**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**
**Mrs. Meenu Bhanshali** ('Acquirer')
residing at 12, Laxmi Vilas, 87, Nepean Sea Road, Mumbai-400 006; Tel.:022-2367 0265.

to acquire upto 11,00,000 equity shares of Rs. 10/- each representing 20% of the fully expanded subscribed capital and 20.28% of the fully expanded voting capital of the Target Company (including the warrants) at a price of Rs. 36/- per fully paid up share and Rs. 28.50 per partly paid up share, of

**7SEAS TECHNOLOGIES LIMITED (7Seas)**
Regd. Off.: 6-3-1239/2/A, Renuka Enclave, IIIrd Floor, Kotis Court, Rajbhavan Road, Somajiguda, Hyderabad-500 082; Tel. 040-3068 6161/62; Fax: 040-3068 6163.

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 (hereinafter referred to as 'Regulations').

This Offer is being made in compliance with regulation 10 &12 and other provisions of Chapter III and in compliance with 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 thereto, for acquisition of shares under the Agreement and Offer. The Acquirer will make an application, if necessary, for the purpose to the RBI at the appropriate time.

**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. on or before April 17, 2008.**

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 10, 2008 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.

**There was no Competitive Bid.**

**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, Corrigendum to 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**<br>1008, 10th Floor, Raheja Centre,<br>214, Nariman Point, Mumbai-400021.<br>Tel: 022-6611 1700; Fax: 022-6611 1710;<br>E-Mail: mbd@ashikagroup.com<br>**Contact Person: Mr. Narendra Kumar Gamini** | **VENTURE CAPITAL AND CORPORATE INVESTMENTS PRIVATE LIMITED**<br>12-10-167, Bharatnagar, Hyderabad-500 018.<br>Tel: 040-2381 8475/6; Fax: 040-2386 8024;<br>E-mail: info@vccilindia.com<br>**Contact Person: Mr. P. V. Srinivas** |

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

| Activities | Original Date & Day | Revised Date & Day |
|---|---|---|
| Public Announcement | October 15, 2007 (Monday) | October 15, 2007 (Monday) |
| Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent) | November 2, 2007 (Friday) | November 2, 2007 (Friday) |
| Last Date for a Competitive Bid, if any | November 5, 2007 (Monday) | November 5, 2007 (Monday) |
| Corrigendum to Public Announcement | -- | March 27, 2008 (Thursday) |
| Date by which the Letter Of Offer to be dispatched to the shareholders | November 23, 2007 (Friday) | March 31, 2008 (Monday) |
| Date of Opening of the Offer | November 29, 2007 (Thursday) | April 4, 2008 (Friday) |
| Last date for revising the Offer Price/ Number of Shares | December 7, 2007 (Friday) | April 10, 2008 (Thursday) |
| Last date for Withdrawal of Acceptance by shareholders who have accepted the Offer | December 13, 2007 (Thursday) | April 17, 2008 (Thursday) |
| Date of Closing of the Offer | December 18, 2007 (Tuesday) | April 23, 2008 (Wednesday) |
| Date by which communicating acceptance /rejection and payment of consideration for accepted shares / despatch of Share Certificate in case of rejection | January 2, 2008 (Wednesday) | May 8, 2008 (Thursday) |

**RISK FACTORS:**

**Relating to the Offer:**

1. The Offer involves an offer to acquire upto 11,00,000 equity shares of Rs. 10/- each representing 20% of the fully expanded subscribed capital and 20.28% of the fully expanded voting capital of the Target Company (including the warrants) from its shareholders (except the Promoters and other allottees under Preferential Issue). In case of oversubscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

2. The Shares tendered in the Offer in demat form will lie to the credit of a designated escrow account and the shares tendered in physical form will lie with the Registrar to the Offer, till the completion of the Offer formalities. The Acquirer makes no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

**Relating to the Acquirer:**

3. The Acquirer makes no assurance with respect to the future financial performance of the Target Company or with respect to their investment/divestment relating to their proposed shareholding in the Target Company.

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of 7Seas or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of 7Seas are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer.

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## 1. ABBREVIATIONS / DEFINITIONS

| | |
|---|---|
| **7Seas/Target Company** | 7Seas Technologies Limited |
| **Acquirer** | Mrs. Meenu Bhanshali |
| **AGM** | Annual General Meeting |
| **ASE** | Ahmedabad Stock Exchange Limited, 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 all the Promoters and Promoters & other allottees under Preferential Issue |
| **FEMA** | Foreign Exchange Management Act, 1999 |
| **Form of Acceptance** | Form of Acceptance cum Acknowledgement |
| **Form of Withdrawal** | Form of Withdrawal cum Acknowledgement |
| **LOO or Letter of Offer** | Offer Document |
| **Manager to the Offer** | Ashika Capital Limited |
| **Offer** | Cash Offer being made by the Acquirer to acquire upto 11,00,000 equity shares of Rs. 10/- each representing 20% of the fully expanded subscribed capital and 20.28% of the fully expanded voting capital of the Target Company (including the warrants) |
| **Offer Price** | Rs. 36/- per fully paid-up share and Rs. 28.50 per partly paid-up share |
| **PA / Public Announcement** | Announcement of the Offer made by Acquirer on October 15, 2007 and March 27, 2008 |
| **RBI** | Reserve Bank of India |
| **Registrar to the Offer / Registrar** | Venture Capital and Corporate Investments Private Limited |
| **SEBI** | Securities and Exchange Board of India |
| **SEBI (SAST) Regulations or Regulations** | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof |
| **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. November 2, 2007 |

**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 OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE 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 ACQUIRER OR THE COMPANY WHOSE SHARES/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 THE ACQUIRER IS 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 ACQUIRER DULY DISCHARGES HER RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 27, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDEMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.**

## 3. DETAILS OF THE OFFER

### 3.1. Background of the Offer

(a) This Open Offer ('Offer') is being made by **Mrs. Meenu Bhanshali** (Acquirer), pursuant to regulation 10 &12 of the Regulations consequent to the Preferential Issue of equity shares to the Acquirer.

(b) The Acquirer is an investor and does not have any intention to acquire control over the Target Company. The Acquirer may exceed the present Promoter Group's holding if the shareholders surrender their shares to the maximum extent in the present Offer. This situation would continue till the warrants issued to the present Promoter Group are not converted into equity shares. By virtue of the shareholding/voting rights, post completion of the Offer successfully, the Acquirer may be in a situation which could amount to exercise of control as defined under regulation 2(1)(c) of the Regulations. Hence the Open Offer is being given under regulation 12 of the Regulations also.

(c) The Board of Directors of 7Seas in its meeting held on August 22, 2007 ('Board Meeting Date'), has agreed and passed a resolution for issue and allotment of equity shares and warrants on a preferential basis ('Preferential Issue'), and the details are as under:

   i. 15,00,000 fully paid equity shares of Rs. 10/- each of the Target Company ('Subscription Shares') for cash at a price of Rs. 36/- per share, including a premium of Rs. 26/-; and
   ii. 10,00,000 warrants of the Target Company ('Subscription Warrants'), with entitlement to subscribe equivalent number of equity shares, for cash at a price of Rs. 36/- per Subscription Warrant, including a premium of Rs. 26/-.

   in accordance with Section 81(1A) of the Companies Act, 1956 and the applicable provisions of Guidelines for Preferential Issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto ('Guidelines') and in accordance with the relevant regulatory approvals, as applicable, for the Preferential Issue.

(d) The Subscription Shares and the Subscription Warrants are hereinafter collectively, referred to as the Subscription Instruments.

