THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **Silicon Leasing and Investments 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. Nagarjun Valluripalli

Plot No. 40, Road No. 5, Jubilee Hills, Hyderabad – 500 033; Tel.: 040-66418001, Fax. : 040 – 66418005.

to acquire upto 6,00,000 equity shares of Rs. 10/- each representing 20% of the subscribed capital comprising of 3,63,400 fully paid up equity shares (30.06% of voting capital) at a price of Rs. 9.30 per share and 2,36,600 partly paid equity shares at a price of Rs. 1.80 per share

SILICON LEASING AND INVESTMENTS LIMITED (SLIL)

Regd. Off.: 4A, Usha Towers, 6-3-1118, B.S. Maqtha, Begumpet, Hyderabad – 500 010.

Telefax: 040-27674501

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') from the existing shareholders of SLIL.

This Offer is being made in compliance with regulation 10 & 12 and other provisions of Chapter III and in compliance with the Regulations.

The Offer is subject to receiving the necessary approval(s), if any, from the Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders. In case of acceptances from Non-Resident shareholders, the Acquirer would after the closure of the Offer, make the requisite applications to RBI to obtain its approval for transfer of such shares of SLIL to the Acquirer. There are no other statutory approvals required to acquire equity 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 October 08, 2008 (Wednesday)

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. **September 26, 2008 (Friday)** 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, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price 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 Growing & Sharing with You **Ashika Capital Limited** 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021; Tel: 022-66111700; Fax:022-66111710 E-Mail: mbd@ashikagroup.com Contact Person: Ms. Nimisha Joshi	**CIL Securities Limited** 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001; Tel.: 040-23202465, 23203155; Fax:040- 23203028; E-mail: cilsec@rediffmail.com Contact Person: Mr. B.M. Maheshwari

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

Activity	Original Date & Day	Rewised Date & Day
Public Announcement	July 8, 2008, (Tuesday)	July 8, 2008, (Tuesday
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	August 02, 2008, (Saturday)	August 02, 2008, (Saturday)
Last date for a Competitive Bid	July 29, 2008, (Tuesday)	July 29, 2008, (Tuesday)
Corrigendum to Public Announcement	--	September 15,(Monday)
Date by which Letter of Offer will be posted to shareholders	August 18, 2008, (Monday)	September 18,2008 (Thursday)
Date of Opening of the Offer	August 28, 2008, (Thursday)	September 22, 2008 (Monday)
Last date for revising the Offer Price / No. of equity Shares	September 05, 2008, (Friday)	September 30, 2008 (Tuesday)
Last date of withdrawal of tendered application by the shareholders of Target Company	September 11, 2008, (Thursday)	October 07,2008, (Tuesday)
Date of Closing of Offer	September 16, 2008, (Tuesday)	October 11, 2008, (Saturday)
Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired equity shares and/or the unaccepted equity shares / Share Certificate(s) will be dispatched / credited	October 01, 2008, (Wednesday)	October 25, 2008 (Saturday)

RISK FACTORS:

Relating to the Transaction:

1. The Share Purchase Agreement (Agreement) contains a clause that it is subject to the provisions of the Regulations and in case of non-compliance with any of the provisions of the Regulations, the Agreement for such sale shall not be acted upon by the Sellers or the Acquirer.

Relating to the Offer:

2. The Offer involves an offer to acquire upto 6,00,000 equity shares of Rs. 10/- each representing 20% of subscribed capital comprising of 3,63,400 fully paid up shares (30.06% of voting capital), and 2,36,600 partly paid shares of SLIL from its shareholders. 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.

3. The shares tendered in the physical form will lie with the Registrar to the Offer, till the completion of the Offer formalities. The Acquirer makes 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:

4. The Acquirer 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 SLIL 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 SLIL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer.

TABLE OF CONTENTS

1. ABBREVIATIONS / DEFINITIONS

Acquirer	Mr. Nagarjun Valluripalli
ASE	Ahmedabad Stock Exchange Limited, Ahmedabad
Eligible Persons for the Offer	All owners of shares registered or unregistered of SLIL (who own shares at any time prior to the Closure of the Offer) except Parties to the Agreement
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance	Form of Acceptance cum Acknowledgement
Form of Withdrawal	Form of Withdrawal cum Acknowledgement
HSE	Hyderabad Stock Exchange Limited, Hyderabad
LOO or Letter of Offer	Offer Document
Manager to the Offer	Ashika Capital Limited
Negotiated Price	Re. 1/- per share
Offer	Cash Offer being made by the Acquirer to acquire upto 6,00,000 equity shares of Rs. 10/- each representing 20% of subscribed capital comprising of 3,63,400 fully paid up shares (30.06% of voting capital), and 2,36,600 partly paid shares of SLIL
Offer Price	Rs. 9.30 per fully paid up share and Rs. 1.80 per partly paid up share
PA / Public Announcement	Announcement of the Offer made by Acquirer on July 08, 2008 and September 15, 2008
Promoters Sellers	Mr. G. V. Prasanna and Mr. P Sridhar
SLIL/Target Company	Silicon Leasing and Investments Limited
RBI	Reserve Bank of India
Registrar to the Offer/ Registrar	CIL Securities 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 SLIL, to whom the Letter of Offer will be sent, i.e. August 02, 2008

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 SILICON LEASING AND INVESTMENTS 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/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 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 DISCHARGES HIS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JULY 18, 2008 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 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. Nagarjun Valluripalli** (hereinafter referred to as 'Acquirer') pursuant to regulation 10 & 12 of the Regulations with the prime object to have substantial acquisition of shares/voting rights accompanied with the change of control and management of the company.

b) The Acquirer has entered into a Share Purchase Agreement ('Agreement') on 04th July, 2008 with the Promoter Group of SLIL (hereinafter referred to as 'Sellers') to acquire in aggregate 8,45,800 fully paid-up equity shares of Rs.10/- each, representing 28.18% of subscribed capital and 69.94% of voting capital of SLIL, at a price of Re. 1/- per share, payable in cash and the details are as under:

Sr. No.	Name of the Acquirer(s)	Name and Address of the Seller(s)	No. of Shares	% of Subscribed Capital	% of Voting Capital
1.	Mr. Nagarjun Valluripalli	Mr. G. V. Prasanna B-3, Lakshmi Tulasi Apartments, Daspalla Hills, Visakhapatnam – 530 003. Tel. No. 0891- 2568919 Fax. No. 0891 - 2702175	4,22,900	14.09	34.97
		Mr. P. Sridhar Flat B, 1st Floor, Suryateja Apartments, Near Panduranga Swamy Temple Pandurangapuram, Visakhapatnam – 530 003. Tel. No.0891 – 2568919 Fax No. 0891 - 2702175	4,22,900	14.09	34.97
		TOTAL	**8,45,800**	**28.18**	**69.94**

c) **Salient features of the Agreement are mentioned below**:

i. The Sellers have agreed to sell to the Acquirer 8,45,800 Equity shares aggregating to 28.18% of subscribed capital and 69.94% of voting capital of the Company, at a price of Re.1/- per share, and the Acquirer has agreed to purchase the said transaction shares.

ii. That the shares under Agreement are free from all charges, encumbrances or liens and are not subject to any lock in period.

iii. The Acquirer had paid a sum of Rs.6,00,000/- (Rupees Six Lakh only) to the Sellers on execution of the Agreement and the balance amount of Rs. 2,45,800/- (Rupees Two Lakh Forty Five Thousand Eight Hundred only) would be paid to the Sellers at the time of completion of Takeover of the Company.

iv. That the Sellers agree to abide by their obligations as contained in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, as amended from time-to-time.

v. The sale and purchase of the Sale Shares shall be subject to compliance with the provisions of the Takeover Regulations. In case of non-compliance of any provisions of the Regulations, the agreement for such sale will not be acted upon by the Sellers or the Acquirer.

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 SEBI Act. No action has been taken by SEBI against the Acquirer, Target Company, and its Promoters/Directors under 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 has not entered into any separate non-compete agreement with the Sellers. There is no non-compete agreement between the Acquirer and the Target Company or any other entity as envisaged under regulation 20(8) of the Regulations. No additional payment is being made by the Acquirer as non-compete fee.

h) After completion of all formalities relating to the acquisition and after complying with formalities required by the Regulations, the Board of Directors might be reconstituted to include nominee(s) of the Acquirer.

i) The shares acquired under the offer shall be free from lien, charges and encumbrances of any kind whatsoever.

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

k) This is not a competitive bid.

l) The Acquirer does not hold any Equity Shares of SLIL as on date of PA. The Acquirer has not acquired either directly or through any other person any Shares of SLIL during 12 months preceding the date of PA.

m) Irrespective of the outcome of the Agreement, the Acquirer would complete the Offer formalities under the Regulations.

3.2. Details of the Proposed Offer

a) The Acquirer made a Public Announcement of the Offer, which was published in all Editions of **Financial Express** (English), **Jansatta** (Hindi) and **Prajashakti** (Telugu) on July 08, 2008, in compliance with regulation 15(1) of the Regulations. A Corrigendum to PA was also published in the same Newspapers on September 15, 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 proposes to acquire 6,00,000 equity shares of Rs. 10/- representing 20% of subscribed capital comprising of 3,63,400 fully paid up shares representing 30.06% of voting capital, and 2,36,600 partly paid shares from the existing shareholders of SLIL (other than parties to the Agreement), at a price of Rs. 9.30 per fully paid share ("Offer Price") and Rs.1.80 per partly paid shares, payable in cash.

c) The Offer is not subject to any minimum level of acceptances. The Acquirer will acquire all Equity Shares of SLIL that are tendered in terms of this Offer up to a maximum of 6,00,000 equity shares.

d) The Manager to the Offer i.e. Ashika Capital Limited does not hold any shares in the Target Company as on 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 has not acquired any shares of SLIL after the date of Public Announcement and up to the date of this Letter of Offer.

3.3. Object of the Offer

a) The Offer has been made pursuant to regulations 10 & 12 and other provisions of Chapter III and in compliance with the Regulations.

b) The prime object of the Offer is to have substantial acquisition of shares/ voting rights accompanied with the change of control and management of the company.

c) The Acquirer is interested in taking over the management and control of SLIL. The Acquirer is a strategic investor in many companies and by virtue of his managerial expertise and experience proposes to expand his scope of operations of existing business of strategic investment in private or public companies. He wants to give strategic direction to the Target Company and wishes to participate in the business growth of Target Company. He also wants to derive the benefit of listed company through this acquisition.

d) The Acquirer does not currently intend to dispose of or otherwise encumber any significant assets of the Target Company in the next two years, except such disposals or encumbrances in the ordinary course of business of the Target Company and / or for the purposes of restructuring, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Further, the Acquirer undertake not to sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company, and in accordance with and subject to the applicable laws, permissions and consents, if any.

4. BACKGROUND OF THE ACQUIRER

4.1. Information about Acquirer:

a) **Mr. Nagarjun Valluripalli,** son of Shri V. Ramkrishna Rao, aged about 40 years, is residing at Plot No. 40, Road No. 5, Jubilee Hills, Hyderabad – 500 033. Tel.: 040-66418001, Fax. : 040 – 66418005. He is a qualified post graduate i,e. Master of Science (Technology) from Birla Institute of Technology and Science, Pilani. He is having around 15 years of experience in the areas of Software. He has served as the Founder, Chairman, President and Chief Executive Officer of Intelligroup, Inc, the first Indian company to go public on the Nasdaq (1996).

b) His networth as on 29.2.2008, as certified by Shri V. Kutumba Rao (Membership No.18796) Partner of M/s. Karvy & Co. Chartered Accountants, having office at No. 2, Bhooma Plaza, St. No. 4, Avenue 7, Banjara Hills, Hyderabad – 34 ; Tel No.: 040-23354995,040-66611241 Fax No. : 040 - 23358507 vide certificate dated 19.3.2008, is Rs.378.00 Lakhs.

c) The compliances under Chapter II of the Regulations is not applicable to the Acquirer since he does not hold any shares of SLIL except those agreed to be acquired in terms of present Agreement.

d) Mr. Nagarjun Valluripalli is on the Board of Amara Raja Batteries Ltd. which is listed on Bombay Stock Exchange and National Stock Exchange.

e) The Acquirer would like to maintain the listing status of the Target Company atleast for a period of 3 years after completion of the takeover formalities.

f) The details of the companies promoted by the Acquirer are given in the below para. However, none of these entities are participating/interested in this Offer.

