DETAILED PUBLIC STATEMENT IN TERMS OF REGULATIONS 13(4) AND 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 TO THE SHAREHOLDERS OF

MOSCHIP SEMICONDUCTOR TECHNOLOGY LIMITED

Reg. Office: Plot No. 83 & 84, 2Nd Floor, Punnaiah Plaza, Road 2, Banjara Hills, Hyderabad, Telangana, 500034 Tel: 040-66229292 Fax: 040-66229393

OPEN OFFER FOR ACQUISITION OF UP TO 29,586,054 EQUITY SHARES OF RS. 2 EACH ("OFFER SHARES") OF MOSCHIP SEMICONDUCTOR TECHNOLOGY LIMITED ("TARGET COMPANY" / "TARGET") TO THE SHAREHOLDERS (AS DEFINED BELOW) OF THE TARGET COMPANY BY TECHWAVE PTE. LTD. ("ACQUIRER" / "TECHWAVE") TOGETHER WITH DAMODAR RAO GUMMADAPU ("PAC 1 / DAMODAR") AND K RAMACHANDRA REDDY ("PAC 2 / RAM") (COLLECTIVELY THE "PAC"), AS THE PERSONS ACTING IN CONCERT WITH THE ACQUIRER ("OFFER" / "OPEN OFFER").

This detailed public statement (**"DPS"**) is being issued by IIFL Holdings Limited, the manager to the Offer (**"Manager"**), for and on behalf of the Acquirer and the PAC, in compliance with Regulation 13(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (**"SEBI (SAST) Regulations"**) and pursuant to the Public Announcement (**"PA"**) sent to BSE Limited (**"BSE / Stock Exchange"**) on February 18, 2016, the Target Company on February 19, 2016 and filed with the Securities and Exchange Board of India (**"SEBI"**) on February 22, 2016, in terms of Regulations 3(1) and Regulation 4 of the SEBI (SAST) Regulations.

I. ACQUIRER, PAC, TARGET COMPANY AND OFFER

1. Details of the Acquirer and the PAC

1.1. Acquirer – Techwave Pte. Ltd.

(a) Techwave Pte. Ltd. is a private company limited by shares. It was incorporated on September 15, 2014 under the laws of Singapore, bearing registration no. is 201427362K. Its registered office is located at 1 Scotts Road, #21-07 Shaw Centre, Singapore (228208), Tel: +65 6500 7800, Fax: +65 6736 1869.

(b) Techwave is incorporated with the objective of acting as an investment holding company and engaging in information technology and computer service activities.

(c) Techwave is not directly a part of any group.

(d) The Directors of Techwave are Mr. Damodar Rao Gummadapu and Mr. Chia Lay Beng. Techwave is promoted and controlled by Mr. Damodar Rao Gummadapu.

(e) The issued and paid-up capital of Techwave is SGD 100,000 divided into 100 ordinary shares. Mr. Damodar Rao Gummadapu is the majority shareholder in Techwave holding 51 ordinary shares whereas the balance 49 shares are held by EIJI Holdings Pte. Ltd. The shares of Techwave are not listed on any stock exchange as of the date of this DPS.

(f) As of the date of this DPS, Techwave does not hold any Equity Shares (as defined hereafter) in the Target Company. None of the directors or key employees of Techwave hold, either directly or indirectly, any stake in the voting equity share capital of the Target Company (**"Voting Share Capital"**) or any other interest in the Target Company. However, PAC 1 is a director on the board of Jaagruthi Info Technologies Private Limited which holds 50,000 Equity Shares in the Target Company. There are no common directors on the board of Techwave and the Target Company. Further, there is no director on the board of directors of the Target Company representing Techwave.

(g) Since its incorporation on September 15, 2014 in Singapore, Techwave has not undertaken any financial activity. Further, the financials for Techwave for a 15 month period would be filed in due course in Singapore and hence are currently not available.

(h) Techwave has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the Securities and Exchange Board of India Act, 1992 (**"SEBI Act"**) as amended or under any other regulations made under the SEBI Act.

