LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **7Seas Technologies Limited**. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER

By

Mr. Lingamaneni Maruti Sanker

[Flat No. 409, Srinilaya Estates, Near Image Hospital, Ameerpet, Hyderabad-500 016; Tel.: +91-40-23753046]

Mr. Narasimha R Kolla

[42781, Sadie Lane, Belleville, MI 48111, USA]

and

Mrs. K. S. V. Kumari

[8-2-293/82/J/III/12, Plot No. 12, Road No.82, Jubilee Hills, Hyderabad-500 033; Tel.: +91-40-23540190]

to the shareholders of

7SEAS TECHNOLOGIES LIMITED (7SEAS)

(Formerly known as "Flair Investment and Finance Limited")

(Regd. Off.: 6-3-1239/2/A, Renuka Enclave, III Floor, Kotis Court, Rajbhavan Road, Somajiguda, Hyderabad-500 082; Tel. No: +91-40-30686161; Fax:+91-40-30686163

for the purchase of 6,00,000 Equity Shares of Rs. 10/- each comprising of 3,50,300 fully paid-up shares at a price of Rs. 6.00/- per share and 2,49,700 partly paid-up shares at a price of Rs. 2.00/- per share representing 20% of its voting capital. These shares will be acquired in cash, in accordance with Regulation 20 (2)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof, from the equity shareholders of 7SEAS.

This Offer is being made in compliance with Regulation 10 & 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereof (hereinafter referred to as "the Regulations").

The Offer along with any obligation relating to payment for, and purchase of, the shares tendered is subject to the receipt of necessary approval(s), if any, from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 ("FEMA") and subsequent amendments there to. There are no other statutory approvals required to acquire shares that are tendered pursuant to this Offer.

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the date of Closure of the Offer i.e. May 3, 2006.

If there is any upward revision in the Offer Price/Size at any time up to seven working days prior to the date of Closure of the Offer i.e. April 26, 2006 or withdrawal of the Offer in terms of the regulation, the same would also be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer.

The Offer is not conditional and not subject to any minimum level of acceptance from Shareholders.

If there is a Competitive Bid:

- **The Public Offers under all the subsisting bids shall close on the same date.**
- **As the Offer Price cannot be revised during 7 working days prior to the Closing date of the Offers/ Bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**

The Public Announcement, and this Letter of Offer including the Form of Acceptance cum Acknowledgement and Form of Withdrawal would also be available on SEBI's website at www.sebi.gov.in.

MANAGER TO THE OFFER:	**REGISTRAR TO THE OFFER:**
ASHIKA CAPITAL LIMITED 1008, 10th Floor, Raheja Centre, 214, Nariman Point, MUMBAI-400021. Tel: +91-22-66111700 Fax: +91-22-6611710 E-Mail: hyderabad@ashikagroup.com **Contact Person: Mr. Rajendra Kanoongo**	**VENTURE CAPITAL AND CORPORATE INVESTMENTS LIMITED** 6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad-500004. Tel: +91-40-23322264; Fax: +91-40-23324803 E-mail: vccil_hyd@yahoo.co.in **Contact Person: Mr. P. V. Srinivas**

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activities	Date	Day
Public Announcement	February 27, 2006	Monday
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	March 3, 2006	Friday
Last Date for a Competitive Bid	March 20, 2006	Monday
Date by which the Letter Of Offer to be Despatched to shareholders	April 12, 2006	Wednesday
Date of Opening of the Offer	April 19, 2006	Wednesday
Last date for revising the Offer Price/ Number of Shares	April 26, 2006	Wednesday
Last date for Withdrawal of Acceptance by share holders who have accepted the Offer	May 3, 2006	Wednesday
Date of Closing of the Offer	May 8, 2006	Monday
Date by which communicating rejection/acceptance and despatch of Cheques/Demand Drafts towards payment of consideration to be completed	May 22, 2006	Monday

RISK FACTORS:

1. **The Networth of the company has eroded by almost 50% on account of accumulated losses.**
2. **None of the Equity Shares of the Company have been traded on HSE & ASE, where they are listed, in the past few years.**
3. **The Acquirers are First Generation Entrepreneurs.**

TABLE OF CONTENTS

1. ABBREVIATIONS / DEFINITIONS

Acquirers	Mr. Lingamaneni Maruti Sanker, Mr. Narasimha R Kolla and Mrs. K. S. V. Kumari
ASE	The Stock Exchange, Ahmedabad
Eligible Persons for the Offer	All owners of shares registered or unregistered of 7SEAS (who own shares at any time prior to the Closure of the Offer) except Acquirers and the Sellers
FEMA	Foreign Exchange Management Act, 1999
HSE	The Hyderabad Stock Exchanges Limited, Hyderabad
LOO or Letter of Offer	Offer Document
Manager to the Offer	Ashika Capital Limited
Negotiated Price	Re. 0.90 per fully paid-up share and Re. 0.25 per partly paid-up share
Offer	Cash Offer being made by the Acquirers to acquire 6,00,000 Equity Shares comprising of 3,50,300 fully paid-up shares and 2,49,700 partly paid-up shares representing 20% of voting capital of 7SEAS
Offer Price	Rs. 6.00/- per fully paid-up share and Rs. 2.00/- per partly paid-up share
PA / Public Announcement	Announcement of the Offer made by Acquirers on February 27, 2006
7SEAS/Target Company	7Seas Technologies Limited
RBI	Reserve Bank of India
Registrar to the Offer / Registrar	Venture Capital and Corporate Investments Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations or "The Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof
Sellers	M. R. K Reddy & Mrs. D. Veda Reddy (Promoter Group)
Specified Date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of 7SEAS, to whom the Letter of Offer should be sent, i.e. March 3, 2006

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "Rs." are to Indian Rupees. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF 7SEAS TECHNOLOGIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MARCH 8, 2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. Background of the Offer

(a) This Offer is being made by **Mr. Lingamaneni Maruti Sanker**, **Mr. Narasimha R Kolla** and **Mrs. K. S. V. Kumari** (Acquirers) in compliance with Regulation 10 & 12 of the SEBI (SAST) Regulations, 1997.

(b) The Acquirers has decided to acquire 15,85,300 Equity Shares of Rs. 10/- each of the Company consists of 11,43,000 fully paid-up Equity Shares @ Re. 0.90 per share and 4,42,300 partly paid-up shares @ Re. 0.25 per share aggregating to 65.26% of voting capital and 52.84% of subscribed capital of the Target Company and accordingly entered into a Share Purchase Agreement ('Agreement') on February 23, 2006 with Mr. M. R. K Reddy & Mrs. D. Veda Reddy (Promoter Group).

