LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **Online Media Solutions Limited**. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in the 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

Savera Construction Private Limited (SCPL)

6/10, Shanti Niketan, New Delhi-110 021; Tel. No.: 011-2411 0561; Fax: 011-2411 1153

To the shareholders of

ONLINE MEDIA SOLUTIONS LIMITED (OMSL)

5th Floor, Vipanchi Estates, Hyderguda, Hyderabad-500 029; Tel. No.:040-5562 0289

for the purchase of 21,00,860 Fully Paid-up Equity Shares of Rs. 10/- each at a price of Rs. 2/- per Equity Share representing 20.00% of the Subscribed Share capital and 20.04% of Voting Capital. These shares will be acquired in cash, in accordance with Regulation 20 (2)(a) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof, from the equity shareholders of OMSL.

This Offer is being made in compliance with Regulation 10 & 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "the Regulations") and amendments thereof.

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"). There are no other statutory approvals required to acquire shares that are tendered pursuant to this Offer.

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 January 9, 2006.

Acquirer has the option to revise the Offer Price upward any time up to seven working days prior to the date of Closure of the Offer i.e. on or before January 3, 2006.

The upward revision/ withdrawal if any, of the Offer would be informed by way of Public Announcement in respect of such changes in all the newspapers in which the original Public Announcement was made. Such revised Offer Price would be payable by the Acquirer for all the shares tendered any time during the Offer.

If there is a Competitive Bid:

- **The Public Offers under all the subsisting bids shall close on the same date.**
- **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 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 7-1-613/14A, Nestcon Lakshmisri, Suite No: 6, 2nd Floor, Ameerpet, Hyderabad-500 016. Tel: 040-55617802 / 23750498 Fax: 040-55617801 E-Mail: hyderabad@ashikagroup.com Contact Person: Mr. Rajendra Kanoongo	**VENTURE CAPITAL AND CORPORATE INVESTMENTS LIMITED** 6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad-500004. Tel: 040-23322264, Fax: 040-23324803 E-mail: vccil_hyd@yahoo.co.in Contact Person: Mr. P. V. Srinivas

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

Activities	Original Date & Day	Revised Date & Day
Public Announcement	October 6, 2005 (Thursday)	October 6, 2005 (Thursday)
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	October 17, 2005 (Monday)	October 17, 2005 (Monday)
Last Date for a Competitive Bid	October 27, 2005 (Thursday)	October 27, 2005 (Thursday)
Corrigendum to the Public Announcement	December 19, 2005 (Monday)	December 19, 2005 (Monday)
Date by which the Letter Of Offer to be Despatched to shareholders	November 14, 2005 (Monday)	December 20, 2005 (Tuesday)
Date of Opening of the Offer	November 23, 2005 (Wednesday)	December 24, 2005 (Saturday)
Last date for revising the Offer Price/ Number of Shares	December 1, 2005 (Thursday)	January 3, 2006 (Tuesday)
Last date for Withdrawal of Acceptance by share holders who have accepted the Offer	December 7, 2005 (Wednesday)	January 9, 2006 (Monday)
Date of Closing of the Offer	December 12, 2005 (Monday)	January 12, 2006 (Thursday)
Date by which communicating rejection/acceptance and despatch of Cheques/Demand Drafts towards payment of consideration to be completed	December 26, 2005 (Monday)	January 27, 2006 (Friday)

RISK FACTORS:

1. **The Company has not complied with Chapter II of SEBI (SAST), Regulations, 1997 within due dates. SEBI may initiate action against the company, which may lead to payment of penalty by the Company**.
2. **The Acquirer makes no assurance with respect to the market price of the shares during/ after the Offer.**
3. **The trading in shares of the company on BSE has been suspended for non compliance of provisions of the Listing Agreement.**

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ABBREVIATIONS / DEFINITIONS

Acquirer	Savera Construction Private Limited
CDSL	Central Depository Services (India) Ltd
Eligible Persons for the Offer	All owners of shares registered or unregistered of OMSL (who own shares at any time prior to the Closure of the Offer) except Acquirer and the Sellers
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
Manager to the Offer	Ashika Capital Limited
NSDL	National Securities Depository Ltd.
Negotiated Price	Rs. 2/- (Rupees Two only) per fully paid-up equity share of face value of Rs.10/- each
Offer	Cash Offer being made by the Acquirer to acquire upto 21,00,860 Fully Paid-up Equity Shares of Rs. 10/- each representing 20.00% of the Subscribed Share capital and 20.04% of Voting Capital
Offer Price	Rs. 2/- per Equity Share
PA / Public Announcement	Announcement of the Offer made by Acquirer on October 6, 2005 and December 19, 2005
RBI	Reserve Bank of India
Registrar to the Offer / Registrar	Venture Capital and Corporate Investments Limited
SEBI	Securities & Exchange Board of India
SEBI (SAST) Regulations or "The Regulations"	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof
Sellers	Mr. K. Srinivasa Rao & K. V. N. Lakshmi (Main Promoters) and Group of Shareholders
OMSL / Target Company	Online Media Solutions Limited

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 OVERSEEING WHETHER THE DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF ONLINE MEDIA SOLUTIONS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER 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 DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 19, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. BACKGROUND OF THE OFFER

(a) This offer is being made in compliance with Regulation 10 & 12 of the SEBI (SAST) Regulations, 1997.

(b) On October 1, 2005, the Acquirer has entered into a Share Purchase Agreement (“Agreement”) with Mr. K. Srinivasa Rao (Main Promoter) and Group of Shareholders (duly represented by constituted attorney holder Mr. K. Srinivasa Rao) to acquire in aggregate 34,00,000 fully paid up Equity Shares of Rs. 10/- each representing 32.37% of the Subscribed Share Capital and 32.44% of Voting Capital of OMSL [K. Srinivasa Rao (4,32,000 Equity Shares) & K. V. N. Lakshmi (1,16,100 Equity Shares)-Main Promoters; Group of Shareholders (27,74,400 Equity Shares)-Promoter Group; Group of Shareholders (77,500 Equity Shares)-Non Promoter Group (hereinafter collectively referred to as "Sellers")] at a price of Rs.2/- (Rupees Two only) per share payable in cash. The said Agreement is for acquisition of 33,22,500 Equity Shares representing 31.63% of Subscribed Capital & 31.70% of Voting Capital belonging to Promoter Group and 77,500 Equity shares representing 0.74% of Subscribed & Voting Capital belonging to Non-Promoter Group.

