**(0.22)**

Income Statement	Period Ended December 31, 2005 (In USD)	Period Ended December 31, 2005 (In Rs. lacs)
Income	-	-
Total Expenditure	8,000	3.53
Profit before tax	(8,000)	(3.53)
Tax	-	-
Profit after tax	(8,000)	(3.53)

Other Financial Data	Period from November 17, 2005 to December 31, 2005 (In USD)	Period from November 17, 2005 to December 31, 2005 (In Rs. Lacs)
Dividend (%)	-	-
Earning (loss) Per Share (Basic)	(8,000)	(3.53)
Return on Net Worth (%)	NA	NA
Book Value per Share	(7,999)	(3.53)

Note: EPS = (Profit after tax – Preference dividend)/ No of equity shares outstanding

Return on Net Worth = Profit after tax / Total Net Worth (including preference capital, warrants subscription amount, share application money pending allotment)

Book Value per Share = Net Worth (excluding preference shares) / No of equity shares outstanding

xviii) Significant Accounting Policies:

a) Reporting Currency : The financial statements are presented in US Dollars.

b) Basis of Accounting : The accounts are prepared under the historical cost convention.

c) Income and Expenditure : Income and Expenditure are accounted for on an historical cost convention. For the purpose of these management accounts, all expenses incurred during the period under review have been absorbed in the same period.

d) Foreign Currency Translation : Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities with the exception of Investments expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the Balance Sheet date. Resulting profit or loss is taken to the Income Statement.

e) Related Party Transactions : For purposes of these financial statements, parties are considered to be related to the company if they have the ability, directly or indirectly, to control the company or exercise significant influence over the company in making financial and operating decisions, or vice-versa, or where the company is subject to common control or common significant influence. Related parties may be individuals or other entities.

xix) NI II has not promoted any company in the last three years.

C) Newbridge India Investments III Limited ("NI III")

i) NI III is a private limited company incorporated in November 2005 under the laws of the Republic of Mauritius.

ii) Its registered office is located at Level 11, One Cathedral Square, Port Louis, Mauritius.

iii) The shares of NI III are not listed on any stock exchange.

iv) NI III is a wholly-owned subsidiary of Newbridge Asia IV, L.P., a Cayman Islands exempted limited partnership.

v) NI III was incorporated for the purpose of making investments in India.

vi) NI III 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.

vii) NI III does not own any shares of SOFL as on the Public Announcement date. NI III has not acquired any shares including through Rights or Public Issue or through Preferential Allotment of SOFL during the preceding 12 months.

viii) The shareholding pattern of NI III as on June 30, 2006 is as under

Sr. No.	Shareholder's Category	No. of shares	%
1.	Promoters	52,426,254	100%
2.	FII/FC/Mutual Funds/FIs/Banks	-	-
3.	Public	-	-
	Total Paid Up Capital	**52,426,254**	**100%**

ix) The Board of Directors of NI III comprise of the following persons:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Daniel A. Carroll	Director	Dec 28, 2005	B.A. (Harvard University), M.B.A. (Stanford Graduate School of Business)	15 years Areas of Experience: Finance, Investing	House 55, 56 Repulse Bay Road, Repulse Bay, Hong Kong
Jeffrey D. Ekberg	Director	Dec 28, 2005	B.S. (California State University), Certified Public Accountant	12 years Areas of Experience: Finance, Accounting	4141 Ranier Court, Ft. Worth, TX 76109
John Viola	Director	Dec 28, 2005	B.S. (Loyola Marymount University), M.B.A. (University of California, Los Angeles)	17 years Areas of Experience: Finance, Investing	3913 Overton Park Drive East, Fort Worth, TX 76109
Amal Autar	Director	Nov 17, 2005	Graduate (University of Witwatersrand South Africa)	10 years Areas of Experience: Administration of companies and trusts	Royal Road, Petit Raffray, Mauritius
John Harper	Director	Nov 17, 2005	Chartered Accountant	30 years Areas of Experience: Finance	47 Bis, Morcellement des Jardins, Tamarin, Mauritius

x) None of the Directors of NI III has acquired any shares of SOFL during the preceding 12 months.

xi) None of the Directors of NI III are on the Board of SOFL as of the date of the Public Announcement.

xii) The disclosure requirements under Chapter II of the SEBI (SAST) Regulations are not applicable to NI III in reference to SOFL.

xiii) The total paid up capital of NI III is USD 52.43 mm (Rs. 23,174 lacs) and the face value of each share is USD 1 (Rs. 44.20) as on June 30th, 2006.

xiv) NI III has not carried out any activities since its incorporation in November 2005.

xv) NI III has been incorporated in November 2005 for the purpose of making investments in India. No other investment has been made by NI III, other than NI II, as on the date of the Public Announcement.

xvi) NI III does not have any direct holding in any listed company promoted by Founders. NI III also does not have any indirect holding in any listed company promoted by Founders except for SOFL and STFC. Since NI III has only an indirect holding in both these companies, the compliance under the provisions of SEBI (SAST) Regulations are not applicable to NI III in reference to the same.

xvii) The Management Accounts of NI III for the period from November 17, 2005 to December 31, 2005 are as follows:

Balance Sheet	As On December 31, 2005 (In USD)	As On December 31, 2005 (In Rs. lacs)
Source of funds		
Share Capital	1	0.00044
Reserves and Surplus (excluding revaluation reserves)	(8,000)	(3.53)
Networth	(7,999)	(3.53)
Borrowings	7,500	3.31
Total	**(499)**	**(0.22)**
Application of funds		
Net Fixed Assets	-	-
Investments	-	-
Net Current Assets	(499)	(0.22)
Total	**(499)**	**(0.22)**

Income Statement	Period Ended December 31, 2005 (In USD)	December 31, 2005 Period Ended (In Rs. lacs)
Income	-	-
Total Expenditure	8,000	3.53
Profit before tax	(8,000)	(3.53)
Tax	-	-
Profit after tax	(8,000)	(3.53)

Other Financial Data	Period from November 17, 2005 to December 31, 2005 (In USD)	Period from November 17, 2005 to December 31, 2005 (In Rs. Lacs)
Dividend (%)	-	-
Earning (loss) Per Share (Basic)	(8,000)	(3.53)
Return on Net Worth (%)	NA	NA
Book Value per Share	(7,999)	(3.53)

Note: EPS = (Profit after tax – Preference dividend)/ No of equity shares outstanding

Return on Net Worth = Profit after tax / Total Net Worth (including preference capital, warrants subscription amount, share application money pending allotment)

Book Value per Share = Net Worth (excluding preference shares) / No of equity shares outstanding

xviii) Significant Accounting Policies:

a) Reporting Currency : The financial statements are presented in US Dollars.

b) Basis of Accounting : The accounts are prepared under the historical cost convention.

c) Income and Expenditure : Income and Expenditure are accounted for on an historical cost convention. For the purpose of these management accounts, all expenses incurred during the period under review have been absorbed in the same period.

d) Foreign Currency Translation : Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities with the exception of Investments expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the Balance Sheet date. Resulting profit or loss is taken to the Income Statement.

e) Related Party Transactions : For purposes of these financial statements, parties are considered to be related to the company if they have the ability, directly or indirectly, to control the company or exercise significant influence over the company in making financial and operating decisions, or vice-versa, or where the company is subject to common control or common significant influence. Related parties may be individuals or other entities.

xix) NI III has not promoted any company in the last three years except for NI II.

D) Newbridge Asia IV, L.P. (“NA IV”)

i) NA IV is a Cayman Islands exempted limited partnership. NA IV was incorporated on May 9, 2005.

ii) Its registered office is located at Ugland House, South Church Street, PO Box 309, George Town, Grand Cayman, Cayman Islands, BWI and its principal office located at 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102, USA.

iii) The General Partner of NA IV is Newbridge Asia GenPar IV, L.P., a Cayman Islands exempted limited partnership, the General Partner of which is Newbridge Asia Advisors IV, Inc., a Cayman Islands company. The management of NA IV is conducted by its General Partner. The limited partners of NA IV may not participate in the management, control, administration or business of NA IV.

iv) NA IV has over US$1.5 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, SAR and Taiwan), Indonesia, Japan, the Republic of Korea, the Philippines, Singapore, Australia, New Zealand and Thailand. It was jointly established by Texas Pacific Group and Blum Capital Partners and is managed out of offices in Fort Worth, Hong Kong, San Francisco, Shanghai, Tokyo, Seoul, Melbourne and Singapore.

v) NA IV 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.

vi) NA IV does not own any shares of SOFL as of the date of the Public Announcement. NA IV has not acquired any shares including through Rights or Public Issue or through Preferential Allotment of SOFL during the preceding 12 months.

vii) The Board of Directors of Newbridge Asia Advisors IV, Inc., the ultimate general partner of NA IV Partnership, comprises of the following persons:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
David Bonderman	Director	May 04, 2005	Graduate (Harvard Law School), Phi Beta Kappa Graduate (University of Washington in Seattle)	38 years Areas of Experience: Finance, Investing, Legal	333 Throckmorton, Fort Worth, TX 76102
Richard Blum	Director	May 04, 2005	B.A. and M.B.A. from the University of California, Berkeley	47 yearsAreas of Experience: Finance and Investing	30 Presidio Terrace, San Francisco, CA 94118

viii) None of the Directors of NA IV have acquired any shares of SOFL during the preceding 12 months.

ix) None of the Directors of NA IV are on the Board of SOFL as on the date of the Public Announcement.

x) The disclosure requirements under Chapter II of the SEBI (SAST) Regulations are not applicable to NA IV in reference to SOFL.

xi) NA IV does not have any direct holding in any listed company promoted by Founders. NA IV also does not have any indirect holding in any listed company promoted by Founders except for SOFL and STFC. Since NA IV has only an indirect holding in both these companies, the compliance under the provisions of SEBI (SAST) Regulations are not applicable to NA IV in reference to the same.

xii) The audited financial highlights of NA IV for the period from August 11, 2005 to December 31, 2005; as certified by KPMG LLP, are as below : -

Balance Sheet Statement	**As on Dec 31, 2005 (Rs. Lacs)**	**As on Dec 31, 2005 (USD mm)**
Sources of Funds		
Partners' Capital		
General Partner	40.22	0.09
Limited Partners	60,081.94	135.93
Payable to Affiliate	4.42	0.01
Total	**60,126.59**	**136.03**
Uses of funds		
Investments (at Estimated Fair Value)	52,795.13	119.45
Net Current Assets	7,331.46	16.59
Total	**60,126.59**	**136.03**

Profit and Loss Statement	**Period from Aug 11, 2005 to Dec 31 , 2005 (Rs. Lacs)**	**Period from Aug 11, 2005 to Dec 31 , 2005(USD mm)**
Total Investment Income	87.52	0.20
Total Expenses	4,942.00	11.18
Loss (before Gain on Investments)	(4,854.49)	(10.98)
Gain on Investments (Change in Unrealized Gain on Investments)	5,748.65	13.01
Net Income	894.17	2.02

Other Financial Data	**Period from Aug 11, 2005 to Dec 31 , 2005**	**Period from Aug 11, 2005 to Dec 31 , 2005**
Dividend (%)	-	-
Earning (loss) Per Share (Basic)	NA	NA
Return on Net Worth (%)	1.48	1.48
Book Value per Share	NA	NA

Note: EPS = (Profit after tax – Preference dividend)/ No of equity shares outstanding

Return on Net Worth = Profit after tax / Total Net Worth (including preference capital, warrants subscription amount, share application money pending allotment)

Book Value per Share = Net Worth (excluding preference shares) / No of equity shares outstanding

xiii) Significant accounting policies:

- Basis of Accounting – The financial statements have been presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.
- 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.
- Valuation of Investments – Investments are recorded at estimated 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 generally valued at quoted market prices. In establishing the fair value of investments, including those without readily determinable values, 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, the estimated fair values reflected in the accompanying financial statements may differ significantly from values that would have been used had a readily available market for the investments existed, and the differences could be material.
- Income Taxes – There is currently no taxation imposed on income by the Government of the Cayman Islands. In accordance with federal income tax regulations, no income taxes are levied on a partnership, but rather on the individual partners. Consequently, no federal income taxes or Cayman Islands income taxes have been reflected in the accompanying financial statements.
- Management Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.
- Organization Costs - Organization Costs are expensed in the year incurred.

xiv) Information in respect of companies promoted by NA IV:

Name of the company	Newbridge Parkway IV Ltd.
Date of incorporation	June 3rd, 2005
Nature of Business	Investment Vehicle
Whether Sick Industrial Company	No

Key financial data

For the period ended /as on	**June 30th, 2006 (USD)**	**June 30th, 2006 (Rs. In lacs)**	**December 31st, 2005 (USD)**	**December 31st, 2005(Rs. In lacs)**
Total Income	4,344,191	1,920	3,552,024	1,570
Profit After Tax	4,344,191	1,920	3,552,024	1,570
EPS (USD/Rs.)	43,442	1,920,136	35,520	1,569,984
Equity Capital	8,404,069	3,715	8,404,069	3,715
Reserves	7,896,215	3,490	3,614,241	1,597
Net Worth	16,300,284	7,205	12,018,310	5,312

Name of the company	Newbridge HR Partners Ltd.
Date of incorporation	September 12th, 2005
Nature of Business	Investment Vehicle
Whether Sick Industrial Company	No

Key financial data

For the period ended /as on	**June 30th, 2006 (USD)**	**June 30th, 2006 (Rs. In lacs)**	**December 31st, 2005 (USD)**	**December 31st, 2005(Rs. In lacs)**
Total Income	5,120,330	2,263	-	-
Profit After Tax	5,120,330	2,263	-	-
EPS (USD/Rs.)	51,203	2,263,173	-	-
Equity Capital	24,611,652	10,878	19,982,423	8,832
Reserves	5,120,330	2,263	(10,000)	(4.42)
Net Worth	29,731,982	13,142	19,972,423	8,828

Name of the company	Newbridge India Investments III Ltd
Date of incorporation	November 17, 2005
Nature of Business	Investment Vehicle
Whether Sick Industrial Company	No

Key financial data

For the period ended /as on	June 30th, 2006 (USD)	June 30th, 2006 (Rs. In lacs)	December 31st, 2005 (USD)	December 31st, 2005(Rs. In lacs)
Total Income	-	-	-	-
Profit After Tax	(10,879,513)	(4,809)	-	-
EPS (USD/Rs.)	(0.21)	(9)	-	-
Equity Capital	52,588,087	23,244	-	-
Reserves	(10,879,513)	(4,809)	-	-
Net Worth	41,708,574	18,435	-	-

Name of the company	TPG Newbridge Taishin I, Inc.
Date of incorporation	July 2, 2006
Nature of Business	Investment Vehicle
Whether Sick Industrial Company	No

Key financial data

For the period ended /as on	June 30th, 2006 (USD)	June 30th, 2006 (Rs. In lacs)
Total Income	-	-
Profit After Tax	-	-
EPS (USD/Rs.)	-	-
Equity Capital	4,085,783	1,806
Reserves	-	-
Net Worth	4,085,783	1,806

Name of the company	TPG Newbridge Taishin II, Inc.
Date of incorporation	July 2, 2006
Nature of Business	Investment Vehicle
Whether Sick Industrial Company	No

Key financial data

For the period ended /as on	June 30th, 2006 (USD)	June 30th, 2006 (Rs. In lacs)
Total Income	-	-
Profit After Tax	-	-
EPS (USD/Rs.)	-	-
Equity Capital	6,116,175	2,703
Reserves	-	-
Net Worth	6,116,175	2,703

Name of the company	TPG Newbridge Taishin III, Inc.
Date of incorporation	July 2, 2006
Nature of Business	Investment Vehicle
Whether Sick Industrial Company	No

Key financial data

For the period ended /as on	June 30th, 2006 (USD)	June 30th, 2006 (Rs. In lacs)
Total Income	-	-
Profit After Tax	-	-
EPS (USD/Rs.)	-	-
Equity Capital	1,167,155	516
Reserves	-	-
Net Worth	1,167,155	516

Name of the company	TPG Newbridge Taishin VI, Inc.
Date of incorporation	July 2, 2006
Nature of Business	Investment Vehicle
Whether Sick Industrial Company	No

Key financial data

For the period ended /as on	June 30th, 2006 (USD)	June 30th, 2006 (Rs. In lacs)
Total Income	-	-
Profit After Tax	-	-
EPS (USD/Rs.)	-	-
Equity Capital	262,090	116
Reserves	-	-
Net Worth	262,090	116

Name of the company	BOW OCNS Holdings
Date of incorporation	July 3, 2006
Nature of Business	Investment Vehicle
Whether Sick Industrial Company	No

Key financial data

For the period ended /as on	June 30th, 2006 (USD)	June 30th, 2006 (Rs. In lacs)
Total Income	-	-
Profit After Tax	-	-
EPS (USD/Rs.)	-	-
Equity Capital	50,998,725	22,541
Reserves	-	-
Net Worth	50,998,725	22,541

Name of the company	TPG Newbridge Myer, Ltd.
Date of incorporation	March 4, 2006
Nature of Business	Investment Vehicle
Whether Sick Industrial Company	No

Key financial data

For the period ended /as on	June 30th, 2006 (USD)	June 30th, 2006 (Rs. In lacs)
Total Income	-	-
Profit After Tax	-	-
EPS (USD/Rs.)	-	-
Equity Capital	153,801,554	67,980
Reserves	-	-
Net Worth	153,801,554	67,980

E) Southern Pine Pte. Ltd. ("Southern Pine")

i) Southern Pine is an unlisted company incorporated on April 13, 1995 in Singapore under The (Singapore) Companies Act, Cap. 50.

ii) Southern Pine has its registered office at 168 Robinson Road, #37-01 Capital Tower, Singapore 068 912.

iii) Southern Pine, an investment holding company, is a wholly owned subsidiary of the Government of Singapore Investment Corporation (Ventures) Private Limited ("GIC Ventures") and an affiliate of GIC Special Investments Pte Ltd ("GIC SI"). GIC Ventures is wholly owned by the Minister for Finance (Inc.) of the Government of Singapore.

iv) The shareholding pattern of Southern Pine as on June 30, 2006 is as under

Sr. No.	Shareholder's Category	No. of shares	%
1.	Promoters	2	100%
2.	FII/FC/Mutual Funds/FIs/Banks	-	-
3.	Public	-	-
	Total Paid Up Capital	**2**	**100%**

v) The total paid up capital of Southern Pine is Singapore $2 and consists of 2 shares with a face value of Singapore $1 each as on June 30th, 2006.

vi) GIC Special Investments was set up in 1982 as the private equity investment arm of Government of Singapore Investment Corporation ("GIC") and manages a diversified global portfolio of investments in venture capital and private equity funds, as well as direct investments in private companies. GIC SI's portfolio has since grown significantly. Its investments over the years have covered the areas of leveraged buyouts, venture capital, growth capital, mezzanine financing, distressed situations and other special situation investments. Since inception, it has invested in over 400 fund partnerships and companies. Today, GIC SI ranks as one of the largest private equity investors worldwide.

vii) Southern Pine 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.

viii) Southern Pine does not own any shares of SOFL as of the date of the Public Announcement. Southern Pine has not acquired any shares including through Rights or Public Issue or through Preferential Allotment of SOFL during the preceding 12 months.

ix) The Board of Directors of Southern Pine comprise of the following persons:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Kunnasagaran Chinniah	Senior Executive Vice President	Oct 09, 2000	Bachelor of Engineering (Electrical) Degree from NUS; MBA from Univ of California, Berkeley;	Areas of Experience : Finance, Investing. 17 Years of Experience. Joined GIC in 1989 and Certified Chartered Financial Analyst.	12 Countryside Grove, Singapore 789967 GIC SI in 1999.
Goh YewHong	Senior Vice President	Apr 30, 2004	Honors degree (Econs), Cambridge Univ.; MBA	Areas of Experience : Finance, Investing. (Accountancy) from Nanyang Technological Univ. Certified Chartered Financial Analyst.	36 LorongPisang Udang Singapore 597717 11 Years of Experience. Joined GIC in 1995 and GIC SI in 1999.

x) None of the Directors of Southern Pine have acquired any shares of SOFL during the preceding 12 months.

xi) None of the Directors of Southern Pine are Directors on the Board of SOFL as on the date of the Public Announcement.

xii) The disclosure requirements under Chapter II of the SEBI (SAST) Regulations are not applicable to Southern Pine in reference to SOFL.

xiii) The audited financial highlights of Southern Pine for the last three financial years as certified by M/s KPMG (Singapore), Certified Public Accountants and the unaudited financial highlights for the period from April 1, 2005 to December 31, 2005, are as below : -

Balance Sheet Statement	**As on Dec 31, 2005**		**FY 2005**		**FY 2004**		**FY 2003**	
	(Rs. Lacs)	**(USD mm)**	**(Rs. Lacs)**	**(USD mm)**	**(Rs. Lacs)**	**(USD mm)**	**(Rs. Lacs)**	**(USD mm)**
Current Liabilities								
Amount due to holding Company (non-trade)	2,368.58	5.36	2,368.49	5.36	2,368.11	5.36	2,361.16	5.34
Accrued Expenses	-	-	-	-	-	-	0.29	0.00
Total	**2,368.58**	**5.36**	**2,368.49**	**5.36**	**2,368.11**	**5.36**	**2,361.45**	**5.34**
Net Liabilities	(2,368.58)	(5.36)	(2,368.49)	(5.36)	(2,368.11)	(5.36)	(2,361.45)	(5.34)
Capital and Reserves	-	-	-	-	-	-	-	-
Share Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Losses	(2,368.58)	(5.36)	(2,368.50)	(5.36)	(2,368.11)	(5.36)	(2,361.45)	(5.34)
Total	**(2,368.58)**	**(5.36)**	**(2,368.49)**	**(5.36)**	**(2,368.11)**	**(5.36)**	**(2,361.45)**	**(5.34)**

Profit and Loss Statement	For the period from Apr 01 to Dec 31, 2005		FY 2005		FY 2004		FY 2003	
	(Rs. Lacs)	(USD mm)	(Rs. Lacs)	(USD mm)	(Rs. Lacs)	(USD mm)	(Rs. Lacs)	(USD mm)
Income								
Gain on sale of unquoted equity Securities	-	-	-	-	-	-	791.32	1.79
Realised Exchange	-	-	-	-	-	-	0.08	0.00
Expenses	-	-	-	-	-	-	-	-
Auditors' remuneration	-	-	0.29	0.00	0.29	0.00	0.29	0.00
Professional fees	0.08	0.00	0.08	0.00	6.35	0.01	0.12	0.00
Other expenses	0.01	0.00	0.01	0.00	0.02	0.00	0.03	0.00
Loss from ordinary activities before taxation	(0.09)	(0.00)	(0.39)	(0.00)	(6.66)	(0.02)	(0.45)	(0.00)
Income Tax Expense	-	-	-	-	-	-	-	-
Net Profit/Loss after taxation	(0.09)	(0.00)	(0.39)	(0.00)	(6.66)	(0.02)	790.95	1.79

Profit and Loss Statement	For the period from Apr 01 to Dec 31, 2005		FY 2005		FY 2004		FY 2003	
Dividend (%)		-		-		-		-
Earning (loss) Per Share (Basic) (Rs./USD) (annualized)	(4,420)	(100.00)	(19,425.90)	(439.50)	(332,958.60)	(7533.00)	39,547,309.10	894,735.50
Return on Net Worth (%) (annualized)		NA		NA		NA		NA
Book Value per Share	(1,184.29)	(2.68)	(1,184.25)	(2.68)	(1,184.06)	(2.68)	(1,180.73)	(2.67)

Note: EPS = (Profit after tax – Preference dividend)/ No of equity shares outstanding

Return on Net Worth = Profit after tax / Total Net Worth (including preference capital, warrants subscription amount, share application money pending allotment)

Book Value per Share = Net Worth (excluding preference shares) / No of equity shares outstanding

xiv) The changes in financial position of Southern Pine are a reflection of the operating transactions which mainly relate to purchase and sale of investments.

xv) Significant accounting policies are as follows :

(a) Basis of Preparation – The financial statements are prepared in accordance with Singapore Financial Reporting Standards including related Interpretations promulgated by the Council on Corporate Disclosure and Governance. The historical cost basis is used.