(c) Some of the main features of the Agreement is mentioned below:

i. The Sellers have agreed to sell to the Acquirers 15,85,300 Equity Shares consists of 11,43,000 fully paid-up Equity Shares and 4,42,300 partly paid-up Equity Shares aggregating to 65.26% of voting capital and 52.84% of subscribed capital of the Company [at a price of Re. 0.90 (Ninety Paisa only) per Fully paid-up share and Re. 0.25 (Twenty Five Paisa only) per Partly paid-up share] for a total consideration of Rs. 11,39,275/- (Rupees Eleven Lakhs Thirty Nine Thousand Two Hundred and Seventy Five only) and the Acquirers have agreed to purchase the said shares.

ii. Out of the total number of shares i.e. 15,85,300 Equity Shares, 8,00,000 fully paid-up Equity Shares and 4,42,300 partly paid-up Equity Shares representing 45.68% of voting capital and 41.41% of subscribed capital belongs to Mr. M. R. K Reddy and 3,43,000 fully paid-up Equity Shares representing 19.58% of voting capital and 11.43% of subscribed capital belongs to Mrs. D. Veda Reddy.

iii. The Acquirers had paid a sum of Rs. 5,00,000/- (Rupees Five Lakhs only) to the Sellers on the execution of the Agreement and out of the balance amount of Rs. 6,39,275/-, a sum of Rs. 5,00,000/- (Rupees Five Lakhs only) would be paid on receipt of Observation Letter from SEBI and the balance amount of Rs. 1,39,275/- (Rs. One Lakh Thirty Nine Thousand Two Hundred Seventy Five only) would be paid at the time of completion of Takeover formalities.

iv. The Sellers hereby indemnify the Acquirers for all the liabilities and litigation relating to the Target Company/7SEAS up to 31.12.2005 and such liabilities arise out of an act of commission or omission of the Sellers or the 7SEAS prior to the Transfer date, the Sellers shall indemnify and shall save keep harmless and indemnified the 7SEAS.

v. The Sellers have full authority and power to sell the Shares and absolute right and complete authority to enter into the present transaction and are not in any way prevented.

vi. In case of non-compliance with any of the provisions of the SEBI (SAST) Regulations by the Target Company, this Agreement for sale of the shares shall not be acted upon by either Sellers or the Acquirers.

vii. The Acquirers/Sellers undertake that if the public shareholding in the Company fall below the limit specified in Listing Agreement with the Stock Exchange(s) for the purpose of listing on continuous basis, pursuant to the Agreement and Open Offer or otherwise, the Acquirers will acquire only such number of shares under the Agreement so as to maintain the minimum specified public shareholding in the Company.

(d) The proposed change in control is consequent to the Agreement whose salient features are described in 3.1 (c) above.

(e) The Acquirers, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

(f) The Acquirers do not hold any Equity Shares of 7SEAS as on the date of Public Announcement. The Acquirers has not acquired either directly or through any other person any Shares of 7SEAS during the 12 months preceding the date of Public Announcement.

(g) After completion of all formalities relating to the acquisition and after complying with formalities required by the Regulations, the Board of Directors might be reconstituted to include nominee(s) of Acquirers.

(h) The Acquirers have undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement with the Sellers.

3.2. DETAILS OF THE PROPOSED OFFER

(a) The Acquirers made a Public Announcement of the Offer, which was published in all Editions of **Business Line** (English) & **Hindi Milap** (Hindi) and Hyderabad Edition of **Andhra Prabha** (Telugu) on February 27, 2006 in compliance with Regulation 15 (1) of "the Regulations". The Public Announcement is also available on SEBI's website at www.sebi.gov.in.

(b) The Acquirers propose to acquire 6,00,000 Equity Shares of Rs. 10/- each, from the existing shareholders of 7SEAS (other than parties to the Agreement), comprising of 3,50,300 fully paid-up shares at a price of Rs. 6.00/- per share and 2,49,700 partly paid-up shares at a price of Rs. 2.00/- per share ("Offer Price") representing 20% of its voting capital, payable in cash.

(c) The Offer is not subject to any minimum level of acceptances. The Acquirers will acquire all Equity Shares of 7SEAS that are tendered in terms of this Offer up to a maximum of 6,00,000 Equity Shares comprising of 3,50,300 fully paid-up shares and 2,49,700 partly paid-up shares.

(d) The Acquirers have not acquired any shares after the date of Public Announcement and up to the date of this Letter of Offer.

3.3. OBJECT OF THE OFFER

(a) The Acquirers had entered into a Share Purchase Agreement with the objective of Substantial Acquisition of Shares and Voting Rights accompanied with change in Control/ Management of the Company and is making this Open Offer pursuant to the Regulation 10 & 12 of the Regulations.

(b) The Acquirers are having experience in the Software Development and its related areas. Through this acquisition, the Acquirers intend to expand their present activities and also derive benefits of a Listed Company.

(c) The Acquirers do not have any plans to sell, dispose of or otherwise encumber any significant assets of 7SEAS in the next two years, except in the ordinary course of business. The Acquirers will not dispose off, sell or otherwise encumber any substantial Assets of 7SEAS except with the prior approval of the Shareholders.

(d) To augment the resources in future, the Acquirers intend to participate in any Equity/Debt/Quasi Debt offering from 7SEAS, be it subscription to the Rights Issue/Public Issue, Preferential allotment etc. Reorganisation and/or streamlining of the business, including diversification, will be considered in the larger interest of 7SEAS by its Board of Directors in accordance with the applicable rules and laws.

4. BACKGROUND OF THE ACQUIRERS

4.1. INFORMATION ABOUT ACQUIRERS

a. **Mr. Lingamaneni Maruti Sanker**, S/o. Sri L. Eswara Rao, aged about 32 years is a resident of Flat No. 409, Srinilaya Estates, Near Image Hospital, Ameerpet, Hyderabad-500 016. He completed his Bachelor of Technology from Jawaharlal Nehru Technological University (JNTU), Anantapur, Andhra Pradesh in the year 1995 and Master of Business Administration from JNTU, Hyderabad in the year 1999 and has been awarded with Gold Medal for securing First Rank.

He worked with an Electrical Transformer manufacturing company during 1995-97 as Design Engineer and there after worked with VisualSoft Technologies Ltd. between 1999 to 2005 in various positions handling products and services. Thus, he has 8 years of experience in the areas of Software Product Development, IT Services, Consulting and Marketing. Presently, he is engaged in IT Consulting.

His Networth as on 31.12.2005 is Rs. 25.58 Lakhs as certified by Mr. B. Balaji Viswanath (Membership No. 029357) vide certificate dated 20.02.2006, Proprietor of M/s. Balaji Viswanath & Co., Chartered Accountants, having Office at 202, Krishnaveni Arcade, Bhagyanagar Colony, Kukatpally, Hyderabad-72, Tel. No. +91-40-23161679.

b. **Mr. Narasimha R Kolla** S/o. Sri K. Subba Rao, aged about 33 years is a resident of 42781, Sadie Lane, Belleville, MI 48111, USA. He is a Non Resident Indian. He completed his Bachelor of Technology from Jawaharlal Nehru Technological University (JNTU), Anantapur, Andhra Pradesh in the year 1995 and Master of Science in Administration from Central Michigan University, USA in the year 2002.