1. **Maybull Financial Services Pvt. Ltd.**
The company is having registered office at 10 Q 2, - A1, Cyber Towers, Hitec City, Madhapur, Hyderabad – 500033, was originally incorporated under the name and style of "Arjun Software Private Limited" on 4th March, 1998 under the Companies Act, 1956. The name of company was subsequently changed to "Arjun Software & Securities Private Limited" and a fresh Certificate of Incorporation consequent on Change of Name was obtained from Registrar of Companies, Andhra Pradesh on 19.11.1999. The name of the company was further changed to Maybull Financial Services Private Limited and a fresh Certificate of Incorporation consequent on Change of Name was obtained from Registrar of Companies, Andhra Pradesh on 20.12.2007. The Authorised Capital of the company as on date, is Rs. 50.00 Lakhs divided into 5,00,000 equity shares of Rs.10/- each. The Company is not a Sick Industrial Company. The shares of the company are not listed on any Stock Exchange. The company is engaged in the business of financial services. The company is a member of Hyderabad Stock Exchange Limited and by virtue of that it became Sub Broker of HSE Securities Limited (SEBI Regn. INB231103038), a member of National Stock Exchange of India Ltd and Registration No. allotted is INS231170734 / 23-11030.

Brief financials based on Audited Accounts for the last three years are given below:
(Amount – Rs. in Lakhs)

Particulars	31.03.2007 (Audited)	31.03.2006 (Audited)	31.03.2005 (Audited)
Equity Share Capital	33.18	33.18	33.18
Share Application Money	5.00	0.00	0.00
Reserve & Surplus	10.72	11.27	11.80
Misc. Expenditure to the extent not written off	(0.16)	(0.34)	(0.53)
Net Worth	**48.74**	**44.11**	**44.45**
Total Income	0.12	0.11	0.11
Profit After Tax (PAT)	(0.54)	(0.54)	(0.44)
Earnings Per Share (EPS) in Rs.	(0.16)	(0.16)	(0.13)
Net Asset Value (NAV) per share in Rs. (equity share of Rs.10/- each)	13.18*	13.29	13.39

Source: Audited financial statements
* Networth considered for calculation of NAV is after deduction of Share Application Money.

2. **Maybull Estates and Agrotech Pvt. Ltd.**
The company is having registered office at Plot No 40, Road No. 5, Jubilee Hills, Hyderabad – 500 035, was originally incorporated under the name and style of "Valluripalli Agro Tech Private Ltd" on 27th February, 1998 under the Companies Act, 1956. The name of company was subsequently changed to "Maybull Estates & Agrotech Private Limited" and a fresh Certificate of Incorporation consequent on Change of Name was obtained from Registrar of Companies, Andhra Pradesh on 18.05.2004. The Authorised Capital of the company as on date, is Rs. 50.00 Lakhs divided into 5,00,000 equity shares of Rs.10/- each. The Company is not a Sick Industrial

Company. The shares of the company are not listed on any Stock Exchange. The company is yet to commence the business of Horticulture.

Brief financials based on Audited Accounts for the last three years are given below:

(Amount – Rs. in Lakhs)

Particulars	31.03.2007 (Audited)	31.03.2006 (Audited)	31.03.2005 (Audited)
Equity Share Capital	1.00	1.00	1.00
Share Application Money	21.30	21.30	21.30
Reserve & Surplus	0.00	0.00	0.00
Misc. Expenditure to the extent not written off	(0.32)	(0.32)	(0.32)
Net Worth	**21.98**	**21.98**	**21.98**
Total Income	--	--	--
Profit After Tax (PAT)	--	--	--
Earnings Per Share (EPS) in Rs.	--	--	--
Net Asset Value (NAV) per share in Rs. (equity share of Rs.10/- each)	6.75*	6.75*	6.75*

Source: Audited financial statements

* Networth considered for calculation of NAV is after deduction of Share Application Money.

3. **Maybull Infotech Pvt. Ltd.**

The company is having registered office at Plot No 40, Road No. 5, Jubilee Hills, Hyderabad – 500 035, was originally incorporated under the name and style of "Valluripalli Infotech Private Limited" on 27th February, 1998 under the Companies Act, 1956. The name of company was subsequently changed to "Maybull Infotech Private Limited" and a fresh Certificate of Incorporation consequent on Change of Name was obtained from Registrar of Companies, Andhra Pradesh on 25.05.2005.The Authorised Capital of the company as on date, is Rs. 50.00 Lakhs divided into 5,00,000 equity shares of Rs.10/- each. The Company is not a Sick Industrial Company. The shares of the company are not listed on any Stock Exchange. The company is engaged in the Business of software development.

Brief financials based on Audited Accounts for the last three years are given below:

(Amount – Rs. in Lakhs)

Particulars	31.03.2007 (Audited)	31.03.2006 (Audited)	31.03.2005 (Audited)
Equity Share Capital	1.00	1.00	1.00
Share Application Money	51.61	46.36	46.36
Profit and Loss A/c	(23.14)	(24.84)	(28.01)
Net Worth	**29.47**	**19.52**	**19.35**
Total Income	13.07	10.61	0.00
Profit After Tax (PAT)	(1.70)	(3.17)	(2.69)
Earnings Per Share (EPS) in Rs.	(17.00)	(31.70)	(26.90)
Net Asset Value (NAV) per share in Rs. (equity share of Rs.10/- each)	Negative	Negative	Negative

Source: Audited financial statements

* Networth considered for calculation of NAV is after deduction of Share Application Money.