(e) In the Annual General Meeting ('AGM') held on 22.09.2007, the shareholders of the Target Company have approved the above mentioned Preferential Issue by passing a Special Resolution under Section 81(1A) of the Companies Act, 1956 and other applicable provisions. The shareholders of the Target Company have authorized the Board of Directors of the Target Company to issue and allot the above mentioned Subscription Instruments to the Acquirer, Promoter Group of the Target Company and Others in compliance with the requirements of the Companies Act, 1956 and other applicable provisions of the Guidelines/Regulations.

(f) The equity shares of the Target Company are listed on The Hyderabad Stock Exchange Limited, Hyderabad (HSE) and Ahmedabad Stock Exchange Limited, Ahmedabad (ASE). The Target Company has received an in-principle approval from The Ahmedabad Stock Exchange Limited, Ahmedabad ('ASE') for issue and allotment of Subscription Instruments vide their letter no. ASEL/2007/957 dated September 27, 2007. However, The Hyderabad Stock Exchange Limited, Hyderabad (HSE) has informed vide letter no. HSE:LIST:2007:724 dated 26th September 2007 that the SEBI has withdrawn the Recognition of the exchange with effect from August 29, 2007. The in-principle approval given by ASE was valid for a period of 15 days from the date of the letter and accordingly the Target Company has allotted Subscription Instruments to the Acquirer (14,00,000 Subscription Shares), Promoter Group of the Target Company (9,50,000 Subscription Warrants) and Others (1,00,000 Subscription Shares and 50,000 Subscription Warrants) on October 10, 2007. The said Subscription Instruments will be subject to 'lock-in' as per the Guidelines.

(g) The Target Company has received the in-principle approval for listing of the said shares/warrants from The Ahmedabad Stock Exchange Limited, Ahmedabad ('ASE') vide their letter no. ASEL/2007/1198 dated November 2, 2007. Further, ASE vide their letter no. ASEL/2008/1612 dated February 4, 2008 has confirmed the listing of said shares/warrants w.e.f. February 5, 2008.

(h) The Issued & Subscribed Share Capital of the Target Company prior to the Preferential Issue is Rs. 300.00 Lakhs consisting of 30,00,000 fully paid-up equity shares of Rs. 10/- each. Post Preferential Issue, the Issued & Subscribed Share Capital of the Target Company is Rs. 450.00 Lakhs consisting of 45,00,000 fully paid-up equity shares of Rs. 10/- each and outstanding warrants of Rs. 100.00 Lakhs consisting of 10,00,000 Subscription Warrants.

(i) The total number of Subscription Instruments in the Preferential Issue is 25,00,000 and such Preferential Issue is made to the Acquirer, Promoter Group of the Target Company and Others. The details of the Allotees under Preferential issue is as under :

| Sr. No. | Name of the Allotees | Category | No. of shares/Warrants to be Allotted |
|---|---|---|---|
| 1. | Mrs. Meenu Bhanshali | Non-promoter | 14,00,000 |
| 2. | Mrs. N. Nagamani | Non-promoter | 1,00,000 |
| 3. | Mr. L. Maruti Sanker | Promoter | 3,50,000 |
| 4. | Mr. K. Krishnam Raju | Promoter | 6,00,000 |
| 5. | Mrs. G. Sudha | Non-promoter | 50,000 |

(j) As a result of the above Preferential Issue, the total voting rights of the Target Company could stand increased upto a maximum of 55,00,000. The voting rights before and after Preferential Issue (on a fully diluted basis including warrants) is given below:

| **Particulars** | **Before Preferential Issue** | **After Preferential issue** |
|---|---|---|
| | **Voting Rights (%)** | **Voting Rights (%)** |
| **Promoter Group** | 59.38 | 49.53 |
| **Non-Promoters:** | | |
| Acquirer | - | 25.81 |
| Others | 40.62 | 24.66 |
| **TOTAL** | **100.00** | **100.00** |

(k) As a result of allotment under Preferential Issue, the Acquirer's shareholding in the Target Company exceeds 15% of the voting capital of the Target Company and this offer is being made.

(l) The Acquirer has neither Board representation nor entered into any formal agreement in respect of the preferential allotment or otherwise to influence the management or acquire control over the Target Company, as envisaged in regulation 12 of the Regulations.

(m) The Acquirer has not acquired either directly or through any other person any Shares of 7Seas during the twelve months preceding the date of this PA except the shares allotted on October 10, 2007 through Preferential Issue.

(n) The Acquirer and Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992, and subsequent amendments thereto (SEBI Act) or any other Regulations made under the SEBI Act.

### 3.2. Details of the Proposed Offer

(a) The Acquirer made a Public Announcement of the Offer, which was published in all Editions of **Business Standard** (English), **Hindi Milap** (Hindi) and **Andhra Prabha** (Telugu) on October 15, 2007 in compliance with regulation 15 (1) of the Regulations. A Corrigendum to PA was also published in the same Newspapers on March 27, 2008.The Public Announcement as well as Corrigendum to PA is also available on SEBI's website at www.sebi.gov.in.

(b) The Acquirer proposes to acquire upto 11,00,000 equity shares of Rs. 10/- each, representing 20% of the fully expanded subscribed capital and 20.28% of the fully expanded voting capital of the Target Company (including the warrants), from the Shareholders of 7Seas (except the Promoters and other allottees under Preferential Issue), at a price of Rs. 36/- per share ('Offer Price') payable in cash in terms of regulation 20 of the Regulations. However, the partly paid-up equity shares are proposed to be acquired at a price of Rs. 28.50 per share as partly paid-up equity shares are paid-up to the extent of Rs. 2.50 only and call-in-arrears on the same is Rs. 7.50 per share.

(c) The Offer is not subject to any minimum level of acceptances. The Acquirer will acquire all equity shares of 7Seas that are tendered in terms of this Offer up to a maximum of 11,00,000 equity shares.

(d) The Acquirer is not acting in concert with the other allotees for the purpose of this Open Offer.

(e) 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.

(f) The Manager to the Offer i.e. Ashika Capital Limited does not hold any shares in the Target Company as on the date. It declares and undertakes that it shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the offer till the expiry of 15 days from the date of closure of Offer.

(g) The Acquirer has not acquired any shares of 7Seas after the date of Public Announcement and up to the date of this Letter of Offer.

(h) The offer is unconditional and not subject to any minimum level of acceptance.

(i) This is not a competitive bid.

### 3.3. Object of the Offer

(a) This Offer to the shareholders of 7Seas is made pursuant to regulation 10 &12 of the Regulations consequent to the Preferential Issue of equity shares to the Acquirer as explained in point no. 3.1 above.

(b) The object of the acquisition is in the nature of a financial investment by the Acquirer. The Acquirer feels that the Target Company has a growth potential and sees an investment opportunity. The Target Company intends to use the funds generated out of the investments by the Acquirer by way of preferential issue to meet the capital expenditure and working capital requirements as part of scaling up operations and enhancing the infrastructure facilities. The Acquirer will be a financial investor and non management shareholder.

(c) The Acquirer does not have any plan to dispose off or otherwise encumber any asset of Target Company in the next two years except in the ordinary course of business. However, the Acquirer undertake that she will not sell, dispose off or otherwise encumber any substantial assets of Target Company except with the prior approval of the shareholders.

## 4. BACKGROUND OF THE ACQUIRER

### 4.1. Information about Acquirer:

Mrs. Meenu Bhanshali wife of Shri Mangal Bhanshali, aged about 46 years is residing at 12, Laxmi Vilas, 87, Nepean Sea Road, Mumbai-400 006; Tel.:022-2367 0265. She is an investor and has been making investments in shares of various companies for over a decade.

As on 15.03.2008, her networth is Rs. 41.57 Crores, as certified by Mr. S. K. Kamdar (Membership No. 032878), Proprietor of M/s. S. K. Kamdar & Co., Chartered Accountants, having Office at C-3/2, Khira Nagar, S. V. Road, Santacruz (West), Mumbai-400 054; Telefax: 022-2661 4713 / 5677; E-mail: skkandco@gmail.com vide certificate dated March 25, 2008. The networth of the Acquirer consists of Investment in Equity Shares & Debentures, PPF, Jewellery, Property and Cash & Bank Balances.

