PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF
STERLING HOLIDAY RESORTS (INDIA) LIMITED

Regd. Office: No.163, T.T.K. Road, Alwarpet, Chennai – 600 018 (Tel. No.: +91-44-2499 8044, Fax No.: +91-44-2499 8043)

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS OF STERLING HOLIDAY RESORTS (INDIA) LIMITED
('Target Company' or 'Sterling' or 'SHRIL')

This Public Announcement ('PA' or 'Public Announcement') is being issued by Collins Stewart Inga Private Limited ('CSIN' or the 'Manager to the Offer') for and on behalf of Indus Hospitality Fund Limited (hereinafter referred to as 'Acquirer'/ 'IHF') along with India Discovery Fund Limited, (hereinafter referred to as 'Person Acting in Concert'/ 'PAC'/ 'IDF') to the equity shareholders of Sterling Holiday Resorts (India) Limited ('Target Company'/ 'Sterling'/ 'SHRIL') pursuant to regulation 10 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ('Takeover Regulations'/ 'Regulations').

1. **Background of the Offer:**

1.1 This offer ('Offer' or 'Open Offer') is being made by the Acquirer, a limited company incorporated under the laws of Republic of Mauritius alongwith the Person Acting in Concert, a limited company incorporated under the law of Republic of Mauritius to the equity shareholders of the Target Company in compliance of regulation 10 and other applicable provisions of the Regulations. There may be persons other than above who could be deemed to be persons acting in concert with the Acquirer, however, such persons are not acting in concert for the purpose of this Open Offer.

1.2 The Board of Directors of the Target Company, at their meeting held on June 4, 2009 has issued and allotted 78,82,200 (Seventy Eight Lacs Eighty Two Thousand Two Hundred) fully paid up equity shares of face value of Rs. 10/- each ('**Subscription Shares**') on preferential basis representing 18.80% of fully paid up equity share capital (as on date) of the Target Company for cash at a price of Rs.35/- per fully paid up equity share (including premium of Rs. 25/- per share) ('**Preferential Issue**') aggregating to Rs. 27,58,77,000/- (Rupees Twenty Seven Crores Fifty Eight Lacs Seventy Seven Thousand only) to IHF ('**Subscription Amount**') in compliance with the provisions of Companies Act, 1956 ('**Act**') and Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto ('**SEBI DIP Guidelines**').

The consent of the members for the Preferential Issue was accorded by passing of special resolution under section 81(1A) of the Act and in accordance with Chapter XIII of the SEBI DIP Guidelines at the extra ordinary general meeting ('**EOGM**') of the Target Company held on May 25, 2009.

1.3 As on the date of this Public Announcement, IHF holds 78,82,200 equity shares representing 18.80% of the fully paid up equity share capital and IDF holds 16,86,092 equity shares representing 4.02% of the fully paid up equity share capital (as on date) of the Target Company. Other than above, the Acquirer and the PAC have not acquired any equity shares of the Target Company during the 12 months period preceding the date of the Public Announcement.

2. **The Offer**

2.1 The Acquirer along with the PAC are making an Open Offer to all shareholders of the Target Company in compliance with regulation 10 and other applicable provisions of the Takeover Regulations to acquire 95,85,717 fully paid up equity shares of face value of Rs.10/- each ('**Offer Size**') representing 22.86% of the paid up equity share capital (as on date) and 20% of the Emerging Voting Capital (as detailed in Para 5.4 hereunder) of the Target Company at a price of Rs.36.25 per equity share ('**Offer Price**') payable in cash, subject to the terms and conditions mentioned in this PA and the Letter of Offer to be sent to all shareholders of the Target Company.

2.2 This is not a conditional Offer and is not subject to any minimum level of acceptance. The Acquirer and PAC will acquire all the fully paid up equity shares that are validly tendered as per the terms of the Offer, up to a maximum of 95,85,717 equity shares at the Offer Price.

2.3 The Manager to the Offer does not hold any equity shares in the Target Company, as on the date of this Public Announcement.

2.4 This is not a Competitive Bid.

3. **The Offer Price**

3.1 The equity shares of the Target Company are currently listed on the Bombay Stock Exchange Limited, Mumbai ('**BSE**') and Madras Stock Exchange Limited ('**MSE**').