(b) Functional currency – The functional currency of Southern Pine is US dollars. As the receipts from operations are usually retained in US dollar and the primary investment currency is the US dollar, the directors of Southern Pine are of the opinion that the US dollar best reflects the economic substance of the underlying events and circumstances relevant to Southern Pine.

(c) Foreign currencies – Monetary assets and liabilities in foreign currencies are translated into US dollars at rates of exchange approximate to those ruling at the balance sheet date. Transactions in foreign currencies are translated at rates ruling on transaction dates. Translation differences are included in the profit and loss account.

(d) Affiliated company – An affiliated company is defined as one, other than a related corporation, which directly or indirectly through one or more intermediaries, is under common control with that of Southern Pine.

xvi) Southern Pine has not promoted any company in the last three years except for NI II.

F) Shriram Financial Services Holdings Private Limited ("SFSHPL")

i) SFSHPL, formerly known as Shriram Chits & Investments Private Limited (SCIL), was incorporated as a private limited company on April 05, 1974 with the name Shriram Chits & Investments Private Limited under the Companies Act, 1956 and received its certificate of incorporation from the Registrar of Companies, Tamil Nadu. SCIL became a deemed public limited company on January 01, 1996 under the provisions of Section 43A (2) of the Companies Act, 1956. Subsequently, the word Private was reinstated and SCIL become a Private Limited Company on June 07, 2001 under the provisions of Section 43A (2A) of the Companies Act, 1956. The Name Shriram Chits & Investments Private Limited was changed to Shriram Financial Services Holdings Private Limited on 21st December, 2004.

ii) The Registered Office of SFSHPL is at 123, Angappa Naicken Street, Chennai – 600 001.

iii) The shares of SFSHPL are not listed on any stock exchange.

iv) As on the date of the Public Announcement, Mr R Thyagarajan, Mr A.V.S. Raja and Mr T Jayaraman together held 8,026,067 equity shares of SFSHPL. They collectively represent 90.07% of the equity capital of SFSHPL. These persons neither hold any shares in SOFL nor are they directly acquiring any shares in the Offer and by virtue of the aforesaid holding in SFSHPL they shall be regarded as "Persons Deemed to be Acting in Concert" ("PDACs") with SHMPL and the PACs

v) SFSHPL was started with the main objective to operate the chit fund business. SFSHPL has since amended its Objects Clause to include business of Investment and Portfolio Managers and is no more in Chit business.

vi) SFSHPL 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.

vii) SFSHPL does not own any shares of SOFL as of the date of the Public Announcement. The details of shares of SOFL purchased by SFSHPL in preceding 12 months of the Public Announcement are as follows:-

Date	No. of Shares Acquired/Sold	Purchase Price / Sale Price (Rs. Per share)	Cumulative Holding
17.9.05	2186380 Acquired	2.61	2186380
19.9.05	2186380 Sold	2.61	Nil
25.1.06	6720 Acquired	59.00	6720
25.1.06	6720 Sold	59.00	Nil

viii) The shareholding pattern of SFSHPL as on February June 30, 2006 is as under

Sr. No.	Shareholder's Category	No. of shares	%
1.	Promoters	8,025,065	90.06%
2.	FII/FC/Mutual Funds/FIs/Banks	-	-
3.	Public	885,745	9.94%
	Total Paid Up Capital	**8,910,810**	**100%**

ix) The Board of Directors of SFSHPL comprise of the following persons :-

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Mr.R Chandrasekar	Director	30.6.98	B.Com., AICWA	15 yrsin business management	14 B Warren Road Mylapore Chennai 600 004
Mr.R Swaminathan	Director	21.5.03	B.Com	23 Yrsin finance and share broking	Flat 3 E, Parijath No.23, coats Road T Nagar Chennai 600 017
Mr.D V Ravi	Director	30.9.05	B.Com., PGDRM (IRMA)	19 Yrsin business process, re-engineering organisation & designing MIS system	B 3 E, Regal Palm Gardens, Ceedeesyes Apts Velachery Tambaram Road, Velachery, Chennai 600 042
Mr.R Sundara Rajan	Director	1.7.05	B.E (Mechanical), MBA (IIM Ahmedabad)	30 Yrsin Pharma Industry	30 A, Davis Road, Cooke Town, Bangalore 560 084

x) None of the Directors of SFSHPL have acquired any shares of SOFL during the preceding 12 months of the Public Announcement.

xi) None of the Directors of SFSHPL are Directors on the Board of SOFL.

xii) The total paid up capital of SFSHPL as on June 30, 2006 is Rs.8,910.81 lacs and the face value per share is Rs. 100/-The Audited financial highlights of SFSHPL for the last three financial years ended March 31 and the six months period from April 1, 2005 to September 30, 2005; as certified by Mr. K.S. Kalyansundaram, Chartered Accountant, Membership No. 18668 are as below : -

Balance Sheet Statement (Rs. Lacs)	Half Year as on 30-Sep-2005	FY 2005	FY 2004	FY 2003
Sources of Funds				
Share Capital	8,910.81	8,910.81	8,910.81	950.00
Reserves and Surplus	1,217.89	1,071.33	-	-
Networth	10,128.70	9,982.14	8,876.22	778.24
Secured Loans	2,003.49	2,201.34	-	43.30
Unsecured Loans	6,835.09	6,060.77	6,729.29	446.70
Deferred Tax Liability (Net)	-	-	3.83	13.95
Total	**18,967.29**	**18,244.24**	**15,643.93**	**1,453.96**

Balance Sheet Statement (Rs. Lacs)	Half Year as on 30-Sep-2005	FY 2005	FY 2004	FY 2003
Application of Funds				
Net Fixed Assets	63.43	70.35	285.88	272.38
Investments	17,330.45	16,501.58	10,662.60	1,349.78
Deferred Tax Asset	-	-	3.83	13.95
Net Current Assets	1,573.40	1,672.31	4,657.03	(353.91)
Profit and Loss A/C	-	-	34.59	171.76
Total	**18,967.29**	**18,244.24**	**15,643.93**	**1,453.96**

Profit and Loss Statement (Rs. Lacs)	For the period from Apr 01 to Sep 30, 2005	FY 2005	FY 2004	FY 2003
Income				
Income	670.10	2,000.11	1,810.68	726.64
Total Income	670.10	2,000.11	1,810.68	726.64
Total Expenditure	357.62	448.22	1,434.69	448.87
Profit before Depreciation, Interest and Tax	312.49	1,551.89	375.99	277.77
Depreciation	6.91	4.07	69.81	72.47
Interest and Other charges	159.01	441.90	130.30	124.00
Profit Before Tax	146.56	1,105.92	175.88	81.29
Provision for Tax	-	-	38.70	6.61
Profit after Tax	146.56	1,105.92	137.18	74.68

Other Financial Data	For the period from 1-Apr-2005 to 30-Sep-2005	FY 2005	FY 2004	FY 2003
Dividend (%)	-	-	-	-
Earning (loss) Per Share (Basic) (Rs.) (annualized)	3.29	12.41	1.54	7.86
Return on Net Worth (%) (annualized)	2.89	11.08	1.55	9.60
Book Value per Share (Rs.)	113.67	112.02	99.61	81.92

Note: EPS = (Profit after tax – Preference dividend)/ No of equity shares outstanding

Return on Net Worth = Profit after tax / Total Net Worth (including preference capital, warrants subscription amount, share application money pending allotment)

Book Value per Share = Net Worth (excluding preference shares) / No of equity shares outstanding

Note: For the financial years ended 31/03/2003 to 31/03/2005 and for the half year ended 30/09/2005, SFSHPL earned substantial income on account of license fee / royalty income. In respect of the financial year ended 31/03/2005 and for the half year ended 30/09/2005, SFSHPL also earned significant income by way of dividend on its investments.

xiii) Contingent Liabilities in respect of Income Tax matters : Rs.1,234.96 Lacs.

xiv) Significant accounting policies are as follows :

(a) Revenue Recognition – Revenues are recognised and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.

(b) 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.

(c) Fixed Assets and Depreciation – Fixed assets are stated at cost as reduced by Depreciation. Depreciation on assets is provided under written down value method at the rates prescribed under schedule XIV of the Companies Act, 1956.

(d) Taxes on Income – Current Tax is determined in accordance with the provisions of Income Tax Act 1961. Deferred Tax is recognised in terms of Accounting Standard (AS-22) issued by Institute of Chartered Accountants of India.

xvi) Information in respect of companies promoted by SFSHPL:

Name of the company	Shriram Holdings (Madras) Private Limited
Date of incorporation	April 19th, 1993
Nature of Business	Investment Company
Whether Sick Industrial Company	No

Key financial data **In Rs. Lacs**

For the period ended /as on March 31,	2005	2004	2003
Total Income	144.66	311.77	189.76
Profit After Tax	134.48	298.09	26.56
EPS (Rs.)	4,482.78	9,936.40	885.33
Equity Capital	0.30	0.30	0.30
Reserves	27.97	-	-
Net Worth	28.27	(106.21)	0.30

Name of the company	Shriram Chits Karnataka Private Limited
Date of incorporation	January 9th, 1990
Nature of Business	Chits
Whether Sick Industrial Company	No

Key financial data **In Rs. Lacs**

For the period ended /as on March 31,	2005	2004	2003
Total Income	2,127.64	2,285.19	2,059.65
Profit After Tax	2.95	18.07	10.55
EPS (Rs.)	0.74	4.55	2.64
Equity Capital	400.00	400.00	400.00
Reserves	334.92	491.64	414.33
Net Worth	734.92	891.64	814.33

Name of the company	Shriram Chits Private Limited
Date of incorporation	December 8th, 1981
Nature of Business	Chits
Whether Sick Industrial Company	No

Key financial data **In Rs. Lacs**

For the period ended /as on March 31,	2005	2004	2003
Total Income	19,343.58	19,079.94	16,696.79
Profit After Tax	1,525.87	2,258.05	1,521.05
EPS (Rs.)	215.55	321.00	234.00
Equity Capital	702.50	702.50	702.50
Reserves	7,314.81	5,801.62	3,557.80
Net Worth	8,017.31	6,504.12	4,260.30

Name of the company	Shriram Chits Tamil Nadu Private Limited
Date of incorporation	August 22nd, 1989
Nature of Business	Chits
Whether Sick Industrial Company	No

Key financial data **In Rs. Lacs**

For the period ended /as on March 31,	2005	2004	2003
Total Income	7,597.74	7,210.48	6,292.43
Profit After Tax	534.16	640.72	1,261.57
EPS (Rs.)	44.51	53.39	105.13
Equity Capital	1,200.00	1,200.00	1,200.00
Reserves	3,033.87	2,499.71	1,858.99
Net Worth	4,233.87	3,699.71	3,058.99

Name of the company	Shriram Insurance Holdings Private Limited
Date of incorporation	January 24th, 2006
Nature of Business	Insurance
Whether Sick Industrial Company	No

Key financial data **In Rs. Lacs**

For the period ended /as on March 31,	2006
Total Income	-
Profit After Tax	-
EPS (Rs.)	-
Equity Capital	5.00
Reserves	-
Net Worth	-

Note: The company has been incorporated in January 2006 and hence there are no financials to provide.