4.2. The Acquirer has promoted few entities whose details are mentioned in point no. 4.4 below. However, none of these entities are participating/interested in this Offer.

4.3. The compliances under Chapter II of Regulations is not applicable to the Acquirer since she does not hold any shares of 7Seas except those acquired under Preferential Issue.

4.4. The Acquirer is not on the Board of any listed company.

4.5. The details of the companies promoted by the Acquirer are as under:

**Jai-Vijay Resources Private Limited** was incorporated on 05.11.2004 under the Companies Act 1956 and is engaged in the business of investments and trading in securities. The Registered office of the company is situated at 12, Laxmi Vilas, 87, Nepean Sea Road, Mumbai-400 006.The Authorised Capital of the company is Rs. 200.00 Lakhs divided into 20,00, 000 equity shares of Rs.10/- each. The Company is not a Sick Industrial Company. The shares of the company are not listed on any stock exchange(s).

Brief financials based on Audited Accounts for the last three years are given below:

(Amount – Rs. In Lacs)

| Particulars | 31.03.2007 | 31.03.2006 | 31.03.2005 |
|---|---|---|---|
| Equity Share Capital | 200.00 | 200.00 | 200.00 |
| Reserves & Surplus (excluding Revaluation reserves) | 14.88 | 7.63 | 1.65 |
| Total Income | 11.70 | 9.96 | 3.01 |
| Profit After Tax (PAT) | 7.25 | 5.98 | 1.65 |
| Earnings Per Share (EPS) in Rs. | 0.36 | 0.30 | 0.08 |
| Net Asset Value (NAV) per share in Rs. (Equity shares of Rs.10/- each) | 10.74 | 10.38 | 10.08 |

*Source: Annual Reports*

**Sujas Resources Private Limited** was incorporated on 05.11.2004 under the Companies Act 1956 and is engaged in the business of investments and trading in securities. The Registered office of the company is situated at 12, Laxmi Vilas, 87, Nepean Sea Road, Mumbai-400 006.The Authorised Capital of the company is Rs. Rs. 200.00 Lakhs divided into 20,00, 000 equity shares of Rs.10/- each. The Company is not a Sick Industrial Company. The shares of the company are not listed on any stock exchange(s).

Brief financials based on Audited Accounts for the last three years are given below:

(Amount - Rs. in Lacs)

| Particulars | 31.03.2007 | 31.03.2006 | 31.03.2005 |
|---|---|---|---|
| Equity Share Capital | 200.00 | 200.00 | 200.00 |
| Reserves & Surplus (excluding Revaluation reserves) | 14.88 | 7.63 | 1.65 |
| Total Income | 11.70 | 9.96 | 3.01 |
| Profit After Tax (PAT) | 7.25 | 5.98 | 1.65 |
| Earnings Per Share (EPS) in Rs. | 0.36 | 0.30 | 0.08 |
| Net Asset Value (NAV) per share in Rs. (Equity shares of Rs.10/- each) | 10.74 | 10.38 | 10.08 |

*Source: Annual Reports*

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

a. The object of the acquisition is in the nature of a financial investment by the Acquirer. The Acquirer feels that the Target Company has a growth potential and sees an investment opportunity. The Target Company intends to use the funds generated out of the investments by the Acquirer by way of preferential issue to meet the capital expenditure and working capital requirements as part of scaling up operations and enhancing the infrastructure facilities.

b. The Acquirer does not have any plan to dispose off or otherwise encumber any asset of Target Company in the next two years except in the ordinary course of business. However, the Acquirer undertake that she will not sell, dispose off or otherwise encumber any substantial assets of Target Company except with the prior approval of the shareholders.

**The future plan /strategies of Acquirer with regard to the Target Company are as under:**
As the Acquirer does not intend to acquire control over the Target Company, she does not have any specific future plans for the Target Company. However, the present Promoters would continue to carry on the business and execute the plans for the growth of the Target Company as decided and approved by the Board of Directors from time to time.

## 5. DISCLOSURE IN TERMS OF REGULATION 21

In the event, pursuant to this Offer, if the public shareholding in the Target Company falls below 25% of its outstanding equity share capital, the Acquirer will, in accordance with regulation 21(2) of the Regulations, facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the stock exchanges within the specified time and in accordance with the prescribed procedure under amended clause 40A(viii) of the Listing Agreement and in compliance with the Regulations.

## 6. BACKGROUND OF THE TARGET COMPANY- 7Seas

### 6.1. 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'. The Certificate for Commencement of Business was obtained from Registrar of Companies (ROC), Andhra Pradesh on 28th August 1991. Subsequently, the company has changed its name to '7Seas Technologies Limited' and a fresh certificate of incorporation consequent upon the change of name was obtained from the office of the Registrar of Companies (ROC), Andhra Pradesh on 25.01.2006. 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; Tel. 040-3068 6161/62; Fax: 040-3068 6163.

b. The Target Company is engaged in the business of Software Development. It develops the games for personal computer, mobile phones, console and focuses on developing and releasing them into the international market.

c. As on date, the Authorised Share Capital of the company is 600.00 Lakhs comprising of 60,00,000 equity shares of Rs. 10/- each. Pursuant to Preferential Issue, the Issued & Subscribed Share Capital is Rs. 450.00 Lakhs consisting of 45,00,000 fully paid-up equity shares of Rs. 10/- each and outstanding warrants of Rs. 100.00 Lakhs consisting of 10,00,000 Subscription Warrants. The Paid up Share Capital is Rs. 444.26 Lakhs comprising of 44,23,467 fully paid up equity shares of Rs. 10/- each and 76,533 partly paid-up equity shares (paid-up to the extent of Rs. 2.50/-).

d. The equity shares of 7Seas are listed on Hyderabad Stock Exchange Limited, Hyderabad (HSE) and Ahmedabad Stock Exchange Limited, Ahmedabad (ASE). However, the recognition granted to HSE has been withdrawn by SEBI with effect from August 29, 2007.

e. 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.

f. The present promoters acquired 15,85,300 equity shares of Rs. 10/- each of the Target Company consisting 11,43,000 fully paid-up shares at a price of Re. 0.90 per share and 4,42,300 partly paid-up shares at a price of Re. 0.25 per share aggregating to 65.26% of voting capital and 52.84% of subscribed capital through a Share Purchase Agreement dated February 23, 2006. They made an Open Offer to the shareholders of Target Company, in compliance with the Regulations, for acquisition of upto 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 . The Open Offer was opened on April 19, 2006 and closed on May 8, 2006. All the formalities of the said Open Offer under the Regulations were complied with.

