

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **CIGNITI TECHNOLOGIES LIMITED** (Formerly known as *Chakkilam Infotech Limited*). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed(s) to the Members of Stock Exchange through whom the said sale was effected.

OPEN OFFER BY

MS. SAPNA PENNAM (Acquirer1)

817 LA CIMA, Irving, TX 75039, USA; Tel: 001-214-636-6950

MR. KUMAR BAPUJI KUKUNURU (Acquirer2)

115 Stonecreek Drive, Irving, TX 75063, USA; Tel: 001-214-395-0955

MR. SRIKANTH CHAKKILAM (Acquirer3)

H. No. 6-3-663/15/A, Jaffar Ali Bagh, Somajiguda, Hyderabad-500082 ; Tel: 040-23392882

to acquire 43,91,770 fully paid up equity shares of ₹ 10/- each representing 26% of the expanded paid up equity share capital of

CIGNITI TECHNOLOGIES LIMITED (Formerly known as Chakkilam Infotech Limited)

(‘CTL’ or the ‘Target Company’)

Regd. Off.: Suit No. 106 & 107, 6-3-456/C, MGR Estates, Dwarakapuri Colony, Punjagutta, Hyderabad - 500 082;

Tel.: 040-30702250/55; Fax: 040-23350667; E-mail: info@cigniti.com

at a price of ₹ 39/- (Thirty Nine only) per share (‘Offer Price’), payable in cash.

This Offer is being made by the Acquirers pursuant to Regulations 3(1), 3(2) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (‘Regulations’).

This Offer is not conditional upon any minimum level of acceptance by the shareholder(s) of the Target Company.

The Offer is subject to the approval from Foreign Investment Promotion Board (FIPB) and in-principle approval of the Stock Exchanges for listing of the shares proposed to be allotted under preferential issue to Acquirer1 and Acquirer2. In terms of Regulation 23 (1) of the SEBI (SAST) Regulations, if such condition precedents are not satisfactorily complied with, the Offer would stand withdrawn.

Upward revision/withdrawal, if any, of the Offer would be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement (‘DPS’) has appeared. The Acquirers are permitted to revise the Offer Size and/or Offer Price upwards only at any time prior to the commencement of the last three working days before the commencement of the Tendering Period i.e. February 7, 2012 (Tuesday). Such revised Offer Price would be payable by the Acquirers to all the shareholders who have validly tendered their shares anytime during the Tendering Period to the extent their shares have been verified and accepted by the Acquirers.

If there is competing offer:

The public offers under all the subsisting bids shall open and close on the same date.

A copy of the Public Announcement (‘PA’), Detailed Public Statement (‘DPS’) and this Letter of Offer (including Form of Acceptance cum Acknowledgment) are also available on Securities and Exchange Board of India (‘SEBI’) web-site: www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 ASHIKA CAPITAL LIMITED 1008, 10 th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021. Tel: +91-22-66111700; Fax: +91-22-66111710 E-mail: mbd@ashikagroup.com Contact Person: Mr. Narendra Kumar Gamini/ Mr. Niraj Kothari	 AARTHI CONSULTANTS PRIVATE LIMITED 1-2-285, Domalguda, Hyderabad-500 029. Tel No:-040-27633111/27634445 Fax No:-040-27632184 E-mail: info@aarthiconsultants.com Contact Person: Mr. G. Bhaskar

SCHEDULE OF ACTIVITIES OF THE OFFER IS GIVEN BELOW:

Activities	Date	Day
Public Announcement	December 20, 2011	Tuesday
Opening of Escrow Account	December 21, 2011	Wednesday
Publication of Detailed Public Statement in Newspapers	December 27, 2011	Tuesday
Filing of Draft Offer Document with SEBI along with soft copies of Public Announcement and Detailed Public Statement	January 3, 2012	Tuesday
Last date for a Competing Offer	January 17, 2012	Tuesday
Receipt of comments from SEBI on Draft Letter of Offer	January 24, 2012	Tuesday
Identified Date*	January 27, 2012	Friday
Date by which Letter of Offer be posted to the shareholders	February 3, 2012	Friday
Last date for revising the Offer Price	February 7, 2012	Tuesday
Comments from Board of Directors of Target Company	February 8, 2012	Wednesday
Advertisement of Schedule of activities for open offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchanges and Target Company	February 9, 2012	Thursday
Date of Opening of the Offer	February 10, 2012	Friday
Date of Closure of the Offer	February 24, 2012	Friday
Date of communicating the rejection/ acceptance and payment of consideration for the acquired shares	March 12, 2012	Monday

**Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent.*

RISK FACTORS:

Given below are the risks related to the transaction, proposed Offer and those associated with the Acquirers:

Relating to the Transaction:

The Offer is subject to the approval from Foreign Investment Promotion Board (FIPB) and in-principle approval of the Stock Exchanges for listing of the shares proposed to be allotted under preferential issue to Acquirer1 and Acquirer2 as approved by the Board of Directors of the Target Company in its meeting held on November 17, 2011 and approved by the shareholders by way of postal ballot, the result of which was declared on December 20, 2011. In terms of Regulation 23 (1) of the SEBI (SAST) Regulations, if such condition precedents are not satisfactorily complied with, the Offer would stand withdrawn.

Relating to the Offer:

1. In the event that either (a) the regulatory approvals are not received in a timely manner (b) there is any litigation to stay the Offer, or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer proceeds may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the public shareholders of Target Company, whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirers, may be delayed. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
2. In case of over-subscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
3. The Registrar to the Offer will hold in trust the equity shares lying in credit of the Special Depository Account, Share Certificates, Form of Acceptance, if any, and the Transfer Deed (s) on behalf of the shareholders of the Target Company who have accepted the Offer, till the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the equity shares of the Target Company.

4. Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the Tendering Period.

Relating to the Acquirers:

1. The Acquirers make no assurance with respect to the financial performance of the Target Company. The Acquirers make no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.
2. The Acquirers cannot provide any assurance with respect to the market price of the Equity Shares of the Target before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
3. The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Draft Letter of Offer (LOF)/ Detailed Public Statement (DPS)/Public Announcement(PA) and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his / her / its own risk.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of the Target Company or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any Shareholder in the Offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such Shareholder's participation in the Offer and related sale and transfer of Equity Shares of the Target Company to the Acquirers.