Name of the company	Shriram Life Insurance Company Limited
Date of incorporation	March 15th, 2005
Nature of Business	Life Insurance
Whether Sick Industrial Company	No

Key financial data **In Rs. Lacs**

For the period ended /as on March 31,	2006
Total Income	1,395.31
Profit After Tax	217.68
EPS (Rs.)	0.17
Equity Capital	12,500.00
Reserves	217.68
Net Worth	12,717.74

Name of the company	Shriram Enterprise Holdings Private Limited
Date of incorporation	June 29th, 1995
Nature of Business	Stock Broking and Consultancy
Whether Sick Industrial Company	No

Key financial data **In Rs. Lacs**

For the period ended /as on March 31,	2005	2004	2003
Total Income	0.05	0.04	0.04
Profit After Tax	(2.09)	(0.00)	(0.00)
EPS (Rs.)	(0.02)	(0.00)	(0.00)
Equity Capital	1.00	1.00	1.00
Reserves	-	-	-
Net Worth	(1.55)	0.54	0.54

Name of the company	Shriram Credit Company Limited
Date of incorporation	September 30th, 1980
Nature of Business	Hire Purchase Finance and Lease on Motor Vehicles and Machineries
Whether Sick Industrial Company	No

Key financial data **In Rs. Lacs**

For the period ended /as on March 31,	2005	2004	2003
Total Income	16.27	11.62	2.91
Profit After Tax	11.11	9.64	37.66
EPS (Rs.)	3.42	2.97	11.62
Equity Capital	324.07	324.07	324.07
Reserves	40.27	40.27	40.27
Net Worth	109.70	98.59	88.95

Name of the company	Take Solutions Private Limited
Date of incorporation	November 19th, 2004
Nature of Business	Providing Technology enabled business solutions
Whether Sick Industrial Company	No

Key financial data

For the period ended /as onMarch 31,	2005 (In Rs. Lacs)	2005 (In Singapore Dollars)
Total Income	5.16	19,453.00
Profit After Tax	(9.08)	(34,229.00)
EPS (Rs.)	(0.18)	(0.01)
Equity Capital	1307.2	4,929,112.00
Reserves	(9.08)	(34,229.00)
Net Worth	1297.55	4,892,737.00

Note: Conversion Rate : 1 Singapore Dollar = INR 26.52 (as on March 31st, 2005)

Note 2 : The financials of Take Solutions Private Limited refer to the period from November 19th, 2004 (Date of Incorporation) to March 31st, 2005.

Note 3 : It has ceased to be a subsidiary with effect from August 14th, 2006.

Name of the company	Shriram Transport Finance Company Limited
Date of incorporation	June 30th , 1979
Nature of Business	Hire Purchase Leasing and Hypothecation Loan
Whether Sick Industrial Company	No

Key financial data **In Rs. Lacs**

For the period ended /as on March 31,	2005	2004	2003
Total Income	34,668.76	26,092.07	16,872.64
Profit After Tax	4,932.38	3,683.97	2,382.90
EPS (Rs.)	9.06	8.16	5.69
Equity Capital	6,542.85	5,561.21	4,189.95
Reserves	13,168.28	5,060.49	2,997.98
Net Worth	19,665.97	10,553.69	7,097.07

Note : SOFL is also promoted by SFSHPL. Please refer to main point 5 (Background of SOFL) for details.

4 DISCLOSURE IN TERMS OF REGULATION 21(3)

The public shareholding is not expected to fall below the applicable limits of public shareholding under the listing agreement of SOFL as a consequence of the Offer. Hence the provisions of Regulation 21(3) do not apply.

5 BACKGROUND OF SOFL

a) SOFL was incorporated as a Public Limited Company on 1st June, 1989 under the name M/s Pioneer Overseas Finance Limited and obtained the Certificate of Commencement of business on 7th June, 1989. M/s Shrilekha Hire Purchase Finance Ltd merged with M/s Pioneer Overseas Finance Limited with effect from April 01, 2001. The scheme of arrangement /amalgamation was sanctioned by the High Court of Judicature at Hyderabad and Madras on 30.12.2002 and 10.01.2003 respectively and were filed with Registrar of Companies on September 24, 2003 being the effective date. M/s Pioneer Overseas Finance Limited issued and allotted equity shares of Rs. 10/- to the shareholders of M/s Shrilekha Hire Purchase Finance Ltd in the ratio of 48 equity shares of the face value of Rs. 10/- each in M/s Pioneer Overseas Finance Limited for every 10 equity shares of the face value of Rs. 10/- each in M/s Srilekha Hire Purchase Finance Ltd. Subsequently the name was changed to Shriram Overseas Finance Limited and a fresh certificate of incorporation was obtained on May 29, 2003.

b) It has its registered office located at 123, Angappa Naicken Street, Chennai - 600 001.

c) SOFL is registered with Reserve Bank of India (**"RBI"**) under section 45 IA of the Reserve Bank of India Act, 1934 and received its certificate of registration on 06.09.2003 vide registration number A.07.00378. The certificate is valid as on date. SOFL is operating in the Non Banking Financial Services Sector and is engaged in the following activities:

- Hire purchase, Financial leasing and Loan financing of commercial vehicles
- Portfolio Management Services relating to Hire purchase and Loans of commercial vehicles

d) The shares of SOFL are listed on the BSE, CSE and MSE. The shares are frequently traded on BSE and infrequently traded on CSE and MSE.

e) As of February 17, 2006 the closing price of the shares on BSE, where the shares are most frequently traded, was Rs. 61.00 per Share.

f) The subscribed and paid up share capital of SOFL as of the date of the Public Announcement post the Preferential Issue comprises of 26,076,477 fully paid-up Equity shares of Rs. 10 each. There are no partly paid-up Equity Shares of SOFL as of the date of the Public Announcement.

Pre-preferential Issue:

	No. of Shares/voting rights Face Value (Rs. 10 each)	**% of Shares**
Fully Paid-up Equity Shares (a)	21,208,099	100.00
Partly paid-up Equity Shares (b)	-	-
Total paid-up Equity Shares (a + b)	21,208,099	100.00
Total voting rights in SOFL	21,208,099	100.00

Post-preferential Issue:

	No. of Shares/voting rights Face Value (Rs. 10 each)	**% of Shares**
Fully Paid-up Equity Shares (a)	26,076,477	100.00
Partly paid-up Equity Shares (b)	-	-
Total paid-up Equity Shares (a + b)	26,076,477	100.00
Total voting rights in SOFL	26,076,477	100.00

g) There are no partly paid up Shares (including calls made, calls in arrears) in SOFL. Further, there are no outstanding convertible instruments or preference shares triggering voting rights. Further SOFL has not issued any warrants, FCDs, PCDs, convertible securities, GDRs and ADRs.

h) SOFL has duly complied with clause 49 requirement under the Listing Agreement with the Stock Exchanges:

i) The Composition of the Board of Directors of SOFL as of the date of the Public Announcement is as follows:

Name and Designation	Residential Address	Qualification & Experience	Date of Joining
Mr. P S Gopalakrishnan Chairman	B-202, Keshav Dugar1, East Avenue, Kesava Perumal Puram Chennai-600 028	B.Com L L B Associate Member of the Institute of Banks, London Fellow of Economic Dev. Institute of IBRD,Washington DC(USA)43 Yrs In banking & project financing	Jun 30, 2003
Mr. J.S.GujralManaging Director	C-601, First Floor, New Friends Colony, New Delhi-110 065	B.Com Management 16 Yrs In the field of finance and hire purchase	May 9, 2002 {As Director} Jul 1, 2003 (as Managing Director}
Mr. R Ramesh Whole Time Director	Sri Lakshmi NivasE-6, Shanti Sadan,Kochadai, Madurai-16	B.Com., A C A 21 YrsIn hire purchase financing	January 1, 2001 {As Whole Time Director {Operations} January 31, 2002 {As Whole Time Director}
Mr. S Ashok Director	Boopathy Buildings Sivakasi – 626 123	B.Com 21 yrs In match industry and textile industry	Jun 1, 1989
Mr. S P Raghunathan Director	Plot No.5, Priya Colony, Phase II, KakaGuda, Secunderabad-500 015	Diploma in Commerce FII I24 Yrs In insurance industry	May 9, 2002
Mr. S Venkatakrishnan IA & AS (Retd) Director	34, Oliver Road Mylapore, Chennai 600 004	MA (Mathematics) 55 Yrs In accounts, audit and general administration	Jun 30, 2003
Mr. T N Swaminathan Director	31, Khushali, Plot-358, Central Avenue Road, Chembur,Mumbai 400 071	Under Graduate 51 Yrs In shipping and marketing of financial products	Jun 30, 2003
Mr. S Rajaratnam Director	12,III Street,Poes Road, Chennai-600 018	M A, L L M, FICWA 56 Yrs Advocate and Tax Management Consultant	May 27, 2003

j) SOFL has neither been prohibited by SEBI from dealing in securities nor have they received any show cause notice, nor any penal action has been initiated in terms of directions under Section 11B of SEBI Act or under any of the Regulations made under the SEBI Act except as given herein under :

The erstwhile Pioneer Overseas Finance Limited had earlier made an issue of 2,000,000 equity shares on 31.03.00 and 29.04.00 to the promoters of Pioneer group by way of preferential allotment. With regard to certain compliance by the promoters of Pioneer group with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, the promoters of Pioneer group were directed by the SEBI Adjudicating Officer vide order dated 4.02.04 to pay a penalty of Rs 2 lacs. The promoters of Pioneer group, have made the payment on 17.03.2004.

k) No penal action has been initiated or taken by BSE, MSE or CSE where the shares of SOFL are listed nor have any of the stock exchanges denied listing and till the date of the Public Announcement, trading of the shares has not been suspended on any of the Stock Exchanges except the one given hereunder :

SOFL received a letter from the BSE on 22.9.99 suspending the trading in the securities of SOFL for non compliance of provisions of clause 15 /16 of the Listing Agreement with effect from 27.9.99. In this connection SOFL paid a penalty of Rs.4,000/- on 1.10.99, and the trading in the securities resumed with effect from 11.10.99 vide the exchange letter dated 28.10.99 and 5.11.1999.

SOFL had vide its letter dated 15.11.2003 applied for the delisting of its shares from CSE .The approval from CSE is awaited.