(c) Some of the main features of the Agreement is mentioned below:

   i. The Sellers have offered to sell 34,00,000 fully paid-up Equity Shares of Rs.10/- each of Online Media Solutions Limited to the Acquirer and the Acquirer had agreed to purchase the said shares from the Sellers at a total consideration amount of Rs. 68.00 (Rupees Sixty Eight Lakhs only).
   ii. The Acquirer had paid the entire amount of purchase consideration on signing of the Agreement.
   iii. The Sellers hereby indemnify the Acquirer for all the liabilities and litigations relating to the Target Company up to 31.03.2005 and such liabilities and litigations arisen upto the date of transfer relating to the company that may arise after completion of the Takeover as per SEBI (SAST) Regulations, 1997.
   iv. The Sellers have absolute right and complete authority to enter into the present transaction and the Sellers are not in any way prevented and there is no legal impediment from entering into the present transaction.
   v. This Agreement is subject to the compliance of the provisions of the SEBI (SAST) Regulations and the Share Purchase Agreement shall not be acted upon by either of the parties incase of non-compliance of any provisions of the SEBI (SAST) Regulations, 1997.

(d) The proposed change in control is consequent to the Agreement whose salient features are described in 3.1 (c) above.

(e) The Acquirer, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

(f) For the purpose of this Offer, there is no Person Acting in Concert as per the provisions of the Regulation 2(1)(e) of the Regulations.

(g) The Acquirer does not hold any Equity Shares of OMSL as on date of Public Announcement. The Acquirer has not acquired either directly or through any other person any Shares of OMSL during the 12 months preceding the date of Public Announcement.

(h) The Acquirers has undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement with the Sellers.

(i) SEBI has alleged that the Acquirer acquired the control over the Target Company by appointing its Nominee Directors on the Board of the Target Company on 30th September, 2005 i.e. before entering into an Agreement on 1st October, 2005 and also before making the Public Announcement on 6th October, 2005 and has therefore violated Regulation 12 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. SEBI has however, allowed the Offer to proceed in the interest of shareholders at large reserving its right to initiate action against the Acquirer for the alleged violation.

(j) Mr. Ellath Kandy Surendran, Mr. D. P. Srinvas, Mr. Travis Caddell and Mr. B. Shyam, Directors of OMSL, are nominees of Acquirer and the Acquirer undertakes that they will neither be involved in day to day affairs of the company nor in any policy matters of the company, till the completion of all formalities under Regulations. The Nominee Directors hereby undertake that they will recuse themselves and not participate in any matters concerning or relating to the Offer.

3.2. DETAILS OF THE PROPOSED OFFER

(a) The Acquirer made a Public Announcement of the Offer, which was published in all Editions of **Business Standard** (English), **Hindi Milap** (Hindi) and Hyderabad Edition of **Andhrabhoomi** (Telugu) on October 6, 2005 in compliance with Regulation 15 (1) of “the Regulations”. A Corrigendum to PA was also published in the above Newspapers on December 19, 2005. The Public Announcement as well as Corrigendum to PA are also available on SEBI’s website at www.sebi.gov.in.

(b) The Acquirer propose to acquire 21,00,860 Fully Paid-up Equity Shares of Rs.10/- each from the existing equity shareholders at a price of Rs. 2/- per share of OMSL representing 20.00% of the Subscribed Share capital and 20.04% of Voting Capital.

(c) The offer is not subject to any minimum level of acceptances. The Acquirer will acquire all Equity Shares of OMSL that are tendered in terms of this Offer up to a maximum of 21,00,860 fully paid-up Equity Shares.

(d) The Acquirer has not acquired any shares after the date of the Public Announcement and up to the date of Letter of Offer.

3.3. OBJECT OF THE OFFER

(a) The Acquirer had entered into the Share Purchase Agreement with the objective of Substantial Acquisition of Shares and Voting Rights accompanied with change in Control/ Management and is making the Open Offer pursuant to the Regulation 10 & 12 of the Regulations.

(b) The Acquirer is presently engaged in the business of Real Estate related activities and has decided to diversify into Telecommunications and Information Technology Sector. The Acquirer intends to commence these activities through OMSL and also intends to derive the benefits of a listed company.

(c) To augment the resources in the future, the Acquirer intends to participate in any Equity/Debt/Quasi Debt offering from OMSL, be it subscription to the Rights Issue/Public Issue, Preferential allotment etc. Reorganisation and/or streamlining of the business, including diversification, will be considered in the larger interest of OMSL by its Board of Directors in accordance with the applicable rules and laws.

(d) The Acquirer do not have any plans to sell, dispose of or otherwise encumber any significant assets of OMSL in the next two years, except in the ordinary course of business of OMSL. OMSL’s future policy for disposal of its assets, if any, will be decided by it’s Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of OMSL, if so required.

4. BACKGROUND OF THE ACQUIRER

4.1. Information about Acquirer

a. **Savera Construction Private Limited (SCPL)** was incorporated on 13.10.1997 under the Companies Act, 1956 and is having its Registered Office at 6/10, Shanti Niketan, New Delhi-110 021. The company is presently engaged in the business of Real Estate related activities and the management of the company is controlled by Mrs. P. Indrani Prasad. The shares of SCPL are not listed on any Stock Exchange.

The Authorised Share Capital of SCPL is Rs. 200.00 Lakhs consisting of 20,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid-up Share Capital of SCPL as on 31.10.2005 is Rs. 55.00 Lakhs consisting of 5,50,000 Equity Shares of Rs.10/- each.

As per un-audited accounts for the period ended 31.10.2005, the Networth of the company works out to Rs. 176.86 Lakhs and the same is certified by the Statutory Auditor of the company, Mr. Atul Puri (Membership No. 17565), of M/s. Atul Puri & Co., Chartered Accountants, having office at 1st Floor, 121, Shankar Road Market, New Delhi-110 060, Tel. No. 011-28744842.

The shareholding pattern of the company is as under:

Shareholder's Category	No. of Shares	%
Promoter	2,99,980	54.54
Non-Promoter	2,50,020	45.46
TOTAL	**5,50,000**	**100.00**

The Names and Addresses of the Board of Directors of SCPL are as follows: -

S. No.	Name	Address	Qualification	Experience	Date of Appointment
1.	Mr. Surender Nath	Plot No. 8, Him Hit Society, Flat No. B-704, Sector-22, Dwarka, New Delhi-45.	B. E. (Mechanical)	11 years in the areas of Marketing and Operations	01.04.2005
2.	Mr. P. V. S. Sarma	1-1-780/A-12, Flat No.1, Ground Floor, Sri Apartments, Gandhi Nagar, Hyderabad-80.	B. Com	43 years in the areas of Administration and Legal	01.04.2005

None of the above Directors are on the Board of Target Company.