1.2. PAC 1 – Damodar Rao Gummadapu

(a) Mr. Damodar Rao Gummadapu, s/o Mr. Muralidhar Rao, aged 45 years, resides at 532 Emerson CIR, Chester Springs, Pennsylvania 19425, USA, Tel No. +1 914 525 9395, Fax No. +1 484 872 8716, Email: damodar_g@techwave.net. He holds a bachelors degree in commerce from Osmania University and is a member of the Institute of Chartered Accountants of India and Institute of Cost Accountants of India.

(b) PAC 1 has been an entrepreneur since 2004. He has several years of experience and has previously worked in India for GVK Industries, and in the USA for Cyber Solutions Inc. PAC 1 founded Techwave Consulting Inc. in Pennsylvania, USA in 2004.

(c) As of the date of this DPS, PAC 1 does not hold any Equity Shares in the Target Company.

(d) PAC 1 is not part of any group. PAC 1 promotes and controls the Acquirer.

(e) The Net Worth of PAC 1 is Rs. 41,48,80,240/- (Rupees Forty One Crores Forty Eight Lakhs Eighty Thousand Two Hundred and Forty Only) as on February 17, 2016 as certified vide certificate dated February 18, 2016 issued by G.V. Savithri, Chartered Accountant, (Membership No. 220907) having her office at #12-10-416/8/10, Seetharamnagar, Warasiguda, Secunderabad – 500 061; Tel. No.: 040-27425022, Email: gudimella.savithri@gmail.com.

(f) The major entities promoted/controlled/managed by PAC 1 are Techwave Inc., USA, Techwave Holdings Pte Ltd, Singapore, Techwave Pte Ltd., Singapore and Techwave Consulting FZE, Sharjah.

(g) PAC 1 has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.

1.3. PAC 2 – K Ramachandra Reddy

(a) Mr. K Ramachandra Reddy, s/o Venkata Reddy Kadiri, aged 65 years, residing at Plot No.828, Road No.42, Jubilee Hills, Hyderabad – 500 033, Tel No. +91 40 23545088, Email: ram@moschip.com, holds a bachelor degree in Electrical Engineering from IIT Madras and has completed MSEE degree from the University of Wisconsin, Madison, Wisconsin.

(b) PAC 2 has several years of work experience in semiconductor Industry in the areas of design, manufacturing and marketing of various integrated circuits. In the year 1999, he promoted a company called Netmos Technologies India Pvt Ltd later the same as converted into MosChip Semiconductor Technology Limited in the year 2000.

(c) As of the date of this DPS, PAC 2 is a director and promoter of the Target Company and holds 3,050,037 Equity Shares in the Target Company.

(d) PAC 2 is not part of any group. PAC 2 has no direct relationship with the Acquirer.

(e) The Net Worth of PAC 2 is Rs. 31,87,00,000/- (Rupees Thirty One Crores and Eighty Seven Lakhs Only) as on February 24, 2016 as certified vide certificate dated February 24, 2016 issued by K. Suryanarayana Sastry, Chartered Accountant, (Membership No. 206414) having his office at H No. 8-5-18, Old Tandur, Tandur – 501 141, Ranga Reddy District

(f) PAC 2 is a promoter and director of the Target Company and is also currently designated as its Chairman & CEO.

(g) PAC 2 has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.

2. Details of the Sellers:

N.A.

3. Details of the Target Company - MosChip Semiconductor Technology Ltd.

3.1. MosChip Semiconductor Technology Ltd., is a public limited company incorporated in Hyderabad, India. The Target Company was incorporated as Netmos Technology India Private Limited on July 27, 1999 under the Companies Act, 1956. Subsequently its name was changed to MosChip Semiconductor Technology Private Limited on June 1, 2000 and on July 24, 2000 the company was converted into a public limited company and its name was changed to Moschip Semiconductor Technology Limited. The registered office of the Target Company is situated at Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza, Road 2, Banjara Hills, Hyderabad, Telangana, 500034, Tel: 040-66229292 and Fax: 040-66229393.

The Target Company is engaged mainly in the business of providing value added services in VLSI design, software development & SOC (system on chip) development for customer, industrial applications.