3.2 The annualized trading turnover during the preceding six calendar months ended May 2009 on BSE and MSE where the equity shares are listed is as follows:

Name of the Stock Exchange	Total number of Equity Shares traded during December 2008 to May 2009	Total number of Listed Equity Shares	Annualized trading turnover (% of total listed Equity Shares)
BSE*	65,02,914	3,24,02,085	40.14%
MSE**	Nil	3,24,02,085	Nil

*Source for BSE: http://www.bseindia.com

**Source for MSE: MSE letters dated May 11, 2009 and June 3, 2009

Based on the information available, the equity shares of the Target Company are frequently traded on BSE and infrequently traded on MSE within the meaning of explanation (i) to regulation 20(5) of the Takeover Regulations. The pricing under regulation 20(4) of the Takeover Regulations is based on BSE prices, where equity shares are frequently traded.

3.3 In accordance with regulation 20(4) and 20(5) of the Takeover Regulations, the Offer Price of Rs.36.25 per equity share is higher of the following:

a)	Negotiated price	Not Applicable
b)	Acquisition price under the Preferential Issue	Rs.35/- per equity share
c)	Highest price paid by the Acquirer and PAC for acquisition of any equity share of SHRIL during the 6 months period preceding the date of the PA	Rs.35/- per equity share
d)	Average of weekly high and low of the closing prices of the equity shares of SHRIL during the 26 weeks preceding the date of the Board meeting where the Preferential Issue was proposed by the Board of Directors (April 28, 2009)	Rs.23.16 per equity share
e)	Average of daily high and low of the equity shares of SHRIL during the 2 weeks preceding the date of the Board meeting where the Preferential Issue was proposed by the Board of Directors (April 28, 2009)	Rs.36.07 per equity share
f)	Other parameters with reference to Target Company	March 31, 2008 (Audited)
	Book Value (Rs.)	(8.84)
	Earnings Per Share (Rs.)	(0.32)

Note : The ratios for the Return on Net worth (%) and Price / Earnings (PE) Ratio have not been stated as the Net worth of the Target Company is negative.

3.4 In the opinion of the Manager to the Offer, the Offer Price of Rs.36.25 per equity share is justified in terms of Regulation 20(4) and 20(5) of the Takeover Regulations.

4. **Information about the Acquirer and the PAC**

4.1 **Indus Hospitality Fund Limited ('IHF'/ 'Acquirer')**

4.1.1 IHF was incorporated on August 11, 2008 under the laws of Republic of Mauritius as private company limited by shares under the name of Indus Hospitality Holdings Limited having its registered office at Suite 2005, Level 2, Alexander House, 35 Cybercity, Ebene, Mauritius. The name of the company was changed to Indus Hospitality Fund Limited vide new certificate of incorporation dated May 12, 2009 issued by Registrar of Companies, Mauritius. Subsequently, the company was converted into a Public Company on May 8, 2009 by passing a special resolution. A new certificate of conversion dated May 27, 2009 has been issued by Registrar of Companies, Mauritius. IHF is promoted by Bay Capital Partners Limited. IHF does not belong to any group.

4.1.2 IHF is regulated and licensed by Financial Services Commission (Mauritius) as a Category 1 Global Business License Company under the Financial Services Act, 2007 of Mauritius. The main activity of IHF is to make direct and indirect investments in listed and/or equity related securities in mid market companies across India.

4.1.3 The paid up share capital of IHF is USD 1,36,00,001.

4.1.4 Since the IHF was incorporated on August 11, 2008, the audited financial details are not available. The brief financial position of IHF, as certified by Y. Nath Varma (Membership No. MRN/84/521) of M/s. Navy and Yan, Public Accountants and Knowledge Managers having office at West View La Marie Road, Glen - Park, Vacoas, Mauritius, Tel. No.: 230-294-9880, Fax No.: 230-684-6830, as on June 5, 2009 is as under:

Particulars	As on June 5, 2009 Amt. in USD	Amt. in Rs. Lacs*
Paid up share capital	1,36,00,001	6402.88
Assets	58,94,636	2775.36
Cash and Bank Balance	77,05,364	3627.51

* Conversion Rate 1 USD = Rs. 47.08 Date: June 5, 2009
Source: www.rbi.org.in (Reserve Bank of India) USD: United States Dollar

4.1.5 The shares of IHF are not listed on any stock exchange.

4.2 **India Discovery Fund Limited ('IDF'/ 'Person Acting in Concert'/ 'PAC')**

4.2.1 IDF, a limited company was incorporated on May 9, 2007 under the laws of Republic of Mauritius under the name of India Horizon Fund Limited having its registered office at Suite 2005, Level 2, Alexander House, 35 Cybercity, Ebene, Mauritius. The name of the company was changed to India Discovery Fund Limited vide new certificate of incorporation dated July 12, 2007 issued by Registrar of Companies, Mauritius. IDF is promoted by Mr. Thomas Nils Robert Nilsson. IDF does not belong to any group.

