# DETAILED PUBLIC STATEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF CIGNITI TECHNOLOGIES LIMITED *(Formerly known as Chakkilam Infotech Limited)*

Registered Office: 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

**Open Offer for acquisition of 43, 91,770 Equity Shares from the shareholders of Cigniti Technologies Limited (Formerly known as Chakkilam Infotech Limited) (hereinafter referred to as the 'CTL' or 'Target Company') in terms of Regulation 15(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 by Ms. Sapna Pennam (Acquirer 1), Mr. Kumar Bapuji Kukunuru (Acquirer 2) and Mr. Srikanth Chakkilam (Acquirer 3)**

This Detailed Public Statement ('DPS') is being issued by Ashika Capital Limited, the Manager to the Offer ('Manager'), on behalf of Ms. Sapna Pennam (Acquirer 1), Mr. Kumar Bapuji Kukunuru (Acquirer 2) and Mr. Srikanth Chakkilam (Acquirer 3) (hereinafter collectively referred as 'Acquirers'), in compliance with Regulation 13(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ('SEBI (SAST) Regulations') pursuant to the Public Announcement filed on December 20, 2011 with the Bangalore Stock Exchange Limited, Madras Stock Exchange Limited, BSE Limited & Target Company and filed on December 21, 2011 with the Securities and Exchange Board of India in terms of Regulations 3(1), 3(2) & 4 of the SEBI (SAST) Regulations in respect of the Open Offer for acquisition of 43,91,770 equity shares from the shareholders of the Target Company by the Acquirers ('Open Offer').

## I. ACQUIRERS, TARGET COMPANY & OFFER:

### A. Information regarding the Acquirers:

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. IT Consulting Services. 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. 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. There is no Person Acting in Concert ('PAC') with the Acquirers.

v. There are no persons on the Board of the Target Company, representing the Acquirer1 and Acquirer2.

vi. The Acquirers have not entered into any formal agreement with respect to the acquisition of shares through this Offer and acting together under an informal understanding.

vii. None of the Acquirers have been prohibited by SEBI from dealing in securities under the provisions of Sec 11(B) of the Regulations.

### B. Details of Cigniti Technologies Limited ('Target Company' / 'CTL'):

i. 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 received from 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, Andhra Pradesh.

ii. The Target Company is presently engaged in the business of Software Testing & Development.

iii. The Authorized Share Capital of the company is ₹ 2000 Lakhs comprising of 2, 00, 00,000 equity shares of ₹ 10/- each. Pursuant to the conversion of Warrant and Preferential Issue, the Issued, Subscribed and Paid-up equity share capital of the company is ₹ 1689.14 Lakhs comprising of 1,68,91,398 fully paid-up equity shares of ₹ 10/ each.

iv. There are currently no outstanding partly paid up shares or any other instruments convertible into Equity Shares of the Target Company at a future date.

v. 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. 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.

vi. Brief audited Financial Information for the year ended March 31, 2009, March 31, 2010, March 31, 2011 and unaudited/certified financial information for the period ended October 31, 2011 are as follows:

*(Amount in ₹. Lakhs except per share data)*

| Particulars | Year ended 31.03.2009 | Year ended 31.03.2010 | Year ended 31.03.2011 | 7 Months period ended 31.10.2011 |
|---|---|---|---|---|
| Total Revenue | 507.34 | 505.59 | 758.79 | 544.64 |
| Net Income i.e. Profit After Tax | 0.85 | 1.95 | 20.15 | 16.89 |
| Earnings Per Share | 0.01 | 0.02 | 0.22 | 0.18 |
| Net worth / Shareholders Fund | 1152.83 | 1160.07 | 1255.31 | 1272.22 |

vii. As on date, the Board of Directors of Target Company consists of Mr. Venkata Subramanyam Chakkilam, Mr. Sudhakar Chakkilam, Mr. Subba Rao Kallachina, and Mr. Nageswara Rao Kadiri.