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1. ABBREVIATIONS / DEFINITIONS

Acquirer1	Ms. Sapna Pennam
Acquirer2	Mr. Kumar Bapuji Kukunuru
Acquirer3	Mr. Srikanth Chakkilam
Acquirers	Ms. Sapna Pennam, Mr. Kumar Bapuji Kukunuru and Mr. Srikanth Chakkilam
BgSE	Bangalore Stock Exchange Limited
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956, as amended or modified from time to time
DP	Depository Participant
DPS / Detailed Public Statement	Detailed Public Statement relating to the Offer published on December 27, 2011
Eligible Persons for the Offer	All owners (registered or unregistered) of Equity Shares of the Target Company who own the shares at anytime before the Closure of the Offer, including the beneficial owners of the shares held in dematerialised form , except the Acquirers and the Present Promoters & Promoter Group
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor registered with SEBI
FIPB	Foreign Investment Promotion Board
Form of Acceptance	Form of Acceptance cum Acknowledgement, accompanying with this Letter of Offer
Identified Date	January 27, 2012 (Friday)
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
INR / ₹	Indian Rupees, the legal currency of India
Letter of Offer / LOO	This Letter of Offer relating to the Offer dated January 2, 2012
Manager / Manager to the Offer	Ashika Capital Limited
MICR	Magnetic Ink Character Recognition
MSE	Madras Stock Exchange Limited
NA	Not Applicable
NECS	National Electronic Clearing System
NEFT	National Electronic Funds Transfer
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding Equity Shares of the Target Company
NRI	Non-Resident Indians
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Bodies
Offer/Open Offer	Cash Offer being made by the Acquirers to the shareholders of the Target Company, other than the Promoter & Promoter Group, to acquire 43,91,770 equity shares of Rs. 10/- each representing 26% of the expanded voting capital of the Target Company at a price of ₹ 39/- (Rupees Thirty Nine only) per

	Equity Share payable in cash
Offer Price	₹ 39/- (Rupees Thirty Nine only) per equity share
Offer Size	43,91,770 Equity Shares of ₹10 each representing in the aggregate up to 26% of the Voting Share Capital of the Target Company at a price of ₹ 39/- (Rupees Thirty Nine only) per equity share
PA / Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirers on December 20, 2011 (Tuesday)
Present Promoters and Promoter Group	Chakkilam Constructions Pvt. Ltd, Chakkilam Durga, Chakkilam Rajeswari, Chakkilam Venkata Subramanyam and Srikanth Chakkilam
RBI	The Reserve Bank of India
Registrar / Registrar to the Offer	Aarthi Consultants Private Limited, an entity registered with SEBI under the SEBI (Registrar to Issue and Share Transfer Agents) Regulations, 1993, as amended from time to time
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified from time to time
SEBI (SAST) Regulations 2011/ Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof
SEBI (SAST) Regulations 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof
Special Depository Account	A special depository account named 'CIGNITI TECHNOLOGIES LIMITED - OPEN OFFER ESCROW ACCOUNT' opened with CDSL
Target Company/ CTL	Cigniti Technologies Limited
Tendering Period / Offer Period	Period within which Shareholders of Target Company may tender their Equity Shares in acceptance to the Offer i.e., the period between and including February 10, 2012 (Friday) and February 24, 2012 (Friday)

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 REGULATIONS. THIS REQUIREMENT IS TO FACILITATE SHAREHOLDERS OF CIGNITI TECHNOLOGIES LIMITED (FORMERLY KNOWN AS CHAKKILAM INFOTECH LIMITED) TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 02, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. BACKGROUND OF THE OFFER

- a) The Board of Directors of the Target Company ("Board") in their meeting held on November 17, 2011 have duly authorised the acquisition of 100% stake in Cigniti Inc. USA and Cigniti Software Services Private Limited, India by way of equity shares swap subject to the shareholders' approval.
- b) A Notice of Postal Ballot dated November 17, 2011 was dispatched to the shareholders inter alia to approve the above Preferential Allotment in accordance with the provisions of Section 81(1A) of the Companies Act and other applicable provisions including the SEBI (SAST) Regulations, 2011. The result of the postal ballot was announced and noted by the Chairman of the Target Company on December 20, 2011.
- c) The Board of Directors of the Target Company in their meeting held on December 20, 2011 had considered and inter-alia approved the following:
 - i. allotment of 17,50,000 equity shares of ` 10/- each on conversion of 17,50,000 warrants to Mr. Srikanth Chakkilam (Acquirer3), which were issued on September 29, 2010 at a price of ` 10/- per warrant.
 - ii. noted the postal ballot result for issue and allotment of 58,00,000 equity shares of ` 10/- each on preferential basis through share swap for acquisition of 100% stake in Cigniti Inc. in the ratio of 57:10 (i.e. 57 equity shares of Target Company for every 10 equity shares of Cigniti Inc.) and Cigniti Software Services Private Limited in the ratio of 10:1 (i.e. 10 equity shares of Target Company for every one equity share of Cigniti Software Services Private Limited).
- d) The above acquisition by Acquirer1 and Acquirer2, through Preferential Allotment, would leads to a change of control of the Target Company and there is an intention to control the management jointly along with the existing Promoter Group.
- e) As a result of conversion of warrants and Preferential Allotment, this Open Offer is being made by the Acquirers pursuant to Regulation 3(1), 3(2) and 4 of SEBI (SAST) Regulations, 2011.
- f) No other person / individual / entity is acting in concert with the Acquirers for the purposes of this Offer in terms of Regulation 2(1)(q) of the SEBI (SAST) Regulations.
- g) The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.
- h) After completion of all formalities relating to the acquisition and after complying with formalities required by the Regulations, the Board of Directors might be reconstituted to include nominee(s) of the Acquirer1 & Acquirer2. The Acquirer1 & Acquirer2 propose to appoint their representatives on the Board of the Target Company after the completion of all formalities relating to Open Offer under SEBI (SAST) Regulations, 2011 as they may deem fit.

- i) Other than Mr. Srikanth Chakkilam (Acquirer3), the present Promoters viz. Chakkilam Constructions Pvt. Ltd, Chakkilam Durga, Chakkilam Rajeswari and Chakkilam Venkata Subramanyam are holding an aggregate 23, 97,200 Equity Shares constituting 14.19% of the expanded paid up share capital of the Target Company and are not acting in concert with the Acquirers for this Open Offer. The present Promoters undertake not to tender any shares held by them in the Open Offer.
- j) Post Offer, the present Promoters also be suitably represented on the Board of Directors of the Target Company and continued to be called as 'Promoters'. Post Offer, the Acquirer1 and Acquirer2 along with the existing Promoters will have the joint control of the company.
- k) The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- l) As per regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company is required to constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published. A copy whereof shall be sent to SEBI, BgSE, MSE, BSE and Manager to the Offer and in case of a competing offer/s to the Manager/s to the Open Offer for every competing offer.

3.2. DETAILS OF THE PROPOSED OFFER

- a) The Acquirer has made a Detailed Public Statement pursuant to Public Announcement on December 27, 2011 in the following newspapers in accordance with the Regulation 14 (3):

Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Prajashakthi	Telugu	All Editions
Navshakti	Marathi	Mumbai Edition

The Public Announcement, Detailed Public Statement is also available on the SEBI website at www.sebi.gov.in.

