LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder of Cambridge Solutions Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer / Registrar to the Offer. In case you have recently sold your Shares in Cambridge Solutions Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed (applicable for Shareholders holding Shares in physical form) to the member of the stock exchange through whom the said sale was effected.

Please refer to the section on 'Key Definitions' for the definition of the capitalized terms used herein.

Xchanging (Mauritius) Limited ("Acquirer")

Registered Office: C/O Abax Corporate Services Limited, Level 6, One Cathedral Square, Jules Koenig Street, Port Louis, Mauritius

Tel : +230 207 1000; Fax : +230 208 7949; Email: info@xchanging.com

along with

Xchanging plc ("PAC")

Registered Office: 13 Hanover Square, London, W1S 1HN, England

Tel: +44 20 7780 6999; Fax: +44 20 7499 0169; Email: info@xchanging.com

MAKE A CASH OFFER AT RS. 81.11 PER SHARE TO ACQUIRE

2,25,90,415 Shares representing 20% of the Share Capital which is the fully diluted voting equity capital of

Cambridge Solutions Limited ("**Target Company**")

Registered and Corporate Office: SJR I-Park, Plot 13, 14, 15, EPIP Industrial Area, Phase I Whitefield,

Bangalore 560 066, Karnataka

Tel: +91 80 3054 0000; Fax: +91 80 4115 7394; Email: compliance@cambridge-asia.com

Pursuant to Regulations 10 and 12 of

the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereof

Notes:

- This is not a competitive bid.
- This Offer is being made by the Acquirer and PAC to the Shareholders pursuant to, and in accordance with, the provisions of Regulations 10 and 12 of the SEBI (SAST) Regulations.
- The Offer is not subject to a minimum level of acceptance by the Shareholders.
- Statutory approvals required for acquisition of the Total Target Sale Shares and acquisition of Shares under the Offer have been received. These include the approval of the RBI under FEMA and the rules and regulations issued thereunder (provided that specific RBI approval shall be required for transfers by OCBs – please see the Risk Factors and paragraph 3.1 of this Letter of Offer for further details), the UK Treasury Consent, the Anti-trust Approvals and a certificate from the BSE approving the transfer of the Total Target Sale Shares that are subject to lock-in.
- There are no other statutory approvals required to implement the Offer, other than those set out above.
- Neither the Acquirer nor the PAC require any approvals from financial institutions or banks for the Offer.
- Shareholders who accept the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer can withdraw the same up to three (3) Working Days prior to the date of closure of the Offer in terms of Regulation 22(5A) of the SEBI (SAST) Regulations.
- The Acquirer can revise the Offer Price upwards up to seven (7) Working Days prior to the date of closure of the Offer (viz. March 3, 2009). If there is any upward revision in the Offer Price by the Acquirer or if the Offer is withdrawn in terms of Regulation 27 of the SEBI (SAST) Regulations, the same would be communicated by a public announcement in the same newspapers where the original Public Announcement appeared. The Acquirer would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer.
- **Since the Offer Price cannot be revised during seven (7) Working Days prior to the closing date of the Offer, it would, therefore, be in the interest of Shareholders to wait until the commencement of that period to know the final offer price and tender their acceptance accordingly.**
- **There has been no competitive bid to this Offer.**
- Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed (applicable for Shareholders holding Shares in physical form) are also enclosed with this Letter of Offer.
- A copy of the Public Announcement and the Letter of Offer (including the Form of Acceptance cum Acknowledgment) will be available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED 12th Floor, Bakhtawar, Nariman Point, Mumbai 400 021 Tel: +91 22 6631 9890 Fax: +91 22 6646 6218 E-mail: csl.openoffer@citi.com Website: www.citibank.co.in Contact Person: Mr. Pankaj Jain	Karvy Computershare Private Limited **KARVY COMPUTERSHARE PRIVATE LIMITED** Unit : Cambridge Solutions Ltd – Open offer Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Tel : +91 40 2342 0815-24 Fax : +91 40 23431551 E-mail: csl.openoffer@karvy.com Website: www.karvy.com Contact Person: Mr. Murali Krishna

The table below summarizes the schedule of activities in relation to the Offer

Activity	Day and Date
Public Announcement Date	Monday, October 6, 2008
Specified Date*	Friday, October 17, 2008
Last date for a competitive bid	Monday, October 27, 2008
Date by which Letter of Offer will be dispatched to Shareholders	Friday, February 20, 2009
Date for opening of the Offer	Wednesday, February 25, 2009
Last date for revising the Offer price / number of Shares	Tuesday, March 03, 2009
Last date for withdrawing acceptance from the Offer	Monday, March 09, 2009
Closure of the Offer	Monday, March 16, 2009
Last date of communicating rejection / acceptance and payment of consideration for applications accepted and for dispatch of share certificates for the rejected Shares or for credit of unaccepted demat Shares	Tuesday, March 31, 2009

* *Specified Date is the date for determining the names of the Shareholders to whom the Letter of Offer would be sent, being all Shareholders whose names appear on the register of members of the Target Company and as regards the beneficial owners of the dematerialized Shares, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on October 17, 2008. All owners (registered or unregistered) of Shares (except the Acquirer, the PAC and the Sellers being parties to the SPAs) are eligible to participate in the Offer anytime before the closure of the Offer.*

RISK FACTORS

- In the event of regulatory approvals not being received in a timely manner or litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirer may be delayed. In case of delay due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to the willful default or negligence on the part of the Acquirer, grant an extension for the purpose of the completion of the Offer.
- The Shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities, and the Shareholders will not be able to trade such Shares. During such period there may be fluctuations in the market price of the Shares. Accordingly, 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 any Shareholder on whether to participate or not to participate in the Offer.
- The acquisition of the Total Target Sale Shares is subject to a number of conditions precedent such as (i) approval of the RBI for the purchase by the Acquirer of the Total Target Sale Shares pursuant to the SPAs and Shares tendered in this Offer. The said approval of RBI has been received as on the date of this Letter of Offer and is subject to the acquisition of Shares under this Offer being undertaken in compliance with A.P. (DIR Series) Circular No. 16 dated October 4, 2004 (including the reporting requirements specified therein) and specific approval of the RBI being sought for transfers where Shares are tendered in the Offer by any erstwhile OCBs; (ii) the Acquirer and the PAC having completed all their obligations under this Offer and the Manager to the Offer having issued a certificate to that effect in accordance with Regulation 23(6) of the SEBI (SAST) Regulations; (iii) the Consideration Shares having been admitted to the Official List maintained by the UK Financial Services Authority and admitted to trading on the London Stock Exchange, subject only to becoming effective; (iv) the appointment of David Andrews and Richard Houghton, being nominees of the PAC, as directors of the Target Company and such of its subsidiaries as may be required by the PAC. As on the date of this Letter of Offer, David Andrews and Richard Houghton have been appointed as directors of the Target Company; (v) the shareholders of the PAC passing a resolution approving the acquisition of Shares under the SPAs at a general meeting of the PAC. As on the date of this Letter of Offer, this resolution has been passed; (vi) approval of the BSE having been received in terms satisfactory to the PAC for the sale and transfer of 1,31,17,500 Shares held by Scandent Holdings and 43,72,500 Shares held by AMPS which are currently under lock-in. As on the date of this Letter of Offer, this approval of BSE has been received; (vii) the UK Treasury Consent having been received. As on the date of this Letter of Offer, the same has been received; (viii) satisfaction of Anti-trust Approvals. As on the date of this Letter of Offer, the aforementioned approval has been received; and (ix) each of the relevant conditions in the Katra SPA having been satisfied, the Katra SPA not having been

terminated and the Katra SPA having been completed save for the payment of consideration. These conditions precedent are also elaborated in paragraph 3.1 of this Letter of Offer.

- There can be no assurance that such of these conditions as have not already been satisfied will be satisfied and the SPA Completion be achieved.
- By virtue of holding 75% of the Share Capital of the Target Company upon acquisition of Shares under the Offer and the SPAs, the Acquirer will a) be in a position to have both ordinary and special resolutions of the Target Company passed with its affirmative vote and b) have its nominees appointed to the board of directors of the Target Company.
- Certain customer contracts for the supply of IT and BPO services in the USA, India and Australia and certain banking facility agreements to which the Target Company or companies in the Target Company group are parties, contain change of control clauses which could allow the counterparty to terminate the contracts or could lead to other adverse effects as a result of the acquisition of the Shares by the Acquirer/PAC or an associated change in the management of the relevant companies within the Target Company group.
- In the event of oversubscription in the Offer, the acceptance of the Shares tendered will be on a proportionate basis and will be contingent on the level of subscription.
- There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
- The Acquirer is a newly incorporated company and does not have any revenue generating operations of its own. It is dependent on the PAC for financial resources.

The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer and the PAC, but are only indicative. They do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in the Offer. The Shareholders are advised to consult their stockbroker, investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

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Sr. No.	KEY DEFINITIONS	
1.	£	Pounds sterling
2.	AMPS	Aon Minet Pension Scheme, being one of the Sellers under the Scandent Holdings/AMPS SPA, acting through its trustees
3.	ASE	Ahmedabad Stock Exchange Limited
4.	Acquirer	Xchanging (Mauritius) Limited
5.	Actual Sale Shares	Shall have the meaning assigned in paragraph 1 (ix)
6.	Anti-trust Approvals	Shall have the meaning assigned in paragraph 3.1
7.	BPO	Business Process Outsourcing
8.	BSE	Bombay Stock Exchange Limited
9.	Buyers	Shall have the meaning assigned in paragraph 1 (i)
10.	CDSL	Central Depositary Services (India) Limited
11.	Cash Deposit	An amount of Rs. 183,23,08,560.65 deposited in the Escrow Account by the Acquirer in terms of Regulation 28 of the SEBI (SAST) Regulations
12.	Consideration Shares	Shall have the meaning assigned in paragraph 1 (ii)
13.	DP	Depository Participant
14.	ECS	Electronic Clearing Service
15.	Escrow Account	An escrow account under the name and title “Xchanging (Mauritius) Limited – Escrow Account – Open Offer” opened by the Acquirer with the Escrow Agent in terms of Regulation 28 of the SEBI (SAST) Regulations
16.	Escrow Agent	Citibank N.A., Mumbai Branch located at Fort House, 4th Floor, DN Road, Mumbai
17.	Escrow Agreement	Escrow agreement dated September 12, 2007

18.	Escrow Bank	Standard Chartered Bank
19.	Escrow Shares	Shall have the meaning assigned in paragraph 1 (iii)
20.	Exit Agreement	Exit agreement dated December 20, 2005 entered into between Katra, RV and Scandent Holdings
21.	FEMA	Foreign Exchange Management Act, 1999 and shall include applicable rules and regulations issued there under
22.	FII	Foreign Institutional Investor
23.	Form of Acceptance cum Acknowledgement	Form of acceptance cum acknowledgement annexed to this Letter of Offer
24.	Form of Withdrawal	Form of Withdrawal annexed to this Letter of Offer
25.	IFSC	Indian Financial System Code
26.	IT	Information Technology
27.	Income Tax Act	Income Tax Act, 1961
28.	Intercompany Loan Agreement	An intercompany loan agreement dated September 29, 2008 entered into between the PAC and the Acquirer
29.	Katra	Katra Finance Limited, one of the Sellers under the Katra SPA
30.	Katra SPA	Sale and Purchase Agreement dated October 3, 2008 entered into between the Acquirer, the PAC and Katra
31.	Katra SPA Cash Consideration	Shall have the meaning assigned in paragraph 1 (ii)
32.	Katra SPA Consideration	Shall have the meaning assigned in paragraph 1 (ii)
33.	Katra SPA Consideration Shares	Shall have the meaning assigned in paragraph 1 (ii)
34.	Katra Sale Shares	Shall have the meaning assigned in paragraph 1 (ii)
35.	Letter of Offer	This Letter of Offer dated February 14, 2009
36.	Lock-up Period	Shall have the meaning assigned in paragraph 3.2
37.	MICR	Magnetic Ink Character Recognition

38.	MSE	Madras Stock Exchange Limited
39.	Manager/ Manager to the Offer	Citigroup Global Markets India Private Limited
40.	Maximum Consideration	Rs. 183,23,08,560.65, being the total financial resources required under the Offer, assuming full acceptances
41.	NEFT	National Electronic Fund Transfer
42.	NRI	Non Resident Indian
43.	NSDL	National Securities Depository Limited
44.	NSE	The National Stock Exchange of India Limited
45.	Negotiated Price	Rs. 81.11 per Share to be paid by the Acquirer to acquire the Total Target Sale Shares in terms of the SPAs
46.	Non-Compete Agreement	A non-compete agreement dated October 3, 2008 entered into by the Acquirer and the PAC with Christopher Sinclair (Chief Executive Officer and Executive Chairman of the Target Company) and Satyen Patel (Executive Vice Chairman of the Target Company)
47.	Non-Compete Payment	Shall have the meaning assigned in paragraph 6
48.	OCB	Overseas Corporate Body
49.	Offer	This mandatory open offer by the Acquirer and the PAC under Regulations 10 and 12 of the SEBI (SAST) Regulations to acquire 2,25,90,415 Shares
50.	Offer Price	Rs. 81.11 per Share
51.	Offer Size	2,25,90,415 Shares representing 20% of the Share Capital
52.	Persons Acting in Concert / PAC	in terms of Regulation 2(1)(e)(1) of SEBI (SAST) Regulations means persons who, for a common objective or purpose of substantial acquisition of shares or voting rights or gaining control over the target company, pursuant to an agreement or understanding (formal or informal), directly or indirectly co-operate by acquiring or agreeing to acquire shares or voting rights in the target company or control over the target company, and for the purpose of this Letter of Offer means Xchanging plc, being the ultimate parent company of the

		Acquirer
53.	Persons eligible to participate in the Offer	All Shareholders whose names appear in the register of Shareholders on the Specified Date and also persons who own Shares any time prior to the closure of the Offer, whether or not they are registered Shareholders (except the Acquirer, the PAC and the Sellers being parties to the SPAs)
54.	Public Announcement	Announcement of the Offer made by the Manager to the Offer on behalf of the Acquirer and the PAC on October 6, 2008
55.	RBI	The Reserve Bank of India
56.	Rs.	Indian rupee
57.	RTGS	Real Time Gross Settlement
58.	RV	Ramesh Vangal
59.	Registrar/ Registrar to the Offer	Karvy Computershare Private Limited
60.	SEBI	The Securities and Exchange Board of India
61.	SEBI (SAST) Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereto
62.	SEBI Act	The Securities and Exchange Board of India Act, 1992
63.	SPAs	The Katra SPA and the Scandent Holdings/AMPS SPA, collectively
64.	SPA Completion	The date on which the Acquirer completes the acquisition of Shares under the SPAs
65.	Scandent Holdings	Scandent Holdings Mauritius Limited, one of the Sellers under the Scandent Holdings/AMPS SPA
66.	Scandent Holdings/AMPS SPA	Sale and Purchase Agreement dated October 3, 2008 entered into between the Acquirer, the PAC, Scandent Holdings and AMPS
67.	Scandent Holdings/AMPS SPA Cash Consideration	Shall have the meaning assigned in paragraph 1 (i)

68.	Scandent Holdings/AMPS SPA Consideration	Shall have the meaning assigned in paragraph 1 (i)
69.	Scandent Holdings/AMPS SPA Consideration Shares	Shall have the meaning assigned in paragraph 1 (i)
70.	Scandent Holdings/AMPS Sale Shares	Shall have the meaning assigned in paragraph 1 (i)
71.	Sellers	Katra, Scandent Holdings and AMPS
72.	Share(s)	Fully paid-up equity share(s) of the Target Company, having a face value of Rs. 10 each
73.	Share Capital	Rs. 112,95,20,740 comprising 11,29,52,074 Shares being the total fully diluted voting equity capital of the Target Company on March 31, 2009, which is the date that is fifteen days from the closure of the Offer assuming that the Stock Options are exercised
74.	Shareholder(s)	All owners (registered or unregistered) of Shares
75.	Specified Date	October 17, 2008
76.	Stock Exchanges	BSE, NSE, MSE and ASE where the Shares are listed
77.	Stock Options	15,86,691 stock options granted to the employees of the Target Company, as on the date of the Public Announcement, which entitle the grantees of the options to subscribe to 15,86,691 Shares
78.	Target Company	Cambridge Solutions Limited
79.	Tax Clearance Certificate	Certificate from the Income Tax authorities to be submitted by NRIs/ OCBs/ foreign Shareholders, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961
80.	Total Cash Consideration	The aggregate of the Katra SPA Cash Consideration and the Scandent Holdings/AMPS SPA Cash Consideration being Rs. 371,18,61,102
81.	Total Consideration Shares	The aggregate of the Katra SPA Consideration Shares and the Scandent Holdings/AMPS SPA Consideration Shares being 1,52,49,998 Consideration Shares

82.	Total Target Sale Shares	Katra Sale Shares and Scandent Holdings/AMPS Sale Shares, collectively
83.	Transfer Deed	Transfer Deed annexed to this Letter of Offer
84.	UK	United Kingdom
85.	UK Treasury Consent	Consent required by the PAC under the laws of England from Her Majesty's Revenue and Customs for the issue of shares by the Acquirer to the PAC
86.	USA	United States of America
87.	Voting Capital	Rs. 111,36,53,830 divided into 11,13,65,383 Shares, being the total fully paid up share capital of the Target Company as on the date of the Public Announcement
88.	Working Days	Working days of SEBI
89.	Xchanging Group	The PAC along with its direct and indirect subsidiaries

CURRENCY OF PRESENTATION

Certain financial details quoted in Indian Rupee in this Letter of Offer are denominated in £ (Pounds) and € (Euros). The Indian Rupee equivalent quoted in each case is calculated in accordance with the RBI reference exchange rate quoted on www.rbi.org.in as on October 3, 2008, namely £1 = Rs. 82.97 and €1 = Rs. 64.99. Please note that all financial data contained in this Letter of Offer has, where appropriate, been rounded off to the nearest lacs except as stated otherwise.

DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT 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 DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF CAMBRIDGE SOLUTIONS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PAC OR THE TARGET COMPANY WHOSE SHARES ARE 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 AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, THE MANAGER TO THE OFFER, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 17, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS AND SUBSEQUENT AMENDMENTS THERETO. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER OR THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

DETAILS OF THE OFFER

Background of the Offer

1. This Offer is being made under Regulations 10 and 12 of the SEBI (SAST) Regulations for the purpose of a substantial acquisition of Shares and voting rights in the Target Company with change in control pursuant to the following:

   (i) On October 3, 2008, the Acquirer and the PAC (together, referred to as the "**Buyers**") entered into a sale and purchase agreement ("**Scandent Holdings/AMPS SPA**") with Scandent Holdings Mauritius Limited ("**Scandent Holdings**") and the trustees of the Aon Minet Pension Scheme ("**AMPS**") to acquire up to 5,47,44,938 existing Shares from Scandent Holdings and up to 1,74,61,971 existing Shares from AMPS (collectively the "**Scandent Holdings/AMPS Sale Shares**") for a consideration of Rs. 81.11 per Share ("**Negotiated Price**") aggregating to Rs. 585,67,02,389 ("**Scandent Holdings/AMPS SPA Consideration**"). The Scandent Holdings/AMPS SPA Consideration shall be paid partly by the issue of 1,29,98,495 ordinary shares of face value £0.05 each in the capital of the PAC ("**Scandent Holdings/AMPS SPA Consideration Shares**") and partly by the payment of a sum of up to Rs. 316,38,43,448 in cash ("**Scandent Holdings/AMPS SPA Cash Consideration**"). Of the total Scandent Holdings/AMPS SPA Consideration Shares, 98,55,038 Scandent Holdings/AMPS SPA Consideration Shares shall be issued to Scandent Holdings and 31,43,457 Scandent Holdings/AMPS SPA Consideration Shares shall be issued to AMPS. Of the total Scandent Holdings/AMPS SPA Cash Consideration, a sum of up to Rs. 239,87,23,567 shall be paid to Scandent Holdings and a sum of up to Rs. 76,51,19,881 shall be paid to AMPS.

(ii) Simultaneously with the execution of the Scandent Holdings/AMPS SPA, the Acquirer and the PAC entered into the Katra SPA with Katra Finance Limited, (Address: 608 St. James Court, St. Denis Street, Port Louis, Mauritius; Tel: +230 210 9000; Fax: +230 210 9001) to acquire up to 1,25,07,149 existing Shares ("**Katra Sale Shares**") from Katra at the Negotiated Price aggregating to Rs. 101,44,54,855 ("**Katra SPA Consideration**"). The Katra SPA Consideration shall be paid partly by the issue of 22,51,503 ordinary shares of face value £0.05 each in the capital of the PAC ("**Katra SPA Consideration Shares**") to Katra and partly by the payment of a sum of up to Rs. 54,80,17,655 in cash to Katra ("**Katra SPA Cash Consideration**"). The Scandent Holdings / AMPS SPA Consideration Shares and the Katra SPA Consideration Shares shall collectively be referred to as the "**Consideration Shares**".