### C. Details of the Offer

i. The Acquirers are making an Open Offer to acquire 43,91,770 Equity Shares of ₹ 10/- each, being 26% of the expanded paid up share capital of the Target Company post conversion of warrants and preferential allotment at a price of ₹ 39/- (Rupees Thirty Nine only) per fully paid up Equity Share payable in cash, subject to the terms and conditions set out in the PA, this Detailed Public Statement and the Letter of Offer, that will be sent to the shareholders of the Target Company.

ii. This Open Offer is made under SEBI (SAST) Regulations, 2011 to all the shareholders of the Target Company, in term of the Regulation 7(6) of the SEBI (SAST) Regulations, 2011, other than the Acquirers and existing Promoters of the Target Company.

iii. The payment of consideration shall be made to all the shareholders, who have tendered their shares in acceptance of the Open Offer, within 10 days from the expiry of the tendering period. Credit for the consideration will be made to the shareholders who have tendered shares in the open offer, by ECS, Direct Credit or crossed account payee Cheques / Pay Order/Demand Drafts, RTGS and NEFT. It is desirable that shareholders provide bank details in the form of Acceptance-cum-Acknowledgement, so that the same can be incorporated in the Cheque/Demand Drat/Pay Order.

iv. 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 Acquirer 2 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. The Acquirers are in the process of making Application for FIPB Approval. 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.

v. The Open Offer is not subject to any minimum level of acceptance from the shareholders i.e. it is not a conditional offer.

vi. This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.

vii. The Equity Shares of the Target Company will be acquired by the Acquirers as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

viii. None of the Acquirers has acquired any shares of Target Company during the 52 weeks period prior to the date of this DPS, save and except those to be acquired pursuant to the conversion of warrants and preferential issue.

**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.

**E.** 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.

## II. BACKGROUND OF THE OFFER

1. The Board of Directors of the Target Company in their meeting held on December 20, 2011 has considered and approved the following:

a. 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.

b. 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).

2. Out of the above 58,00,000 equity shares, 37,69,000 equity shares are proposed to be allotted to Ms. Sapna Pennam (Acquirer 1) and 20,29,000 equity shares are proposed to be allotted to Mr. Kumar Bapuji Kukunuru (Acquirer 2).

3. As a result of conversion of warrants and preferential allotment, this mandatory Open Offer is being made by the Acquirers in compliance with Regulation 3, 4 and other applicable provisions of SEBI (SAST) Regulations, 2011.

4. Other than Mr. Srikanth Chakkilam (Acquirer3), the present Promoters viz. Chakkilam Constructions Pvt. Ltd, Chakkilam Durga, Chakkilam Rajeswari and Chakkilam Venkata Subramanyam are holding in 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. They will also be suitably represented on the Board of Directors of the Target Company and continue to be called as "Promoters" of the Target Company.

5. It is proposed that upon the Preferential Allotment of equity shares and 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.

6. 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. However, no firm decision in this regard has been taken or proposed so far.

7. The Offer Price is payable in cash, in accordance with Regulation 9(1) of SEBI (SAST) Regulations.

## III. SHAREHOLDING AND ACQUISITION DETAILS:

The Current and proposed shareholding of the Acquirers in Target Company and the details of their acquisition are as follows:

| Details | Acquirer1 | | Acquirer2 | | Acquirer3 | | Total | |
|---|---|---|---|---|---|---|---|---|
| | No of shares | % | No of shares | % | No shares | % | No shares | % |
| Sshareholding before the PA date | Nil | NA | Nil | NA | 7,50,000 | 4.44 | 7,50,000 | 4.44 |
| Shares proposed to be acquired which triggered off the Regulations | 37,69,000 | 22.31 | 20,29,000 | 12.01 | 17,50,000 | 10.36 | 75,48,000 | 44.68 |
| Shares acquired between the PA date and the DPS date. | Nil | NA | Nil | NA | Nil | NA | Nil | NA |
| Shares proposed to be acquired in the Open Offer (assuming full acceptance) | # | | | | | | 43,91,770 | 26.00 |
| Post Offer shareholding (On Diluted basis, as on 10th working day after closing of tendering period) | # | | | | | | 1,26,89,770 | 75.12 |

Note: % is calculated on post conversion of warrant and the preferential allotment.

# The Acquirers have not entered into any formal agreement with respect to the acquisition of shares through this Offer and acting together under an informal understanding.

## IV. OFFER PRICE

1. The shares of the Target Company are listed on Bangalore Stock Exchange Limited (BgSE) and Madras Stock Exchange Limited (MSE) and also traded on the BSE Limited (BSE) under Indonext category.

2. 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: www.bseindia.com)

3. Based on the information available, 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. Hence, the Offer Price of ₹ 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 Paisa Only) as certified vide 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) 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.

4. 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.

5. There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

6. 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 Acquirers 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.

7. 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.

## V. 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. 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. 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.

