PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF

CHOKSH INFOTECH LIMITED

Registered Office: Office No. 106, 2nd Floor, Oshiwara Link Plaza Commercial Complex, New Link Road, Jogeshwari (West), Mumbai - 400102.

This Public Announcement (PA) is being issued by SAFFRON CAPITAL ADVISORS PRIVATE LIMITED, the Manager to the Offer, on behalf of MR. ARIKATLA SRINIVASA REDDY (hereinafter referred to as 'The Acquirer') pursuant to Regulations 10 & 12 in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereto [SEBI (SAST) Regulations].

1. **The Offer**

1.1 The Board of Directors of Choksh Infotech Limited (hereinafter referred to as the **"Target Company"** as defined in Regulation 2(1) (o) of the SEBI (SAST) Regulations, 1997 or **"CIL"**) at its meeting held on April 12, 2008 has agreed to issue and allot on a Preferential Issue basis 71,50,000 equity shares (**"Shares"**) of Rs. 10/- (Rupees Ten only) each at par i.e. at Rs.10/ per share ("the **Negotiated Price**") to the Acquirer and shareholders of Ajel Technologies India Pvt. Ltd. in consideration of 100% shares of Ajel Technologies India Pvt. Ltd. on a share swap basis. The pricing of the issue of Shares is determined in accordance with the Chapter XIII of the SEBI Disclosure and Investor Protection Guidelines, 2000 and subsequent amendments thereto (**"SEBI DIP Guidelines"**) as applicable. M/s. Boppudi & Associates (M. No. 28341), Chartered Accountants, 301, Sai Ram Suman Residency, 1-1-541, Gandhinagar, Hyderabad – 500 020, Tele Fax – 040 – 2736 2148, have certified, considering relevant date as April 15, 2008, that the 26 weeks and 2 weeks average price is Rs. 7.06 and Rs.7.52 respectively and Issue price at Rs.10/- per share is in compliance with SEBI DIP Guidelines.

1.2 The Acquirer has entered into a Share Purchase Agreement dated April 12, 2008 (hereinafter referred as "**the Agreement**"), with Mr. Vijay Chokshi representing Choksh Infotech Limited, to subscribe to the aforementioned shares of the Target Company. The salient features of the Agreement entered into between the Acquirer on one hand and Mr. Vijay Chokshi (hereinafter referred to as "Existing Promoter") on the other hand are as under:

- CIL has agreed to allot 71,50,000 Equity shares in accordance with the SEBI DIP Guidelines and subject to receipt of shareholders approval (hereinafter referred to as **"the Issue")** as the consideration for acquisition of 100% of ownership of Ajel Technologies India Pvt. Ltd. (hereinafter referred to as **"Ajel")** along with its wholly owned subsidiary as per the independent valuation report by M/s. Boppudi & Associates, Chartered Accountants, Hyderabad and approved by the Board of Directors of both the companies in their Board Meetings held on April 12, 2008. The share swap ratio is agreed as 143 shares of CIL for every 15 shares of Ajel.
- The shareholding of Ajel and allotment of CIL shares in share swap is as under :

Name of the shareholder in Ajel	Acquirer's Relationship with other Shareholders	Shareholding in Ajel / shares of Rs.10 face value	% share-holding in Ajel	Shares to be issued in CIL / shares of Rs.10 face value	% share-holding in CIL
Mr. Arikatla Srinivasa Reddy	Acquirer	6,37,500	85.00	60,77,500	59.87
Mrs. D Malathy	Brother in Law	15,000	2.00	1,43,000	1.41
Mr. Bhimavarapu Surender Reddy	Brother in Law	97,500	13.00	9,29,500	9.16
Total		**7,50,000**	**100.00**	**71,50,000**	**70.44**

- Mr Arikatla Srinivasa Reddy, being the majority shareholder will make the open offer on behalf of all the shareholders of Ajel to comply with the provisions of SEBI (SAST) Regulations.
- CIL will get the approval of its shareholders at the EGM proposed to be held on May 15, 2008. Similarly Ajel will convene its shareholders meeting by the end of May 10, 2008 and get the approval for the proposed acquisition by CIL through Share Swap basis and it is further agreed that the promoter as well as controlling shareholders of both the companies Mr, Vijay Chokshi (being the promoter of CIL) and Mr Arikatla Srinivasa Reddy (being the promoter of Ajel) will put all their efforts to get the consent of shareholders and will not vote against the said resolutions.
- There is no non-compete fees payable under the Agreement.
- In the event that the requisite shareholders approval is not received, the shareholders agreement shall stand terminated.