4.2.2 IDF operates as Collective Investment Scheme and is regulated and licensed by the Financial Services Commission (Mauritius) as a Category I Global Business License Company under the Financial Services Act, 2007 of Mauritius. It is also registered as a sub account (registration no. 20070499) under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995. The main activity of IDF is to make direct and indirect investments in listed and/or equity related securities in mid market companies across India.

4.2.3 The paid up share capital of IDF is USD 15,479.32.

4.2.4 The financial highlights of IDF are as below:

Particulars	Year ended December 31, 2008 (Audited) Amt. in USD	Amount in Rs. Lacs**
Total Income	(10,56,61,073)	(49745.19)
Profit After Tax	(10,64,83,267)	(50132.19)
Paid up share capital	7,77,75,059	36616.47
Earnings Per Share (on participating share)	(68.79)	*(3238.63)
Book Value Per share (on participating share)	50.25	*2365.77
Return on Networth %	(136.91)	*(6445.72)

Source: Annual Report for FY 08

*Not in Lacs

** Conversion Rate 1 USD = Rs. 47.08 Date: June 5, 2009 Source: www.rbi.org.in (Reserve Bank of India) USD: United States Dollar

Earnings Per Share (EPS) : Profit after Tax / Number of outstanding participating shares

Book Value Per share : Networth / Number of outstanding participating shares

Return on Networth (%) : Profit after Tax * 100 / Networth

4.2.5 The shares of IDF are not listed on any stock exchange.

4.2.6 IDF has funded IHF for the acquisition of equity shares to be acquired under the Open Offer by subscribing to 1,36,000 participating shares of USD 0.01 each issued at a price of USD 100 per share.

5. **Information about the Target Company**

Sterling Holiday Resorts (India) Limited ('Target Company'/ 'Sterling'/ 'SHRIL')

5.1 SHRIL was originally incorporated as a private limited company on May 22, 1986 under the name of Sterling Holiday Resorts (India) Private Limited. The Target Company was converted into a public limited company as Sterling Holiday Resorts (India) Limited vide fresh certificate of incorporation dated December 11, 1989 issued by Registrar of Companies, Tamil Nadu.

5.2 The registered office of the Target Company is situated at No.163, T.T.K. Road, Alwarpet, Chennai – 600 018, Tamil Nadu, India.

5.3 SHRIL is in the business of developing and running holiday resorts, hotel, restaurants etc. It has holiday resorts at various cities including Ooty, Kodaikanal, Goa, Manali, Munnar, Puri, Darjeeling, Lonavala, Gangtok etc.

5.4 The voting capital of the Target Company as on the date of PA has been calculated as under:

Paid up equity shares of Target Company	Issued, Subscribed and Paid up Shares	Voting Rights	% of Outst-anding Shares	% of Voting Rights
Fully paid up equity capital	4,19,28,585	4,19,28,585	100%	100%
Partly paid up equity capital	Nil	Nil	Nil	Nil
Total	4,19,28,585	4,19,28,585	100%	100%

Emerging Voting Capital (at the expiration of 15 days from the date of closure of Offer)	
Fully Paid up Capital as on the date of PA	4,19,28,585
Add: ESOPs which have been vested but not exercised	25,00,000
Add: Outstanding Convertible Warrants which were allotted on February 13, 2009	30,00,000
Add: Warrants allotted on June 4, 2009	5,00,000
Total Emerging Voting Capital	**4,79,28,585**

5.5 The equity shares of the Target Company are currently listed on BSE and on MSE .

5.6 As on the date of this Public Announcement, there are no partly paid up equity shares of the Target Company.

5.7 The brief audited financial information for the year ending March 31, 2008 and for the period ending December 31, 2008 of the Target Company are given below:

Particulars	Amount (Rs. Lacs) December 31, 2008	March 31, 2008
Months	9	12
Type	Certified by the Statutory Auditors of the Company	Audited
Total Income	3089.08	4,652.80
Profit / (Loss) After tax	(1174.56)	(90.04)
Paid up equity capital	2783.87	2,783.87
Reserves (excl Revaluation Reserves)	9517.45	8,979.45
Networth	(3097.04)	(2,460.48)
Earnings Per Share (EPS) (Rs. per share)*	(4.22)	(0.32)
Return on Networth (%)	-	-
Book value (Rs. per share)*	(11.12)	(8.84)

*Book Value and EPS figures are not in Lacs.