Brief audited financials of the company for the last 3 Years and un-audited but certified results for the period ended 31.10.2005 are as follows:

Profit and Loss Statement

(Rs. in Lakhs)

For the Year ended	31.10.2005	31.03.2005	31.03.2004	31.03.2003
Income:				
Rent Received	0.35	0.60	0.80	2.10
Total Income	**0.35**	**0.60**	**0.80**	**2.10**
Total Expenditure	2.80	0.57	0.84	2.12
Profit before Interest, Depreciation & Tax	(2.45)	0.03	(0.04)	(0.02)
Depreciation	--	--	--	--
Interest	--	--	--	--
Profit/(Loss) before Tax	(2.45)	0.03	(0.04)	(0.02)
Provision for Tax	--	--	--	7--
Profit/(Loss) after Tax	(2.45)	0.03	(0.04)	(0.02)

Balance Sheet Statement

(Rs. in Lakhs)

As at	31.10.2005	31.03.2005	31.03.2004	31.03.2003
Sources of funds:				
Paid-up Share Capital	55.00	1.00	1.00	1.00
Share Application Money	126.50	6.15	--	--
Profit & Loss Account (Debit Balance)	(2.48)	(0.03)	(0.06)	(0.02)
Networth	**179.02**	**7.12**	**0.94**	**0.98**
Secured Loans	--	--	--	--
Unsecured Loans	5.17	5.17	11.32	11.32
Advances	82.50	40.00	40.00	40.00
TOTAL	**266.69**	**52.29**	**52.26**	**52.30**
Application of funds:				
Net Fixed Assets	40.00	40.00	40.00	40.00
Net Current Assets	224.53	11.34	11.17	11.08
Total Miscellaneous Expenditure (to the extent not written off)	2.16	0.95	1.09	1.22
TOTAL	**266.69**	**52.29**	**52.26**	**52.30**

Other Financial Data

Particulars	31.03.2005	31.03.2004	31.03.2003
Dividend (%)	Nil	Nil	Nil
EPS (Rs.)	0.04	Negative	Negative
Return on Networth (%)	0.47	Negative	Negative
Book Value per Share (Rs.)	8.63	Negative	Negative

Note: *EPS = Profit after Tax /No. of equity shares (including Share Application Money)*
Networth=Paid up Share Capital + Reserves & Surplus
Return on Net Worth = Profit after Tax /Net Worth
Book Value per Share = Net Worth-Total Misc. Exp. Not Written Off / No. of equity shares (including Share Application Money)

4.2. As on date of PA, the Acquirer neither promoted any company nor having any subsidiary company.

4.3. The Acquirer has not entered into any formal agreement with respect to the acquisition through this Offer and acting together under an informal understanding.

4.4. The compliances under Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirer since it does not hold any shares of OMSL except those agreed to be acquired in terms of Share Purchase Agreement.

4.5. As on date of PA, Mr. Ellath Kandy Surendran, Mr. D. P. Srinvas, Mr. Travis Caddell and Mr. B. Shyam are Directors of OMSL, who are nominees of SCPL. Therefore, they will not participate in any matters concerning/relating to this Offer. After completion of all formalities relating to the acquisition and after complying with formalities required by the Regulations, the Board of Directors may be reconstituted to include other nominee(s) of Acquirer.

5. OPTION IN TERMS OF REGULATION 21(3)

Pursuant to the Agreement and this Offer or otherwise, If the public shareholding in OMSL fall below the limit specified in the Listing Agreement with Stock Exchange(s) for the purpose of listing on continuous basis, the Acquirer undertakes to acquire only such number of shares under Share Purchase Agreement so as to maintain the minimum specified public shareholding in the Company.

6. BACKGROUND OF THE TARGET COMPANY-OMSL

6.1. Brief History and Main Areas of Operations:

a) OMSL was originally incorporated on 24.02.1999, as OM WEB PRIVATE LIMITED. The name of the company was changed to ON LINE MEDIA SOLUTIONS PRIVATE LIMITED on 30.08.1999. The name was further changed to ON LINE MEDIA SOLUTIONS LIMITED and fresh Certificate of Incorporation consequent on conversion under section 31/44 of the Companies Act, 1956 was obtained from Registrar of Companies (ROC), Andhra Pradesh on 09.09.1999. The Registered Office of the Company is situated at 5th Floor, Vipanchi Estates, Hyderguda, Hyderabad-500 029.

b) The Issued and Subscribed Share Capital of the Company is Rs. 1049.83 Lakhs consisting of 1,04,82,000 fully paid up Equity Shares of Rs. 10/- each and 22,300 partly paid up Equity Shares of Rs. 10/- each.

c) OMSL is presently engaged in the business of Internet Services and Software Development.

d) The Equity Shares of OMSL are listed on Bombay Stock Exchange Limited, Mumbai (BSE) and The Hyderabad Stock Exchange Limited, Hyderabad (HSE). The equity shares are infrequently traded on HSE in terms of explanation (i) to Regulation 20(5).

e) The Company came out with its maiden Public Issue during April 2000 to finance the Cost of setting up of Information Technology (IT) unit for Internet, Multimedia, Digital Graphic Studio, Electronic Business Commerce Services, etc.

6.2. Share Capital Structure of OMSL:

Paid-up Equity Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity shares	1,04,82,000 / 1,04,82,000	99.79%/ 100%
Partly Paid-up Equity shares	22,300/Nil	0.21%/Nil
Total paid-up Equity shares	1,05,04,300/ 1,04,82,000	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.	%				
24.02.1999	300	--	3000	Subscribers to Memorandum	Promoters	Complied
31.03.1999	1,500	0.01	18,000	Further Issue	Promoters & Associates	Complied
15.09.1999	2,500	0.02	43,000	Further Issue	Promoters & Associates	Complied
09.03.2000	58,45,100	55.65	5,70,34,000	Further Issue	Promoters & Associates	Complied
15.06.2000	19,54,900	18.61	7,80,43,000	Further Issue	Promoters & Associates	Complied
21.07.2000	27,00,000	25.71	10,50,43,000	Public Issue	Public	Complied
TOTAL	**1,05,04,300**	**100.00**				

6.4. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date.