(iii) As on the date of the Public Announcement, Katra did not hold any Shares in the Target Company. Katra has represented to the Acquirer/PAC that: (a) as on the date of the Katra SPA, the Katra Sale Shares were held in the name of Scandent Holdings; (b) Katra had entered into an Exit Agreement dated December 20, 2005 ("**Exit Agreement**") with RV (Address: 608, St James Court, St Dennis Street, Port Louis, Mauritius; Tel: 230-210 9000; Fax: 230-210 9001) and Scandent Holdings whereby Scandent Holdings had agreed to transfer certain Shares of the Target Company held by Scandent Holdings to Katra and RV; (c) pursuant to the said Exit Agreement, Katra, RV and Scandent Holdings had entered into the Escrow Agreement with the Escrow Bank, being Standard Chartered Bank, whereby Scandent Holdings had deposited a total of 1,25,27,225 Shares of the Target Company held by it, which included the Katra Sale Shares, with the Escrow Bank ("**Escrow Shares**"); (d) As per the Exit Agreement, Shares of the Target Company were to be transferred to an escrow account for distribution to RV / Katra free from encumbrances. Therefore, the Escrow Agreement was originally entered into in respect of 92,44,757 Shares of the Target Company since these were not subject to any encumbrances and subsequently, on September 21, 2007, a further 32,82,468 Shares of the Target Company were deposited with the Escrow Bank by Scandent Holdings once the encumbrance on these Shares was removed; (e) under the terms of the Escrow Agreement, the Escrow Shares were to be released by the Escrow Bank in favour of Katra upon receipt of (i) joint written instructions of Katra, RV and Scandent Holdings to effect such release and (ii) evidence that certificates in respect of shares held by Katra and RV in Scandent Holdings have been returned to Scandent Holdings. Vide a letter dated October 3, 2008, RV confirmed that the Escrow Shares which were to be transferred to RV under the Escrow Agreement would be transferred solely to Katra. In accordance with the Katra SPA, following the transfer of the Escrow Shares to Katra in the manner specified above, such number of the Escrow Shares as is equal to the Katra Sale Shares would be transferred by Katra to the Acquirer under the Katra SPA at SPA Completion.

(iv) Based on the above, Katra had represented to the Acquirer under the Katra SPA that (a) as on the date of the Katra SPA, Katra held the beneficial interest in the Katra Sale Shares and was entitled to sell and transfer the full beneficial ownership of the Katra Sale Shares to the Acquirer and (b) at completion of the Katra SPA, Katra would be the sole registered holder of the Katra Sale Shares and will be entitled to sell and transfer the full legal and beneficial ownership of the Katra Sale Shares to the Acquirer. Katra had further undertaken under the Katra SPA to ensure that on or by October 31, 2008, Katra would be the registered and legal owner in dematerialized form of the Katra Sale Shares. Scandent Holdings had given a representation to the Acquirer pursuant to the Scandent Holdings/AMPS SPA that Scandent Holdings had transferred the beneficial interest in the Katra Sale Shares to Katra on or before September 21, 2007.

(v) Accordingly, on November 14, 2008, the Katra Sale Shares were transferred to Katra.

(vi) The salient features of the Exit Agreement are as follows: (i) The Exit Agreement provides for the redemption of shares held by RV / Katra in Scandent Holdings in consideration of the transfer of Shares of the Target Company to an escrow account for distribution to RV / Katra free of any encumbrances; and (ii) The Exit Agreement provides for the resignation of RV from the board of directors of Scandent Holdings and the Target Company.

(vii) SEBI in its observation letter dated February 10, 2009 has stated that since the aforementioned aspect of the beneficial interest in the Katra Sale Shares held by RV / Katra was not disclosed / made available in public domain, the same is being examined by SEBI.

(viii) The Total Target Sale Shares constitute 75% of the Share Capital.

(ix) It is the intention of the Acquirer to acquire only such number of Shares under the SPAs as would result in the Acquirer holding 75% of the actual fully diluted share capital of the Target Company as on SPA Completion. Accordingly, the SPAs provide that the number of Total Target Sale Shares to be acquired by the Acquirer from the Sellers under the SPAs would be reduced by (a) the number of Shares tendered and accepted in the Offer, and (b) 75% of the number of Stock Options, if any, which lapse or are forfeited between the date of the Public Announcement and the SPA Completion. Such reduced number of Total Target Sale Shares to be acquired under the SPAs is hereinafter referred to as the "**Actual Sale Shares**". The reduction in the number of Shares to be acquired from each

Seller under the SPAs shall be made in such proportion between the Sellers inter se as is set out in the SPAs. The corresponding reduction in the consideration payable to the Sellers shall be made by adjusting the Total Cash Consideration payable under the SPAs without changing the number of Total Consideration Shares to be issued to the Sellers.

(x) Accordingly upon completion of the Offer and the SPAs, the Acquirer shall hold 75% of the actual fully diluted share capital of the Target Company as on the date of the SPA Completion.

(xi) Scandent Holdings is the "promoter" of the Target Company (*Source: www.bseindia.com*). Details of the Total Target Sale Shares proposed to be sold under the SPAs are as under:

Name of Seller	**Shares held as on the date of the SPAs**	**Number of Total Target Sale Shares proposed to be sold under the SPAs**	**Number of Actual Sale Shares to be sold assuming (i) full acceptance in the Offer and (ii) no Stock Options lapse between the date of the Public Announcement and the completion of the Offer**
Katra*	Nil*	Up to 1,25,07,149 Shares	91,71,910 Shares
Scandent Holdings*	6,83,07,557 Shares	Up to 5,47,44,938 Shares	4,01,46,289 Shares
AMPS	1,74,90,000 Shares	Up to 1,74,61,971 Shares	1,28,05,446 Shares

** Please refer to paragraph 1(ii), (iii) and (iv) above in respect of Shares transferred to Katra on November 14, 2008 which were previously held in the name of Scandent Holdings on the date of the SPAs.*

2. Although the aggregate consideration payable to the Sellers under the SPAs for the Total Target Sale Shares is being discharged partly through issuance of the Total Consideration Shares by the PAC and partly by payment of the Total Cash Consideration by the Acquirer, the Offer Price will be paid fully in the form of cash by the Acquirer to all Shareholders whose Shares are accepted by the Acquirer in accordance with the terms and conditions set out in this Letter of Offer.

3. Following is a summary of the key terms of the Scandent Holdings/AMPS SPA:

3.1 Completion of acquisition of the Actual Sale Shares under the Scandent Holdings/AMPS SPA is conditional, inter alia, upon the following conditions precedent:

- the shareholders of the PAC passing a resolution approving the acquisition of Shares under the SPAs at a general meeting of the PAC. As on the date of this Letter of Offer, this resolution has been passed;

- approval of the BSE having been received in terms satisfactory to the PAC for the sale and transfer of 1,31,17,500 Shares held by Scandent Holdings and 43,72,500 Shares held by AMPS which are currently under lock-in. As on the date of this Letter of Offer, the BSE approval has been received;
- approval of the RBI having been received for the purchase by the Acquirer of the Total Target Sale Shares pursuant to the SPAs and Shares tendered in this Offer. Vide its letter no. FE.CO.FID/13417/10.21.135/2008-2009 dated November 21, 2008 the RBI has conveyed its no-objection to the acquisition of Shares under this Offer and has clarified that the acquisition of the Total Target Sale Shares would be under the general permission available for the same in terms of Regulation 9 of FEMA Notification No. 20/2000-RB dated May 3, 2000. The RBI has required the acquisition of the Shares under this Offer to be undertaken in compliance with A.P. (DIR Series) Circular No. 16 dated October 4, 2004 (including the reporting requirements specified therein). Further, in the event that Shares are tendered in the Offer by any erstwhile OCBs, then specific approval of the RBI would need to be sought for such transfers;
- the Acquirer and the PAC having completed all their obligations under this Offer and the Manager to the Offer having issued a certificate to that effect in accordance with Regulation 23(6) of the Takeover Code;
- the UK Treasury Consent having been received. As on the date of this Letter of Offer, the UK Treasury Consent has been received;
- satisfaction of certain anti-trust conditions in Germany, the USA (and India, if applicable) ("**Anti-trust Approvals**"). As on the date of this Letter of Offer, the Anti-trust Approvals have been received;
- the appointment of David Andrews and Richard Houghton, being nominees of the PAC, as directors of the Target Company and such of its subsidiaries as may be required by the PAC, after Anti-trust Approvals have been received and at such time as the PAC may determine. It would be the PAC's intention to make this determination at a time appropriate for the Target Company. At the same time, Christopher Sinclair and Satyen Patel would resign as directors of the Target Company and its subsidiaries and it is the PAC's intention to appoint Christopher Sinclair as a senior adviser to the Xchanging Group to assist in the integration of the Target and to develop new business opportunities. As on the date of this Letter of Offer David Andrews and Richard Houghton have been appointed as directors of the Target Company, and Christopher Sinclair and Satyen Patel have resigned as directors of the Target Company and some of its subsidiaries as detailed in paragraph 60 of this Letter of Offer;
- the Consideration Shares having been admitted to the Official List maintained by the UK

Financial Services Authority and admitted to trading on the London Stock Exchange, subject only to becoming effective. This condition would be fulfilled at a stage subsequent to the completion of this Offer; and

- each of the relevant conditions in the Katra SPA having been satisfied, the Katra SPA not having been terminated and the Katra SPA having been completed save for the payment of consideration. This condition would be fulfilled at a stage subsequent to the completion of this Offer.

3.2 The Consideration Shares will be subject to restrictions on disposal by the Sellers during the period ending ninety (90) days ("**Lock-up Period**") following the date of SPA Completion. In addition, to the extent that there are any amounts outstanding in respect of a claim by the Acquirer against the Sellers for breach of the Scandent Holdings/AMPS SPA at the date of the expiry of the Lock-up Period, such restriction on disposal will continue to apply to such number of Consideration Shares issued to the Sellers as may be equal in value to the amount of the outstanding claim (or the limit on liability, if less). Further, any disposal of Consideration Shares made during the twelve (12) months from the SPA Completion and, if applicable, the extended period of lock-up, must be made through the PAC's brokers and take into account the Acquirer's reasonable requirements to ensure an orderly market in the PAC's shares.

3.3 The Scandent Holdings/AMPS SPA contains customary provisions in respect of indemnities and warranties.

3.4 In the event of termination of the Scandent Holdings/AMPS SPA by Scandent Holdings or the PAC in certain defined circumstances specified in the Scandent Holdings/AMPS SPA and if the Acquirer acquires Shares constituting 10% or more of the paid up share capital of the Target Company as on the date of completion of this Offer, then the PAC shall be entitled to nominate a director to be appointed to the board of directors of the Target Company.

3.5 The Scandent Holdings/AMPS SPA provides for certain value protection rights in favour of the Acquirer and PAC from the date of execution of the SPAs until SPA Completion whereby:

(a) the Sellers have agreed to ensure (to the extent that they reasonably can) inter alia that the Target Company and its subsidiaries conduct their operations and business in the ordinary course of business and in certain cases in consultation with the PAC, and shall not undertake certain actions including making specified changes to its share capital and declaring dividends;

(b) the PAC has a right to appoint an observer to every meeting of the senior management of the Target Company for a period commencing from the date on which Anti-trust Approvals are received and nominees of the Acquirer/PAC are appointed to the board of the Target Company and ending on the date of SPA Completion; and

(c) the Sellers have agreed to ensure (to the extent that they reasonably can) that any director or secretary of the Target Company resigns or is removed from his office at the request of the PAC which request may be made any time after (i) the date on which the Anti-trust approvals are received, or (ii) twenty one (21) days after the date of the Public Announcement, or (iii) any other date notified by PAC, or (iv) January 1, 2009, whichever is later. Further, the SPAs require that the Sellers shall, from January 1, 2009 promptly comply with any request made by the PAC to convene and hold any general meeting of the Target Company and shall vote all their Shares at any such meeting in accordance with the PAC's requirement.

3.6 The Scandent Holdings/AMPS SPA is governed by English law and the courts of England have exclusive jurisdiction to settle any disputes arising from or in connection with the Scandent Holdings/AMPS SPA.

4. The terms of the Katra SPA are materially the same as the terms of the Scandent Holdings/AMPS SPA set out above, save that completion of the Katra SPA is conditional upon, inter alia, the Scandent Holdings/AMPS SPA having become unconditional (i.e. all conditions precedent to completion under the Scandent Holdings/AMPS SPA having being satisfied or waived save for completion of the Katra SPA), the Scandent Holdings/AMPS SPA not having been terminated and a completion certificate being issued under Katra SPA. Completion under the Katra SPA shall take place on the date on which the completion under the Scandent Holdings/AMPS SPA occurs. In addition, Katra does not give any warranties and indemnities under the Katra SPA save for those pertaining to title to the Katra Sale Shares.

5. The SPA provides the Acquirer and the PAC with certain rights that are in general intended to protect the value of the Target Company in the period intervening between the execution of the SPAs and SPA Completion. The SPA does not in any way affect the interests of the public shareholders under applicable law.

6. The Acquirer and the PAC have also entered into the Non-Compete Agreement, pursuant to which Christopher Sinclair and Satyen Patel have severally given a number of undertakings, including an undertaking not to compete with the business of the Target Company group for a period of one (1) year from the date on which they resign as directors of the Target Company. In consideration of Christopher Sinclair and Satyen Patel giving these undertakings, the PAC has agreed to pay (or procure the payment by the Acquirer) on that day the aggregate sum of £23,00,000 (Rs. 19,08,31,000) ("**Non-Compete Payment**") to them in equal amounts. Christopher Sinclair and Satyen Patel are not the Sellers under the SPA. In any event, the Non-Compete Payment is less than 25% of the total Offer Price payable under this Offer assuming full acceptance.

7. Since the Total Target Sale Shares constitute more than 15% of the Voting Capital, being the threshold stipulated under Regulation 10 of the SEBI (SAST) Regulations, this Offer is being made in compliance with Regulation 10 of the SEBI (SAST) Regulations.

8. Further, upon acquisition of the Total Target Sale Shares, the Acquirer and the PAC will be in control of the Target Company and accordingly, this Offer is also being made under Regulation 12 of the SEBI (SAST) Regulations.

9. Scandent Holdings has confirmed that save for a delay in making a filing under Regulation 7(1) of

the SEBI (SAST) Regulations on two occasions, Scandent Holdings has complied with its obligations under Chapter II of the SEBI (SAST) Regulations. AMPS has confirmed that save for a delay in making a filing under Regulation 7(1) of the SEBI (SAST) Regulations on one occasion, AMPS has complied with its obligations under Chapter II of the SEBI (SAST) Regulations. SEBI may initiate appropriate action against Scandent Holdings and AMPS in respect of the aforementioned delays.

10. The Acquirer, the PAC, the Sellers, the Target Company and their respective directors/trustees have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulations made under the SEBI Act, 1992.

11. In accordance with the terms and conditions of the SPAs, and in terms of the second proviso to Regulation 22 (7) of the SEBI (SAST) Regulations, the Acquirer has appointed two of its nominees, David Andrews and Richard Houghton, to the Board of Directors of the Target Company. The Acquirer has accordingly deposited one hundred percent (100%) of the Maximum Consideration in the Escrow Account previously.

Details of the Offer

12. The Public Announcement announcing the Offer was made in accordance with Regulation 15(1) of the SEBI (SAST) Regulations in the following newspapers on October 6, 2008:

Newspaper	**Language**	**Editions**
Business Standard	English	**All India**
Prahtakal	Hindi	**All India**
Samyukta Karnataka	Kannada	**Bangalore**

A copy of the Public Announcement is available on SEBI's website (http://www.sebi.gov.in).

13. Any decision for an upward revision in the Offer Price by the Acquirer before the last date of revision (i.e. March 3, 2009), or withdrawal of the Offer would be communicated by way of a public announcement in the same newspapers in which the Public Announcement had appeared. In case of an upward revision in the Offer Price, the Acquirer would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer. The acquisition of Shares, which are validly tendered, by the Acquirer under this Offer will take place on or before March 31, 2009, in accordance with the schedule of events set out in paragraph 112 of this Letter of Offer and not at any earlier point in time.

14. This Offer is being made to acquire 2,25,90,415 Shares at a price of Rs. 81.11 per Share payable in cash. As required under Regulation 21(5) of the SEBI (SAST) Regulations, the Offer Size represents 20% of the Share Capital.

15. As on the date of this Letter of Offer, save for the Stock Options (which are yet to be exercised and/or vested) there are no other outstanding instruments convertible or resulting into Shares or partly paid-up Shares.

16. The details of the Stock Options as on February 6, 2009 are as follows:

Plan name	**Stock Options outstanding**	**Grant price (Rs./Share)**	**Vested**	**Unvested**
ESOP 2004	45	10.00	45	-
SSI ESOP 2004	1,200	128.75	1,200	-
Scandent ESOP 2005 (Program I)	5,000	10.00	5,000	-
Scandent ESOP 2005 (Program II)	68,000	113.15	68,000	-
	30,500	172.00	30,500	-
Sub-Total	**98,500**		**98,500**	**-**
Scandent ESOP 2006 (Program II)	4,10,000	56.90	1,36,667	2,73,333
	5,70,000	92.75	1,90,000	3,80,000
	4,13,946	113.15	2,75,964	1,37,982
	88,000	140.35	58,667	29,333
Sub-Total	**14,81,946**		**6,61,297**	**8,20,649**
TOTAL	**15,86,691**		**7,66,042**	**8,20,649**

17. There are no partly paid-up equity shares issued by the Target Company.

18. 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 the seven (7) Working Days prior to the closure of the Offer / bids, it would, therefore, be in the interest of the Shareholders to wait until the commencement of that period to know the final offer price of each bid and tender their acceptances accordingly.

19. This is not a competitive bid and there have been no competitive bids as of the date of this Letter of Offer.

20. This Offer is being made to all Persons eligible to participate in the Offer.

21. Other than the Total Target Sale Shares to be acquired by the Acquirer pursuant to the SPAs, the Acquirer and the PAC do not hold any Shares in the Target Company as on the date of this Letter of Offer. No Shares have been acquired by the Acquirer and the PAC between the date of the Public Announcement and the date of this Letter of Offer.

22. Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer. Applications in respect of Shares that are the subject matter of litigation wherein the Shareholders

may be prohibited from transferring the Shares during the pendency of such litigation are liable to be rejected if the directions / orders permitting transfer of these Shares are not received together with the Shares tendered under the Offer.

23. The Offer is not a conditional offer and is not subject to a minimum level of acceptance by the Shareholders. Accordingly, the Acquirer will accept all Shares tendered by the Shareholders pursuant to the Offer at the Offer Price subject to the Offer Size not being exceeded. In case the number of Shares received in the Offer exceeds the Offer Size, the acceptance will be made on a proportionate basis and will be contingent on the level of subscription in accordance with Regulation 21 (6) of the SEBI (SAST) Regulations.

Object of the Offer and future plans

24. This Offer is made in compliance of and in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations for the purpose of substantial acquisition of Shares and voting rights in the Target Company with change in control.

25. The acquisition of the Target Company is in line with the Xchanging Group's strategic objectives and delivers greater scale, broader international reach and a number of platforms for significant future growth. In particular, the acquisition of the Target Company brings the following strategic advantages to the Xchanging Group:

    - processing capabilities and a market presence in the USA, which can serve as a springboard for future growth;
    - the addition of scale to the Xchanging Group's Indian BPO platform and the creation of offshore critical mass;
    - the addition of a Australian business and a platform for the growth of the Xchanging Group in the region;
    - the addition of scale and the enhancement of the Xchanging Group's IT capabilities; and
    - the opportunity to create a truly international insurance processing business with significant combined revenues.

26. The Acquirer therefore proposes to acquire a controlling interest in the Target Company. The acquisition of the Total Target Sale Shares and the Offer is intended to give the Acquirer control over the Target Company.

Disclosure in terms of Regulation 16(ix) of the SEBI (SAST) Regulations

27. Neither the Acquirer nor the PAC has plans to sell, dispose of or otherwise encumber any assets of the Target Company in the next two (2) years, except in the ordinary course of business (such ordinary course of business activities including the offering of assets of the Target Company as

security for any financing of the Target Company group). It will be the responsibility of the Board of Directors of the Target Company to make appropriate decisions in these matters in accordance with the requirements of the business. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time. Further, during this period, each of the Acquirer and the PAC undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company, except with the prior approval of the Shareholders, where required under the applicable law.

BACKGROUND OF THE ACQUIRER AND THE PAC

i. The Acquirer - Xchanging (Mauritius) Limited

28. The Acquirer is an unlisted company incorporated on May 29, 2008, under the laws of the Republic of Mauritius. It has its registered and corporate office at C/o Abax Corporate Services Limited, Level 6, One Cathedral Square, Jules Koenig Street, Port Louis, Mauritius. The total shareholders' equity of the Acquirer is £1 comprising 1 ordinary share with face value of £1.

29. The Acquirer is an investment company and does not have any revenue generating operations and therefore its revenues, net profit, EPS and return on net worth are not ascertainable. The Acquirer is promoted by the PAC and forms part of the Xchanging Group.

30. The entire share capital of the Acquirer is directly held by Xchanging BV, a private limited liability company incorporated under the laws of The Netherlands, domiciled and tax resident in the United Kingdom and having its office at 34 Leadenhall Street, London EC3A 1AX, England. The entire share capital of Xchanging BV is directly held by Xchanging Holdings Limited, a company incorporated under the laws of England and Wales and having its registered office at 34 Leadenhall Street, London EC3A 1AX, England. The entire share capital of Xchanging Holdings Limited is held directly by the PAC.

31. The PAC is therefore the ultimate parent company and the indirect beneficial owner of 100% of the share capital of the Acquirer.

32. Save for the Intercompany Loan Agreement as described in paragraph 52 of this Letter of Offer, the Acquirer and the PAC have not entered into any other agreement in connection with this Offer.

