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 **Sowbhagya Exports 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
Siri Media Private Limited
7/1, Industrial Area, Azamabad, Hyderabad-500 020.

To the shareholders of
SOWBHAGYA EXPORTS LIMITED (SEL)
Regd. Office: 3-375, Lakshmipuram, Nellore-524 002, Andhra Pradesh.
Tel./Fax No.: 0861-2316942.

for the purchase of 10,44,000 Fully Paid-up Equity Shares of Rs.10/- each at a price of Rs. 9/- per Equity Share representing 20% of its Subscribed and Voting Capital. 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, from the equity shareholders of SEL.

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

The Offer along with any obligation relating to payment for, and purchase of, the shares tendered is subject to the receipt of necessary approval(s), if any, from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 ("FEMA") and subsequent amendments there to. 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 February 23, 2006.

The 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 February 17, 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.

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

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 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	Date	Day
Public Announcement	December 19, 2005	Monday
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	December 24, 2005	Saturday
Last Date for a Competitive Bid	January 9 2006	Monday
Date by which the Letter Of Offer to be Despatched to shareholders	February 1, 2006	Wednesday
Date of Opening of the Offer	February 9, 2006	Thursday
Last date for revising the Offer Price/ Number of Shares	February 17, 2006	Friday
Last date for Withdrawal of Acceptance by share holders who have accepted the Offer	February 23, 2006	Thursday
Date of Closing of the Offer	February 28, 2006	Tuesday
Date by which communicating rejection/acceptance and despatch of Cheques/Demand Drafts towards payment of consideration to be completed	March 15, 2006	Wednesday

RISK FACTORS:

1. **Siri Media Private Limited (Acquirer) is incurring losses for the last 3 years.**
2. **The Acquirer makes no assurance with respect to the market price of the shares during/ after the Offer.**
3. **The Acquirer is presently engaged in the business of Production, Distribution and Exhibition of Feature Films which are unrelated to the present activities of the Target Company.**

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ABBREVIATIONS / DEFINITIONS

Acquirer	Siri Media Private Limited
BSE	Bombay Stock Exchange Limited, Mumbai
Eligible Persons for the Offer	All owners of shares registered or unregistered of SEL (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
HSE	The Hyderabad Stock Exchange Limited, Hyderabad
LOO or Letter of Offer	Offer Document
Manager to the Offer	Ashika Capital Limited
MSE	Madras Stock Exchange Limited, Chennai
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 10,44,000 Fully paid up Equity Shares representing 20% of Subscribed and Voting Capital of SEL
Offer Price	Rs. 9/- per Equity Share
PA / Public Announcement	Announcement of the Offer made by Acquirer on December 19, 2005
SEL/Target Company	Sowbhagya Exports Limited
RBI	Reserve Bank of India
Registrar to the Offer / Registrar	Venture Capital and Corporate Investments Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations or "The Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof
Sellers	Mr. D. Surendranath Reddy and a Group of Shareholders (Promoter Group-duly represented by constituted attorney holder Mr. D. Surendranath Reddy)
Specified Date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of SEL, to whom the Letter of Offer should be sent, i.e. December 24, 2005

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 SOWBHAGYA EXPORTS 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 ARE 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 DECEMBER 26, 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) The Offer is being made by **Siri Media Private Limited** (“Acquirer” or SMPL) in compliance with Regulation 10 & 12 of the SEBI (SAST) Regulations, 1997.

(b) The Acquirer has entered into a Share Purchase Agreement (“Agreement”) on December 15, 2005 to acquire 11,26,255 fully paid-up equity shares of Rs.10/- each representing 21.58% of Subscribed and Voting Share Capital from Mr. D. Surendranath Reddy (Promoter) and 21,33,445 fully paid-up equity shares of Rs.10/- each representing 40.87% of Subscribed and Voting Share Capital from a Group of Shareholders (Promoter Group-duly represented by constituted attorney holder Mr. D. Surendranath Reddy) (hereinafter collectively referred to as "Sellers") aggregating to 32,59,700 fully paid-up equity shares of Rs.10/- each representing 62.45% Subscribed and Voting Share Capital of SEL at a price of Rs.2/- (Rupees Two only) per share payable in cash. All the said shares are under lock-in upto 31.10.2006 and the lock-in period will continue in the hands of the Acquirer.

