# PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF

# 7SEAS TECHNOLOGIES LIMITED

**(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)**

## CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM THE SHAREHOLDERS OF 7SEAS TECHNOLOGIES LIMITED

This Public Announcement ('PA') is being issued by Ashika Capital Limited (hereinafter referred to as 'Manager to the Offer'), for and on behalf of Mrs. Meenu Bhanshali (hereinafter referred to as 'Acquirer') pursuant to and in compliance with, among others, regulation 10 and other provisions of Chapter III of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ('Regulations').

1. BACKGROUND TO THE OFFER:

a) This Open Offer ('Offer') is being made by the Acquirer, in compliance with regulation 10 of the Regulations, to the equity shareholders (except the Promoters and other allottees under Preferential Issue) of 7Seas Technologies Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 6-3-1239/2/A, Renuka Enclave, IIIrd Floor, Kotis Court, Rajbhavan Road, Somajiguda, Hyderabad-500 082 (hereinafter referred to as '7Seas' or 'Target Company').

b) 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.

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

d) 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.

e) 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 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 said Subscription Instruments will be subject to 'lock-in' as per the Guidelines.

f) 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.

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

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

h) As a result of 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 pursuant to and in terms of the Regulations.

2. THE OFFER:

a) The Acquirer is making this Open Offer ('Offer') to the Shareholders of 7Seas (except the Promoters and other allottees under Preferential Issue) and propose 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 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. 31/- per share.

b) The equity shares of 7Seas are listed on The Hyderabad Stock Exchange Limited, Hyderabad (HSE) and Ahmedabad Stock Exchange Limited, Ahmedabad (ASE). 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 |

c) 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.

d) 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.

e) As on date of this PA, the Manager to the Offer does not hold any equity share in the Target Company. The Manager to the Offer undertakes not to deal in the equity shares of Target Company upto a period of fifteen days after closure of the Offer.

f) The Offer is unconditional and not subject to any minimum level of acceptance.

g) This is not a competitive bid.

h) For the purpose of this Offer, there are no 'persons acting in concert' (PACs) with the Acquirer.

i) The Acquirer has undertaken to comply with the Regulations and complete the Offer formalities.

j) To the extent of the Offer Size, all the Shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by the Acquirer, subject to the terms and conditions set out herein and in the Letter of Offer ('LOO') that would be sent to the shareholders of the Target Company and receipt of the statutory approvals mentioned in point no. 6 of the PA.

3. INFORMATION ABOUT THE ACQUIRER:

a) 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. She is an investor and has been making investments in shares of various companies for over a decade.

b) As on 31.03.2007 net worth of Mrs. Meenu Bhanshali is Rs. 28.01 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 October 8, 2007.

c) Among others, the Acquirer is the Promoter /Director of the following companies:

   i) Jai-Vijay Resources Private Limited

   ii) Sujas Resources Private Limited

d) None of the above entities are participating/interested in this Offer.

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

f) Based on the information available from the Acquirer and SEBI website, The Acquirer has 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.

4. INFORMATION ABOUT THE TARGET COMPANY:

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) 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

c) 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/-). 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.

d) The Target Company is engaged in the business of Software Development.

e) 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.

f) The brief financial of the Target Company are as under:

*(Rs. in Lakhs)*

| Particulars | For the year/period ending 30.06.2007 (un-audited) | 31.03.2007 (Audited) |
|---|---|---|
| Total Income | 72.16 | 101.21 |
| Profit/(Loss) After Tax | 26.62 | 16.89 |
| Equity Share Capital | 285.31 | 280.28 |
| Profit & Loss Account (Debit Balance) | 65.36 | 91.98 |
| Miscellaneous Expenditure (to the extent not written off or adjusted) | 9.03 | 9.03 |
| Net Worth | 210.92 | 179.27 |
| Earning Per Share (Rs.) | 0.93 | 0.60 |
| Book value per Share (Rs.) | 7.39 | 6.40 |
| Return on Net Worth (%) | 12.62 | 9.42 |

*(Source: Quarter ended un-audited published data and Annual Report)*

g) As on date of this PA, the Board of Directors of Target Company consists of Mr. L. Maruti Sanker, Mr. M. Dattu Varaprasad Rao, Mr. Devabhaktuni V. Sai Prasad, Mr. Devender R. Poreddy and Dr. K. Kiran Kumar.

h) The Target Company does not have any subsidiary as on date of this PA.

i) Based on the information available from the Target Company and SEBI website, the Target Company has 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.