33. The shareholding pattern of the Acquirer as on the date of the Public Announcement was as under:

Sl. no	Shareholder's category	No. of shares held	Percentage of shares held
1.	Promoter (Xchanging BV)	1	100%
2.	FII/ Mutual-Funds/ FIs/Banks	-	-
3.	Public	-	-
	Total Paid Up Capital	**1**	**100%**

34. As on the date of this Letter of Offer, the details of the board of directors of the Acquirer are as listed below:

Name	Residential address	Date of appointment	Qualifications and experience
Bhoomija Juwaheer	Royal Road, D'Epinay Mauritius	May 29, 2008	Institute of Chartered Secretaries and Administrators. Diploma in Business Practice. Company Secretary with twenty years experience.
Venkatesen Saminada Chetty	Cor Road and Seeneevassen Road, Grand Bay, Mauritius	May 29, 2008	Management Graduate-University of Rouen, France. Executive with thirteen years experience.
Dr. jur. Clamor Mittelbach	Weinbergweg 26, Stuttgart, Germany 70569	June 5, 2008	Postgraduate qualification in law from the University of Munich, Tuebingen. Post doctorate in law from the University of Rostock. Head of Legal, Xchanging Transaction Bank GmbH.

Gary Whitaker	4 Pineneedle Lane, Sevenoaks, Kent TN13 3JY, England	June 5, 2008	LLB Law Degree, King's College, London. Company Secretary & General Counsel, Xchanging plc. Formerly worked with Norton Rose Solicitors.
Richard Houghton	4 The Quillot, Burwood Park, Walton on Thames, KT12 5BY, England	June 5, 2008	Masters in Arts from Cambridge University and Masters in Business Administration from Harvard. Chief Financial Officer of the Xchanging Group primarily responsible for finance, legal and group implementation.

35. As on the date of the Letter of Offer, one of the directors of the Acquirer, Richard Houghton has been appointed as director on the Board of Directors of the Target Company.

36. As the Acquirer was incorporated recently, the financials of the Acquirer are yet to be prepared.

37. None of the directors of the Acquirer have acquired any Shares during the twelve (12) months preceding the date of the Public Announcement.

38. Other than the Total Target Sale Shares to be acquired by the Acquirer pursuant to the SPAs, the Acquirer does not hold any Shares in the Target Company as on the date of this Letter of Offer and accordingly the reporting requirements under Chapter II of the SEBI (SAST) Regulations do not apply.

39. The shares of the Acquirer are not listed on any stock exchanges.

40. The Acquirer has not promoted any company since its inception.

ii. PAC – Xchanging plc

41. The PAC is a listed company incorporated on May 16, 2006 under the laws of England and Wales and as mentioned above is the ultimate parent company and indirect beneficial owner of 100% of the share capital of the Acquirer. The registered and the corporate office of the PAC is situated at 13 Hanover Square, London W1S 1HN, England.

42. The PAC is a widely held listed company and as such is not controlled by any particular group. The PAC is a holding company and does not have any operations of its own. The Xchanging Group is a pure play business processor that provides a range of industry-specific processing services to the insurance and financial markets, as well as procurement, finance and accounting, human resources and technology infrastructure services to customers across a broad range of industries. As of June 30, 2008, the Xchanging Group had over 4,300 employees with operations in seven countries and customers in thirty five countries.

43. The PAC became the ultimate holding company of the Xchanging Group on April 30, 2007 pursuant to a group restructuring as part of the listing of the shares of the PAC on the main market of the London Stock Exchange. Prior to April 30, 2007 the holding company of the Xchanging Group was Xchanging BV. Pursuant to such restructuring, the PAC acquired the entire issued share capital of Xchanging BV and its subsidiaries, thereby becoming the ultimate holding company of the Xchanging Group.

44. The shares of the PAC have been listed on the London Stock Exchange since April 30, 2007.

45. As on February 11, 2009, the paid up share capital of the PAC excluding the Total Consideration Shares was £1,09,73,439.35 (approximately Rs. 91,04,66,262.87) divided into 21,94,68,787 ordinary shares of face value of £0.05 (approximately Rs. 4.15) each. The closing market price of the shares of the PAC as on the date of the Public Announcement was £2.49.

46. The shareholding pattern of the PAC as on February 11, 2009 is as under:

Sl. no	**Shareholder**	**No. of shares held**	**Percentage of shares held**
A. Shareholders holding more than 3%			
1.	General Atlantic	3,90,93,080	17.81%
2.	Fidelity Investment Services Limited	2,79,09,119	12.72%
3.	David Andrews	1,99,38,448	9.08%
4.	Standard Life Investments Limited	1,45,50,700	6.63%
5.	Blackrock Inc.	1,08,89,394	4.96%
6.	AEGON Asset Management	87,26,073	3.98%
B.	Others	9,83,61,973	44.82%
	Total Paid Up Capital	**21,94,68,787**	**100%**

47. As on the date of this Letter of Offer, the details of the board of directors of the PAC are as listed below:

Name	**Residential address**	**Date of appointment**	**Qualifications and experience**
David Andrews	30 Hill Street, London W1J 5NW, England	June 27, 2006	Fellow of the Institute of Chartered Accountants. MA Finance, Sheffield University.

			William Pitt Fellow, Pembroke College, Cambridge. Founded Xchanging and has been the Chief Executive Officer since inception. Previously, Managing Partner of Accenture's West European business. Member of the Supervisory Board of Deutsche Borse from 2003 to 2007.
Stephen Brenninkmeijer	The Willows, 2 Sandown Avenue, Esher, Surrey KT10 9NT, England	March 22, 2007	Degree, European Business School, Germany. Joined Xchanging Group in 2001. Director of Enterprise Education Trust, Irvine Bay Trustee Company, Optinose Limited, Porticus United Kingdom, Schwab Foundation (Switzerland) and Stichting Langenbrueck. Previously was the Managing Director of Cardex Europe, division of Mondial, the importing division of C&A Europe. Founded Andromeda Fund (2002). Founded and is currently the chairman of National Foundation for Teaching Entrepreneurship.
Pat O'Driscoll	Friars Crag, Linton Common, Linton, Wetherby, West Yorkshire, LS22 4JD, England	November 3, 2008	Sociology Graduate, University of Exeter. Joined Xchanging Group in 2008. Operating Managing Director with Terra Firma Capital Partners. Previously Chief Executive Officer of Northern Foods plc.
Richard Houghton	4 The Quillot, Burwood Park,	June 27, 2006	Masters in Arts from Cambridge University and Masters in Business

	Walton on Thames KT12 5BY, England		Administration from Harvard. Joined Xchanging Group in 1999. Appointed as a Chief Financial Officer of the Xchanging Group with responsibility for finance, legal and group implementation in September 2003.
Johannes Maret	Rhodiussstrasse 11, Burgbrohl, Germany 56659	March 22, 2007	Masters in Business Administration from University of Cologne. Joined Xchanging Group in 2003. Managing Director, Maret GmbH. Investment Committee member of Triton Manager Limited. Non-Executive Director, MLP AG. Advisory Board Chairman Gebr. Rhodius GmbH & Co KG. Managing Partner, Weingut Reverchon KG. Advisory Board Chairman, Bex Beteiligungs GmbH. Previously Partner and Chief Executive Officer, Sal Oppenheim jr. & Cie. KGaA.
Dennis Millard	Kingscote, Binfield Road, Wokingham, Berkshire RG40 5PP, England	March 22, 2007	Chartered Accountant (South Africa). Masters of Business Administration from Graduate School of Business, Cape Town, South Africa. Member, South African Institute of Chartered Accountants. Joined Xchanging Group in 2005.

			Director of Debenhams plc, Premier Farnell plc and Smiths News plc. Chairman, Xchanging Audit Committee. Previously Group Finance Director, Cookson Group plc.
Nigel Rich	65 Chelsea Square, London SW3 6LE, England	March 22, 2007	Bachelor of Arts and Masters of Art from New College Oxford. Fellow, Institute of Chartered Accountants. CBE, 1995. Joined Xchanging Group in 2006 and is chairman of the board of directors of Xchanging. Chairman, Segro PLC. Non Executive Director of Bank of Philippine Island (Europe) plc, John Armit Wines Limited, KGR Absolute Return PCC Ltd, Matheson & Co Limited and Pacific Assets Trust plc. Co-Chairman Philippine British Business Council.
Tom Tinsley	4934 Indian Lane NW, Washington DC, USA 20016	June 27, 2006	Bachelor of Arts from University of Notre Dame. Masters in Business Administration from Stanford University Graduate School of Business. Joined Xchanging Group in 2000. Managing Director, General Atlantic LLC, Director BMC Software, Philanthropic Research Inc. and Critical Path Inc. Previously, director of McKinsey & Co.

48. As on the date of the Letter of Offer, two of the directors of the PAC, Richard Houghton and David Andrews have been appointed as directors on the board of directors of the Target Company.

49. The financials of the PAC are audited by its statutory auditors, PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH, in accordance with EU (European Union) endorsed International Financial Reporting Standards. The financial year of the PAC under the laws of England and Wales is January to December. Brief particulars of the audited financials of the PAC for the 12-month period ending December 31, 2005, 12-month period ending December 31, 2006, the 12-month period ending December 31, 2007 and the reviewed financials for the 6 months period ending June 30, 2008 are as follows:

    The consolidated financial information presented below for the 12-month period ended December 31, 2007 is obtained or derived from the audited financial statements of the PAC for the said year. For the years ended December 31, 2005 and 2006, the information is obtained or derived from the audited financial statements of Xchanging BV, which was the parent company of the Xchanging Group for these periods. The consolidated financial information for the six months ended June 30, 2008 is obtained or derived from the reviewed half year financial statements of the PAC. All of the financial statements are prepared on a consistent basis and in accordance with EU endorsed International Financial Reporting Standards.

	£'000 (unless otherwise stated)				**Rs. in lacs (unless otherwise stated)**			
	Six month period ended June 30, 2008	Financial year ended December 31, 2007	Financial year ended December 31, 2006	Financial year ended December 31, 2005	Six month period ended June 30, 2008	Financial year ended December 31, 2007	Financial year ended December 31, 2006	Financial year ended December 31, 2005
Consolidated Income statement								
Revenue	2,66,822	4,68,160	3,93,495	3,49,968	2,21,382	3,88,432	3,26,483	2,90,368
Cost of sales	(2,40,139)	(4,14,622)	(3,48,739)	(3,02,560)	(1,99,243)	(3,44,012)	(2,89,349)	(2,51,034)
Administrative expenses before exceptional items	(8,645)	(15,667)	(13,693)	(13,221)	(7,173)	(12,999)	(11,361)	(10,969)
Operating profit before exceptional items	18,038	37,871	31,063	34,187	14,966	31,422	25,773	28,365
Exceptional items	-	(6,200)	(6,906)	-	-	(5,144)	(5,730)	-
Operating profit post exceptional items	18,038	31,671	24,157	34,187	14,966	26,277	20,043	28,365
Net finance income/(costs)	2,703	1,519	763	(289)	2,243	1,260	633	(240)
Finance costs - exceptional items	-	(719)	-	-	-	(597)	-	-
Profit before taxation - pre exceptional	20,741	39,390	31,826	33,898	17,209	32,682	26,406	28,125
Profit before taxation - post exceptional	20,741	32,471	24,920	33,898	17,209	26,941	20,676	28,125
Taxation	(6,184)	(11,946)	(7,476)	(11,287)	(5,131)	(9,912)	(6,203)	(9,365)
Profit for the period	14,557	20,525	17,444	22,611	12,078	17,030	14,473	18,760
Profit attributable to equity holders	11,420	15,336	10,718	11,840	9,475	12,724	8,893	9,824
Profit attributable to minority interests	3,137	5,189	6,726	10,771	2,603	4,305	5,581	8,937
Consolidated balance sheet								

	£'000 (unless otherwise stated)				Rs. in lacs (unless otherwise stated)			
	Six month period ended June 30, 2008	Financial year ended December 31, 2007	Financial year ended December 31, 2006	Financial year ended December 31, 2005	Six month period ended June 30, 2008	Financial year ended December 31, 2007	Financial year ended December 31, 2006	Financial year ended December 31, 2005
Goodwill	92,505	85,620	29,362	21,132	76,751	71,039	24,362	17,533
Intangible assets	44,683	39,053	28,471	28,332	37,073	32,402	23,622	23,507
Property, plant and equipment	17,501	16,444	15,096	11,536	14,521	13,644	12,525	9,571
Available-for-sale-financial assets	23,035	23,609	20,441	22,249	19,112	19,588	16,960	18,460
Non-current trade and other receivables	5,597	6,056	6,115	4,131	4,644	5,025	5,074	3,427
Retirement benefit assets	3,883	6,158	-	-	3,222	5,109	-	-
Deferred income tax assets	17,138	16,894	16,317	13,508	14,219	14,017	13,538	11,208
Net current assets	87,182	89,626	33,639	34,990	72,335	74,363	27,910	29,031
Non-current trade and other payables	(10,456)	(9,974)	(9,764)	(8,094)	(8,675)	(8,275)	(8,101)	(6,716)
Non-current financial liabilities	(19,748)	(18,520)	(20,182)	(12,303)	(16,385)	(15,366)	(16,745)	(10,208)
Deferred income tax liabilities	(4,916)	(4,837)	(2,517)	(2,281)	(4,079)	(4,013)	(2,088)	(1,893)
Retirement benefit obligations	(12,521)	(14,836)	(21,901)	(28,512)	(10,389)	(12,309)	(18,171)	(23,656)
Non-current provisions	(12,782)	(13,375)	(9,447)	(15,770)	(10,605)	(11,097)	(7,838)	(13,084)
Total net assets	2,31,101	2,21,918	85,630	68,918	1,91,744	1,84,125	71,047	57,181
Share capital	10,789	10,740	221	199	8,952	8,911	183	165
Reserves	2,06,155	1,95,842	73,631	51,493	1,71,047	1,62,490	61,092	42,724
Minority interest	14,157	15,336	11,778	17,226	11,746	12,724	9,772	14,292
Total equity	2,31,101	2,21,918	85,630	68,918	1,91,744	1,84,125	71,047	57,181
Other financial data								
Dividend (%)[1]	40%	0%	0%	0%	40%	0%	0%	0%
Earnings per share (pence per share/Rs. per share)[2]	5.31	7.85	6.83	5.8	4.41	6.51	5.67	4.81
Return on networth (%)[3]	5.26%	7.42%	14.51%	22.90%	5.26%	7.42%	14.51%	22.90%
Book value per share (pence per share/Rs. per share)[4]	100.55	96.17	46.46	34.70	83.42	79.80	38.55	28.79

(i) Dividend % is computed by dividing dividend per share for the concerned period by face value per share of the PAC.

(2) Earnings per share is computed by dividing the profit attributed to the equity holders in the concerned period by the weighted average number of shares for that period. The earnings per share figures are obtained from the following sources: (i) six month period ended June 30, 2008 from the reviewed half year statements of the PAC, (ii) financial years ended December 31, 2007 and 2006 from the audited financial statements of the PAC for the year ended December 31, 2007, and (iii) financial year ended December 31, 2005 from the PAC prospectus dated April 25, 2007 prepared in connection with the listing of its shares on the main market of the London Stock Exchange. The weighted average number of shares used for the calculations in the financial statements was (i) for the six month period ended June 30, 2008, the weighted average number of ordinary shares of the PAC, (ii) for the financial years ended December 31, 2007 and December 31, 2006, the weighted average number of ordinary shares of the PAC for periods post April 30, 2007 and for periods prior to April 30, 2007, the weighted average number of Xchanging BV shares having applied the same share for share exchange ratios as were applied to each class of Xchanging BV share on the acquisition of Xchanging BV by the PAC on April 30, 2007, and (iii) for the financial year ended December 31, 2005, the number of shares of the PAC as at April 30, 2007, taking into account the restructuring of the capital structure as a result of the PAC listing its shares on the main market of the London Stock Exchange.

(3) Return on Networth is computed by dividing the profit attributed to the equity holders in the concerned period by sum of

the share capital and the reserves at the end of such financial period.

(4) Book Value per share is computed by dividing the sum of the share capital and the reserves at the end of the financial period by the number of shares at the end of such financial period. The share figures used in calculating the book value per share figures for the six month period ended June 30, 2008 and for the financial year ended December 31, 2007 are the number of PAC shares outstanding at each period end. The share figures used in calculating the book value per share figures for the financial years ended December 31, 2006 and 2005 are calculated by taking the number of Xchanging BV shares outstanding at each period end and applying the same share for share exchange ratios as were applied to each class of Xchanging BV share on the acquisition of Xchanging BV by the PAC on April 30, 2007.

50. The significant accounting policies of the PAC are as follows:

The financial statements have been prepared in accordance with European endorsed International Financial Reporting Standards, IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

With effect from April 30, 2007, the PAC became the legal parent company of Xchanging BV and its subsidiary undertakings. This business combination, effected through an exchange of equity interests, has been accounted for as a reverse acquisition in accordance with IFRS 3, “Business combinations”. The key features of this basis of consolidation are:

- The consolidated income statement includes the results of Xchanging BV and its subsidiaries for the period until April 30, 2007, with the addition of the results of the PAC from April 30, 2007 (the acquisition date).
- The comparative figures in the income statement and balance sheet are the results and position of Xchanging BV and its subsidiaries for the years ended December 31, 2006 and December 31, 2005.
- The consolidated retained earnings reserves of the Xchanging Group include the pre PAC acquisition retained earnings of Xchanging BV and its subsidiaries.
- The reserves on the balance sheet are not directly comparable year on year due to the application of reverse acquisition accounting as described above.

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investments, financial assets and financial liabilities at fair value through profit and loss. A summary of the more important Xchanging Group accounting policies is set out below.

The preparation of financial statements in conformity with EU endorsed IFRS requires the use of judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

(i) **Basis of consolidation**

The Xchanging Group financial statements consolidate the results of the PAC and all of its subsidiary undertakings, including those companies in which the PAC has a 50% equity stake, commonly referred to by the directors as enterprise partnerships, but over which the PAC has the power of overall operational and financial control.

Interests acquired in subsidiary undertakings are consolidated from the date control passes to the Xchanging Group. Transactions and balances, including unrealised profits, between Xchanging Group companies are eliminated. The interest of minority shareholders in the balance sheet is stated at the minority's proportion of the carrying values of the assets and liabilities recognised.

(ii) **Business combinations**

Business combinations are accounted for under the purchase method of accounting as set out in IFRS 3. A business combination is deemed to have occurred where the Xchanging Group acquires a third party business, either in whole or in part so that it obtains control of that business. The assets and liabilities acquired with the business are fair valued on the date of acquisition and any difference between the fair value of purchase consideration (and direct expenses of acquisition) and the fair value of the net assets, including intangibles and contingent liabilities, is recognised as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

(iii) **Revenue recognition**

Revenue is measured at the fair value of the consideration received, excluding value added tax, rebates and discounts. It comprises the value of services provided for human resources, procurement services, securities processing, customer administration and software sales.

Revenue from the provision of procurement services is recognised on a gross basis where the Xchanging Group is responsible for the whole supply chain process and associated business process from end-to-end. Where the Xchanging Group acts as an agent, revenue is recognised on a net basis.

The Xchanging Group provides administration services to the insurance market, from which there are three principal sources of revenue. These, together with the bases of revenue recognition are set out below:

- Revenue in respect of the provision of administration services comprises amounts receivable for subscription fees, a transaction charge for the provision of administration services and other ad hoc services. Subscription fees are recognised in the income statement according to the period to which they relate. Transactional revenue for these services is recognised in the period in which the transaction takes place. Ad hoc revenue is recognised in the period in which the service is provided.

- Revenue in respect of business process services contracts is divided into an implementation phase and a service provision phase. Revenue in respect of the implementation phase is accounted for on a long-term contract basis. Revenue in respect of the provision of post-implementation administration services to business process services customers is recognised in the period to which the service relates.
- Revenue in respect of the rental or maintenance of computer software programs is recognised as earned. Billings are included in trade receivables in accordance with the terms of the relevant rental or maintenance contract. The income arising from the sale of an initial licence is recognised over the period of implementation of the software.

(iv) **Finance costs and income**

Finance costs and income are charged to the income statement using the effective interest rate method.

(v) **Dividend distribution**

Dividend distributions to the PAC's shareholders are recognised as a liability in the Xchanging Group's financial statements in the period in which the dividends are approved by the shareholders. Interim dividends are recognised when paid.

(vi) **Foreign currency transactions**

(a) Functional and presentation currency

Items included in the financial statements of each of the Xchanging Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in sterling, which is the Xchanging Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the revaluation reserve in equity.

(c) Xchanging Group companies

The results and financial position of all the Xchanging Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement are translated at monthly average exchange rates.
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(vii) **Goodwill**

Goodwill recognised under UK GAAP prior to the date of transition to IFRS is stated at net book value at the date of transition. This goodwill had been amortised on a straight-line basis over its useful economic life (being 10 years). Goodwill recognised subsequent to January 1, 2003, arising from the purchase of subsidiary undertakings, represents the excess of the fair value of the consideration paid over the fair value of the identifiable net assets (including intangible assets) acquired. Goodwill is capitalised as an intangible asset. After initial recognition, goodwill is stated at cost less any accumulated impairment losses. Impairment reviews are performed annually to ensure the present value of estimated future net income streams from the associated contracts exceeds the goodwill capitalised. Any goodwill impairment identified is not subsequently reversed.

Purchases of the minority interests' shareholdings result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(viii) **Intangible assets**

Intangible assets are recognised at cost less a provision for amortisation and any provision for impairment. Where intangible assets do not meet the criteria for capitalisation under IAS 38, they are expensed as incurred. Contractual customer relationships are capitalised on acquisition where they meet the criteria for recognition under IFRS 3 and IAS 38.