He has over 8 years of experience in the areas of Software Development, Research and Implementation. He is working with Covansys Inc., MI, USA since last 7 years and presently designated as Project Coordinator.

His Networth as on 31.12.2005 is Rs. 55.00 Lakhs as certified by Mr. B. Balaji Viswanath (Membership No. 029357) vide certificate dated 20.02.2006, Proprietor of M/s. Balaji Viswanath & Co., Chartered Accountants, having Office at 202, Krishnaveni Arcade, Bhagyanagar Colony, Kukatpally, Hyderabad-72.

c. **Mrs. K. S. V. Kumari**, W/o. Sri K. Krishnam Raju, aged about 38 years is a resident of 8-2-293/82/J/III/12, Plot No. 12, Road No.82, Jubilee Hills, Hyderabad-500 033.

She is undergraduate and has over two decades of experience in the areas of Finance, Administration and Investments.

Her Networth as on 31.12.2005 is Rs. 167.53 Lakhs as certified by Mr. B. Balaji Viswanath (Membership No. 029357) vide certificate dated 20.02.2006, Proprietor of M/s. Balaji Viswanath & Co., Chartered Accountants, having Office at 202, Krishnaveni Arcade, Bhagyanagar Colony, Kukatpally, Hyderabad-72.

4.2. The Acquirers do not hold any position on the Board of Directors of any listed company.

4.3. The compliances under Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirers since they do not hold any shares of 7SEAS except those agreed to be acquired in terms of the Share Purchase Agreement.

4.4. The Acquirers are friends.

4.5. For the purpose of this Offer, there is no Person Acting in Concert as per the provisions of the Regulation 2(1)(e) of the Regulations.

4.6. Mrs. K. S. V. Kumari has promoted Krisani Farms and Estates Pvt. Ltd. and Krisani Wealth Management Pvt. Ltd., whose details are given as under:

4.6.1. Krisani Farms and Estates Pvt. Ltd.

The Company was incorporated under the Companies Act, 1956, with the main object to carry on the business of Agriculture Farming and its related activities. The particulars of the company are as under:

Name of the Company : **Krisani Farms and Estates Pvt. Ltd.**
Date of Incorporation : 14th November 2002
The shares of company are not listed on any of the Stock Exchanges.

Brief audited financials for the last 3 years and certified results for the period ended 31.12.2005 are as follows:

(Rs. in Lakhs)

Particulars	31.12.2005	31.03.2005	31.03.2004	31.03.2003
Equity Capital	82.20	82.20	5.00	5.00
Share Application Money	--	--	77.20	78.70
Reserves (Excluding Revaluation Reserve)	0.92	0.60	0.40	0.15
Total Income	4.05	4.87	4.98	1.85
Profit / (Loss) after Tax	0.32	0.19	0.26	0.15
Earning Per Share (EPS)	0.04	0.02	0.52	0.30
Net Asset Value (NAV) Per Share [Face Value-Rs. 10/- each]	10.11	10.07	10.80	10.30

(Networth=Paid up Share Capital + Reserves & Surplus)

Accounting Policies:

a. Method of Accounting:
The company has maintained its accounts of all revenues, expenses, assets and liabilities, having material bearing on the financial statements, on accrual basis.

b. Fixed Assets:
All the fixed assets have been valued at the cost plus incidental expenses incurred towards stamp duty, registration and other expenses.
The company has maintained its accounts of all revenues, expenses assets and liabilities, having material bearing on the financial statements, on accrual basis.

c. Depreciation:
i) Depreciation on fixed assets has been provided on straight line method on the useful lives or the assets and depreciation on the assets acquired during the year is provided on pro-rata basis.
ii) The management has estimated the useful lives of the assets as under:

Buildings	28 years
Drip irrigation System	10 years
Borewells	10years

d. Retirement Benefits:
Provision of gratuity, leave encashment and superannuation liability will be accounted on payment basis.

e. Amortisation:
Preliminary expenses are being amortised over a period of five years.
Agricultural Farms (Fruit Gardens) are being amortised over a period of twenty years.

4.6.2. Krisani Wealth Management Pvt. Ltd.

The Company was incorporated under the Companies Act, 1956, with the main object to carry on the business of Financial Consultancy and its related activities. The particulars of the company are as under:

Name of the Company : **Krisani Wealth Management Pvt. Ltd.**
Date of Incorporation : 14th June 2004
The shares of company are not listed on any of the Stock Exchanges.

Brief audited financials for the last year and certified results for the period ended 31.12.2005 are as follows:

(Rs. in Lakhs)

Particulars	31.12.2005	14.06.2004 to 31.03.2005
Equity Capital	1.00	1.00
Share Application Money	3.00	--
Reserves (Excluding Revaluation Reserve)	0.57	0.24
Total Income	2.51	2.04
Profit / (Loss) after Tax	0.57	0.24
Earning Per Share (EPS) [Annualised]	6.67	3.01
Net Asset Value (NAV) Per Share of Face Value-Rs. 10/- each	11.43	12.40

(Networth=Paid up Share Capital + Reserves & Surplus)

Accounting Policies:

a. Method of Accounting:
The company has maintained its accounts of all revenues, expenses, assets and liabilities, having material bearing on the financial statements, on accrual basis.

b. Fixed Assets:
All the fixed assets have been valued at the cost less depreciation.

c. Depreciation:
Depreciation has been provided on Straight Line Method as per the rates and manner specified in Schedule XIV of the Companies Act, 1956.

d. Retirement Benefits:
Provision of gratuity, leave encashment and superannuation liability will be accounted on payment basis.

e. Amortisation:
Preliminary expenses are being amortised over a period of five years.

4.6.3. Mrs. K. S. V. Kumari is a Director of the above unlisted companies and she is holding 5,50,800 fully paid-up equity shares of Rs. 10/- each aggregating to 67.00% of the equity capital of Krisani Farms and Estates Pvt. Ltd. and 5,000 fully paid-up equity shares of Rs. 10/- each aggregating to 50.00% of the equity capital of Krisani Wealth Management Pvt. Ltd.

4.7. Disclosures in terms of regulation 16(ix) of the Regulations:

a. The Acquirers are having experience in the Software Development and its related areas. Through this acquisition, the Acquirers intend to expand their present activities and also derive benefits of a Listed Company.

a. The Acquirers do not have any plans to sell, dispose of or otherwise encumber any significant assets of 7SEAS in the next two years, except in the ordinary course of business. The Acquirers will not dispose off, sell or otherwise encumber any substantial Assets of 7SEAS except with the prior approval of the Shareholders.