1.3 The Issue of 71,50,000 shares by CIL is conditional upon the approval of it's shareholders. Consequent upon the Shareholders approval, the Post issue capital of CIL will comprise of 1,01,50,000 equity shares of Rs. 10 each (Post Issue Voting Rights being 1,00,62,000 fully paid up equity shares) and the Acquirer/ Shareholders of Ajel will hold 70.44% of the Post Issue Capital. Accordingly, pursuant to Regulations 10 and 12 of the SEBI (SAST) Regulations, Acquirer is making an Offer to the Public Shareholders of CIL to acquire up to 20% (or 20,30,000 equity shares) of the Post Issue Capital (20.17% of the Post Issue Voting Rights) at a price of Rs. 10/- (Rupees Ten only) per Fully paid up Share and Rs. 5/- per Partly paid-up share (computed as Offer Price reduced by calls in arrears of Rs. 5/- per share)(**"Offer Price")** payable in cash ("Offer") subject to the terms and conditions mentioned hereinafter.

1.4 On April 12, 2008 (**"Board Meeting Date"**) the Board of Directors of CIL approved, inter alia, the Issue and for convening an Extra Ordinary General Meeting on May 15, 2008 to obtain approval of shareholders in terms of section 81(1A) of the Companies Act, 1956 and to authorize the Board of Directors to allot equity shares to all the shareholders of Ajel and to approve the change of Promoters.

1.5 The Offer is not conditional on any minimum level of acceptances.

1.6 There is no other person acting in concert with the Acquirer for the purpose of this Offer.

1.7 The Acquirer does not hold any equity shares in CIL as on the date of this Public Announcement. Further, the Acquirer has not acquired either directly or through any other person, any shares of CIL during the 12 months period preceding the date of this Public Announcement.

1.8 Saffron Capital Advisors Private Limited, Manager to the Offer, do not hold any shares in CIL as on the date of this Public Announcement.

1.9 This is not a competitive bid.

2. **The Offer Price**

2.1 The Offer price is at Rs. 10/- (Rupees Ten only) per Fully paid up Share and Rs. 5/- per Partly paid-up share (computed as Offer Price reduced by calls in arrears of Rs. 5/- per share in terms of Regulation 20(10) of the SEBI (SAST) Regulations).

2.2 The equity shares of CIL are listed on Bombay Stock Exchange Ltd., (**"BSE"**) and Ahmedabad Stock Exchange Limited (**"ASE"**). (hereinafter referred as **"Stock Exchanges"**).

2.3 The annualised trading turnover based on the trading volume in the shares of CIL on each of the above mentioned stock exchanges during October 2007 to March 2008 (6 calendar months preceding the month in which the PA is made) is as under:

Name of Stock Exchange(s)	Total no. of shares traded during the 6 calendar months prior to the month in which PA is made	Total No. of listed Shares	Annualized Trading turnover (as a % to total listed shares)
BSE	2,91,630	30,00,000	19.44
ASE	—	30,00,000	Nil

The Equity shares of CIL are frequently traded on BSE and infrequently traded on ASE within the meaning of explanation (i) to Regulation 20 (5) of the SEBI (SAST) Regulations.

2.4 The Offer Price is justified in terms of Regulations 20 (4) and 20 (5) of the SEBI (SAST) Regulations in view of the following:-

a.	The Negotiated Price	Rs.10/- per share	
b.	Highest Price paid by Acquirer for acquisition, if any, including by way of allotment in a public or rights issue or Preferential issue during the 26 weeks prior to the date of PA	Not Applicable	
c.	The average of the weekly High and Low of the closing prices of the shares of CIL on Stock Exchange, where it is most frequently traded, during 26 weeks period preceding the date of PA	Rs.7.09	
d.	The average of the daily High and Low of the prices of the shares of CIL on Stock Exchange, where it is most frequently traded, during 2 weeks period preceding the date of PA	Rs.7.88	
e.	**Other Financial Parameters**	**31/03/2007**	**31/12/2007**
	Return on Net Worth (%)	(1.369)	1.848
	Book Value per share (Rs.)	4.869	4.961
	Earning per share (Re.)	(0.067)	0.092
	Price Earning multiple (with reference to Offer price of Rs.10/- per share)	NA	109.091
	Industry (Computers - Software Medium / Small) Average Price Earning Multiple **	12.000	12.000

