PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

SHRIRAM OVERSEAS FINANCE LIMITED

In connection with the public announcement made by DSP Merrill Lynch Limited as Manager to the Offer on behalf of Shriram Holdings (Madras) Private Limited ("Acquirer" / "SHMPL") along with Shriram Financial Services Holdings Private Limited, Newbridge India Investments II Limited ("NI II"), Newbridge India Investments III Limited, Newbridge Asia IV L.P. and Southern Pine Pte. Ltd. (together "Persons Acting in Concert"/"PACs") on February 8, 2006 ("Offer"), pursuant to and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 ("SEBI Takeover Regulations"), the shareholders of Shriram Overseas Finance Limited ("SOFL") are requested to kindly note the following:

a. The Offer is being made pursuant to Regulation 10 and Regulation 12 of the SEBI Takeover Regulations, in view of substantial acquisition of shares of SOFL by the Acquirer and by virtue of acquisition of specific rights by NI II and representation on the Board of Directors of SOFL to NI II.

b. 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

c. 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.

d. 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 Bombay Stock Exchange Ltd ("BSE"), Madras Stock Exchange Ltd ("MSE") and Coimbatore Stock Exchange Limited ("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, shareholders 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.

e. The Board of Directors of Shriram Transport Finance Company Limited ("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 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.

The other terms and conditions of the Offer remain unchanged.

The Acquirer and the PACs accept responsibility for the information contained in this Public Announcement. The Acquirer and the PACs are jointly and severally responsible for each of their obligations in terms of the SEBI Takeover Regulations.

This Public Announcement would also be available on the SEBI's website www.sebi.gov.in

DSP Merrill Lynch

Issued by the Manager to the Offer

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Date: September 7, 2006