6.5. As per the information available, the Company has paid upto date Listing Fees to Bombay Stock Exchange Limited, Mumbai (BSE) and The Hyderabad Stock Exchange Limited, Hyderabad (HSE). Since the company has not complied with the provisions of the listing agreement entered into with BSE, the trading of shares of the company has been suspended on BSE with effect from 19th May 2004. Thereafter, the company submitted the requisite information/documents to BSE. Subsequently, BSE sent a financial questionnaire to the company enquiring the financial strength and performance of the company. The company has submitted the necessary documents in this regard to BSE and awaiting their clearance. The Company has redressed all investor's complaints and as on date there is no pending complaint.

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

As on the date of Public Announcement i.e. October 6, 2005, the Directors representing the Board of OMSL were:

Sl. No.	Name & Designation	Address	Qualification	Experience	Date of Appointment
1.	K. Srinivasa Rao, Director	1-10-79, Ashok Nagar, Hyderabad-20.	B. Com (Hons)	over two decades in Administration	09.07.1999
2.	Ram Srinivas, Chairman & CEO	Flat No. 308, Sagar Apartments, Rajbhavan Road, Somajiguda, Hyderabad-82.	S.S.C	over two decades in Administration	06.10.2004
3.	K. Vijaya Sekhar, Director	Plot No. 22/A, P&T Colony, Balamrai, Secunderabad-03.	B. E. (ECE)	3 years in Software Industry	06.10.2004
4.	Ellath Kandy Surendran*, Director	128, Gruhalak, Shmilay out, 2nd Stage, Basawesara Nagar, Banagalore-79.	B. E (Electronics)	Over a decade in Telecom Industry	30.09.2005
5.	D. P. Srinvas*, Director	2379, Dorchester, Dr. N, Apt 103, Troy, MI 48084, USA.	B. Com	15 years in the areas of Administration & Liaisoning	30.09.2005
6.	Travis Caddell*, Director	2447, Sugar Mill Way, Herndon, Virginia 20171, USA.	B.Sc. (Computers)	5 years in the software industry	30.09.2005
7.	B. Shyam*, Director	601, B-Wing, Lake Castle, Hiranandani, Powai, Mumbai-76.	MS, B. E. (ECE)	15 years in IT/ITES Industry	30.09.2005

* Nominated by the Acquirer to broad base the Board of OMSL with the professionals having experience in their respective fields.

6.7. There was no trading of the shares of OMSL on October 6, 2005 i.e. the date of Public Announcement.

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

6.9. Promoters/Sellers have complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997. However, there is a delay in compliance with Regulation 8(3) by the Target Company for the years 2001 to 2005. SEBI issued a Letter no. CFD/DCR/RC/TO/26660/04 dated November 29, 2004 giving an option to the company to give its consent in writing for the payment of a penalty of Rs. 50,000/- (Rupees Fifty Thousand only) for the violation under regulation 8(3) of the Regulations for the year 2001 & 2002. Accordingly, the company has given its consent vide letter dated December 15, 2004 to pay the said penalty. SEBI may initiate appropriate action against the Target Company under SEBI Act for non-compliance with regulation 8(3) of the SEBI (SAST) Regulations, 1997 for the years 2003-2005.

6.10. Financial Information:

Brief Audited Financial details for the past 3 years and Un-audited but certified financial details for the period ended 30.06.2005 are as under:

Profit & Loss Statement (Rs. in Lakhs)

For the Year ended	30.06.2005 (Un-Audited)	31.03.2005 (Audited)	31.03.2004 (Audited)	31.03.2003 (Audited)
Income:				
Internet Income	4.50	80.75	116.23	152.94
Multimedia Income	--	--	3.91	17.65
Other Income	2.24	9.28	16.32	7.27
Total Income	**6.74**	**90.03**	**136.46**	**177.86**

Total Expenditure	2.51	28.62	62.96	104.39
Profit/(Loss) Before Depreciation Interest and Tax	4.23	61.41	73.50	73.47
Advances/Bad Debts Written off	--	386.06	--	--
Misc. Exp. Written off	3.89	10.54	11.89	9.87
Depreciation	13.79	640.63	55.16	54.77
Interest & Bank Charges	--	0.31	0.13	2.24
Profit/ (Loss) Before Tax	(13.45)	(976.13)	6.32	6.59
Provision for Tax				
- Current Tax	--	--	0.48	0.51
- Deferred Tax	--	(54.04)	30.85	5.58
Prior period Adjustments	--	(0.06)	--	(0.70)
Profit/ (Loss) After Tax	**(13.45)**	**(922.03)**	**(25.01)**	**1.20**

Balance Sheet Statement (Rs. in Lakhs)

As on	30.06.2005 (Un-Audited)	31.03.2005 (Audited)	31.03.2004 (Audited)	31.03.2003 (Audited)
Sources of Funds:				
Paid up Share Capital	1049.83	1049.83	1049.83	1049.83
Profit & Loss Account (Debit Balance)	(977.58)	(964.13)	(42.09)	(17.09)
Net worth	72.25	85.70	1007.74	1032.74
Secured Loans	--	--	--	--
Unsecured Loans	181.31	181.31	162.19	161.40
TOTAL	**253.56**	**267.01**	**1169.93**	**1194.14**
Application of funds:				
Net Fixed Assets	28.76	42.55	683.19	738.17
Deferred Tax	16.29	16.29	(37.75)	(6.90)
Net Current Assets	174.04	169.81	476.95	410.12
Total Miscellaneous Expenditure not written off	34.47	38.36	47.54	52.75
TOTAL	**253.56**	**267.01**	**1169.93**	**1194.14**

Other Financial Data

For year ended	30.06.2005 (Un-Audited)	31.03.2005 (Audited)	31.03.2004 (Audited)	31.03.2003 (Audited)
Dividend (%)	Nil	Nil	Nil	Nil
EPS (Rs.)	Negative	Negative	Negative	Negligible
Return on Networth	Negative	Negative	Negative	Negligible
Book Value per share (Rs.)	0.36	0.45	9.14	9.33

Note: *EPS = Profit after Tax /No. of equity shares*
Networth=Paid up Share Capital + Reserves & Surplus
Return on Net Worth = Profit after Tax /Net Worth
Book Value per Share = Net Worth-Total Misc. Exp. Not Written Off / No. of equity shares

Note:

a) The Company's management has been concentrating mainly on the Joint Venture project to implement the statewide Fiber Optic based communications network with Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) and Power Grid Corporation of India Limited (PGCIL) since February, 2002. While the company has been concentrating on the Joint Venture, the company could not bestow undivided attention to implement the very important expansion plans vital for ISP's, as envisaged. Though the company has achieved turnovers, the same could not be realized. All these factors compounded had their bearing and resulted in non-realization of dues from the Debtors and non recovery of Advances extended including advances for capital goods.