3.2. The current Promoter/Promoter Group of the Target Company as on December 31, 2015 are set out below:

Sr. No.	Name of Promoter	No. of Shares	% holding@
1.	Steve Shu Fun Kam	44,400	0.10
2.	Art Khachaturian	17,57,047	3.82
3.	Gary Kennedy	2,62,978	0.57
4.	Laurence N. Benz	1,98,105	0.43
5.	Chandram Rama Reddy	4,000	0.01
6.	Eddie Sin Po Chiu	6,26,000	1.36
7.	Joseph K. Wai	7,08,632	1.54
8.	Sean Paul Carney	33,671	0.07
9.	Naveen Reddy	5,623	0.01
10.	K. Ramachandra Reddy	30,50,037	6.63
11.	K. Pratibha Reddy	5,00,398	1.09
12.	Surekha Reddy	5,30,001	1.15
13.	C. Dayakar Reddy	5,98,920	1.30
14.	Vinay Dantapally Kumar	1,64,156	0.36
	Total	**84,83,968**	**18.43**

@ Shareholding data as on December 31, 2015

3.3. The composition of the Board of Directors of the Target Company is as follows:

Sr. No.	Name	Designation	DIN
1.	Mr. K. Ramachandra Reddy	Whole Time Director	00042172
2.	Mr. C. Dayakar Reddy	Whole Time Director	00042663
3.	Mr. G. Prasad	Independent Director	00026718
4.	Mr. K. V. Ramana	Independent Director	00255421
5.	Mrs. Poornima Shenoy	Independent Woman Director	02270175

3.4. The Compliance officer of the Target Company is Mr. Suresh Bachalakura.

3.5. The authorized capital of the Target Company is 275,000,000 shares of the face value of Rs. 2 each (**"Equity Shares"**) aggregating to Rs. 550,000,000. The issued and paid-up capital of the Target Company is 4,60,35,517 Equity Shares aggregating to Rs. 9,20,71,034. The Equity Shares are listed on the BSE (Scrip ID: MOSCHIP, Security Code: 532407). The ISIN of Equity Shares of the Target Company is INE935B01025.

3.6. For the purpose of this DPS, brief consolidated financials derived from the financial statements of the Target Company for the nine months ended December 31, 2015 (limited review) and audited financial statements for the years ended March 31, 2015, March 31, 2014 and March 31, 2013 (audited) are summarised below:

(in Rs. Crores except as indicated)

Particulars	9 month ended December 31, 2015 (consolidated, limited review)	For the financial year ended March 31, 2015 (consolidated, audited)	For the financial year ended March 31, 2014 (consolidated, audited)	For the financial year ended March 31, 2013 (consolidated, audited)
Total Revenue	3.84	6.21	7.71	9.84
Net Income (Net Profit / (Loss) after Tax)	(5.55)	(4.64)	(9.80)	(14.39)
Basic earnings per share (Rs. per equity share)	(1.21)	(1.01)	(2.13)	(3.12)
Diluted earnings per share (Rs. per equity share)	(1.21)	(1.01)	(2.13)	(3.12)
Net worth / Shareholders' Fund	@	(12.32)	(6.27)	2.34

Source: Annual Reports for financial years ended March 31, 2015, 2014 and 2013 (based on audited consolidated financials) and certified un-audited and limited reviewed financials for the nine months ended December 2015
@- Not available

4. Details of the Offer

4.1. This Acquirer is making this Offer to all the equity shareholders of the Target Company other than the persons acting in concert or deemed to be acting in concert with the Acquirer (**"Shareholders"**), to acquire up to 29,586,054 Equity Shares at an offer price of Rs. 7.00 (Rupees Seven only) per Offer Share (**"Offer Price"**) aggregating to a total consideration of Rs. 20,71,02,378 (Rupees Twenty Crores Seventy One Lakhs Two Thousand Three Hundred and Seventy Eight only) payable in cash (**"Offer Size"**) and subject to the terms and conditions set out in this DPS and the letter of offer that will be dispatched to the shareholders in accordance with the provisions of the SEBI (SAST) Regulations (**"Letter of Offer"**). Save and except for the PAC, no other person is acting in concert with the Acquirer for the purpose of this Offer.

4.2. The Offer Shares represent 26% of the Equity Share Capital of the Target Company as on the 10th Working Day (Working Day as defined under SEBI (SAST) Regulations) after the closure of the tendering period (assuming there is no change in the Voting Share Capital between the date of this DPS and such date). The Voting Share Capital has been calculated based on publicly available data.