** (Source*: Capital Market Vol. XXIII/03 April 07 - 20, 2008*).

M/s. S P Merchant Associates, Chartered Accountants (Membership No.35008), Address : Bldg. No. 83, First Floor, Off C H Street, Opp Dr. Patankar Clinic, Near Marine Lines Flyover, Marine Lines (East), Mumbai – 400 002 Tel No.- 022-22006283, email – jayshrim@vsnl.com, vide their certificate dated April 12, 2008 have certified that the Fair Value per share of CIL as Rs.3.81.

3. **Information on MR. ARIKATLA SRINIVASA REDDY (the "Acquirer")**

a. Mr. Arikatla Srinivasa Reddy, aged 39 years holds a Master of Technology Degree in Computer Aided Engineering from REC Warangal, India. He is residing at Flat No. 301, Block A, Sri Laxmi Estates, Madeenaguda, Hyderabad - 500050. Tel. No. 040-2311 3934 Fax No. 040-2311 3935.

b. Mr. Arikatla has expertise in total Software Development Life Cycle including Project Planning, Business Analysis, Need Analysis, Design, Development, Implementation and Testing of complex applications in Telecommunication, Semiconductor, Automotive, Aircraft and Financial Industries. His industry experience and his ability to conceptualize implementation of technology ensure an appropriate technical solution to a given situation. Mr. Arikatla is the founder and Chairman & CEO of Ajel Technologies, Inc. USA.

c. The Networth of Mr. Arikatla as on April 15, 2008 is Rs.2,68,75,000/- (Rupees Two Crore Sixty Eight Lacs Seventy Five Thousand only). The same is certified by **M/s. K N Murthy & Co.,** Chartered Accountants (Membership No. 203849), Address:A-418, Majestic Mansion, Shyamlal Buildings, Begumpet, Hyderabad – 500 016 Tel No.- 040-6631 9958 / 2332 7204.

d. Mr. Arikatla is a Whole time Director of Ajel Technologies India Pvt. Limited and Ajel Technologies, Inc., USA

4. **Information on CHOKSH INFOTECH LIMITED (CIL) ("the Target Company")**

4.1 Choksh Infotech Limited is an existing public limited Company incorporated on February 17, 1994 under the Companies Act, 1956. CIL has its registered office at Office No. 106, 2nd Floor, Oshiwara Link Plaza Commercial Complex, New Link Road, Jogeshwari (West), Mumbai - 400102. Tel. No. 022-26303342 / 48 Fax No. 022-26349264.

4.2 The total Issued, subscribed and paid-up equity share capital of the Target Company:

Particulars	No. of Shares of Rs.10 each/ Voting Rights (VR)	% of Post Issue Share Capital	% of Post Issue VR
Fully Paid up Equity Shares	2,912,000	28.69	
Partly Paid up Equity Shares	88,000	0.87	
Total Existing Paid up Capital	3,000,000	29.56	
Proposed Issue of shares to Shareholders of Ajel	7,150,000	70.44	71.06
Post Issue Share Capital	**10,150,000**	**100.00**	
Total Existing Voting Rights	2,912,000		28.94
Post Issue Voting Rights	**10,062,000**		**100.00**

There are pending call in arrears of Rs. 4,40,000/- on 88,000 equity shares.

4.3 CIL is engaged in the business of Share Transfer Agent and Category I Registrar to the Issues. The Company is also engaged in Software development and IT Services.

4.4 The shares of CIL are listed on BSE and ASE. The shares are frequently traded on BSE but there has been no trading on ASE during past 4 years. CIL is in compliance with the listing agreements of the stock exchanges and as on the date of the Public Announcement, no punitive action has been initiated against it by the stock exchanges where its shares are listed. However the Company has received letter from ASE for pending listing fees of Rs.60,750/- for the period of 8 years from 2001-2009.