5. BACKGROUND OF THE TARGET COMPANY-7SEAS

5.1. Brief History and Main Areas of Operations:

a. 7SEAS was originally incorporated on 14th August 1991 under the Companies Act, 1956 in the name & style of “Flair Investment and Finance Limited” and the name was subsequently changed to “7Seas Technologies Limited” and a fresh certificate of incorporation consequent upon the change of name was obtained on 25.01.2006. The Certificate for Commencement of Business was obtained from Registrar of Companies (ROC), Andhra Pradesh on 28th August 1991. The Registered Office of the Company is situated at 6-3-1239/2/A, Renuka Enclave, III Floor, Kotis Court, Rajbhavan Road, Somajiguda, Hyderabad-500 082.

b. The Authorised Share Capital of the company is Rs. 350.00 Lakhs and the issued share capital is Rs. 300.00 Lakhs. The subscribed Capital of the Company is Rs. 2,06,87,250/- comprising of

17,51,400 fully paid up Equity Shares of Rs. 10/- each and 12,48,600 partly Paid-up Equity Shares.

c. 7SEAS is presently engaged in the business of Software Development.

d. The Equity Shares of 7SEAS are listed on HSE and ASE. The equity shares of the company are infrequently traded on HSE and ASE in terms of explanation (i) of regulation 20(5).

e. The Main Object Clause of Memorandum of Association of 7SEAS was amended vide Special Resolution passed on 17.12.2005 through the process of Postal Ballot to include interalia Software Development, Data Processing & Allied activities.

f. The company came out with a maiden public issue in June 1996, through prospectus, to consolidate the capital base and increase the borrowing capacity, to finance its expansion programs in the field of investments, hire purchase and leasing, etc.

g. The present promoters acquired 20,00,000 equity shares through a Share Purchase Agreement dated 17.03.2000 comprising 13,37,600 fully paid up shares at a price of Rs. 4.00/- per share and 6,62,400 partly fully paid up shares at a price of Re. 1.00 per share representing 66.67% of the Subscribed Capital and 80.05% of Voting Capital of 7SEAS. They made an Open Offer to the shareholders of 7SEAS for acquisition of 6,00,000 equity shares comprising 1,70,900 fully paid up shares and 4,29,100 partly paid up shares representing 20% of the Subscribed Capital in terms of SEBI (SAST) Regulations, 1997. The Open Offer was made at a price of Rs.10/- per fully paid up share and at a price proportionate to the amount paid on the share per partly paid up share and the said Offer was opened on May 8, 2000 and closed on June 6, 2000. All the formalities of the Takeover as per the SEBI (SAST) Regulations, 1997 was complied with.

5.2. Share Capital Structure of 7SEAS:

Paid-up Equity Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity shares	17,51,400/17,51,400	58.38%/ 100%
Partly Paid-up Equity shares	12,48,600/Nil	41.62%/Nil
Total paid-up Equity shares	30,00,000/17,51,400	100%/ 100%

* As per Article 67 of the Articles of Association of the company, no voting rights are exercisable on the shares on which calls or other sums presently payable and have not been paid.

5.3. Current Capital Structure of the Company:

Date of Allotment	No and % of Shares issued		Cumulative Paid-Up Capital (Rs.)	Mode of Allotment	Identity of Allottees	Status of Compliance
	No.	%				
On incorporation	70	--	700	Cash	Subscribers to Memorandum	Complied
05.02.1992	12,530	0.42	1,26,000	Cash	Promoters & Associates	Complied
25.03.1992	7,500	0.25	2,01,000	Cash	Promoters & Associates	Complied
18.07.1992	3,900	0.13	2,40,000	Cash	Promoters & Associates	Complied
19.01.1996	86,500	2.88	11,05,000	Cash	Promoters & Associates	Complied
10.02.1996	3,39,500	11.32	45,00,000	Cash	Promoters & Associates	Complied
25.06.1996	10,50,000	35.00	1,50,00,000	Cash	Promoters & Associates	Complied
15.07.1996	15,00,000	50.00	3,00,00,000	Cash	Public Issue	Complied
TOTAL	**30,00,000**	**100.00**	**3,00,00,000**			

5.4. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date.

5.5. As per the information available, the Company was not regular in complying with the provisions of the listing agreement entered into with the Stock Exchange(s). However, the Company has complied with the applicable clauses of the Listing Agreement with some delay and no punitive action was taken against the company by these Stock Exchange(s). The company has paid upto date Listing Fees to HSE & ASE and the Company has addressed all investor's complaints as and when received and there is no pending complaint as on date. The shares of the company were last traded at HSE on 11.12.1998 and as per the information available on the website of ASE, no shares were traded after 01.01.1999.

5.6. Present Composition of the Board of Directors of 7SEAS:

As on the date of Public Announcement [February 27, 2006], the Directors representing the Board of 7SEAS were:

Sl. No.	Name & Designation	Address	Qualification	Experience	Date of Appointment
1.	M .R. K. Reddy	A-103, Banjara Kiran Apartments, Road No.12, Banjara Hills, Hyderabad-34.	M. Tech.	25 years in Software Business	13.12.1999
2.	D. Veda Reddy	67, Vijay Villa Apartments, Road No. 12, Banjara Hills, Hyderabad-34.	Graduate	25 years in Securities Trading and Investment Business	02.05.2001
3.	Medampudi Dattu Varaprasad Rao	501, Srinilaya Estate, Ameerpet, Hyderabad-500016.	B. E.	20 years in Construction Activities	30.12.2005
4.	Devender R. Poreddy	18-3-495/6, Aliabad, Hyderabad-53	B. Tech	20 years in Civil Engineering Services	30.12.2005

5.7. There was no trading in the shares of 7SEAS on February 27, 2006 i.e. the date of Public Announcement.

5.8. There has been no merger / de-merger or spin off involving 7SEAS since the Company's listing.

5.9. The Promoters/Sellers have complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997. There was a delay in compliance with regulation 6(2) and 6(4) for the year 1997 and 8(3) for the years 1998-2002 under SEBI (SAST) Regulations by the Target Company for which SEBI issued a Letter no. CFD/RC/TO/26660/04 dated November 29, 2004 giving an option to the company to give its consent in writing for the payment of a penalty of Rs. 1,75,000/- (Rupees One Lakh Seventy Five Thousand only). Accordingly, the company has given its consent vide letter dated April 7, 2006 to pay the said penalty. There was a further delay in compliance with Regulation 8(3) by the Target Company for which SEBI may initiate appropriate action under SEBI Act.