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

a) The Acquirer is interested in taking over the management and control of SLIL. The Acquirer is a strategic investor in many companies and by virtue of his managerial expertise and experience proposes to expand his scope of operations of existing business of strategic investment in private or public companies. He wants to give strategic direction to the Target Company by making investment through this company and wishes to participate in the business growth of Target Company. He also wants to derive the benefit of listed company through this acquisition.

b) The Acquirer do not currently intend to dispose of or otherwise encumber any significant assets of the Target Company in the next two years, except such disposals or encumbrances in the ordinary course of business of the Target Company and / or for the purposes of restructuring, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Further, the Acquirer undertakes not to sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company, and in accordance with and subject to the applicable laws, permissions and consents, if any.

4.3 Future Plans / strategies of Acquirer with Regard to the Target Company:

The Acquirer is interested in taking over the management and control of SLIL. The Acquirer is a strategic investor in many companies and by virtue of his managerial expertise and experience proposes to expand his scope of operations of existing business of strategic investment in private or public companies. He wants to give strategic direction to the Target Company by making investment through this company and wishes to participate in the business growth of Target Company. He also wants to derive the benefit of listed company through this acquisition.

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 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 exchange 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.

Clause 40A (viii) of the Listing Agreement states that, the company shall adopt any of the below mentioned methods to raise the public shareholding to the minimum level

a. Issuance of shares to public through prospectus
b. Offer for sale of shares held by promoters to public through prospectus
c. Sale of shares held by promoters through the secondary market
d. Any other method which does not adversely affect the interest of the minority shareholders

Provided that for the purpose of adopting methods specified at clause (c) and (d) above, the company agrees to take prior approval of the stock exchange which may impose such conditions as it deems fit.

6. BACKGROUND OF THE TARGET COMPANY- SLIL

6.1. Brief History and Main Areas of Operations:

a) SLIL was incorporated as a private limited company in the name and style of 'Tarani Leasing & Investment Private Limited' on 13.09.1990 under the Companies Act, 1956 in the State of Andhra Pradesh .The name of the company then changed to Silicon Leasing and Investments Private Limited and fresh certificate of name change was obtained from the Registrar of Companies, Andhra Pradesh on 29.02.1996. The name was further changed to Silicon Leasing and Investments Limited and fresh certificate of incorporation consequent to conversion into a public limited company was obtained from Registrar of Companies, Andhra Pradesh on April 11,1996.The Registered Office of the company is situated at 4A,Usha Towers, 6-3-1118, B.S. Maqtha, Begumpet, Hyderabad – 500 010. Telefax: 040- 7674501.

b) The Authorised Share Capital of the company is Rs. 325.00 Lakhs comprising of 32,50,000 Equity Shares of Rs. 10/- each. The Issued and Subscribed capital is Rs. 300.00 Lakhs comprising of 30,00,000 Equity Shares of Rs. 10/- each. The Paid-up Share Capital is Rs. 166.41 Lakhs comprising of 12,09,200 fully paid up equity shares of Rs. 10/- each and 17,90,800 partly paid-up equity shares (paid-up to the extent of Rs. 2.50 each). As per Article 101 of the Articles of Association of the Target Company, no member shall be entitled to exercise any voting rights in respect of shares on which any calls or other sums presently payable by him have not been paid. The paid-up share capital includes an amount of Rs. 71,500/- which was received as share application money and the same was adjusted towards allotment money but the same remained unadjusted against any partly-paid-up share.

c) There are no shares under lock-in period.

d) The main objects of the Target Company includes interalia to act as an investment company, to provide financial and investment services to investors and to carry on and undertake leasing operations. However, SLIL is not carrying on any business activities.

e) The equity shares of SLIL are listed on The Hyderabad Stock Exchange Limited, Hyderabad (HSE) and Ahmedabad Stock Exchange (ASE). However, the recognition granted to HSE has been withdrawn by SEBI with effect from August 29, 2007.

f) The company came out with its maiden Public Issue in the year 1996 to strengthen and substantially expand the company's existing operations and to diversify into the activities of Lease Finance and Money Market Operations.

g) The Target Company is not carrying on any activity since 1998-1999 to till date. As a result of sluggish market conditions between1998 to 2001 the company could not carry on any activity in financial sector. The Target Company was taken over previously by Mr. P. Sridhar (Acquirer) and Mr. G.V. Prasanna (Person acting in concert) in the year 2001. These Acquirers had planned to help the company to focus on the business of Information Technology by altering main objects of Memorandum of Association with Shareholders approval. However, due to slow down in the Information Technology Industry the Target Company's plans could not be implemented as envisaged and hence the Target Company could not venture into Information Technology Business. As the Acquirers were not interested in carrying on business of financial services, they even could not do any operations in the company.

h) The present promoters acquired 8,55,000 fully paid equity shares of Rs. 10/- each of the Target Company representing 28.50% of the subscribed capital of 30,00,000 equity shares (70.71% of the Voting Capital of 12,09,200 fully paid up equity shares) of Silicon Leasing and Investments Limited at a price of Re. 1/- per share ('the Negotiated Price') through a Share Purchase Agreement dated January 12, 2001. They made an Open Offer to the shareholders of Target Company, in compliance with the Regulations, for acquisition of upto 6,00,000 equity shares of Rs. 10/- each (representing 20% of the Subscribed Capital of 30,00,000 equity shares of the company) at a price Rs. 6/- per fully paid up share and Rs.1.50 per partly paid share. The Open Offer was opened on March 07, 2001 and closed on April 05, 2001. All the formalities of the said Open Offer under the Regulations were complied with.

