THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **Neha International Limited**. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER

By

Mr. G. Vinod Reddy ('Acquirer')

301B, My Home Hill View Apartments, Rajbhavan Road, Somajiguda, Hyderabad-500 082;
Tel.:040-66364544; and

Dr. G. Deepthi Reddy ('Person Acting in Concert')

301, Bindu Prestige, DD Colony, Vidhya Nagar, Hyderabad-500 007; Tel.:040-2335 3337;

to acquire upto 36,02,664 equity shares of Rs. 10/- each representing 20% of the fully expanded voting capital of the Target Company (including the allotment of Shares as well as Warrants under the Preferential Issue), at a price of Rs. 43.60/- per share ('Offer Price') of

NEHA INTERNATIONAL LIMITED (NEHA)

Regd. Off.: Suite No. 501, Manbhum Jade Towers, 6-3-1090/A/12&13, Rajbhavan Road, Hyderabad-500 082; Tel.: 040- 6613 4759; Fax: 040- 6613 6435

These shares will be acquired in cash, in accordance with regulation 20 (2)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof (hereinafter referred to as 'Regulations').

This Offer is being made in compliance with regulation 11(1) and other provisions of Chapter III and in compliance with the Regulations.

The Offer along with any obligation relating to payment for, and purchase of, the shares tendered is subject to the receipt of necessary approval(s), if any, from the Reserve Bank of India ('RBI') under Foreign Exchange Management Act, 1999 ('FEMA') and subsequent amendments thereto, for acquisition of shares under the Offer. The Acquirer/PAC will make an application, if necessary, for the purpose to the RBI at the appropriate time. The Target Company has received the approval from FIPB for 75,22,958 Subscription Shares vide their letter no. FC II 9(2008)/363(2007) dated February 5, 2008.

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the date of Closure of the Offer i.e. on or before June 25, 2008.

If there is any upward revision in the Offer Price/Size at any time up to seven working days prior to the date of Closure of the Offer i.e. June 19, 2008 or withdrawal of the Offer in terms of the regulation, the same would also be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer.

The Offer is not conditional and not subject to any minimum level of acceptance from Shareholders.

There was no Competitive Bid

As the Offer Price cannot be revised during 7 working days prior to the Closing date of the Offers/ Bids, it would therefore be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.

The Public Announcement, Corrigendum to the Public Announcement and this Letter of Offer including the Form of Acceptance cum Acknowledgement and Form of Withdrawal would also be available on SEBI's website at www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ASHIKA CAPITAL LIMITED 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400 021. Tel: 022-6611 1700; Fax:022-6611 1710 E-Mail: mbd@ashikagroup.com **Contact Person: Mr. Narendra Kumar Gamini**	**XL SOFTECH SYSTEMS LIMITED** 3, Sagar Society, Road No.2, Banjara Hill, Hyderabad-500 034. Tel: 040-2354 5914/5; Fax: 040-2355 3214 E-mail: xlfield@rediffmail.com **Contact Person: Mr. R. Prasad**

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activities	Original Date & Day	Revised Date & Day
Public Announcement	December 7, 2007 (Friday)	December 7, 2007 (Friday)
Specified Date (for the purpose of determining the names of the shareholders to whom the Letter of Offer would be sent)	December 28, 2007 (Friday)	December 28, 2007 (Friday)
Last Date for a Competitive Bid, if any	December 28, 2007 (Friday)	December 28, 2007 (Friday)
Corrigendum to the Public Announcement	--	May 31, 2008 (Saturday)
Date by which the Letter of Offer to be Despatched to the shareholders	January 16, 2008 (Wednesday)	June 5, 2008 (Thursday)
Date of Opening of the Offer	January 23, 2008 (Wednesday)	June 9, 2008 (Monday)
Last date for revising the Offer Price/ Number of Shares	January 31, 2008 (Thursday)	June 19, 2008 (Thursday)
Last date for Withdrawal of Acceptance by shareholders who have accepted the Offer	February 6, 2008 (Wednesday)	June 25, 2008 (Wednesday)
Date of Closing of the Offer	February 11, 2008 (Monday)	June 28, 2008 (Saturday)
Date by which communicating acceptance /rejection and payment of consideration for accepted shares / despatch of Share Certificate in case of rejection	February 26, 2008 (Tuesday)	July 12, 2008 (Saturday)

RISK FACTORS:

Relating to the Offer:

1. The Offer involves an offer to acquire upto 36,02,664 equity shares of Rs. 10/- each representing 20% of the fully expanded voting capital of the Target Company (including the allotment of Shares as well as Warrants under the Preferential Issue) from its shareholders (except the Promoter Group and allottees under Preferential Issue). In case of oversubscription 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.

2. The Shares tendered in the Offer in demat form will lie to the credit of a designated escrow account and the shares tendered in physical form will lie with the Registrar to the Offer, till the completion of the Offer formalities. The Acquirer and PAC make no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

Relating to the Acquirer & PAC:

3. The Acquirer & PAC makes no assurance with respect to the future financial performance of the Target Company or with respect to their investment/divestment relating to their proposed shareholding in the Target Company.

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of NEHA or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of NEHA are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer.

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1. ABBREVIATIONS / DEFINITIONS

Acquirer	Mr. G. Vinod Reddy
AGM	Annual General Meeting
BSE	Bombay Stock Exchange Limited, Mumbai
Eligible Persons for the Offer	All owners of shares, who own shares at any time prior to the Closure of the Offer, registered or unregistered of NEHA, are eligible to participate in the Open Offer except the Promoters and other allottees under the present Preferential Issue including their prior holding
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance	Form of Acceptance cum Acknowledgement
Form of Withdrawal	Form of Withdrawal cum Acknowledgement
LOO or Letter of Offer	Offer Document
MSE	Madras Stock Exchange Limited, Chennai
Manager to the Offer	Ashika Capital Limited
NEHA/Target Company	Neha International Limited
Offer	Cash Offer being made by the Acquirer & PAC to acquire upto 36,02,664 equity shares of Rs. 10/- each representing 20% of the fully expanded voting capital of the Target Company (including the allotment of Shares as well as Warrants under the Preferential Issue)
Offer Price	Rs. 43.60/- per fully paid-up share
PSE	Pune Stock Exchanges Limited, Pune
PAC / Person Acting in Concert	Dr. G. Deepthi Reddy
PA / Public Announcement	Announcement of the Offer made by Acquirer & PAC on December 7 , 2007 and on May 31, 2008
RBI	Reserve Bank of India
Registrar to the Offer / Registrar	XL Softech Systems Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations or Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof
Specified Date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of NEHA, to whom the Letter of Offer should be sent, i.e. December 28, 2007

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to ‘Rs.’ are to Indian Rupees. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF NEHA INTERNATIONAL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER & PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER & PAC IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER & PAC DULY DISCHARGES HER RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 20, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDEMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER & PAC FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. Background of the Offer

(a) This Open Offer ('Offer') is being made by **Mr. G. Vinod Reddy** ('Acquirer') along with **Dr. G. Deepthi Reddy** ('Person Acting in Concert'), pursuant to regulation 11(1) of the Regulations consequent to the Preferential Issue of equity shares to the Acquirer for substantial acquisition of equity shares without change in control or management.

(b) The Board of Directors of NEHA in its meeting held on September 13, 2007, has considered and approved the issue and allotment of shares and warrants on a preferential basis ('Preferential Issue'), whose details are as under:

  i. 75,22,958 fully paid up equity shares of Rs. 10/- each of the Target Company ('Subscription Shares'), at a price of Rs. 42/- (including premium of Rs. 32/-) per share on share swap basis against the consideration for acquisition of 100% stake in Globeagro Holdings, an overseas company, which has substantial stake in 3 Floriculture Units based in Ethiopia namely Holetta Roases Plc, Alliance Flowers Plc and Oromia Wonders Plc, to its shareholders(Promoter Group).

  ii. 23,00,000 fully paid up equity shares of Rs. 10/- each of the Target Company ('Subscription Shares') to non-Promoter Group for cash at a price of Rs. 42/- (including a premium of Rs. 32/-) per share,; and

  iii. 42,50,000 warrants of the Target Company ('Subscription Warrants'), with entitlement to subscribe equivalent number of equity shares, to Promoters (20,00,000) and Others (22,50,000) for cash at a price of Rs. 42/- (including a premium of Rs. 32/-) per Subscription Warrant.

  in accordance with Section 81(1A) of the Companies Act, 1956 and the applicable provisions of Guidelines for Preferential Issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto ('Guidelines') and in accordance with the relevant regulatory approvals, as applicable, for the Preferential Issue. The details of the allottees are disclosed at point no. 3.1. (f).

(c) The Subscription Shares and the Subscription Warrants are hereinafter collectively, referred to as the Subscription Instruments. The total number of Subscription Instruments to be issued under the Preferential Issue will be up to 1,40,72,958.

(d) In the Annual General Meeting ('AGM') held on October 10, 2007, the shareholders of the Target Company have approved the above mentioned Preferential Issue by passing a Special Resolution under Section 81(1A) of the Companies Act, 1956 and other applicable provisions. The shareholders of the Target Company have authorized the Board of Directors of the Target Company to issue and allot the above mentioned Subscription Instruments to the Acquirer, Promoter Group of the Target Company and Others in compliance with the requirements of the Companies Act, 1956 and other applicable provisions of the Guidelines/Regulations.