5.10. Financial Information:

Brief audited financials of the company for the last 3 Years and certified results for the period ended 31.12.2005 are as follows:

Profit & Loss Statement

(Rs. in Lakhs)

For the Year ended	31.12.2005	31.03.2005	31.03.2004	31.03.2003
Income:				
Income from Operations	--	--	--	--
Other Income	--	--	--	--
Total Income	**--**	**--**	**--**	**--**
Total Expenditure	1.36	0.58	2.08	21.22
Profit before Interest, Depreciation & Tax	(1.36)	(0.58)	(2.08)	(21.22)
Depreciation	--	--	--	--
Misc. Exp. Written off	0.51	0.68	0.68	0.68
Profit/(Loss) before Tax	(1.87)	(1.26)	(2.76)	(21.90)
Provision for Tax	--	--	--	--
Profit/(Loss) after Tax	**(1.87)**	**(1.26)**	**(2.76)**	**(21.90)**

Balance Sheet Statement

(Rs. in Lakhs)

As at	31.12.2005	31.03.2005	31.03.2004	31.03.2003
Sources of Funds:				
Paid-up Share Capital	206.87	206.87	206.87	206.87
Profit & Loss Account (Debit Balance)	(103.17)	(101.30)	(100.04)	(97.28)
Networth	**103.70**	**105.57**	**106.83**	**109.59**
Secured Loans	--	--	--	--
Unsecured Loans	--	--	--	--
Total	**103.70**	**105.57**	**106.83**	**109.59**
Application of Funds:				
Net Fixed Assets	--	--	--	--
Investments	--	--	--	--
Net Current Assets	103.57	104.94	105.52	107.61
Total Miscellaneous Expenditure (to the extent not written off)	0.13	0.63	1.31	1.98
Total	**103.70**	**105.57**	**106.83**	**109.59**

Other Financial Data

For year ended	31.12.2005 (Audited)	31.03.2005 (Audited)	31.03.2004 (Audited)	31.03.2003 (Audited)
Dividend (%)	Nil	Nil	Nil	Nil
EPS (Rs.)	(0.11)	(0.07)	(0.16)	(1.25)
Return on Networth (%)	(1.80)	(1.19)	(2.58)	(19.98)
Book Value per share (Rs.)	5.91	5.99	6.03	6.15

Notes:

EPS = Profit after Tax /No. of fully paid up equity shares

Networth=Paid up Share Capital + Reserves & Surplus-P & L Account (Debit Balance)

Return on Net Worth = Profit after Tax /Net Worth

Book Value per Share = Net Worth-Total Misc. Exp. Not Written Off / No. of equity shares

5.11. Pre and Post-Offer Shareholding Pattern of SIL (Based on Voting Capital)

Shareholders' Category	Shareholding & Voting Rights prior to the Agreement/ Acquisition and Offer		Shares / Voting Rights agreed to be Acquired which triggered off the Regulations		Shares/ Voting Rights to be Acquired in Open Offer (Assuming full acceptances)		Shareholding / Voting Rights after the Acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
a) Parties to Agreement	11,62,700	66.39	(11,43,000)	(65.26)	Nil	Nil	19,700*	1.13*
b) Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (a+b)	**11,62,700**	**66.39**	**(11,43,00)**	**(65.26)**	**Nil**	**Nil**	**19,700***	**1.13***
2. Acquirers a) Mr. Lingamaneni Maruti Sanker b) Mr. Narasimha R Kolla c) Mrs. K. S. V. Kumari	Nil	Nil	11,43,000+	65.26+	3,50,300	20.00	14,93,300	85.26
Total (a+b+c)	**Nil**	**Nil**	**11,43,000+**	**65.26+**	**3,50,300**	**20.00**	**14,93,300**	**85.26**
3. Parties to Agreement other than (1) (a) & (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Public (Other than parties to Agreement, Acquirer)								
a. FIs/MFs/FIIs/Banks, SFIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Others	5,88,700	33.61	Nil	Nil	(3,50,300)	(20.00)	2,38,400	13.61
Total (a+b)	**5,88,700**	**33.61**	**Nil**	**Nil**	**(3,50,300)**	**(20.00)**	**2,38,400**	**13.61**
GRAND TOTAL (1+2+3+4)	**17,51,400**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**17,51,400**	**100.00**

+The Shares to be acquired through Agreement will be reduced to such extent so as to maintain over all Promoter's shareholding not exceeding 75% of the subscribed/Voting capital of the Company.

*****The holding of erstwhile Promoter Group will be included in public holding after completion of Offer formalities.

5.12. There are 743 Equity Shareholders under Public category.

5.13. **Name and Contact details of the Compliance Officer:**
Mr. M .R. K. Reddy , Director, 6-3-1239/2/A, Renuka Enclave, III Floor, Kotis Court, Rajbhavan Road, Somajiguda, Hyderabad-82.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price:

1. The shares of 7SEAS are listed on The Hyderabad Stock Exchanges Limited, Hyderabad (HSE) w.e.f. 24.07.1996 and The Stock Exchange, Ahmedabad (ASE) w.e.f. 25.07.1996. The shares of the company are not traded on any Stock Exchange under Permitted Category.

2. The annualized trading turnover during the preceding 6 calendar months prior to the month in which the P.A. is made i.e. August 2005 to January 2006 (both Inclusive) at HSE & ASE is as under: -

Name of Stock Exchange	Total No. of Shares traded during the 6 calendar months prior to the month in which PA was made.	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
ASE	Nil	Nil	Nil
HSE	Nil	Nil	Nil

3. As per explanation (i) to Regulation 20(5), the shares are deemed to be infrequently traded. Hence, in terms of Regulation 20(5) of the Regulations, the Offer Price is determined taking into account the following factors:

S. No.	Particulars			
a)	Negotiated Price under the Agreement	:	Re. 0.90 per fully paid-up share Re. 0.25 per partly paid-up share	
b)	Highest Price paid by the Acquirers for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of Public Announcement	:	Nil	
c)	Other parameters		Based on audited Accounts for the year-ended 31.03.05	Based on certified Accounts for the period ended 31.12.05
	Return on Networth	:	Negative	Negative
	Book Value	:	Rs. 5.99	Rs. 5.91
	Earning per Share	:	Nil	Nil
	Price Earning	:	-	-

4. The Offer Price of 6.00/- per fully paid-up equity share and Rs. 2.00/- per partly paid-up equity share is therefore justified in terms of Regulation 20(11) of the Regulations.

5. If the Acquirers acquire Shares after the Original PA and upto seven working days prior to closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisitions shall be payable for all acceptances received under this Offer as per Regulation 20(4) of the SEBI (SAST) Regulations, 1997. Any revision in the Offer Price shall be notified by advertisement in the same newspapers in which the original Public Announcement appeared.

6. There is no non-compete agreement.

6.2. Financial Arrangements:

1. Assuming full acceptance, the total Financing Resources required to fulfill the Offer is Rs. 26,01,200/- (Rupees Twenty Six Lakhs One Thousand and Two Hundred only).

2. The Acquirer, in terms of Regulation 28 (2) has created an Escrow Account by way of deposit of cash in **HDFC Bank Limited** and the details are given below:-

1.	Name of the Bank	**HDFC Bank Limited**
2.	Address	6-1-73, Ground & Third Floor, Sayeed Plaza, Lakdikapul, Hyderabad-04. Tel No.: 040-23211586; Fax: 040-23230349
3.	Amount	Rs. 6,60,000/-
4.	Account Number	**0210350000964**

3. The Manager to the Offer i.e. Ashika Capital Limited has been solely authorised by the Acquirers to operate and realise the value of Escrow Account in terms of the Regulations, and accordingly HDFC Bank Limited have issued a Letter dated February 25, 2006 in favour of Manager to the Offer confirming the same.