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

i. The Sellers have agreed to sell, transfer and assign 32,59,700 fully paid-up Equity Shares of Rs.10/- each of SEL to the Acquirer and the Acquirer had agreed to purchase the said shares from the Sellers [32,59,700 fully paid-up Equity Shares of Rs.10/- each at a Price of Rs. 2/- per share] for a total consideration amount of Rs. 65,20,000/- (Rupees Sixty Five Lakhs Twenty Thousand only).

ii. The Acquirer had paid a sum of Rs. 25,00,000/- (Rupees Twenty Five Lakhs only) as earnest money or deposit to the Sellers on the execution of the Agreement and the balance amount of Rs. 40,20,000 (Rupees Forty Lakhs Twenty Thousand only) would be paid to the Sellers at the time of completion.

iii. The Seller shall indemnify and save, keep harmless and indemnified the Acquirers of and from any action, proceeding, claim, demand, loss, damage, costs, charges and expenses which the Acquirers may suffer or incur as a result of breach of any undertaking or covenant given by the Seller under the Agreement.

iv. The Sellers have absolute right and complete authority to enter into the present transaction and the Sellers are not in any way prevented.

v. In case of non compliance with any of the provisions of the SEBI (SAST) Regulations by the Target Company, this Agreement for sale of shares shall not be acted upon by either Sellers or the Acquirer.

vi. The Acquirer / Sellers undertake that if the public shareholding in the Company fall below the limit specified in Listing Agreement with Stock Exchange for the purpose of listing on continuous basis, pursuant to the Agreement and Open Offer, the Acquirer will acquire only such number of shares under the Agreement so as to maintain the minimum specified public shareholding in the Company.

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

(g) 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 Acquirer.

(h) 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.

(i) The Acquirer 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. The Acquirer has also undertaken that he would acquire only such number of shares under the Agreement so as to maintain the minimum specified public shareholding in the Company.

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 Line** (English), **Hindi Milap** (Hindi) and Nellore Edition of **Vaartha** (Telugu) on December 19, 2005 in compliance with Regulation 15 (1) of “the Regulations”. The Public Announcement is also available on SEBI’s website at www.sebi.gov.in.

(b) The Acquirer proposes to acquire 10,44,000 Fully Paid-up Equity Shares of Rs.10/- each representing 20% of its Subscribed and Voting Capital from the existing shareholders of SEL (other than parties to the Agreement) at a price of Rs. 9/- per share, payable in Cash.

(c) The Offer is not subject to any minimum level of acceptances. The Acquirer will acquire all Equity Shares of SEL that are tendered in terms of this Offer up to a maximum of 10,44,000 Equity Shares.

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

3.3. OBJECT OF THE OFFER

(a) The prime object of the Offer is to acquire Substantial Acquisition of Shares/ Voting Rights accompanied with change in control and management of SEL and is making this Open Offer pursuant to the Regulation 10 & 12 of the Regulations.

(b) The Acquirer is presently engaged in the business of Production, Distribution and Exhibition of Feature Films and proposes to restart printing & publishing activities shortly. The Acquirer intends to expand its media related activities besides continuing the existing business of SEL and also intends to derive the benefits of a listed company.

(c) The Acquirer does not have any plans to sell, dispose of or otherwise encumber any significant assets of SEL in the next two years, except in the ordinary course of business of SEL. The Acquirer shall not sell, dispose of or otherwise encumber any substantial assets of SEL except with the prior approval of the shareholders.

(d) To augment the resources in the future, the Acquirer intends to participate in any Equity/Debt/Quasi Debt offering from SEL, 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 SEL by its Board of Directors in accordance with the applicable rules and laws.

4. BACKGROUND OF THE ACQUIRER

4.1. INFORMATION ABOUT ACQUIRER

Siri Media Private Limited (SMPL), was originally incorporated in the name and style of Dasari House of Publications Private Limited on 04.06.1996 under the Companies Act, 1956 in the State of Andhra Pradesh. The name was subsequently changed to Siri Media Private Limited and a fresh certificate of incorporation consequent upon the change of name was obtained on 14.12.2005. Mr. Dasari Narayana Rao, noted Film Director is the main promoter and a major shareholder of the company. However, he is not involved in handling the affairs of the company. Presently, he is a Member of Rajya Sabha and Minister of State for Coal & Mines of Government of India. The other promoters of the company are Mr. D. Venkateswara Rao and Mr. K. Bhanu Prasad. Mr. D. Venkateswara Rao and Mr. K. Ramakrishna Prasad, Directors of the company are presently controlling the management of the company.

The Registered Office of the company is situated at 7/1, Industrial Area, Azamabad, Hyderabad-500 020; Tel.: 040-55524699. The company is presently engaged in the business of Production, Distribution and Exhibition of Feature Films and its related activities. SMPL proposes to restart printing & publishing activities shortly. The shares of SMPL are not listed on the Stock Exchange(s).