Further SOFL has duly complied with the various requirements under the Listing Agreement with the Stock Exchanges.

l) The share capital history of SOFL is as follows:

Date of Allotment	Number & % of shares issued		Cumulative paid-up capital in Rs	Mode of allotment	Identity of allottees (Promoters/ others)	Status of compliance
07.07.89	10	0.00	100	Subscribers to Memorandum	Promoters and Non Promoters	Complied
07.07.89	611739	2.35	6117490	Further Issue	Promoters and Non Promoters	Complied
04.09.89	155300	0.60	7670490	Further Issue	Promoters and Non Promoters	Complied
12.09.89	59051	0.23	8261000	Further Issue	Promoters and Non Promoters	Complied
20.09.89.	23900	0.09	8500000	Further Issue	Non Promoters	Complied
05.11.90	109000	0.42	9590000	Further Issue	Promoters and Non Promoters	Complied
15.12.90	88500	0.34	10475000	Further Issue	Promoters and Non Promoters	Complied
07.01.91	117400	0.45	11649000	Further Issue	Promoters and Non Promoters	Complied
02.03.91	277200	1.06	14421000	Further Issue	Promoters and Non Promoters	Complied
26.03.91	57900	0.22	15000000	Further Issue	Promoters and Non Promoters	Complied
18.11.92	950000	3.64	24500000	Rights Issue	Promoters and Non Promoters	Complied
17.03.93	100000	0.38	25500000	Rights Issue	Non promoter	Complied
17.05.95	1450000	5.56	40000000	Public Issue	Promoters and Non Promoters	Complied
31.03.00	1190000	4.56	51900000	Preferential Issue	Promoters	Complied
29.04.00	810000	3.11	60000000	Preferential Issue	Promoters	Complied
01.10.02	800000	3.07	68000000	Preferential Issue	Promoters	Complied
30.06.03	10039099	38.50	168390990	Scheme of Amalgamation	Promoters and Non Promoters	Complied
16.02.05	4369000	16.75	212080990	Preferential Issue	Non Promoters	Complied
2.2.06	4868378	18.67	260764770	Preferential Issue	Promoters	In principle listing approval under clause 24 (a) obtained
TOTAL	**26076477**	**100.00**				

m) SOFL, its promoters and other major shareholders have duly complied with the provisions of chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto from time to time as applicable. SOFL has delayed its filings for the years 1997, 1998, 1999 and 2000. Filings under the SEBI Regularisation Scheme 2002 have not been availed by SOFL and SEBI has vide letter dated November 16, 2004 imposed a penalty of Rs. 1,75,000 for alleged violations of Regulations 6 (2) and 6 (4) for 1997 & 8 (3) for 1998,1999,2000,2001 and 2002. SOFL has vide letter dated December 15, 2004 replied to the SEBI letter explaining its case. As on August 12, 2006, there has been no further development on this matter.

n) The audited financial highlights of SOFL for the last three financial years ended March 31 and for the six months period from April 1, 2005 to September 30, 2005 as certified by Mr. C.M. Dixit, Chartered Accountant, Membership No.17532 for G.D. Apte & Co. are as below : -

Balance Sheet (Rs Lacs)	**As On Sep 30, 2005**	**FY2005**	**FY2004**	**FY2003**
Sources of Funds				
Shareholder Funds				
Share Capital	2,150.29	2,150.29	1,713.39	1,713.39
Reserves and Surplus	1,888.08	976.98	160.06	161.53
Networth	4,038.37	3,127.27	1,873.45	1,874.92
Secured Loans	8,341.43	519.32	1,391.42	1,626.42
Unsecured Loans	171.48	168.84	155.16	747.59
Deferred Tax Liability (net)	38.70	45.12	0.00	0.00
Total	**12,589.98**	**3,860.55**	**3,420.03**	**4,248.93**
Application of Funds				
Net Fixed Assets	497.86	544.72	619.77	399.08
Investments	39.77	81.43	101.77	114.29
Deferred Tax Asset (Net)	0.00	0.00	38.50	141.14
Net Current Assets	12,046.93	3,225.45	1,844.49	2,364.22
Miscellaneous Expenditure(to the extent not written off or adjusted)	5.42	8.95	815.51	830.65
Debit Balance in Profit and Loss a/c	0.00	0.00	0.00	399.55
Total	**12,589.98**	**3,860.55**	**3,420.03**	**4,248.93**

Profit and Loss (Rs. Lacs)	**For the six month period ended Sep 30, 2005**	**FY2005**	**FY2004**	**FY2003**
Income				
Income from Operations	2,356.11	3,014.23	1,257.35	566.04
Other Income	27.12	40.09	43.28	84.61
Total Income	2,383.23	3,054.32	1,300.63	650.65
Total Expenditure	774.8	1090.07	445.65	330.78
Share & Debenture Issue expenses written off	3.55	8.8	7.49	6.96
Profit Before Depreciation, Interest and Tax	1,604.88	1,955.45	847.49	312.91
Depreciation	12.65	28.72	26.18	54.17
Interest and Other charges	223.32	150.49	289.57	396.37
Profit Before Tax	1,368.91	1,776.24	531.74	(137.63)
Provision for Taxation	457.81	641.58	130.65	17.09
Profit After Tax	911.10	1,134.66	401.09	(154.72)

Other Financial Data	**For the six month period ended Sep 30, 2005**	**FY2005**	**FY2004**	**FY2003**
Dividend (%)	-	-	-	-
Earning Per Share (Basic) (Rs.) (annualized)	8.59	5.36	2.38	(1.77)
Return on Net Worth (%) (annualized)	45.18	36.39	37.91	NA
Book Value per Share (Rs.)	18.88	14.56	6.11	14.92

Note: EPS = (Profit after tax – Preference dividend)/ No of equity shares outstanding

Return on Net Worth = Profit after tax / Total Net Worth (including preference capital, warrants subscription amount, share application money pending allotment)

Book Value per Share = Net Worth (excluding preference shares) / No of equity shares outstanding

o) The focus to improve the infrastructure sector by the Government has boosted the volume of the Commercial Vehicle Sales. For the period commencing from April 1, 2003 and ending on 31 March, 2005, SOFL was able to achieve increased volume of lending business out of its own funds and portfolio funds. This has resulted in the increase in the Total Income and PAT for the aforesaid period. For the year ended March 31, 2003, the funds mobilization came down drastically during that year, mainly on account of non-availability of funds from banks coupled with volatile and sensitive behavior of Fixed Deposit Market, which affected the total income and PAT.

p) There are no contingent liabilities for SOFL as on the date of the Public Announcement.

q) Pre and post Offer shareholding pattern of SOFL, as on the date of the Public Announcement is as follows:

Shareholders' category	Shareholding & Voting rights priorto the agreement/ acquisition and Offer (A)		Shares/ Voting rights agreed to be acquired which triggered off the Regulations (B)		Shares/ Voting rights to be acquired in the open Offer (Assuming full acceptances) (C)		Shareholding/ Voting rights after the acquisition and Offer (A)+(B)+(C) = (D)	
	No	%	No	%	No	%	No	%
1) Promoter Group								
a) Parties to agreement, if any [Please refer 2(a)]	NIL	0	NIL	0	NIL	0	NIL	0
b) Promoters other than (a) above	2,452,122	11.56	NIL	0	NIL	0	2,452,122	9.40
Total 1 (a+b)	**2,452,122**	**11.56**	**NIL**	**0**	**NIL**	**0**	**2,452,122**	**9.40**
2) Acquirer								
a) SHMPL	2,193,100	10.34	4,868,378	100.00	6,215,176	100.00	13,276,654	50.91
b) PACs	NIL	0	NIL	0	NIL	0	NIL	0
Total 2(a+b)	**2,193,100**	**10.34**	**4,868,378**	**100.00**	**6,215,176**	**100.00**	**13,276,654**	**50.91**
3) Public								
a) IFIs/PFIs/FIIs/ MFs/NRIs/OCBs /FCs/ Banks	4,967,986	23.43	NIL	0	NIL	0		
b) Others	11,594,891	54.67	NIL	0	NIL	0	10,347,701	39.69
Total (3) (a)+(b)	**16,562,877**	**78.10**	**NIL**	**0**	**NIL**	**0**	**10,347,701**	**39.69**
Grand Total (1+2+3)	**21,208,099**	**100.00**	**4,868,378**	**100.00**	**6,215,176**	**100.00**	**26,076,477**	**100.00**

FI- Financial Institution, FII-Foreign Institutional Investors, MF-Mutual Funds, UTI-Unit Trust of India, FC – Foreign Company, GDR – Global Deposit Receipts

Note: Number of public shareholders – 4,132.

The following shareholding patterns are also relevant

Shareholders' category	**Shareholding & Voting rights immediately after the preferential issue**		**Shareholding & Voting rights as on August 11, 2006**	
	No.	**%**	**No.**	**%**
1) Promoter Group				
a) Parties to agreement, if any [Please refer 2(a)]	NIL	-	NIL	-
b) Promoters other than (a) above	2,452,122	9.40	2,191,122	8.40
Total 1 (a+b)	**2,452,122**	**9.40**	**2,191,122**	**8.40**
2) Acquirer				
a) SHMPL	7,061,478	27.08	7,061,478	27.08
b) PACs	NIL	0	NIL	
Total 2 (a+b)	**7,061,478**	**27.08**	**7,061,478**	**27.08**
3) Public				
a) IFIs/PFIs/FIIs/MFs/NRIs/ OCBs/FCs/ Banks	4,967,986	19.05	4,967,986	19.05
b) Others	11,594,891	44.47	11,855,891	45.47
Total (3) (a)+(b)	**16,562,877**	**63.52**	**16,823,877**	**64.52**
Grand Total (1+2+3)	**26,076,477**	**100.00**	**26,076,477**	**100.00**

q) The changes in the Promoter holding in SOFL are as follows:

Date	Promoter	No of shares	Compliance under SEBI SAST	Compliance under other regulations
29.06.95 Purchase	Sri. S Ashok	1000	NA	NA
1.09.95 Purchase	Arunsankar Inks & Chemicals P Ltd	1800	NA	NA
3.05.96 Purchase	-do-	7498	NA	NA
3.05.96 Purchase	Sri. Ashok C/O Pioneer Financial Services	4600	NA	NA
6.06.96 Purchase	Arunsankar Inks & Chemicals P Ltd	1500	NA	NA
-do-	Sri. Ashok C/O Pioneer Financial Services	1300	NA	NA
4.10.96 Purchase	Sri. S Ashok	200	NA	NA
16.09.99 Purchase	Sri. Ashok C/O Pioneer Financial Services	66582	NA	NA
05.02.00 Purchase	-do-	31702	NA	NA
Acquisition – Preferential Issue 31.03.00	Pioneer Overseas P Ltd	190000	NA	Companies Act complied with
-do-	Arunsankar Enterprises P Ltd	200000	NA	Companies Act complied with
-do-	Bhoopathy Investments P Ltd	100000	NA	Companies Act complied with
-do-	Niranjan sankar Enterprises P Ltd	100000	NA	Companies Act complied with
-do-	Pradeep Sankar Enterprises P Ltd	100000	NA	Companies Act complied with
-do-	Sri. Ashok C/o Pioneer Financial Services	500000	Complied with	Companies Act complied with
Acquisition – Preferential Issue 29.04.00	Pioneer Overseas P Limited	310000	Complied with	Companies Act complied with
-do-	Arunsankar Enterprises P Ltd	50000	NA	Companies Act complied with
-do-	Bhoopathy Investments P Ltd	150000	NA	Companies Act complied with
-do-	Niranjan sankar Enterprises P Ltd	150000	NA	Companies Act complied with
-do-	Pradeep Sankar Enterprises P Ltd	150000	NA	Companies Act complied with
24.05.00 Purchase	Sri. Ashok C/O Pioneer Financial Services	44500	NA	NA
Acquisition - Preferential Issue 1.10.02	Pioneer Overseas P Limited	250000	NA	Companies Act and SEBI Regulations complied with
16.12.04 - Sale	- do -	500000	NA	NA
25.07.01 Purchase	Sri AshokC/O Pioneer Financial Services	700	NA	NA
3.12.01 Purchase	- do -	800	NA	NA
4.04.02 Purchase	- do -	2000	NA	NA
24.05.02 Purchase	- do -	1100	NA	NA
25.07.03 Purchase	- do -	8400	NA	NA
28.02.04 Sale	- do -	445800	NA	NA
15.03.04 Sale	- do -	122900	NA	NA
31.03.04 Sale	- do -	526752	NA	NA
31.12.04 Purchase	- do -	533000	NA	NA
31.12.04 Purchase	- do -	86833	NA	NA
28.02.04 - Sale	Sri Tenzing	71	NA	NA
15.03.04 - Sale	- do -	26600	NA	NA
28.02.04 - Sale	Sri Chelladurai	1	NA	NA
28.02.04 - Sale	Sri Raveendran	1	NA	NA
28.02.04 - Sale	Sri Ashok	368	NA	NA
15.03.04 - Sale	- do -	15500	NA	NA
31.03.04- Sale	- do -	4000	NA	NA
30.06.03 Amalgamation-Acquired	Sri R Thyagarajan	6720	NA	NA