(Source: Annual Report for the financial year ended March 31, 2008 and certified financial statements by the statutory auditors of the Target Company for the period ended December 31, 2008).

Earnings Per Share (EPS) : Profit after Tax / Number of outstanding equity shares

Book Value Per share : Networth / Number of outstanding equity shares

Return on Networth (%) : Profit after Tax * 100 / Networth

6. **Reason for the Acquisition and Future Plans**

6.1 This Offer is being made by the Acquirer and PAC to the shareholders of Target Company pursuant to substantial acquisition of shares in compliance with regulation 10 and other applicable provisions of the Takeover Regulations.

6.2 The Acquirer is merely a financial investor and this acquisition will not result in a change in control of the Target Company and therefore, the Acquirer and PAC will not be in control of the management of the Target Company. On completion of the Preferential Issue and the Offer (assuming full acceptance), the Acquirer will hold, in the aggregate, up to 1,74,67,917 fully paid up shares representing 36.45% of the Emerging Voting Capital of the Target Company. The allotment of the Subscription Shares and subsequent acquisition of equity shares, if any, in the Target Company under the Offer by the Acquirer will be in the nature of financial investment.

6.3 Since the investment by the Acquirer in SHRIL is in the nature of a financial investment in the ordinary course of business and management control is retained by the existing Promoters of the Target Company, the Acquirer and PAC does not propose to sell, dispose of or otherwise encumber any assets of SHRIL in the succeeding two years except in the ordinary course of business of SHRIL. Further, they undertake not to sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of SHRIL and in accordance with and subject to applicable laws, permissions and consents, if any.

6.4 The Acquirer and PAC do not have any specific future plans for the Target Company.

7. **Statutory Approvals and other Approvals for the Offer**

7.1 The Offer is subject to the receipt of approval from Reserve Bank of India ('RBI') under the Foreign Exchange Management Act, 1999 (FEMA) for the acquisition of equity shares by the Acquirer, for shares validly tendered and accepted under the Offer. The Acquirer will make necessary applications to RBI for such approval.

7.2 To the best of knowledge and belief of the Acquirer and PAC, as on the date of this PA, there is no approval required from its lenders and other statutory approvals required for the acquisition of equity shares tendered pursuant to this Offer except as stated above. The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of the Offer.

7.3 In case of delay in receipt of any approval, SEBI may, if satisfied that delay in non receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 22(12) of the Takeover Regulations. Further, if any delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 22(13) of the Takeover Regulations will also become applicable.

8. **Disclosure in terms of regulation 21 (2) of the Takeover Regulations**

The Offer after assuming full acceptance will not result in the public shareholding falling below 25% of the paid up equity share capital (as on date) of the Target Company, which is the minimum level required to be maintained as per provisions of Clause 40A of the Listing Agreement. Therefore, the provisions of regulation 21(2) of Takeover Regulations are not applicable.

9. **Financial Arrangement for the Offer**

9.1 The total fund requirement or the maximum consideration for the Offer assuming full acceptance of the Offer would be Rs. 34,74,82,241.25 (Rupees Thirty Four Crores Seventy Four Lacs Eighty Two Thousand Two Hundred Forty One and Paise Twenty Five only) i.e. consideration payable for acquisition of 95,85,717 fully paid up equity shares of SHRIL at Offer Price of Rs.36.25 per equity share ('Maximum Consideration').