The Board while considering the Balance Sheet for the year 2004-05 has reviewed the position and decided to take a realistic view of the overall realizable position of the company and decided to write-off Book Debts of Rs. 169.90 Lakhs and Advances including the advances for capital goods to the extent of Rs. 216.16 Lakhs.

b) Further, the Management of the company has also reviewed and realized the utility of the major assets of the company and the real utility value of the Assets kept in the books of accounts and decided to arrive at the present value of Assets by making suitable appropriations to Profit & Loss Account. The details of depreciation charged to Profit and Loss Accounts are:
   a. Depreciation as per Straight Line Method - Rs. 55.14 Lakhs.
   b. Additional Depreciation - Rs. 585.49 Lakhs.

   Hence, the depreciation appeared at Rs. 640.63 Lakhs in the Annual Accounts of 2004-2005.

The Shareholders of the company have also approved the Annual Accounts for the year 2004-2005 in the Annual General Meeting held on 15th December 2005.

c) Whereas the company's management has been concentrating mainly on the Joint Venture projects with APTRANSCO and PGCIL and the expansion plans did not materialize as scheduled, several players have entered in the market and Bandwidth prices have fallen steeply. Because of the intense competition in the market and the company's total concentration on the joint venture project and the expansion plans not taking place as scheduled, the company's turnover as well as the profit after tax has come down gradually.

d) The book value of the company has eroded in the year 2004-05 due to providing of additional depreciation of Rs. 585.49 Lakhs and writing off Advances and Debtors to the extent of Rs. 386.06 Lakhs.

6.11. Pre and Post-Offer Shareholding Pattern of OMSL based on Subscribed Capital as on 30.06.2005

Shareholders' Category	**Shareholding prior to the Agreement/ Acquisition and Offer**		**Shares agreed to be Acquired which triggered off the Regulations**		**Shares to be Acquired in Open Offer (Assuming full acceptances)**		**Shareholding after the Acquisition and Offer**	
	(A)		**(B)**		**(C)**		**(A)+(B)+(C)=(D)**	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group a. Parties to Agreement b. Promoters other than (a) above	 33,22,500 Nil	 31.63 Nil	 (33,22,500) Nil	 (31.63) Nil	 Nil Nil	 Nil Nil	 Nil Nil	 Nil Nil
Total (a+b)	**33,22,500**	**31.63**	**(33,22,500)**	**(31.63)**	**Nil**	**Nil**	**Nil**	**Nil**
2. Acquirer Savera Construction Private Limited	Nil	Nil	34,00,000	32.37	21,00,860	20.00	55,00,860	52.37
3. Parties to Agreement other than (1) (a) & (2)	77,500	0.74	(77,500)	(0.74)	Nil	Nil	Nil	Nil
4. Public (Other than parties to Agreement, Acquirer) a. FIs/MFs/FIIs/Banks, SFIs b. Others	 Nil 71,04,300	 Nil 67.63	 Nil Nil	 Nil Nil	 Nil (21,00,860)	 Nil (20.00)	 Nil 50,03,440	 Nil 47.63
Total (a+b)	**71,04,300**	**67.63**	**Nil**	**Nil**	**(21,00,860)**	**(20.00)**	**50,03,440**	**47.63**
GRAND TOTAL (1+2+3+4)	**1,05,04,300**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**1,05,04,300**	**100.00**

Pre and Post-Offer Shareholding Pattern of OMSL based on Voting Capital as on 30.06.2005

Shareholders' Category	Shareholding prior to the Agreement/ Acquisition and Offer		Shares agreed to be Acquired which triggered off the Regulations		Shares to be Acquired in Open Offer (Assuming full acceptances)		Shareholding after the Acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
a. Parties to Agreement	33,22,500	31.70	(33,22,500)	(31.70)	Nil	Nil	Nil	Nil
b. Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (a+b)	**33,22,500**	**31.70**	**(33,22,500)**	**(31.70)**	**Nil**	**Nil**	**Nil**	**Nil**
2. Acquirer Savera Construction Private Limited	Nil	Nil	34,00,000	32.44	21,00,860	20.04	55,00,860	52.48
3. Parties to Agreement other than (1) (a) & (2)	77,500	0.74	(77,500)	(0.74)	Nil	Nil	Nil	Nil
4. Public (Other than parties to Agreement, Acquirer)								
a. FIs/MFs/FIIs/Banks, SFIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Others	70,82,000	67.56	Nil	Nil	(21,00,860)	(20.04)	49,81,140	47.52
Total (a+b)	**70,82,000**	**67.56**	**Nil**	**Nil**	**(21,00,860)**	**(20.04)**	**49,81,140**	**47.52**
GRAND TOTAL (1+2+3+4)	**1,04,82,000**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**1,04,82,000**	**100.00**

6.12. There are 6582 Equity Shareholders in the company.

6.13. The Company is complying with the Clause 49 of the Listing Agreement on Corporate Governance and undertakes to comply with the amended Clause 49.

6.14. **Name and Contact details of the Compliance Officer:**
Mr. Ch. Subba Rao, Vice President, 5th Floor-, Vipanchi Estates, Hyderguda, Hyderabad-500 029.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1. Justification of Offer Price:

1. The shares of OMSL are listed on Bombay Stock Exchange Limited, Mumbai and the Hyderabad Stock Exchange Limited, Hyderabad. The shares of the company are not traded on any Stock Exchanges under Permitted Category.