4.5 CIL had received letter no. CFD/DCR/RC/TO/13060/04 dated July 21, 2004 from SEBI alleging violation of Regulation 6(2) and 6(4) for 1997 and 8(3) for 1998, 1999, 2000, 2001 and 2002. The said letter also gave an option to the Company to Consent for the above violations and pay Rs.1,75,000 as penalty. The Company vide its letter dated August 26, 2004 had consented to pay the penalty.

4.6 **Financial information of CIL for the year ended March 31, 2007:** Total Income was Rs. 13.67 Lacs; Loss after tax was Rs. 2.00 Lacs; As at March 31, 2007 the Paid-up Equity Capital was Rs. 295.19 Lacs and the Networth (excl. Revaluation Reserve - Nil) was Rs. 146.07 Lacs. For the year ended March 31, 2007 Return on Net Worth was Negative, Book Value per Share was Rs. 4.87 and Earning per share was Negative Re. 0.07.

For 9 months ended December 31, 2008, CIL's Total Income and Profit after Tax was Rs.13.26 Lacs and Rs.2.75 Lacs respectively and paid-up Equity Capital was Rs.295.19 Lacs based on published results subjected to Limited review.

5. **Reasons for the Acquisition and Offer and Future Plans about the Target Company**

5.1 The Acquirer proposes to be a majority shareholder pursuant to the Issue and take over the management control of CIL. This Offer of 20% of the Post Issue Capital, i.e. 20,30,000 shares of CIL is made in terms of Regulations 10 & 12 of the SEBI (SAST) Regulations.

5.2 The Acquirer has experience and expertise in the Software Development and he envisages good synergy between Ajel and CIL. He expects to turn around the Company using his experience and expertise in the IT sector.

5.3 The Acquirer does not have any plan to dispose of or otherwise encumber any assets of CIL within two years from the date of closure of the Offer except in the ordinary course of business of CIL. However re-organisation and/or streamlining of various businesses may be considered for commercial reasons and operational efficiencies which may include the restructuring and/or rationalization of assets of CIL, however, not limited to, merger.

5.4 Further, the Acquirer undertake that in the next two years they shall not sell, dispose of or otherwise encumber any substantial asset of CIL except with the prior approval of CIL's shareholders.

6. **Statutory Approvals & Conditions of the Offer**

6.1 Non-resident shareholders who wish to tender their shares in this offer will be required to submit all the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of Target Company. **In case of previous RBI Approvals not being submitted, the Acquirer reserves the right to reject the shares tendered in the offer.**

6.2 There are no other statutory approvals required to acquire the shares tendered pursuant to this Offer. However, the Offer would be subject to all statutory approvals that may become applicable prior to completion of the Offer.

6.3 The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the date of closing of the offer.

6.4 The Acquirer reserves the right to withdraw the Offer, in terms of Regulation 27 of the SEBI (SAST) Regulations, in the event the requisite statutory approvals are being refused. In the event of withdrawal, a Public Announcement will be made in the same newspapers in which this original PA is being made.

6.5 In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of the approvals was not due to willful default or negligence, grant an extension for the purpose of completion of the offer provided the Acquirer agrees to pay interest to the shareholders for delay beyond 15 days from the date of closing of the offer.

6.6 If the Acquirer fails to obtain the requisite approvals in time due to willful default or neglect or inaction or non-action on his part, the amount lying in the escrow account shall be forfeited in the manner provided in Regulation 28(12)(e) of SEBI (SAST) Regulations.

7. **Delisting / Continuous Listing Option to the Acquirer in terms of Regulation 21(2)**

The minimum public shareholding required for continuous listing of the equity shares of the Target Company is 25% (twenty five) of the post preferential issue equity share capital. The Acquirer is acquiring 70.44% of the post preferential issue equity share capital and making this offer to acquire upto 20% of the post preferential issue equity share capital. Post Open Offer, if the public shareholding falls to a level below the minimum public holding required for continuous listing, the Acquirer have undertaken to take necessary steps to facilitate compliance of CIL with the relevant provisions thereof in terms of the provisions of regulation 21(2) of SEBI (SAST) Regulations (i.e., to enable CIL to raise the level of public shareholding, to the levels specified for continuous listing specified in the listing agreement with Stock Exchanges, within the prescribed period). Therefore, pursuant to this Offer, there will be no violation of Clause 40A of the listing agreement of CIL with Stock Exchanges on which its equity shares are listed and the equity shares will continue to be listed.