(e) The Target Company has received prior in-principle approval from Bombay Stock Exchange Limited, Mumbai ('BSE') on November 19, 2007 for the issuance of the Subscriptions Instruments. Accordingly, the Board of Directors of the Target Company in its meeting held on December 3, 2007 has allotted 19,55,000 Subscription Shares and 42,50,000 Subscription Warrants to non-Promoter Group and Promoter Group. The said Subscription Instruments will be subject to 'lock-in' as per the Guidelines. Out of 23,00,000 Subscription Shares for which the in-principle approval received from BSE, the Board of Directors of the Target Company could allot 19,55,000 Subscription Shares only since the subscription amount was received to that extent. Further, MSE vide their letter no. MSE/LD/PSK/738/182/08 dated April 23, 2008, BSE vide their letter no. DCS/PREF/RAS/TRD/119/07-08 dated April 15, 2008 & PSE vide their letter no. PSE/L-216/2008/2133 dated April 25, 2008 has granted the listing and trading permission for 19,55,000 shares.

(f) The names and address(es) of the allottees along with number of shares / warrants allotted is mentioned in the table given below.

The details of shares are as under:

Sl.No	Name of the Allottees	Address(es)	No. of Shares
01	Allande International Investments Limited	Sir Walter Raleigh House, 48/50 Esplanade, St. Helier, Jersey JE 1 4 HH	930000
02	Consolidated Securities Limited	8/19, 3RD FLOOR, PUSA LANE, W.E.A, Karol Bagh, New Delhi- 110005	250000
03	Jai Salasar balaji Industires Pvt. Ltd	5, Bentinck Street, Kolkata - 700001	200000
05	Tarun Kumar Pravinchandra Sheth	43, Chakraborla Road (North), Vaikunth Bldg., Flat-5B, Kolkata - 700020	150000
07	Choukhany Leasing & Finance Co. (P) Ltd	3A, Hare Street, 4th Floor, Kolkata - 700001	100000
08	P.C. Shrimal	Isamia Bazar, Hyderabad	100000
09	Ritz Credit Promotion (p) Ltd	No.100, Money Terrance, K.H.Road, Bangalore - 560027	85000
10	P.N.Thomas	H.No. 3-12-34/1, Ganeshnagar, Ramanthapur, Hyderabad - 500013	50000
11	Trimurthi Advisory Services (P) Ltd	Prathima Schalass, 3-5-798/G1 to G4, Opp.Bharatiya vidya Bhavan, King Koti Road, Hyderabad – 500029	25000
12	S. Jhansi	Sai Sudha Residency, Flat No. 501, 5th Floor, Near City Central Library, Ashoknagar, Chikkadapally, Hyderabad – 500020	25000
13	N.Himabindu	G-8, Amrutha Ville, Rajbhavan Road, Somajiguda, Hyderabad – 500082	10000
14	G. Sandhya Rani	Flat No. 101, Surabhi Nest, Rajeev Nagar, Yusufguda, Hyderabad	10000
15	Ramesh kumar P. shah	No. 1/1, Vinayaka Towers, 3rd Floor, 1st Cross, Gandhinagar, Bangalore - 560009	10000

16	Narala Maheswari	Flat No. 205, Ashok Apartments, YMR Co-Op Colony, PRODDUTUR – 516000	5000
17	Pradeep Kumar Dhandhania	No.100, Money Terrance, K.H.Road, Bangalore-560027	5000
Total			**1955000**

The details of warrants are as under:

Sl.No	Name of the Allottees	Address(es)	No. of Warrants
01	G. Vinod Reddy	Flat No. 301, Myhome Hill View Apartments, Rajbhavan Road, Somajiguda, Hyderabad – 500082	200000
02	MVR Projects (P) Ltd	No. 8-2-293/50/A/14, Sri Venkateswara Nagar, Road No.14, Banjara Hills, Hyderabad – 500034	100000
03	Harvic Management Services (I) Ltd	A/29, Nanddham Industrial estate, Marol Maroshi Road, Marol Naka, Andheri(E), Mumbai - 400059	250000
04	Kanu C. Shah	365/1, Ghorpade Peth, Ek Bote Colony, Pune - 411042	250000
05	Consolidated Securities Limited	8/19, 3RD FLOOR, PUSA LANE, W.E.A, Karol Bagh, New Delhi- 110005	750000
Total			**4250000**

(g) The Target Company has received the approval from FIPB for 75,22,958 Subscription Shares vide their letter no. FC II 9(2008)/363(2007) dated February 5, 2008. The Target Company has allotted the said subscription shares on Share swap basis on February 8, 2008.

(h) The Bombay Stock Exchange Limited, Mumbai (BSE), Pune Stock Exchange Limited, Pune (PSE) and Madras Stock Exchange Limited, Chennai (MSE) have granted the listing & trading permission for 75,22,958 shares vide their letter nos. DCS/PREF/RAS/TRD/258/08-09 dated April 30, 2008, PSE/L-216/2008/2142 dated May 30, 2008 and MSE/LD/PSK/738/229/08 dated May 30, 2008 respectively.

(i) The Issued & Subscribed Share Capital of the Target Company prior to the Preferential Issue was Rs. 4,28,53,600 ('Pre Issue Capital') consisting of 42,85,360 equity shares of Rs. 10/- each. Post Preferential Issue, the Issued & Subscribed Share Capital of the Target Company will be Rs. 1376.33 Lakhs comprising of 1,37,63,318 fully paid-up equity shares of Rs. 10/- each and outstanding warrants of Rs. 425.00 Lakhs consisting of 42,50,000 Subscription Warrants.

(j) The Acquirer and PAC belong to the Promoter Group of the Target Company and the consolidated holding of the Promoter Group is 9,35,065 shares constituting 21.82% of the pre-issue voting capital of the Target Company. As a result of the above Preferential Issue, the Promoter Group can acquire upto a maximum of 1,05,22,958 shares and the total voting rights of the Promoter Group therefore stand increased to 1,20,58,023 shares constituting 66.94% the post issue voting capital of the Target Company. The voting rights before and after Preferential Issue is given below:

Particulars	No. of Shares & Voting Capital (%) before Preferential Issue		No. of Shares & Voting Capital (%) after Preferential issue (fully expanded voting capital)	
	No. of Shares	Voting Capital (%)	No. of Shares	Voting Capital (%)
Promoter Group	9,35,065	21.82	1,20,58,023	66.94
Non-Promoters/Others	33,50,295	78.18	59,55,295	33.06
TOTAL	**42,85,360**	**100.00**	**1,80,13,318**	**100.00**

(k) As a result of allotment under the Preferential Issue, the Acquirers (Promoter Group) are acquiring more than 5% of the voting capital of the Target Company and hence, this Offer is made pursuant to Regulation 11(1) and other applicable provisions of the Regulations involving substantial acquisition of shares/voting rights without change in control.

(l) As on date of Public Announcement, the Acquirer holds 8,69,014 equity shares and 20,00,000 warrants and PAC holds 1,600 shares. However the holding of the Acquirer after the Allotment of Preferential Shares and Share Swap is 49,83,175 shares.

(m) The Acquirer & PAC and Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992, and subsequent amendments thereto (SEBI Act) or any other Regulations made under the SEBI Act.

(n) The Acquirer & PAC belongs to the Promoter Group of the Target Company and controlling the management of the Target Company. There is no proposed change in control of the Target Company pursuant to the Offer.

(o) The Promoter Group hereby undertakes that they will convert the outstanding warrants held by them into equity shares only after the expiration of 15 days from the date of completion of the Open Offer. If on subsequent conversion of warrants by Acquirer, the Takeover Regulations get attracted, the Acquirer shall make a Public Announcement in terms of the Regulations.

3.2. Details of the Proposed Offer

(a) The Acquirer & PAC made a Public Announcement of the Offer, which was published in all Editions of **Business Standard** (English), **Hindi Milap** (Hindi), **Lakshadeep** (Marathi) and **Andhra Prabha** (Telugu) on December 7, 2007 in compliance with regulation 15 (1) of the Regulations. A Corrigendum to PA was also published in the same Newspapers on May 31, 2008.The Public Announcement as well as Corrigendum to PA is also available on SEBI's website at www.sebi.gov.in.

(b) The Acquirer & PAC proposes to acquire upto 36,02,664 equity shares of Rs. 10/- each, representing 20% of the fully expanded voting capital of the Target Company (including the allotment of Shares as well as Warrants under the Preferential Issue), at a price of Rs. 43.60/- per share ('Offer Price') payable in cash in terms of regulation 20 of the Regulations.

(c) The Offer is not subject to any minimum level of acceptances. The Acquirer & PAC will acquire all equity shares of NEHA that are tendered in terms of this Offer up to a maximum of 36,02,664 equity shares.

(d) The Manager to the Offer i.e. Ashika Capital Limited does not hold any shares in the Target Company as on the date. It declares and undertakes that it shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the offer till the expiry of 15 days from the date of closure of Offer.

(e) The Acquirer & PAC has not acquired any shares of NEHA after the date of Public Announcement and up to the date of this Letter of Offer.

(f) The offer is unconditional and not subject to any minimum level of acceptance.

(g) This is not a competitive bid.

3.3. Object of the Offer

(a) As stated in para 'Background to the Offer' above, pursuant to the Preferential Issue the Acquirer (Promoters Group) can acquire upto a maximum of 1,05,22,958 shares of Rs.10/- each of the Target Company. As a result the voting rights available to the Promoter Group would increase from 21.82% to 66.94%. Hence, this Offer is pursuant to Regulation 11(1) and other applicable provisions of the Regulations involving substantial acquisition of shares or voting rights without change in control or management.

(b) The Target Company plans to expand its present operations. The funds raised by the Target Company, by way of issue and allotment of Subscription Instrument(s) under the Preferential Issue, will be utilised to fund the acquisition of business outside India, to meet the short-term working capital requirements and to meet the Capital Expenditure.

(c) The Acquirer and PAC do not have any plans to sell, dispose off or otherwise encumber any assets of the Target Company in the next two years, except in the ordinary course of business. The Acquirer and PAC undertake not to sell, dispose off or otherwise encumber any substantial Assets of the Target Company except with the prior approval of the shareholders and in accordance with and subject to the applicable laws, permissions and consents, if any.