- b) The Offer is being made by the Acquirers to the shareholders of CTL, other than the Promoter & Promoter Group, to acquire 43,91,770 (Forty Three Lakhs Ninety One Thousand Seven Hundred and Seventy only) fully paid up Equity Shares of Rs. 10/- each representing 26% of the Expanded Paid up Equity Share Capital of CTL at a price of Rs. 39/- (Rupees Thirty Nine only) per fully paid up equity share ("Offer Price"), payable in cash subject to the terms and conditions set out in the PA, DPS and this draft Letter of Offer.
- c) All the Equity Shares of the Target Company are fully paid up and there are no partly paid up Equity Shares in the Target Company.
- d) This is not a Competitive Bid.
- e) The Offer is unconditional and not subject to any minimum level of acceptance from the shareholders. The Acquirers will accept those equity shares of CTL which are tendered in valid form in terms of this Offer upto a maximum of 43, 91,770 (Forty Three Lakhs Ninety One Thousand Seven Hundred and Seventy only) Equity Shares representing 26% of the Expanded Paid up Equity Share Capital of the Target Company.
- f) The Acquirers have not acquired any shares of Target Company after the date of PA i.e. December 20, 2011 and upto the date of this Draft Letter of Offer except the allotment of shares upon conversion of 17, 50,000 warrants to Acquirer3, which were issued on September 29, 2010 at a price of ` 10/- per warrant and proposed allotment under preferential allotment guidelines to Acquirer1 & Acquirer2.
- g) The Manager to the Offer, Ashika Capital Limited does not hold any Equity Shares in the Target Company as at the date of DPS. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.
- h) The Equity Shares of the Target Company acquired by the Acquirers shall be free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- i) Pursuant to this Offer, the public shareholding in the Target Company may reduce to less than the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and the Listing Agreement. The Acquirers undertakes that if the public shareholding is reduced to below such minimum level it will take

necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Listing Agreement and other provisions of applicable laws, within the time period mentioned therein

3.3. OBJECT OF THE OFFER

- a) This Offer is being made to the shareholders of Target Company pursuant to and in compliance with Regulation 3(1), 3(2) and 4 of SEBI (SAST) Regulations, 2011.
- b) The Acquirers propose to continue the existing business of the Target Company. The main purpose of takeover is to expand the Company's business activities in the present line of activities through exercising effective management and control over the Target Company. The Acquirers intend to invest, incubate in corporate opportunities and also provide extensive insight and support on the development of the business of the Target Company. The Acquirers will review various options available to use the existing structure of the corporate as also converge the long term plans of building multiple revenue streams under the existing corporate structure. The Acquirers may reorganize and / or streamline various businesses for commercial reasons and operational efficiencies. Any change in the structure that may be affected will be in accordance with the laws applicable. However, no firm decision in this regard has been taken or proposed so far.
- c) Upon completion of all formalities under the Regulations, the Acquirers other than the Acquirer3 shall seek appointment of additional representative Directors on the Board of the Target Company to provide managerial, technical, financial and marketing expertise to CTL on an ongoing basis and CTL shall take effective steps to induct them on its Board.
- d) The Acquirers do not have any plans to alienate any significant assets of the Target Company or any of its subsidiaries whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. CTL's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations.

4. BACKGROUND OF THE ACQUIRER

- i. **Mrs. Sapna Pennam**, wife of Mr. Sudhakar Pennam, aged about 40 years, is residing at # 817 LA CIMA, Irving, TX 75039, USA. She has completed Bachelor of Science from Bangalore University and Master of Computer Application (MCA) from Madurai Kamaraj University. She is having around 7 (Seven) years of experience in the areas of General Operations, Financial Issues, Liabilities, Strategic Plans, Risks, Legal, HR, Marketing, Sales, Distribution, etc. The Net Worth of Mrs. Sapna Pennam, as on November 17, 2011, is ₹ 1200 Lakhs (Rupees Twelve Hundred Lakhs only) as certified by Mr. M. Madhusudhana Reddy (Membership No. 213077) partner of M/s. M M Reddy & Co., Chartered Accountants having office at G-8, Amrutha Ville, Rajbhavan Road, Somajiguda, Hyderabad-500 082; Tel.: 040-40272617; Fax: 040-23418836, E-mail: mmreddyandco@gmail.com vide certificate dated December 14, 2011. As on date, Mrs. Sapna Pennam is the Promoter/Director of Kairos Technologies Inc. and Cigniti, Inc.. However, none of these entities are acting in concert for this Offer.
- ii. **Mr. Kumar Bapuji Kukunuru**, son of Mr. Sambasiva Rao Kukunuru, aged about 39 years, is residing at 115 Stonecreek Dr, Irving, TX 75063, USA. He has completed Bachelor of Technology in Electronics and Communications from JNTU College of Engineering and Masters in System Science from Louisiana State University, Louisiana, USA. He is having around 15 (Fifteen) years of experience in the areas of Information Technology. The Net Worth of Mr. Kumar Bapuji Kukunuru, as on November 17, 2011, is ₹ 1500 Lakhs (Rupees Fifteen Hundred Lakhs only) as certified by Mr. M. Madhusudhana Reddy (Membership No. 213077) partner of M/s. M M Reddy & Co., Chartered Accountants having office at G-8, Amrutha Ville, Rajbhavan Road, Somajiguda, Hyderabad-500 082; Tel.: 040-40272617; Fax: 040-23418836, E-mail: mmreddyandco@gmail.com vide their certificate dated December 14, 2011. As on date, Mr. Kumar Bapuji Kukunuru is the Promoter/Director of Cigniti Inc., Techgene Solutions, LLC, Aorta Technologies Inc, Vensiti Inc. However, none of these entities are acting in concert for this Offer.
- iii. **Mr. Srikanth Chakkilam**, son of Mr. Venkata Subramanyam Chakkilam, aged about 26 years, is residing at H. No. 6-3-663/15/A, Jaffar Ali Bagh, Somajiguda, Hyderabad-500 082. He has completed his Master of Science in Computer Science from University of Southern California, USA. He is having around 4 (Four) years of experience in the areas of marketing. The Net Worth of Mr. Srikanth Chakkilam as on November 30, 2011 is ₹ 678.78 Lakhs (Rupees Six Hundred Seventy Eight Lakhs and Seventy Eight Thousands only) as certified by Mr. P. Murali Mohana Rao (Membership No. 23412) partner of M/s. P Murali & Co., Chartered Accountants having office at 6-3-655/2/3, Somajiguda, Hyderabad- 500 082; Tel.: 040-23326666; Fax: 040-23392474, E-mail: pmurali.co@gmail.com vide their certificate dated December 13, 2011. Mr. Srikanth Chakkilam belongs to the Promoter Group and is holding 7, 50,000 equity shares of Target Company, prior to PA.

iv. **Relation between the Acquirers:**

Name	Relationship, if any, with any other Acquirers	Companies in which he /she is a full time Director
Ms. Sapna Pennam (Acquirer 1)	Business Associate with Acquirer2 & Not related to Acquirer3	• Cigniti Inc. • Kairos Technologies Inc.
Mr. Kumar Bapuji Kukunuru (Acquirer 2)	Business Associate with Acquirer1 & Not related to Acquirer3	• Cigniti Inc. • Techgene Solutions, LLC • Aorta Technologies Inc. • Vensiti Inc.
Mr. Srikanth Chakkilam (Acquirer 3)	Not related to Acquirer1 & Acquirer2	Nil

- v. Mr. Srikanth Chakkilam (Acquirer3) belongs to the Promoter Group and is holding 7,50,000 equity shares of Target Company, prior to PA. Other than Mr. Srikanth Chakkilam (Acquirer3), the present Promoters viz. Chakkilam Constructions Pvt. Ltd, Chakkilam Durga, Chakkilam Rajeswari and Chakkilam Venkata Subramanyam are holding an aggregate 23, 97,200 Equity Shares constituting 14.19% of the expanded paid up share capital of the Target Company and are not acting in concert with the Acquirers for this Open Offer. The present Promoters undertake not to tender any shares held by them in the Open Offer.
- vi. The Acquirers presently do not hold any Board positions in any of the Listed Companies.
- vii. As on the date of Draft Letter of Offer, the Acquirer1 and Acquirer2 do not hold any shares in the Target Company except the shares proposed to be allotted under preferential allotment as mentioned in Para 3.1. (c) above and has complied with the Regulation 29 (1) of SEBI (SAST) Regulations, 2011. The Acquirer3 has complied with the applicable provisions of the Chapter II of the SEBI (SAST) Regulations, 1997 and also complied with the Regulation 29 (1) of SEBI (SAST) Regulations, 2011, for shares allotted upon conversion of warrants.