Costs incurred during the development period of new contracts, including the costs of process and system designs that substantially improve those processes and systems already installed in the enterprise partnerships, are treated as development costs. These costs are capitalised. Costs that are capitalised comprise directly attributable incremental costs incurred during the development period, including wages and salaries of staff employed solely for the purpose of improving the processes and systems, and third party costs. Research costs are expensed as incurred.

(ix) **Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of the assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned.

(x) **Impairment of tangible and intangible assets**

At each balance sheet date, management reviews its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Intangible assets are reviewed if a trigger event is deemed to have happened. If any such indication exists, the recoverable amount of the asset, which is the higher of fair value less costs to sell and value in use, is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

(xi) **Financial instruments**

(a) *Financial assets*

The Xchanging Group classifies its financial assets into one of the following categories: loans and receivables, available-for-sale and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. The Xchanging Group determines the classification of its financial assets at initial recognition:

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Xchanging Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Held-for-trading assets are carried at fair value through profit and loss.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities. Dividends on available-for-sale equity instruments are recognised in the income statement as part of finance income when the Xchanging Group's right to receive payments is established.

Changes in the fair values of other financial assets at fair value through profit and loss are recorded in cost of sales in the income statement.

The Xchanging Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(b) *Convertible debt*

Short-term and long-term convertible loans are classified as loans and are separated into debt and equity elements upon initial recognition. The liability is measured at amortised cost using the effective interest rate method. The initial carrying amount is then accreted over the expected life of the instrument to the face amount payable on maturity. The equity element is recognised directly in the equity reserves and not subsequently re-measured during the life of the instrument. On conversion of the convertible debt, the fair value of the liability together with the portion recognised in equity is transferred to share capital and share premium.

(xii) **Put options granted to minority shareholders**

In accordance with IAS 32, when minority interests hold put options that enable them to sell their investments to the Xchanging Group, the net present value of the future payment is reflected as a financial liability in the consolidated balance sheet. At the end of each period, the valuation of the liability is reassessed with any changes recognised in the income statement for the period.

(xiii) **Trade and other receivables**

Trade and other receivables are recognised at fair value and subsequently measured at amortised cost less provision for impairment.

Pre-contract costs comprise legal and other professional expenses and other directly attributable staff costs incurred in order to obtain specific customer contracts. Costs that are directly attributable to a contract are capitalised when it is virtually certain that the contract will be awarded and the contract will result in future net cash inflows with a present value at least equal to all amounts recognised as an asset. Pre-contract costs are amortised on a straight-line basis over the life of the contract, starting from the date when the contract commences.

(xiv) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits and short-term highly liquid investments which are readily convertible to cash and are subject to minimal risk of changes in value.

(xv) **Trade and other payables**

Trade and other payables are recognised at fair value and subsequently measured at amortised cost.

(xvi) **Operating leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rental costs under operating leases are charged to the income statement on a straight-line basis over the lease term. Lease incentives provided by lessors to the Xchanging Group are amortised over the lease term together with any related costs of acquiring the lease.

(xvii) **Taxation including deferred taxation**

Current tax is recognised at the amount expected to be paid to (or recovered from) the taxation authorities using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised under the liability method on an undiscounted basis in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.
- Deferred tax assets are regarded as recoverable and therefore recognised, only when, on the basis of all available evidence, the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, income tax is recognised directly in the income statement.

(xviii) **Employee benefit costs**

(a) *Pension obligations*

The Xchanging Group operates, or participates in, both defined contribution and defined benefit pension schemes. All the pension schemes are accounted for in accordance with IAS 19.

Scheme assets are measured using closing market values at the balance sheet date. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Variations between the scheme assets and liabilities identified as a result of these actuarial valuations (actuarial gains and loses) are recognised in full through the statement of recognised income and expense (SORIE) in that year. Current service costs, expected returns on plan assets and interest costs are charged to the income statement. Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

The Xchanging Group participates in a number of defined benefit schemes which are multi-employer schemes and where insufficient information exists to be able to account for the schemes as defined benefit plans as there is no consistent and reliable basis for allocating the obligations, plan assets and costs to individual entities participating in these schemes. In accordance with IAS 19 such schemes are accounted for as defined contribution schemes and contributions are charged to the income statement as incurred.

Contributions to the Xchanging Group's defined contribution schemes are charged to the income statement as incurred.

(b) *Share-based compensation*

The Xchanging Group operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

(xix) **Provisions**

Provisions are recognised when a present obligation exists as the result of a past event and it is probable that this will result in an outflow of economic benefit, the size of which can be reliably estimated. Where the provision is long-term, the net cash flows are discounted using the Xchanging Group's appropriate pre-tax discount rate.

(xx) **Share capital**

Share capital comprises the nominal value of all issued shares. On subscribing for shares any excess consideration over the nominal value of the shares issued less any issue costs is credited to the share premium account.

(xxi) **Exceptional items**

Exceptional items are events or transactions that fall within the activities of the Xchanging Group, and, which by virtue of their size or incidence, have been disclosed in order to improve a reader's understanding of the financial statements.

51. The PAC does not hold any Shares in the Target Company as on the date of this Letter of Offer and accordingly the reporting requirements under Chapter II of the SEBI (SAST) Regulations do not apply.

52. The PAC and the Acquirer have entered into the Intercompany Loan Agreement pursuant to which a number of loans interest free and repayable on demand, are made available to the Acquirer by the PAC. Loans advanced under this agreement will be used, inter alia, by the Acquirer to purchase Shares under the Offer.

53. The PAC has originally incorporated six (6) companies since its inception on May 16, 2006 viz. Xchanging (Mauritius) Limited, Xchanging Holdings Limited, Xchanging Procurement Services Pty Limited, Xchanging Insurance Technical Services Limited, Xchanging Broking Services Limited and Xchanging Services (Bermuda) Limited.

54. The details of all companies promoted/acquired by the PAC since its inception on May 16, 2006 (none of which are sick companies) are as follows:

i. **Xchanging Holdings Limited**

Xchanging Holdings Limited was incorporated on October 31, 2006 under the laws of England and Wales to operate as a financing company and its registered office is situated at 34 Leadenhall Street, London, EC3A 1AX. The shares of Xchanging Holdings Limited are not listed on any stock exchange. The financial year of this company is January 1 to December 31. Following are brief financials of Xchanging Holdings Limited based on audited financials for the period from October 31, 2006 to December 31, 2007:

	FY 2007	
	(In £ in thousands)	**(Rs. in lacs)**
Total income	-	-
Profit after tax	0	0
Paid up share capital	50,000	41,485
Reserves (excluding revaluation reserves)	3,40,000	2,82,098

Net asset value	3,90,000	3,23,583
Earnings per share (£ per share/Rs. per share)	NA	NA
Book value per share (£ per share/Rs. per share)	0.98	81.31

ii. **Xchanging Procurement Services Pty Limited**

Xchanging Procurement Services Pty Limited was incorporated on September 27, 2007 under the laws of Australia to provide business processing services and its registered office is situated at Level 12, 10 Barrack Street, Sydney, NSW 2000, Australia. Under applicable Australia law, this company is not required to have audited financial statements. The unaudited financial statements of Xchanging Procurement Services Pty Limited are not available. The shares of Xchanging Procurement Services Pty Limited are not listed on any stock exchange.

iii. **Xchanging Procurement Services (France) SA (*erstwhile Mercuris SA*)**

Xchanging Procurement Services (France) SA (erstwhile Mercuris SA) was incorporated on July 18, 2000 under the laws of France and acquired on January 17, 2008 by the Xchanging Group to provide business processing services and its registered office is situated at 34-36 rue Guersant, 75017 Paris, France. The shares of Xchanging Procurement Services (France) SA are not listed on any stock exchange. The financial year of this company is January 1 to December 31. Following are brief financials of Xchanging Procurement Services (France) SA based on audited financials for the last three financial years:

	FY2007		**FY2006**		**FY2005**	
	(In € in thousands)	**(Rs. in lacs)**	**(In € in thousands)**	**(Rs. in lacs)**	**(In € in thousands)**	**(Rs. in lacs)**
Total income	3,475	2,258	3,595	2,336	2,700	1,755
Profit after tax	624	406	669	435	384	250
Paid up share capital	44	29	44	29	44	29
Reserves (excluding revaluation reserves)	293	190	697	453	411	267
Net asset value	337	219	741	482	455	296

Earnings per share (€ per share/Rs. per share)	14.18	921.56	15.20	987.85	8.73	567.36
Book value per share (€ per share/Rs. per share)	7.66	497.82	16.84	1,094.43	10.34	672

iv. **Xchanging Insurance Technical Services Limited**

Xchanging Insurance Technical Services Limited was incorporated on July 18, 2006 under the laws of England and Wales to provide business processing services and its registered office is situated at 34 Leadenhall Street, London, EC3A 1AX. The shares of Xchanging Insurance Technical Services Limited are not listed on any stock exchange. The financial year of this company is January 1 to December 31. Following are brief financials of Xchanging Insurance Technical Services Limited based on audited financials for the period from July 18, 2006 to December 31, 2007:

	FY 2007	
	(In £ in thousands)	**(Rs. in lacs)**
Total income	24	20
Profit after tax	1	1
Paid up share capital	100	83
Reserves (excluding revaluation reserves)	1	1
Net asset value	101	84
Earnings per share (£ per share/Rs. per share)	0.01	0.83
Book value per share (£ per share/Rs. per share)	1.01	83.80

v. **Fondsdepot Bank GmbH**

Fondsdepot Bank GmbH was incorporated on June 14, 1993 under the laws of Germany and 51% of which was acquired by the Xchanging Group on November 1, 2007 to provide business processing services and its registered office is situated at Windmühlenweg 12, 95030 Hof, Germany. The shares of Fondsdepot Bank GmbH are not listed on any stock exchange. Following are brief audited financials of Fondsdepot Bank GmbH Limited for the two month period from November 1, 2007 to December 31, 2007, for the ten month period from January 1, 2007 to October 31, 2007 and for the financial years ended December 31, 2006 and 2005:

	December 2007		**October 2007**		**FY2006**		**FY2005**	
	(In € in thousands)	**(Rs. in lacs)**	**(In € in thousands)**	**(Rs. in lacs)**	**(In € in thousands)**	**(Rs. in lacs)**	**(In € in thousands)**	**(Rs. in lacs)**
Total income	10,034	6,521	41,268	26,820	41,472	26,953	35,381	22,994
Profit after tax	76	49	(952)	(619)	2,492	1,620	2,444	1,588
Paid up share capital	2,500	1,625	2,500	1,625	2,500	1,625	2,500	1,625
Reserves (excluding revaluation reserves)	22,508	14,628	22,508	14,628	24,508	15,928	24,508	15,928
Net asset value	25,008	16,253	25,008	16,253	27,008	17,552	27,008	17,552
Earnings per share (€ per share/Rs. per share)	NA	NA	NA	NA	NA	NA	NA	NA
Book value per share (€ per share/Rs. per share)	NA	NA	NA	NA	NA	NA	NA	NA

vi. **Xchanging Broking Services Limited**

Xchanging Broking Services Limited was incorporated on July 18, 2006 under the laws of England and Wales to provide business processing services and its registered office is situated at 34 Leadenhall Street, London, EC3A 1AX. The shares of Xchanging Broking Services Limited are not listed on any stock exchange. The financial year of this company is January 1 to December 31. Following are brief financials of Xchanging Broking Services Limited based on audited financials for the financial years ended December 31, 2007 and for the period from July 18, 2006 to December 31, 2006:

	FY 2007		**FY 2006**	
	(In £ in thousands)	**(Rs. in lacs)**	**(In £ in thousands)**	**(Rs. in lacs)**
Total income	33,003	27,383	11,519	9,557
Profit after tax	153	127	0	0
Paid up share capital	100	83	100	83
Reserves (excluding revaluation reserves)	153	127	0	0
Net asset value	253	210	100	83
Earnings per share (£ per share/Rs. per share)	1.53	126.94	0	0
Book value per share (£ per share/Rs. per share)	2.53	209.91	1.00	82.97

vii. **Xchanging BV**

Xchanging BV was incorporated on December 23, 1998 under the laws of The Netherlands and was acquired by the PAC on April 30, 2007 as part of an internal group reorganization and its registered office is situated at 34 Leadenhall Street, London, EC3A 1AX. The shares of Xchanging BV are not listed on any stock exchange. The financial year of this company is January 1 to December 31. Following are brief financials of Xchanging BV based on audited standalone financials for the last three financial years:

	FY2007		**FY2006**		**FY2005**	
	(In £ in thousands)	**(Rs. in lacs)**	**(In £ in thousands)**	**(Rs. in lacs)**	**(In £ in thousands)**	**(Rs. in lacs)**
Total income	4,429	3,674	11,524	9,561	8,107	6,726
Profit after tax	1,383	1,147	8,539	7,085	6,705	5,563
Paid up share capital	246	204	221	183	199	165
Reserves (excluding revaluation reserves)	1,37,735	1,14,279	1,14,135	94,698	92,030	76,357
Net asset value	1,37,981	1,14,483	1,14,356	94,881	92,229	76,522
Earnings per share (£ per share/Rs. per share)*	NA	NA	NA	NA	NA	NA
Book value per share (£ per share/Rs. per share)*	NA	NA	NA	NA	NA	NA

* Xchanging BV has 13 different classes of share, with differing rights and hence it is not possible to calculate an earnings per share value or a book value per share.

viii. **Xchanging (Mauritius) Limited (the "Acquirer" herein)**

As stated in paragraph 28 above, Xchanging (Mauritius) Limited was incorporated under the laws of Republic of Mauritius on May 29, 2008 as an intermediary holding company and its registered office is situated at c/o Abax Corporate Services Limited, Level 6, One Cathedral Square, Jules Koenig Street, Port Louis, Mauritius. The shares of Xchanging (Mauritius) Limited are not listed on any stock exchange. As this is the first year of operations for Xchanging (Mauritius) Limited, its audited financial statements are not yet available.

ix. **Xchanging Services (Bermuda) Limited**

Xchanging Services (Bermuda) Limited was incorporated under the laws of Bermuda on July 14, 2008 as an insurance services company and its registered office is situated at Fairlisle Management Services, The Penthouse, Washington Mall 1, Church Street, Hamilton HM 11, Bermuda. The shares of Xchanging Services (Bermuda) Limited are not listed on any stock exchange. As this is the first year of operations for Xchanging Services (Bermuda) Limited, its audited financial statements are not yet available.

DISCLOSURE IN TERMS OF REGULATION 21(2) OF THE SEBI (SAST) REGULATIONS

55. In terms of the initial listing agreement entered into by the Target Company with the Stock Exchanges, the Target Company is required to maintain a minimum public shareholding of 25%. However, in the financial year 2007-2008, the number of outstanding listed Shares of the Target Company was in excess of two hundred lacs and its market capitalization in respect of such Shares as computed in accordance with Clause 40A of the Listing Agreement (being the current form of the listing agreement prescribed by the Stock Exchanges and applicable to the Target Company) was in excess of Rs. 1,00,000 lacs. Accordingly, in terms of Clause 40A of the Listing Agreement, the Target Company is required to maintain a minimum public shareholding of 10% for the financial year 2008 - 2009. Pursuant to the acquisition of Shares under the Offer (assuming full acceptances) and the Actual Sale Shares, the public shareholding of the Target Company shall not fall below 10%. In the event that the public shareholding of the Target Company falls below the minimum threshold prescribed by law at any stage, the Acquirer will take the necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreements with the BSE, NSE, MSE and ASE and other applicable laws within the timeframe specified therein.

BACKGROUND OF THE TARGET COMPANY

56. The Target Company was incorporated on February 1, 2002 as Scandent Network Private Limited. Pursuant to a scheme of arrangement involving the de-merger of the IT operations of SSI Limited into Scandent Network Private Limited, the Target Company’s name was changed to Scandent Solutions Corporation Private Limited on October 1, 2004. The name of the Target Company was further changed to Scandent Solutions Corporation Limited on October 13, 2004. The Shares of the Target Company were listed pursuant to a scheme of arrangement involving de-merger of the IT operations of SSI Limited, which was a listed company, into the Target Company (then known as Scandent Network Private Limited). Post completion of the demerger process, the Target Company applied for listing of its shares on the stock exchanges where the

shares of SSI Limited were listed in accordance with the provisions of the SEBI (Disclosure and Investor Protection) Guidelines, 2000. Pursuant to such application, the Shares of the Target Company were listed on the NSE, BSE and the MSE on March 5, 2005 and on the ASE on March 18, 2005*.* Pursuant to another scheme of amalgamation between Cambridge Solutions Services Holdings LLC and the Target Company, the Target Company's name was changed to Cambridge Solutions Limited on June 19, 2006. The registered and the corporate office of the Target Company is situated at SJR I-Park, Plot 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangalore 560066, Karnataka, India.

57. The Target Company is currently engaged in the businesses, inter alia, of BPO and IT Services. The Target Company provides BPO services in three geographical regions (USA, Australia and India), which act as relatively distinct business units. The IT Services division provides a variety of products and services focused on a number of vertical sectors such as banking; manufacturing and logistics; insurance; and real estate.

58. The fully paid up share capital of the Target Company as on February 6, 2009 is Rs. 111,36,53,830 divided into 11,13,65,383 fully paid-up Shares.

59. The Shares are listed on the BSE, NSE, MSE and ASE. The Shares were listed on the BSE, NSE and MSE on March 9, 2005 and on the ASE on March 18, 2005.

60. The Target Company has fifteen (15) subsidiaries viz. Scandent Group Inc., Cambridge Solutions Pty Limited, Scandent Group GmbH, Cambridge Solutions Europe Limited, Cambridge Solutions Pte. Limited, Cambridge Solutions SARL, IndigoMarkets Limited, IndigoMarkets Singapore Pte. Limited, Cambridge Solutions Sdn Bhd, Cambridge Integrated Services Australia Pty Limited, Cambridge Galaher Settlements & Insurance Services, Inc., Cambridge Integrated Services Victoria Pty Limited, Cambridge Integrated Services Group Inc., ProcessMind Holding Mauritius Limited and Nexplicit Infotech India Private Limited. As on the date of this Letter of Offer, Christopher Sinclair and Satyen Patel have resigned as directors on the board of directors of the following subsidiaries, viz., Scandent Group Inc., Cambridge Galaher Settlements & Insurance Services, Inc., Cambridge Integrated Services Group Inc., Cambridge Solutions Europe Limited, Scandent Group GmbH, Cambridge Solutions Pte. Limited, Cambridge Solutions Sdn Bhd, Cambridge Integrated Services Australia Pty Limited, Cambridge Integrated Services Victoria Pty Limited, ProcessMind Holding Mauritius Limited and IndigoMarkets Limited.

61. The Share capital structure of the Target Company as on February 6, 2009 was as follows:

Paid up equity Shares of the Target Company	**No. of Shares**	**% of Shareholding**
Fully paid up equity shares	11,13,65,383	100.0%
Partly paid up equity shares	Nil	Nil

Total paid up equity shares	11,13,65,383	100.0%
Total voting rights in the Target Company	11,13,65,383	100.0%

62. The capital build-up for the Target Company since inception is as given below:

Date of allotment	**No. of Shares**	**Issue price per Share**	**% of post issue capital**	**Cumulative share capital of the Target Company (in Rs.)**	**Mode of allotment**	**Identity of the allottees**	**Status of compliance****
Feb 12, 2002	9,990	10.00	99.90%	99,900	Initial subscription	S. Jairaj	Complied
Feb 12, 2002	10	10.00	0.10%	1,00,000	Initial subscription	C.T. Abraham	Complied
Mar 14, 2003	75,26,800	10.00	99.87%	7,53,68,000	Private placement	Scandent Group Limited, Mauritius	Complied
Jan 5, 2004	8,50,000	10.00	10.13%	8,38,68,000	Private placement	Antriksh Vyapaar Pvt Limited	Complied
Jan 14, 2004	2,28,07,663	18.00	73.11%	31,19,44,630	Conversion of external commercial borrowing to equity	Scandent Group Limited, Mauritius	Complied
Mar 5, 2004	1,50,000	10.00	0.48%	31,34,44,630	Private placement	SMIFS Capital Markets Limited	Complied
Mar 5, 2004	15,00,000	10.00	4.57%	32,84,44,630	Private placement	Lend Lease Company (India) Limited	Complied
Oct 1, 2004 (scheme effective on March 11, 2004***)	(1,96,85,501)	--	--	13,15,89,620	Pursuant to scheme of arrangement whereby 2.496 shares of face value Rs 10 each converted into 1 equity share of face value Rs 10 each	--	Complied
Jun 12, 2004	10,52,717	128.24	7.41%	14,21,16,790	Private placement	UTI-India Technology Venture Unit Scheme	Complied
Sep 2, 2004	10,52,717	128.24	6.90%	15,26,43,960	Private placement	SSI Limited	Complied
Oct 27, 2004	1,34,67,880	10.00	46.87%	28,73,22,760	Pursuant to merger with SSI Limited	Shareholders of SSI Limited	Complied

July 4, 2005	1,76,479	10.00	0.61%	28,90,87,550	Employee stock option plan	Target Company employees	Complied
Oct 3, 2005	1,69,355	10.00	0.59%	29,07,81,100	Employee stock option plan	Target Company employees	Complied
Oct 3, 2005	3,000	128.75	0.01%	29,08,11,100	Employee stock option plan	Target Company employees	Complied
Dec 28, 2005	7,119	128.75	0.02%	29,08,82,290	Employee stock option plan	Target Company employees	Complied
Dec 28, 2005	10,25,227	220.00	3.40%	30,11,34,560	Preferential allotment	Scandent Group Limited, Mauritius*	Complied
April 28, 2006	25,424	10.00	0.08%	30,13,88,800	Employee stock option plan	Target Company employees	Complied**
Jun 6, 2006	19,773	10.00	0.07%	30,15,86,530	Employee stock option plan	Target Company employees	Complied
Jun 29, 2006	7,47,57,507	10.00	71.25%	104,91,61,600	Pursuant to merger with Cambridge Services Holdings LLC	Scandent Mauritius Limited, AMPS and others	Complied
Aug 14, 2006	19,766	10.00	0.02%	104,93,59,260	Employee stock option plan	Target Company employees	Complied
Nov 30, 2006	1,37,092	10.00	0.13%	105,07,30,180	Employee stock option plan	Target Company employees	Complied
Jan 9, 2007	5,254	10.00	0.01%	105,07,82,720	Employee stock option plan	Target Company employees	Complied
Mar 22, 2007	45,014	10.00	0.04%	105,12,32,860	Employee stock option plan	Target Company employees	Complied
Mar 30, 2007	7,291	10.00	0.01%	105,13,05,770	Employee stock option plan	Target Company employees	Complied
Jun 28, 2007	5,821	10.00	0.01%	105,13,63,980	Employee stock option plan	Target Company employees	Complied
Sept 7, 2007	61,58,986	217.00	5.53%	111,29,53,840	Conversion of mandatorily convertible bonds	Indopark Holdings Limited	Complied
Oct 30, 2007	40,999	10.00	0.04%	111,33,63,830	Employee stock option plan	Target Company employees	Complied
Mar 12, 2008	5,000	10.00	0.00%	111,34,13,830	Employee stock option plan	Target Company employees	Complied
Jul 17, 2008	24,000	10.00	0.02%	111,36,53,830	Employee stock option plan	Target Company employees	Complied

* Scandent Group Limited, Mauritius and Scandent Mauritius Limited have since merged with Scandent Holdings.