6.2 Share Capital Structure of SLIL:

Paid-up Equity Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity shares	12,09,200/12, 09,200	40.31%/ 100%
Partly Paid-up Equity shares	17,90,800/Nil	59.69%/Nil
Total paid-up Equity shares	30,00,000/12,09,200	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 (Promoters/Ex-Promoters/Others)	Status of Compliance
	No.	%				
At the time of incorporation (13.09.1990)	200 (20 before conversion)	0.00667	2,000	Subscription to Memorandum	Subscribers to Memorandum	Complied
15.02.1995	44800 (4480 before conversion)	1.4933	4,50,000	Further Issue	Promoters/ Others	Complied

29.03.1996	1,75,400	5.8467	22,04,000	Further Issue	Promoters/ Others	Complied
13.04.1996	2,29,600	7.6533	45,00,000	Further Issue	Promoters/ Others	Complied
29.11.1996	7,50,000	25.0000	1,20,00,000	Further Issue	Promoters/ Others	Complied
29.11.1996	18,00,000	60.0000	3,00,00,000	Public Issue	Public	Complied
TOTAL	**30,00,000**	**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 shares at any later date.

6.5 The Target Company has not been complying with the applicable clauses of Listing Agreement entered into with the Stock Exchanges. These non compliances include non payment of Listing Fees to ASE, failure to publish results, non filing of disclosure U/r 8(3), non filing of shareholding pattern, etc. as required among others. As a result of these, the Stock Exchange has suspended the trading in shares of the Target Company. The Company has addressed all investor's complaints as and when received and there is no pending complaint as on date.

6.6 Present Composition of the Board of Directors of SLIL:

As on date of PA [July 08, 2008], the Directors on the Board of SLIL were:

Sr. No	Name	Address	Qualification	Experience	Date of Appointment
1	Mr. D. Shirish	3-6-672,Street No. 1, Himayatnagar, Hyderabad.	M.Com	▪ Experience in the business of shares and securities	07.08.1994
2	Mr.G. Laxminarayana Yadav	3-5-948/116, Gandhikutir, Narayanguda, Hyderabad – 500 027	B.Sc	▪ Experience in business of shares and securities	09.08.1998
3	Mr.Cheekat Malla Ashok	17-132,KamalaNagar, Dilsukh Nagar, Hyderabad – 500 060	B.Sc	▪ Experience in business of Transport Services	09.08.1998

None of the above Directors are representing the Acquirer

6.7 The Shares of SLIL were not traded on July 08, 2008 i.e. the date of PA.

6.8 There has been no merger / de-merger or spin off involving SLIL in the past three years. SLIL was incorporated as a private limited company in the name and style of 'Tarani Leasing & Investment Private Limited' on 13.09.1990 under the Companies Act, 1956 in the State of Andhra Pradesh .The name of the company then changed to Silicon Leasing and Investments Private Limited and fresh certificate of name change was obtained from the Registrar of Companies, Andhra Pradesh on 29.02.1996. The name was further changed to Silicon Leasing and Investments Limited and fresh certificate of incorporation consequent to conversion into a public limited company was obtained from Registrar of Companies, Andhra Pradesh on April 11,1996.

6.9 The Target Company has not complied with regulation 6(2) and 6(4) for the year ended 1997 and 8(3) for the years 1998 to 2008 under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto. However, the promoters/sellers have complied with 6(1) and 6(3) for the year ended 1997 and 8(1) and 8(2) for the years 1998 to 2008 under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto. SEBI may take appropriate action for non-compliance of the Regulations by the Target Company.

6.10 Financial Information:

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

Profit & Loss Statement

(Rs. in Lakhs)

For the Year/period ended	31.03.2008 (Audited)	31.03.2007 (Audited)	31.03.2006 (Audited)
Income	0.00	0.00	0.00
Other Income	0.00	0.00	0.00
Total Income	**0.00**	**0.00**	**0.00**
Total Expenditure	0.87	0.06	1.00
Profit/(Loss) before Interest, Dep.& Tax	(0.87)	(0.06)	0.00
Interest	0.00	0.00	0.00
Depreciation	0.00	0.00	0.00
Profit/(Loss) before Tax	**(0.87)**	**(0.06)**	**(1.00)**
Provision for Tax	0.00	0.00	0.00
Profit/(Loss) after Tax	**(0.87)**	**(0.06)**	**(1.00)**
Bal. Brought Forward from earlier years	**(10.98)**	**(10.92)**	**(9.91)**
Bal. Transferred to Balance Sheet	**(11.86)**	**(10.98)**	**(10.92)**

Balance SheetStatement

(Rs. in Lakhs)

As at	31.03.2008 (Audited)	31.03.2007 (Audited)	31.03.2006 (Audited)
Sources of Funds:			
Share Capital	166.41	166.41	166.41
Reserves & Surplus	0.00	0.00	0.00
Miscellaneous Expenditure	0.00	0.00	0.00
Profit and Loss A/c (Debit Balance)	(11.86)	(10.98)	(10.92)
Net worth	**154.55**	**155.43**	**155.49**
Unsecured Loans	0.00	0.00	0.00
Total	**154.55**	**155.43**	**155.49**
Application of Funds:			
Net Fixed Assets	0.13	0.13	0.14
Investments	7.13	7.13	7.13
Net Current Assets	147.29	148.15	148.22
Total	**154.55**	**155.43**	**155.49**

Other Financial Data

For year ended	31.03.2008	31.03.2007	31.03.2006
Dividend (%)	Nil	Nil	Nil
EPS (Rs.)	(0.05)	0.00	(0.06)
Return on Net worth (%)	(0.56)	(0.03)	(0.64)
Book Value per share (Rs.)	9.29	9.34	9.34

Source: Annual Reports

Note:

Networth = Equity Share Capital + Reserves and Surplus -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 / fall in Total Income and Profit after Tax:

There was no income in the year 2005-06, 2006-07 and 2007-08 due to no business operations. There was decrease in the loss in the year 2006-07 due to savings in the expenditure, and increase in the loss in the year 2007-08 due to payment of listing fees to HSE.