4.3. As on the date of this DPS, to the best of the knowledge and belief of the Acquirer, there are no other statutory or other approvals required to complete the acquisition of the Offer Shares as on the date of this DPS except as set out in paragraph VI (Statutory and Other Approvals) below. If, however, any statutory or other approval becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s).

4.4. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals specified in this DPS or those which become applicable prior to completion of the Open Offer are not received, the Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and the PAC (through the Manager) shall, within two Working Days of such withdrawal, make an announcement stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

4.5. The Offer is not conditional on any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.

4.6. The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

4.7. As on the date of this DPS, other than certain employee stock options with defined vesting periods, there are no instruments of the Target Company pending for conversion of Equity Shares. The employee stock options are not capable of vesting on or prior to September 2016 and hence, the share capital of the Company is not subject to change until September 2016. The Acquirer expects the Offer to be completed prior to any such change.

4.8. The Equity Shares will be acquired by the Acquirer as fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.

4.9. On the acquisition of the Offer Shares, and assuming (i) full acceptance of the Offer and (ii) the categorization of the Acquirer as promoters of the Target Company along with the current promoters of the Target Company, the public shareholding in the Target Company will fall below the minimum level required for continued listing under clause 40A of the listing agreement and Rule 19A of the Securities Contract (Regulation) Rules, 1957. In the event the public shareholding falls below 25% of the Voting Share Capital pursuant to this Offer, the Acquirer shall bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the Securities Contract (Regulation) Rules, 1957, and as per applicable SEBI guidelines.

4.10. Transfer of Equity Shares by non-resident Indians (**"NRIs"**) to the Acquirer would require prior Reserve Bank of India (**"RBI"**) approval. Further, if the holders of the Equity Shares who are not persons resident in India (including NRI), overseas corporate body (**"OCB"**), and foreign institutional investors (**"FIIs"**) had required any approvals (including from the RBI, the Foreign Investment Promotion Board (**"FIPB"**) or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. It is clarified that NRI, OCB or any other non-resident holders of Equity Shares, if any, must obtain all approvals required, if any, to tender the Equity Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the Letter of Offer.

4.11. In the event that the number of Equity Shares validly tendered by the Shareholders under this Offer is more than the Offer Shares, the Acquirer shall accept the Equity Shares received from the Shareholders on a proportionate basis in consultation with the Manager to the Offer.

4.12. The Manager to the Offer i.e. IIFL Holdings Limited does not hold any Equity Shares in the Target Company as on the date of appointment to act as Manager to the Offer. They declare and undertake that they shall not deal in the Equity 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 on which the payment of consideration to the shareholders who have accepted the Open Offer is made, or the date on which the Open Offer is withdrawn as the case may be.

4.13. The Acquirer and the PAC do not have any plans to alienate, sell, restructure, dispose off or otherwise encumber any material assets of the Target Company or any of its subsidiaries during the period of 2 (two) years from the expiry of the Offer period, except in the ordinary course of business and other than as already agreed, disclosed and/or publicly announced by the Target Company. The board of directors of the Target Company may, in the ordinary course of business, take decisions to alienate, restructure, dispose off or transfer of assets of the Target Company in accordance with applicable laws. The Acquirer and the PAC undertake that they will not restructure, sell, lease, dispose off or otherwise encumber any substantial assets of the Target Company or any of its subsidiaries other than as stated above in the succeeding 2 (Two) years from the completion of this Offer, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations, 2011.

II. BACKGROUND TO THE OFFER

1. The Acquirer has entered into a share subscription agreement (SSA) on February 18, 2016 with, amongst other persons, the Target Company and PAC 2 for the subscription of 64,064,000 Equity Shares of Rs. 2 each by the Acquirer, constituting 56.30 % of the paid-up Voting Share Capital on a fully diluted basis (**"Subscription Shares"**) by way of preferential allotment.