5. BACKGROUND OF TARGET COMPANY - CIGNITI TECHNOLOGIES LIMITED (Formerly known as Chakkilam Infotech Limited)

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

- a) CTL was originally incorporated on September 3, 1998 under the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh as 'Chakkilam Infotech Private Limited'. The name was subsequently changed to 'Chakkilam Infotech Limited' with effect from January 31, 2000 vide a fresh certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh. The name of the company was further changed to the present name 'Cigniti Technologies Limited' and a Fresh Certificate of Incorporation consequent on change of name was issued by Registrar of Companies, Andhra Pradesh on October 19, 2011. The Registered Office of the Target Company is situated at Suite No. 106 & 107, 6-3-456/C, MGR Estates, Dwarakapuri Colony, Panjagutta, Hyderabad-500 082.
- b) The Target Company is presently engaged in the business of Software Testing & Development.

c) Share Capital Structure:

The share capital structure of the Target Company is as follows:

Paid-up Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity Shares	1,68,91,398*	100%
Partly Paid-up Equity Shares	Nil	Nil
Total Paid-up Equity Shares	1,68,91,398*	100%
Total voting rights in Target Company	1,68,91,398*	100%

*includes the shares allotted on conversion of warrants and proposed allotment under preferential allotment to Acquirer1 & Acquirer2.

- d) The equity shares of the Target Company are listed on Bangalore Stock Exchange Limited (BgSE) and Madras Stock Exchange Limited (MSE). The shares of the Target Company are also traded on the BSE Limited (BSE) under Indonext category.
- e) All the outstanding Equity Shares are admitted for trading at the Stock Exchanges except 17, 50,000 equity shares allotted on conversion of warrants and proposed allotment under preferential allotment guidelines to Acquirer1 & Acquirer2. The Company has been complying with the provisions of the listing agreement entered into with the Stock Exchanges. No punitive action has been taken against the company by Stock Exchanges.

- f) There is no outstanding instrument in the nature of warrants / fully convertible debentures / partly convertible debentures, etc. convertible into equity shares on any later date. There are no partly paid up shares in the Target Company. The Target Company does not have any equity shares under lock-in period except 25,00,000 equity shares allotted to Acquirer3 [7,50,000 equity shares allotted on October 30, 2010 & 17,50,000 allotted on December 20, 2011] and 58,00,000 equity shares proposed to be allotted under the Preferential Issue.

g) Details of the Board of Directors of Target Company:

As on the date of Public Announcement, the Directors representing the Board of Target Company are:

S. No.	Name of the Director	Address of Director	Date of Appointment	Qualifications	Experience
1.	Chakkilam Venkata Sbramanyam	6-3-663/15/A, Jaffer Ali Bagh, Somajiguda, Hyderabad-500 082.	27-08-1998	Graduate in commerce and Law P.G. Diploma in Business Management	25 years in the areas of Construction, Transportation, Banking and overseas trade
2.	Chakkilam Sudhakar	6-3-663/15/A, Jaffer Ali Bagh, Somajiguda, Hyderabad-500 082.	27-08-1998	B. Tech in Architecture from JNTU	20 years in the areas of IT based CAD/CAM Projects
3.	Kolla China Subba Rao	8-2-269/S/15, Street No. 1, Road No. 2, Sagar Society, Banjara Hills, Hyderabad-500 034.	01-12-2003	M. Sc.	25 years in Real Estate Logistic Business
4.	Nageswara Rao Kadiri	12-12-14G, Ravindra Nagar, Sitafalmandi, , Hyderabad-500 061.	30-09-2004	M.Com	10 years in Finance & Accounts

None of the above Directors are represented by the Acquirers except Acquirer3. Acquirer3 is represented by Mr. Chakkilam Venkata Sbramanyam and Mr. Chakkilam Sudhakar.

- h) There has been no merger / de-merger or spin off in the Target Company during the past three years.

i) Financial Information:

Brief audited financials of the Target Company for the last 3 Years and certified financial results for the period ended 31.10.2011 are as follows:

Profit & Loss Statements

For the period/year ended	(Rs. in Lakhs)			
	31.10.2011 (un-audited & Certified)	31.03.2011 (Audited)	31.03.2010 (Audited)	31.03.2009 (Audited)
Income:				
Income from Operations	544.64	758.79	505.58	507.34
Total Income	544.64	758.79	505.58	507.34
Total Expenditure:	453.49	605.19	352.42	362.66
Profit/(Loss) Before Depreciation, Interest and Tax	91.15	153.60	153.16	144.68
Interest & Bank Charges	17.82	23.45	19.96	19.21
Depreciation	49.44	100.85	123.44	113.42
Profit/ (Loss) Before Tax	23.89	29.30	9.76	12.05
Current Tax	7.00	9.15	7.82	11.20
Profit/ (Loss) After Tax	16.89	20.15	1.94	0.85
Deferred Income Tax Asset	Nil	Nil	4.08	6.97
Deferred Income Tax Liability	Nil	1.12	Nil	Nil
Fringe Benefit Tax	Nil	Nil	Nil	1.14
Profit/ (Loss) After Deferred Income Tax	16.89	19.03	6.02	6.68
Balance Brought Forward	288.65	269.62	263.59	256.91
Balance Carried to Balance Sheet	305.54	288.65	269.62	263.59

Balance Sheet Statement

(Rs. in Lakhs)

As on	31.10.2011 (un-audited & Certified)	31.03.2011 (Audited)	31.03.2010 (Audited)	31.03.2009 (Audited)
Sources of Funds:				
Paid up Share Capital	934.14	934.14	859.14	859.14
Reserves & Surplus	340.44	323.55	304.52	298.49
Less : Miscellaneous Expenditure	2.37	2.37	3.59	4.79
NETWORTH	1272.21	1255.32	1160.07	1152.84
Equity Share Warrants	92.25	43.75	Nil	Nil
Secured Loan	189.16	228.34	193.60	122.58
Unsecured Loans	2.00	2.00	11.50	11.50
Deferred Income Tax Liability	78.38	78.38	77.26	81.34
TOTAL	1634.00	1607.79	1442.43	1368.26
Application of funds:				
Net Fixed Assets	567.19	616.63	574.62	583.35
Capital Work-in-Progress	351.17	351.17	351.16	257.92
Investments	Nil	Nil	Nil	Nil
Net Current Assets	715.64	639.99	516.65	526.99
TOTAL	1634.00	1607.79	1442.43	1368.26

Other Financial Data

For year ended	31.10.2011 (un-audited & Certified)	31.03.2011 (Audited)	31.03.2010 (Audited)	31.03.2009 (Audited)
Dividend (%)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
EPS (Rs.)	0.18	0.22	0.02	0.01
Return on Networth (%)	1.33	1.60	0.17	0.07
Book Value per share (Rs.)	13.62	13.44	13.50	13.42

*Annualized

Notes:

Networth: Paid-up Share Capital + Reserves & Surplus - Miscellaneous Expenditure

EPS = Profit after tax / number of outstanding equity shares at the close of the year/period.