4. In accordance with Regulation 22(11) of the Regulations, the Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of their own sources/Networth and no borrowings from any Bank and/or Financial Institutions is envisaged. Mr. B. Balaji Viswanath (Membership No. 029357) Proprietor of M/s. Balaji Viswanath & Co., Chartered Accountants, having Office at 202, Krishnaveni Arcade, Bhagyanagar Colony, Kukatpally, Hyderabad-72 has certified vide letter dated 23.02.2006 that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

5. The Manager to the Offer, Ashika Capital Limited confirms that the firm arrangements for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER

1. The Letter of Offer along with Form of Acceptance cum Acknowledgement shall be mailed to all those shareholders of 7SEAS (except parties to the Agreement) whose name appear on the Register of Members of 7SEAS and to those beneficial owners of the equity shares of 7SEAS, whose names appear as beneficiaries on the records of the respective Depository Participants, at the close of business hours on March 3, 2006 (the "Specified Date").

2. None of the shares of 7SEAS are under lock-in.

3. Shareholders holding equity shares in physical form who wish tender their shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and duly signed and executed Transfer Deed (s) to the Registrar or Manager to the Offer, either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closing of the Offer, i.e. May 8, 2006 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

4. The Registrar to the Offer has opened a Special Depository Account with Stock Holding Corporation of India Limited (SHCIL) (Registered with NSDL), styled “VCCIL ESCROW ACCOUNT 7SEAS OPEN OFFER". The DP ID is IN 301022 and Client ID is 21289155. Shareholders having their beneficiary account in CDSL have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account.

5. Beneficial owners and Shareholders holding shares in the Dematerialised Form who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "Off-Market" mode or counterfoil of the

delivery instruction in "Off-Market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the Special Depository Account, to the Registrar either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post, on or before the Closing of the Offer, i.e. May 8, 2006 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

6. Shareholders who have sent their shares for dematerialisation need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Special Depository Account should be received on or before the closure of the Offer, else the application would be rejected.

7. All owners of the shares, Registered or Unregistered (except parties to the Agreement) who own the shares any time prior to the closing of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar or Manager to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, 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 Note issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owners

8. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar or Manager to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Distinctive Number, Folio Number and Number of Shares offered, along with documents as mentioned in point ‘7” above, so as to reach the Registrar or Manager to the Offer on or before the Closing of the Offer, i.e. May 8, 2006 or in case of beneficial owners, they may send the application in writing to the Registrar or Manager to the Offer, on a plain paper stating the name, address, number of shares held, number of shares tendered, 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 or Manager to the Offer, on or before the Closing of the Offer, i.e. May 8, 2006.

9. The Registrar to the Offer will hold in trust the 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 7SEAS who have accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.

10. In case the number of shares validly tendered in the Offer by the shareholders of 7SEAS are more than the shares to be acquired under the Offer (i.e. 6,00,000 Equity shares comprising of 3,50,300 fully paid-up shares and 2,49,700 partly paid-up shares), then the Acquirers will accept shares on a proportionate basis subject to a minimum of 100 Shares in case of physical mode, or the entire holding if less than 100 shares from each shareholder accepting this Offer, as per the provisions of the Regulations. Incase, the equity shares of 7SEAS are surrendered in dematerialized mode, minimum marketable lot is one (1) equity share only. The rejected applications/ documents will be sent by Registered Post.

11. Share Certificates, Transfer Forms and other documents in respect of shares not accepted under the Offer, if any, will be returned by Registered Post at the shareholders ‘unregistered owners’ sole risk to the sole/first shareholder. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement

12. The payment of acquisition of shares will be made by the Acquirers in Cash through a crossed Demand Draft/Pay Order and the same will be sent by Registered Post, to those shareholders/unregistered owners, whose shares/ share certificates and other documents are found in order and accepted by Acquirers in part or in full whose equity share certificates

and other documents are found in order accepted, with in 15 Days from the date of closing of the Offer. The Acquirers undertake to pay interest pursuant to Regulation 22 (12) to the shareholders for the delay, if any, in payment of consideration.

13. The Offer is subject to receiving necessary approval(s), if any, from Reserve Bank of India under Foreign Exchange Management Act, 1999 and subsequent amendments there to for acquiring equity shares tendered by Non Resident Shareholders, if any.

14. To the best of the knowledge of the Acquirer, there are no other statutory Approvals/or consents required to acquire the shares that are tendered pursuant to the Offer. However, if any statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals.

15. In case of non-receipt of statutory approvals within time, SEBI has a power to grant extension of time to Acquirers for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirers agreeing to pay interest for the delayed period as directed by SEBI under Regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirers in obtaining the approvals, Regulation 22(13) of Regulations will become applicable.

16. Accidental omission to despatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

17. Attention of the shareholders is invited to the fact that the Letter of Offer along with the form of Acceptance would also be available on the SEBI web site at www.sebi.gov.in and eligible persons may download the Form of Acceptance cum Acknowledgement from the website for participating in the Offer.

18. The form of Acceptance along with Share Certificate (s) and other documents delivered as per the requirements mentioned above, shall become acceptance on your part, but will become a fully valid and binding contract between you and the Acquirers only upon the fulfillment of all the conditions mentioned herein

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

1. The Shareholder(s) of 7SEAS who qualify and who wish to avail of this Offer are free to offer their shareholding in full or in part. They should send their shares to the Registrars to the Offer as mentioned in the Form of Acceptance at the following address: -
   Venture Capital and Corporate Investments Limited
   6-2-913/914, 3rd Floor,
   Progressive Towers,
   Khairatabad, Hyderabad-500 004.
   Tel: +91-40-23322264, Fax: +91-40-23324803
   Acceptances may be sent by Registered Post or by hand so as to reach the Registrars/Manager to the Offer on or before May 8, 2006.

   Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday-Friday	10.00 a.m. to 1.00 p.m. and 2.00p.m. to 4.00 p.m.	Hand Delivery
Saturday	10.00 a.m. up to 2.00 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

2. Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other relevant documents are complete in all respects; otherwise the same is liable to be rejected. In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account, before the closure of the Offer. The form of Acceptance cum Acknowledgement of such demat shares not credited in favour of the special depository account, before the closure of the Offer will be rejected.

3. Shareholders should enclose the following::

a) **For Equity Shares held in Physical Form:**

Registered Shareholders should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificates.
- **Original Share Certificate(s)**
- **Valid Share Transfer form(s)** duly signed as Sellers by all the registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Quantum and duly witnessed at the appropriate place. A blank Share Transfer Form is enclosed along with this Letter of Offer.