4. BACKGROUND OF THE ACQUIRER & PAC

4.1. Information about Acquirer & PAC:

a. Mr. G. Vinod Reddy (Acquirer)

Mr. G. Vinod Reddy, son of Late G. Ram Reddy, aged about 45 years is residing at 301B, My Home Hill View Apartments, Rajbhavan Road, Somajiguda, Hyderabad-500 082. He completed his M. A. (Master of Arts) degree in the year 1985 from Osmania University, Hyderabad. He is having overall experience of around 20 years in the areas of Taxation, Administration & Floriculture. His Networth as on 04.12.2007 is Rs. 663.50 Lakhs as certified by Mr. Venkateswarlu D (Membership No. 028488) Partner of M/s. VDNR & Associates, Chartered Accountants having office at 201, Dwaraka Anenue, Dwarakapuri Colony, Panjagutta, Hyderabad-500 034; Tel.:040-23358594/55133687; E-mail: devarapally.v@gmail.com vide certificate dated 04.12.2007.

b. Dr. G. Deepthi Reddy ('Person Acting in Concert')

Dr. G. Deepthi Reddy, wife of Shri G. Pramod, aged about 40 years is residing at 301, Bindu Prestige, DD Colony, Vidhya Nagar, Hyderabad-500 007. She completed her M. D. S. (Master of Dental Surgery) Degree in the year 1995 from K L E University, Belgaum. Presently, she is a working as a professor of Orthodontia in Sri Sai College of Dental Surgey, Vikarabad. She is having around 12 years of experience as a consultant and professor in the areas of Dental Surgery. Her Networth as on 04.12.2007 is Rs. 1674.00 Lakhs as certified by Mr. Venkateswarlu D (Membership No. 028488) Partner of M/s. VDNR & Associates, Chartered Accountants having office at 201, Dwaraka Anenue, Dwarakapuri Colony,Panjagutta,Hyderabad-500034;Tel.:040-23358594/55133687;E-mail: devarapally.v@gmail.com vide certificate dated 04.12.2007.

4.2. The Acquirer and PAC belongs to the Promoter Group and Dr. G. Deepthi Reddy (Person Acting in Concert) is the Brother's Wife of Mr. G. Vinod Reddy (Acquirer).

4.3. As on date, Mr. G. Vinod Reddy is the Chairman & Managing Director of the Target Company. Except Neha International Limited, the Acquirer is not on the Board of any listed company. Also Dr. G. Deepthi Reddy (PAC) is not on the Board of any listed Company

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

4.5. Securities and Exchange Board of India (SEBI) have passed an Adjudication Order imposing a monetary penalty of Rs. 5 Lakhs (Rs. Five Lakhs only) on Mr. G. Vinod Reddy for the non-compliance of the Regulations regarding the allotment of 16,00,000 shares on preferential basis in the year 1997. The said penalty has been paid by Mr. G. Vinod Reddy on October 11, 2007. Apart from the above the Acquirer & PAC has been regular in complying with provisions Chapter II of SEBI (SAST).

4.6. Mr. G. Vinod Reddy is the Director of MVR Projects (P) Ltd.

4.7. The details of the Company(ies) controlled / promoted by the Acquirer is as under:

Globeagro Holdings, having its registered office at OCRA (Mauritius) Limited, 2nd Floor, Maxcity Building, Remy Ollier Street, Port Louis, Republic of Mauritius was incorporated on April 20, 2007.The Company has been incorporated primarily to facilitate Investment in companies which are engaged in the floriculture business.

Brief audited financial for the period ended 10th September, 2007 is given below:

Particulars	10.09.2007	
	USD	Rs. in Lakhs
Equity Share Capital	95,05,735	3862.18
Reserve & Surplus	Nil	Nil
Total Income	Nil	Nil

Profit After Tax (PAT)	(7,932)	(3.22)
Earnings Per Share (EPS) in Rs.	Negative	Negative
Net Asset Value (NAV) per share in USD (equity share of USD 1/- each)	0.99	40.63

1USD= Rs.40.63

Source:www.rbi.org.in

4.8. Disclosures in terms of regulation 16(ix) of the Regulations:

a. The Target Company plans to expand its present operations. The funds raised by the Target Company, by way of issue and allotment of Subscription Instrument(s) under the Preferential Issue, will be utilised to fund the acquisition of business outside India, to meet the short-term working capital requirements and to meet the Capital Expenditure.

b. The Acquirer & PAC does not have any plan to dispose off or otherwise encumber any asset of Target Company in the next two years except in the ordinary course of business. However, the Acquirer & PAC undertake that she will not sell, dispose off or otherwise encumber any substantial assets of Target Company except with the prior approval of the shareholders.

5. DISCLOSURE IN TERMS OF REGULATION 21(2)

In the event, pursuant to this Offer, the public shareholding in the Target Company falls below 25% of its outstanding equity share capital, the Acquirer and PAC will, in accordance with regulation 21(2) of the Regulations, facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the stock exchanges within the specified time and in accordance with the prescribed procedure under amended clause 40A(viii) of the Listing Agreement and in compliance with the Regulations.

6. BACKGROUND OF THE TARGET COMPANY- NEHA

6.1. Brief History and Main Areas of Operations:

a. NEHA was originally incorporated on 12.07.1993 in the name & style of ‘Compasino International Limited’ and received the Certificate of commencement of Business on 12.08.1993 from Registrar of Companies, Andhra Pradesh. The name of the company was changed to the present name ‘Neha International Limited’ and a Fresh Certificate of Incorporation consequent on change of name was obtained from Registrar of Companies, Andhra Pradesh on 15.09.1993. The Registered Office of the company is situated at Suite No. 501, Manbhum Jade Towers, 6-3-1090/A/12&13, Rajbhavan Road, Hyderabad-500 082; Tel. 040-6613 4759 Fax: 040-6613 6435. The floriculture facility of the company is situated at Gut No. 44 & 45, Kondiwade Village, Talqu, Maval, Pune Dist, Maharashtra.

b. The Target Company is presently engaged in the business of floriculture.

c. The Authorised Share Capital of the Target Company is Rs. 2000.00 Lakhs comprising of 2,00,00,000 equity shares of Rs. 10/- each. As on date of PA, the Paid up Share Capital of the Target Company is Rs. 624.036 Lakhs comprising of 62,40,360 fully paid up equity shares of Rs. 10/- each. There are no partly paid-up shares. The Paid up Share Capital of the Target Company after the allotment of 75,22,958 Subscription Shares on Share Swap basis stands at Rs. 1376.33 Lakhs comprising of 1,37,63,318 fully paid-up equity shares of Rs. 10/- each. Post conversion of 42,50,000 warrants the paid-up share capital of the company will be Rs. 1801.33 Lakhs.

d. The equity shares of NEHA are listed on Bombay Stock Exchange Limited, Mumbai (BSE), The Hyderabad Stock Exchange Limited, Hyderabad (HSE), Madras Stock Exchange Limited, Chennai (MSE) and Pune Stock Exchange Limited, Pune (PSE). The company has applied for delisting of its shares from all other Stock Exchange(s) except BSE and approval is awaited. The recognition granted to HSE has been withdrawn by SEBI with effect from August 29, 2007.

e. The company came out with a maiden public issue in November 1994, through prospectus, to part finance cost of project for setting up 100% Export Oriented Unit in floriculture.

6.2. Share Capital Structure of NEHA:

Paid-up Equity Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity shares	1,37,63,318/1,37,63,318	100% / 100%
Partly Paid-up Equity shares	Nil/Nil	Nil / Nil
Total paid-up Equity shares	1,37,63,318/1,37,63,318	100%/ 100%

6.3. Current Capital Structure of the Company:

Date of Allotment	No and % of Shares issued		Cumulative Paid-Up Capital (Rs.)	Mode of Allotment	Identity of Allottees	Status of Compliance
	No.	%				
12.07.1993	64	-	640	On Incorporation	Subscribers to Memorandum	Complied
27.08.1993	8,01,000	-	80,10,640	Further Issue	Promoters & Associates	Complied
10.08.1994	5,00,500	-	1,30,15,640	Further Issue	Promoters & Associates	Complied
26.08.1994	4,17,836	-	1,71,94,000	Further Issue	Promoters & Associates	Complied
26.08.1994	1,35,000	-	1,85,44,000	Further Issue	Promoters & Associates	Complied
07.01.1995	27,09,000	-	4,56,34,000	Public Issue	Public Issue	Complied
27.12.1997	16,00,000	-	6,16,34,000	Conversion of Loan into Equity	Promoter	Non-complied & Penalty Paid@
21.03.2007	**24,65,360**	**17.92**	**2,46,53,600***	**Reduction & Consolidation of Share Capital**	**Promoter & Public**	**Complied**
28.06.2007	17,00,000(A)	12.35	4,16,53,600	Preferential Issue	Others	Complied
29.06.2007	1,20,000(B)	0.87	4,28,53,600	Preferential Issue	Others	Complied
03.12.2007	19,55,000**	14.20	6,24,03,600	Preferential Issue	Promoters & Others	Complied
08.02.2008	75,22,958#	54.66	13,76,33,180	Share Swap	Promoters & Others	-
TOTAL	**1,37,63,318**	**100.00**				

*In the Extraordinary General Meeting held on 09.06.2006 a special resolution was passed for reduction of share capital from Rs. 6,16,34,000 divided into 61,63,400 equity shares of Rs. 10/- each to Rs. 2,46,53,600 divided into 61,63,400 equity shares of Rs. 4/- each and such reduction was effected in compliance with Court Order dated January 18, 2007 by canceling the equity share capital of Rs. 3,69,80,400. Further, the Face Value of Rs.4/- was re-organized to Rs. 10/- each, thus resulting in reduction of shares from 61,63,400 shares to 24,65,360 equity shares of Rs. 10/- each.