5. REASONS FOR THE ACQUISITION AND THE OFFER:

a) This Offer to the shareholders of 7Seas is made pursuant to regulation 10 of the Regulations consequent to the Preferential Issue of equity shares to the Acquirer as explained in point no. 1 above and for substantial acquisition of equity shares without change in control or management.

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.

6. STATUTORY APPROVALS/ OTHER APPROVALS REQUIRED FOR THE OFFER:

a) 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.

b) The Acquirer will make an application, if necessary, for the purpose to the RBI at the appropriate time.

c) As on the date of this PA, to the best of the knowledge of the Acquirer, no other statutory approvals are required to acquire the shares that are tendered pursuant to the Offer.

d) In case of delay in receipt of Statutory Approvals, SEBI has a power to grant extension of time to the Acquirer for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirer 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 Acquirer in obtaining the Approvals, regulation 22(13) of the Regulations will also become applicable.

7. OPTION IN TERMS OF REGULATION 21:

Pursuant to the Open Offer (assuming full acceptance), the public shareholding in Target Company would not result in public shareholding falling below the limit specified in the listing agreement for the purpose of listing on a continuous basis. As per the listing agreement, the Target Company is required to maintain atleast 25% public shareholding for listing on a continuous basis.

8. 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). 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.

b) The Manager to the Offer i.e. Ashika Capital Limited has been solely authorised by the Acquirer to operate and realise the value of Escrow Account in terms of the Regulations.

c) 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.

d) 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.

9. OTHER TERMS OF THE OFFER:

a) The Letter of Offer relating to the Offer ('LOO') along with the Form of Acceptance cum Acknowledgement and Form of withdrawal will be mailed to the shareholders of the Target Company (except the Promoters and other allottees under Preferential Issue), whose names appear on the Register of Members of the Target Company and to the beneficial owners of the equity shares of the Target Company in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, as of the close of business on November 2, 2007 ('Specified Date').

b) All owners (registered or unregistered) of equity shares of the Target Company (except the Promoters and other allottees under Preferential Issue) are eligible to participate in the Offer anytime before the closing of the Offer. 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.

c) Shareholders of the Target Company who are holding equity shares in physical form and who wish to tender their equity shares will be required to send the duly signed Form of Acceptance cum Acknowledgement, Original Share certificate(s) and Transfer Deed(s) duly signed to the Registrar 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 close of the Offer, i.e., not later than December 18, 2007, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

d) The Registrar to the Offer has opened a special depository account with National Securities Depositories Ltd. ('NSDL') as Depository, Karvy Stock Broking Limited as Depository Participant called, 'VCCIL 7SEAS OPEN OFFER ESCROW ACCOUNT. The DPID is IN 300394 and Client ID is 16003400. For equity shares which are tendered in electronic form, the bank account as obtained from the beneficiary provided by the Depositary will be considered and the payment instrument will be issued with the said bank particulars. Shareholders of the Target Company having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their equity shares in favor of the special depository account with NSDL.

e) Beneficial owners (holders of shares in dematerialized form) who wish to tender their equity shares of the Target Company will be required to send their duly signed Form of Acceptance cum Acknowledgement along with the photocopy of the delivery instruction in 'Off-Market' mode or counterfoil of the delivery instructions in 'Off-Market' mode, duly acknowledged by the Depository Participant ('DP'), in favour of the special depository account to the Registrar to the Offer, 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 acknowledgement due, so as to reach on or before the close of the Offer, i.e., not later than December 18, 2007, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. The credit for the tendered shares should be received in the special depository account on or before the close of the Offer, i.e., not later than December 18, 2007.

f) Unregistered owners can send their application in writing to the Registrar 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 Share Transfer Deeds and the original Contract Note(s) issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owner.

g) In case of non-receipt of the Letter of Offer, the eligible persons may (i) download the same from the SEBI's website (www.sebi.gov.in), (ii) obtain a copy of the same by writing to the Registrar to the Offer at Venture Capital and Corporate Investments Limited as the Registrar to the Offer, having office at 12-10-167, Bharatnagar, Hyderabad-500 018, or (iii) make an application to the Registrar 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, Registered Folio Number, Share Certificate Numbers, Distinctive Numbers, Number of Shares held, Number of Shares offered along with documents as mentioned above so as to reach the Registrar 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 close of the Offer, i.e., not later than December 18, 2007. In case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, DP Name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in 'Off-Market' mode or counterfoil of the delivery instruction in 'Off-Market' mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, 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 close of the Offer, i.e., not later than December 18, 2007.

h) 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, i.e., not later than December 18, 2007, else the application would be rejected.