8. **Financial Arrangements**

8.1 The total fund requirement for the acquisition of 20,30,000 equity shares, being 20% of the Post Issue capital of CIL, at Rs. 10/- per share is Rs. 2,03,00,000/- (Rupees Two Crore Three Lacs only).

8.2 In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirer has created an Escrow Account as under :

a) Bank Guarantee for Rs.51,00,000/- (Rupees Fifty One Lacs Only), being in excess of 25% of the offer size, issued by Syndicate Bank, Hyderabad valid till October 31, 2008; and

b) Cash Deposit of Rs. 2,05,000/- (Rupees Two Lacs Five Thousand only), being in excess of 1% of the offer size, with Axis Bank, Vile Parle (East), Mumbai.

Saffron Capital Advisors Private Limited, the Manager to the Offer has been empowered to realise the value of the Escrow in terms of the SEBI (SAST) Regulations.

8.3 In case of a revision in the Offer price, the Acquirer would raise the amount in the escrow account to ensure compliance with Regulation 28 of SEBI (SAST) Regulations.

8.4 The Acquirer has adequate resources to meet the financial requirements of the Offer. The same is certified by **M/s. K N Murthy & Co.**, Chartered Accountants (Membership No. 203849), Address:A-418, Majestic Mansion, Shyamlal Buildings, Begumpet, Hyderabad – 500 016 Tel No.- 040-6631 9958 / 2332 7204.

8.5 On the basis of the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations. The Offer will be implemented by the Acquirer through their own funds and/or borrowings from friends and relatives.

9. **Other Terms of the Offer**

9.1 The Letter of Offer together with Form of Acceptance cum Acknowledgement (FOA), the Form of Withdrawal (FOW) and Transfer Deed (TD) (for shareholders holding shares in physical form) will be mailed to all the shareholders of CIL, except the Acquirer, Existing Promoter / Promoter group and parties to the Agreement, whose names appear on the Register of Members of CIL and the beneficial owners of the shares whose names appear as beneficiaries on the records of the respective share depositories, at the close of business hours on May 16, 2008. (**"Specified date"**).

9.2 Accidental omission to dispatch Letter of Offer to any member entitled to this open offer or non-receipt of the Letter of Offer by any member entitled to this open offer shall not invalidate the open offer in any manner whatsoever. The Offer is subject to the terms and conditions set out herein and in the Letter of Offer that would be sent to the shareholders of CIL as on the specified date.

9.3 All the shareholders, except the Acquirer, Existing Promoter / Promoter group and parties to the Agreement, who own the shares of CIL are eligible to participate in the Offer anytime before date of closing of the offer.

9.4 The Acquirer has appointed **Bigshare Services Private Limited** as Registrar to the Offer. The shareholders who wish to tender their shares will be required to send the Form of Acceptance-cum-Acknowledgement duly filled and signed alongwith enclosures to the **Registrar to the Offer: -** Bigshare Services Private Limited, E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400 072 **Tel. No.:** 022-4043 0200 **Fax No.:** 022-28475207 **E-Mail:** openoffer@bigshareonline.com **Contact Person:** Mr. Ashok Shetty either by Hand Delivery or by Registered Post on or before the closure of the Offer, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

The documents can be tendered at the above centres between 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturday. The centres will be closed on Sundays and Public holidays.

9.5 All registered shareholders who wish to tender their shares will be required to send duly completed FOA filled and signed in accordance with the instructions specified in the Letter of Offer and FOA, to the Registrar to the Offer at the centres mentioned above before the closure of the Offer, i.e. June 25, 2008.