**6.2. Share Capital Structure of 7Seas:**

| Paid-up Equity Shares | No. of Shares/Voting Rights | % Shares/Voting Rights |
|---|---|---|
| Fully Paid-up Equity shares | 44,23,467/44,23,467 | 98.30% / 100% |
| Partly Paid-up Equity shares | 76,533/Nil | 1.70% / Nil |
| Total paid-up Equity shares | 45,00,000/44,23,467 | 100%/ 100% |

*As per Article 67 of the Articles of Association of the Target Company, no member shall be entitled to vote in any General Meeting unless all calls or other sums presently payable by him in respect of his shares in the company have been paid.*

**6.3. 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 | 0.28 | 1,26,000 | Cash | Promoters & Associates | Complied |
| 25.03.1992 | 7,500 | 0.17 | 2,01,000 | Cash | Promoters & Associates | Complied |
| 18.07.1992 | 3,900 | 0.09 | 2,40,000 | Cash | Promoters & Associates | Complied |
| 19.01.1996 | 86,500 | 1.92 | 11,05,000 | Cash | Promoters & Associates | Complied |
| 10.02.1996 | 3,39,500 | 7.55 | 45,00,000 | Cash | Promoters & Associates | Complied |
| 25.06.1996 | 10,50,000 | 23.33 | 1,50,00,000 | Cash | Promoters & Associates | Complied |
| 15.07.1996 | 15,00,000 | 33.33 | 3,00,00,000 | Cash | Public Issue | Complied |
| 10.10.2007 | 15,00,000 | 33.33 | 4,50,00,000 | Cash | Promoters & Public | Complied |
| **TOTAL** | **45,00,000** | **100.00** | **4,50,00,000** | | | |

6.4. The equity shares of the Target Company are listed on The Hyderabad Stock Exchange Limited, Hyderabad (HSE) and Ahmedabad Stock Exchange Limited, Ahmedabad (ASE). The Target Company has received an in-principle approval from The Ahmedabad Stock Exchange Limited, Ahmedabad ('ASE') for issue and allotment of Subscription Instruments under Preferential Issue vide their letter no. ASEL/2007/957 dated September 27, 2007. However, Hyderabad Stock Exchange Limited, Hyderabad (HSE) has issued a letter no. HSE:LIST:2007:724 dated 26th September 2007 informing that the SEBI has withdrawn the Recognition of the exchange with effect from August 29, 2007. The in-principle approval given by ASE was valid for a period of 15 days from the date of the letter and accordingly the Target Company has allotted Subscription Instruments to the Acquirer (14,00,000 Subscription Shares), Promoter Group of the Target Company (9,50,000 Subscription Warrants) and Others (1,00,000 Subscription Shares and 50,000 Subscription Warrants) on October 10, 2007. The Target Company has received the in-principle approval for listing of the said shares from The Ahmedabad Stock Exchange, Ahmedabad ('ASE') vide their letter no. ASEL/2007/1198 dated November 2, 2007.Further ASE vide their letter no. ASEL/2008/1612 dated February 4, 2008 confirmed the listing of said shares w.e.f February 5, 2008.

6.5. The Target Company has been complying with the applicable clauses of the Listing Agreement entered into with the Stock Exchange(s) and no punitive action has been taken against the company by the Stock Exchange(s). The Target Company has paid up to date Listing Fees to the stock Exchange(s) and has addressed all investor's complaints as and when received and there is no pending complaint as on date.

6.6. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity shares at any later date except 10,00,000 warrants issued through Preferential Issue on October 10, 2007.

**6.7. Present Composition of the Board of Directors of 7Seas:**

As on date of PA [October 15, 2007], the Directors on the Board of 7Seas were:

| S. No. | Name | Address | Qualification | Experience | Date of Appointment |
|---|---|---|---|---|---|
| 1. | L. Maruti Sanker | Flat No. 409, Srinilaya Estate, Opp. Bata Show Room, Ameerpet, Hyderabad. | B. Tech., MBA | 10 years in the areas of Software Product Development & IT Services | 09.06.2006 |
| 2. | M. Dattu Varaprasad Rao | Flat No. 501, Srinilaya Estate, Opp. Bata Show Room, Ameerpet, Hyderabad. | B. E. | 20 years in Construction Activities | 30.12.2005 |
| | Devender R. Poreddy | 18-3-495/6, Aliabad, Hyderabad. | B. Tech | 20 years in Civil Engineering Services | 30.12.2005 |
| 3. | Devabhaktuni V. Sai Prasad | Flat No. # 602, Lalithanjali, 6-3-347/11, Saibaba Temple Road, Dwarakapuri Colony, Punjagutta, Hyderabad. | M. Tech | 15 years in Software Consultancy | 09.06.2006 |
| 4. | K. Kiran Kumar | D.No. 1-9-1113/27/C, Vidyanagar, Hyderabad. | B. Ds. | 15 years in Healthcare Services | 30.08.2006 |

None of the above Directors are representing the Acquirer.

6.8. There has been no merger / de-merger or spin off involving Target Company since the Company's listing.

6.9. The Target Company has not complied with regulation 6(2) and 6(4) for the year 1997 and 8(3) for the years 1998-2002 under the Regulations for which SEBI issued a Letter no. CFD/RC/TO/26660/04 dated November 29, 2004 giving an option to the Target 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 Target Company gave its consent vide letter dated April 7, 2006 to pay the said penalty. There was also a delay in compliance with Regulation 8(3) by the Target Company for the years 2003-2005. SEBI may initiate an appropriate action under SEBI Act for the above delay in compliance. Thereafter, the Target Company is regular in compliance with the applicable provisions of the Regulations. The present Promoters are complying with the applicable provisions of Chapter II of the Regulations.

6.10. The Promoters and other allottees will comply with the Regulations on conversion of warrants, as applicable.

**6.11. Financial Information:**

Brief audited financials of 7Seas for the last 3 Years and certified financial results for the period ended 30.06.2007 are as follows:

**Profit & Loss Statement**

(Rs. in Lakhs)

| For the Year/period ended | 30.06.2007 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
|---|---|---|---|---|
| **Income:** | | | | |
| Income from Operations | 72.16 | 101.19 | -- | -- |
| Other Income | - | 0.02 | -- | -- |
| **Total Income** | **72.16** | **101.21** | **--** | **--** |

| | | | | |
|---|---|---|---|---|
| Total Expenditure | 32.95 | 76.77 | 5.00 | 0.58 |
| Profit before Interest, Depreciation & Tax | 39.21 | 24.44 | (5.00) | (0.58) |
| Depreciation | 3.56 | 7.59 | 1.05 | -- |
| Misc. Exp. Written off | 9.02 | - | 0.63 | 0.68 |
| **Profit/(Loss) before Tax** | **26.63** | **16.85** | **(6.68)** | **(1.26)** |
| Fringe Benefit Tax | -- | 0.07 | -- | -- |
| Provision for Tax | 0.02 | (0.11) | 0.89 | -- |
| **Profit/(Loss) after Tax** | **26.61** | **16.89** | **(7.57)** | **(1.26)** |
| Add: Profit / (Loss) b/f from Previous years | (91.98) | (108.87) | (101.30) | (100.04) |
| **Balance carried forward to Balance Sheet** | **(65.37)** | **(91.98)** | **(108.87)** | **(101.30)** |

**Balance Sheet**

(Rs. in Lakhs)

| As at | 30.06.2007 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
|---|---|---|---|---|
| **Sources of Funds:** | | | | |
| Share Capital | 300.00 | 300.00 | 300.00 | 300.00 |
| Less: Calls-in-arrears | 14.69 | 19.72 | 93.13 | 93.13 |
| Sub-Total | 285.31 | 280.28 | 206.87 | 206.87 |
| Misc. Exp. (not written off) | - | (9.02) | (9.02) | (0.63) |
| Profit & Loss A/c (Debit Balance) | (65.37) | (91.98) | (108.87) | (101.30) |
| **TOTAL / NETWORTH** | **219.94** | **179.28** | **88.98** | **104.94** |
| **Application of Funds:** | | | | |
| Net Fixed Assets | 59.46 | 56.71 | 18.47 | - |
| Net Current Assets | 160.48 | 122.57 | 70.51 | 104.94 |
| **TOTAL** | **219.94** | **179.28** | **88.98** | **104.94** |

**Other Financial Data**

| For year ended | 30.06.2007 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
|---|---|---|---|---|
| Dividend (%) | Nil | Nil | Nil | Nil |
| EPS (Rs.) | 0.93 | 0.60 | (0.36) | (0.06) |
| Return on Networth (%) | 12.10 | 9.42 | (8.37) | (1.18) |
| Book Value per share (Rs.) | 7.71 | 6.40 | 4.30 | 5.07 |

*Source: Annual Reports and certified financials*

*Networth = Equity Share Capital -Misc. Expenses – Profit & Loss Account (debit balance)*
*EPS = Profit after Tax / No. of shares outstanding*
*Return on Net Worth = Profit after Tax / Net Worth*
*Book Value per Share = Net Worth / No. of shares outstanding*

**Reasons for rise / fall in Total Income and Profit:**
During the year 2006-2007, the increase in total income of the company was due to commencing of games development business which leads to increase in the operations of the Software Development activities and consequently, there is a Profit after Tax.