6.11 Pre and Post-Offer Shareholding Pattern of SLIL (Based on Subscribed Capital):

Shareholders' Category	Shareholding & Voting Rights prior to the Agreement(s)/ Acquisition and Offer		Shares / Voting Rights agreed to be Acquired which triggered off the Regulations		Shares/ Voting Rights to be Acquired in Open Offer (Assuming full acceptances)		Shareholding / Voting Rights after the Acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
a) Parties to Agreement	8,45,800	28.19	(8,45,800)	(28.19)	Nil	Nil	Nil	Nil
b) Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (a+b)	**8,45,800**	**28.19**	**(8,45,800)**	**(28.19)**	**Nil**	**Nil**	**Nil**	**Nil**
2. Acquirer								
a) Mr. Nagarjun Valluripalli	Nil	Nil	8,45,800	28.19	6,00,000	20.00	14,45,800	48.19
Total (a+b)	**Nil**	**Nil**	**8,45,800**	**28.19**	**6,00,000**	**20.00**	**14,45,800**	**48.19**
3. Parties to Agreement Other than (1) (a) & (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Public (Other than Promoters, Acquirer)								
a. FIs/MFs/FIIs/Banks, SFIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Others	21,54,200	71.81	Nil	Nil	(6,00,000)	(20.00)	15,54,200	51.81
Total (a+b)	**21,54,200**	**71.81**	**Nil**	**Nil**	**(6,00,000)**	**(20.00)**	**15,54,200**	**51.81**
GRAND TOTAL (1+2+3+4)	**30,00,000**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**30,00,000**	**100.00**

6.12 Pre and Post-Offer Shareholding Pattern of SLIL (Based on Voting Capital):

Shareholders' Category	Shareholding & Voting Rights prior to the Agreement(s)/ Acquisition and Offer		Shares / Voting Rights agreed to be Acquired which triggered off the Regulations		Shares/ Voting Rights to be Acquired in Open Offer (Assuming full acceptances)		Shareholding / Voting Rights after the Acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
c) Parties to Agreement	8,45,800	69.94	(8,45,800)	(69.94)	Nil	Nil	Nil	Nil
d) Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (a+b)	**8,45,800**	**69.94**	**(8,45,800)**	**(69.94)**	**Nil**	**Nil**	**Nil**	**Nil**
2. Acquirer								
a) Mr. Nagarjun Valluripalli	Nil	Nil	8,45,800	69.94	3,63,400	30.06	12,09,200	100.00
Total (a+b)	**Nil**	**Nil**	**8,45,800**	**69.94**	**3,63,400**	**30.06**	**12,09,200**	**100.00**
3. Parties to Agreement Other than (1) (a) & (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Public (Other than Promoters, Acquirer)								
c. FIs/MFs/FIIs/Banks, SFIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d. Others	3,63,400	30.06	Nil	Nil	(3,63,400)	(30.06)	Nil	Nil
Total (a+b)	**3,63,400**	**30.06**	**Nil**	**Nil**	**(3,63,400)**	**(30.06)**	**Nil**	**Nil**
GRAND TOTAL (1+2+3+4)	**12,09,200**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**12,09,200**	**100.00**

6.13 There are 943 equity shareholders under Public category as on 30.06.2008.

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

6.15 Name and Contact details of the Compliance Officer:
Mr. D. Shirish
3-6-672, Street No. 1,
Himayatnagar,
Hyderabad

6.16 The changes in the shareholdings of the present Promoter Group is as under :

Date of Acquisition/ Sale	Mode of Acquisition / Sale	No. of Shares sold	% to the Paid-up Shares	Cumulative	% of Paid-up Shares	Status of Compliance
As on 31.3.2001	--	--	--	8,55,000	28.50	Through agreement and open offer
May 2001	Off Market Sale	9200	0.31	8,45,800	28.19	Not Applicable

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS
7.1. Justification of Offer Price:

1. The equity shares of SLIL are listed on The Hyderabad Stock Exchange Limited, Hyderabad (HSE) and Ahmedabad Stock Exchange Limited (ASE). However, the recognition granted to HSE has been withdrawn by SEBI with effect from August 29, 2007. The shares of the company are not traded on any other Stock Exchanges under Permitted Category.

2. The annualized trading turnover during the preceding 6 calendar months prior to the month in which PA is made i.e. January 2008 to June 2008 (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 PA was made	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
ASE	Nil	30,00,000	Nil

Based on the information available, the shares of SLIL are deemed to be infrequently traded on in terms of Explanation (i) to regulation 20(5) of the Regulations and hence, the Offer Price has been determined taking into account the following parameters:

a)	Negotiated Price under the Agreement	:	Re. 1/- per share
b)	Highest price paid by acquirer 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	:	Not Applicable
	Other Parameters based on the Audited Accounts for the year ended 31.03.2008		
	Book Value per Equity Share (Rs.)	:	9.29
	Earnings Per Equity Share (Rs.)	:	(0.05)
	Return on Net worth (%)	:	(0.56)

3. Calculation of offer price of partly paid share as per regulation 20(10) is as under:

Particulars	Amount
Offer Price for fully paid up Share	9.30
Less : Amount due towards Calls in Arrears	7.50
Offer Price for partly paid up Share	**1.80**

4. In view of the above, the offer price of Rs. 9.30 per fully paid-up share and Rs. 1.80 per partly paid-up share is justified in terms of the regulation 20 of the Regulations.

5. If the Acquirer 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 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 July 08, 2008 (Tuesday) appeared.

6. The Acquirer has not entered into any separate non-compete agreement with the sellers. There is no non-compete agreement between the Acquirer and the Target Company or any other entity as envisaged under regulation 20(8) of the Regulations. No additional payment is being made to the Acquirer as non-compete fee.

7.2. Financial Arrangements:

1. The total fund requirement for the Offer assuming full acceptance of the Offer would be Rs. 38,05,500/- (Rupees Thirty Eight Lakh Five Thousand Five Hundred only). (i.e. 3,63,400 fully paid up equity shares of Rs. 10/- each at a price of Rs. 9.30 per share and 2,36,600 partly paid up equity shares at a price Rs. 1.80 per share).