Date	Promoter	No of shares	Compliance under SEBI SAST	Compliance under other regulations
15.03.04 - Sale	Sri Annamalai	17300	NA	NA
28.02.04 - Sale	- do -	68	NA	NA
15.03.04 - Sale	Sri Maheshwaran	17300	NA	NA
28.02.04 - Sale	- do -	68	NA	NA
31.12.04 Sale	Standard Fireworks Ltd	533000	NA	NA
28.02.04 Sale	Arun Shankar Inks & Chemicals P Ltd	190742	NA	NA
15.03.04 Sale	- do -	138500	NA	NA
28.02.04 Sale	Bhoopathy Investments P Ltd	46	NA	NA
15.03.04 Sale	- do -	62500	NA	NA
28.02.04 Sale	Niranjan Shanker Enterprises P Ltd	10	NA	NA
15.03.04 Sale	- do -	59100	NA	NA
28.02.04 Sale	Pradeep Shanker Enterprises P Ltd	10	NA	NA
15.03.04 Sale	- do -	60400	NA	NA
28.02.04 Sale	Arun Shanker Enterprises P Ltd	120	NA	NA
15.03.04 Sale	- do -	124000	NA	NA
31.12.04 Sale	Bell Pirotechnics P Ltd	86833	NA	NA
Acquisition -1.10.02	Pioneer Asia Industries P Ltd	550000	Complied with	Companies Act and SEBi Regulations complied with
28.02.04 Sale	- do -	86	NA	NA
15.03.04 Sale	- do -	46400	NA	NA
17.9.05 Sale	Shriram Chits P Ltd	2186380	Complied with	SEBi Regulations
17.9.05 Acquisition	Shriram Financial Services Holdings P Ltd	2186380	Complied with	SEBi Regulations
19.9.05 Sale	Shriram Financial Services Holdings P Ltd	2186380	Complied with	SEBi Regulations
19.9.05 Acquisition	Shriram Holdings (Madras) P Ltd	2186380	Complied with	SEBi Regulations
25.1.06 Sale	R Thyagarajan	6720	NA	NA
25.1.06 Purchase	Shriram Financial Services Holdings P Ltd	6720	NA	NA
25.1.06 Sale	Shriram Financial Services Holdings P Ltd	6720	NA	NA
25.1.06 Purchase	Shriram Holdings (Madras) P Ltd	6720	NA	NA
2.2.06 Acquisition	Shriram Holdings (Madras) P Ltd	4868378	Complied with	Companies Act and SEBI Regulations

r) The details of pending litigation against SOFL as on the date of the Public Announcement are as under :

Particulars	**Amount**
Disputed Income Tax	Rs. 363.61 lacs
Disputed Service Tax	Rs. 115.12 lacs
Total	**Rs. 478.73 lacs**

s) There are no restructuring, mergers/ de-mergers or spin-offs during the last three years except as given here under:

- Shrileka Hire Purchase Finance Company Limited merged with Pioneer Overseas Finance Limited (now known as Shriram Overseas Finance Limited). The Scheme of Amalgamation was sanctioned by the High Court of Andhra Pradesh and the High Court of Madras on December 13, 2002 and January 10, 2003, respectively.

- The Board of Directors of SOFL at its meeting held on October 17, 2005 had approved a Scheme of Amalgamation of Shriram Recon Trucks Ltd (SRTL) with SOFL, April 1, 2005 being the appointed date. In accordance with Clause 24(f) of the Listing Agreement, SOFL has obtained the approval of the BSE, MSE and CSE for the proposed Scheme of Amalgamation. SOFL had filed the petition with the High Court of Madras and SRTL had filed the petition with the High Court of Bombay . The High Court of Madras vide its order dated July 14, 2006 sanctioned the Scheme of Amalgamation and the copy of the said order was filed by SOFL along with Form 21 with the Registrar of Companies, Tamil Nadu on August 11, 2006. The High Court of Bombay vide order dated August 18, 2006 also sanctioned the Scheme of Amalgamation and the copy of the said order is awaited. The scheme envisages that upon the scheme coming into effect, share holders of SRTL holding one equity share of Rs.10/- each fully paid in SRTL will receive one fully paid up equity share of Rs.10/- each of SOFL. Upon the scheme coming into effect, SRTL would be dissolved without being wound up and SOFL would be the surviving entity.
- The Board of Directors of STFC and SOFL at their respective meetings held on March 8, 2006 approved the scheme of amalgamation of SOFL into STFC. In accordance with Clause 24(f) of the Listing Agreement, SOFL has obtained the approval of the BSE, MSE and Coimbatore Stock Exchange Limited (CSE) for the proposed scheme of amalgamation. Necessary applications were made by both these companies to the High Court of Madras for convening the court convened meetings of the equity shareholders of SOFL and STFC. The High Court of Madras directed the convening and holding of the said meetings of both these companies on August 31, 2006 at Chennai for considering the scheme of merger. At the said Court convened meetings held on August 31, 2006, the shareholders of both SOFL and STFC have approved the scheme of merger.

  The scheme envisages that upon the scheme coming into effect, shareholders of SOFL holding five equity shares of Rs. 10/- each fully paid up in SOFL will receive three fully paid up equity shares of Rs. 10/- each of STFC.

s) The Audited financial highlights of SRTL for the last three financial years ended March 31 as certified by Mr. V. Kannan, Chartered Accountant, Membership No. 35880 are as below : -

Balance Sheet (Rs. Lacs)	**FY2005**	**FY2004**	**FY2003**
Source of funds			
Share Holders fund	500.00	500.00	300.01
Reserves and surplus	74.09	23.04	5.95
Networth	574.09	523.04	305.96
Secured loans	99.79	67.94	89.90
Unsecured loans	860.11	1,025.41	620.00
Defered Tax liability	2.17	0.87	-
Total	**1,536.16**	**1,617.26**	**1,015.86**
Applications of funds			
Net Fixed Assets	27.37	9.13	4.23
Net current assets	1,507.09	1,606.08	1,009.24
Miscellaneous Expenditure	1.70	2.05	2.39
Total	**1,536.16**	**1,617.26**	**1,015.86**

Profit and Loss Account (Rs. Lacs)	**FY2005**	**FY2004**	**FY2003**
Total Income	9,093.59	7,227.82	4,021.30
Total Expenditure	8,925.26	7,105.15	3,929.67
Profit Before Depreciation, Interest and Tax	168.33	122.67	91.63
Depreciation	0.82	0.66	0.16
Interest and Other charges	87.01	94.94	77.7
Profit Before Tax	80.50	27.07	13.77
Provision for Taxation	29.45	9.71	3.3
Profit After Tax	**51.05**	**17.36**	**10.47**

Other Financial Data	**FY2005**	**FY2004**	**FY2003**
Dividend (%)	-	-	-
Earning Per Share (Basic) (Rs.)	1.02	0.58	0.35
Return on Net Worth (%)	8.92	3.33	3.45
Book Value per Share (Rs.)	11.45	17.37	10.12

Note: EPS = (Profit after tax – Preference dividend)/ No of equity shares outstanding

Return on Net Worth = Profit after tax / Total Net Worth (including preference capital, warrants subscription amount, share application money pending allotment)

Book Value per Share = Net Worth (excluding preference shares) / No of equity shares outstanding

t) The name and details of the Compliance Officer are as under :
Mr. T. Vijay
Office: Mookambika Complex, IV Floor, No.4,
Lady Desika Road, Mylapore, Chennai – 600 004.
Tel. No.: 044 24990356 / 24990960; Fax No.: 044 24993272

6) OFFER PRICE AND FINANCIAL ARRANGEMENT

A. Justification of Offer Price

i) The Equity Shares of SOFL are listed on the BSE, CSE and MSE.

ii) The annualized trading turnover in the shares of SOFL in each of the above mentioned Stock Exchanges based on trading volume during August 2005 to January 2006 (six calendar months preceding the month in which the Public Announcement is made) is as given below:

Stock Exchange	Total No. of Shares traded during 6 calendar months preceding the month in which the Public Announcement is made (From 1-August-05 to 31-January-06)	Total No. of Listed Shares	Annualized Turnover of total No. of Shares traded during 6 calendar months preceding the month in which the Public Announcement is made (as a % of Total No. of Listed Shares)
BSE	687,325	21,208,099	6.48
CSE	Nil	21,208,099	Nil
MSE	Nil	21,208,099	Nil

(Source: BSE, CSE and MSE)

The Equity Shares of SOFL are frequently traded on BSE and infrequently traded on CSE and MSE within the meaning of explanation (i) to regulation 20(5) of the SEBI (SAST) Regulations.

The weekly high and low of the closing prices of the Equity Shares of SOFL, during the 26 weeks period ending December 20, 2005 (being the last trading day before the Board Meeting Date), as recorded on the BSE are given below :

Week No.	Week Ending	Weekly High	Weekly Low	Average	Weekly Volume
1	28-Jun-05	36.50	32.02	34.26	22,600
2	05-Jul-05	34.95	32.50	33.73	31,900
3	12-Jul-05	39.00	35.80	37.40	38,100
4	19-Jul-05	40.95	38.25	39.60	24,800
5	26-Jul-05	39.00	36.05	37.53	15,800
6	02-Aug-05	37.00	35.20	36.10	9,400
7	09-Aug-05	36.95	35.10	36.03	8,836
8	16-Aug-05	40.65	35.20	37.93	12,386
9	23-Aug-05	42.20	40.25	41.23	16,244
10	30-Aug-05	43.00	40.55	41.78	8,609
11	06-Sep-05	54.80	45.15	49.98	17,240
12	13-Sep-05	57.15	54.65	55.90	33,200
13	20-Sep-05	70.20	59.55	64.88	76,387
14	27-Sep-05	75.95	71.00	73.48	136,419
15	04-Oct-05	73.25	66.50	69.88	59,786
16	11-Oct-05	79.25	71.35	75.30	85,021
17	18-Oct-05	69.00	61.80	65.40	18,960
18	25-Oct-05	61.50	59.00	60.25	14,616
19	01-Nov-05	61.70	53.25	57.48	2,925
20	08-Nov-05	54.00	52.50	53.25	1,790
21	15-Nov-05	56.25	52.15	54.20	9,688
22	22-Nov-05	57.95	54.20	56.08	27,963
23	29-Nov-05	64.70	60.50	62.60	14,855
24	06-Dec-05	68.35	62.70	65.53	30,001
25	13-Dec-05	66.50	60.25	63.38	7,088
26	20-Dec-05	63.60	57.20	60.40	17,997
			Average	**52.44**	

The weekly high and low of the closing prices of the Equity Shares of SOFL, during the 2 weeks period ending December 20, 2005 (being the last trading day before the Board Meeting Date), as recorded on the BSE are given below:

Day No.	Date	Daily High	Daily Low	Average	Daily Volume
1	07-Dec-05	69.75	65.00	67.38	1,440
2	08-Dec-05	67.50	66.00	66.75	774
3	09-Dec-05	65.85	64.00	64.93	1,100
4	12-Dec-05	64.00	60.85	62.43	2,143
5	13-Dec-05	63.70	59.30	61.50	1,631
6	14-Dec-05	60.00	58.00	59.00	2,225
7	15-Dec-05	58.00	56.30	57.15	5,800
8	16-Dec-05	60.05	58.00	59.03	5,222
9	19-Dec-05	62.70	59.85	61.28	1,795
10	20-Dec-05	63.95	62.25	63.10	2,955
			Average	**62.25**	

iii.) In accordance with the regulations 20(4) and 20(5) of the Regulations, the Offer Price of Rs. 67.2 per share is higher than any of the following:

a.	Negotiated Price under the agreement for acquisition of share or voting rights or deciding to acquire shares or voting rights (being the price paid for acquisition of SOFL shares under the Preferential Issue)	Rs. 67.20
b.	Highest Price paid by SHMPL/PACs for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to February 8, 2006 (i.e. the date of Public Announcement), excluding the Preferential Issue	Rs. 59.00
c.	The highest of the average of the weekly high and low of the closing prices for the equity shares of SOFL for the 26 week period and the average of the daily high and low prices of the equity shares of SOFL during the 2 week period prior to December 21, 2005 i.e. the date of the Board Resolution authorizing the Preferential Issue at BSE	Rs. 62.25

Other Parameters based on the audited accounts for the six months period ended 30-September-05:

Return on Networth (%)	45.18
Book Value per Share (Rs.)	18.88
Earnings Per Share (Rs.)	8.59
Price/Earning Ratio	7.82

SOFL is operating in the Industry segment "Finance and Investments" with an industry P/E of 17.8x (S*ource:* **Capital Market dated** January 30, 2006 – February 12, 2006; **Industry***:* Finance and Investments.) The Industry P/E multiple is not accurately comparable as the Industry segment covered by Capital Market consists of companies, which have varied and different businesses compared to SOFL and also vary widely in terms of financial parameters with SOFL.