** Apart from this, 42,50,000 warrants were issued under Preferential Issue.

#The Target Company has received the approval from FIPB vide their letter no. FC II 9(2008)/363(2007) dated February 5, 2008. The Target Company has allotted the subscription shares on February 8, 2008.

@ Securities and Exchange Board of India (SEBI) have passed an Adjudication Order imposing a monetary penalty of Rs. 5 Lakhs (Rs. Five Lakhs only) on Mr. G. Vinod Reddy for the non-compliance of the Regulations regarding the allotment of 16,00,000 shares on preferential basis in the year 1997. The said penalty has been paid by Mr. G. Vinod Reddy on October 11, 2007.

A. The list of Allottees of 17,00,000 shares Issued under Preferential Issue on 28.06.2007 is as under:

S. No.	Name of the Allottee	Address	No. of Shares
a.	Valmik Education Trust Trustee: Janak Jangla	205,Padma, 2nd floor, 164, S. V. Road, Vile Parle (west), MUMBAI-400056.	1,50,000
b.	Priyanka Marriage Trust Trustee: Niranjana Jangla	205, Padma, 2nd Floor, 164, S. V. Road, Vile Parle (West), MUMBAI-400056.	1,50,000
c.	Dhruvika Marriage Trust Trustee: Kantilal Uttamlal Chawalla	54,New Surya Kiran, 551, Pan Galli, Kemps Corner, Mumbai - 400036.	50,000
d.	Foram Marriage Trust Trustee: Veena Kantilal Chawalla	54,New Surya Kiran, 551, Pan Galli, Kemps Corner, Mumbai-400036	50,000
e.	Harvic Management Services (India) Ltd	A/29, Nanddham Industrial Estate, Marol Maroshi Road, Marol Naka, Andheri(E), Mumbai-400059.	25,000
f.	Danhem Holdings & Investment Pvt. Ltd.	302, Ruby Moarch Arcade, Saki Vihar Road, Andheri (E), MUMBAI- 400072.	1,50,000

g.	Havmore Insurance Brokers Pvt. Ltd	A-203, Rajeshri Accord, Telly Cross Lane, Off S.N.Road, Andheri (E), MUMBAI–400069.	25,000
h.	Aroma fashions Limited	19, Bank Street, Sonawala Buliding, 2nd Floor, Fort, Mumbai-400 001	1,50,000
i.	Srecko Indhan Limited	Flat No. 809, Shailis Estate, Royal Pavillion, Opp. Old Gold Spot, Ameerpet, HYDERABAD–500016.	1,25,000
j.	Sangita K Chawalla	54,New Surya Kiran, 551, Pan Galli, Kemps Corner, Mumbai–400036.	1,25,000
k.	A3N Holdings	Level 2 Max City Building, Remy Ollier Street, Port-Louis, MAURITIUS.	4,80,000
l.	Padmavathi Reddy Nalamada	# 372, 12th Cross 5th Main, RMV EXT. II stage, BANGALORE.	1,20,000
m.	E Ganesh Parameswaran	401, Gharonda Malhar Apartments, DD Colony, Vidyanagar, HYDERABAD–500007.	30,000
n.	Madhavi Reddy	No.613, A4, Kataprabha, National Games Village, Kothamangala, BANGALORE–560047.	25,000
o.	D. Sireesha Reddy	Plot No.43, BNR Colony, Road No.14, Banjara Hills, HYDERABAD – 500034.	25,000
p.	D. Adeiah	H.no. 21-133, 3rd Cross, Uttal Nagar, Malkajgiri Post, Hyderabad – 500047.	20,000
	Total		**17,00,000**

B. The list of Allottees of 1,20,000 shares issued under Preferential Issue on 29.06.2007:

S. No.	Name of the Allottee	Address	No. of Shares
a.	A3N Holdings	Level 2 Max City Building, Remy Ollier Street, Port-Louis, MAURITIUS	1,20,000

In the allotments made on 28.06.2007 under Preferential Issue, some of the entities were having common directors/trustees and hence they are deemed to be related / connected with each other. The details of the said body corporate / trusts to whom the shares were allotted are given as below:

Sr. No.	Name of the Company / Trust	No of Shares	% of Shares
I	**GROUP-1**		
1.	Valmik Education Trust	1,50,000	3.50
2.	Priyanka Marriage Trust	1,50,000	3.50
3.	Harvic Management Services (India) Ltd.	25,000	0.58
4.	Havmore Insurance Brokers Pvt. Ltd.	25,000	0.58
5.	Danhem Holdongs & Investments Pvt. Ltd.	1,50,000	3.50
	TOTAL	**5,00,000**	**11.66**
II	**GROUP- 2**		
1.	Dhruvika Marriage Trust	50,000	1.17
2.	Foram Marriage Trust	50,000	1.17
3.	Sangita K. Chawalla	1,25,000	2.92
4.	Aroma Fashions Limited	1,50,000	3.50
	TOTAL	**3,75,000**	**8.76**

None of the group has exceeded 14% of the post issue voting capital. Except the above, none of the allottees are related / connected with each other.

6.4. The Target Company has been complying with the applicable clauses of the Listing Agreement entered into with the Stock Exchange(s) and no punitive action has been taken against the company by the Stock Exchange(s). The Target Company has paid up to date Listing Fees to the stock Exchange(s) and has addressed all investor's complaints as and when received and there is no pending complaint as on date.

6.5. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity shares at any later date except 42,50,000 warrants issued through Preferential Issue on December 3, 2007 which will be converted within 18 months. The Promoter Group hereby undertakes that they will convert the outstanding warrants held by them into equity shares only after the expiration of 15 days from the date of completion of the Open Offer.

6.6. Present Composition of the Board of Directors of NEHA:

As on date of PA [December 7, 2007], the Directors on the Board of NEHA were:

S. No.	Name	Address	Qualification	Experience	Date of Appointment
1.	G. Vinod Reddy	301B, My home Hill, View Apartments, Rajbhavan Road, Somajiguda, Hyderabad-500 082.	MA, IRS	10 years in the areas of Floriculture Business	10.07.1994
2.	G. Pramod	Flat No. 301, Bindu Prestige, DD Colony, Vidyanagar, Hyderabad-500 007.	MD, DCH	15 years in Pediatrician Practice	30.03.1998
3.	Anil G. Nair	1-B, Bijayati Towers, 72, Halls Road, Kilpauk, Chennai-600 010.	F.C.A	20 years in Chartered Accountancy Practice	08.09.1994
4.	P. Sarath Kumar	A-19, Journalist Colony, Road No. 70, Jubilee Hills, Hyderabad.	F.C.A	20 years in Chartered Accountancy Practice	06.06.2005

Out of the above, Mr. G. Vinod Reddy is the Acquirer and Mr. G. Pramod is the husband of Mrs. G. Deepthi Reddy and therefore they undertakes that they will recuse themselves and not participate in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the offer.

6.7. There has been no merger / de-merger or spin off involving Target Company since the Company's listing.

6.8. The Target Company has not been regular in complying with SEBI (SAST) Regulations. There was delay of 10 days in compliance with regulation 6(2) and 6(4) for the year 1997. There were delays in compliance with Chapter II in the year 1998-60 days, 2000-30 days, 2001-50 days, 2002-26 days, 2003-55 days, and 2004-25 days. The Target Company has complied Chapter II of the Regulations for the year 1999, 2005, 2006 & 2007. SEBI may initiate an appropriate action against the Target Company for non-compliance of the same. The Promoters are complying with the applicable provisions of Chapter II of the Regulations.

6.9. Except the Promoter Group, there are no other major shareholders in the Target Company who are holding 15% or more voting capital of the Target Company and hence the status of compliance with the provisions of Chapter II of SEBI (SAST) Regulations, 1997 by the Major Shareholders is not applicable.

6.10.Financial Information:

Brief audited financials of Target Company for the last 3 Years are as follows:

Profit & Loss Statement

(Rs. in Lakhs)

For the Year/period ended	30.06.2007 (15 Months)	31.03.2006	31.03.2005
Income:			
Income from Operations	322.36	143.25	164.03
Other Income	3.92	0.61	5.06
Increase/Decrease in stock	(0.97)	--	0.22
Total Income	**325.31**	**143.87**	**169.31**
Total Expenditure	263.86	109.31	205.97
Profit before Depreciation & Tax	61.45	34.56	(36.66)
Depreciation	37.70	30.62	37.72
Profit/(Loss) before Tax	**23.75**	**3.94**	**(74.38)**
Provision for Fringe Benefit Tax	0.50	--	--
Prior period Item	0.32	(1.10)	(7.16)
Waiver of interest & part of principal as per OTSXIX(5)	(92.73)	(164.47)	
Profit/(Loss) after Tax	**115.66**	**169.51**	**(67.22)**
Adjustment for Reduction of Capital	369.80	--	--
Balance carried to Balance Sheet	**(273.32)**	**(758.78)**	**(928.29)**

Balance Sheet

(Rs. in Lakhs)

As at	30.06.2007 (15 Months)	31.03.2006	31.03.2005
Sources of Funds:			
Share Capital	428.54*	616.34	616.34
Share Premium Account	273.00	--	--
FMO Grant	5.70	5.70	5.70
Profit & Loss A/c (Debit Balance)	(273.32)	(758.78)	(928.29)
Miscellaneous Expenditure	(5.21)	--	(3.61)
NET WORTH	**428.71**	**(136.74)**	**(309.85)**
Share Application Money	40.29#	--	--
Secured Loan	--	467.73	657.38
Unsecured Loan	84.44	127.22	101.05
TOTAL	**553.44**	**458.21**	**448.57**
Application of Funds:			
Net Fixed Assets	440.87	456.46	482.04
Net Current Assets	112.57	1.75	(33.47)
TOTAL	**553.44**	**458.21**	**448.57**

*In the Extraordinary General Meeting held on 09.06.2006 a special resolution was passed for reduction of share capital from Rs. 6,16,34,000 divided into 61,63,400 equity shares of Rs. 10/- each to Rs. 2,46,53,600 divided into 61,63,400 equity shares of Rs. 4/- each and that such reduction was effected in compliance with Court Order dated January 18, 2007 by canceling the equity share capital of Rs. 3,69,80,400. Further the Face Value of Rs.4/- was re-organize to Rs. 10/- each, thus resulting in reduction of shares from 61,63,400 shares to 24,65,360 equity shares of Rs. 10/- each. On 28.06.2007 17,00,000 equity shares of Rs. 10/- each were allotted at premium of Rs. 15/- each and on 29.06.2007 1,20,000 equity shares of Rs. 10/- each were allotted at premium of Rs. 15/- each.