2. In accordance with the provisions of regulation 28 of the Regulations, the Acquirer has created an Escrow Account and deposited an amount of Rs. 14,00,000/- (Rupees Fourteen Lakh only) in the Account Number 00600350058262 opened with HDFC Bank Limited, Maneckji Wadia Building, Ground Floor, Nanik Motwane Marg, Fort, Mumbai–400 023 Tel.: 022-66573535; Fax: 022-22705520 (Escrow Account). The amount placed in the Escrow Account is more than 25% of the maximum consideration payable under the offer. The Manager to the Offer is authorised to operate and release the value of the Escrow Account in terms of the Regulations and accordingly HDFC Bank Limited have issued a Letter dated July 07, 2008 in favour of Manager to the Offer confirming the same.

3. The details of the liquid resources available with the Acquirer, out of his net worth as on 29.02.2008, is as under

Sr. No.	Particulars	Amount	Amount
1	Investment in shares of various listed companies		1,79,07,014
2	Cash on hand		36,500
3	Cash at Bank		
	HDFC Bank	9,07,470	
	Canara Bank	49,016	9,56,486
4	Total Liquid Assets		1,89,00,000
	Less : Liabilities		NIL
	Total		**1,89,00,000**

4. The Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of his own Networth and no borrowings from any Bank and/or Financial Institutions are envisaged. Shri K. Ajay Kumar (Membership No. 21989) Partner of M/s. Karvy & Co., Chartered Accountants, having office at No. 2, Bhooma Plaza, St. No. 4, Avenue 7, Banjara Hills, Hyderabad – 34 Tel No.: 040-23354995,040-66611241 Fax. No.: 040 – 23358507 vide certificate dated 04.07.2008 has confirmed that sufficient resources are available with the Acquirer for fulfilling the obligations under this 'Offer' in full.

5. Based on the above, the Manager to the Offer is satisfied that the Acquirer has the ability to implement the Offer in accordance with the Regulations and firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

8. TERMS AND CONDITIONS OF THE OFFER

1. This Offer is being made to all the equity shareholders of SLIL (other than parties to the Agreement) whose names appear on the Register of Members of SLIL at the close of business hours on August 02, 2008 (Saturday) ['Specified date'] and to also those persons, who own the equity shares at any time prior to closure of the Offer, but are not registered shareholders.

2. The Letter of Offer, 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 SLIL whose names appear on the Register of Members of SLIL at the close of business hours on August 02, 2008 (Saturday) ['Specified Date']. Owners of equity shares at any time prior to the closure of the Offer but not registered as shareholder(s) are also eligible to participate in the Offer. No Letter of Offer together with a Form of Acceptance-cum-Acknowledgement will be mailed to the parties to the Agreement.

3. All owners of the shares, Registered or Unregistered (except the parties to the Agreement) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer.

4. 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.

5. None of the Shares of SLIL as on date are under lock-in.

6. 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.

7. In case the number of shares validly tendered in the Offer by the shareholders of SLIL are more than the shares to be acquired under the Offer (i.e. 6,00,000 equity shares) then the acquisition of the shares from each shareholder will be as per the provision of regulation 21(6) of the Regulations on a proportionate basis subject to a minimum of 100 shares or the entire holding if less than 100 shares in case of physical mode from each shareholder accepting this Offer, as per the provisions of the Regulations. The rejected applications/ documents will be sent by Registered Post.

8. The payment of acquisition of shares will be made by the Acquirer in Cash through a crossed Demand Draft/Pay Order to the equity Share holders of SLIL whose equity share certificates and other documents are found in order and accepted, with in 15 Days from the date of Closing of the Offer. The Acquirer undertakes to pay interest pursuant to Regulation 22 (12) to the shareholders for the delay, if any, in payment of consideration.

9. The Offer is subject to receiving necessary approval(s), if any, from Reserve Bank of India under Foreign Exchange Management Act, 1999 and subsequent amendments there to for acquiring equity shares tendered by Non Resident Shareholders, if any.

10. No other statutory approvals are required to acquire the shares that are tendered pursuant to the Offer.

11. 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.

12. 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.

13. Equity Shares tendered in the Offer by the Shareholders of SLIL shall be free from lien, charges and encumbrances of any kind whatsoever.

14. 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 SLIL 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 tendered under the offer prior to the date of closure of the offer.

15. 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, Overseas Corporate Bodies 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 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 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.

16. 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 in part or in full will be made within 15 Days from the date of closing of the Offer. The Acquirer undertake 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.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

1. Shareholders who hold the shares of SLIL 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 to the Registrars to the Offer, **CIL Securities Limited** at their office mentioned below, so as to reach on or before the closure of the Offer, i.e. October 11, 2008 (Saturday), in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.

Name & Address	Contact Person	Mode of Delivery
CIL Securities Limited 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001; Tel.: 040-23202465, 23203155; Fax:040- 23203028; E-mail: cilsec@rediffmail.com;	Mr. B.M. Maheshwari	Hand Delivery Registered Post / Speed Post

The documents can be tendered at any of the above centre between Monday to Friday from 10.30 am to 1.00 pm and 2.00 pm to 4.00 pm 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 Hyderabad, so as to reach their office on or before the closure of the Offer i.e. October 11, 2008 (Saturday).

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.

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

a) 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 SLIL 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 SLIL 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.

4. 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).

5. 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 Manager to the Offer or the Acquirer or the Target Company.**

6. 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 i.e. October 11, 2008 (Saturday), 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 SLIL who have sent their equity shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to SLIL (for transfer of said shares) and acknowledgement received thereon and valid share transfer form.

   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.

7. Non resident shareholders should also enclose copy of permission received from RBI for the shares held by them in SLIL and 'no-objection' certificate / tax clearance certificate from the Income Tax authorities under Income Tax Act, 1961, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid 'no-objection' certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the shareholder, on the entire consideration amount payable.

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 October 07, 2008 (Tuesday). 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 October 07, 2008 (Tuesday). 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 shares withdrawn by the shareholders would be returned by the Registered post.

   Shares [Physical 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. The Registrar to the Offer will hold in trust the Shares / Share Certificates, Transfer Deed(s), 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. 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.