9.2 In accordance with the requirements of the Takeover Regulations, the Acquirer has made a cash deposit of Rs. 8,69,00,000/- (Rupees Eight Crores Sixty Nine Lacs Only) in an escrow bank account in name of "SHRIL Open Offer Escrow Account" ('**Escrow Account**') with the Standard Chartered Bank, 90, M G Road, Fort, Mumbai 400 001 ('**Cash Deposit**'). Assuming full acceptance, the amount deposited in the Escrow Account is more than the amount required under regulation 28(2) of the of Takeover Regulations i.e. 25% of the total consideration payable in the Open Offer. The Manager to the Offer has been duly authorized to operate the aforesaid Escrow Account in accordance with the terms of the Takeover Regulations.

9.3 Mr. Y. Nath Varma (Membership No. MRN/84/521) of M/s.Navy and Yan, Public Accountants and Knowledge Managers, West View La Marie Road, Glen – Park, Vacoas, Mauritius, Tel. No.: 230-294-9880, Fax No.: 230-684-6830, has certified vide certificates dated June 5, 2009 for the Acquire and PAC, respectively stating that the Acquirer and PAC have adequate resources to meet the financial obligations of the Open Offer.

9.4 The fund received from the PAC for subscribing to the participating shares allotted to the PAC shall be used to meet the obligations under the Offer.

9.5 The Manager to the Offer has satisfied itself that the Acquirer and PAC have the ability to implement the Offer in accordance with the Takeover Regulations as firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

10. **Other Terms of the Offer**

10.1 The Letter of Offer, specifying the detailed terms and conditions, together with the Form of Acceptance-cum-Acknowledgement ('Form of Acceptance'), Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form) will be mailed to the shareholders of SHRIL (other than the Acquirer and PAC) whose names appear in the register of members of SHRIL and to the beneficial owners of the equity shares of SHRIL whose names appear as beneficiaries on the records of the respective depository participants ('DP'), at the close of business on June 12, 2009 (the 'Specified Date'). Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer and other forms by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. A copy of the Letter of Offer (including Form of Acceptance and Form of Withdrawal) will be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer and may also be downloaded from the site.

10.2 All owners of equity shares, registered or unregistered, are eligible to participate in the Offer anytime before closure of the Offer.

10.3 The Registrar to the Offer, Link Intime India Pvt. Ltd. ('Registrar to the Offer'), has opened a special depository account with Standard Chartered Bank called "LIIPL – SHRIL OFFER – ESCROW DEMAT ACCOUNT" ('Special Depository Account'). Beneficial Owners and shareholders holding equity shares of SHRIL in the dematerialized form, will be required to send their Form of Acceptance to the Registrar to the Offer, on addresses as mentioned in Para 10.5, on or before the closure of the Offer, along with a photocopy or counterfoil of the delivery instruction slip in 'Off-market' mode, duly acknowledged by the DP, in favor of Special Depository Account and filled in with the details given below:

DP Name	Standard Chartered Bank
A/c Title	LIIPL – SHRIL OFFER – ESCROW DEMAT ACCOUNT
DP ID Number	IN301524
Client ID Number	30023858
ISIN	INE657A01019
Market	Off-market
Depository	National Securities Depository Ltd.

Forms of Acceptance of dematerialized equity shares not credited to the above Special Depository Account on or before the closure of Offer are liable to be rejected. Beneficial owners are therefore requested to tender the delivery instruction at least two working days prior to the date of closing of the Offer.

Shareholders having their beneficiary account in Central Depository Services (India) Limited ('CDSL') have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL.

10.4 Shareholders who hold equity shares of SHRIL in physical form and wish to tender their equity shares pursuant to the Offer will be required to submit the Form of Acceptance, original Share Certificate(s) and duly signed and executed transfer deed(s) to the Registrar to the Offer at the following address, so as to reach on or before the closure of the Offer, i.e. August 17, 2009 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.

10.5 In case of non-receipt of the Letter of Offer, shareholder(s) may download the same from the SEBI website (http://www.sebi.gov.in) or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer on providing suitable documentary evidence of acquisition of the said shares.