2. The Board of Directors of the Target Company, in their meeting held on February 18, 2016 have, inter alia, approved the issue of the Subscription Shares by way of preferential allotment, subject to requisite shareholder approval and other approvals (if any) and provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**"SEBI (ICDR) Regulations"**). The Subscription Shares shall have a face value of INR 2/- each, and are to be issued for cash at a price of Rs. 5.41 (Rupees five and forty one paise only) per Equity Share, being the price determined in accordance with the SEBI (ICDR) Regulations. Simultaneously with the subscription of the Subscription Shares by the Acquirer, PAC 2 shall also subscribe to 33,93,000 Equity Shares constituting 2.98% of the paid-up Voting Share Capital by way of preferential allotment for cash at a price of Rs. 5.41 (Rupees five and forty one paise only) per Equity Share, being the price determined in accordance with the SEBI (ICDR) Regulations. It is clarified that simultaneously with the preferential issue of Equity Shares to the Acquirer and PAC 2, the Target Company also proposes to issue 300,000 Equity Shares to 1 other individual, being Dr. Madhu Mohan Katikineni who is not related to the Acquirer or PAC, for cash at a price of Rs. 5.41 (Rupees five and forty one paise only) per Equity Share, being the price determined in accordance with the SEBI (ICDR) Regulations.

3. Pursuant to resolutions passed by the Board of Directors of the Target Company at their meeting held on February 18, 2016 and the SSA as aforesaid, and subject to the approval of the shareholders of the Target Company, the Acquirer proposes to complete the subscription of the Subscription Shares in accordance with the terms of the SSA, within 15 days from the date of the shareholders' approval.

4. The Acquirer currently does not hold any Equity Shares in the Target Company.

5. The Acquirer also intends to (i) acquire joint control over the Target Company, to be exercised alongside the existing promoters of the Target Company and (ii) change the composition of the Board of Directors of the Target Company in accordance with the provisions of a shareholders' agreement dated February 18, 2016, entered into between, amongst other persons, the Acquirer, the Target Company and PAC 2 (**"SHA"**).

The key terms of the SHA include, inter alia, that: (i) the SHA shall become effective from the date of completion of the Subscription Shares by the Acquirer; (ii) the Acquirer shall have the right to nominate majority nominee directors and recommend majority independent directors, on the Board of Directors of the Target Company; (iii) the Acquirer shall have the right of first refusal over the Equity Shares held by PAC 2 and C Dayakar Reddy.

6. The pre and post-preferential allotment capital of the Target Company prior to the commencement of the open offer would be as under:

Category	Pre-Preferential Issue Equity Shareholding: No. of shares	Pre-Preferential Issue Equity Shareholding: % of Holding	Post-Preferential Issue Equity Shareholding: No. of shares#	Post-Preferential Issue Equity Shareholding: % of Holding#
A. Promoter & Promoter Group				
Acquirer	-	-	64,064,000	56.30
PAC2	3,050,037	6.63	6,443,037	5.66
Others	5,433,931	11.80	5,433,931	4.78
Sub Total	8,483,968	18.43	75,940,968	66.74
B. Public	37,551,549	81.57	37,851,549	33.26
TOTAL (A+B)	**46,035,517**	**100.00**	**11,37,92,517**	**100.00**

 # Simultaneously with the authorization of preferential issue of 64,064,000 equity shares to the Acquirer, the Board of the Target Company has also authorized the preferential issue of 3,393,000 equity shares to PAC 2 and 300,000 equity shares to Dr. Madhu Mohan Katikineni. The post-preferential issue equity shareholding is calculated based on the assumption that the Acquirer will complete the subscription of the Subscription Shares and come in control of the Target Company before the acquisition of the Offer Shares. Similarly the preferential issue of 3,393,000 equity shares to PAC 2 and 300,000 equity shares to Dr. Madhu Mohan Katikineni would be completed before the acquisition of the Offer Shares.

7. The main object of subscribing to the Subscription Shares and coming in joint control of the Target Company, is for the Acquirer and PAC 1 to work jointly with the existing promoters and management of the Target, to enable the Target Company to become better managed and function more efficiently, so as to deliver higher quality and volume of service and goods. The Acquirer and PAC 1 propose to add strategic value to the business operations of the Target Company. At present, the Acquirer does not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business. However, the Acquirer may expand the existing business of the Target Company. The Acquirer shall further strengthen the Board of Directors of the Target Company. The Acquirer upon completion of the Offer, intends to pursue these objects and may undertake new business with the approval of Shareholders of the Target Company.