In the year 2006-07, the Target Company has completed the reduction of share capital and One Time Settlement with the banks. The Target Company has received an amount of Rs. 39.50 Lakhs towards the Share Application Money. Apart from this, an amount of Rs. 0.54 Lakhs was credited in company's account due to the exchange rate difference and the balance Rs. 0.25 Lakhs is the excess amount received from investors who have been allotted shares in the month of June 2007. The above figures totaling to Rs. 40.29 Lakhs (Rs. 39.50 Lakhs + Rs. 0.54 Lakhs + Rs. 0.25 Lakhs) has been disclosed as Share Application Money in the Balance Sheet as at 30.06.2007. Subsequently, the Share Application Money amount has been returned to the concerned investors.

Other Financial Data

For year ended	30.06.2007 (15Months)	31.03.2006	31.03.2005
Dividend (%)	Nil	Nil	Nil
EPS (Rs.)	2.70	2.75	(1.09)
Return on Networth (%)	26.98	Negative	(21.69)
Book Value per share (Rs.)	10.00	(2.22)	(5.03)

Source: Annual Reports and certified financials

Networth = Equity Share Capital -Misc. Expenses – Profit & Loss Account (debit balance)
EPS = Profit after Tax / No. of shares outstanding
Return on Net Worth = Profit after Tax / Net Worth
Book Value per Share = Net Worth / No. of shares outstanding

Reason for Rise and fall in Total Income / PAT:

Rise in profit for year 2006 over 2005 is on account of waiver of interest and part of principal under One Time Settlement Scheme (OTS).

The increase in Total Income for the year ended 30.06.2007 over 2006 is on account of inclusion of the income generated for a period of 15 months due to the extension of the financial year and increase in the sales during the said period. However, due to increase in the expenditure for the said period and OTS Scheme the profit of the company could not rise in proportionate to the sales.

6.11.

1) Pre and Post-Offer Shareholding Pattern of NEHA with Warrants:

Shareholders' Category	Shareholding prior to the Preferential Issue and Offer		Shares Acquired through Preferential Issue		Shareholding after the Preferential Issue and prior to Offer		Shares to be Acquired in Open Offer (Assuming full acceptances)		Shareholding after the Preferential Issue and Offer	
	(A)		(B)		(C) = (A+B)*		(D)*		(E) = (C+D)*	
	No.	%	No.	%	No.	%	No.	%	No.	%
1. Promoter Group:										
a. Parties to Agreement	-	-	-	-	-	-	-	-	-	-
b. Promoters other than (a) above	64,451	1.50	44,08,797	32.11	50,73,248#	28.16	-	-	50,73,248#	28.16
Total (a+b)	**64,451**	**1.50**	**44,08,797**	**32.11**	**50,73,248**	**28.16**	**-**	**-**	**50,73,248**	**28.16**
2. Acquirer & PAC:										
G. Vinod Reddy	8,69,014	20.28	61,14,161	44.54	69,83,175	38.77				
Dr. G. Deepthi Reddy	1,600	0.04	-	-	1,600	0.01	36,02,664	20.00	1,05,87,439	58.78
Total	**8,70,614**	**20.32**	**61,14,161**	**44.54**	**69,84,775**	**38.78**	**36,02,664**	**20.00**	**1,05,87,439**	**58.78**
Total (1+2)	**9,35,065**	**21.82**	**1,05,22,958**	**76.65**	**1,20,58,023**	**66.94**	**36,02,664**	**20.00**	**1,56,60,687**	**86.94**
3. Parties to Agreement other than (1)(a) & (2)	-	-	-	-	-	-	-	-	-	-
4. Public: (Other than Promoter Group & Acquirer & PAC)										
a. FIs/MFs/FIIs/Banks, SFIs	-	-	-	-	-	-	-	-	-	-
b. Others	33,50,295	78.18	32,05,000	23.35	59,55,295#	33.06	(36,02,664)	(20.00)	23,52,631	16.39
Total (a+b)	**33,50,295**	**78.18**	**32,05,000**	**23.35**	**59,55,295**	**33.06**	**(36,02,664)**	**(20.00)**	**23,52,631**	**16.39**
GRAND TOTAL (1+2+3+4)	**42,85,360**	**100.00**	**1,37,27,958@**	**100.00**	**1,80,13,318**	**100.00**	**Nil**	**Nil**	**1,80,13,318**	**100.00**

@ includes 42,50,000 warrants issued under Preferential Issue.

6,00,000 shares of A3N has been included in the Promoters Category pursuant to Share Swap.

* The % calculated under these columns is on the expanded capital.

2) Pre and Post-Offer Shareholding Pattern of NEHA (without considering of outstanding Warrants)

Shareholders' Category	Shareholding prior to the Preferential Issue and Offer		Shares Acquired through Preferential Issue		Shareholding after the Preferential Issue and prior to Offer		Shares to be Acquired in Open Offer (Assuming full acceptances)		Shareholding after the Preferential Issue and Offer	
	(A)		(B)		(C) = (A+B)*		(D)*		(E) = (C+D)*	
	No.	%	No.	%	No.	%	No.	%	No.	%
1. Promoter Group:										
a. Parties to Agreement	-	-	-	-	-	-	-	-	-	-
b. Promoters other than (a) above	64,451	1.50	34,08,797	35.97	40,73,248#	29.59	-	-	40,73,248	29.59
Total (a+b)	**64,451**	**1.50**	**34,08,797**	**35.96**	**40,73,248**	**29.59**	**-**	**-**	**40,73,248**	**29.59**
2. Acquirer & PAC:										
G. Vinod Reddy	8,69,014	20.28	41,14,161	43.41	49,83,175	36.21				
Dr. G. Deepthi Reddy	1,600	0.04	-	-	1,600	0.01	36,02,664	26.17	85,87,439	62.39
Total	**8,70,614**	**20.32**	**41,14,161**	**43.41**	**49,84,775**	**36.22**	**36,02,664**	**26.17**	**85,87,439**	**62.39**
Total (1+2)	**9,35,065**	**21.82**	**75,22,958**	**79.37**	**90,58,023**	**65.81**	**36,02,664**	**26.17**	**1,26,60,687**	**91.98**
3. Parties to Agreement other than (1)(a) & (2)	-	-	-	-	-	-	-	-	-	-
4. Public: (Other than Promoter Group & Acquirer & PAC)										
a. FIs/MFs/FIIs/Banks, SFIs	-	-	-	-	-	-	-	-	-	-
b. Others	33,50,295	78.18	19,55,000	20.63	47,05,295#	34.19	(36,02,664)	(26.17)	11,02,631	8.02
Total (a+b)	**33,50,295**	**78.18**	**19,55,000**	**20.63**	**47,05,295**	**34.19**	**(36,02,664)**	**(26.17**	**11,02,631**	**8.02**
GRAND TOTAL (1+2+3+4)	**42,85,360**	**100.00**	**94,77,958**	**100.00**	**1,37,63,318**	**100.00**	**Nil**	**Nil**	**1,37,63,318**	**100.00**

* The % calculated under these columns is on the expanded capital.

\# 6,00,000 shares of A3N has been included in the Promoters Category pursuant to Share Swap.

3. The details of various issues as depicted at point 3.1.b of the Draft Letter of Offer and their reflection in Pre and Post Shareholding pattern of the Target Company is as below:

Name of the Shareholder	Shareholding Prior to Preferential Issue	Preferential Shares	Warrants	Share Swap	Shareholding after the Preferential Issue
G. Vinod Reddy (Acquirer)	8,69,014	-	20,00,000	41,14,161	69,83,175
Dr. G. Deepthi Reddy (PAC)	1,600	-	-	-	1,600
Other Promoters	64,451	-	10,00,000	34,08,797	50,73,248#
Public	33,50,295	19,55,000	12,50,000	-	59,55,295#
Total	**42,85,360**	**19,55,000**	**42,50,000**	**75,22,958**	**1,80,13,318**

6,00,000 Shares of A3N has been included in the Promoters Category pursuant to Share Swap.

6.12. There are 5,121 equity shareholders under Public category as on 30.09.2007.

6.13. The Target Company is complying with Clause 49 of the Listing Agreement on Corporate Governance.

6.14. Name and Contact details of the Compliance Officer:
Mr. M. Srirama Saran Prasad
6-3-1090/A/12 & 13, 501, Manbhum Jade Towers, Rajbhavan Road,
Somajiguda, Hyderabad-500 082; Tel. 040-6613 4759; Fax: 040-6613 6435.