3. 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, which will remain in force up to 20.04.2012 for an amount of ₹ 200.00 Lakhs (Rupees Two Hundred Lakhs only); (ii) State Bank of Hyderabad, Tenali- 522 201, Andhra Pradesh, which will remain in force up to 20.04.2012 for an amount of ₹ 100.00 Lakhs (Rupees One Hundred Lakhs only); (iii) Vijaya Bank, Opp. C E Office PWD, Yerramanzil, Somajiguda, Hyderabad- 500 082, which shall remain in force up to 19.04.2012 for an amount of ₹ 150.00 Lakhs (Rupees One Hundred and Fifty Lakhs only), being more than 25% of the total consideration payable. 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. 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.

4. The Manager to the Open Offer hereby confirms that the firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Open Offer obligations.

## VI. STATUTORYAND OTHER APPROVALS REQUIRED FOR THE OFFER:

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. The Acquirers are in the process of making Application for FIPB Approval. 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.

## VII. TENTATIVE SCHEDULE OF THE ACTIVITIES PERTAINING TO THE OFFER:

| 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. All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirers and the existing Promoter and Promoter Group) are eligible to participate in the Offer any time before the closure of the Offer.

## VIII. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECIEPT OF LETTER OF OFFER:

1. All the shareholders (registered or unregistered) of the Target Company, except for the Acquirers and the present Promoters and Promoter Group, owning equity shares any time before the closure of the Open Offer, are eligible to participate in the Open Offer.

2. A Letter of Offer, specifying the detailed terms and conditions of this Offer, along with a Form of Acceptance-cum- Acknowledgement (the "Form of Acceptance"), will be dispatched to all the shareholders of the Target Company (other than the Acquirers and the present Promoters and Promoter Group), 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 in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on January 27, 2012 (the 'Identified Date').

3. The shareholders of the Target Company who hold the equity shares in physical form and wish to tender their equity shares will be required to send the duly completed Form of Acceptance, original Share Certificate(s) and Blank Transfer deed(s) duly signed and witnessed, in accordance with the instructions specified in the Letter of Offer, to the Registrar to the Offer either by hand delivery on weekdays or by Registered Post, at their sole risk, so as to reach to the Registrar to the Offer, on or before the Date of Closure of the Offer, i.e. Friday, February 24, 2012, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgment.

4. The beneficial owners and shareholders holding shares in the dematerialized form, will be required to send their Form of Acceptance cum Acknowledgment 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 Mondays to Fridays between 10.00 AM to 6.30 PM and on Saturdays between 10.00 AM to 2.00 PM, on or before the Date of Closure of the Open Offer, i.e., Friday, February 24, 2012, 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" ("Depository Escrow 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.

5. 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. Friday, February 24, 2012. 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.

6. 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. Friday, February 24, 2012.

7. 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 date of closing of the business hours on the date of closure of offer, else the Form of Acceptance, in respect of dematerialized equity shares not credited to the special depository account before the date of closing of offer, is liable to be rejected.

8. 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).

9. No indemnity is needed from unregistered shareholders.

10. 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 tended under the offer.

11. 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.

12. The consideration to the shareholders whose shares have been accepted will be paid by crossed account payee cheques/ demand drafts/Electronic Clearance Service (ECS) where applicable. Such payments through account payee cheques/demand drafts or unaccepted share certificate(s) , transfer deed(s) and other documents, if any, will be returned by registered post at the registered shareholders' / 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.

13. The Letter of Offer along with the form of acceptance cum acknowledgement / withdrawal would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.

## IX. THE DETAILED PROCEDURE FOR TENDERING THE SHARES IN THE OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER.

## X. OTHER INFORMATION:

1. The Acquirers and the Target Company have not been prohibited by SEBI from dealing in securities under directions issued pursuant to Section 11B or under any other regulations of SEBI Act.

2. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirers have appointed Ashika Capital Limited as the Manager to the Offer. This Detailed Pubic Statement is being issued on behalf of the Acquirers by the Manager to the Offer.

3. The Acquirers have appointed Aarthi Consultants Private Limited as the Registrar to the Offer having office at 1-2-285, Domalguda, Hyderabad-500 029, Contact Person: G. Bhaskar, Tel.: 040-27633111/27634445; Fax: 040-27632184; E-mail: info@aarthiconsultants.com

4. The Acquirers accept full responsibility for the information contained in PA and DPS and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations, 2011 and subsequent amendments made thereof.

5. This Detailed Pubic Statement would also be available at SEBI's website, www.sebi.gov.in.

**Issued by Manager to the Offer**

**ASHIKA CAPITAL LIMITED**
1008, 10th 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**

**For and on behalf of**
**Ms. Sapna Pennam, Mr. Kumar Bapuji Kukunuru and Mr. Srikanth Chakkilam**

**Place : Mumbai**
**Date : December 27, 2011**

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