Return on Net Worth = Profit after Tax /Net Worth

Book Value per Share = Net Worth / No. of equity shares

j) Pre and Post-Offer Shareholding Pattern of the Target Company:

Shareholders' Category	Shares / Voting Rights prior to the Preferential Issue and Offer		Shares / Voting Rights Acquired /agreed to be Acquired through Preferential Issue which triggered off the Regulations		Shares / Voting Rights after the Preferential Issue and prior to Offer		Shares/ Voting Rights to be Acquired in Open Offer (Assuming full acceptances)		Shareholding / Voting Rights after the Acquisition and Offer	
	(A)		(B)		(C) = (A+B)		(D)		(E) = (C+D)	
	No.	No.	%	%	No.	%	No.	%	No.	%
1. Promoter Group:										
a. Mr. Srikanth Chakkilam	7,50,000	8.03	17,50,000	23.18	25,00,000	14.80	--	--	1,50,86,970*	89.32*
b. Promoters other than (a) above	23,97,200	25.66	--	--	23,97,200	14.19	--	--		
Total (a+b)	31,47,200	33.69	17,50,000	23.18	48,97,200	28.99	--	--	1,50,86,970	89.32
2. Acquirer:										
a. Mrs. Sapna Pennam	Nil	Nil	37,69,000	49.92	37,69,000	22.32	43,91,770	26.00	-	-
b. Mr. Kumar Bapuji Kukunuru	Nil	Nil	20,29,000	26.87	20,29,000	12.01				
Total	Nil	Nil	57,98,000	76.79	57,98,000	34.33	43,91,770	26.00	-	-
3. Parties to Agreement other than (1) (a) & (2)	--	--	--	--	--	--	--	--	--	--
4. Public: (Other than Promoter Group & Acquirer)										
a. FIs/MFs/FIIs/Banks, SFIs	Nil	NA	Nil	NA	Nil	NA	Nil	NA	Nil	NA
b. Others	61,94,198	66.31	2,000	0.03	61,96,198	36.68	(43,91,770)	(26.00)	18,04,428	10.68
Total (a+b)	61,94,198	66.31	2,000	0.03	61,96,198	36.68	(43,91,770)	(26.00)	18,04,428	10.68
GRAND TOTAL (1+2+3+4)	93,41,398	100.00	75,50,000	100.00	1,68,91,398	100.00	-	-	1,68,91,398	100.00

* The holding of the Acquirer1 & Acquirer2 is included under Promoter Group as there will be a joint control alongwith the existing Promoters.

Number of Shareholders under Public category as on September 30, 2011 were 954.

- k) Based on the confirmation given by the Target Company, the Promoters, Target Company and Acquirers are in compliance with the provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and Chapter V of SEBI (SAST) Regulations, 2011.

l) Details of Compliance Officer:

Mr. Kush Mohammed

Suit No. 106 &107, 6-3-456/C, MGR Estates,

Dwarakapuri Colony, Punjagutta, Hyderabad - 500 082.

Tel.: 040-30702250/55; Fax: 040-23350667; E-mail: info@cigniti.com

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price:

- The Offer is made pursuant to the direct acquisition of shares of the Target Company by the Acquirers. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.
- The equity shares of the Target Company are listed on Bangalore Stock Exchange Limited (BgSE) and Madras Stock Exchange Limited (MSE). The shares of the Target Company are also traded on the BSE Limited (BSE) under Indonext category.

3. The annualized trading turnover in the Equity Shares of the Target Company on the Stock Exchanges based on trading volume during the twelve calendar months prior to the month of PA (December 1, 2010 to November 30, 2011) is as given below:

Name of Stock Exchange	Total No. of Shares traded during the 12 calendar months prior to the month of PA	Total No. of Listed Shares	Annualized Trading turnover (in terms of % to total listed equity shares)
BSE	7,99,136	93,41,398	8.55
BgSE	Nil	93,41,398	Nil
MSE	Nil	93,41,398	Nil

(Source: Website of BSE: www.bseindia.com)

4. Based on the information available from the Stock Exchanges, the Equity Shares of the Target Company are not frequently traded on BSE, BgSE and MSE within the meaning of Regulation 2(1) (j) of SEBI (SAST) Regulations.
5. The Offer Price of Rs. 39/- has been determined and justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following:

S. No.	Particulars		₹	
a)	Negotiated Price under the Agreement	:	Not Applicable	
b)	The volume-weighted average price paid or payable for acquisition whether by the Acquirers or by any Person Acting in Concert with him, during 52 weeks immediately preceding the date of PA	:	Not Applicable	
c)	The highest price paid or payable for any acquisition, whether by the Acquirers or by any Person Acting in Concert with him, during 26 weeks immediately preceding the date of the PA	:	39/-	
d)	The volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of public announcement as traded on BSE (As the maximum volume of trading in the shares of the target company is recorded on BSE during such period)	:	Not Applicable	
e)	Other Parameters	:	for the year ended 31.03.2011	for the period ended 31.10.2011
	Book Value per Equity Share (₹)	:	13.44	13.62
	Earnings Per Equity Share (₹)	:	0.22	0.18*
	Return on Net worth (%)	:	1.60	1.33
	Price/Earnings Ratio (considering the Offer Price of Rs. 39/- per share)	:	177.27	216.67
	The average industry P/E for the sector in which CTL operates (Source: Capital Market, Volume XXVI/22, Dated Dec26, 2001-Jan 08, 2012, Industry:- Computers-Software-Medium/Small)	:	7.10	

* Not Annualised

The Fair Value of CTL, is ₹ 10.57 (Rupees Ten and Fifty Seven Paise Only) as per the Valuation Report dated December 14, 2011, in terms of Controller of Capital Issue, Department of Economic Affairs, Ministry of Finance, Government of India and also keeping in view the supreme Court's decision in the Hindustan Lever Employees' Union vs. Hindustan Lever Limited (1995) reported at (83 Companies Cases 30) certified by Mr. M. Madhusudhana Reddy (Membership No. 213077) partner of M/s. M M Reddy & Co., Chartered Accountants having office at G-8, Amrutha Ville, Rajbhavan Road, Somajiguda, Hyderabad- 500 082; Tel.: 040-40272617; Fax: 040-23418836, E-mail: mmreddyandco@gmail.com.

6. In view of the parameters considered and presented in table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of ₹ 39/- (Rupee Thirty Nine only) per share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.
7. There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

8. In the event of further acquisition of Equity Shares of the Target Company by the Acquirers during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will stand revised to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations, 2011. However, they will not be acquiring any equity shares of the Target Company after the third working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
9. If the Acquirers acquire equity shares of the Target Company during the period of twenty-six weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirers will pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference will be paid in the event that such acquisition is made under an open offer under the SEBI (SAST) Regulations, 2011, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.
10. The Acquirers are permitted to revise the Offer Price upward at any time up to 3 working days prior to the commencement of the Tendering Period. If there is any such upward revision in the Offer Price by the Acquirers or in the case of withdrawal of Offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirers for all the shares validly tendered in the Offer.
11. As on date there is no revision in Open Offer Price or Open Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirer shall comply with Regulation 18 of SEBI (SAST) Regulations, 2011 and all the provisions of SEBI (SAST) Regulations, 2011 which are required to be fulfilled for the said revision in the Open Offer Price or Open Offer Size.
12. If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to three (3) working days before the date of commencement of the Tendering Period and would be notified to the shareholders.