6.15. The changes in the holdings of the present Promoters Group is as under:

Date	Mode of Acquisition / Sale	Name of the Acquirer	No. of Shares	% of paid-up Share Capital	Name of the Seller	No. of Shares	% to the paid-up shares	Cumulative No. of Shares	% of Paid-Up Share Capital	Status of Compliance
Prior to 1997		Promoters	14,77,463	32.38				14,77,463	32.38	
27.12.1997	Conversion of Loan in to Equity	G. Vinod Reddy	16,00,000	--				30,77,463	49.95	Non-complied & Penalty Paid
28.03.2000	Off Market Sale				G. Vinod Reddy	3,00,000	4.87	27,77,463	45.08	Complied
31.05.2005	Off Market Sale				G. Pramod	3,500	0.06	27,73,963	45.02	Complied
31.05.2005	Off Market Sale				P. Ramalinga Reddy	5,000	0.08	27,68,963	44.94	Complied
30.10.2005	Off Market Sale				Deepti G	45,000	0.73	27,23,963	44.21	Complied
31.05.2005	Off Market Sale				Lavanya G	7,000	0.11	27,16,963	44.08	Complied
04.09.2005	Off Market Sale				Lavanya G	1,00,000	1.63	26,16,963	42.46	Complied
30.10.2005	Off Market Sale				Prameela	40,000	0.65	25,76,963	41.81	Complied
					P. Ramalinga Reddy	700	0.01	25,77,663	41.82	Complied
21.03.2007	**Reduction of Share Capital**					**15,46,598**	**-**	**10,31,065**	**41.82**	Complied

2006-2007					A.G. Nair*	1,000	0.04	10,30,565	41.78	Complied
2006-2007					Ajit Nair*	2,000	0.08	10,28,565	41.70	Complied
2006-2007					Leena Anil*	1,000	0.05	10,27,065	41.65	Complied
19.07.2007	Market Sale				Lavanya G	12,000	0.28	10,15,065	23.69#	Complied
04.07.2007	Off Market Sale				G. Pramod	48,000	1.12	9,67,065	22.57	Complied
04.07.2007	Off Market Sale				P. Ramalinga Reddy	32,000	0.75	9,35,065	21.82	Complied

* The names of AG. Nair, Ajit Nair & Leena Anil were wrongly included in the PAC Category.
# The % of paid-up share capital have been calculated on the expanded capital.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1. Justification of Offer Price:

a. The equity shares of NEHA are listed on Bombay Stock Exchange Limited, Mumbai (BSE), The Hyderabad Stock Exchange Limited, Hyderabad (HSE), Madras Stock Exchange Limited, Chennai (MSE) and Pune Stock Exchange Limited, Pune (PSE). However, the recognition granted to HSE has been withdrawn by SEBI with effect from August 29, 2007. The company has applied for delisting of its shares from MSE and PSE and approval is awaited. The shares of NEHA are not traded on any Stock Exchange(s) under Permitted Category.

b. The annualized trading turnover during the preceding 6 calendar months prior to the month in which Board Meeting was held i.e. March 2007 to August 2007 (both Inclusive) at the Stock Exchange(s) is as under: -

Name of Stock Exchange	Total No. of Shares traded during 6 calendar months prior to the month in which Board Meeting is held	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE**	12,54,600	42,85,360	58.55
HSE*	Nil	42,85,360	Nil
MSE	Nil	42,85,360	Nil
PSE	Nil	42,85,360	Nil

**Derecognised by SEBI with effect from August 29, 2007.(Source: www.hseindia.org)*
*** www.bseindia.com*

c. Based on the information available *(Source: bseindia.com)*, the Shares of the Target Company, within the meaning of explanation (i) to Regulation 20(5) of the Regulations, are frequently traded on BSE and infrequently traded on other Stock Exchange(s). Hence, the Offer Price has been determined taking into account the following parameters:

a)	Negotiated Price under the Agreement	:	Not Applicable
b)	Highest Price paid by the Acquirer/PAC for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA	:	Rs. 42/- per share
c)	The average of the weekly high and low of closing prices of the shares during 26 weeks period preceding the Board Meeting Date (September 13, 2007)	:	Rs.23.64
d)	The average of the daily high and low of the prices of the shares during two weeks period preceding the Board Meeting Date (September 13, 2007)	:	Rs. 43.58
e)	**Other Parameters based on the Audited Accounts for the year ended 30.06.2007**		
	Book Value per Equity Share (Rs.)	:	10.00
	Earnings Per Equity Share (Rs.)	:	2.70
	Return on Net worth (%)	:	26.98
	Price/Earnings Ratio (considering the Offer Price of Rs. 43.60/- per share)	:	16.15

Calculation of Average of the weekly high and low of the closing prices of the shares of NEHA during the 26 weeks period preceding the date of Board Meeting i.e. September 13, 2007:

Week No.	Week ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Shares)
1	March 21, 2007	--	--	--	--
2	March 28, 2007	--	--	--	--
3	April 4, 2007	--	--	--	--
4	April 11, 2007	--	--	--	--
5	April 18, 2007	--	--	--	--
6	April 25, 2007	--	--	--	--
7	May 2, 2007	--	--	--	--
8	May 8, 2007	--	--	--	--
9	May 16, 2007	--	--	--	--
10	May 23, 2007	--	--	--	--
11	May 30, 2007	19.68	17.01	18.35	400
12	June 6, 2007	24.95	20.66	22.81	4,200
13	June 13, 2007	31.70	26.15	28.93	19,700
14	June 20, 2007	36.95	33.25	35.10	78,900
15	June 27, 2007	38.75	34.15	36.45	78,500
16	July 4, 2007	43.45	35.85	39.65	25,900
17	July 11, 2007	47.85	45.35	46.60	1,86,900
18	July 18, 2007	47.15	40.15	43.65	1,20,600
19	July 31, 2007	48.10	42.15	45.13	1,14,500
20	August 1, 2007	49.90	41.40	45.65	73,700
21	August 8, 2007	45.15	41.30	43.23	76,700
22	August 14, 2007	44.00	40.65	42.33	22,900
23	August 22, 2007	40.95	38.70	39.83	50,300
24	August 29, 2007	40.85	38.50	39.68	48,600
25	September 5, 2007	45.30	38.05	41.68	22,100
26	September 12, 2007	47.55	43.50	45.53	29,600
	26 Weeks Average			**23.64**	

Calculation of Average of the daily high and low of the equity shares of NEHA during the 2 weeks preceding the date of Board Meeting i.e. September 13, 2007:

Day No.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Shares)
1	August 30, 2007	40.40	38.05	39.23	1,900
2	August 31, 2007	39.95	37.75	38.85	9,800
3	September 3, 2007	41.10	41.00	41.05	4,800
4	September 4, 2007	43.15	43.15	43.15	1,700
5	September 5, 2007	45.30	45.30	45.30	3,900
6	September 6, 2007	47.55	47.55	47.55	10,900
7	September 7, 2007	49.90	45.20	47.55	5,200
8	September 10, 2007	46.50	43.00	44.75	4,800
9	September 11, 2007	45.50	42.70	44.10	2,300
10	September 12, 2007	45.35	43.25	44.30	6,400
	2 Weeks Average			**43.58**	

d. In view of the aforesaid financial parameters, the Offer Price of Rs. 43.60/- per equity share of Rs. 10/- each is justified in terms of regulation 20 of the Regulations.

e. If the Acquirer & PAC acquires shares after the PA and upto seven working days prior to closure of the Offer at a price higher than the Offer Price, the highest price paid for such acquisitions shall be payable for all the acceptances received under this Offer as per the Regulations. Any revision in the Offer Price shall be notified by advertisement in the same newspapers in which the original PA appeared.

f. The Acquirer & PAC has not entered into any non-compete agreement.

7.2. Financial Arrangements:

a. The total fund requirement for the Offer is Rs. 15,70,76,150.40/- (Rupees Fifteen Crores Seventy Lakhs Seventy Six Thousand One Hundred Fifty and Forty Paise only). In accordance with regulation 28 of the Regulations, the Acquirer and PAC have made an escrow arrangement for the Offer comprising a Bank Guarantee issued by Union Bank of India, in favour of Manager to the Offer for an amount of Rs. 3,95,00,000/- (Rupees Three Crores and Ninety Five Lakhs only), being more than 25% of the total consideration payable, which will remain in force upto 06.09.2008. In addition, the Acquirer and PAC have also made a cash deposit with HDFC Bank Limited, Fort Branch, Mumbai for an amount of Rs. 16,00,000/- (Rupees Sixteen Lakhs only), being more than 1% of the total consideration payable, in the Escrow Account opened. The Acquirer and PAC has empowered the Manager to the Offer i.e. Ashika Capital Limited to instruct and to realize the value of above Bank Guarantee and Cash Deposit in terms of the Regulations. A lien has been marked on the said Escrow Account in favour of the Manager to the Offer by the bank.

b. The Acquirer and PAC have collectively made firm financial arrangements for financing the acquisition of equity shares under the Offer in full out of their own sources/Networth and no borrowings from any Bank and/or Financial Institutions is envisaged. Mr. Venkateswarlu D (Membership No. 028488) Partner of M/s. VDNR & Associates, Chartered Accountants having office at 201, Dwaraka Anenue, Dwarakapuri Colony, Panjagutta, Hyderabad-500 034; Tel.:040-23358594/55133687; E-mail: devarapally.v@gmail.com vide certificate dated 04.12.2007 have confirmed that sufficient resources are available with the Acquirer and PAC for fulfilling the obligations under this 'Offer' in full.

c. The details of the liquid resources available with the Acquirer and PAC to meet the obligation under the Offer, out of their networth as on 04.12.2007, are as under:

(Amount Rs. in Lakhs)