2. The annualized trading turnover during the preceding 6 calendar months prior to the month in which the P.A. is made i.e. April 2005 to September 2005 (both Inclusive) at each Stock Exchange is as under: -

Name of Stock Exchange	Total No. of Shares traded during the 6 calendar months prior to the month in which PA was made	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	Nil	1,05,04,300	Nil
HSE	575	1,05,04,300	0.005%

3. As per explanation (i) to Regulation 20(5), the shares are deemed to be infrequently traded. Hence, in terms of Regulation 20(5) of the Regulations, the Offer Price is determined taking into account the following factors:

a)	Negotiated Price under the Agreement	:	Rs. 2/- per Share
b)	Highest Price paid by the Acquirer for acquisition, including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of PA	:	Not Applicable
c)	Other parameters		Based on Audited Accounts for the year-ended 31.03.05
	Earning per Share (EPS)	:	Negative
	Return on Networth	:	Negative
	Book Value per share	:	Re. 0.45
	Price Earning	:	Infinite

4. Thus, in the opinion of the Manager to the Offer and Acquirer, the Offer Price of Rs. 2/- per share is justified.

5. If the Acquirer acquire Shares after the PA and upto seven working days prior to closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisitions shall be payable for all acceptances received under this Offer as per Regulation 20(4) of the SEBI (SAST) Regulations, 1997. Any revision in the Offer Price shall be notified by advertisement in the same newspapers in which the Public Announcement dated October 6, 2005 appeared.

6. There is no non-compete agreement.

7.2. Details of Firm Financial arrangements:

1. Assuming full acceptance, the total Financing Resources required to fulfill the Offer is Rs. 42,01,720/- (Rupees Forty Two Lakhs One Thousand Seven Hundred and Twenty only).

2. The Acquirer, in terms of Regulation 28 (2) has created an Escrow Account by way of deposit of cash in **The Dhanalakshmi Bank Limited** and the details are given below.

1.	Name of the Bank	**The Dhanalakshmi Bank Limited**
2.	Address	Banjara Hills, Road No.-2, Hyderabad-34
3.	Amount	**Rs. 10,56,000/-**
4.	Account Number	**167.53.924**

3. The Manager to the Offer, Ashika Capital Limited has been empowered by Acquirer to Operate the said Escrow Account solely and accordingly **The Dhanalakshmi Bank Limited** have issued a Letter dated 03.10.2005 in favour of Manager to the Offer confirming the same.

4. In accordance with Regulation 22(11) of the Regulations, the Acquirer has made firm financial arrangements for fulfilling the obligations under the Public Offer.

5. The Acquirer have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of its own sources/Networth and no borrowings from any bank and/or Financial Institutions is envisaged. Mr. Atul Puri (Membership No. 17565) of M/s. Atul Puri & Company, Chartered Accountants, having office at 1st Floor, 121, Shankar Road Market, New Delhi-110 060, Tel. No. 011-28744842 has certified vide letter dated October 1, 2005 that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full.

6. The Manager to the Offer, Ashika Capital Limited confirms that the firm arrangements 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

1. The Letter of Offer alongwith Form of Acceptance cum Acknowledgement will be mailed to the shareholders of OMSL [except the Acquirer and the Sellers], whose name appear on the Register

of Members of OMSL and the beneficial owners whose name appear on the beneficial records of the respective Depositories, at the close of business on October 17, 2005 (the "Specified Date").

2. None of the shares of OMSL are under lock-in.

3. Shareholders who wish to tender their shares will be required to send the Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and Transfer Deed(s) duly signed to the Registrar to the Offer or Manager to the Offer, either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closure of the Offer, i.e. January 12, 2006, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

4. The Registrar to the Offer has opened a Special Depository Account with Karvy Stock Broking Limited, (Registered with NSDL), styled “VCCIL ESCROW A/C-OMSL OPEN OFFER". The DP ID is IN 300394 and Client ID is 15727770. 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.

5. Beneficial owners (holders of shares in Dematerialised Form) who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "off-market" mode or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the special depository account, to the Registrar to the Offer either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by registered post, on or before the Closure of the Offer, i.e. January 12, 2006, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

6. All owners of shares, registered or unregistered (who own the shares at any time prior to the closure of the Offer) are eligible to participate in the Offer except Acquirer and the Sellers. Unregistered owners can send their application in writing to the Registrar to the Offer or Manager to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deeds and the original contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

7. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer or Manager to the Offer, on a plain paper stating the name, address, number of shares held, distinctive number, folio number and number of shares offered, along with documents as mentioned in paragraph 5 above, so as to reach the Registrar to the Offer or Manager to the Offer on or before the Closure of the Offer, i.e. January 12, 2006 in case of beneficial owners, they may send the application in writing to the Registrar to the Offer or Manager to the Offer, on a plain paper stating the name, address, number of shares held, number of shares tendered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer or Manager to the Offer, on or before the Closure of the Offer, i.e. January 12, 2006 (Thursday).

8. The Registrar to the Offer, will hold in trust the share certificates, 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 OMSL who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.

9. Share certificates, transfer forms and other documents in respect of shares not accepted under the Offer, if any, will be returned by registered post at the first/sole shareholders or ‘unregistered owners’ sole risk. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

10. The equity shares of the company are being traded in dematerialised mode only. In case the number of shares validly tendered in the Offer by the shareholders of OMSL are more than the

shares to be acquired in this Offer [i.e. 21,00,860 Fully paid-up Equity shares], then the Acquirer will accept shares on a proportionate basis subject to a minimum of 100 Shares in case of Physical mode, or the entire holding if less than 100 shares from each shareholder accepting this Offer, as per the provisions of the Regulations. Incase, the equity shares of OMSL are surrendered in dematerialized mode, minimum marketable lot is one (1) equity share only. The rejected applications/ documents will be sent by Registered Post.

11. Attention of the shareholders is invited to the fact that the Letter of Offer along with the form of Acceptance would also be available on the SEBI web site at www.sebi.gov.in and eligible persons may download the Form of Acceptance cum Acknowledgement from the website for participating in the offer.
12. The payment of acquisition of shares will be made by the Acquirer in Cash through a crossed Demand Draft/Pay Order and the same will be sent by Registered Post, to those shareholders/unregistered owners, whose shares/ share certificates and other documents are found in order and accepted by Acquirer in part or in full, within 15 days from the date of closure of the Offer i.e. January 27, 2006. The Acquirer undertakes to pay interest pursuant to Regulation 22 (12) to the shareholders for the delay, if any, in payment of consideration.
13. The Acquirer will make the requisite application, if any, to the Reserve Bank of India ("RBI") to obtain permission under the Foreign Exchange Management Act, 1999 ("FEMA") and subsequent amendments thereto, for acquiring shares under the Offer.
14. To the best of the knowledge of the Acquirer, no other statutory approvals are required to acquire the shares that are tendered pursuant to the Offer.
15. In case of non-receipt of statutory approvals within time, SEBI has a power to grant extension of time to Acquirer for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirer agreeing to pay interest as directed by SEBI under Regulation 22(12) of the Regulations.
16. Accidental omission to despatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

The form of Acceptance along with Share Certificate (s) and other documents delivered as per the requirements mentioned above, shall become acceptance on your part, but will become a fully valid and binding contract between you and the Acquirer only upon the fulfillment of all the conditions mentioned herein.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

1. The Shareholder(s) of OMSL who qualify and who wish to avail this Offer are free to offer their shareholding in full or in part. They should send their shares to the Registrars to the Offer as mentioned in the Form of Acceptance at the following address: -

Venture Capital and Corporate Investments Limited
6-2-913/914, 3rd Floor,
Progressive Towers,
Khairatabad, Hyderabad-500 004.
Tel: 040-23322264, Fax: 040-23324803

Acceptances may be sent by Registered Post or by hand so as to reach the Registrars/Manager to the Offer on or before January 12, 2006.

Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday-Friday	10.00 a.m. to 1.00 p.m. and 2.00p.m. to 4.00 p.m.	Hand Delivery
Saturday	10.00 a.m. up to 2.00 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

2. 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 demat 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 demat shares not credited in favour of the special depository account, before the closure of the Offer will be rejected.

3. **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 in the share certificates.
- **Original Share Certificate(s)**
- **Valid Share Transfer form(s)** duly signed as Sellers by all the registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with OMSL and duly witnessed at the appropriate place. A blank Share Transfer Form is enclosed along with this Letter of Offer.
  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 OMSL 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.

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 form(s)** as received from the market**.**

No indemnity is required from unregistered shareholders. **Unregistered shareholders should not sign the transfer deed.** The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as the Acquirer upon verification of the Form of Acceptance and the same being will fill buyer found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

4. **For Equity shares held in Demat form: -**

A Special Depository Account with Karvy Stock Broking Limited (Registered with NSDL) have been opened under name and style," VCCIL ESCROW A/C-OMSL OPEN OFFER ". The above said account details are as under: -

DP Name	Karvy Stock Broking Limited
DP ID	IN 300394
Beneficiary ID	15727770

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, 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 the DP.

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

5. The 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. Such documents may include but are not limited to:
   i. Duly attested death certificate and succession certificate (in case of single shareholders) if the original shareholder is deceased, 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 the application form and / or transfer deed(s).
   iii. In case of Companies, the necessary corporate authorization (including Board Resolution) and specimen signatures of authorized signatories.

6. The share certificate(s), share transfer form(s) and the Form of Acceptance along with the relevant documents should be sent to the Registrar to the Offer/Manager to the Offer and not to the Acquirer or OMSL.

7. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent, to the Registrar to the Offer or Manager to the Offer, on a plain paper stating their Name, Address, No. of equity shares held, No. of equity shares offered, Distinctive Nos., Folio No., along with documents as mentioned above, so as to reach the Registrar to the Offer or Manager to the Offer on or before the Closure of the Offer, i.e. January 12, 2006 or in case of beneficial owner, they may send the application in writing to the Registrar to the Offer or Manager to the Offer, on a plain paper stating the Name, Address, No. of equity shares held, No. of equity shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer or Manager to the Offer, on or before the Closure of the Offer, i.e. January 12, 2006 (Thursday).

   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 or Manager to the Offer, on or before the Closure of the Offer i.e. January 12, 2006 (Thursday).

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

   Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI’s website 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.

8. 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 January 9, 2006. The withdrawal option can be exercised by submitting the ‘Form of Withdrawal’ (separately enclosed with Letter of Offer) to the Registrar to the Offer, Venture Capital and Corporate Investments Limited so as to reach them on or before January 9, 2006. 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, distinctive numbers, folio nos., number of shares tendered/withdrawn, and
   b) In case of dematerialised shares: Name, Address, number of shares tendered/withdrawn, DP name, DP ID, Beneficiary account number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP in favour of the Special Depository Account.

   Shares [Physical /Dematerialized form] withdrawn by the shareholders would be returned by the Registered post.

   The form of Withdrawal can also be downloaded from SEBI’s website www.sebi.gov.in or obtained from the Manager/ Registrar to the Offer.

9. Unaccepted Share Certificate(s), transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

10. The Registrar to the Offer will hold in trust the Shares / Share Certificates, 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, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are despatched / returned.

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**, D. No: 7-1-613/14A, Suite No. 6, 2nd Floor, Nestcon Lakshmisri, Ameerpet, Hyderabad-500 016, on any working day between 10.00a.m to 2.00p.m during the period the Offer is open i.e., from December 24, 2005 to January 12, 2006:

i) Copy of the Share Purchase Agreement between Acquirer & Sellers dated October 1, 2005, which triggered off the Offer.
ii) Memorandum & Articles of Association of OMSL along with Certificate of Incorporation.
iii) Copy of Prospectus dated 17.05.2000 of OMSL.
iv) Audited Annual Reports of OMSL for the Financial Years ended 31.03.2003, 31.03.2004, 31.03.2005 and un-audited results for the period ended 30.06.2005.
v) Memorandum & Articles of Association along with Certificate of Incorporation of SCPL, Audited Annual Reports for the Financial Year ended 31.03.2003, 31.03.2004 & 31.03.2005 and un-audited results for the period ended 31.10.2005.
vi) Chartered Accountant's Certificate dated 17.12.2005 certifying the Net worth of the Acquirer.
vii) Chartered Accountant's Certificate dated 01.10.2005 certifying the adequacy of financial resources with Acquirer to fulfill the Open Offer obligations.
viii) A Letter dated 03.10.2005 of The Dhanalakshmi Bank Limited for the amount kept in the Escrow Account and empowering solely the Manager to the Offer to operate it.
ix) Published copies of the Public Announcement made on October 6, 2005.
x) Copy of confirmation regarding opening of Special Depository Account in the name and style of "VCCIL ESCROW A/C-OMSL OPEN OFFER ".
xi) A copy of the Letter-dated December 7, 2005 bearing no. CFD/DCR/TO/AG/55337/05 of SEBI in terms of Provisions of Regulation 18(2).
xii) Other relevant documents such as;
   a. Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer dated October 1, 2005.
   b. Copy of the Memorandum of Understanding between the Acquirer & Registrar to the Offer dated October 1, 2005.
   c. Copies of undertakings from Target Company.