Name & Address of Collection Centre	Contact Person	Mode of Delivery	Tel. No. Fax No. E-mail ID
Mumbai C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400 078.	Nilesh Chalke	Hand Delivery & Registered Post	**Tel.:** 022-2596 0320 **Fax:** 022-2596 0329 **E-mail ID** shril.offer@linkintime.co.in
Mumbai 203, Davar House, Next to Central Camera, D N Road, Fort Mumbai - 400 001	Vivek Limaye	Hand Delivery	**Tel.:** 022-2269 4127 **Fax:** 022-2596 0329 **E-mail ID** vivek.limaye@linkintime.co.in
Chennai C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Mrs.Solly Soy	Hand Delivery	**Tel.:** 044-2815 2672, 044-4207 0906 **Telefax:** 044-2815 2672 **E-mail ID** chennai@sgs-cs.com

All registered owners can send the Form of Acceptance duly completed and signed in accordance with the instructions contained therein to the Registrar to the Offer at the collection centers mentioned above, on or before the closure of the Offer, i.e. August 17, 2009 (Monday). The documents can be tendered at the above centres between Monday to Friday from 10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 5.00 p.m. and on Saturdays from 10.00 a.m. to 1.00 p.m. The centres will be closed on Sundays and any other Public holidays.

10.6 Unregistered owners or shareholders who have not received the Letter of Offer, may send their consent, to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, or in the 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 the 'off-market' mode, duly acknowledged by the DP, in favour of the aforesaid Special Depository Account, so as to reach the Registrar to the Offer, on or before the closure of the Offer. No Indemnity is required from the unregistered owners.

10.7 Shareholders of SHRIL who have sent their equity shares for transfer should submit the Form of Acceptance duly completed and signed, copy of the letter sent to SHRIL (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders who have sent their physical shares for dematerialization should submit their Form of Acceptance as applicable along with the copy of the demat request form (DRF) duly acknowledged by their DP. However, they have to ensure that the corresponding credit of the dematerialized shares is received in the special depository account on or before closure of the Offer.

10.8 In respect of physical shares, duly executed Form(s) of Acceptance along with share certificate(s) and share transfer forms(s) and in respect of dematerialized shares, duly executed Form(s) of Acceptance along with a photocopy or counterfoil of the delivery instruction slip in 'Off-market' mode, duly acknowledged by the Depository Participant ('DP'), should be sent only to the Registrar to the Offer and not to the Manager to the Offer, Acquirer/ PAC or Target Company.

10.9 In case the number of shares tendered for sale by the shareholders are more than the shares agreed to be acquired under the Offer, the Acquirer/ PAC shall accept the offers received from the shareholders on a proportionate basis as per regulation 21(6) of the Takeover Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that the acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

10.10 The Registrar to the Offer will hold in trust the equity shares and share certificate(s), equity shares lying in credit of the special depository account, Form of Acceptance and the transfer deed(s) on behalf of the shareholders of SHRIL who have accepted the Offer, until the cheques/ drafts for the consideration and/or the unaccepted equity shares / share certificates are dispatched/ returned.

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

10.12 Non-Resident shareholders, while tendering their equity shares under the Offer, should submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the equity shares of the Target Company. In case the previous RBI Approvals are not submitted, the Acquirer and PAC reserves the right to reject such equity shares tendered. While tendering the shares under the Offer, non-resident shareholders will also be required to submit a Tax Clearance Certificate from Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

10.13 As per the provisions of section 196(D) 2 of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD of the Income Tax Act payable to Foreign Institutional Investor ('FII') as defined in section 115AD of the Income Tax Act.

10.14 The payment consideration for Equity Shares accepted under the Offer may be made through a crossed account payee cheque/demand draft/pay order or through Direct Credit ('DC'), National Electronic Funds Transfer ('NEFT'), Real Time Gross Settlement ('RTGS'), Electronic Clearing Services (ECS), at specified centers where clearing houses are managed by the Reserve Bank of India within 15 days from the date of closure of Offer. Shareholders who opt for receiving consideration through DC/NEFT/RTGS/ECS are requested to give the authorization for the same in the Form of Acceptance cum Acknowledgment and enclose a photocopy of cheque along with the Form of Acceptance cum Acknowledgment.

10.15 The consideration to those shareholders whose shares or share certificates and /or other documents are found complete, valid and in order, will be paid by crossed account payee cheques/demand drafts or through DC/NEFT/ RTGS/ECS. Such considerations in excess of Rs.1500/- or unaccepted Share Certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post/speed post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder/unregistered owner. Equity shares held in dematerialized form, to the extent not accepted, 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 or otherwise. The Acquirer are required to deduct tax on source, as may be applicable. All dispatches involving payment of a value upto Rs.1500/- will be made under certificate of posting at the shareholders sole risk.