** The compliance mentioned above is filing of Form 2 with Registrar of Companies, getting the Shares listed with the respective Stock Exchanges and compliance with applicable provisions of the SEBI (SAST) Regulations.

*** The scheme of arrangement was approved on October 1, 2004, and was effective from March 11, 2004.

63. All Shares are listed. To date, none of the Stock Exchanges have ever suspended trading in the Shares.

64. The Target Company has complied with the provisions of the listing agreements. There is no

punitive and/ or penal action taken by any of the Stock Exchanges against the Target Company.

65. As on the date of the Public Announcement, save for the Stock Options, there were no other outstanding instruments convertible into Shares of the Target Company or partly paid-up Shares of the Target Company. The Offer Size of 20% of the Share Capital of the Target Company has been computed on the fully diluted equity capital base of 11,29,52,074 Shares assuming that the 15,86,691 Stock Options granted by the Target Company to its employees have been exercised.

66. The Target Company has complied with the provisions of Chapter II of the SEBI (SAST) Regulations.

67. The Target Company has not received any directions from SEBI under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act, prohibiting it from dealing in securities.

68. As on the date of this Letter of Offer, the details of the board of directors of the Target Company are as listed below:

Names of the directors	**Designation**	**Residential addresses**	**Date of appointment to the board**
David Andrews	Executive Chairman and Chief Operating Officer	30 Hill Street, London W1J 5NW, England	January 12, 2009
Richard Houghton	Executive Director	4 The Quillot, Burwood Park, Walton on Thames, KT12 5BY, England	January 12, 2009
Dilip Keshu	Whole Time Director	4 Jarrett Court, Princeton JN NJ 08550 USA	November 10, 2004
Praful Chandaria	Director	32, Nassim Hill #10-38 Singapore	December 15, 2008
Kunal Kashyap	Director	A5, Victorian Villa, 12, Alexandra Street, Richmond Town, Bangalore – 560 025	May 23, 2005
Shamsher Kanji	Independent Director	10, UBI Crescent #02-03 Singapore	December 15, 2008
Jan Verplancke	Director	11th Floor, Plaza-By-the Park, 51, Bras Basah Road, Singapore 189554	June 21, 2006
Eugene P Beard	Director	4, Manor Dr Westport CT 06880	October 28, 2005

69. Details of experience and qualification of the directors of the Target Company are as under:

Names of the directors	**Qualification**	**Experience**
David Andrews	Fellow of the Institute of Chartered Accountants. MA Finance, Sheffield University. William Pitt Fellow, Pembroke College, Cambridge.	Founded Xchanging and has been the Chief Executive Officer since inception. Previously, Managing Partner of Accenture's West European business. Member of the Supervisory Board of Deutsche Borse from 2003 to 2007.
Richard Houghton	Masters in Arts from Cambridge University and Masters in Business Administration from Harvard.	Joined Xchanging Group in 1999. Appointed as a Chief Financial Officer of the Xchanging Group with responsibility for finance, legal and group implementation in September 2003.
Dilip Keshu	Master of Technology Degree from Indian Institute of Technology Madras, India	Chief Executive Officer of the IT division of Cambridge Solutions; Former President of DACG Asia Pacific, Far East Vice President and Managing Director of Baan Asia Pacific.
Praful Chandaria	Graduated with Honours in Economics and International Relations from University of Wales, and attended the PMD program at the Harvard Business School	Member of a multi generation family that has built leading global businesses from modest origins in East Africa almost a hundred years ago. As a part of the family management team, he has played a significant role in developing the groups' activities in Africa, Asia and Europe.
Kunal Kashyap	Bachelor of Commerce, Chartered Accountant	Global Partner at Arthur Andersen; At present, Chairman and Managing Director of

		Allegro Capital Advisors Private Limited.
Shamsher Kanji	Graduated with honours in law from University of London in 1957 Admitted as a Barrister in England by the Middle Temple, London also in 1957, as Advocate in 1958 in Tanganyika, as a Solicitor in New South Wales, Australia in 1972 and subsequently in Victoria and Western Australia and as Lawyer in Papua New Guinea.	Chairman since 1985 of Tasmania Mines Limited, listed on the Australia Stock Exchange. Chairman and Director of other companies. Practiced law in Tangayika/Tanzania, East Africa, Australia and participated in certain legal matters in Europe and USA.
Jan Verplancke	Royal Belgium Airforce, Computer Science	Chief Information Officer and Group Head of Technology and Operations, Standard Chartered Plc; Chief Information Officer, Dell for the Europe, Middle East and Africa.
Eugene P Beard	Honorary Degree of Doctor of Ethics in business leadership from Duquesne University	Chairman and Chief Executive Officer of Westport Asset Fund; Retired Vice-chairman of Interpublic Group.

70. David Andrews and Richard Houghton have been appointed by the Acquirer as directors of the Target Company on January 12, 2009.

71. There has been no merger, demerger, or spin off during the last three years involving the Target Company other than the amalgamation of Cambridge Services Holdings LLC with the Target Company pursuant to the High Court order on March 13, 2006 and the merger of Matrix One India Limited and Cambridge Integrated Services India Private Limited with the Target Company pursuant to the High Court order on March 20, 2008.

72. Brief audited standalone and consolidated financial details of the Target Company for the last three years audited by the statutory auditors of the Target Company, S. R. Batliboi & Associates, are summarised below. Further, the auditors have reviewed the special purpose condensed

standalone and condensed consolidated financial results for the quarter ended June 30, 2008. Such review was conducted in accordance with the Standards on Review Engagements ("**SRE**") 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India and was not an audit of the financial results for the quarter ended June 30, 2008. A summary of such reviewed financial results is also set out below. The Review report issued by the auditors included the following emphasis of matters:

Standalone financial results:

"Without qualifying our opinion, we draw attention to Note 3 to the unaudited financial results. The Target Company has net receivables (after eliminating payables) from Scandent Group Inc. (formerly Albion Inc.) and Cambridge Network Europe Limited (formerly Scandent Network Europe Limited), its wholly owned subsidiaries, of Rs. 6,387 lacs (net of payable of Rs. 3,306 lacs) and Rs. 1,645 lacs (net of payable of Rs. 2,143 lacs), respectively. The Target Company based on the future funding plans believes that these dues will be recovered / converted to equity in due course".

<u>Note 3 to the unaudited financial results:</u>

The Target Company has net receivables (after eliminating payables) from Scandent Group Inc. (formerly Albion Inc.) and Cambridge Network Europe Limited (formerly Scandent Network Europe Limited), its wholly owned subsidiaries, of Rs. 6,387 lacs (net of payable of Rs. 3,306 lacs) and Rs. 1,645 lacs (net of payable of Rs. 2,143 lacs), respectively. The Target Company based on the future funding plans believes that these dues will be recovered / converted to equity in due course.

Consolidated financial results:

"Without qualifying our opinion, we draw attention to:

a. Note 3 to the unaudited condensed financial results. The Target Company group has recognized revenue amounting to Rs. 393 lacs pertaining to conversion of claims of earlier years. The management does not consider any uncertainty in collection of these amounts. However, as the Target Company group is yet to receive any response from the respective customers on these claims, the impact, of any adjustment thereof, has not been included in the results.

b. Note 4 to the unaudited condensed financial results. The Target Company group is in the process of evaluating the option of subletting or occupying certain premises with the growth of business and is confident that the onerous contract liability of Rs. 1,189 lacs would not arise and has accordingly, not recorded the same in these financial statements."

<u>Note 3 to the unaudited financial results:</u>

During the quarter ended June 30, 2008 the Target Company group has recorded revenue amounting to Rs. 393 lacs from its customers for claims processed in earlier years. These claims, are to be accepted by the respective customers, however, the management does not considers any uncertainty in collection of these amounts.

Note 4 to the unaudited financial results:

Cambridge Integrated Services Group Inc. operates from leased office premises taken on non-cancellable lease. The management, in earlier years, had evaluated the expected future economic benefits from certain premises and recorded an onerous contract liability for premises where the future economic benefits, in form of sublease income, were lower than the minimum lease rentals to be paid over the non cancellable lease period. During the previous year, for one of such premises, the sub-lessee vacated the premises resulting in the onerous contract liability being higher by Rs. 1,189 lacs. The management is in the process of evaluating the option of subletting or occupying the premises and accordingly, does not consider a need for recording the additional onerous contract liability.

(Amount Rs. in lacs except otherwise stated)

	Standalone				Consolidated			
	3 Months Ended	Year Ended			3 Months Ended	Year Ended		
Profit & Loss Statement	**Jun 30, 2008**	**Mar 31, 2008**	**Mar 31, 2007**	**Mar 31, 2006**	**Jun 30, 2008**	**Mar 31, 2008**	**Mar 31, 2007**	**Mar 31, 2006**
Income from operations	6,730.09	17,823.49	17,090.90	16,484.80	30,851.92	1,23,630.86	1,46,981.41	1,18,069.78
Other Income	79.79	239.90	178.67	71.19	334.10	3,124.24	4,088.89	3,142.75
Total Income	6,809.89	18,063.39	17,269.57	16,556.00	31,186.01	1,26,755.10	1,51,070.30	1,21,212.54
Total Expenditure	5,374.58	15,447.04	15,805.41	14,417.27	28,635.76	1,17,313.21	1,36,812.84	1,13,356.18
Profit Before Depreciation, Interest and Tax	1,435.31	2,616.35	1,464.16	2,138.72	2,550.26	9,441.88	14,257.47	7,856.36
Depreciation	335.51	363.53	459.41	504.18	1,027.23	3,766.56	3,577.57	4,692.53
Interest Cost	203.34	1,433.99	1,979.44	904.43	752.21	4,062.34	5,009.94	4,156.09
Profit Before Tax	896.46	818.83	(974.69)	730.11	770.82	1,612.98	5,669.96	(992.27)
Provision for Tax	148.38	387.08	138.44	269.59	477.00	2,492.38	(897.00)	869.73
Profit After Tax	748.08	431.75	(1,113.13)	460.52	293.82	(879.40)	6,566.96	(1,861.99)

	Standalone				Consolidated			
	3 Months Ended	Year Ended			3 Months Ended	Year Ended		
Balance Sheet Statement	**Jun 30, 2008**	**Mar 31, 2008**	**Mar 31, 2007**	**Mar 31, 2006**	**Jun 30, 2008**	**Mar 31, 2008**	**Mar 31, 2007**	**Mar 31, 2006**
Sources of funds								
Paid-up share capital	11,134.14	11,134.14	10,513.06	10,487.10	11,134.14	11,134.14	10,513.06	10,487.10
Reserves and Surplus (excluding revaluation reserves)	13,509.37	13,788.67	7,135.72	7,202.18	19,096.37	19,020.91	12,100.15	7,099.84
Net worth	24,643.51	24,922.81	17,648.78	17,689.28	30,230.51	30,155.05	22,613.21	17,586.94
Minority Interest	-	-	-	-	-	-	-	-

Secured loans	7,791.70	6,313.54	9,302.93	9,007.14	25,265.72	23,438.00	29,353.27	32,020.66
Unsecured loans	-	-	14,265.00	14,899.98	2,333.64	2,611.94	19,390.23	20,293.63
Deferred Tax Liabilities	-	-	-	-	1,064.87	769.80	-	-
Total	**32,435.20**	**31,236.35**	**41,216.71**	**41,596.40**	**58,894.74**	**56,974.80**	**71,356.71**	**69,901.23**
Uses of funds								
Net fixed assets (incld. Capital WIP)	3,158.29	588.24	643.41	669.59	52,351.45	51,599.08	57,209.85	50,768.79
Investments	20,297.03	22,286.53	23,916.69	12,551.53	958.28	958.28	663.75	-
Deferred Tax Asset	63.30	-	300.07	308.31	707.55	668.97	2,166.55	431.85
Net current assets	8,866.15	8,341.55	15,404.22	27,857.33	4,142.59	2,993.85	10,638.39	16,255.83
Miscellaneous Expenditure not w/off	50.43	20.03	218.09	209.63	734.87	754.61	678.17	870.30
Profit and Loss Account	-	-	734.23	-	-	-	-	1,574.46
Total	**32,435.20**	**31,236.35**	**41,216.71**	**41,596.40**	**58,894.74**	**56,974.80**	**71,356.71**	**69,901.23**

	Standalone				**Consolidated**			
	3 Months Ended	**Year Ended**			**3 Months Ended**	**Year Ended**		
Other Financial Data	**Jun 30, 2008**	**Mar 31, 2008**	**Mar 31, 2007**	**Mar 31, 2006**	**Jun 30, 2008**	**Mar 31, 2008**	**Mar 31, 2007**	**Mar 31, 2006**
Dividend (%)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Basic Earning Per Share (Rs.) (Annualised)[1]	2.68	0.40	(1.06)	0.44	1.04	(0.81)	6.26	(1.79)
Return on net worth (%) (Annualised)[2]	12.17%	1.73%	-6.66%	2.63%	3.98%	-2.99%	29.94%	-12.30%
Book Value Per Share (Rs.)[3]	22.09	22.37	15.88	16.67	26.49	26.41	20.86	14.44

(1) Basic Earnings per share is computed by dividing the profit after tax in the concerned period by the weighted average number of shares for that period. Basic Earnings per share has been annualised for the period ending June 30, 2008.

(2) Return on Networth is computed by dividing the profit after tax for the financial period by networth at the end of the such financial period adjusted for the impact of miscellaneous expenditure not written and profit and loss account. Return on Networth has been annualised for the period ending June 30, 2008.

(3) Book Value per share is computed by dividing the networth at the end of the financial period adjusted for the impact of miscellaneous expenditure not written and profit and loss account by the number of shares at the end of such financial period.

73. The reasons for fall / rise in total consolidated income and profit after tax of the Target Company in the relevant years are as follows:

Decrease in revenue for the year ended March 31, 2008 compared to the year ended March 31, 2007

Revenue for the year ended March 31, 2008 decreased 15.9% to Rs. 12,36,30.86 lacs (2007: Rs. 1,46,981.41 lacs). The decline in revenue was primarily a result of disposal of the Target

Company’s government business being undertaken by Scandent Group Inc (formerly Albion Inc.) with effect from April 1, 2007. In addition, a number of contract losses in the BPO US business during the year impacted year on year revenue. The decline in revenue was partially offset by organic growth in the Target Company’s other divisions like IT, BPO Australia and BPO India.

Decrease in profit after tax in the year ended March 31, 2008 compared to the year ended March 31, 2007

The decrease in profit after tax for the year primarily resulted from disposal of the Target Company’s government business being undertaken by Scandent Group Inc (formerly Albion Inc.) with effect from April 1, 2007, which had contributed profits in the prior year. The decrease in profit after tax was compounded by a significant deferred tax charge incurred in the year.

Increase in revenue for the year ended March 31, 2007 compared to the year ended March 31, 2006

Revenue for the year ended March 31, 2007 increased by 24.5% to Rs. 1,46,981.41 lacs (2006: Rs. 1,18,069.78 lacs). The Target Company experienced strong organic growth in the IT and BPO India divisions during the year and benefited from the full year impact of the New South Wales contract in the BPO Australia division. In addition, the Target Company acquired Ecomm Solutions Corporation during the year which contributed to growth in the IT Division. Growth during the period was offset by a decline on BPO US revenues due to the loss of a number of major accounts.

Increase in profit after tax in the year ended March 31, 2007 compared to the year ended March 31, 2006

The increase in profit after tax was influenced by recording of large exceptional items in 2006 relating to restructuring and reorganisation costs relating to integration of the acquisition of Cambridge Integrated Services Group Inc and Cambridge Integrated Services Victoria Pty Limited and Cambridge Integrated Services Australia Pty Limited, depressing profits in that year. Conversely, a net exceptional profit was recorded in 2007 further compounding the increase in profits. Additionally, profit after tax was impacted by creation of significant deferred tax assets in 2007 relating to the Ecomm Solutions Corporation acquisition creating a net tax income in the year.

74. The contingent liabilities of the Target Company as on June 30, 2008 are as follows:

- The Target Company has export obligations under the Software Technology Park (STP) scheme. In accordance with such scheme, the Target Company procures capital goods without payment of duties for which agreements and bonds are executed by the Target

Company in favour of the government. In case the Target Company does not fulfill the export obligation, it shall be liable to pay, on demand, an amount equal to such duties saved including interest and liquidated damages. As at June 30, 2008, the Target Company has availed duty benefits amounting to Rs. 265 lacs including the benefit availed by SSI Limited amounting to Rs. 156 lacs).

- As at June 30, 2008, Scandent Group Inc (formerly Albion Inc) and Scandent Group GmbH, the subsidiary companies of the Target Company had negative net assets amounting to Rs. 12,609 lacs and Rs. 308 lacs, respectively and the Target Company has committed to fund the shortfall, if any.
- On March 31, 2006, the Target Company received an assessment order for the assessment year 2003-04 which included transfer pricing adjustment for arm's length price of Rs. 1,260 lacs. The Target Company has filed an appeal with the Commissioner of Income Tax (Appeals).
- During the year ended March 31, 2007, the Target Company received an assessment order for the assessment year 2004-05 which included transfer pricing adjustment for arms' length price of Rs. 953 lacs. Consequently, an amount of Rs. 58 lacs has been demanded as tax payable by the Target Company. As at June 30, 2008, the Target Company has paid Rs. 28 lacs of taxes and has made an application for stay of demand for the balance amount and penalty proceedings. Also, the Target Company has filed an appeal with the Commissioner of Income Tax (Appeals).
- Cambridge Integrated Services Group Inc. is subject to claims, lawsuit and proceedings that arise in the ordinary course of business. Cambridge Integrated Services Group Inc. has purchased errors and omissions insurance and other appropriate insurance to provide protection against losses that arise in such matters. Although the ultimate outcome of these matters cannot be ascertained, and liabilities in indeterminate amounts may be imposed on Cambridge Integrated Services Group Inc. on the basis of present information, availability of insurance coverage, and legal advice received, it is the opinion of the management that the disposition or ultimate determination of such claims and lawsuits will not have a material adverse effect on the consolidated financial position of the Target Company. However, it is possible that future consolidated results of operations or cash flows for any particular quarterly or annual period could be materially affected by unfavourable resolution of these matters. For the quarter ended June 30, 2008, there are no material accruals for matters of this nature.
- During the year ended March 31, 2007, the Target Company had entered into a bank guarantee facility with Yes Bank for Rs. 3,200 lacs plus variations on account of exchange rate fluctuations, for the purpose of issuance of standby letter of credit ('SBLC') by Yes Bank in favour of a correspondent bank in India for extending credit facilities to its subsidiaries. As at the year end, the Target Company had utilized Rs. 3,766 lacs of the facility towards SBLCs issued to secure facility extended to its subsidiaries by a correspondent bank. In the event of default by the subsidiaries, the Target Company will need to indemnify Yes bank to the extent

of the facility availed.

- Westpac Banking Corporation has provided bankers undertakers (guarantees) for a customer for claim processing for the value of Rs. 824 lacs. The banker undertaking to the customer is supported by a fixed and floating charge over the assets of Cambridge Australia and CIS Australia and a guarantee and indemnity by CIS Australia.
- The Target Company has given corporate guarantee for Rs. 17,266 lacs in respect of loans taken by its subsidiaries from banks.