9.6 A special depository account has been opened with Axis Bank Limited (Depository – NSDL) styled **"Saffron Capital Advisors Private Limited – Escrow A/C – CIL Open Offer"** for the purpose of this offer. **The DP ID is IN 300484 and Beneficiary/ Client ID is 13288292.**

9.7 The beneficial owners (holders of shares in Dematerialised form) who wish to tender their shares will be required to send the FOA along with the counterfoil/ photocopy of the delivery instructions in "Off-Market" mode in favour of the special depository account mentioned above, duly acknowledged by the Depository Participant ("DP"), to the Registrar to the Offer either by Hand Delivery or by Registered Post on or before the date of closing of the Offer. In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, it will be deemed that the shareholder has tendered acceptance of the Offer.

For shareholders of CIL holding physical shares and who wish to accept the Offer and tender their shares will be required to send the FOA together with the share certificate(s) and transfer deed(s) to the Registrars.

9.8 The shareholders tendering shares in demat form should ensure the credit of shares in favour of the special depository account mentioned above, before the closure of the Offer i.e. June 25, 2008. FOA, in respect of dematerialized equity shares not credited to the above special depository account before the date of closing of offer, is liable to be rejected.

9.9 Shareholders having their beneficiary account with Central Depository Services Limited (CDSL), will have to use inter-depository delivery instruction slip for the purpose of crediting their Equity shares in favour of the above mentioned Special Depository Account with NSDL.

9.10 In case of non-receipt of the Letter of Offer/FOA, the eligible persons may download the same from SEBI website or obtain a copy of the same by writing to Registrars to the offer at any of the collection centres clearly marking the envelope "CIL Open Offer" or make an application on plain paper duly signed and stating their name, address, No. of Shares held, no. of shares offered, DP name, DP ID, Client ID and the counterfoil/photocopy of the delivery instruction in "Off-Market" mode in favour of the special depository account, duly acknowledged by the DP, to the Registrar to the Offer, before the closure of the Offer.

Unregistered owners holding shares in physical form may send their application in writing on a plain paper, duly signed and stating the name, address, number of shares held, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer along with the original share certificate(s) and valid transfer deed(s) as received from the Broker **(columns meant for transferee / buyer should be kept blank)** to the Registrar to the Offer. Unregistered owners will also be required to submit documents to prove their title to the shares in respect of which they are accepting the Offer such as original broker's contract note and transfer deed(s) executed by the registered holder of the shares. No indemnity is required from the unregistered owners.

9.11 In case any person has lodged shares of CIL for transfer and the transfer has not yet been effected, the concerned person may apply in writing on a plain paper, duly signed and stating the name, address, number of shares held, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer along with the original share certificate(s), valid transfer deed(s) duly signed **(columns meant for transferee / buyer should be kept blank)** and the acknowledgement of the lodgment of shares for transfer. Such person should also instruct CIL and its Registrars & Transfer Agents to send the transferred share certificate(s) directly to the collection centres of Registrars to the offer as mentioned above before the date of closing of the offer.

Shareholders who have sent their physical shares for Dematerialisation and the dematerialization has not yet been effected, the concerned person should send the completed FOA together with the photocopy of the dematerialization request form acknowledged by shareholder's DP. The shareholder should ensure that process of getting shares dematerialised is completed well in time so that the credit in the special depository account should be received before closure of the Offer i.e. June 25, 2008, else the application will be rejected.

9.12 Equity shares tendered by the shareholders of CIL in the offer shall be free from lien, charges and encumbrances of any kind whatsoever.

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

9.13 In case the shares tendered in the Offer by the shareholders, are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be as per the provisions of Regulation 21 (6) of the SEBI (SAST) Regulations on a proportionate basis, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company's share is 1 (one) share.

9.14 While tendering 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 shares of Target Company. **In case of previous RBI Approvals not being submitted, the Acquirer reserves the right to reject the shares.** While tendering shares under the Offer, NRI / 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, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

9.15 The consideration received by the shareholders for shares accepted in the offer will be subject to the capital gains tax / deduction of tax at source applicable as per the Income Tax Act, 1961. Further the securities transaction tax will not be applicable on shares accepted in this offer.

9.16 The Registrar to the Offer will hold in Trust the Shares / Share certificates, FOA, if any, and the transfer form/s on behalf of the shareholders of CIL who have accepted the Offer, till the Acquirer completes the offer obligations in accordance with the Regulations.