**Difference in Share Capital figure:**
The increase in share capital is on account of receipt of calls-in-arrears money.

**Increase in Fixed Assets:**
The increase in fixed assets in the year 2006 & 2007 is on account of purchase of the fixed assets for commencing of game development business.

6.12.

**(i) Pre and Post-Offer Shareholding Pattern of 7Seas (Based on Subscribed Capital):**

| Shareholders' Category | Shareholding prior to the Preferential Issue and Offer | | Shares Acquired through Preferential Issue | | Shareholding after the Preferential Issue and prior to Offer | | Shares to be Acquired in Open Offer (Assuming full acceptances) | | Shareholding after the Preferential Issue and Offer | |
|---|---|---|---|---|---|---|---|---|---|---|
| | (A) | | (B) | | (C) = (A+B) | | (D) | | (E) = (C+D) | |
| | No. | No. | % | % | No. | % | No. | % | No. | % |
| **1. Promoter Group:** | | | | | | | | | | |
| a. Parties to Agreement | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| b. Promoters other than (a) above | 17,36,100 | 57.87 | 9,50,000# | 38.00 | 26,86,100 | 48.84 | -- | -- | 26,86,100 | 48.84 |
| **Total (a+b)** | **17,36,100** | **57.87** | **9,50,000** | **38.00** | **26,86,100** | **48.84** | **--** | **--** | **26,86,100** | **48.84** |
| **2. Acquirer:** | | | | | | | | | | |
| Mrs. Meenu Bhanshali | Nil | Nil | 14,00,000 | 56.00 | 14,00,000 | 25.45 | 11,00,000 | 20.00 | 25,00,000 | 45.45 |
| **Total** | **Nil** | **Nil** | **14,00,000** | **56.00** | **14,00,000** | **25.45** | **11,00,000** | **20.00** | **25,00,000** | **45.45** |
| **3. Parties to Agreement other than (1) (a) & (2)** | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| **4. Public:** (Other than Promoter Group & Acquirer) | | | | | | | | | | |
| a. FIs/MFs/FIIs/Banks, SFIs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b. Others | 12,63,900 | 42.13 | 1,50,000@ | 6.00 | 14,13,900 | 25.71 | (11,00,000) | (20.00) | 3,13,900 | 5.71 |
| **Total (a+b)** | **12,63,900** | **42.13** | **1,50,000** | **6.00** | **14,13,900** | **25.71** | **(11,00,000)** | **(20.00)** | **3,13,900** | **5.71** |
| **GRAND TOTAL (1+2+3+4)** | **30,00,000** | **100.00** | **25,00,000** | **100.00** | **55,00,000** | **100.00** | **Nil** | **Nil** | **55,00,000** | **100.00** |

# warrants issued under Preferential Issue.
@ includes 50,000 warrants issued under Preferential Issue.

**(ii) Pre and Post-Offer Shareholding Pattern of 7Seas (Based on Voting Capital):**

| Shareholders' Category | Shareholding prior to the Preferential Issue and Offer | | Shares Acquired through Preferential Issue | | Shareholding after the Preferential Issue and prior to Offer | | Shares to be Acquired in Open Offer (Assuming full acceptances) | | Shareholding after the Preferential Issue and Offer | |
|---|---|---|---|---|---|---|---|---|---|---|
| | (A) | | (B) | | (C) = (A+B) | | (D) | | (E) = (C+D) | |
| | No. | No. | % | % | No. | % | No. | % | No. | % |
| **1. Promoter Group:** | | | | | | | | | | |
| a. Parties to Agreement | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| b. Promoters other than (a) above | 17,36,100 | 59.38 | 9,50,000# | 38.00 | 26,86,100 | 49.53 | -- | -- | 26,86,100 | 49.53 |
| **Total (a+b)** | **17,36,100** | **59.38** | **9,50,000** | **38.00** | **26,86,100** | **49.53** | **--** | **--** | **26,86,100** | **49.53** |
| **2. Acquirer:** Mrs. Meenu Bhanshali | Nil | Nil | 14,00,000 | 56.00 | 14,00,000 | 25.81 | 11,00,000 | 20.28 | 25,00,000 | 46.09 |
| **Total** | **Nil** | **Nil** | **14,00,000** | **56.00** | **14,00,000** | **25.81** | **11,00,000** | **20.00** | **25,00,000** | **46.09** |
| **3. Parties to Agreement other than (1) (a) & (2)** | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| **4. Public:** (Other than Promoter Group & Acquirer) | | | | | | | | | | |
| a. FIs/MFs/FIIs/Banks, SFIs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b. Others | 11,87,367 | 40.62 | 1,50,000@ | 6.00 | 13,37,367 | 24.66 | (11,00,000) | (20.28) | 2,37,367 | 4.38 |
| **Total (a+b)** | **11,87,367** | **40.62** | **1,50,000** | **6.00** | **13,37,367** | **24.66** | **(11,00,000)** | **(20.00)** | **2,37,367** | **4.38** |
| **GRAND TOTAL (1+2+3+4)** | **29,23,467** | **100.00** | **25,00,000** | **100.00** | **54,23,467** | **100.00** | **Nil** | **Nil** | **54,23,467** | **100.00** |

# warrants issued under Preferential Issue.
@ includes 50,000 warrants issued under Preferential Issue.

**(iii) Pre and Post-Offer Shareholding Pattern of 7Seas (Based on Subscribed Capital & without considering conversion of outstanding Warrants):**

| Shareholders' Category | Shareholding prior to the Preferential Issue and Offer | | Shares Acquired through Preferential Issue | | Shareholding after the Preferential Issue and prior to Offer | | Shares to be Acquired in Open Offer (Assuming full acceptances) | | Shareholding after the Preferential Issue and Offer | |
|---|---|---|---|---|---|---|---|---|---|---|
| | (A) | | (B) | | (C) = (A+B) | | (D) | | (E) = (C+D) | |
| | No. | No. | % | % | No. | % | No. | % | No. | % |
| **5. Promoter Group:** | | | | | | | | | | |
| c. Parties to Agreement | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| d. Promoters other than (a) above | 17,36,100 | 57.87 | -- | -- | 17,36,100 | 38.58 | -- | -- | 17,36,100 | 38.58 |
| **Total (a+b)** | **17,36,100** | **57.87** | **--** | **--** | **17,36,100** | **38.58** | **--** | **--** | **17,36,100** | **38.58** |
| **6. Acquirer:** | | | | | | | | | | |
| Mrs. Meenu Bhanshali | Nil | Nil | 14,00,000 | 93.33 | 14,00,000 | 31.11 | 11,00,000 | 24.45 | 25,00,000 | 55.56 |
| **Total** | **Nil** | **Nil** | **14,00,000** | **93.33** | **14,00,000** | **31.11** | **11,00,000** | **24.45** | **25,00,000** | **55.56** |
| **7. Parties to Agreement other than (1) (a) & (2)** | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| **8. Public:** (Other than Promoter Group & Acquirer) | | | | | | | | | | |
| c. FIs/MFs/FIIs/Banks, SFIs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d. Others | 12,63,900 | 42.13 | 1,00,000 | 6.67 | 13,63,900 | 30.31 | (11,00,000) | (24.45) | 2,63,900 | 5.86 |
| **Total (a+b)** | **12,63,900** | **42.13** | **1,00,000** | **6.67** | **13,63,900** | **30.31** | **(11,00,000)** | **(24.45)** | **2,63,900** | **5.86** |
| **GRAND TOTAL (1+2+3+4)** | **30,00,000** | **100.00** | **15,00,000** | **100.00** | **45,00,000** | **100.00** | **Nil** | **Nil** | **45,00,000** | **100.00** |

