

SEBI AUTHORISED MERCHANT BANKER
CODE NO: MB/INM000008571/Mapin.no. 100072835

No.SCOL/MBD/158/2007-08

July 05, 2007

Securities & Exchange Board of India,
Plot No.C4-A,'G' Block,
Bandra Kurla Complex,
Bandra(East),
Mumbai 400 051

Sirs,

**Sub: Acquisition of shares of M/s. Arnit Infotech Limited by Acquirers Mrs. Aruna R
Ajjarapu and Mr. Kuchimanchi Shridhar**

Please find enclosed herewith 45 days Compliance report in duplicate in pursuance with Regulation 24 (7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,
For **SOBHAGYA CAPITAL OPTIONS LIMITED**

Lavanya Chandra
General Manager

?

(Offer formalities completed (Yes/NO)

(To be submitted in duplicate within 45 days from the closure of the open offer)

1	Name of the Target Company	ARNIT INFOTECH LIMITED	
2	Name of Acquirer(s):	MRS. ARUNA R AJJARAPU & MR. KUCHIMANCHI SHRIDHAR	
3	Name of Manager to the offer:	SOBHAGYA CAPITAL OPTIONS LIMITED	
4	Name of the Registrar to the offer, if any	M/S AARTHI CONSULTANTS PVT. LTD.	
5	Offer Details		
5.1	Activity schedule	Proposed	Actual
5.1.1	Date of the public announcement	01.02.2007	01.02.2007
5.1.2	Date by which Letter of offer (LOO) are to be dispatched in terms of Regulations	28.04.2007	28.04.2007
5.1.3	Date of opening of the offer	04.05.2007	04.05.2007
5.1.4	Date of closure of the offer	23.05.2007	23.05.2007
5.1.5	Last date of completion of the despatch of consideration to respondents	07.06.2007	07.06.2007
	*- In case of delay beyond the proposed dates, give reasons for the same	N.A	N.A
5.2	Offer price details	Proposed	Actual
5.2.1	Offer price for fully paid shares	Rs.3/-	Rs. 3/-
5.2.2	Offer price for partly paid shares	N.A	N.A
5.2.3	Offer size (no of shares x price per share)	Rs.18,00,000/-	Rs.18,00,000/-
5.2.4	Mode of payment of consideration: Cash/ Securities	Cash	

6	Details of basis of acceptance	
6.1	No. of shares proposed to be acquired in the open offer. In case of any revisions indicate the same	6,00,000
6.2	No. of applications received	04
6.3	No. of applications accepted	04
6.4	No. of applications rejected(in case of rejection mention the reasons thereof)	NIL
6.5	No. of Fully paid shares received	49,700
6.6	No. of Fully paid shares accepted	49,700
6.7	No. of Fully paid shares rejected (in case of rejection mention the reasons thereof)	NIL
6.8	No. of Partly paid shares received	NIL
6.9	No. of Partly paid shares accepted	NIL
6.10	No. of Partly paid shares rejected (in case of rejection mention the reasons thereof)	NIL
7	Details of payment of consideration / special account	A special account was opened with HDFC Bank Limited, Lakdi-ka-pul Branch, Hyderabad, having A/c. No. 0210350001231 for payment of consideration to the shareholders whose shares have been accepted under the offer. The consideration warrants were dispatched on 02.06.2007 to the shareholders from whom the shares have been accepted.
7.1	Confirm whether consideration has been paid to all the shareholders whose shares have been accepted. If no, give reasons	Yes
7.2	Name of the bank where the special account has been opened for the purpose of payment of consideration and a certificate from it that the entire amount of consideration has been deposited therein as on ...	A special account has been opened with HDFC Bank Limited, Saeed Plaza, Lakdi-ka-pul Br. having A/c. No. 0210350001231. The entire amount of consideration was deposited in the account on 28.05.2007. (A copy of the statement from HDFC Bank Limited, Lakdi-ka-pul Branch, is enclosed)

8	Escrow account details:					
8.1	In case, escrow account consists of cash deposit, indicate when, how and for what purpose the amount deposited in escrow account was released (Refer Regulation 28(12))		The Acquirer opened an Escrow Account with HDFC Bank Limited, Saeed Plaza, Lakdi-ka-pul Br. Hyderabad, Account no. 0210350001224 and had deposited therein an amount of Rs.4,60,000/- on 29.01.2007 being more than 25% of the maximum purchase consideration payable under the offer. A sum of Rs.1,49,100/- from this account was released on 28.05.2007 to the special account with HDFC Bank Limited, Saeed Plaza, Lakdi-ka-pul Br., Hyderabad, Account No. 0210350001231 for payment of purchase consideration to the shareholders.			
8.2	In case, escrow account consists of Bank guarantee (BG) / deposit of securities, whether BG/securities have been returned to acquirer(s) If yes, when and why. If no, why		N. A.			
9	Post offer details (Actual Versus proposed)	Proposed		Actuals		
		No.	%	No.	%	
9.1	Share holding of acquirer and PAC (No. & %) before MOU/P.A.	1,91,295	6.37	1,91,295	6.37	
9.2	Shares acquired by way of MoU or market purchases (No & %) Shares which triggered of the Regulations (Preferential Allotment)	18,53,000	61.77	18,53,000	61.77	
9.3	Shares acquired in the open offer (No & %)	6,00,000	20.00	49,700	1.65	

9.4	Size of the open offer (No. of shares multiplied by offer price per share)	Rs. 18,00,000/-		Rs. 1,49,100/-	
9.5	Shares acquired after P.A but before 7 working days prior to closure date, if any. (No & %)	Nil		Nil	
9.6	Post offer share holding of acquirer (No & %) (9.1+9.2+9.3+9.4+9.5)	26,44,295	88.14	20,93,995	69.79
9.7	Pre & Post offer share holding of Public (No & %)	Pre offer	Post offer	Pre offer	Post offer
		6,55,705 (21.86%)	3,55,605 (11.86%)	6,55,705 (21.86%)	9,06,300* (30.21%)
10.	Give details regarding acquisition mentioned at 9.5 above, if any:	N. A.			
	i) Name of the entity who acquired the shares	N. A.			
	ii) Whether disclosure about the entity stated at(i) was given in the letter of offer as either Acquirer or Persons acting in concert with Acquirer. (Yes/No)	N. A.			
	iii) No of shares acquired per person mentioned at (i)	N. A.			
	iv) Purchase price per share	N. A.			
	v) Mode of acquisition	N. A.			
	vi) Date of acquisition	N. A.			
	Vii) Date of disclosure to the SEs u/r 22(17)	N. A.			
11.1	Indicate whether the public share holding has fallen to 10% or less, (Yes/ NO).	No			
11.2	If yes, indicate the steps taken in accordance with the disclosures given in the offer document.	N. A.			

12	Indicate Market price (opening and closing prices) of shares of target company, if traded on the following dates (indicate name of Stock Exchange(s) also): No trading, hence Not Applicable			
	Reference date	ASE (Rs)	HSE (Rs)	PSE (Rs)
		Opening Price	Closing Price	Avg Price
	AS on (Date of P.A)	--	--	--
	Offer opening date	--	--	--
	Offer closing date	--	--	--
	Average price during the offer period **	--	--	--
	** The average market price of the weekly high and low of the closing prices of the shares during the period from the date of PA till closure of the offer			
13	Any other relevant information Nil			

* including 10% shareholding of erstwhile promoters

Date : 05-07-2007

Place : Hyderabad

Lavanya Chandra

General Manager