9.17 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. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the FOA.

9.18 A schedule of some of the major activities in respect of the Offer is given below:

Activity	Date	Day
Specified Date (for the purpose of determining the names of the shareholders to whom the Letter of Offer would be sent)	May 16, 2008	Friday
Last date for a competitive bid, if any	May 08, 2008	Thursday
Date by which Letter of Offer will be posted to shareholders	May 30, 2008	Friday
Date of opening of the Offer	June 06, 2008	Friday
Last date for Revising the Offer Price / Number of Shares	June 13, 2008	Friday
Last date for Withdrawing acceptances tendered by shareholders	June 19, 2008	Thursday
Date of closing of the Offer	June 25, 2008	Wednesday
Date of communicating acceptance/ rejection and payment of consideration for accepted shares / dispatch of the share certificate in case of rejection.	July 04, 2008	Friday

10. **Procedure for Withdrawal of Application**

10.1 In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations 1997, shareholders shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date i.e. up to June 19, 2008.

10.2 Shareholders who wish to withdraw their shares from the Offer will be required to send the FOW duly completed & signed alongwith the requisite documents.

10.3 In case of non receipt of Form of Withdrawal, the withdrawal can be exercised by making an application on plain paper along with following details :-

- **In case of physical shares**: by stating Name, Address, Distinctive numbers, Folio number, Number of shares tendered and to be withdrawn.
- **In case of dematerialized shares**: by stating Name, Address, Number of shares tendered and to be withdrawn, DP Name, DP ID, Beneficiary account number, Counterfoil/ Photocopy of the delivery instruction in "Off Market" mode duly acknowledged by the DP in favour of the special depository account.
- **In either case:** a copy of the acknowledgement received from the Manager to the Offer upon tendering of the Shares,

so as to reach the Registrar to the Offer either by hand delivery or by registered post on or before June 19, 2008.

11. **General**

11.1 If there is any upward revision in the Offer Price till the last date of revision in terms of Regulation 26 i.e. June 13, 2008 or Withdrawal of the Offer, the same would be informed by way of a Public Announcement in the same newspapers in which this original Public Announcement is being made. In case of an upward revision in the offer price, the revised Offer Price would be payable to all the shareholders who have tendered their shares any time during the Offer and have been accepted under the Offer.

11.2 " If there is competitive bid :

i. The public Offers under all the subsisting bids shall close on the same date.

ii. As the Offer Price can not be revised during 7 working days prior to the closing date of the Offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer price of each bid and tender their acceptance accordingly."

11.3 Neither Acquirer nor Seller or the Target Company have been prohibited by SEBI from dealing in securities, in terms of directions issued u/s 11B of SEBI Act.

11.4 The Acquirer has not acquired any shares of CIL in the last twelve months nor do they hold any shares in CIL as on the date of this Public Announcement except as disclosed herein above in para 1.7.

11.5 Pursuant to Regulation 13 of SEBI (SAST) Regulations, Acquirer have appointed Saffron Capital Advisors Private Limited, as Manager to the Offer.

11.6 The Acquirer accepts full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations.

This Public Announcement will also be available on SEBI's website at **www.sebi.gov.in** Eligible persons to the Offer may also download a copy of Form of Acceptance-cum-Acknowledgement which will be available on SEBI's website at **www.sebi.gov.in** from the Offer opening date and apply in the same.

Issued by: Manager to the Offer

SAFFRON

energising ideas

SAFFRON CAPITAL ADVISORS PRIVATE LIMITED

Ground Floor,Vilco Center, Subhash Road, Behind Garware, Vile Parle (E), Mumbai-400057

Tel: + 91 22 26820654/0692; Fax: + 91 22 26820502;

Email: abhijit@saffronadvisor.com; website: www.saffronadvisor.com;

Contact Person: Mr. Abhijit A. Diwan

On behalf of the Acquirer,

Mr. Arikatla Srinivasa Reddy

Flat No. 301, Block A, Sri Laxmi Estates, Madeenaguda, Hyderabad - 500050.

Place:Mumbai Date: April 16, 2008

CONCEPT

Size: 32.9 x 44 cm