**(iv) Pre and Post-Offer Shareholding Pattern of 7Seas (Based on Voting Capital & without considering conversion of outstanding Warrants):**

| Shareholders' Category | Shareholding prior to the Preferential Issue and Offer | | Shares Acquired through Preferential Issue | | Shareholding after the Preferential Issue and prior to Offer | | Shares to be Acquired in Open Offer (Assuming full acceptances) | | Shareholding after the Preferential Issue and Offer | |
|---|---|---|---|---|---|---|---|---|---|---|
| | (A) | | (B) | | (C) = (A+B) | | (D) | | (E) = (C+D) | |
| | No. | No. | % | % | No. | % | No. | % | No. | % |
| **5. Promoter Group:** | | | | | | | | | | |
| c. Parties to Agreement | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| d. Promoters other than (a) above | 17,36,100 | 59.38 | -- | -- | 17,36,100 | 39.25 | -- | -- | 17,36,100 | 39.25 |
| **Total (a+b)** | **17,36,100** | **59.38** | **--** | **--** | **17,36,100** | **39.25** | **--** | **--** | **17,36,100** | **39.25** |
| **6. Acquirer:** | | | | | | | | | | |
| Mrs. Meenu Bhanshali | Nil | Nil | 14,00,000 | 93.33 | 14,00,000 | 31.65 | 11,00,000 | 24.87 | 25,00,000 | 56.52 |
| **Total** | **Nil** | **Nil** | **14,00,000** | **93.33** | **14,00,000** | **31.65** | **11,00,000** | **24.87** | **25,00,000** | **56.52** |
| **7. Parties to Agreement other than (1) (a) & (2)** | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| **8. Public:** | | | | | | | | | | |
| (Other than Promoter Group & Acquirer) | | | | | | | | | | |
| c. FIs/MFs/FIIs/Banks, SFIs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d. Others | 11,87,367 | 40.62 | 1,00,000 | 6.67 | 12,87,367 | 29.10 | (11,00,000) | (24.87) | 1,87,367 | 4.23 |
| **Total (a+b)** | **11,87,367** | **40.62** | **1,00,000** | **6.67** | **12,87,367** | **29.10** | **(11,00,000)** | **(24.87)** | **1,87,367** | **4.23** |
| **GRAND TOTAL (1+2+3+4)** | **29,23,467** | **100.00** | **15,00,000** | **100.00** | **44,23,467** | **100.00** | **Nil** | **Nil** | **44,23,467** | **100.00** |

6.13. There are 686 equity shareholders under Public category as on 30.06.2007.

6.14. The Target Company is complying with Clause 49 of the Listing Agreement on Corporate Governance.

6.15. Name and Contact details of the Compliance Officer:

**Mr. L. Maruti Sanker**
6-3-1239/2/A, Renuka Enclave, IIIrd Floor, Kotis Court, Rajbhavan Road,
Somajiguda, Hyderabad-500 082; Tel. 040-3068 6161/62; Fax: 040-3068 6163.

6.16. The changes in the holdings of the present Promoters Group is as under:

| Year | No. of Shares Acquired | % of Shares Acquired | No. of Shares Sold | % of Shares Sold | Cumulative No. of Shares | % of Cumulative No. of Shares | Remarks |
|---|---|---|---|---|---|---|---|
| 2006-07 | 15,86,100 | 52.87 | - | - | 15,86,100 | 52.87 | Through Agreement & Open Offer |
| | 1,50,000 | 5.00 | - | - | 17,36,100 | 57.87 | - |
| 2007-08 | 9,50,00 | 17.27 | - | - | 26,86,100 | 48.84 | Warrants issued under Preferential Issue. |

## 7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 7.1. Justification of Offer Price:

a. The equity shares of 7Seas are listed on The Hyderabad Stock Exchange Limited, Hyderabad (HSE) and Ahmedabad Stock Exchange Limited, Ahmedabad (ASE). The shares of 7Seas are not traded on any Stock Exchange(s) under Permitted Category.

b. The annualized trading turnover during the preceding 6 calendar months prior to the month in which Board Meeting was held i.e. February 2007 to July 2007 (both Inclusive) at the Stock Exchange(s) is as under: -

| Name of Stock Exchange | Total No. of Shares traded during 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) |
|---|---|---|---|
| HSE* | 3,385 | 30,00,000 | 0.226 |
| ASE | Nil | 30,00,000 | Nil |

**Derecognised by SEBI with effect from August 29, 2007.*
*(Source: www.hseindia.org)*

c. Based on the information available, the Shares of the Target Company, within the meaning of explanation (i) to regulation 20(5) of the Regulations, are infrequently traded on both the Stock Exchange(s). Hence, the Offer Price has been determined taking into account the following parameters:

| | | |
|---|---|---|
| i) | Negotiated Price under the Agreement | Not Applicable |
| ii) | Highest Price paid by the Acquirer 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 | Rs. 36/- per share |
| iii) | **Other parameters** | **Based on Accounts as on 31.03.07** |
| | Earning per Share (Rs.) | 0.60 |
| | Book Value per share (Rs.) | 6.40 |
| | Return on Net worth (%) | 9.42 |

d. In view of the aforesaid financial parameters, the Offer Price of Rs. 36/- per fully paid-up equity share of Rs. 10/- each is justified in terms of regulation 20 of the Regulations. The partly paid-up equity shares are paid-up to the extent of Rs. 2.50 only and the call-in-arrears on the same is Rs. 7.50 per share. Hence the Offer Price of Rs. 28.50 per partly paid-up equity share is also justified.

e. If the Acquirer acquires shares after the PA and upto seven working days prior to closure of the Offer at a price higher than the Offer Price, the highest price paid for such acquisitions shall be payable for all the acceptances received under this Offer as per the Regulations. Any revision in the Offer Price shall be notified by advertisement in the same newspapers in which the original PA appeared.

f. The Acquirer has not entered into any non-compete agreement.

**7.2. Financial Arrangements:**

a. The total fund requirement, assuming that full acceptance for the offer is received, for the Offer (11,00,000 shares at a price of Rs. 36/- per share) is Rs. 3.96 Crores (Rupees Three Crores and Ninety Six Lakhs only).

b. In accordance with regulation 28 of the Regulations, the Acquirer has opened an Escrow Account in Punjab National Bank, Ilaco House, Fort, Mumbai-400 001 and made a Cash deposit of Rs. 1.00 Crore (Rupees One Crore only) in the account, being more than 25% of the total consideration payable to the shareholders under the Offer. A lien has been marked on the said Escrow Account in favour of the Manager to the Offer by the bank.

c. The Manager to the Offer is authorised to operate and realise the value of the Escrow Account in terms of the Regulations and accordingly Punjab National Bank has issued a Letter dated October 13, 2007 confirming the same.

d. The Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of her own Networth and no borrowings from any Bank and/or Financial Institutions is envisaged. Mr. S. K. Kamdar (Membership No. 032878), Proprietor of M/s. S. K. Kamdar & Co., Chartered Accountants, having Office at C-3/2, Khira Nagar, S. V. Road, Santacruz (West), Mumbai-400 054; Telefax: 022-2661 4713 / 5677; E-mail: skkandco@gmail.com vide certificate dated October 8, 2007 have confirmed that sufficient resources are available with the Acquirer for fulfilling the obligations under this 'Offer' in full. The liquid resources of the Acquirer to meet the obligation under the Offer and Preferential Allotment include Investment in Equity Shares and Debentures, PPF, Jewellery, Property and Cash & Bank Balances.

e. Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the offer in accordance with the Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

## 8. TERMS AND CONDITIONS OF THE OFFER

a. The Letter of Offer relating to the Offer ('LOO'), 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 only) is being mailed to those shareholders of Target Company whose names appear on the Register of Members of Target Company and to the Beneficial Owners of the equity shares of Target Company whose names appear as beneficiaries on the record of the respective Depositories, at the close of business hours on November 2, 2007 ('Specified Date'). No Letter of Offer will be mailed to the Promoters and other allottees under Preferential Issue.

b. All owners of equity shares, registered or unregistered, except all the Promoters and Promoters & other allottees under Preferential Issue are eligible to participate in the Offer anytime before closure of the Offer.

c. Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer 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) is expected to be available on SEBI's Website (http://www.sebi.gov.in) during the period the offer is open and may also be downloaded from the website for participating in the Offer.

d. The pre-issue shareholding of the Promoter Group to whom the shares were allotted under Preferential Issue and the shares allotted under the Preferential Issue will be subject to 'lock-in' as per the Guidelines. Except the above no other shares of the Target Company are under lock-in.

e. 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 thereto, for acquisition of shares under the Agreement and Offer. The Acquirer will make an application, if necessary, for the purpose to the RBI at the appropriate time.

f. As on the date there are no other statutory approvals or approvals from the lenders required, for the acquisition of equity shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals.

g. In case of delay in receipt of any approval, SEBI has the power to grant an extension of the time required for payment under the Offer provided that the Acquirer agrees to pay interest in accordance with regulation 22(12) of the Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulations 22(13) of the Regulations will also become applicable.

h. If the aggregate of the valid responses to the Offer exceeds the Offer size, then the Acquirer shall accept the valid applications received on a proportionate basis, in accordance with regulation 21(6) of the 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 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. The market lot of the shares of the Target Company in case of physical mode is 100 (one Hundred) shares and incase of dematerialized mode is 1 (One) share only.

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

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

k. As per the provisions of Section 196D(2) of the Income Tax Act, 1961 ('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 payable to a Foreign Institutional Investor ('FII') as defined in section 115 AD of the Income Tax Act. However, while tendering their equity shares under the Offer, Non Resident Individuals and other non-resident shareholders will be required to submit a No Objection Certificate (NOC) or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders.

l. The consideration to those shareholders whose Shares or share certificates and /or other documents are found complete, valid and in order and accepted by Acquirers in part or in full will be made within 15 Days from the date of closing of the Offer. The Acquirer undertakes to pay interest pursuant to regulation 22(12) to the shareholders for the delay, if any, in payment of consideration. The consideration will be paid by crossed account payee cheques/demand drafts. 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 dematerialised 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. All despatches involving payment of a value upto Rs.1,500/- will be made under certificate of posting at the shareholders sole risk.

m. The instructions and provisions contained in the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal constitute an integral part of the terms of this Offer.

## 9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

a. Shareholders who hold the shares of Target Company 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 Transfer Deed(s) duly signed, Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off- market" mode, duly acknowledged by DP in favour of the special depository account to the Registrars to the Offer, **Venture Capital and Corporate Investments Private Limited**, so as to reach on or before the closure of the Offer, i.e. April 23, 2008 (Wednesday), in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.

   The documents can be tendered at any of the above centre between Monday to Friday from 10.30 A. M. to 1.00 P. M. and 2.00 P. M. to 4.00 P. M. and on Saturdays from 10.00 am to 2.00 pm. The Registrars to the Offer will be closed on Sundays and other Public Holidays.

   The equity shareholders who cannot hand deliver their documents at the address referred to above may send the same by registered post/ speed post, at their own risk, to the Registrar to the Offer at their office at Mumbai, so as to reach their office on or before the closure of the Offer i.e. April 23, 2008 (Wednesday).

b. 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 demated 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 demated shares not credited in favour of the special depository account before the closure of the Offer will be rejected.

c. Shareholders who wish to tender their shares under this offer should enclose the following documents duly completed:

**i) 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 on the Share Certificate(s).
- **Original Share Certificate(s).**
- Valid share Transfer Deed / 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 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 Deed / Form(s)** as received from market.

The details of buyer should be left blank failing which, the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.

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 Target Company 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.

**ii) For equity shares held in Demat form: -**

The Registrar to the Offer has opened a special depository account with National Securities Depositories Ltd. ('NSDL') as Depository whose details are as under:

| | |
|---|---|
| Beneficiary Account Name | VCCIL 7SEAS OPEN OFFER ESCROW ACCOUNT |
| DP Name | Karvy Stock Broking Limited |
| DP ID Number | IN 300394 |
| Client ID Number | 16003400 |
| Depository | National Securities Depository Ltd. |

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.

**Beneficial Owners should enclose:**

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, 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 DP in favour of the special depository account.

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

In case of non receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted. The Form of Acceptance-cum-Acknowledgement for which corresponding shares have not been credited to the special depository account as on the date of closure of the Offer will be rejected.

d. 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, failing which, the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):

   i. Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired. 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 acceptance form or transfer deed(s).

   iii. No objection certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

   iv. In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

e. The share certificate(s), share transfer form, Form of Acceptance-cum-Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer, at the address mentioned above. **They should not be sent to the Acquirer or the Target Company.** The above-mentioned documents can be sent to the Registrar to the Offer on all days except Sundays and public holidays.

f. In case of unregistered owners or shareholders who have not received the Letter of Offer, they 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.

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

   Shareholders of Target Company who have sent their equity shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders who have sent their physical shares for dematerialisation 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 escrow depository account on or before closure of the Offer.

   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, on or before the Closure of the Offer.

   Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI's website at 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.

g. While tendering the equity shares under the Offer, NRIs/ foreign shareholders will be required to 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 reserves the right to reject such equity shares tendered. While tendering shares under the Offer, NRI/ foreign shareholders will be required to submit a Tax Clearance Certificate from the 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 arrange to 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.

h. 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 April 17, 2008 (Thursday). 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 April 17, 2008 (Thursday). 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:

   b) **In case of physical shares:** Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Registered Folio Number, Share Certificate Numbers, Distinctive Numbers, Number of Shares held, Number of Shares offered; and

   c) **In case of dematerialised shares:** Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, DP name, DP ID, Number of Shares offered, beneficiary account number and a photocopy of the delivery instruction in 'Off-market' mode or counterfoil of the delivery instruction in 'Off-market' mode, duly acknowledged by the DP, in favor of the special depository account.

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

i. The Registrar to the Offer will hold in trust the equity shares/Share Certificates, equity 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, until the cheques/drafts for the consideration or the unaccepted equity shares/share certificates are dispatched/returned.

j. Unaccepted Share Certificate(s), Transfer Forms and other documents in respect of shares not accepted under the Offer, if any, will be returned by Registered Post/Speed Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Unaccepted equity shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective Depository Participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

## 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 10.00 A. M. to 2.00 P. M. during the period the Offer is open i.e., from April 4, 2008 (Friday) to April 23, 2008 (Wednesday):

i) Notice of Extra Ordinary General Meeting.
ii) Extracts of Extra Ordinary General Meeting.
iii) Memorandum & Articles of Association of 7Seas along with Certificate of Incorporation.
iv) Audited results of 7Seas for the financial years ended 31.03.2005, 31.03.2006, 31.03.2007 and certified results for the period ended 30.06.2007.
v) Memorandum & Articles of Association alongwith Certificate of Incorporation and Audited Annual Reports for the relevant years of the companies promoted by the Acquirer.
vi) Chartered Accountant's Certificate dated March 25, 2008 certifying the Net worth of Mrs. Meenu Bhanshali (Acquirer).
vii) Chartered Accountant's Letter dated October 8, 2007 confirming the adequacy of financial resources with Acquirer to fulfill the Open Offer obligations.
viii) Letter from Punjab National Bank dated October 13, 2007 confirming the amount kept in an escrow account and empowering the Manager to the Offer in accordance with the Regulations.
ix) Copy of confirmation regarding opening of Special Depository Account in the name and Style of 'VCCIL 7SEAS OPEN OFFER ESCROW ACCOUNT'.
x) Published copies of the Public Announcement made on October 15, 2007.
xi) Copy of the Letter No. CFD/DCR/MM/TO/120682/08 dated March 17, 2008 from SEBI in terms of Provisions of regulation 18(2).
xii) Other relevant documents such as:
   a. Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer dated October 11, 2007.
   b. Copy of the Memorandum of Understanding between the Acquirer & the Registrar to the Offer dated October 11, 2007.
   c. Copies of undertakings from Target Company and the Acquirer.