Mr. Janardhanan Iyer,Chartered Accountant, having Membership No 37307 of M/s N.P.Redij & Co have vide their letter report dated February 16,2005 stated that based on the decision of Hon'ble Supreme Court of India in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, 1995, (83 Com case 30) the Value Per Share would be Rs. 39.19 per share, considering the pre preferential Net Asset Value of SOFL of Rs. 18.88, the Earning Based Value Per Share (PECV) of Rs. 26.29 per share, and Average Market Price of Rs. 62.25 per share for the periods of 26 weeks as well as 2 weeks prior to December 21, 2005, being the date of Board Resolution authorizing the Preferential Issue.

The Preferential Issue is funded by SHMPL using the amount received from the subscription of SHMPL shares and warrants by NI II, as detailed in section 2.1 (b) (i) of this Letter of Offer. (A statement reflecting the same is available for inspection. Please refer to clause 10 of this Letter of Offer). The effective price of SOFL shares (indirect cost of acquiring SOFL shares) to NI II as shareholder of SHMPL is therefore same as the negotiated price under the SSA for allotment of SOFL shares to SHMPL i.e. Rs 67.20 per share.

In view of the above, the Offer Price of Rs. 67.20 per share offered by SHMPL to the shareholders of SOFL under the proposed Offer is justified in terms of regulation 20(4) and 20(5) of the Regulations.

Value per share on weighted basis Parameters	**Value per share (a)**	**Weights (b)**	**Weighted value per share (a) x (b)**
Market based Value	62.28	2	124.56
Earning Based Value (PECV)	26.29	2	52.58
Net Asset Value	18.88	1	18.88
Total	107.45	5	195.95
Value per share	39.19		
Offer Price	67.20		

(iv) In the opinion of the Manager to the Offer, the Offer Price of Rs. 67.20/- per fully paid-up equity share of SOFL is justified in terms of regulation 20 (11).

(v) If SHMPL or the PACs acquire shares after the date of the Public Announcement up to 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.

B. Funding Arrangement for the Offer

a) The total funding requirement for the acquisition of up to 6,215,176 shares held by shareholders of SOFL at the Offer Price is Rs. 417,659,827.20 (Rs. Four Hundred Seventeen Million Six Hundred Fifty Nine Thousand Eight Hundred Twenty Seven and Paise Twenty). To meet the obligations under Regulation 29 of SEBI (SAST) Regulations, SHMPL and PACs have provided bank guarantee and cash deposit, the details of which are given below.

b) SHMPL has made a cash deposit of Rs. 4,176,599 being 1% of the offer consideration in an escrow bank account with Bank of America (**"Cash Deposit"**). DSPML has been authorized to realize the value of the Cash Deposit. SHMPL and PACs have provided a bank guarantee (**"Bank Guarantee"**) issued by ABN Amro Bank N.V, located at Brady House, 14, Veer Nariman Road, Mumbai 400 023, for an amount of Rs. 413,483,229 in favor of DSPML, the Cash Deposit and Bank Guarantee aggregating to Rs. 417,659,828 represent 100% of the Offer consideration. The Manager to the Offer is satisfied about the ability of SHMPL 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.

7) Terms and conditions of the Offer

a) SHMPL and the PACs made a Public Announcement on February 8, 2006 for the Offer. This Offer is being made to the shareholders of SOFL (except SHMPL, PACs and parties to the SSA), whose names appear on the Register of Members of SOFL and to the beneficial owners of the shares of the SOFL, whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on February 24, 2006 (the **"Specified Date"**) and also to those persons (except SHMPL, PACs and parties to the SSA) who own the equity shares at any time prior to the closure of the Offer but are not registered shareholders.

b) The Letter of Offer together with the Form of Acceptance Cum Acknowledgement will be mailed to the shareholders of SOFL (except SHMPL, PACs and parties to the SSA), whose names appear on the Register of Members of SOFL and to the beneficial owners of the shares of the SOFL, whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on the Specified Date. Owners of equity shares but not registered as shareholder(s) are also eligible to participate in the Offer at any time prior to the closure of the Offer.

c) The Offer will open on September 11, 2006 and will close on September 30, 2006.

d) The Offer is not subject to any minimum level of acceptance.

e) The acceptance of the Offer is entirely at the discretion of the equity shareholders of SOFL. Each shareholder of SOFL to whom the Offer is being made, is free to offer his shareholding in SOFL, in whole or in part while accepting the Offer.

f) The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).

g) Equity shares tendered in the Offer by the shareholders of SOFL shall be free from lien, charges and encumbrances of any kind whatsoever.

h) Equity shares that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of SOFL may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such equity shares are received together with the equity shares tendered under the Offer prior to the date of closure of the Offer.

i) The shareholders of SOFL who accept the Offer by tendering the requisite in terms of the Public Announcement /Letter of Offer can withdraw the same up to 3 working days prior to the date of closure of the Offer, i.e. September 26, 2006.

j) If there is any upward revision in the Offer Price by SHMPL till the last date of revision viz. September 20, 2006 or withdrawal of the Offer, the same will be informed by way of a public announcement in the same newspapers in which the original Public Announcement had appeared. SHMPL would pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.

k) SHMPL will not be responsible in any manner for any loss of equity share certificate(s) and other documents during transit. The equity shareholders of SOFL are therefore advised to adequately safeguard their interest in this regard.

8) Statutory Approvals for the Offer

No statutory approval was required for SHMPL to acquire the shares that may be tendered in acceptance of the Offer except for the approval of RBI under the Foreign Exchange Management Act, 1999 (**"FEMA"**), for acquiring shares from the non-resident shareholders.

In case of delay in receipt of any statutory approval(s), SEBI has powers to grant an extension of time to SHMPL for payment of consideration to shareholders of SOFL, subject to SHMPL 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 SHMPL in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also be applicable.

The Offer is subject to receiving approvals from the lenders to SOFL, as applicable and necessary.

9) Procedure for acceptance and settlement

a) This Offer is being made to the shareholders of SOFL (except SHMPL, PACs and parties to the SSA), whose names appear on the Register of Members of SOFL and to the beneficial owners of the shares of the SOFL, whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on February 24, 2006 (the **"Specified Date"**) and also to those persons (except SHMPL, PACs and parties to the SSA) who own the equity shares at any time prior to the closure of the Offer but are not registered shareholders.

b) 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 – Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai – 600 002, Tamil Nadu, India either by hand delivery or by Registered Post, on or before the close of the Offer, i.e. no later than September 30, 2006, so as to reach the Registrar on or before the close of business hours, i.e. no later than 5:00 p.m. in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement.

c) The Registrar to the Offer, Cameo Corporate Services Limited, has opened a special depository account with DSP Merrill Lynch Limited at the National Securities Depositories Ltd. (NSDL), called "CAMEO CORPORATE SERVICES LIMITED-ESCROW A/C-SOFL OPEN OFFER". The DPID is IN302638 and the Client ID is 10017656. The 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.

d) 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 to the Offer – Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai – 600 002, Tamil Nadu, India either by hand delivery or by Registered Post, on or before the close of the Offer, i.e., no later than September 30, 2006, so as to reach the Registrar on or before the close of business hours, i.e. no later than 5:00 p.m. 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 30, 2006.

e) In addition to the above-mentioned address, the shareholders of SOFL 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 30, 2006. All the centres mentioned herein below would be open as follows:

Timings : Weekdays : 10.00 A.M. to 5.00 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	Ahmedabad	Cameo Corporate Services Ltd C/o. Shree Vidya Lakshmi Consultancy 6, Valmiki Complex, Near Primal Garden, Ellis Bridge, Ahmedabad	Mr. M. Balasubramanian	079-26463091	079-26463091	Hand Delivery
2	Bangalore	Cameo Corporate Service Ltd 17/3, 1st Floor,Andree Road,Shanthi Nagar Bangalore - 560 027	Mr. S. Ramakrishnan Executive	080-51240340	080-51240341	Hand Delivery
3	Chennai	Cameo Corporate Services Ltd Subramanian Building, No.1, Club HouseRoad, Chennai 600 002	Mr. A. Sivasubramanian Sr. Executive	044-28460390	044-28460129	Hand Delivery/ By Post
4	Cochin	Cameo Corporate Services Ltd Marayil Chambers, 2nd Floor, 57/792, karikakamuri Cross Road, Cochin - 682 011	Mr. E.V. Vijesh Kumar Executive	0484-2369980	0484-2369970	Hand delivery
6	Kolkata	Cameo Corporate Service Ltd C/o. Dynamics Projects 196-A, G. Arabinda Sarani, Kolkota - 700 004	Mr. Gautam Sarkar	033-25333706	033-24551077 033-25333706	Hand Delivery
7	Mumbai	Cameo Corporate Services Ltd 304, Sai Sadan, 76-78, Mody Street, Fort, Mumbai - 400 001	Mr. Milind S. Dalvi Executive	022-22644325	022-22644325	Hand Delivery
8	New Delhi	Cameo Corporate Services, C/o. Sterling Services, 3202, Dispensary Lane, Opp Dispensary, Pahar ganj, New Delhi - 110 055	Mr. Sohan Singh	011-41698865 011-23581484	011-41698462 011-23584967	Hand Delivery

f) All owners (registered or unregistered) of shares (except SHMPL, PACs and 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 to the Offer, 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.

g) In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, 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 to the Offer on or before the close of the Offer, i.e. no later than September 30, 2006, or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, 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 to the Offer, on or before the close of the Offer, i.e. no later than September 30, 2006.

h) In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, equity 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 26, 2006.

   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.

i) 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 of SOFL who have accepted the Offer, till the cheques/drafts for the consideration and/or the unaccepted shares/share certificates are dispatched/returned.

j) If the aggregate of the valid responses to the Offer exceeds the Offer size of 6,215,176 shares, then SHMPL 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.

k) 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 dematerialised 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.

l) 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 30, 2006, else their application will be rejected.

m) While tendering the shares under the Offer, NRIs/OCBs/foreign shareholders will be required to submit the previous RBI approvals (specific or general) that they would have obtained for acquiring the shares of SOFL. ***In case the previous RBI approvals are not submitted, SHMPL reserves the right to reject such shares tendered.***

   In case the aforesaid tax clearance certificate is not submitted, SHMPL will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

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

Activity	**Original Schedule**	**Revised Schedule**
Public Announcement Date	Wednesday, February 8, 2006	Wednesday ,February 8, 2006
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be posted)	Friday, February 24, 2006	Friday, February 24, 2006
Last date for a competitive bid	Wednesday, March 1, 2006	Wednesday, March 1, 2006
Date by which Letter of Offer will be dispatched to shareholders	Thursday, March 16, 2006	Thursday, September 7, 2006
Date of opening of the Offer	Wednesday, March 22, 2006	Monday, September 11, 2006

Activity	Original Schedule	Revised Schedule
Last date for revising the Offer Price	Wednesday, March 29,2006	Wednesday, September 20, 2006
Last date for withdrawing acceptance from the Offer	Tuesday, April 4, 2006	Tuesday, September 26, 2006
Last date of closure of the Offer	Monday, April 10, 2006	Saturday, September 30, 2006

* 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 SHMPL, PACs and the parties to Agreements) are eligible to participate in the Offer anytime before the closure of the Offer.

o) SOFL is under compulsory DEMAT. Hence the market lot is 1 share.