S. No.	Particulars	Mr. G. Vinod Reddy (Acquirer) (Amount)	Dr. G. Deepthi Reddy (PAC) (Amount)
a.	Land	-	1,664.65
b.	Investments	434.50	-
c.	Cash & Bank Balance	234.00	2.00
d.	Gold Ornaments	5.00	10.00
	Total Assets	**673.50**	**1,676.65**
	Less: Liabilities	10.00	2.65
	NETWORTH	**663.50**	**1,674.00**

d. Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer & PAC to implement the offer in accordance with the Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

8. TERMS AND CONDITIONS OF THE OFFER

a. The Letter of Offer relating to the Offer ('LOO'), specifying the detailed terms and conditions, together with the Form of Acceptance-cum-Acknowledgement ('Form of Acceptance'), Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form only) is being mailed to those shareholders of Target Company whose names appear on the Register of

Members of Target Company and to the Beneficial Owners of the equity shares of Target Company whose names appear as beneficiaries on the record of the respective Depositories, at the close of business hours on December 28, 2007 ('Specified Date'). No Letter of Offer will be mailed to the Promoters and other allottees under Preferential Issue.

b. All owners of equity shares, who own shares at any time prior to the closure of the Offer, registered or unregistered, are eligible to participate in the Open Offer except the Promoters and other allottees under the present Preferential Issue including their prior holding.

c. Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. A copy of the letter of offer (including Form of Acceptance) is expected to be available on SEBI's Website (http://www.sebi.gov.in) during the period the offer is open and may also be downloaded from the website for participating in the Offer.

d. The pre-issue shareholding of the Promoter Group to whom the shares were allotted under Preferential Issue and the shares allotted under the Preferential Issue will be subject to 'lock-in' as per the Guidelines. Apart from these, there are 27,19,654 equity shares of the Target Company are under lock-in, as on date.

e. The Offer along with any obligation relating to payment for, and purchase of, the shares tendered is subject to the receipt of necessary approval(s), if any, from the Reserve Bank of India ('RBI') under Foreign Exchange Management Act, 1999 ('FEMA') and subsequent amendments thereto, for acquisition of shares under the Offer. The Acquirer & PAC will make an application, if necessary, for the purpose to the RBI at the appropriate time.

f. To the best of knowledge and belief of the Acquirer & PAC, as on the date there are no other statutory approvals or approvals from the lenders required, for the acquisition of equity shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals.

g. In case of delay in receipt of any approval, SEBI has the power to grant an extension of the time required for payment under the Offer provided that the Acquirer & PAC agrees to pay interest in accordance with regulation 22(12) of the Regulations. Further, if delay occurs on account of willful default by the Acquirer & PAC in obtaining the requisite approvals, regulations 22(13) of the Regulations will also become applicable.

h. If the aggregate of the valid responses to the Offer exceeds the Offer size, then the Acquirer & PAC shall accept the valid applications received on a proportionate basis, in accordance with regulation 21(6) of the Regulations, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of 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 market lot of the shares of the Target Company in case of physical mode is 100 (one Hundred) shares and incase of dematerialized mode is 1 (One) share only.

i. Equity shares tendered in the Offer by the shareholders of Target Company shall be free from lien, charges and encumbrances of any kind whatsoever.

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

k. As per the provisions of Section 196D(2) of the Income Tax Act, 1961 ('Income Tax Act'), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ('FII') as defined in section 115 AD of the Income Tax Act. However, while tendering their equity shares under the Offer, Non Resident Individuals and other non-resident shareholders will be required to submit a No Objection Certificate (NOC) or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer & PAC before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer & PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders.

l. The consideration to those shareholders whose Shares or share certificates and /or other documents are found complete, valid and in order and accepted by Acquirer & PAC in part or in full will be made within 15 Days from the date of closing of the Offer. The Acquirer & PAC undertakes to pay interest pursuant to regulation 22(12) to the shareholders for the delay, if any, in payment of consideration. The consideration will be paid 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. Equity shares held in dematerialised 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. All despatches involving payment of a value upto Rs.1,500/- will be made under certificate of posting at the shareholders sole risk.

m. The instructions and provisions contained in the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal constitute an integral part of the terms of this Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

a. Shareholders who hold the shares of Target Company and wish to tender their equity shares pursuant to the Offer will be required to submit the Form of Acceptance, original Share Certificate(s) and Transfer Deed(s) duly signed, Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off- market" mode, duly acknowledged by DP in favour of the special depository account to the Registrars to the Offer, **XL Softech Systems Limited**, so as to reach on or before the closure of the Offer, i.e. June 28, 2008, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.

   The documents can be tendered at the above centre between Monday to Friday from 10.30 A. M. to 1.00 P. M. and 2.00 P. M. to 4.00 P. M. and on Saturdays from 10.00 am to 2.00 pm. The Registrars to the Offer will be closed on Sundays and other Public Holidays.

   The equity shareholders who cannot hand deliver their documents at the address referred to above may send the same by registered post/ speed post, at their own risk, to the Registrar to the Offer at their office at Mumbai, so as to reach their office on or before the closure of the Offer i.e. June 28, 2008.

b. Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other relevant documents are complete in all respects; otherwise the same is liable to be rejected. In the case of demated shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demated shares not credited in favour of the special depository account before the closure of the Offer will be rejected.

c. Shareholders who wish to tender their shares under this offer should enclose the following documents duly completed:

i) For equity shares held in Physical Form:

Registered Shareholders should enclose:

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the Share Certificate(s).

- **Original Share Certificate(s).**
- Valid share Transfer Deed / Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

Unregistered Shareholders should enclose:

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, or application on plain paper.
- **Original share certificate(s).**
- **Original broker contract note.**
- **Valid share Transfer Deed / Form(s)** as received from market.

The details of buyer should be left blank failing which, the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.

Notwithstanding that the signature(s) of the transferor(s) has/have been attested, if the signature(s) of the transferor(s) differs from the Specimen signature(s) recorded with Target Company or are not in the same order, such shares are liable to be rejected under the open offer even if the Offer has been accepted by bonafide owner of such shares.

ii) For equity shares held in Demat form: -

The Registrar to the Offer has opened a special depository account with National Securities Depositories Ltd. ('NSDL') as Depository whose details are as under:

Beneficiary Account Name	XL Softech Systems Limited-NEHA Open Offer-Escrow Account
DP Name	Karvy Stock Broking Limited
DP ID Number	IN 300394
Client ID Number	16107257
Depository	National Securities Depository Ltd.

Shareholders having their beneficiary account in CDSL have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account.

Beneficial Owners should enclose:

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.
- **Photocopy of the delivery instruction** in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by DP in favour of the special depository account.

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. All beneficial owners maintaining accounts with CDSL are required to fill in an additional inter depository slip, maintained with the DP while giving instructions to their respective DPs.

In case of non receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted. The Form of Acceptance-cum-Acknowledgement for which corresponding shares have not been credited to the special depository account as on the date of closure of the Offer will be rejected.

d. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent, failing which, the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):

i. Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired. In case succession certificate has not been obtained, the legal heir may approach the registrar.
ii. Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
iii. No objection certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
iv. In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

e. The share certificate(s), share transfer form, Form of Acceptance-cum-Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer, at the address mentioned above. **They should not be sent to the Acquirer & PAC or the Target Company.** The above-mentioned documents can be sent to the Registrar to the Offer on all days except Sundays and public holidays.

f. In case of unregistered owners or shareholders who have not received the Letter of Offer, they may send their consent to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, or in the case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "off-market" mode or counterfoil of the delivery instruction in the "off-market" mode, duly acknowledged by the DP, in favour of the aforesaid special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer. No indemnity is required from the unregistered owners.

Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.

Shareholders of 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 Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders who have sent their physical shares for dematerialisation should submit their form of acceptance as applicable along with the copy of the demat request form (DRF) duly acknowledged by their DP. However they have to ensure that the corresponding credit of the dematerialized shares is received in the escrow depository account on or before closure of the Offer.

The eligible persons can write to the 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 Closure of the Offer.

Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI's website at www.sebi.gov.in from the date of opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI's website and apply in the same.

g. While tendering the equity shares under the Offer, NRIs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the equity shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirer & PAC reserves the right to reject such equity shares tendered. While tendering shares under the Offer, NRI/ foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer & PAC under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, the Acquirer & PAC will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

h. The equity shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of the Closure of the Offer i.e. on or before June 25, 2008. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, so as to reach them on or before June 25, 2008. In case of non-receipt of 'Form of Withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the following details:
    a) **In case of physical shares:** Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Registered Folio Number, Share Certificate Numbers, Distinctive Numbers, Number of Shares held, Number of Shares offered; and
    b) **In case of dematerialised shares:** Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, DP name, DP ID, Number of Shares offered, 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 favor of the special depository account.