8. The Offer Price will be payable in cash by the Acquirer and/or PAC1, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.

III. SHAREHOLDING AND ACQUISITION DETAILS

1. The current and proposed shareholding of the Acquirer and the PAC in the Target Company and the details of their acquisition are as follows:

Details	Acquirer: No. of Equity Shares	Acquirer: %	PAC 1: No. of Equity Shares	PAC 1: %	PAC 2: No. of Equity Shares	PAC 2: %
Shareholding as on the PA date	-	-	-	-	3,050,037	6.63%
Shares acquired between the PA date and the DPS date	-	-	-	-	-	-
Post-Offer shareholding (based on Voting Share Capital)*	93,650,054	82.30%	-	-	6,443,037	5.66%

** Assuming the full acceptance in the Open Offer; Simultaneously with the authorization of preferential issue of 64,064,000 equity shares to the Acquirer, the Board of the Target Company has also authorized the preferential issue of 3,393,000 equity shares to PAC 2 and 300,000 equity shares to Dr. Madhu Mohan Katikineni.)*

2. As of the date of this DPS, neither PAC 1 nor any of the members of the board of directors of the Acquirer hold any Equity Shares of the Target Company. PAC 2 is a promoter and director of the Target Company, holding a total of 3,050,037 equity shares in the Target Company as on the date of this DPS.

IV. OFFER PRICE

1. The Equity Shares are listed on the BSE.

2. The trading turnover in the Equity Shares based on the trading volumes during the twelve months prior to the calendar month of the PA (i.e. February 2015 to January 2016) on BSE is as given below:

Stock exchange	Total number of Equity Shares traded during the 12 calendar months preceding the calendar month of the PA ("A")	Total number of Equity Shares during the 12 calendar months preceding the calendar month of the PA ("B")	Trading turnover % (A/B)
BSE	9,656,375	46,035,517	20.98%

(Source:www.bseindia.com)

3. Based on the above, the Equity Shares are frequently traded on the BSE in terms of the explanation provided under Regulation 2(1)(j) of the SEBI (SAST) Regulations.

4. The Offer Price of Rs. 7.00 (Rupees Seven only) per Offer Share is justified in terms of Regulation 8(1) and Regulation 8(2) of the SEBI (SAST) Regulations, taking into account the following parameters:

Sr. No.	Particulars	Price (in Rs. Per Equity Share)
A	The highest negotiated price per Equity Share of the Target Company for any acquisition under an agreement attracting the obligation to make a public announcement of an open offer	NA
B	The volume weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer or by the PAC, during the fifty two weeks immediately preceding the date of the PA	NA
C	The highest price paid or payable per Equity Share for any acquisition, whether by the Acquirer or by the PAC, during the twenty six weeks immediately preceding the date of the PA	NA
D	The volume weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the PA as traded on the NSE, being the stock exchange where the maximum volume of trading in Equity Shares are recorded during such period and such shares being frequently traded	6.98
E	Where the shares are not frequently traded, the price determined after taking into account valuation parameters as are customary for such valuation of shares of such companies	NA

(Source: www.bseindia.com)

5. In view of the parameters considered and presented in table above, in the opinion of the Acquirer and the Manager to the Offer, the Offer Price of Rs. 7.00 (Rupees Seven only) per Equity Share, being greater than the highest of the prices mentioned above, is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.

6. There have been no corporate actions undertaken by the Target Company warranting adjustment of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.

7. The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to three Working Days before the commencement of the tendering period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Where the Acquirer or the PAC has acquired any Equity Shares during the offer period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with Regulation 8(8) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall make corresponding increases to the escrow amounts (under Regulation 18(5) of SEBI (SAST) Regulations), as more particularly set out in paragraph V (Financial Arrangements) of this DPS; and the Acquirer and PAC shall (i) make a public announcement in the same newspapers in which this DPS is published; and (ii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

V. FINANCIAL ARRANGEMENTS

1. The Offer Size is Rs. 20,71,02,378 (Rupees Twenty Crores Seventy One Lakhs Two Thousand Three Hundred and Seventy Eight only).