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) 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.

k) Unaccepted Share Certificates, 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.

l) 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.

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

n) The payment of acquisition of shares will be made by the Acquirer in Cash through a crossed Demand Draft/Pay Order to the equity Shareholders of Target Company whose equity share certificates and other documents are found in order and accepted, within 15 Days from the date of Closing of the Offer.

o) Pursuant to Regulation 22(5A) of the Regulations, equity shareholders of the Target Company shall have the option to withdraw the acceptance(s) tendered by them in the Offer may do so up to three working days prior to the closing date of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer on or before December 13, 2007:

   i. The Form of Withdrawal, which is enclosed with the Letter of Offer.

   ii. In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:

   - In case of physical shares: Name & Address 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
   - 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.

The shares withdrawn by the Shareholders, if any, would be returned by Registered Post.

p) The shares tendered in the Offer shall be free from lien, charges and encumbrances of any kind whatsoever. Any 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 shares during pendency of litigation are liable to be rejected unless directions/ orders regarding the free transferability of such shares are received together with the shares tendered under the offer prior to the date of closure of the offer.

q) A Schedule of some of the major activities in respect of the Offer is given below:

| Activities | Date | Day |
|---|---|---|
| Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent) | November 2, 2007 | Friday |
| Last Date for a Competitive Bid, if any | November 5, 2007 | Monday |
| Date by which the Letter Of Offer to be despatched to the shareholders | November 23, 2007 | Friday |
| Date of Opening of the Offer | November 29, 2007 | Thursday |
| Last date for revising the Offer Price/ Number of Shares | December 7, 2007 | Friday |
| Last date for Withdrawal of Acceptance by shareholders who have accepted the Offer | December 13, 2007 | Thursday |
| Date of Closing of the Offer | December 18, 2007 | Tuesday |
| 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 |

10. GENERAL:

a) Shareholders of the Target Company who have accepted the Offer by tendering the requisite documents, in accordance with the terms of this Public Announcement and the Letter of Offer, shall have the option to withdraw acceptance tendered by them up to three (3) working days prior to the date of closing of the Offer, in terms of the Regulations i.e. December 13, 2007.

b) As per the Regulations the Acquirer can revise the Offer Price upwards up to seven (7) working days prior to the closing of the Offer. If there is any upward revision in the Offer Price by the Acquirer until the last date of revision i.e., December 7, 2007 or withdrawal of the Offer, the same would be informed by way of a Public Announcement in the same newspapers in which this Public Announcement has appeared. The Acquirer would pay such revised price for all the equity shares validly tendered any time during the Offer and accepted under the Offer.

c) **If there is a Competitive Bid:**

   **i) The Public Offers under all the subsisting bids shall close on the same date.**

   **ii) 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.**

d) Pursuant to regulation 13 of the Regulations, the Acquirer has appointed Ashika Capital Limited, as Manager to the Offer.

e) The Acquirer has appointed Venture Capital and Corporate Investments Limited as the Registrar to the Offer, having office at 12-10-167, Bharatnagar, Hyderabad-500 018; Tel: 040-23818475/6; Fax: 040-23868024; E-mail: info@vccilindia.com. The Contact Person is Mr. P. V. Srinivasa Rao.

f) The Acquirer accepts full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirer as laid down in terms of the Regulations.

g) This Public Announcement will also be available on SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of the Letter of Offer along with Form of Acceptance cum Acknowledgement and Form of withdrawal, which will also be available on SEBI's website at www.sebi.gov.in from the opening date of the Offer, i.e., November 29, 2007 and apply in the same.

h) For further details, please refer to the Letter of Offer and Form of Acceptance cum Acknowledgement.

**Issued by Manager to the Offer on behalf of the Acquirer:**

**ASHIKA CAPITAL LIMITED**
1008, 10th Floor, Raheja Centre,
214, Nariman Point, Mumbai-400021.
Tel: 022-6611 1700; Fax: 022-6611 1710
E-Mail: mbd@ashikagroup.com
**Contact Person: Narendra Kumar Gamini**

ASHIKA
Growing & Sharing with You

**Place: Mumbai**
**Date: Date: October 15, 2007**