    Equity shares [Physical /Dematerialised form] withdrawn by the shareholders would be returned by the Registered post.

i. The Registrar to the Offer will hold in trust the equity shares/Share Certificates, equity shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form(s) on behalf of the shareholders of the Target Company who have accepted the Offer, until the cheques/drafts for the consideration or the unaccepted equity shares/share certificates are dispatched/returned.

j. Unaccepted Share Certificate(s), Transfer Forms and other documents in respect of shares not accepted under the Offer, if any, will be returned by Registered Post/Speed Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Unaccepted equity shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective Depository Participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Manager to the Offer, **Ashika Capital Limited**, 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021, on any working day between 10.00 A. M. to 2.00 P. M. during the period the Offer is open i.e., from June 9, 2008 (Monday) to June 28, 2008 (Saturday):

i) Notice of Extra Ordinary General Meeting.
ii) Extracts of Extra Ordinary General Meeting.
iii) Memorandum & Articles of Association of NEHA along with Certificate of Incorporation.
iv) Audited results of NEHA for the financial years ended 31.03.2005, 31.03.2006 & 30.06.2007.
v) Audited results of Globeagro Holdings for the period ended 10.09.2007.
vi) Chartered Accountant's Certificate dated December 4, 2007 certifying the Net worth of Mr. G. Vinod Reddy (Acquirer) and Dr. G. Deepthi Reddy (PAC).
vii) Chartered Accountant's Letter dated December 4, 2007 confirming the adequacy of financial resources with Acquirer and PAC to fulfill the Open Offer obligations.
viii) Letter from HDFC Bank dated December 6, 2007 confirming the amount kept in an escrow account and empowering the Manager to the Offer in accordance with the Regulations.
ix) Copy of the Bank Guarantee dated December 6, 2007, April 4, 2008 & May 30, 2008.
x) Copy of confirmation regarding opening of Special Depository Account in the name and Style of 'XL Softech Systems Limited-NEHA Open Offer- Escrow Account'.
xi) Published copies of the Public Announcement made on December 7, 2007 and Corrigendum made on May 31, 2008.
xii) Copy of the Letter No. CFD/DCR/TO/HB/126724/2008 dated May 26, 2008 from SEBI in terms of Provisions of regulation 18(2).
xiii) Other relevant documents such as:
    a. Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer dated December 4, 2007.
    b. Copy of the Memorandum of Understanding between the Acquirer & the Registrar to the Offer dated October 11, 2007.
    c. Copies of undertakings from Target Company and the Acquirer.

11. DECLARATION BY THE ACQUIRER & PAC

The Acquirer & PAC accepts full responsibility for the information contained in PA made in this regard, Letter of Offer and also for ensuring compliance with the Regulations.

The Manager to the Offer hereby states that the person signing this Letter of Offer is the Acquirer & PAC.

Place: Mumbai
Date: June 3, 2008.

Sd/-
Mr. G. Vinod Reddy (Acquirer)

Sd/-
Dr. G. Deepthi Reddy (PAC)

Attached: Form of Acceptance cum Acknowledgement and Withdrawal

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(Please send this Form of Acceptance cum acknowledgement with enclosures to the Registrar to the Offer)

Date:

From:

OFFER OPENS ON:	**June 9, 2008 (Monday)**
LAST DATE OF WITHDRAWAL:	**June 25, 2008 (Wednesday)**
OFFER CLOSES ON:	**June 28, 2008 (Saturday)**

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

To
XL Softech Systems Limited
(Unit- Neha International Limited -Open Offer)
3, Sagar Society,
Road No. 2, Banjara Hills
Hyderabad-500 034.

Dear Sir,

Sub: Open Offer to acquire upto 36,02,664 equity shares of Rs. 10/- each, representing 20% of the fully expanded subscribed capital of NEHA by Mr. G. Vinod Reddy (Acquirer) and Dr. G. Deepthi Reddy (PAC)

I/We refer to the Letter of Offer dated June 3, 2008 for acquiring the equity shares held by me/us in **Neha International Limited**. I/We, the undersigned have read the Letter of Offer and understood its contents and unconditionally accept the terms and conditions as mentioned therein.

For Shares held in Physical Form:
I/We accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

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

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

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirer & PAC dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer & PAC will pay the purchase consideration only after verification of the documents and signatures.

For Shares held in Demat Form:
I/We, holding shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in 'Off-market' mode, duly acknowledged by the Depository Participant ('DP') in respect of my/ our shares as detailed below:

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

I/We have executed an off-market transaction for crediting the shares to the special depository account via

- ☐ A delivery instruction from my account with NSDL
- ☐ An inter-depository delivery instruction from my account with CDSL

with the following particulars:

Beneficiary Account Name	XL Softech Systems Limited-NEHA Open Offer-Escrow Account
DP Name	Karvy Stock Broking Limited
DP ID Number	IN 300394
Client ID Number	16107257
Depository	National Securities Depository Ltd.

I/We note and understand that the shares would lie in the special depository account until the time the Acquirer & PAC dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer & PAC will pay the purchase consideration only after verification of the documents and signatures.

I/We confirm that the equity shares of Neha International Limited, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

Non-resident shareholders should enclose No objection Certificate / Tax Clearance Certificate from the income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer & PAC before remitting the consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of shareholder on the consideration payable by the Acquirer & PAC.

I/We authorize the Acquirer & PAC to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer & PAC to return to me/us, share certificate(s)/ shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirer & PAC and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UPC as may be applicable at my/our risk, the draft/cheque, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below

I/We authorize the Acquirer & PAC to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer & PAC to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer & PAC are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and delivered:

	FULL NAME (S)	**SIGNATURE (S)**
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder: ____

____

Place: __________________ Date: ____________________

Note: In case of joint holding, all must sign. A Company must affix the common seal and furnish its corporate authorizations.

So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of bank account of the first/sole shareholder and the cheque or demand draft for the consideration will be drawn accordingly.

Name of the Bank: ________________________________ Branch: ________________________

Account Number: ____________________ Savings/Current/Others(please specify)____________

--TEAR HERE--

S. No. **(Acknowledgement Slip)**

XL SOFTECH SYSTEMS LIMITED

(Unit- Neha International Limited -Open Offer)

3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad-500 034.

Tel: 040-23545914/5; Fax: 040-23553214. E-mail: xlfield@rediffmail.com

Received from Mr./Ms./Smt.: ______________________________

Address: ____

Folio Number: __________ DP ID: ___________Client ID: _________

Number of Share Certificates Enclosed: _____________

Certificate Numbers: _________

Total Number of Shares Enclosed: ______

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

For all future correspondence, if any, should be addressed to Registrar to the Offer at the address mentioned above.

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PLEASE USE THIS FORM ONLY IF YOU HAVE TENDERED THE SHARES AND WISH TO WITHDRAW YOUR APPLICATION

FORM OF WITHDRAWAL

From:

OFFER OPENS ON:	**June 9, 2008 (Monday)**
LAST DATE OF WITHDRAWAL:	**June 25, 2008 (Wednesday)**
OFFER CLOSES ON:	**June 28, 2008 (Saturday)**

Tel.: Fax: E-mail:

To
XL Softech Systems Limited
(Unit- Neha International Limited-Open Offer)
3, Sagar Society,
Road No. 2, Banjara Hills,
Hyderabad-500 034.

Dear Sir,

Sub: Open Offer to acquire upto 36,02,664 equity shares of Rs. 10/- each, representing 20% of the fully expanded subscribed capital of NEHA by Mr. G. Vinod Reddy (Acquirer) and Dr. G. Deepthi Reddy (PAC)

I/We refer to the Letter of Offer dated June 3, 2008 for acquiring the equity shares held by me/us in **Neha International Limited**. I/We, the undersigned have read the Letter of Offer and understood its contents and unconditionally accept the terms and conditions as mentioned therein.

I / We hereby consent unconditionally and irrevocably to withdraw my / our shares from the Offer and I / we further authorize the Acquirer & PAC to return to me / us, the tendered Share Certificate(s) / Share(s) at my / our sole risk.

I / We note that upon withdrawal of my / our shares from the Offer, no claim or liability shall lie against the Acquirer & PAC / Manager to the Offer / Registrar to the Offer.

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. June 25, 2008.

I / We note the Acquirer & PAC / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for the non-receipt of shares held in the dematerialized form in the DP account due to inaccurate / incomplete particulars/ instructions.

I / We also note and understand that the Acquirer & PAC will return the original Share Certificate(s), Share Transfer Deed(s) / shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

For Shares held in Physical Form:
The particulars of tendered original Share Certificate(s) and duly signed Transfer Deed(s) are detailed below:

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

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

For Shares held in Demat Form:

I / We hold the shares in dematerialized form and had executed an off-market transaction for crediting the shares to the special depository account as per the following particulars:

Beneficiary Account Name	XL Softech Systems Limited-NEHA Open Offer-Escrow Account
DP Name	Karvy Stock Broking Limited
DP ID Number	IN 300394
Client ID Number	16107257
Depository	National Securities Depository Ltd.

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our shares have been tendered are as follows:

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

I / We note that the shares will be credited back only to that Depository Account, from which the shares have been tendered and necessary standing instructions have been issued in this regard.

I / We confirm that the particulars given above are true and correct.

In case of dematerialized shares, I / we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,
Signed and Delivered:

	Full Name of the Shareholders	Address	Signature
First/sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Address of First/Sole Shareholder:____

____

Note: In case of joint holding, all must sign. A Company must affix the common seal and furnish its corporate authorizations.

Place:__________________ Date:____________________

INSTRUCTIONS

1. In case of shares held in joint names, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold shares in **Neha International Limited**, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of the Offer.

2. In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

3. In case of bodies corporate, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

4. Shareholders should enclose the following:-

Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
- In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip
- The withdrawal of Shares will be available only for the Share certificates that have been received by the Registrar to the Offer.
- The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company.
- The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
- In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from Target Company. The facility of partial withdrawal is available only on to the registered shareholders.

--TEAR HERE--

S. No. **(Acknowledgement Slip)**

XL SOFTECH SYSTEMS LIMITED

(Unit- Neha International Limited -Open Offer)

3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad-500 034.

Tel: 040-23545914/5; Fax: 040-23553214. E-mail: xlfield@rediffmail.com

Received Form of Withdrawal from Mr. / Ms. / Smt..: ______________________________

Address: ______________________________

____

Folio Number_________ DP ID ___________Client ID_________

Number of Shares tendered ___________

Number of Shares withdrawn ___________________

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

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PRINTED MATTER

BOOK POST

To

If undelivered, please return to:
XL Softech Systems Limited
(Unit- Neha International Limited-Open Offer)
3, Sagar Society, Road No. 2,
Banjara Hills, Hyderabad-500 034.
Tel.: 040-23545914/5; Fax: 040-23553214;
E-mail: xlfield@rediffmail.com