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-400 021, on any working day between 10.00 A.M. to 2.00 P.M. during the period the Offer is open i.e., from September 22, 2008 (Monday) to October 11, 2008 (Saturday):

i) Copy of Share Purchase Agreement executed between Acquirer & Sellers dated July 04th, 2008, which triggered off the Offer.
ii) Memorandum & Articles of Association of SLIL along with Certificate of Incorporation.
iii) Copy of Prospectus of SLIL dated 9.2.1996.
iv) Audited results of SLIL for the financial years ended 31.03.2006, 31.03.2007 and 31.03.2008.
v) Memorandum & Articles of Association along with Certificate of Incorporation and Audited Annual Reports for the relevant years of the companies promoted by the Acquirer.
vi) Chartered Accountant's Certificate dated 19.3.2008 certifying the Net worth of the Acquirer.
vii) Chartered Accountant's Certificate dated 04.07.2008 certifying the adequacy of financial resources with Acquirer to fulfill the Open Offer obligations.
viii) Letter from HDFC Bank Ltd. dated July 07, 2008 confirming the amount kept in an escrow account and empowering the Manager to the Offer in accordance with the Regulations.
ix) Published copies of the Public Announcement made on July 08, 2008 and corrigendum to PA made on September 15, 2008.
x) Copy of the Letter No. CFD/DCR/TO/SS/136994/08 dated September 05, 2008 from SEBI in terms of Provisions of regulation 18(2).
xi) Other relevant documents such as:
   a. Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer dated July 04, 2008.
   b. Copy of consent letter from Registrar dated July 04, 2008 for acting as registrar to the issue.
   c. Copies of undertakings from Target Company and the Acquirer.

11. DECLARATION BY THE ACQUIRER

The Acquirer accepts full responsibility for the information contained in PA made in this regard, Letter of Offer and also for the obligations of the Acquirer as laid down in SEBI (SAST) Regulations 1997 and subsequent amendments thereof.

The Manager to the Offer hereby states that the persons signing this Letter of Offer is one of the Acquirer signing for himself and on behalf of other Acquirer.

Sd/-
Nagarjun Valluripalli

Place: Hyderabad
Date: September 15, 2008.

Attached: Form of Acceptance cum Acknowledgement and Withdrawal

THIS PAGE IS INTENTIONALLY LEFT BLANK

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

Date:

From:

Tel.: Fax: E-mail:

To

CIL Securities Limited,
(Unit:-Silicon Leasing and Investments Limited-Open Offer)
214, Raghava Ratna Towers,Chirag Ali Lane,
Abids, Hyderabad – 500 001;

Dear Sir,

Sub: Open Offer to acquire upto 6,00,000 equity shares of Rs. 10/- each representing 20% of subscribed capital comprising of 3,63,400 fully paid up shares (30.06% of voting capital), and 2,36,600 partly paid shares of SLIL by Mr. Nagarjun Valluripalli, (referred to as 'Acquirer')

I/We refer to the Letter of Offer dated September 15, 2008 for acquiring the equity shares held by me/us in **Silicon Leasing & Investments Limited.**

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

For Shares in Physical Form

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:

Sl. 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 dispatches 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 confirm that the equity shares of, **Silicon Leasing and Investments Limited** which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer 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 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 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 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 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 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)**

CIL Securities Limited,
(Unit:-Silicon Leasing and Investments Limited-Open Offer)
214, Raghava Ratna Towers,Chirag Ali Lane, Abids, Hyderabad – 500 001;
Tel.: 040-23202465, 23203155; Fax:040- 23203028;
E-mail: cilsec@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

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

FORM OF WITHDRAWAL

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 October 07, 2008 (Tuesday). In case you wish to withdraw your acceptance please use this form.	**OFFER SCHEDULE**	
	Offer Opens on	**:September 22, 2008 (Monday)**
	Last Date of Withdrawal	**: October 07, 2008 (Tuesday)**
	Offer Closes on	**:October 11, 2008 (Saturday)**

Please read the Instructions in Letter of Offer before filling-in this Form of Withdrawal

From:

Tel.: Fax: E-mail:

To
CIL Securities Limited,
(Unit:-Silicon Leasing and Investments Limited-Open Offer)
214, Raghava Ratna Towers,Chirag Ali Lane,
Abids, Hyderabad – 500 001;

Dear Sir,

Sub: Open Offer to acquire upto 6,00,000 equity shares of Rs. 10/- each representing 20% of subscribed capital comprising of 3,63,400 fully paid up shares (30.06% of voting capital), and 2,36,600 partly paid shares of SLIL by Mr. Nagarjun Valluripalli, (referred to as 'Acquirer')

I/We refer to the Letter of Offer dated September 15, 2008 for acquiring the equity shares held by me/us in **Silicon Leasing and Investments 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 hereby consent unconditionally and irrevocably to withdraw my / our shares from the Offer and I / we further authorize the Acquirer 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 / 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. **October 07, 2008 (Tuesday)**.

I / We note the Acquirer / 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 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)

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

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. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before 17.00 hours upto the last date of withdrawal i.e. October 07, 2008 (Tuesday).
2. 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 along with 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 SLIL. The facility of partial withdrawal is available only on to the registered shareholders.

---TEAR HERE---

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

CIL Securities Limited,

(Unit:-Silicon Leasing and Investments Limited-Open Offer)

214, Raghava Ratna Towers,Chirag Ali Lane, Abids, Hyderabad – 500 001;

Tel.: 040-23202465, 23203155; Fax: 040- 23203028;

E-mail: cilsec@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

PRINTED MATTER

BOOK POST

To

If undelivered, please return to:

CIL SECURITIES LIMITED
(Unit:-Silicon Leasing and Investments Limited-Open Offer)
214, Raghava Ratna Towers,
Chirag Ali Lane, Abids, Hyderabad – 500 001;
Tel.: 040-23202465, 23203155; Fax: 040- 23203028;
E-mail:cilsec@rediffmail.com;