6.2 Details of Firm Financial arrangements:

1. Assuming full acceptance under the Offer, the maximum consideration payable by the Acquirers under the Offer would be ₹ 17,12,79,030/- (Rupees Seventeen Crores Twelve Lakhs Seventy Nine Thousand and Thirty only) ("maximum consideration") i.e. consideration payable for acquisition of 43, 91,770 equity shares of the Target Company at a price of ₹ 39/- per Equity Share.
2. In accordance with regulation 17 of the Regulations, the Acquirers has made an escrow arrangement for the Offer comprising Bank Guarantee(s) aggregating to ₹ 450.00 Lakhs (Rupees Four Hundred and Fifty Lakhs only), consisting of Bank Guarantee(s) issued by (i) AXIS Bank Ltd., Modi Square, Ground Floor, D. NO., S.NO-5-2-183/184 (8571 Old), R. P. Road, Secunderabad-500 003 for an amount of ₹ 200.00 Lakhs (Rupees Two Hundred Lakhs only), which will remain in force up to 20.04.2012; (ii) State Bank of Hyderabad, Tenali-522 201, Andhra Pradesh for an amount of ₹ 100.00 Lakhs (Rupees One Hundred Lakhs only), , which will remain in force up to 20.04.2012; (iii) Vijaya Bank, Opp. C E Office PWD, Yerramanzil, Somajiguda, Hyderabad- 500 082 for an amount of ₹ 150.00 Lakhs (Rupees One Hundred and Fifty Lakhs only) , which shall remain in force up to 19.04.2012, being more than 25% of the total consideration payable.
3. In addition, the Acquirers have also made a cash deposit of ₹ 18.00 Lakhs (Rupees Eighteen Lakhs only) with Dhanlaxmi Bank Ltd., Fort Branch, Janmabhoomi Bhavan, Janmabhoomi Marg, Mumbai 400 001, being more than 1% of the total consideration payable.
4. The Acquirers have empowered the Manager to the Offer i.e. Ashika Capital Limited to instruct and to realize the value of above Bank Guarantee(s) and Cash Deposit in terms of the Regulations.
5. The Acquirers have adequate resources to meet the financial requirements of the Open Offer. No funds are borrowed from banks or financial institution for the purpose of this Open Offer by the Acquirers.
6. Mr. M. Madhusudhana Reddy (Membership No. 213077) partner of M/s. M M Reddy & Co., Chartered Accountants having office at G-8, Amrutha Ville, Rajbhavan Road, Somajiguda, Hyderabad- 500 082; Tel.: 040-40272617; Fax: 040-23418836, E-mail: mmreddyandco@gmail.com vide certificate dated December 20, 2011 have confirmed that sufficient resources are available with the Acquirers for fulfilling the obligations under this 'Offer' in full.

7. Based on the above the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to fulfill the Acquirer's obligations through verifiable means in relation to the Offer in accordance with the SEBI (SAST) Regulations, 2011.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational Terms and Conditions:

1. This Offer is not conditional upon any minimum level of acceptance by the shareholder(s) of the Target Company.
2. The Offer is subject to the terms and conditions set out in this Letter of Offer, the Form of Acceptance, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.
3. The Letter of Offer together with the Form of Acceptance and transfer deed (for Shareholders holding Equity Shares in the physical form) is being mailed to those Shareholders of the Target Company whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares of the Target Company whose names appear as beneficiaries on the beneficial record of the respective depositories, at the close of business on the Identified Date i.e. January 27, 2012 (Friday). Owners of Equity Shares who are not registered as Shareholder(s) are also eligible to participate in the Offer at any time prior to the Date of Closure of the Offer.
4. Accidental omission to dispatch this Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
5. The eligible persons can write to the Registrar / Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the Date of Closure of the Offer i.e. February 24, 2012 (Friday). Alternatively, The Letter of Offer alongwith the Form of Acceptance cum acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the website.
6. This Offer is subject to the receipt of the statutory and other approvals as mentioned under paragraph 'Statutory Approvals' of this Draft Letter of Offer. In terms of Regulation 23(1) of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
7. The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).
8. Any equity shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/ restriction from other statutory authorities wherein the shareholder may be precluded from transferring the equity shares during pendency of the said litigation are liable to be rejected if directions/orders regarding these equity shares are not received together with the equity shares tendered under the Offer.

7.2 Locked-in Shares

As on date, the Target Company does not have any equity shares under lock-in period except 25,00,000 equity shares allotted to Acquirer3 [7,50,000 equity shares allotted on October 30, 2010 & 17,50,000 allotted on December 20, 2011] and 58,00,000 equity shares proposed to be allotted under the Preferential Issue.

7.3 Eligibility for accepting the Offer

All the shareholders (registered or unregistered) of the shares of the Target Company (except the Acquirer and the existing Promoters) who own Shares anytime before the Date of Closure of the Offer, i.e. February 24, 2012 (Friday) are eligible to participate in the Offer.

7.4 Statutory Approvals:

1. The Offer is subject to the approval from Foreign Investment Promotion Board (FIPB) and in-principle approval of the Stock Exchanges for listing of the shares proposed to be issued under preferential issue to Acquirer1 and Acquirer2 as approved by the Board of Directors of the Target Company in its meeting held on November 17, 2011 and approved by the shareholders by way of postal ballot, the result of which was declared on December 20, 2011. In terms of Regulation 23 (1) of the SEBI (SAST) Regulations, if such condition precedents are not satisfactorily complied with, the Offer would stand withdrawn.

2. Shareholders of the Target Company who are either non-resident Indians ("NRIs") or overseas corporate bodies ("OCBs") and wish to tender their equity shareholding in this Open Offer shall be required to submit all the applicable approvals of Reserve Bank of India ("RBI") which have been obtained at the time of acquisition of Equity Shares of the Target Company. In the event such RBI approvals are not submitted, the Acquirers reserve the sole right to reject the Equity Shares tendered by such shareholders in the Open Offer. This Open Offer is subject to receipt of the requisite RBI approvals, if any, for acquisition of Equity Shares by the Acquirers from NRIs and OCBs.
3. As on the date of this DPS, there are no other statutory approvals required to acquire the equity shares tendered pursuant to this Open Offer. If any other statutory approvals are required or become applicable, the Open Offer would be subject to the receipt of such other statutory approvals also. The Acquirers will not proceed with the Open Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI (SAST) Regulations, 2011. This Open Offer is subject to all other statutory approvals that may become applicable at a later date before the completion of the Open Offer.
4. In case of any delay in the receipt of any statutory approval, Regulation 18(11) of the SEBI (SAST) Regulations, 2011 shall be adhered to, i.e. extension of time to the Acquirers for payment of consideration to the shareholders of the Target Company subject to the Acquirers agreeing to pay the interest as directed by SEBI, in exercise of SEBI's powers in this specific regard. Further, in case the delay occurs on account of willful default by the Acquirers in obtaining any statutory approvals in time, the amount lying in the escrow account shall be liable to be forfeited and dealt with in the manner provided in clause (e) of sub-regulation (10) of regulation 17 of SEBI (SAST) Regulations, 2011.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

1. The Acquirer has appointed Aarthi Consultants Private Limited as the Registrar to the Offer
2. The following collection centre would be accepting the documents by Hand Delivery /Regd. Post/Courier as specified, both in case of shares in physical and dematerialized form:

Name & Address	Contact Person	Mode of Delivery
Aarthi Consultants Private Limited 1-2-285, Domalguda, Hyderabad-500 029. Tel No:-040-27633111/27634445 Fax No:-040-27632184 E-mail: info@aarthiconsultants.com	Mr. G. Bhaskar	Hand Delivery/ Registered Post / Speed Post

3. Shareholders who hold equity shares of the Target Company in physical form and wish to tender their equity share pursuant to the Offer will be required to submit the duly completed Form of Acceptance cum acknowledgement, original Share Certificate(s), valid Transfer Deed(s) duly signed and witnessed and other documents as may be specified in the Letter of Offer, to the Registrar to the Offer either by Registered Post/Courier, at their own risk or by hand delivery so as to reach on or before the closing of the business hours on the Date of Closure of the Offer i.e. February 24, 2012 (Friday).