11. DECLARATION BY THE ACQUIRER

The Acquirer and its Directors accepts full responsibility severally and jointly for the information contained in this Public Announcement and also for the obligations of Acquirer laid down in SEBI (SAST) Regulations 1997 and subsequent amendments thereof.

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

For Savera Construction Private Limited

Sd/-
Director

Place: Hyderabad
Date: December 19, 2005

Attached: Form of Acceptance cum Acknowledgement and Withdrawal

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

Date:

From: -

To: -
Registrar to the Offer
Venture Capital and Corporate Investments Limited
6-2-913/914, 3rd Floor,
Progressive Towers,
Khairatabad, Hyderabad-500 004.
Tel: 040-23322264, Fax: 040-23324803

Dear Sir,

Sub: Open Offer for purchase of 21,00,860 Fully Paid-up Equity Shares of Rs. 10/- each at a price of Rs. 2/- per share of OMSL representing 20.00% of the Subscribed Share Capital and 20.04% of Voting Capital by Savera Construction Private Limited [Acquirer].

I/We, refer to the Letter of Offer dated December 19, 2005 for acquiring the Equity Share(s) held by me/us in **Online Media Solutions Limited**.

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

I/We, hereby irrevocably & unconditionally 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:

For shares held in Physical Form:

Sl. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers	Number of Shares
Total No. of Shares agreed to be sold				

(Please attach an additional sheet of paper and authenticate the same, if the above space is insufficient)

For shares held in Demat Form:

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

I/We have carried out an Off-market transaction for crediting the shares to the Special Depository account with Karvy Stock Broking Limited (Registered with NSDL), styled," VCCIL ESCROW A/C-OMSL OPEN OFFER", whose particulars are:

DP Name	Karvy Stock Broking Limited
DP ID	IN 300394
Beneficiary ID	15727770

Shareholders having their beneficiary account with CDSL have to use inter-depository slip for purpose of crediting their shares in favour of the special depository account.

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 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.

I/We confirm that the shares of **Online Media Solutions Limited** (OMSL) which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original share certificate(s) and valid share transfer deed /shares in the Special Depository Account will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

I/We authorise the Acquirer to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorise the Acquirer to return to me/us, share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorise the Acquirer or the Registrar to the Offer to send by registered post the Draft/Cheque, in settlement of the amount to the sole/first holder at the address mentioned below:

Yours faithfully,
Signed and delivered:

Particulars	Full name (s) Of the holders	Address of the sole/first holder	Signature (s)
First/sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

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

Place:__________________ Date:____________________

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

Name of the Bank and Branch: ____
*Account Number: (Savings/Current/(Others, please specify)*_____________________

--Tear Here--

ACKNOWLEDGEMENT SLIP

S. No.

Venture Capital and Corporate Investments Limited
6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad-500 004.
Tel: 040-23322264, Fax: 040-23324803

Received from Mr./Ms/Mrs.:____
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/ Manager to the Offer

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the address mentioned above.

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

FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT

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

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to the offer any time upto three working days prior to the date of closure of offer i.e. on or before Monday, January 9, 2006. In case you wish to withdraw your acceptance please use this form.	**OFFER SCHEDULE** **Offer Opens on : Saturday, December 24, 2005** **Last Date of withdrawal : Monday, January 9, 2006** **Offer Closes on : Thursday, January 12, 2006**

Please read the Instruction in Letter of Offer and overleaf before filling-in this Form of Withdrawal

From:
…………………
…………………
…………………

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

To: -

Registrar to the Offer
Venture Capital and Corporate Investments Limited
6-2-913/914, 3rd Floor,
Progressive Towers,
Khairatabad, Hyderabad-500004.
Tel: 040-23322264, Fax: 040-23324803

Dear Sir,

Sub: Open Offer for purchase of 21,00,860 Fully Paid-up Equity Shares of Rs. 10/- each at a price of Rs. 2/- per share of OMSL representing 20.00% of the Subscribed Share Capital and 20.04% of Voting Capital by Savera Construction Private Limited [Acquirer].

I/We refer to the Letter of Offer dated December 19, 2005 for acquiring the equity shares held by me/us in **Online Media Solutions Limited**.

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

I/We wish to withdraw our acceptance tendered in response to the said offer. We had deposited/sent our 'Form of Acceptance' to you on __________ alongwith original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

For Shares held in Physical Form:

Sl. No.	**Regd. Folio Number**	**Share Certificate Number**	**Distinctive Numbers**	**Number of Equity Shares**
Total No. of Shares agreed to be sold				

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

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share Certificate(s) and valid share transfer deed will be held in trust for me/us by you and authorize you not to remit the consideration as mentioned in the Letter of Offer.

For Shares held in Dematerialised Form

DP Name	DP ID	Client ID	No. Of shares Offered	Name of Beneficiary

I/We have carried out an off market transaction for crediting the shares to the Special Depository account with Karvy Stock Broking Limited, (Registered with NSDL) styled "VCCIL ESCROW A/C-OMSL OPEN OFFER", whose particulars are:

DP Name	Karvy Stock Broking Limited
DP ID	IN 300394
Beneficiary ID	15727770

Shareholders having their beneficiary account with CDSL have to use inter-depository slip for purpose of crediting their shares in favour of the special depository account.

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 dematerialised Shares, I/We confirm that the DP as per the records maintained at their end has verified the signatures of the beneficiary holders and they have also duly attested the same under their seal.

Yours faithfully,

Signed and Delivered:

Particulars	Full name (s) Of the holders	Address of the sole/first holder	Signature (s)
First/sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

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. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 17.00 hours upto the last date of withdrawal i.e. January 9, 2006, Monday.

2. Shareholders should enclose the following:-

a. For Equity Shares held in demat form:

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

b. For Equity Shares held in physical form:

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 / Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
- The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
- The Form of Withdrawal 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 OMSL. The facility of partial withdrawal is available only on to Registered shareholders.
- Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

--TEAR HERE---

ACKNOWLEDGEMENT SLIP

Sr. No. Folio No.\DP ID Client ID:

Venture Capital and Corporate Investments Limited
6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad-500 004.
Tel: 040-23322264, Fax: 040-23324803

Received Form of Withdrawal from Mr./ Ms/ Mrs..: ____________________________________
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

PRINTED MATTER

BOOK POST

To

If undelivered, please return to:
Venture Capital and Corporate Investments Limited
6-2-913/914, 3rd Floor,
Progressive Towers, Khairatabad,
HYDERABAD-500004.
Tel: 040-23322264, Fax: 040-23324803