2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an open offer escrow account with Kotak Mahindra Bank Limited, acting through its branch situated at Mittal Court, Nariman Point, Mumbai 400 021 (**"Escrow Bank"**), in the name and style as "Escrow Account – MSTL – Open Offer" (**"Cash Escrow Account"**) and deposited an amount of Rs. 5,17,75,595 (Rupees Five Crore Seventeen Lakhs Seventy Five Thousand Five Hundred and Ninety Five Only) being 25% of the Offer Size. The Manager has been duly authorized to operate and realize the value of the aforesaid escrow account in terms of the SEBI (SAST) Regulations.

3. The Acquirer proposes to subscribe to the Subscription Shares and appoint its nominees as directors on the Board of Directors of the Target Company after (i) the expiry of 21 working days from the date of this DPS and (ii) the Acquirer having deposited cash equivalent to 100% of the Open Offer consideration (assuming full acceptance) in the Cash Escrow Account in terms of Regulation 22(2) and Regulation 24(1) of the SEBI (SAST) Regulations.

4. The Acquirer together with PAC1 have confirmed that they have adequate financial resources to meet the obligations under the Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The PAC1 has further confirmed through an undertaking dated February 17, 2016 that he will provide the necessary financial assistance to the Acquirer to meet the financial requirements relating to the Offer.

5. G.V. Savithri, Chartered Accountant, (Membership No. 220907) having her office at #12-10-416/8/10, Seetharamnagar, Warasiguda, Secunderabad - 500 061has vide certificate dated 18 February 2016 certified that adequate and firm financial resources are available with the Acquirer together with the PAC1 to enable it to fulfill its financial obligations under the Offer.

6. Based on the above, the Manager is satisfied that firm arrangements have been put in place by the Acquirer together with PAC 1 to fulfill its obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

7. In case of any upward revision in the Offer Price or the size of this Offer, escrow amount shall be increased by the Acquirer in terms of Regulation 17(2) of the SAST Regulations.

VI. STATUTORY AND OTHER APPROVALS

1. To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the acquisition of the Offer Shares as on the date of this DPS, except as set out below. If, however, any statutory or other approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory or other approval(s).

2. This Offer is subject to receipt of the Target Company's shareholders approval by way of a special resolution for the issuance of the Subscription Shares to the Acquirer. In the event the shareholders of the Target Company do not approve of the issuance of the Subscription Shares, the Acquirer may apply to SEBI for withdrawal of the Offer.

3. Transfer of Equity Shares by NRIs to the Acquirer would require prior RBI approval. Further, if the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. It is clarified that NRI, OCB or any other non-resident holders of Equity Shares, if any, must obtain all approvals required, if any, to tender the Equity Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the Letter of Offer.

4. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer and /or the PAC to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, grant an extension of time to the Acquirer to make the payment of the consideration to the Shareholders whose Offer Shares have been accepted in the Offer. Where any statutory approval extends to some but not all of the Shareholders, the Acquirer shall have the option to make payment to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals specified in this DPS or those which become applicable prior to completion of the Offer are not received, the Acquirer

Cont..

Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and the PAC (through the Manager) shall, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

VII. TENTATIVE SCHEDULE OF ACTIVITY

No.	Activity	Schedule (Day and Date)
1.	Public Announcement	Thursday, February 18, 2016
2.	Date of publishing this DPS	Friday, February 26, 2016
3.	Last date for filing of the draft Letter of Offer with SEBI	Friday, March 4, 2016
4.	Last date for the public announcement of competitive offer(s)	Monday, March 21, 2016
5.	Declaration of results of postal ballot for the preferential allotment of shares	Wednesday, March 23, 2016
6.	Last date for SEBI observations on the draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Wednesday, March 30, 2016
7.	Identified Date#	Friday, April 01, 2016
8.	Last date for allotment of equity shares under preferential allotment by the Target@	Thursday, April 07, 2016
9.	Date by which the Letter of Offer is to be dispatched to the Shareholders whose name appears on the register of members on the Identified Date	Monday, April 11, 2016
10.	Last date for revising the Offer Price / Offer Size	Tuesday, April 12, 2016
11.	Last Date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer	Monday, April 18, 2016
12.	Date of publication of Offer opening public announcement in the newspapers in which this DPS has been published	Wednesday, April 20, 2016
13.	Date of commencement of the tendering period **("Offer Opening Date")**	Thursday, April 21, 2016
14.	Date of closure of the tendering period **("Offer Closing Date")**	Wednesday, May 04, 2016
14.	Last date for publication of post-Offer public announcement in the newspapers in which this DPS has been published	Wednesday, May 11, 2016
15.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company	Wednesday, May 18, 2016