The documents can be tendered at the above address on all working days between Monday to Friday from 11.00 am to 1.00 pm and 2.00 pm to 4.00 pm and on Saturdays from 11.00 am to 2.00 pm. The Registrars to the Offer will be closed on Sundays and other Public Holidays. Delivery made by Registered Post would be received on all days except Sundays and Public Holidays.

on Mondays to Fridays between 10.00 AM to 6.30 PM and on Saturdays between 10.00 AM to 2.00 PM

4. The Registrar to the Offer, **Aarthi Consultants Private Limited**, has opened a Special Depository Account with Central Depository Services (India) Limited ('CDSL') for receiving equity shares during the offer from eligible shareholders who hold equity shares in demat form.
5. The beneficial owners and shareholders holding shares in the dematerialized form, will be required to send their Form of Acceptance cum Acknowledgement and other documents as may be specified in the Letter of Offer to the Registrar to the Offer either by registered post / courier or by hand delivery, on or before the Date of Closure of the Offer, i.e., February 24, 2012 (Friday), along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the depository participant ("DP"), in favor of "CIGNITI TECHNOLOGIES LIMITED - OPEN OFFER ESCROW ACCOUNT" ("Special Depository Account") filled in as per the instructions given below:

DP Name	:	Inter-Connected Stock Exchange of India Limited
Account No.	:	1302340000420408
Depository	:	Central Depository Services (India) Limited

Shareholders having their beneficiary account in National Securities Depository Limited ("NSDL") shall be required to use the inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account opened with CDSL.

6. **Form of Acceptance, Share Certificate(s), Share Transfer Form(s), and other documents, if any should be sent only to the Registrar to the Offer, at the address mentioned above and should not be sent to the Manager to the Offer or the Acquirer or the Target Company.**
7. In case (a) shareholders who have not received the Letter of Offer, (b) unregistered shareholders (c) owner of the shares who have sent the shares to the Target Company for transfer, a consent to the Registrar to the Open Offer on plain paper, stating the name, addresses, number of shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid share transfer deeds (one per folio), duly signed by such shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with CTL), and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be, shall need to be provided so as to reach the Registrar to the Open Offer on or before 6.30 p. m. upto the Date of Closure of the Offer i.e. February 24, 2012 (Friday). Such shareholders can also obtain the Letter of Offer from the Registrar to the Open Offer by giving an application in writing to that effect.
8. In case of non-receipt of the Letter of Offer and holding the shares in demat form, may send the application in writing to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, DP Name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in 'Off-market' mode or counterfoil of the delivery instruction in 'Off-market' mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the Date of Closure of the Offer i.e. February 24, 2012 (Friday).
9. The Shareholders who have sent the shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the depository account should be received on or before the closing of the business hours on the Date of Closure of Offer i.e. February 24, 2012 (Friday), else the Form of Acceptance, in respect of dematerialized equity shares not credited to the special depository account, is liable to be rejected.
10. The Shareholders of the Target Company who have sent their equity shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to the Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer form.
11. No indemnity is needed from unregistered shareholders.
12. Where the number of equity shares surrendered by the shareholders are more than the equity shares agreed to be acquired by Acquirers, the Acquirers will accept the offers received from the share holders on a proportionate 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 nonmarketable lots, provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of CTL for physical mode is 100 (One Hundred) and for dematerialized mode is 1(One).
13. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.
14. The consideration to those shareholders whose shares have been accepted will be made through a crossed Demand Draft/Pay Order or through Direct Credit ('DC'), National Electronic Funds Transfer ('NEFT'), Real Time Gross Settlement ('RTGS'), National Electronic Clearing Services ('ECS'), at specified centers where clearing houses are managed by the Reserve Bank of India within 15 days from the Date of Closure of Offer. Shareholders who opt for receiving consideration through DC/NEFT/RTGS/ECS are requested to give the authorization for the same in the Form of Acceptance and enclose a photocopy of cheque along with the Form of Acceptance.

15. Such payments through account payee cheques/demand drafts will be sent by registered post, at the shareholders' registered / unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner.
16. For those shareholders, who have opted for physical mode of payment and shareholders whose payment consideration is not credited by electronic mode due to technical error or incomplete/ incorrect bank account details, payment consideration will be made by crossed account payee Cheques/Demand Drafts. Such considerations in excess of Rs. 1500/- or unaccepted Share Certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post/speed post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder/unregistered owner. The Acquirer is required to deduct tax at source, as may be applicable. All dispatches involving payment of a value upto Rs.1,500/- will be made under certificate of posting at the shareholders sole risk.
17. For all other applicants, including those applicants whose payment consideration is not credited by ECS/Direct Credit due to technical errors or incomplete/incorrect bank account details or due to unavoidable reasons, payment consideration will be dispatched through Speed Post/Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.
18. In case of payment consideration is rejected through the ECS/Direct Credit facility, the Registrar to Offer would endeavor to dispatch the payment consideration within 3 working days of such rejection.
19. Unaccepted share certificate(s) , transfer deed(s) and other documents, if any, will be returned by registered post, at the shareholders' registered / unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner. Equity shares held in dematerialized 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 Form of Acceptance or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective DPs when transferred by the Registrar to the Offer.
20. The Registrars to the Offer will hold in trust the equity shares and share certificate(s), equity shares lying in credit of the Special Depository Account, Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of Target Company who have accepted the Offer, until the cheques/ drafts for the consideration and/ or the unaccepted equity shares/ share certificates are dispatched/ returned.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the shareholders of Target Company at the office of the Manager to the Offer, **Ashika Capital Limited**, at 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400 021 on any day (except Saturdays, Sundays and public holidays) between 10.30 a. m. to 2.00 p.m. from the Date of Opening of the Offer till the Date of Closure of the Offer.

- i. Notice & outcome of the Postal Ballot
- ii. Copy of the Board Resolution
- iii. Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- iv. Annual Reports of the Target Company for the financial years ended March 31, 2009, March 31, 2010 and March 31, 2011 and Un-audited & Certified Results for the period ended October 31, 2011.
- v. Chartered Accountants' Certificate(s) dated December 13, 2011 and December 14, 2011 certifying the Net worth of the Acquirer(s).
- vi. Chartered Accountant's letter dated December 20, 2011 certifying that the Acquirers have firm and adequate financial resources to meet the financial obligations under the Open Offer.
- vii. Copies of Bank Guarantees.
- viii. Letter dated December 21, 2011 from Dhanalakshmi Bank Limited confirming the amount kept in the Escrow Account.
- ix. Copies of the Public Announcement dated December 20, 2011 & Detailed Public Statement dated December 27, 2011.
- x. Copy of the recommendation made by the Target Company's Board as required in terms of Regulation 26(7) of SEBI (SAST) Regulations.
- xi. Copy of the comments letter dated [●] received from SEBI.
- xii. Copy of the confirmation regarding the opening of Special Depository Account for the purpose of the Offer.