10) Documents For Inspection

The following documents will be available for inspection to the shareholders of SOFL at the office of the Manager to the Offer - 10th Floor, Mafatlal Centre, Nariman Point, Mumbai- 400 021, India, on all working days, from the date of opening of the Offer till the closing of the Offer, between 10:00am to 1:00 pm, except Saturdays, Sundays and Holidays :

i) Certificate of Incorporation, Memorandum and Articles of Association of SHMPL and the PACs.

ii) Annual Reports of SHMPL for the financial years ended March 2003, 2004 and 2005 and provisional financial statements for the period from April 1, 2005 to January 28, 2006. Annual Reports of SFSHPL for the financial years ended March 2003, 2004 and 2005 and provisional financial statements for the period from April 1, 2005 to September 30, 2005. Annual Reports of Southern Pine for the financial years ended March 2003, 2004 and 2005 and provisional financial statements for the period from April 1, 2005 to December 31, 2005. Provisional financial statements for NA IV for the period from August 11, 2005 to December 31, 2005. Annual Reports of SOFL for the financial years ended March 2003, 2004 and 2005 and provisional financial statements for the half year ended September 30, 2005. Annual Reports of SRTL for the financial years ended March 2003, 2004 and 2005.

iii) Certificate of Incorporation, Memorandum and Articles of Association of SOFL.

iv) Copy of the SSA, dated February 2, 2006 entered into by NI II, SHMPL, STFC, SOFL and SRTL and the Founders.

v) Cash Escrow Agreement dated February 2, 2006 between DSPML, SHMPL and Bank of America for deposit of Rs. 4,176,599/ in the Escrow Account.

vi) Bank Guarantee dated February 2, 2006 of ABN AMRO Bank, N.V. for the amount of Rs. 413,483,229/- in favour of DSPML.

vii) Copy of the observation letter from SEBI, dated August 2, 2006 in terms of proviso to regulation 18(2) of the Regulations.

viii) A published copy of Public Announcement issued on February 8, 2006.

ix) Certificate dated February 16, 2006 from Mr. Janardhanan Iyer, Chartered Accountant (Membership No. 37307) of M/s. N. P. Redij & Co. on justification of offer price of SOFL.

x) Board resolution of SHMPL and the PACs authorizing acquisition of the shares and authorizing any officer of SHMPL and the PACs to do such acts and deeds for the execution of the Open Offer.

xi) Certified true copy of the special resolution passed under Section 81(1A) of the Companies Act, 1956 by the shareholders of SOFL.

xii) Certified true copy of the special resolution passed under Regulation 12 of the SEBI (SAST) Regulations by the shareholders of SOFL.

xiii) Statement showing the sources and uses of funds by SHMPL relating to the Preferential Issue.

11 Declaration by SHMPL and the PACs

SHMPL and the PACs and their respective Directors severally and jointly accept full responsibility for the information contained in this Letter of Offer, Form of Acceptance, Form of Withdrawal and also for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

By Order of the Board,

For, **Shriram Holdings (Madras) Private Limited**

Sd/-

(Authorized Signatory)

By Order of the Board,

For, **Newbridge India Investments II Limited**

Sd/-

(Authorized Signatory)

By Order of the Board,

For, **Newbridge India Investments III Limited**

Sd/-

(Authorized Signatory)

By Order of the Board,

For, **Newbridge Asia IV, L.P.**

Sd/-

(Authorized Signatory)

By Order of the Board,

For, **Shriram Financial Services Holdings Private Limited**

Sd/-

(Authorized Signatory)

By Order of the Board,

For, **Southern Pine Pte. Ltd.**

Sd/-

(Authorized Signatory)

Place: Mumbai,

Date: September 6, 2006

Enclosed: :

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal
3. Transfer Deed for Shareholders holding shares in Physical Form.

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(Please send this Form of Acceptance cum acknowledgement with enclosures to the Registrar to the Offer at the collection center as mentioned in the Letter of Offer)

From

Folio No./DP ID No./Client ID No.:

OFFER OPENS ON	**September 11, 2006 (Monday)**
OFFER CLOSES ON	**September 30, 2006 (Saturday)**

To

Shriram Overseas Finance Limited
C/o. Cameo Corporate Services Limited
Subramanian Building, No. 1, Club House Road,
Chennai – 600 002, Tamil Nadu, India

Dear Sir,

Sub: Open Offer to acquire up to 6,215,176 fully paid up equity shares of Rs.10/- each, representing 20% of the issued and fully diluted voting equity shares capital (as defined in the Letter of Offer), of Shriram overseas Finance Limited ('SOFL'/ 'Target company') by shriram Holdings (Madras) Private Limited (SHMPL) at a price of Rs. 67.2/-(Rupees Sixty Seven and Paise Two only) per fully paid up equity share (Offer Price) payable in cash.

I/We refer to the Letter of Offer dated September 6, 2006 for acquiring the equity shares held by me/us in **Shriram overseas Finance Limited**. I/We, the undersigned have read the Letter of Offer and understood its contents and unconditionally accept the terms and conditions as mentioned therein.

☐ **SHARES IN DEMATERIALIZED FORM**

I/We, holding shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my/ our shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of shares

I/We have executed an off-market transaction for crediting the shares to the special depository account via

☐ A delivery instruction from my account with NSDL

☐ An inter-depository delivery instruction from my account with CDSL

DP Name:	DSP Merrill Lynch Limited
DP ID Number	IN 302638
Client ID Number	10017656
Beneficiary Account Name	'CAMEO CORPORATE SERVICES LIMITED – ESCROW A/C – SOFL OPEN OFFER'
Market	"Off-market"
Depository	NSDL

I/We note and understand that the shares would lie in the special depository account until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

☐ **SHARES IN PHYSICAL FORM**

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

S. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of shares
			From	To	
1					
2					
3					
4					
5					
				Total number of shares	

(In case the space provided is inadequate, please attach a separate sheet with details)

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ACKNOWLEDGEMENT SLIP

Received from Mr./Ms._ ____________________ residing at ____

Form of Acceptance cum Acknowledgement for __________________________ shares along with:

☐ copy of depository instruction slip from DP ID _________________________ Client ID ___________________________

☐ _______________ Share Certificate(s) _________________________ transfer deed(s) under folio number(s) ____________________

for accepting the Offer made by the Acquirer.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

For NRIs / OCBs / FIIs / Foreign Shareholders:

I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.

☐ RBI approvals for acquiring shares of Shriram Overseas Finance Limited hereby tendered in the Offer.

I/We confirm that the equity shares of Shriram Overseas Finance Limited which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer to return to me/us, share certificate(s)/ shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/we authorize the Acquirer, the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UPC as may be applicable, at my/our risk, the draft / cheque in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below

Yours faithfully,

Signed and Delivered

	FULL NAME(S) OF THE SHAREHOLDERS	SIGNATURE(S)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder____

Place :   Date :

Bank Details : So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For shares that are tendered in demat form, the Bank account as obtained from the beneficiary position (download to be provided by the depositories) will be considered and the draft/cheque will be issued with the said Bank particulars, and not any details provided herein.

Name of the Bank	Branch
Account No.	Savings/Current/(others : please specify)

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER

General Instructions

(1) **In case of shares held in joint names**, names of shareholders should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold shares in **Shriram Overseas Finance Limited**, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.

(2) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(3) **Non-resident shareholders** should enclose copy (ies) of permission received from Reserve Bank of India to acquire shares held by them in **Shriram Overseas Finance Limited**.

(4) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) for the sale of shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(5) **All the shareholders** should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

(a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.

(b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).

(c) No Objection Certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

PLEASE REFER TO THE DETAILED INSTRUCTIONS FOR PROCEDURE FOR ACCEPTANCE AND SETTLEMENT IN THE LETTER OF OFFER.

— — — — — — — — — TEAR HERE — — — — — — — — —

All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your reference Folio No/DP ID/Client ID:

Cameo Corporate Services Limited
Subramanian Building, No. 1, Club House Road,
Chennai – 600 002, Tamil Nadu, India
Tel: +(044 - 2846 0390) Fax: +(044 - 2846 0129)
Email: cameo@cameoindia.com
Contact Person: Mr. R.D. Ramasamy

FORM OF WITHDRAWAL

From
Folio No./DP ID No./Client ID No.:

OFFER OPENS ON	September 11, 2006 (Monday)
LAST DATE OF WITHDRAWAL	September 26, 2006 (Tuesday)
OFFER CLOSES ON	September 30, 2006 (Saturday)

To
Shriram Overseas Finance Limited
C/o. Cameo Corporate Services Limited
Subramanian Building, No. 1, Club House Road,
Chennai – 600 002, Tamil Nadu, India

Dear Sir,

Sub: Open Offer to acquire up to 6,215,176 fully paid up equity shares of Rs.10/- each, representing 20% of the issued and fully diluted voting equity shar capital (as defined in the Letter of Offer), of Shriram overseas Finance Limited ('SOFL'/ 'Target company') by shriram Holdings (Madras) Private Limited (SHMPL) at a price of Rs. 67.2/-(Rupees Sixty Seven and Paise Two only) per fully paid up equity share (Offer Price) payable in cash.

I/We refer to the Letter of Offer dated September 6, 2006 for acquiring the equity shares held by me/us in **Shriram overseas Finance Limited**. I/We, the undersigned have read the Letter of Offer and understood its contents and unconditionally accept the terms and conditions as mentioned therein

I / We hereby consent unconditionally and irrevocably to withdraw my / our 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 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 26, 2006 (Tuesday)**

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 shares held in physical form and also for the non-receipt of 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) / 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.

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

Sr.No.	Ledger Folio No (s)	Certificate No (s)	Distinctive Nos.		No. of shares
			From	To	
1					
2					
3					
4					
5					
				Total number of shares	

(In case the space provided is inadequate, please attach a separate sheet with details)

TEAR HERE

ACKNOWLEDGEMENT SLIP

Received from Mr./Ms._ ____________________ residing at ____

a Form of Withdrawal for _________________ shares along with a copy of:

- ☐ Depository instruction slip from DP ID _________________________ Client ID ___________________________
- ☐ Acknowledgement slip issued when depositing dematerialized shares
- ☐ Acknowledgement slip issued when depositing physical shares

for withdrawing from the Offer made by the Acquirer.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

I / We hold the following shares in dematerialized form and had executed an off-market transaction for crediting the shares to the **'CAMEO CORPORATE SERVICES LIMITED – ESCROW A/C – SOFL OPEN OFFER'**. Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our shares have been tendered are as follows:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of shares

I / We note that the shares will be credited back only to that depository account, from which the 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 shares, I / we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and Delivered

	FULL NAME(S) OF THE SHAREHOLDERS	SIGNATURE(S)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder____

____

Place:

Date:

PLEASE NOTE THAT THE FORM OF WITHDRAWAL SHOULD NOT BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER

General Instructions

(1) In case of shares held in joint names, names of shareholders should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold shares in **Shriram Overseas Finance Limited**, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.

(2) In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(3) In case of bodies corporate, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) for the sale of shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(4) All the shareholders should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):

   (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.

   (b) Duly attested power of attorney if any person apart from the shareholder has signed withdrawal form or transfer deed(s).

PLEASE REFER TO THE DETAILED INSTRUCTIONS FOR PROCEDURE FOR WITHDRAWAL IN THE LETTER OF OFFER.

TEAR HERE

All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your reference Folio No/DP ID/Client ID:

Cameo Corporate Services Limited
Subramanian Building, No. 1, Club House Road,
Chennai – 600 002, Tamil Nadu, India
Tel: +(044 - 2846 0390) Fax: +(044 - 2846 0129)
Email: cameo@cameoindia.com
Contact Person: Mr. R.D. Ramasamy