 # The Identified Date is only for the purpose of determining the Shareholders as on such date to whom the Letter of Offer would be dispatched.

@ Subject to receipt of approvals, as applicable

VIII. SUMMARY OF PROCEDURE FOR TENDERING THE SHARES (INCLUDING IN CASE OF NON RECEIPT OF LETTER OF OFFER)

1. All the Shareholders, whether holding the Equity Shares in physical form or dematerialized form or holding lock-in Equity Shares are eligible to participate in this Offer at any time during the tendering period for this Offer.
2. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
3. Assuming that the Acquirer will complete the subscription of the Subscription Shares and come in control of the Target Company before the acquisition of the Offer Shares, the Open Offer will be implemented by the Acquirer through a stock exchange mechanism made available by Stock Exchanges in the form of a separate window (**"Acquisition Window"**), as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI.
4. BSE shall be the designated stock exchange for the purpose of tendering Equity Shares in the Open Offer.
5. The Acquirer has appointed [India Infoline Limited] (**"Buying Broker"**) as its broker for the Open Offer through whom the purchases and settlement of the Offer Shares tendered under the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:

   Name: India Infoline Limited
   Address: IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013
   Contact Person: Mr. Prasad Umrale
   Tel.: +91-22 4249 9000
6. All Shareholders who desire to tender their Equity Shares under the Open Offer would have to intimate their respective stock brokers (**"Selling Broker"**) within the normal trading hours of the secondary market, during the tendering period.
7. A separate Acquisition Window will be provided by the stock exchange to facilitate placing of sell orders. The Selling Broker can enter orders for dematerialized as well as physical Equity Shares.
8. In the event the Acquirer is unable to complete subscription of the Subscription Shares and come in control of the Target Company before the tendering period, the Acquirer shall inform the Shareholders of such development and amend the terms of the Open Offer to be implemented by the 'tender offer method'.
9. **The detailed procedure for tendering the shares in the Offer will be available in the Letter of Offer, which shall be available on SEBI's website (www.sebi.gov.in).**

IX. OTHER INFORMATION

1. For the purpose of disclosures in this DPS relating to the Target Company, the Acquirer and the PAC have relied on publicly available information and have not independently verified the accuracy of details of the Target Company.
2. The Acquirer, its directors, and PAC accept the responsibility for the information contained in the PA and this DPS and also for the obligations of acquirers laid down in the SEBI (SAST) Regulations.
3. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer has appointed IIFL Holdings Limited as the Manager to the Offer.
4. The Acquirer has appointed Karvy Computershare Limited as the Registrar to the Offer.
5. This DPS and the PA shall also be available on SEBI's website (www.sebi.gov.in).

Manager to the Offer

IIFL

IIFL Holdings Limited
SEBI Regn. No. INM000010940
10th Floor, Kamala City, IIFL Centre, Senapati Bapat Marg, Lower Parel (W),
Mumbai – 400013, Maharashtra, India
Tel: +91 22 4646 4600, Fax: +91 22 2493 1073, Email ID: moschip.openoffer@iiflcap.com
Contact Person: Mr. Sachin Kapoor/Gururaj Sundaram

Registrar to the Offer

KARVY Computershare

Karvy Computershare Private Limited
SEBI Regn. No.: INR000000221
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad 500 032, India
Tel:+91 (40) 6716 2222, Fax: +91 (40) 2343 1551, E-mail id: murali.m@karvy.com
Contact Person: Mr. M Muralikrishna

ISSUED BY THE MANAGER TO THE OFFER IIFL Holdings Limited For and on behalf of the Acquirer and PAC

Place: Mumbai

Date: February 25, 2016