10. DECLARATION BY THE ACQUIRERS

The Acquirers, Ms. Sapna Pennam (Acquirer 1), Mr. Kumar Bapuji Kukunuru (Acquirer 2) and Mr. Srikanth Chakkilam (Acquirer 3), accept full responsibility jointly and severally for the information contained in this Draft Letter of Offer, including the Form of Acceptance cum Acknowledge and also for ensuring the compliance with the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations, 2011 and subsequent amendments made thereof.

We, the Acquirers, have made all reasonable inquiries, accept responsibility jointly and severally, and confirm that this Letter of Offer is in compliance with the Regulations, and that it contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Manager to the Offer hereby states that the person(s) signing this Letter of Offer is the Acquirer / duly authorized person by the Acquirer to sign the Letter of Offer.

Sapna Pennam (Acquirer 1)

Kumar Bapuji Kukunuru (Acquirer 2)

Srikanth Chakkilam (Acquirer 3)

Place: Hyderabad

Date: January 2, 2012

Enclosures:

(1) Form of Acceptance cum Acknowledgement

(2) Blank Transfer Deed(s)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

(Please send this Form with enclosures to Registrar to the Offer, Aarthi Consultants Private Limited, at their address given overleaf as per the mode of delivery mentioned in the Letter of Offer)

From:

OFFER OPENS ON:	
OFFER CLOSES ON:	

Tel. No.

Fax No.:

E-mail:

To

Aarthi Consultants Private Limited

(Unit-Cigniti Technologies Limited-Open Offer)

1-2-285, Domalguda,

Hyderabad-500 029.

Dear Sir,

Sub: Open Offer to acquire 43,91,770 equity shares of Rs. 10/- each, representing 26% of expanded paid up share capital, post conversion of warrants and preferential allotment, of Cigniti Technologies Limited ('CTL' or 'Target Company') at a price of Rs. 39/- per equity share by Ms. Sapna Pennam (Acquirer 1), Mr. Kumar Bapuji Kukunuru (Acquirer 2) and Mr. Srikanth Chakkilam (Acquirer 3) (Acquirers).

I/We refer to the Letter of Offer dated [●] for acquiring the equity shares held by me/us in **Cigniti Technologies Limited**.

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

☐ **FOR EQUITY SHARES HELD IN PHYSICAL FORM**

I/We, hold the following Equity Shares in physical form and accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Equity Shares as detailed below:

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
Total No. of Shares					

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

(In case the space provided is inadequate, please attach a separate sheet with the above details)

I / We note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirers makes payment of consideration as mentioned in the Letter of Offer or the date by which Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

☐ **FOR EQUITY SHARES HELD IN DEMAT FORM**

I/We, holding Equity Shares in demat form, accept the Offer and enclose a photocopy of the Delivery Instructions duly acknowledged by my/our DP in respect of my/our Equity Shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No of Equity Shares

I/We have done an off-market transaction for crediting the Equity Shares to the depository account with Inter-Connected Stock Exchange of India Limited as the DP in CDSL styled 'CIGNITI TECHNOLOGIES LIMITED - OPEN OFFER ESCROW ACCOUNT' whose particulars are as under:

DP Name	Inter-Connected Stock Exchange of India Limited
Account No.	1302340000420408
Depository	Central Depository Services (India) Limited

Shareholders having their beneficiary account with NSDL will have to use inter-depository slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with CDSL.

I/We note and understand that the shares would lie in the Special Depository Account until the time the Acquirers dispatch the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

I/We confirm that the Equity Shares of Target Company, which are being tendered herewith by me/us under the Offer, are free from lien, charges and encumbrances of any kind whatsoever.

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

I/We authorise the Acquirers to accept the Equity 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 authorize the Acquirers to return to me/us, shares, share certificate(s) in respect of which the Offer is not found valid/not accepted. The Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 is as under.

	1 st Holder	2 nd Holder	3 rd Holder
PAN			

I / We authorize the Acquirers to accept the equity shares so offered or such lesser number of equity shares that the Acquirers may decide to accept in consultation with the Manager to the Offer / Registrar to the Offer and in terms of the said Letter of Offer. I further authorize the Acquirers to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.

I/We authorise the Acquirers to send payment consideration by electronic mode or physical mode as per the option selected. In cases where the payment consideration is to be done in physical mode, the cheque / demand draft / pay order, in settlement of the amount and excess share certificate(s), if any, will be sent by registered post / speed post to the sole/first holder at the address given hereunder and if full address is not given below, the same will be forwarded at the address registered with the Target Company.

I/We authorise the Acquirers to credit back, the excess shares or to the extent not accepted, to my/our depository account with the respective depository participant as per the details furnished in the Form of Acceptance or otherwise.

Please indicate the preferred mode of receiving the payment consideration. (Please tick)

Electronic Mode: ☐ or **Physical Mode:** ☐

So as to avoid fraudulent encashment in transit, the shareholder(s) are requested to kindly provide the following bank details of the first/ sole shareholder and the consideration will be payable by way of Electronic Mode/ cheque / demand draft / pay order will be drawn accordingly. In order to receive payment consideration through Electronic mode, the shareholders are requested to compulsorily provide their following bank details:

Name of the Bank: _____ **Branch /Address:** _____

Account No.: _____ **Savings /Current/ Others (please specify)** _____

I/We want to receive the payment through NECS ☐ RTGS ☐ NEFT ☐

In case of ECS, 9-digit code number of the Bank & Branch (Appearing on the MICR Cheque issued by the Bank):

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In the case of RTGS/NEFT, 8 digit code number issued by the Bank

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Yours faithfully,

Signed & Delivered:

	Full Name	Signature
First / Sole Holder		
Second Holder		
Third Holder		

Note: In case of joint holdings, all must sign. Corporations must affix its common seal and attach herewith the necessary Board Resolution.

Place:

Date:

-----Tear Here-----
Acknowledgement Slip

AARTHI CONSULTANTS PRIVATE LIMITED
(Unit-Cigniti Technologies Limited-Open Offer)

1-2-285, Domalguda, Hyderabad-500 029.

Tel No:-040-27633111/27634445; Fax No:-040-27632184; E-mail: info@aarthiconsultants.com

Folio No.:

Serial No.:

Received from Mr. / Ms. / Mrs.: _____

Address: _____

Signature of the Official Date of receipt	Stamp of Registrar to the Offer

☐ **Physical Equity Shares:** Folio No. : _____; Number of Certificates _____ representing _____
Number of Shares

☐ **Demat Equity Shares:** Copy of delivery instruction for _____ number of shares enclosed

(Tick whichever is applicable)

Note: All future correspondence, if any should be addressed to Registrar to the Offer at the address mentioned behind in this form. The documents referred to above should be sent to any of the collection centers mentioned below.