75. Pre and post Offer shareholding pattern of the Target Company as on February 6, 2009 (not taking into account Shares to be issued upon exercise of the Stock Options), is as follows:

Shareholders' category	**Shareholding and voting rights prior to the agreement / acquisition and Offer (Prior to October 3, 2008))**		**Shares / voting rights agreed to be acquired which triggered the SEBI (SAST) Regulations [a]**		**Shares / voting rights to be acquired in the Offer (assuming full acceptances) [b]**		**Shareholding / voting rights after the acquisition and Offer (assuming full acceptance of the Offer)**	
	(A)		**(B)**		**(C)**		**(A)+(B)+(C)=(D)**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
(1) Promoters and Promoter Group								
a. Parties to agreement, if any	5,57,80,332	50.09%	Nil	Nil	Nil	Nil	1,56,34,043	14.04%[5]
b. Parties other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 1(a+b)	5,57,80,332	50.09%	Nil	Nil	Nil	Nil	1,56,34,043	14.04%
(2) Acquirers								
a. Main Acquirer	Nil	Nil	8,47,14,058[2]	76.07%	2,25,90,415	20.00%	8,47,14,060[3]	76.07%
b. PACs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 2(a+b)	Nil	Nil	8,47,14,058	76.07%	2,25,90,415[4]	20.00%	8,47,14,060	76.07%
(3) Parties to agreement other than(1) (a) & (2)	3,00,17,225[1]	26.96%	Nil	Nil	Nil	Nil	80,39,869	7.22%[5]
(4) Public (other than parties to agreement, Acquirer & PACs)								
a. Mutual Funds and UTI	63,07,323	5.66%	N.A.	N.A.	Nil	Nil	This will depend on response from and within each category under (4)	
b. Banks, FIs, Insurance Co's, Central / State Govt. / Non-Govt.	4,43,382	0.40%	N.A.	N.A.	Nil	Nil		

Institutions								
c. FIIs	21,16,176	1.90%	N.A.	N.A.	Nil	Nil		
d. Private Corporate Bodies	66,34,242	5.96%	N.A.	N.A.	Nil	Nil		
e. Indian Public	73,74,040	6.62%	N.A.	N.A.	Nil	Nil		
f. NRIs / OCBs	4,16,219	0.37%	N.A.	N.A.	Nil	Nil		
g. Any Others - Directors	22,76,444	2.05%	N.A.	N.A.	Nil	Nil		
Total 4(a+b+c+d+e+f +g)	2,55,67,826	22.96%	N.A.	N.A.	Nil	Nil	29,77,411	2.67%
GRAND TOTAL (1+2+3+4)	11,13,65,383	100.00%	8,47,14,058	76.07%	2,25,90,415	20.00%	11,13,65,383	100.00%

[1] Please refer to paragraph 1 (ii), (iii) and (iv) above in respect of Shares acquired by Katra on November 14, 2008 which were previously held in the name of Scandent Holdings as on the date of the SPAs.

[2] Number of Total Target Sale Shares proposed to be acquired under the SPAs.

[3] Shares acquired from the Sellers under the SPAs will be reduced by (a) the number of Shares tendered and accepted in the Offer, and (b) 75% of the number of Stock Options, if any, which lapse or are forfeited between the date of the Public Announcement and the completion of the SPAs such that upon completion of the SPAs and this Offer, the Acquirer shall hold 75.00% of the fully diluted share capital of the Target Company and 76.07% of the paid up Share capital of the Target Company as on the date of this Letter of Offer. A 100% subscription in the Offer will result in the reduction of the Total Target Sale Shares to the extent of 22,590,413 which is slightly less than the Offer size of 22,590,415 shares because of differences due to rounding-down in scale back for each of the Sellers.

[4] Offer Size represents 20% of the Share Capital.

[5] Assuming a 100% subscription in the Offer, in addition to the direct residual ownership of 14.04% of Scandent Holdings in the Target Company, Scandent Holdings will also have an indirect ownership of 3.19% of the Target Company by virtue of their holding in the PAC post SPA Completion, resulting in total beneficial ownership of 17.23%. Similarly, in addition to the direct residual ownership of 4.21% of AMPS in the Target Company, AMPS will also have an indirect ownership of 1.02% by virtue of their holding in the PAC post SPA Completion, resulting in total beneficial ownership of 5.23%. Similarly, in addition to the direct residual ownership of 3.01% of Katra in the Target Company, Katra will also have an indirect ownership of 0.73% by virtue of their holding in the PAC post SPA Completion, resulting in total beneficial ownership of 3.74%. Further please note that since Scandent Holdings only is shown as the 'promoter' of the Target Company in its quarterly shareholding reports filed under the listing agreements, such residual ownership of Katra has been reflected under the category "(3) Parties to agreement other than(1) (a) & (2) in column D". Post the SPA Completion, Scandent Holdings will cease to be a promoter of the Target Company.

76. Details of the change in the shareholding of the existing promoter of the Target Company, i.e., Scandent Holdings are given below:

Date of acquisition/ sale	**No. of Shares**	**Issue price per Share**	**% holding post acquisition/ sale**	**Cumulative share capital of the Target Company (in Rs.)**	**Mode of acquisition/ Sale**	**Status of Compliance*****
Mar 14, 2003	75,26,800	10.00	99.87%	7,53,68,000	Private placement*	NA
Jan 14, 2004	2,28,07,663	18.00	73.11%	31,19,44,630	Conversion of external commercial borrowing to equity*	NA
Oct 1, 2004	(1,81,81,119)	-	-	13,15,89,620	Reduction in the Share Capital pursuant to the scheme of arrangement with SSI Limited	-
Dec 28, 2005	10,25,227	220.00	43.76%	30,11,34,560	Preferential allotment*	Complied with
Jun 29, 2006	5,24,70,000	10.00	62.57%	1,04,91,61,600	Pursuant to merger with Cambridge Services Holdings LLC**	Complied with
Nov 6, 2006	(35,00,000)	-	61.27%	1,01,43,59,260	Sale of Shares in the open market	Complied with
Sep 27, 2007	61,58,986	217.00	61.38%	111,29,53,840	Pursuant to the scheme of arrangement	Complied with

* Allotted to Scandent Group Limited, Mauritius which has since merged into Scandent Holdings.

**Allotted to Scandent Mauritius Limited which has since merged into Scandent Holdings.

*** The compliance mentioned above is filing of Form 2 with Registrar of Companies by the Target Company, getting the Shares listed with the respective Stock Exchanges and compliance with applicable provisions of the SEBI (SAST) Regulations by the Target Company.

77. The Target Company has complied with the applicable provisions of the SEBI (SAST) Regulations/other applicable Regulations under SEBI Act 1992 and other statutory requirements as applicable.

78. The Target Company has been complying with the corporate governance requirements as are prescribed in Clause 49 of the listing agreements as amended from time to time.

79. Except as disclosed in paragraph 74 of this Letter of Offer and as described below, the Target Company has no pending litigation as on the date of this Letter of Offer:

- Global Software Limited has challenged the transfer by the Target Company of 6,25,000 debentures of the Target Company to ING Vysya Bank Limited. Such transfer of debentures was made by the Target Company pursuant to the orders given by the debt recovery tribunal in favour of ING Vysya Bank Limited. This claim has been filed against ING Vysya Bank Limited, the Target Company and others. The quantum of claim is the principal amount in respect of the said 625,000 debentures which is Rs. 6,25,00,000 plus interest at 11% per annum. The Target Company has filed a reply rejecting the said claim. The matter is pending hearing.

- Claim by Joseph Gerald: Joseph Gerald has filed a claim seeking Rs. 10,62,000 towards compensation from AGS Holdings Limited (the owner of the premises) and the Target Company (the former lessee of the premises) for the loss suffered by him and for the medical expenses incurred by him post discharge from hospital after the accident of a generator exhaust pipe falling on him.

80. Mr. V. Viswanathan is the compliance officer of the Target Company. Address: SJR I-Park, Plot 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangalore 560066, Karnataka. Tel No.: +91 80 3054 0000; Fax No.: +91 80 4115 7394; Email: Viswanathan.Venkataraman@cambridge-asia.com.

OFFER PRICE AND FINANCIAL ARRANGEMENTS

Justification of the Offer Price

81. The Shares are listed on the BSE, the NSE, the MSE and the ASE. Based on information available, (*Source: www.bseindia.com, www.nseindia.com)* the Shares are frequently traded on the BSE and the NSE within the meaning of Regulation 20(5) of the SEBI (SAST) Regulations. Moreover, for the purpose of Regulation 20(4) of the SEBI (SAST) Regulations, the Shares are most frequently traded on the NSE. The Shares are infrequently traded on the MSE and the ASE *(Source: letter dated October 3, 2008 from the MSE and letter dated October 3, 2008 from the ASE)*.

82. As mentioned in paragraph 1 (ix) of this Letter of Offer, it is the intention of the Acquirer to acquire only such number of Shares under the SPAs as would result in the Acquirer's total holding not exceeding 75% of the actual fully diluted Share Capital of the Target Company on SPA Completion. Accordingly, in terms of the SPAs, the number of Total Target Sale Shares to be acquired by the Acquirer from the Sellers would be reduced by (a) the number of Shares tendered and accepted in the Offer, and (b) 75% of the number of Stock Options, if any, which lapse or are forfeited between the date of the Public Announcement and the SPA Completion. The corresponding reduction in the consideration payable to the Sellers shall be made by adjusting the Total Cash Consideration payable under the SPAs without changing the number of Total Consideration Shares to be issued to the Sellers. Illustrations of how the reduction in the Total Target Sale Shares would occur in three different scenarios (assuming no Stock Options will

lapse or be forfeited) is as given below. Under all such possible scenarios the Consideration per share payable to the Sellers is the same, and is equal to the Negotiated Price of Rs 81.11 per share as computed in the manner specified in Paragraph 84 below.

(i) 0% acceptances i.e. no Shares are tendered and accepted in response to the Offer (no scale-back)

					Stock Consideration		Cash Consideration			
Shareholder	**Total Sale Shares**	**Scale Back**	**Actual Sale Shares**	**Xchanging Shares**	**Xchanging Shares Consideration - Rs. Equivalent**	**Per share - Stock Consideration (Rs.)**	**Total Cash Consideration (Rs.)**	**Per share - Cash Consideration (Rs.)**	**Total Consideration (Rs.)**	**Consideration per share (Rs.)**
Scandent Holdings	54,744,938	-	54,744,938	9,855,038	2,041,155,869	37.3	2,398,723,567	43.8	4,439,879,435	81.1
AMPS	17,461,971	-	17,461,971	3,143,457	651,066,562	37.3	765,119,881	43.8	1,416,186,443	81.1
Katra	12,507,149	-	12,507,149	2,251,503	466,326,823	37.3	548,017,655	43.8	1,014,344,478	81.1
Total Sellers Consideration	**84,714,058**		**84,714,058**	**15,249,998**	**3,158,549,254**	**37.3**	**3,711,861,102**	**43.8**	**6,870,410,356**	**81.1**
Open Offer Shareholders	**-**	**-**	**-**	**NA**	**NA**	**NA**	**-**	**-**	**-**	**-**
Overall Consideration			84,714,058		3,158,549,254		3,711,861,102		6,870,410,356	81.1

(ii) 50% acceptances i.e. 11,295,208 Shares are tendered and accepted in response to the Offer (partial scale-back)

					Stock Consideration		Cash Consideration			
Shareholder	**Total Sale Shares**	**Scale Back**	**Actual Sale Shares**	**Xchanging Shares**	**Xchanging Shares Consideration - Rs. Equivalent**	**Per share - Stock Consideration (Rs.)**	**Total Cash Consideration (Rs.)**	**Per share - Cash Consideration (Rs.)**	**Total Consideration (Rs.)**	**Consideration per share (Rs.)**
Scandent Holdings	54,744,938	7,299,302	47,445,636	9,855,038	2,041,155,869	43.0	1,806,677,181	38.1	3,847,833,050	81.1
AMPS	17,461,971	2,328,281	15,133,690	3,143,457	651,066,562	43.0	576,273,009	38.1	1,227,339,571	81.1
Katra	12,507,149	1,667,624	10,839,525	2,251,503	466,326,823	43.0	412,756,672	38.1	879,083,495	81.1
Total Sellers Consideration	**84,714,058**	**11,295,207**	**73,418,851**	**15,249,998**	**3,158,549,254**		**2,795,706,862**	**38.1**	**5,954,256,116**	**81.1**
Open Offer Shareholders	**11,295,208**		**11,295,208**	NA	**NA**	**NA**	**916,154,321**		**916,154,321**	**81.1**
Overall Consideration			84,714,059		3,158,549,254		3,711,861,183		6,870,410,437	81.1

(iii) 100% acceptances i.e. 22,590,415 Shares are tendered and accepted in response to the Offer (maximum scale-back)

					Stock Consideration		Cash Consideration			
Shareholder	**No of shares to be sold to the acquirer**	**Scale Back**	**Actual Sale Shares**	**Xchanging Shares**	**Xchanging Shares Consideration - Rs. Equivalent**	**Per share - Stock Consideration (Rs.)**	**Total Cash Consideration (Rs.)**	**Per share - Cash Consideration (Rs.)**	**Total Consideration (Rs.)**	**Consideration per share (Rs.)**
Scandent Holdings	54,744,938	14,598,603	40,146,335	9,855,038	2,041,155,869	50.8	1,214,630,877	30.3	3,255,786,746	81.1
AMPS	17,461,971	4,656,562	12,805,409	3,143,457	651,066,562	50.8	387,426,137	30.3	1,038,492,699	81.1
Katra	12,507,149	3,335,248	9,171,901	2,251,503	466,326,823	50.8	277,495,689	30.3	743,822,512	81.1
Total Sellers Consideration	**84,714,058**	**22,590,413**	**62,123,645**	**15,249,998**	**3,158,549,254**		**1,879,552,704**	**30.3**	**5,038,101,957**	**81.1**
Open Offer Shareholders	**22,590,415**		**22,590,415**	**NA**	**NA**	**NA**	**1,832,308,561**	**81.1**	**1,832,308,561**	**81.1**
Overall Consideration			84,714,060		3,158,549,254		3,711,861,264		6,870,410,518	81.1

83. The details of trading volumes of the Target Company on the BSE, the NSE, the MSE and the ASE are as provided below:

Name of the Stock Exchanges	**Total Shares traded during the six calendar months prior to the month in which the Public Announcement was made (annualized)**	**Weighted average outstanding listed Shares**	**Annualized trading turnover as a percentage of weighted average outstanding listed Shares**	**Trading status in terms of the SEBI (SAST) Regulations**
NSE	1,18,20,194	11,13,51,367	10.62%	Frequently traded
BSE	84,39,140	11,13,51,367	7.58%	Frequently traded
MSE	Nil	11,13,51,367	Not Applicable	Infrequently traded

ASE	Nil	11,13,51,367	Not Applicable	Infrequently traded

Sources: www.nseindia.com, www.bseindia.com, letter dated October 3, 2008 from the MSE and letter dated October 3, 2008 from the ASE.

84. The Offer Price is justified in terms of Regulation 20(4) of the SEBI (SAST) Regulations in view of the following:

a) The Negotiated Price for the Total Target Sale Shares payable under the SPAs is Rs. 81.11 per Share.

Note:

(i) The Negotiated Price is calculated by dividing the aggregate of the Total Cash Consideration and the Rs. value of the Total Consideration Shares, as set out below, by the number of Total Target Sale Shares.

(ii) The Rs. value of the Total Consideration Shares has been calculated by multiplying the product of the per share price of the PAC (being £2.4963 calculated as set out below) and the number of Total Consideration Shares by the RBI reference rate of Rs. 82.97/£ on the date of the SPAs.

(iii) Shares of the PAC are frequently traded and the per share price of the PAC has been calculated in accordance with the methodology set out in Regulation 20(4) of the SEBI (SAST) Regulations. The PAC's two week trading average share price was £2.4584 (equivalent to Rs. 203.97) (determined as at the date of the SPAs and based on the average of the daily high and low share prices for the two (2) weeks up to and including the date of the SPAs) and the 26 week trading average share price (determined as at the date of the SPAs and based on the average of the weekly high and low of the closing market prices for the 26 weeks up to and including the date of the SPAs) was £2.4963 (equivalent to Rs. 207.12). Furthermore, the closing market price for the PAC shares at close of business on the date of the SPAs was £2.4900 (equivalent to Rs. 206.60). The highest of these three share prices is £2.4963 (equivalent to Rs. 207.12) and is the figure used in the calculation of the value of the Total Consideration Shares. All PAC's share prices are derived from the London Stock Exchange Daily Official List.

Anish N. Shah, Partner, (Membership No. 42649), M/s. V.C. Shah and Co, independent Chartered Accountants having their address at Rajgir Chambers, 3rd floor, Shahid Bhagat Singh Road, Mumbai 400001 have certified the following vide certificate dated October 4, 2008 using the same approach / methodology as is specified under Regulation 20(9) of the SEBI (SAST) Regulations:

a)	The average of the weekly high and low of closing prices of shares of Xchanging plc on London Stock Exchange during the 26-weeks preceding the date of the Public Announcement dated October 04, 2008	Pence 249.63/ share
b)	The average of the daily high and low of prices of the shares of Xchanging plc during the 2-weeks preceding the date of the Public Announcement dated October 04, 2008	Pence 245.84/ share
c)	The closing price as on October 03, 2008	Pence 249.00/ share

b) Except for the proposed acquisition of the Total Target Sale Shares, the Acquirer or PAC have not acquired any Shares during the 26 weeks preceding the date of the Public Announcement.

c) Based on the Share price data on the NSE, where the Shares are frequently traded, the average of the weekly high and low of the closing prices of the Shares during the 26 weeks preceding the date of the Public Announcement and the average of the daily high and low of the prices of the Shares during the 2 weeks preceding the date of the Public Announcement are as under:

Average of the weekly high and low of the closing prices of the Shares during the 26 weeks preceding the date of the Public Announcement	Rs. 50.96
Average of the daily high and low of the Shares during the 2 weeks preceding the date of the Public Announcement	Rs. 47.45

d) Since the Shares are infrequently traded on the MSE and the ASE, the Offer Price is also justified in terms of other parameters based on the standalone audited accounts for the twelve (12) months period ended March 31, 2008 which are as under:

(*Determined by Anish N. Shah, Partner, (Membership No. 42649), M/s.V.C Shah and Co., independent Chartered Accountants, having their address at Rajgir Chambers, 3rd floor, Shahid Bhagat Singh Road, Mumbai 400001, in terms of Regulation 20(5)(c) of the SEBI (SAST) Regulations.*)

Return on Networth*	1.73%
Book Value per Share (Based on outstanding number of shares at the year end)**	Rs. 22.37 /Share
Earning per Share (Based on weighted average number of shares)***	Rs. 0.40 /Share
Price/Earning Ratio based on Offer Price	202.8x
Industry P/E Ratio *(Source: Capital Markets Volume XXIII/15 dated September 22-October 5, 2008 – Computers: Software-Medium/Small)*	9.5x

*Return on networth calculated as profit after tax/networth as at the end of the year.

**Book value per share computed as the networth/number of outstanding shares as at the end of the year.

***Earning per share is calculated as the net profit attributable to equity holders of the company/weighted average number of basic shares.

85. The Shares are most frequently traded on the NSE. The average of the weekly high and low of the closing prices of the Shares, during the 26-week period ended October 3, 2008 (being the last

trading date before the Public Announcement) on NSE, are given below:

Week No.	Week ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	11-Apr-08	41.75	36.70	39.23	2,40,749
2	17-Apr-08	48.20	43.00	45.60	1,06,634
3	25-Apr-08	49.45	45.65	47.55	1,53,052
4	2-May-08	49.10	46.90	48.00	1,02,837
5	9-May-08	49.75	48.15	48.95	83,080
6	16-May-08	57.55	46.50	52.03	1,39,990
7	23-May-08	58.35	50.65	54.50	3,62,375
8	30-May-08	53.90	49.70	51.80	2,58,142
9	6-Jun-08	48.75	45.05	46.90	82,324
10	13-Jun-08	46.15	42.10	44.13	70,268
11	20-Jun-08	57.70	48.05	52.88	17,03,958
12	27-Jun-08	59.65	54.85	57.25	8,13,815
13	4-Jul-08	60.10	56.65	58.38	1,75,142
14	11-Jul-08	60.00	58.00	59.00	44,485
15	18-Jul-08	57.05	54.50	55.78	38,830
16	25-Jul-08	56.10	54.10	55.10	27,919
17	1-Aug-08	55.45	52.80	54.13	4,70,780
18	8-Aug-08	52.65	51.15	51.90	29,560
19	14-Aug-08	55.15	53.60	54.38	23,618
20	22-Aug-08	53.35	50.95	52.15	18,962
21	29-Aug-08	51.00	49.70	50.35	22,067

22	5-Sep-08	52.45	50.50	51.48	1,00,638
23	12-Sep-08	52.05	50.75	51.40	2,64,935
24	19-Sep-08	48.05	43.10	45.58	1,32,828
25	26-Sep-08	44.50	40.45	42.48	1,33,002
26	3-Oct-08	59.40	48.05	54.18	4,13,098
		26 Weeks Average		**50.96**	

Source: www.nseindia.com.

86. The average of the daily high and low prices of the Shares during the last 2 weeks of trading on the NSE, where Shares are frequently traded, (as on the date of the Public Announcement) are given below:

Day No.	Dates	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	22-Sep-08	44.95	42.65	43.80	50,373
2	23-Sep-08	44.10	40.15	42.13	5,182
3	24-Sep-08	43.70	41.00	42.35	2,096
4	25-Sep-08	41.25	40.20	40.73	7,881
5	26-Sep-08	44.50	41.50	43.00	67,470
8	29-Sep-08	48.95	48.60	48.78	30,481
9	30-Sep-08	53.85	50.05	51.95	1,89,903
10	1-Oct-08	56.55	55.15	55.85	1,10,198
12	3-Oct-08	59.40	57.55	58.48	82,516
			2 Weeks Average	**47.45**	

Source: www.nseindia.com

On the basis of the above, the minimum Offer Price in terms of Regulation 20(11) of the SEBI (SAST) Regulations is the Negotiated Price, i.e. Rs. 81.11 per Share.