Notwithstanding that the signature(s) of the transferor(s) has/have been attested, if the signature(s) of the transferor(s) differs from the Specimen signature(s) recorded with Quantum or are not in the same order, such shares are liable to be rejected under the open offer even if the offer has been accepted by bonafide owner of such shares.

Unregistered Shareholders should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, or application on plain paper.
- **Original Share Certificate(s)**
- **Original Broker Contract Note.**
- **Valid Share Transfer form(s)** as received from the market**.**

No indemnity is required from unregistered shareholders. **Unregistered shareholders should not sign the transfer deed.** The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirers as the Acquirers upon verification of the Form of Acceptance and the same being will fill buyer found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

b) **For Equity shares held in Demat form: -**

The Registrar to the Offer, "**Venture Capital and Corporate Investments Limited**", has opened a Special Depository Account with Stock Holding Corporation of India Limited (SHCIL) (Registered with NSDL), styled "VCCIL ESCROW ACCOUNT 7SEAS OPEN OFFER ". The above said account details are as under: -

DP Name	Stock Holding Corporation of India Limited
DP ID	IN 301022
Beneficiary ID	21289155

Shareholders having their beneficiary account with CDSL have to use inter-depository slip for purpose of crediting their shares in favour of the special depository account.

Beneficial Owners should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, as per the records of the respective depository.
- **Photocopy of the delivery instruction** in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. All beneficial owners maintaining account with CDSL are required to fill in an additional inter depository slip, maintained with the DP while giving instructions to their respective DPs.

4. The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent. Such documents may include but are not limited to:
   i. Duly attested death certificate and succession certificate (in case of single shareholders) if the original shareholder is deceased, in case succession certificate has not been obtained, the legal heir may approach the registrar.

ii. Duly attested power of attorney if any person apart from the shareholder has signed the application form and / or transfer deed(s).
iii. In case of Companies, the necessary corporate authorization (including Board Resolution) and specimen signatures of authorized signatories.

5. The share certificate(s), share transfer form(s) and the Form of Acceptance along with the relevant documents should be sent to the Registrar to the Offer/Manager to the Offer and not to the Acquirers or 7SEAS.

6. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar or Manager to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Distinctive Number, Folio Number and Number of Shares offered, along with other relevant documents as mentioned above, so as to reach the Registrar or Manager to the Offer on or before the Closing of the Offer, i.e. May 8, 2006. in case of beneficial owners, they may send the application in writing to the Registrar or Manager to the Offer, on a plain paper stating the name, address, number of shares held, number of shares tendered, 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 or Manager to the Offer, on or before the Closing of the Offer, i.e. May, 8, 2006 (Tuesday)

   The eligible persons can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer or Manager to the Offer, on or before the Closure of the Offer i.e. May 8, 2006 (Monday).

   Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.

   Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI's website www.sebi.gov.in from the date of opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI's website and apply in the same.

7. The equity shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of the Closure of the Offer i.e. on or before May 3, 2006 (Wednesday). The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, so as to reach them on or before May 3, 2006 (Wednesday). In case of non-receipt of 'Form of Withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the following details:
   a) **In case of Physical Shares:** Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn, and
   b) **In case of Dematerialised Shares:** Name, Address, number of shares tendered/withdrawn, 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.

   Shares [Physical /Dematerialised form] withdrawn by the shareholders would be returned by the Registered post.

   The form of Withdrawal can also be downloaded from SEBI's website www.sebi.gov.in or obtained from the Manager/ Registrar to the Offer.

8. Unaccepted Share Certificate(s), 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. Shares held in demat 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 cum Acknowledgement.

9. 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 the Target Company who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are despatched / returned.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Manager to the Offer, **Ashika Capital Limited**, 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021, on any working day between 10.00a.m to 2.00p.m during the period the Offer is open i.e., from April 19, 2006 to May 8, 2006:

i) Copy of the Share Purchase Agreement between Acquirers & Sellers dated February 23, 2006, which triggered off the Offer.
ii) Memorandum & Articles of Association of 7SEAS along with Certificate of Incorporation.
iii) Audited Annual Reports of 7SEAS for the Financial Years ended 31.03.2003, 31.03.2004 and 31.03.2005 and certified results for the period ended 31.12.2005.
iv) Copy of Prospectus dated 22.05.1996 and Letter of Offer for earlier Takeover dated April 28, 2000.
v) Memorandum & Articles of Association of Krisani Farms and Estates Pvt. Ltd. and Krisani Wealth Management Pvt. Ltd. along with Certificate of Incorporation and Annual Reports for the Financial Years ended 31.03.2003, 31.03.2004 and 31.03.2005 and certified results for the period ended 31.12.2005.
vi) Chartered Accountant's Certificate dated 20.02.2006 certifying the Net worth of the Acquirers.
vii) Chartered Accountant's Certificate dated 23.02.2006 certifying the adequacy of financial resources with Acquirers to fulfill the Open Offer obligations.
viii) A Letter from HDFC Bank dated 25.02.2006 for the amount kept in the Escrow Account and empowering solely the Manager to the Offer to operate it.
ix) Published copies of the Public Announcement made on February 27, 2006.
x) Copy of the Letter No. CFD/DCR/NM/TO/63444/06 dated March 27, 2006 from SEBI in terms of Provisions of Regulation 18(2).
xi) Letter No. HSE:LIST:2006:449 dated February 28, 2006 received from HSE on Minimum Public Shareholding prescribed for Target Company at the time of listing.
xii) Copy of the Letter No. CFD/RC/TO/26660/04 dated November 29, 2004 from SEBI for the violation of Takeover Regulation-settlement by consent Order and the copy of consent letter from the Target Company for payment of the said penalty.
xiii) Copy of the Valuation Statement given by M/s. G. P. Rao & Co. Chartered Accountants, Hyderabad, certifying the value per share of the Target Company as on 31.03.2005.
xiv) Other relevant documents such as:
    a. Copy of the Memorandum of Understanding between the Acquirers & the Manager to the Offer dated February 23, 2006.
    b. Copy of the Memorandum of Understanding between the Acquirers & Registrar to the Offer dated February 23, 2006.
    c. Copies of Power of Attorney in favour of Mr. Lingamaneni Maruti Sanker for taking all such necessary steps as may be required in the process of takeover.
    d. Copy of undertakings from Target Company.

10. DECLARATION BY THE ACQUIRERS

The Acquirers accepts full responsibility jointly severally for the information contained in the Public Announcement made in this regard, Letter of Offer and for ensuring compliance with the Takeover Regulations.

The Manager to the Offer hereby states that the person signing this Letter of Offer is one of the Acquirers and he is duly and legally authorised by other Acquirers to sign on their behalf.