10.16 A schedule of some of the key events in respect of the Offer is given below:

Activity	Date	Day
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	June 12, 2009	Friday
Last date for a Competitive Bid	June 29, 2009	Monday
Last Date by which Letter of Offer will be posted to the shareholders of SHRIL	July 20, 2009	Monday
Date of Opening of the Offer	July 29, 2009	Wednesday
Last date for revising the Offer Price / Offer size	August 06, 2009	Thursday
Last date of withdrawal of tendered application by the shareholders of SHRIL	August 12, 2009	Wednesday
Date of Closing of Offer	August 17, 2009	Monday
Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired equity shares and/or the unaccepted equity shares / Share Certificate(s) will be dispatched / credited	September 03, 2009	Thursday

11. **General**

11.1 In accordance with the regulation 22(5A) of the Takeover Regulations, shareholders who have tendered the requisite documents in terms of the PA and Letter of Offer shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date. 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 the collection centres mentioned above as per the mode of delivery indicated therein on or before August 12, 2009.

The withdrawal option can be exercised on submitting the form of withdrawal (which will be sent to Shareholders along with the Letter of Offer) and the copy of the acknowledgement received from the Registrar to the Offer while tendering the acceptance together with:

a) **In respect of physical shares:** Name, address, distinctive numbers, folio number, number of shares tendered and number of shares to be withdrawn.

b) **In respect of dematerialized shares:** Name, address, number of shares tendered, number of shares withdrawn, DP name, DP ID, beneficiary account number, photocopy of the delivery instruction in 'Off Market' mode duly acknowledged by the DP.

In case of non-receipt of the Form of Withdrawal the above application can be made on a plain paper.

11.2 The Acquirer and PAC are permitted to revise the Offer Price of shares / No. of equity shares upwards, such upward revision will be made in accordance with regulation 26 of the Takeover Regulations, not later than August 06, 2009, which is 7 (Seven) working days prior to the date of closure of the Offer. If the Offer Price is revised upward, such revised price will be payable to all shareholders who have accepted the Offer and submitted their equity shares at any time during the offer period to the extent that their shares have been verified and accepted by the Acquirer and PAC. The same would be informed by way of public announcement in the same newspapers where this PA appears.

11.3 If there is a competitive bid:

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

b. As the Offer Price cannot be revised during the seven working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of shareholders to wait until the commencement of that period to know the final offer price of each bid and tender their acceptances accordingly.

11.4 The Acquirer, PAC and SHRIL have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or any other regulation made under the SEBI Act.

11.5 Pursuant to regulation 13 of the Takeover Regulations, the Acquirer has appointed Collins Stewart Inga Private Limited as Manager to the Offer.

11.6 Acquirer has appointed Link Intime India Private Limited as Registrar to the Offer, having there office at C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400 078, Tel.No.: 022-25960320, Fax No.: 022-25960329, Email: shril.offer@linkintime.co.in. Contact Person: Mr. Nilesh Chalke.

11.7 For further details please refer to the Letter of Offer, the Form of Acceptance and the Form of Withdrawal.

11.8 Acquirer, PAC and its respective directors accept full responsibility severally and jointly for the information (except for the information pertaining to the Target Company which has been complied from publicly available sources) contained in this PA and also for the fulfillment of obligations of the Acquirer and PAC as laid down in the Takeover Regulations.

11.9 This PA is expected to be made available on SEBI's website at http://www.sebi.gov.in. Eligible shareholders may also download a copy of Letter of Offer along with the Form of Acceptance cum Acknowledgement and the Form of Withdrawal, which is also expected to be made available on SEBI's website from the Offer opening date i.e. July 29, 2009 (Wednesday) for applying in the Offer.

Public Announcement is issued by Manager to the Offer on behalf of the Acquirer i.e. Indus Hospitality Fund Limited, Suite 2005, Level 2, Alexander House, 35 Cybercity, Ebene, Mauritius and PAC i.e. India Discovery Fund Limited, Suite 2005, Level 2, Alexander House, 35 Cybercity, Ebene, Mauritius.

ISSUED BY MANAGER TO THE OFFER

Collins Stewart Inga

Collins Stewart Inga Private Limited
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Tel. No.: +91-22 - 2498 2919 / 2498 2927; Fax No.: +91-22 - 2498 2956
E-mail ID: shrl@csin.co.in

Contact Person: Mr. Mihir Pandhi

Place : Mumbai
Date : June 08, 2009