87. During the Offer period, the Acquirer and the PAC may purchase additional Shares other than the Shares acquired pursuant to the transactions contemplated under the SPAs. In the event that the Acquirer and the PAC purchase any additional Shares during the Offer Period, in accordance with Regulation 20(7) of the SEBI (SAST) Regulations, such purchase shall be disclosed to the Stock Exchanges and to the Manager to the Offer in accordance with Regulation 22(17) of the SEBI (SAST) Regulations. Provided that in terms of Regulation 20(7) of the SEBI (SAST) Regulations, no such acquisitions shall be made during the last seven (7) Working Days prior to the closure of the Offer. No Shares have been acquired by the Acquirer / PAC after the date of the Public Announcement and as on the date of this Letter of Offer.

88. As per the SEBI (SAST) Regulations, the Acquirer can revise the Offer Price / Offer Size up to seven (7) Working Days prior to the closure of this Offer, and the revision, if any, would be announced in the same newspapers in which the Public Announcement appeared and the revised price will be paid for all Shares acquired pursuant to this Offer. Such revised price shall not be less than the highest price paid by the Acquirer for any acquisition of Shares.

Financial Arrangements

89. The total financial resources required under the Offer, assuming full acceptance, will be Rs. 183,23,08,560.65. (the "**Maximum Consideration**")

90. The PAC proposes to fund this Offer out of internally accrued funds. The Acquirer and PAC have entered into the Intercompany Loan Agreement whereby the Acquirer has the right to draw down from the PAC such amount as may be required by the Acquirer to fulfill its obligations in the Offer.

91. By way of security for performance of its obligations under the SEBI (SAST) Regulations, the Acquirer has deposited the Cash Deposit in the Escrow Account. The Cash Deposit represents 100% of the Maximum Consideration.

92. The Acquirer and PAC have confirmed that the funds lying in the Escrow Account will be utilized exclusively for the purpose of the Offer. The Acquirer and PAC have authorized the Manager to the Offer to operate the Escrow Account in compliance with Regulation 28 of the SEBI (SAST) Regulations.

93. Anish N. Shah, Partner, (Membership No. 42649), M/s. V.C. Shah and Co, independent Chartered Accountants having their address at Rajgir Chambers, 3rd floor, Shahid Bhagat Singh Road, Mumbai 400001 has certified vide certificate dated October 4, 2008 that based on information provided by the Acquirer and the PAC, the Acquirer and the PAC have adequate resources to fund the Offer. The PAC has also confirmed to the Manager to the Offer that the PAC has adequate resources to enable the Acquirer to meet its financial obligations relating to the Offer and that the PAC shall enable the Acquirer to hold sufficient funds to meet its financial obligations relating to the Offer.

94. In view of the above the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer and PAC to fulfill the Acquirer's obligations through verifiable means in relation to the Offer in accordance with the SEBI (SAST) Regulations.

TERMS AND CONDITIONS OF THE OFFER

95. All Shares tendered and accepted under the Offer up to 2,25,90,415 Shares will be acquired by the Acquirer, subject to terms and conditions set out herein. All necessary requirements for the valid transfer of the Shares will be the pre-conditions for valid acceptance. The Target Company does not have any outstanding Shares that are subject to lock-in save and except the following:

	Name of the Shareholders	No. of Shares	Expiry date of lock in
1	Scandent Holdings	1,31,17,500	September 29, 2009
2.	AMPS	43,72,500	September 29, 2009
3.	Others	11,99,385	September 29, 2009
	Total	**1,86,89,385**	

96. The Manager to the Offer shall ensure that there is no discrimination in the acceptance of locked-in and non locked-in Shares. The locked-in Shares shall be transferred to the Acquirer subject to the continuation of the residual lock-in period in the hands of the Acquirer.

97. The Letter of Offer relating to the Offer together with the Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed (applicable for Shareholders holding Shares in physical form) will be mailed to all the Shareholders (except the parties to the SPAs) whose names appear on the register of Shareholders and to the beneficial owners of Shares in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business on the Specified Date i.e. October 17, 2008.

98. All Shareholders whose names appear in the register of Shareholders on the Specified Date and also persons who own Shares any time prior to the closure of the Offer, whether or not they are registered Shareholders, are eligible to participate in the Offer anytime before the closure of the Offer.

99. The acceptance of the Offer is entirely at the discretion of the Shareholders and each Shareholder to whom the Offer is being made, is free to offer his shareholding in the Target Company, in whole or in part while accepting the Offer. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.

100. Shares that are subject to any charge, lien or encumbrance are liable to be rejected. Applications in respect of Shares that are the subject matter of litigation wherein the Shareholders

may be prohibited from transferring the Shares during the pendency of the said litigation are liable to be rejected if the directions / orders permitting transfer of these Shares are not received together with the Shares tendered under the Offer. The Letter of Offer in some of these cases if requested, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

101. The acquisition of the Total Target Sale Shares and the acquisition of Shares under this Offer are subject to receipt of the approval of the RBI under the FEMA and the rules and regulations issued thereunder. As on the date of this Letter of Offer, this approval has been received, and is subject to the acquisition of Shares under this Offer being undertaken in compliance with A.P. (DIR Series) Circular No. 16 dated October 4, 2004 (including the reporting requirements specified therein) and specific approval of the RBI being sought for transfers where Shares are tendered in the Offer by any erstwhile OCBs.

102. The acquisition of the Total Target Sale Shares and the acquisition of Shares under this Offer are further subject to receipt of the UK Treasury Consent, the Anti-trust Approvals and a certificate from the BSE approving the transfer of the Total Target Sale Shares that are subject to lock-in. As on the date of this Letter of offer, all the aforementioned approvals have been received.

103. There are no other statutory approvals required to implement the Offer, other than those contemplated above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. The Acquirer will have the right not to proceed with the Offer and withdraw the same in terms of Regulation 27 of the SEBI (SAST) Regulations in the event that any of the statutory approval(s) contemplated above are refused.

104. In case of a delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the tendering Shareholders, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

105. Neither the Acquirer nor the PAC requires any approvals from financial institutions or banks for the Offer.

106. Accidental omission to dispatch this Letter of Offer or any further communication to any person to whom this Letter of Offer is or should be made or the non-receipt of this Letter of Offer by any such person shall not invalidate the Offer in any way.

107. The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed (applicable for Shareholders holding Shares in physical form) constitute an integral part of the terms of the Offer.

108. Barring unforeseen circumstances and factors beyond their control, the Acquirer intends to

complete all formalities pertaining to the purchase of the Shares, including dispatch payment of consideration to the Shareholders who have accepted the Offer, by March 31, 2009.

109. The Acquirer is permitted to revise the Offer Price upward any time up to seven (7) Working Days prior to the date of the closure of the Offer. If there is any upward revision in the Offer Price before the last date of revision (i.e. March 3, 2009) or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers where the original Public Announcement appeared. Such revised Offer Price would be payable by the Acquirer to all Shareholders who tender their Shares at any time during the Offer and which are accepted under the Offer.

110. Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting Shares dematerialized is completed well in time so that the credit in the Registrar's special depository account should be received on or before the date of closure of the offer, i.e. March 16, 2009, else the application would be rejected.

111. The securities transaction tax will not be applicable to the Shares accepted in the Offer.

112. A schedule of the activities pertaining to the Offer is given below:

Activity	**Day and date**
Public Announcement	Monday, October 6, 2008
Specified Date*****	Friday, October 17, 2008
Last date for a competitive bid	Monday, October 27, 2008
Date by which Letter of Offer to be dispatched to Shareholders	Friday, February 20, 2009
Date of opening of offer	Wednesday, February 25, 2009
Last date for upward revision of the Offer Price	Tuesday, March 03, 2009
Last Date for withdrawing acceptance of the Offer	Monday, March 09, 2009
Date of closing of the Offer	Monday, March 16, 2009
Last date of communicating rejection/acceptance and payment of consideration for accepted tenders and/or the un accepted Shares/Share certificates will be dispatched/credited	Tuesday, March 31, 2009

* *Specified Date is the date for determining the names of the Shareholders to whom the Letter of Offer would be sent, being all Shareholders whose names appear on the register of members of*

the Target Company and as regards the beneficial owners of the dematerialized Shares, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on October 17, 2008. All owners (registered or unregistered) of shares (except the Acquirer, the PAC and the Sellers being parties to the SPAs) are eligible to participate in the offer anytime before the closure of the Offer.

PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

113. The Acquirer along with the PAC made the Public Announcement on October 6, 2008 for the Offer. This Offer is made to all Persons eligible to participate in the Offer.

114. Holders of Shares in physical form who wish to tender their Shares will be required to send the Form of Acceptance cum Acknowledgement, original Share certificate(s), and Transfer Deed(s) duly signed to the Registrar to the Offer – Karvy Computershare Private Limited, Tel: +91 40 2342 0815-24, Fax No.: +91 40 2343 1551, Address: Unit **:** Cambridge Solutions Ltd – Open offer, Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081, either by hand delivery on weekdays, or by registered post, on or before the closure of the Offer (i.e. no later than March 16, 2009), in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. Holders of Shares in physical form should also send the following documents along with the Form of Acceptance cum Acknowledgment:

- Registered Shareholders should enclose:

  (i) Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appear on the Share certificate(s) and in the same order in which they appear in the register of Shareholders and as per the specimen signature lodged with the Target Company;

  (ii) Original Share certificate(s);

  (iii) Valid Transfer Deed(s) duly signed as transferor(s) by the sole/joint Shareholders(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The Transfer Deed should be left blank, except for the signatures as mentioned above. Attestation, where required (thumb impressions, signature differences, etc) should be done 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 or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.

  In case of registered Shareholders, the Offer shall be deemed to be accepted upon receipt of the Share certificates and the duly completed Transfer Deed despite non receipt of the aforesaid documents. Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such Shares.

- Unregistered owners of Shares should enclose:

  (i) Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein;

  (ii) Original Share certificate(s);

  (iii) Original broker contract note;

  (iv) Valid Share transfer deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signature(s)) will be preconditions for acceptance;

  (v) The acknowledgement received, if any, from the Target Company in case the Shares have been lodged with the Target Company.

115. A special depository account has been opened by the Registrar on behalf of the Acquirer with Citibank N.A. at the NSDL called, "**Karvy CSL- Escrow Demat A/c**". The DPID is IN 300054 and Client ID is 10027488. Shareholders who have their beneficiary account with the Central Depositary Services India Limited must use the inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL.

116. Beneficial owners (holders of Shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instruction in "Off-market" mode, or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account to the Registrar to the Offer – Karvy Computershare Private Limited, Tel: +91 40 2342 0815-24, Fax number: +91 40 2343 1551, Address: Unit : Cambridge Solutions Ltd – Open offer, Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081, either by hand delivery on weekdays or by registered post, on or before the closure of the Offer (i.e. no later than March 16, 2009), 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 delivered Shares should be received in the special depository account on or before closure of the Offer (i.e. no later than March 16, 2009). Holders of Shares in dematerialized form should also enclose the following documents:

    (i) Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by sole/joint Shareholders whose names appear in the beneficiary account and in the same order therein. The Form of Acceptance cum Acknowledgement has to be tendered by the beneficial holder of Shares only.

    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 have been accepted.

(ii) A photocopy or counterfoil of the Delivery Instruction Slip in "off market" mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the special depository account given in Paragraph 115 of this Letter of Offer.

(iii) In addition to the above-mentioned address, the Shareholders who wish to avail of and accept the Offer can also deliver the Form of Acceptance cum Acknowledgement along with all the relevant documents at any of the collection centres below in accordance with the procedure as set out in the Letter of Offer. All the centres mentioned herein below would be open as follows:

Hand Delivery at any of these offices: Monday to Friday 10.00 am to 3.00 pm and on Saturday 10.00 am to 1.00 pm. Offices would be closed on Sundays and public holidays.

	Collection centre	Address of collection centres	Contact person	Phone No.	Fax	Mode of delivery
1.	Mumbai	Karvy Computershare. Pvt Ltd. 16-22 Bake House Maharashtra Chamber of Commerce. Lane, Opp. MSC Bank, Fort, Mumbai – 400 023	Ms. Varija Salian	022-66382666	022-66331135	Hand Delivery
2.	New Delhi	Karvy Computershare. Pvt Ltd. 2E/23, Jhandewalan Extension, New Delhi – 110 055	Mr. John Mathew / Rakesh Kumar Jamwal	011-43681700	011-43324621	Hand Delivery
3.	Ahmedabad	Karvy Computershare. Pvt Ltd. 201-203, Shail, Opp: Madhusudhan House, Behind Girish Cold Drinks, Off C G Road, Ahmedabad- 380 006	Mr.Aditya Gupta/ Robert Joeboy	079-26400528 / 079-66614772	079-26565551	Hand Delivery
4.	Chennai	Karvy Computershare. Pvt Ltd. No. 33/1, Venkatraman Street, T.Nagar, Chennai – 600 017.	Mr. Gunashekhar	044 – 28151793/ 1794/ 4781	044-28153181	Hand Delivery
5.	Hyderabad	Karvy Computershare. Pvt Ltd. Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500 081	Ms. Rinki Sareen	040-23420818 to 23420823	040-23431551	Hand Delivery/ Registered Post
6.	Kolkata	Karvy Computershare. Pvt Ltd. 49, Jatin Das Road, Nr.Deshpriya Park, Kolkatta – 700 029	Mr. Sujit Kundu/Mr. Debnath	033-24644891	033-24644866	Hand Delivery
7.	Bangalore	Karvy Computershare. Pvt Ltd. No.59, Skanda, Putana Road, Basavanagudi Bangalore – 560 004	Ms.KR Prathibha/ Mr. Kumara Swamy	080-26621192	080-26621169	Hand Delivery

Acceptance cum Acknowledgement Form along with all the relevant documents including original Share(s) certificates (in case of Shareholders holding Shares in physical form) should be sent to the Registrar to the Offer only and not to the Acquirer, PAC or the Target Company.

117. Persons eligible to participate in the Offer who own Shares at any time before the closure of the Offer, are eligible to participate in the Offer anytime and can transfer the Shares even if they are subject to lock-in. Unregistered owners can send their application in writing to the Registrar to

the Offer, on a plain paper stating their name, address, number of Shares held, number of Shares offered, distinctive numbers, folio number, together with the original Share certificate(s), valid Transfer Deeds and the original contract notes issued by the broker through whom they acquired their Shares. No indemnity is required from unregistered owners. Unregistered owners, if they so desire, may also apply in the Form of Acceptance cum Acknowledgement downloadable from SEBI's website (www.sebi.gov.in). If the signature of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, Shares tendered by such unregistered owners are liable to be rejected under the Offer even if the Offer has been accepted by a bona fide owner of such Shares.

118. In case of non-receipt of the Letter of Offer, Persons eligible to participate in Offer may send their application to the Registrar to the Offer, on a plain paper stating their name, address, number of Shares held, distinctive numbers, folio number and number of Shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the closure of the Offer (i.e. no later than March 16, 2009), or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating their 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 "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer (i.e. no later than March 16, 2009). Shareholders holding Shares in physical form should also send original Share certificate(s) and valid Transfer Deeds. Shareholders holding Shares in physical form who have lodged their Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of Shares.

119. The Shareholders participating in the Offer should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

- duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single shareholder) if the original shareholder is deceased;
- duly attested Power of Attorney if any person apart from the Shareholder has signed the application form and/or Transfer Deed(s) (applicable for Shareholders holding Shares in physical form);
- no objection certificates from the chargeholder/ lender, if the Shares in respect of which the application is sent, are under any charge, lien or encumbrance;
- in case of companies, the necessary corporate authorization (including Board Resolutions);
- any other relevant documentation.

120. The payment to the Shareholders would be done through various modes as follows:

- Electronic Clearing System ('**ECS**') – Payment would be done through ECS for Shareholders having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the depositories. Shareholders holding Shares in dematerialized form may opt for payment by RTGS / NEFT (please see below) failing which payment to such Shareholders will be made through ECS. In the event that payment to such Shareholders cannot be made by ECS on account of incorrect details or any other reason, payment to such Shareholders will be made by demand drafts / cheques. Shareholders holding Shares in physical form may opt for payment by RTGS / NEFT (please see below) failing which payment to such Shareholders shall be made by cheques / demand drafts as per bank details provided by such Shareholders in the Form of Acceptance cum Acknowledgment.
- Direct Credit – Shareholders having bank accounts with the Escrow Agent, as mentioned in the Form of Acceptance cum Acknowledgement, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Agent for the same would be borne by the Acquirer and PAC.
- Real Time Gross Settlement ('**RTGS**') – Shareholders having a bank account at any of the abovementioned 68 centres and whose amount exceeds Rs. 1 lacs, have the option to receive the payment through RTGS. Such eligible Shareholders who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Form of Acceptance cum

Acknowledgement. In the event the same is not provided, payment shall be made through ECS in case of Shareholders holding Shares in demat form and through demand drafts / cheques in case of Shareholders holding Shares in physical form. Charges, if any, levied by the Escrow Agent for the same would be borne by the Acquirer and PAC. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholder.

- National Electronic Fund Transfer ('**NEFT**') – Payment shall be undertaken through NEFT wherever the Shareholder's bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment will be made to the Shareholder through this method. The process flow in respect of payments by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.

- For all Shareholders, including physical Shareholders, to whom payments cannot be made by ECS / RTGS or NEFT, the payments will be dispatched under certificate of posting for value upto Rs. 1,500 and through speed post/ registered post for payments of Rs. 1,500 and above. Such payments will be made by cheques, pay orders or demand drafts drawn on the Escrow Agent and payable at par at places where acceptance forms are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Shareholders.

121. In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, Persons eligible to participate in Offer desirous of withdrawing the Shares tendered by them in the Offer may do so up to three (3) Working Days prior to the date of closure of the Offer (i.e. no later than March 9, 2009). The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before March 9, 2009.

122. The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer. Shareholders should enclose the following:

a. For Shares held in demat form:

(i) Duly signed and completed Form of Withdrawal. The signature(s) should be attested by the DP.

(ii) Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement submitted by registered post.

(iii) Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

b. For Shares held in physical form:

- Registered Shareholders should enclose:

(i) Duly signed and completed Form of Withdrawal.

(ii) Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement submitted by registered post.

(iii) 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 the Target Company and duly witnessed at the appropriate place.

- Unregistered owners should enclose:

(i) Duly signed and completed Form of Withdrawal.

(ii) Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement submitted by registered post.

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

- In case of physical Shares: name, address, distinctive numbers, folio number, and number of Shares tendered; and
- In case of dematerialized Shares: name, address, 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.

124. The withdrawal of Shares will be available only for the Shares/Share certificates that have been received by the Registrar to the Offer. The Shares returned to the Shareholders will be at the address as per the records of the Target Company /depository as the case may be. The Form of Withdrawal should be sent only to the Registrars to the Offer. In case of partial withdrawal of Shares tendered in physical form by the registered Shareholder, if the original Share certificates are required to be split, the same will be returned on receipt of Share certificates from the Target Company. Partial withdrawal of tendered shares can be done only by the registered Shareholders/beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance cum Acknowledgement will stand revised to that effect. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

125. The Registrar to the Offer will hold in trust the Shares / Share certificates, Shares lying to the credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of Persons eligible to participate in Offer who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted Shares / Share certificates are dispatched / returned, as applicable.

126. 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 SEBI (SAST) Regulations. Since the Shares are compulsorily traded in dematerialized form, minimum acceptance will be one Share.

127. Unaccepted Share certificates, transfer forms and other documents, if any, will be returned by Registered Post at the Shareholders' / unregistered owners' sole risk, to the sole / first Shareholder / unregistered owners. Unaccepted 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.

128. While tendering the Shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit the previous RBI approvals (specific or general) that they would have obtained for acquiring the Shares. In case previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Shares.

129. While tendering Shares under the Offer, NRIs / OCBs / 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. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange for tax to be deducted at the maximum marginal rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire consideration amount payable to such NRIs /OCBs /foreign Shareholders.

130. 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 FII as defined in section 115AD of the Income Tax Act. FIIs should certify ("**FII Declaration**") certain details including the nature of its income under the Income Tax Act (capital gain or otherwise) arising from sale of shares in the Target Company. In the absence of the FII Declaration that the Shares are held on investment/capital account or where income from the sale of shares is not capital gain, the Acquirer shall deduct tax at the maximum marginal rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire consideration amount payable. FIIs may also submit a Tax Clearance Certificate from the income tax authorities while tendering the shares, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act. Where such Tax Clearance Certificate is provided the Acquirer shall deduct tax in accordance to the same.

131. If there is any interest payable due to a delay in payment of consideration, the Acquirer will arrange to deduct tax on the interest component, at the rate as may be applicable to the category of Shareholder under the Income Tax Act.