## 11. DECLARATION BY THE ACQUIRER

The Acquirer accepts full responsibility for the information contained in PA made in this regard, Letter of Offer and also for ensuring compliance with the Regulations.

The Manager to the Offer hereby states that the person signing this Letter of Offer is the Acquirer.

Place: Mumbai
Date: March 29, 2008.

**Meenu Bhanshali (Acquirer)**

**Attached: Form of Acceptance cum Acknowledgement and Withdrawal**

## FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(Please send this Form of Acceptance cum acknowledgement with enclosures to the Registrar to the Offer)

**Date:**

**From:**

| | |
|---|---|
| **OFFER OPENS ON:** | **April 4, 2008 (Friday)** |
| **LAST DATE OF WITHDRAWAL:** | **April 17, 2008 (Thursday)** |
| **OFFER CLOSES ON:** | **April 23, 2008 (Wednesday)** |

Tel. No. Fax No.: E-mail:

To

**Venture Capital and Corporate Investments Private Limited,**

***(Unit- 7Seas Technologies Limited -Open Offer)***

12-10-167, Bharatnagar, Hyderabad-500 018

Dear Sir,

**Sub: Open Offer to acquire upto 11,00,000 equity shares of Rs. 10/- each at a price of Rs. 36/- (Rupees Thirty Six only) per fully paid-up equity and at a price of Rs. 28.50 (Rupees Twenty Eight and Fifty Paisa only) per partly paid-up equity share, representing 20% of the fully expanded subscribed capital and 20.28% of the fully expanded voting capital of 7SEAS by Mrs. Meenu Bhanshali ('Acquirer')**

I/We refer to the Letter of Offer dated March 29, 2008 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 and unconditionally accept the terms and conditions as mentioned therein.

**For Shares held in Physical Form:**

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

| S. No. | 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 Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

**For Shares held in Demat Form:**

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

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

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

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

with the following particulars:

| | |
|---|---|
| Beneficiary Account Name | VCCIL 7SEAS OPEN OFFER ESCROW ACCOUNT |
| DP Name | Karvy Stock Broking Limited |
| DP ID Number | IN 300394 |
| Client ID Number | 16003400 |
| Depository | National Securities Depository Ltd. |

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

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

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

I/We authorize the Acquirer 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 Acquirer 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 Acquirer 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 cheque or demand draft for the consideration will be drawn accordingly.

Name of the Bank: ______________________________ Branch: ______________________

Account Number: ___________________ Savings/Current/Others(please specify)___________

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**S. No.** **(Acknowledgement Slip)**

**VENTURE CAPITAL AND CORPORATE INVESTMENTS PRIVATE LIMITED**

12-10-167, Bharatnagar, Hyderabad-500 018;

Tel: 040-23818475/6; Fax: 040-23868024;E-mail: info@vccilindia.com

Received from Mr./Ms./Smt.: _____________________________

Address: ______________________________________________

Folio Number: _________ DP ID: __________Client ID: ________

Number of Share Certificates Enclosed: ____________

Certificate Numbers: ________

Total Number of Shares Enclosed: _____

| Signature of the Official<br>Date of receipt | Stamp of Registrar to the Offer |
|---|---|
| | |

**For all future correspondence, if any, should be addressed to Registrar to the Offer at the address mentioned above.**

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

## FORM OF WITHDRAWAL

**From:**

| | |
|---|---|
| **OFFER OPENS ON:** | **April 4, 2008 (Friday)** |
| **LAST DATE OF WITHDRAWAL:** | **April 17, 2008 (Thursday)** |
| **OFFER CLOSES ON:** | **April 23, 2008 (Wednesday)** |

Tel.: Fax: E-mail:

**To**
**Venture Capital and Corporate Investments Private Limited,**
***(Unit- 7Seas Technologies Limited -Open Offer)***
12-10-167, Bharatnagar, Hyderabad-500 018

Dear Sir,

**Sub: Open Offer to acquire upto 11,00,000 equity shares of Rs. 10/- each at a price of Rs. 36/- (Rupees Thirty Six only) per fully paid-up equity and at a price of Rs. 28.50 (Rupees Twenty Eight and Fifty Paisa only) per partly paid-up equity share, representing 20% of the fully expanded subscribed capital and 20.28% of the fully expanded voting capital of 7SEAS by Mrs. Meenu Bhanshali ('Acquirer')**

I/We refer to the Letter of Offer dated March 29, 2008 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 and unconditionally accept the terms and conditions as mentioned therein.

I / We hereby consent unconditionally and irrevocably to withdraw my / our shares from the Offer and I / we further authorize the Acquirer to return to me / us, the tendered Share Certificate(s) / Share(s) at my / our sole risk.

I / We note that upon withdrawal of my / our shares from the Offer, no claim or liability shall lie against the Acquirer / Manager to the Offer / Registrar to the Offer.

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. April 17, 2008 (Thursday).

I / We note the Acquirer / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for the non-receipt of shares held in the dematerialized form in the DP account due to inaccurate / incomplete particulars/ instructions.

I / We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) / shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

**For Shares held in Physical Form:**
The particulars of tendered original Share Certificate(s) and duly signed Transfer Deed(s) are 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)*

**For Shares held in Demat Form:**

I / We hold the shares in dematerialized form and had executed an off-market transaction for crediting the shares to the special depository account as per the following particulars:

| | |
|---|---|
| Beneficiary Account Name | VCCIL 7SEAS OPEN OFFER ESCROW ACCOUNT |
| DP Name | Karvy Stock Broking Limited |
| DP ID Number | IN 300394 |
| Client ID Number | 16003400 |
| Depository | National Securities Depository Ltd. |

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our shares have been tendered are as follows:

| DP Name | DP ID | Client ID | 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.

I / We confirm that the particulars given above are true and correct.

In case of dematerialized shares, I / we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,
Signed and Delivered:

| | Full Name of the Shareholders | Address | Signature |
|---|---|---|---|
| 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. In case of shares held in joint names, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold shares in **7Seas Technologies Limited**, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of the Offer.

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

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

4. 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.
   - 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 Target Company. The facility of partial withdrawal is available only on to the registered shareholders.

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**S. No.** **(Acknowledgement Slip)**

**VENTURE CAPITAL AND CORPORATE INVESTMENTS PRIVATE LIMITED**
12-10-167, Bharatnagar, Hyderabad-500 018;
Tel: 040-23818475/6; Fax: 040-23868024;E-mail: info@vccilindia.com

Received Form of Withdrawal from Mr. / Ms. / Smt..: ________________________________________

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 Private Limited**
*(Unit- 7Seas Technologies Limited -Open Offer)*
12-10-167, Bharatnagar, Hyderabad-500 018.
Tel: 040-2381 8475/6; Fax: 040-2386 8024;
E-mail: info@vccilindia.com