Place: Hyderabad **Sd/-**
Date: April 8, 2006. **Lingamaneni Maruti Sanker**

Attached: Form of Acceptance cum Acknowledgement and Withdrawal

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

Date:

From:

Tel No. Fax No.: E-mail:

To,
Venture Capital and Corporate Investments Limited
6-2-913/914, 3rd Floor,
Progressive Towers,
Khairatabad, Hyderabad-500 004.
Tel: +91-40-23322264, Fax: +91-40-23324803

Dear Sir,

Sub: Open Offer to acquire 6,00,000 Equity Shares of Rs. 10/- each comprising of 3,50,300 fully paid-up shares at a price of Rs. 6.00/- per share and 2,49,700 partly paid-up shares at a price of Rs. 2.00/- per share, representing 20% of voting capital of 7SEAS by Mr. Lingamaneni Maruti Sanker, Mr. Narasimha R Kolla and **Mrs. K. S. V. Kumari [Acquirers]**

I/We, refer to the Letter of Offer dated April 8, 2006 for acquiring the Equity Share(s) held by me/us in **7SEAS TECHNOLOGIES LIMITED**.

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

For Shares held in Physical Form:
I/We, hereby irrevocably & unconditionally 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.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
Total No. of Shares					

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

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

For Shares held in Demat Form:
I/We, holding shares in dematerialised form and accept the Offer and enclose photocopy of the Delivery Instruction Slip in 'Off-Market ' mode, duly acknowledgement by Depository Participant ('DP') in respect of my / our equity shares as detailed below:

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

I/We have done an Off-Market transaction for crediting the shares to the Special Depository Account named "VCCIL ESCROW ACCOUNT 7SEAS OPEN OFFER" with the following particulars:

DP Name	Stock Holding Corporation of India Limited
DP ID	IN 301022
Beneficiary ID	21289155

Shareholders having their beneficiary account with CDSL have to use inter-depository slip for purpose of crediting their shares in favour of the Special Depository Account.

I/We note and understand that the shares would lie in the Special Depository Account until the time the Acquirers make payment of purchase consideration as mentioned in the Letter of Offer.

I/We confirm that the shares of **7Seas Technologies Limited** which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

Non resident shareholders should enclose No objection Certificate / Tax Clearance Certificate from the income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirers before remitting the consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of shareholder on the consideration payable by the Acquirer.

I/We authorise the Acquirers to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We authorise the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the Draft/Cheque, in full and final settlement of the amount due to me/us, to return to me/us, share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and delivered:

	FULL NAME (S)	**SIGNATURE (S)**
First/sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder:____

____

Place:__________________ Date:____________________

Note: In case of joint holding all must sign. A Company must affix the common seal and furnish its corporate authorizations.

So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank: ______________________________ Branch: ______________________
Account Number: ____________________ Savings/Current/Others(please specify)____________

--TEAR HERE--

S. No. **Venture Capital and Corporate Investments Limited** **(Acknowledgement Slip)**

6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad-500 004.
Tel: +91-40-23322264, Fax: +91-40-23324803

Received from Mr./Ms/Mrs.:__________________________________

Address :____

Folio Number__________ DP ID ___________Client ID_________
Number of Share Certificates Enclosed _____________
Certificate Numbers _________
Total Number of Shares Enclosed: ______

Signature of the Official & Date of receipt	Stamp of Registrar or Manager to the Offer

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the address mentioned above.

PLEASE USE THIS FORM ONLY IF YOU HAVE TENDERED THE SHARES AND WISH TO WITHDRAW YOUR APPLICATION

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to the Offer any time upto three working days prior to the date of closure of Offer i.e. on or before May 3, 2006 (Wednesday). In case you wish to withdraw your acceptance please use this form.	**OFFER SCHEDULE** **Offer Opens on : April 19, 2006 (Wednesday)** **Last Date of Withdrawal : May 3, 2006 (Wednesday)** **Offer Closes on : May 8, 2006 (Monday)**

Please read the Instructions in Letter of Offer before filling-in this Form of Withdrawal

From:

Tel No. Fax No.: E-mail:

To

Venture Capital and Corporate Investments Limited
6-2-913/914, 3rd Floor,
Progressive Towers,
Khairatabad, Hyderabad-500 004.
Tel: 040-23322264, Fax: 040-23324803

Dear Sir,

Sub: Open Offer to acquire 6,00,000 Equity Shares of Rs. 10/- each comprising of 3,50,300 fully paid-up shares at a price of Rs. 6.00/- per share and 2,49,700 partly paid-up shares at a price of Rs. 2.00/- per share, representing 20% of voting capital of 7SEAS by Mr. Lingamaneni Maruti Sanker, Mr. Narasimha R Kolla and **Mrs. K. S. V. Kumari [Acquirers]**

I/We refer to the Letter of Offer dated April 8, 2006 for acquiring the equity shares held by me/us in **7Seas Technologies Limited**.

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

I/We wish to withdraw our acceptance tendered in response to the said Offer. We had deposited/sent our 'Form of Acceptance' to you on _________ 2006 along with original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below: (Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

For Shares held in Physical Form:

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
Total No. of Shares					

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

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed and authorize you not to remit the consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirers to reject the shares so offered which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer.

For Shares held in Demat Form:

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

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.

In case of dematerialised Shares, I/We confirm that the DP as per the records maintained at their end has verified the signatures of the beneficiary holders and they have also duly attested the same under their seal.

I/We confirm that the particulars given above are true and correct.
Yours faithfully,
Signed and Delivered:

	FULL NAME (S)	SIGNATURE (S)
First/sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder:____
____

Note: In case of joint holding all must sign. A Company must affix the common seal and furnish its corporate authorizations.

Place:__________________ Date:____________________

INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 17.00 hours upto the last date of withdrawal i.e. May 3, 2006 (Wednesday).
2. Shareholders should enclose the following:-

   Registered Shareholders should enclose:
   - Duly signed and completed Form of Withdrawal.
   - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
   - In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

   Unregistered owners should enclose:
   - Duly signed and completed Form of Withdrawal.
   - Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip
   - The withdrawal of Shares will be available only for the Share certificates that have been received by the Registrar to the Offer/ Manager to the Offer.
   - The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company.
   - The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
   - In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from 7SEAS. The facility of partial withdrawal is available only on to Registered shareholders.

---TEAR HERE---

ACKNOWLEDGEMENT SLIP

Sr. No.

VENTURE CAPITAL AND CORPORATE INVESTMENTS LIMITED
6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad-500 004.
Tel: +91-40-23322264, Fax: +91-40-23324803

Received Form of Withdrawal from Mr./ Ms/ Mrs..: ________________________________
Address:____
____

Folio Number_________ DP ID ___________Client ID_________

Number of Shares tendered ___________
Number of Shares withdrawn _________________

Signature of the Official Date of receipt	Stamp of Registrar to the Offer

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PRINTED MATTER

BOOK POST

To

If undelivered, please return to:
Venture Capital and Corporate Investments Limited
6-2-913/914, 3rd Floor,
Progressive Towers, Khairatabad,
HYDERABAD-500004.
Tel: 040-23322264, Fax: 040-23324803