Shareholders are advised to consult their tax advisors for their taxability or any other procedural aspects including the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. The Acquirer / PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

DOCUMENTS FOR INSPECTION

132. The following documents will be available for inspection by the Shareholders at the registered office of the Target Company, whose address is given on the cover page of this document, between 10 am and 5 pm on all Working Days (except Saturdays and Sundays) until the Offer closing date:

a. Certificate of Incorporation and Constitution of the Acquirer.

b. Certificate of Incorporation, Memorandum and Articles of Association of the PAC.

c. Copy of the Katra SPA and the Scandent Holdings/AMPS SPA.

d. Certificate dated October 4, 2008 from Anish N. Shah, Partner, (Membership No. 42649), M/s. V.C. Shah and Co, independent Chartered Accountants having their address at Rajgir Chambers, 3rd floor, Shahid Bhagat Singh Road, Mumbai 400 001, regarding the adequacy of financial resources with the Acquirer to fulfill the Offer obligation.

e. Annual Reports of the Target Company for the financial year ended March 31, 2006, March 31, 2007 and March 31, 2008.

f. Annual Reports and accounts of the PAC for the financial year ended December 31, 2007.

g. Copy of a certificate from Citibank N.A., Mumbai confirming the amount placed in the Escrow Account, towards the proposed Offer, with a lien in favour of the Manager to the Offer.

h. Copy of the agreement with the Depository Participant for opening a special depositary account for the purpose of the Offer.

i. Published copy of Public Announcement made on October 6, 2008 by the Acquirer for acquiring up to 2,25,90,415 issued equity Shares of the Target Company.

j. A copy of the Non-Compete Agreement.

k. A copy of the Intercompany Loan Agreement.

l. Copy of letter received from SEBI, Ref. Nos. CFD/DCR/RKD/TO/153751/2009 dated February 10, 2009, in terms of proviso to Regulation 18(2) of the SEBI (SAST) Regulations.

DECLARATION BY THE ACQUIRER AND THE PAC

133. The Acquirer, the PAC and their respective directors accept responsibility for the information contained in the Public Announcement and also for the obligations of the Acquirer and the PAC laid down in the SEBI (SAST) Regulations.

134. The Acquirer and PAC shall be jointly and severally responsible for ensuring fulfillment of their obligations under with the SEBI (SAST) Regulations.

135. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

136. As on the date of the Public Announcement and this Letter of Offer, in terms of Regulation 16(via) of the SEBI (SAST) Regulations, the Manager to the Offer does not hold any Shares. As required under Regulation 24(5A) of the SEBI (SAST) Regulations, the Manager to the Offer shall not deal in the Shares during the period commencing from the date of its appointment in terms of Regulation 13 of the SEBI (SAST) Regulations until the expiry of fifteen days from the date of closure of the Offer.

For and on behalf of the Acquirer	**For and on behalf of the PAC**
Sd/-	Sd/-
Signature	Signature
Place: London	Place: London
Date: February 14, 2009	Date: February 14, 2009

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer ONLY at their collection centers as mentioned herein)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

From

Name :

Address :

OFFER		
OPENS ON	**:**	Wednesday, February 25, 2009
CLOSES ON	**:**	Monday, March 16, 2009
LAST DATE FOR WITHDRAWAL	**:**	Monday, March 9, 2009

Tel No : Fax no: Email ID:

To,

Karvy Computershare Private Limited,
Plot No. 17-24, Vithalrao Nagar Madhapur,
Hyderabad 500 081

Dear Sir,

Sub: Open Offer to acquire 2,25,90,415 equity shares ("Shares") of Rs. 10/- each of the issued and paid up equity share capital of Cambridge Solutions Limited ("Target Company") by Xchanging (Mauritius) Limited (the "Acquirer") along with Xchanging plc ("Xplc" or the "PAC") as Person Acting in Concert with the Acquirer through a mandatory open offer (the "Offer") pursuant to the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (as amended) (the "Takeover Regulations")

I/We refer to the Letter of Offer dated February 14, 2009 for acquiring the Shares.

I/We, the undersigned, have read the Letter of Offer, and accept unconditionally its contents including the terms and conditions and procedures 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:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
Total No. of Certificates			Total No. of Shares		

Please attach an additional sheet of paper if the above space is insufficient.

FOR SHARES HELD IN DEMATERIALISED FORM

I/We accept the Offer and enclose photocopy/counterfoil of the delivery instructions duly acknowledged by my/our 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 done an off market transaction for crediting the Shares to the special depository account with NSDL named as **"Karvy CSL- Escrow Demat A/c",** whose particulars are:

DP ID Number:	**IN 300054**	**DP Name:**	**Citibank N.A.**
Client ID Number:	**10027488**	**Depository:**	**National Securities Depository Limited**

Shareholders, having their beneficiary account with Central Depository Services (India) Ltd., ("CDSL"), have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL.

-- TEAR ALONG THIS LINE --

Karvy Computershare Private Limited **ACKNOWLEDGEMENT SLIP**

Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Unit: Cambridge Solutions Limited – open offer

FOLIO NO. ____________________ **Sr. No.** ______________

Received from Mr. /Ms. ________________________________

Address ________________________________

____

Form of acceptance cum acknowledgement,#__________ Number of Share certificates for ____________ Shares/ # Copy of delivery instructions/counterfoil of delivery instructions to DP for ________ Shares

Delete whatsoever is not applicable

Signature of Official and Date of Receipt:	Stamp of Collection Centre,

I/We have enclosed the following documents:

Enclosures (Please tick as appropriate) (Refer paragraphs 119, 128, 129 and 130 of the Letter of Offer):

- ☐ No objection certificate/Tax Clearance Certificate under Income Tax Act, for non-resident shareholders as applicable
- ☐ Power of attorney
- ☐ Death certificate/ succession certificate
- ☐ RBI permission obtained by non-resident Shareholders for holding Shares hereby tendered in the Offer
- ☐ Corporate authorization in case of company
- ☐ Others (please specify): ________

I/We confirm that the Shares which are being tendered herewith by me/us under the Offer are free from lien, charges and encumbrances of any kind whatsoever. I/we are not debarred from dealing in Shares.

I/We note and understand that the Shares/ Share certificate(s) and valid Transfer Deed(s) will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer pays 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, net of applicable withholding taxes, if any.

I/We authorise 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 authorise the Acquirer to return to me/us, Share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorise 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 further authorise 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 purpose the Acquirer is hereby authorised to do all such things and execute such documents as may be found necessary and expedient for the purpose.

I/We authorise the Acquirer to send by registered post/speed post/UCP the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

The Permanent Account No. (PAN/GIR No.) allotted under the Income Tax Act is as under:

	Ist Shareholder	**2nd Shareholder**	**3rd Shareholder**	**4th Shareholder**
PAN/GIR No.				

Yours faithfully,

Signed and Delivered

	Full Name(s) of the Shareholder(s)	**Signature**
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		
Fourth Shareholder		

Note: In case of joint holdings, all holders must sign. A corporation must affix its rubber stamp and necessary Board Resolution must be attached.

Tel No. ________________________; Fax No. ________________________; Email:____

Place : ___________ Date : __________

Bank Details

So as to avoid fraudulent encashment in transit, Shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole shareholder as follows and the consideration cheque or demand draft will be drawn accordingly:

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

For Shares that are tendered in dematerialized form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration will be paid in accordance with the said bank particulars.

Details for RTGS / NEFT

In addition to above Bank Details, Shareholders opting for the RTGS/ NEFT option should provide the following details:

Payment through RTGS (Yes/No): ____

Payment through NEFT (Yes/No): ____

IFSC Code of the Branch where account is maintained: ____

-- TEAR ALONG THIS LINE --

Note : **All future correspondence, if any, should be addressed to Registrar to the Offer:**

Karvy Computershare Private Limited,
Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081
Tel: 040-23420818-825 Fax 040-23431551.
Email: csl.openoffer@karvy.com
Contact Person: Mr. M. Muralikrishna

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling this Form of Acceptance cum Acknowledgement.
2. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Shareholders. Each Shareholder to whom this Offer is being made is free to offer his Shares in whole or in part while accepting the Offer.
3. Shareholders should enclose the following:

   Procedure for 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 sole/joint shareholders whose name(s) appears on the Share certificate(s) and in the same order in which their name(s) appear in the register of Shareholders and as per the specimen signature lodged with the Target Company;
     - Original Share certificate(s);
     - Valid Transfer Deed(s) duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The Transfer Deed should be left blank, except for the signatures as mentioned above. A blank share transfer form is enclosed along with this Letter of Offer.
   - Unregistered owners of Shares should enclose:
     - Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein;
     - Original Share certificate(s);
     - Original broker contract note;
     - Valid Transfer Deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.
     - The acknowledgement received, if any, from the Target Company in case the Shares have been lodged with the Target Company.

   Procedure for Shares held in Demat Form

   - Beneficial owners should enclose:
     - Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by sole/joint Shareholders whose names appear in the beneficiary account and in the same order therein;
     - A photocopy or counterfoil of the delivery instructions in "off market" mode, duly acknowledged by the beneficial owners' DP and completed as per the details of the special depository account given below.

   The Registrar to the Offer has for the purpose of this Offer, opened a special depository account with NSDL "Karvy CSL- Escrow Demat A/c", whose particulars are:

   DP ID Number: IN 300054; DP Name: Citibank N.A.; Client ID Number: 10027488; Depository: National Securities Depository Limited

   Shareholders, having their beneficiary account with CDSL, have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL. Since the Shares are compulsory in demat mode, the minimum marketable lot for such shares is one.

   The beneficial owners who hold Shares in dematerialised form are required to execute a trade by tendering the delivery instructions for debiting their beneficial account with the beneficial owners' DP and crediting the above mentioned special depository account. The credit in the special depository account should be received on or before March 16, 2009. In order to ensure this, beneficial owners should tender the delivery instructions at least two Working Days prior to date of closing of the Offer.

   The delivery instructions to be given to the DP should be in "For Off Market Trade" mode only. For each delivery instruction the beneficial owner should submit separate Form of Acceptance cum Acknowledgement.
4. Where the number of Shares offered for sale by the Shareholders are more than the Shares agreed to be acquired by the Acquirer under this Offer, the Acquirer shall accept the offers received from the shareholders on a proportional basis, 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 Shares from a Shareholder shall not be less than the minimum marketable lot or the entire holding, if it is under the marketable lot.
5. In case of joint holdings, all the holders whose names appears on the Share certificate or in the beneficiary account must sign this Form of Acceptance cum Acknowledgement in the same order in which these names appears on the register of members/ beneficial account and as per the specimen signature(s) lodged with the Target Company or the beneficial owners' DP.
6. In case of physical Shares, the enclosed transfer deed should be duly signed as transferors by all shareholders in the same order and as per specimen signatures lodged with the Target Company and should be duly witnessed at the appropriate place. The Transfer Deed should be left blank, excepting the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorised to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. PLEASE DO NOT FILL UP ANY DETAILS ON THE TRANSFER DEED. Relevant Share certificates must be annexed.
7. The Shareholders who have sent their Share certificates for dematerialization should submit their Form of Acceptance cum Acknowledgement and other documents, as applicable, along with a copy of the dematerialisation request form duly acknowledged by their DP. Shareholders who have sent their Shares for transfer should enclose, Form of Acceptance cum Acknowledgement duly completed and signed, copy of the letter sent to the Target Company (for transfer of shares) and valid Share transfer form(s).
8. In case of bodies corporate, proper corporate authorization should be enclosed.
9. Shareholders must note that on the basis of name of the Shareholders, DP's name, DP ID, beneficiary account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Offer will obtain, from the depositories, the Shareholders' demographic details including address, bank account details, the nine digit MICR code as appearing on a cheque leaf and occupation. These bank account details will be used to make payment to Shareholders holding Shares in dematerialized form. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the DP. Please note that failure to do so could result in delays in dispatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Shareholders' sole risk and neither the Acquirer, the PAC, the Manager to the Offer, Registrar to the Offer nor the Escrow Agent shall be liable to compensate the Shareholders for any losses caused to the Shareholder due to any such delay or liable to pay any interest for such delay. Shareholders holding shares in physical form are requested to fill in the required bank details in the Form of Acceptance cum Acknowledgment. Unless Shareholders holding shares in physical form opt for payment by RTGS / NEFT option or where relevant details for payment by RTGS / NEFT option provided by such Shareholders are incorrect, payments shall be made to Shareholders holding Shares in physical form by demand drafts / cheques as per bank details provided by such Shareholders in the Form of Acceptance cum Acknowledgment.
10. All Persons eligible to participate in the Offer, registered or unregistered, who own the Shares, at any time prior to the closing of the Offer, are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, Karvy Computershare Private Limited, at the collection centers mentioned hereunder in paragraph 12, on or before the closing of the Offer, i.e. March 16, 2009 on plain paper stating Name, Address, No. of Shares held,

No. of Shares offered, Distinctive Nos., Folio No., together with the original Share certificate(s), valid Transfer Deeds in case of Shares held in physical form or photocopy or counterfoil of the delivery instructions in "Off-market" mode in case of Shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their Shares. No indemnity is required from the unregistered owners.

11. While tendering the Shares under the Offer, NRIs / OCBs / foreign Shareholders will be required to submit the previous RBI approvals (specific or general) that they would have obtained for acquiring the Shares. In case previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Shares.

    While tendering Shares under the Offer, NRIs / OCBs / 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. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange for tax to be deducted at the maximum marginal rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire consideration amount payable to such NRIs / OCBs / foreign Shareholders.

    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 FII as defined in section 115AD of the Income Tax Act. FII should certify ("FII Declaration") certain details including the nature of its income under the Income Tax Act (capital gain or otherwise) arising from sale of Shares. In the absence of the FII Declaration that the Shares are held on investment/ capital account or where income from the sale of Shares is not a capital gain, the Acquirer shall deduct tax at the maximum marginal rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire consideration amount payable. FII may also submit a Tax Clearance Certificate from the income tax authorities while tendering the Shares, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act. Where such Tax Clearance Certificate is provided the Acquirer shall deduct tax in accordance to the same.

    If there is any interest payable due to a delay in payment of consideration, the Acquirer will arrange to deduct tax on the interest component, at the rate as may be applicable to the category of Shareholder under the Income Tax Act.

    Shareholders are advised to consult their tax advisors for their taxability or any other procedural aspects including the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer / PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

12. All Persons eligible to participate in the Offer who wish to avail this Offer should forward the above mentioned documents, by hand delivery on days and during the business hours mentioned below, at any of the collection centres listed below, or by registered post to the Registrars to the Offer, Karvy Computershare Private Limited, Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Phone 040-23420818- 825 Fax 040-23431551 Email: csl.openoffer@karvy.com Contact Person: Mr M. Muralikrishna, so as to reach the Registrars on or before March 16, 2009 (i.e. the date of Closing of the Offer).

	Collection centre	Address of collection centres	Contact person	Phone No.	Fax	Mode of delivery
1.	**Mumbai**	Karvy Computershare. Pvt Ltd. 16-22 Bake House Maharashtra Chamber of Commerce. Lane, Opp. MSC Bank, Fort, Mumbai – 400 023	Ms. Varija Salian	022-66382666	022-66331135	Hand Delivery
2.	**New Delhi**	Karvy Computershare. Pvt Ltd. 2E/23, Jhandewalan Extension, New Delhi – 110 055	Mr. John Mathew/ Rakesh Kumar Jamwal	011- 43681700	011-43324621	Hand Delivery
3.	**Ahmedabad**	Karvy Computershare. Pvt Ltd. 201-203, Shail, Opp: Madhusudhan House, Behind Girish Cold Drinks, Off C G Road, Ahmedabad- 380 006	Mr.Aditya Gupta/ Robert Joeboy	079-26400528 / 079-66614772	079-26565551	Hand Delivery
4.	**Chennai**	Karvy Computershare. Pvt Ltd. No. 33/1, Venkatraman Street, T.Nagar, Chennai – 600 017.	Mr. Gunashekhar	044 – 28151793/ 1794/ 4781	044-28153181	Hand Delivery
5.	**Hyderabad**	Karvy Computershare. Pvt Ltd. Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500 081	Ms. Rinki Sareen	040-23420818 to 23420823	040-23431551	Hand Delivery/ Registered Post
6.	**Kolkata**	Karvy Computershare. Pvt Ltd. 49, Jatin Das Road, Nr.Deshpriya Park, Kolkatta – 700 029	Mr. Sujit Kundu/ Mr. Debnath	033-24644891	033-24644866	Hand Delivery
7.	**Bangalore**	Karvy Computershare. Pvt Ltd. No.59, Skanda, Putana Road, Basavanagudi Bangalore – 560 004	Ms.KR Prathibha/ Mr. Kumara Swamy	080- 26621192	080-26621169	Hand Delivery

The Shares can be tendered at the above centres between Monday to Friday from 10.00 am to 3.00 pm and on Saturdays from 10.00 am to 1.00 pm. The centres will be closed on Sundays and any public holidays.

No document should be sent to the Acquirer / PAC or the Manager to the Offer.

Note : **All future correspondence, if any, should be addressed to Registrar to the Offer: Karvy Computershare Private Limited,** Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Tel: 040-23420818-825 Fax 040-23431551. Email: csl.openoffer@karvy.com Contact Person: Mr. M. Muralikrishna

(Please read paragraphs 121 - 124 of the Letter of Offer before filing this form)

FORM OF WITHDRAWAL

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

From

Name :

Address :

OFFER		
OPENS ON	:	Wednesday, February 25, 2009
CLOSES ON	:	Monday, March 16, 2009
LAST DATE FOR WITHDRAWAL	:	Monday, March 9, 2009

Tel No : Fax no: Email ID:

To,

Karvy Computershare Private Limited,
Plot No. 17-24, Vithalrao Nagar Madhapur,
Hyderabad 500 081

Dear Sir,

Sub: Proposed Open Offer of 2,25,90,415 equity shares of Rs. 10/- each of the issued and paid up equity share capital of Cambridge Solutions Limited ("Target Company") by Xchanging (Mauritius) Limited (the "Acquirer") along with Xchanging plc ("Xplc" or the "PAC") as Person Acting in Concert with the Acquirer through a mandatory open offer (the "Offer") pursuant to the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (as amended) (the "Takeover Regulations")

I/We refer to the Letter of Offer dated February 14, 2009 for acquiring the Shares held by me/us in the Target Company.

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

I/We have read the procedure for withdrawal of Shares tendered by me/us in the Offer as mentioned in paragraphs 121-124 of the Letter of Offer and unconditionally agree to the terms & condition 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 / PAC / Manager to the Offer/ Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal (i.e. March 9, 2009).

I/We note that the Acquirer/ PAC/ 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 original Share certificate(s), Transfer Deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position data as available from the depository from time to time, respectively.

SHARES IN PHYSICAL FORM

The particulars of withdrawal of original Shares certificates and duly signed Transfer Deed(s) are detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
	TENDERED				
1.					
2.					
3.					
	WITHDRAWN				
1.					
2.					
3.					
Total No. of Certificates			**Total No. of Shares**		

Please attach an additional sheet of paper if the above space is insufficient.

SHARES IN DEMAT FORM

I/We hold the following Shares in dematerialized form and have tendered the Shares in the Offer and have done an off-market transaction for crediting the Shares to the "**Karvy CSL- Escrow Demat A/c**", whose particulars are:

DP ID Number:	**IN 300054**	**DP Name:**	**Citibank N.A.**
Client ID Number:	**10027488**	**Depository:**	**National Securities Depository Limited**

Please find enclosed a photocopy of the depository delivery Instruction(s) duly acknowledged by DP.

..........Tear along this line..........

Karvy Computershare Private Limited

Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Unit: Cambridge Solutions Limited – open offer

Acknowledgement Slip

FOLIO NO. ______________ **Sr. No.** ______________

Received from Mr. /Ms. ______________

Address ______________

______________ ______________

Form of Withdrawal,# Number of Share certificates for ______________ Shares/

Copy of delivered instruction to DP for ______________ Shares

Delete whatsoever is not applicable

Signature of Official and Date of Receipt	Stamp of Collection Center

The particulars of the account from which my/our Shares have been tendered are as detailed below:

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

Address of First/Sole Shareholder: ____

____

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

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 of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,

Signed and delivered	Full Name(s)	Signature(s)	Verified and Attested by us. Please affix the stamp of DP (in case of demat Shares) / Bank (in case of physical Shares)
First/Sole Shareholder			
Second Shareholder			
Third Shareholder			
Fourth Shareholder			

Note: In case of joint holders all must sign. In case of body corporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Place :

Date :

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. March 9, 2009.
2. Shareholders should enclose the following:
   i. **For Shares held in demat form:**
      Beneficial owners should enclose:
      - Duly signed and completed Form of Withdrawal. The signature(s) should be attested by the DP.
      - Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by Registered A.D.
      - Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.

   ii. **For Shares held in physical form:**
      Registered Shareholders should enclose:
      - Duly signed and completed Form of Withdrawal.
      - Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by Registered A.D.
      - 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 the Target Company and duly witnessed at the appropriate place.

      Unregistered owners of Shares should enclose:
      - Duly signed and completed Form of Withdrawal.
      - Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by Registered A.D.
3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ special depository account.
4. The intimation of Shares which are returned to the Shareholders pursuant to the withdrawal will be at the address as per the records of the Target Company/ depository as the case may be.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. 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 the Target Company. **The facility of partial withdrawal is available only to registered Shareholders.**
7. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
8. The Form of Withdrawal and other related documents should be submitted at any of the collection centers of Karvy Computershare Private Limited stated in Paragraph 116 of the Letter of Offer.
9. Applicants who cannot hand deliver their documents at the collection centers, may send their documents only by registered post, at their own risk, to the Registrar to the Offer, Karvy Computershare Private Limited, Unit: Cambridge Solutions Limited – open offer, Telephone number: 91 40 23420815-24, Fax number: 91 40 23431551, Address: Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081so as to reach the Registrar to the Offer.

....**Tear along this line**..

Note : **All future correspondence, if any, should be addressed to Registrar to the Offer:**

Karvy Computershare Private Limited,

Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081

Tel: 040-23420818 - 825 Fax 040-23431551. Email: csl.openoffer@karvy.com

Contact Person: Mr. M. Muralikrishna

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