As on 30.09.2005, the Authorised Share Capital of the company is Rs. 350.00 Lakhs comprising of 3,50,000 Equity Shares of Rs.100/- each and Issued, Subscribed and Paid-up Share Capital is Rs. 295.124 Lakhs comprising of 2,95,124 Equity Shares of Rs.100/- each.

The shareholding pattern of the company is as under:

Shareholder's Category	No. of Shares	%
Promoter	2,55,124	86.45
Non-Promoter	40,000	13.55
TOTAL	**2,95,124**	**100.00**

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

Sl. No.	Name	Address	Qualification	Experience	Date of Appointment
1.	D. Venkateswara Rao	900A, Road No. 46, Jubilee Hills, Hyderabad-33.	B. A.	31 years in printing & publication and media business	Since incorporation
2.	K. Ramakrishna Prasad	H. No. 8-3833/276, Phase II, Kamalapuri Colony, Hyderabad-74.	B. Sc.	34 years in media and publishing-Promoter/Director of Tarakaprabhu Publishers Pvt. Ltd.	21.03.2005

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

Brief audited financials of the company for the last 3 Years and certified results for the period ended 30.09.2005 are as follows:

Profit and Loss Statement (Rs. in Lakhs)

For the Year ended	30.09.2005	31.03.2005	31.03.2004	31.03.2003
Income:				
Income from Distribution of Films	106.78	--	--	--
Misc. Income	1.42	4.70	7.58	8.06
Total Income	**108.20**	**4.70**	**7.58**	**8.06**
Total Expenditure	75.72	0.32	0.25	0.10
Profit before Interest, Depreciation & Tax	32.48	4.38	7.33	7.96
Depreciation	2.17	4.68	5.57	6.63
Interest & Finance Charges	--	0.25	8.26	8.77
Profit/(Loss) before Tax	30.31	(0.55)	(6.50)	(7.44)
Provision for Tax	--	--	--	--
Prior year Adjustments	--	2.44	--	--
Profit/(Loss) after Tax	30.31	1.89	(6.50)	(7.44)

Note: The Income for the period ended 30.09.2005 has gone up compare to the previous years on account of commencement of the business of Distribution of Feature films (Telugu) by the company. Consequently, the Profit After Tax has also gone up.

Balance Sheet Statement (Rs. in Lakhs)

As at	30.09.2005	31.03.2005	31.03.2004	31.03.2003
Sources of Funds:				
Paid-up Share Capital	295.12	183.58	122.87	109.20
Reserves and Surplus (Excluding revaluation reserves)	--	--	--	--
Profit & Loss Account (Debit Balance)	(17.46)	(47.77)	(49.66)	(43.16)
Networth	**277.66**	**135.81**	**73.21**	**66.04**
Secured Loans	--	--	55.81	48.61
Unsecured Loans	--	--	--	--
Total	**277.66**	**135.81**	**129.02**	**114.65**
Application of Funds:				
Net Fixed Assets	60.36	50.23	54.90	60.47
Investments	--	--	--	--
Net Current Assets	217.10	85.38	73.90	53.93
Total Miscellaneous Expenditure (to the extent not written off)	0.20	0.20	0.22	0.25
Total	**277.66**	**135.81**	**129.02**	**114.65**

Other Financial Data

Particulars	31.03.2005 (Audited)	31.03.2004 (Audited)	31.03.2003 (Audited)
Dividend (%)	Nil	Nil	Nil
EPS (Rs.)	Negative	Negative	Negative
Return on Networth (%)	1.39	Negative	Negative
Book Value per Share (Rs.) face value-Rs. 100/-)	73.87	59.40	60.25

Accounting Policies:

a. The Financial Statements has been prepared on Historical Cost convention and in accordance with the normally accepted Accounting principles.
b. Revenue recognized and expenditure is accounted for on accrual basis.
c. Fixed Assets are stated at cost less depreciation.
d. Depreciation has been provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
e. Preliminary Expenses being written off over a period of ten years.

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

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

5. OPTION IN TERMS OF REGULATION 21

Pursuant to the Agreement and this Offer or otherwise, if the public shareholding in SEL 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 Equity Shares under Share Purchase Agreement so as to maintain the minimum specified public shareholding in the Company.

6. BACKGROUND OF THE TARGET COMPANY-SEL

6.1. Brief History and Main Areas of Operations:

a. SEL was incorporated on 23.11.1994 under the Companies Act, 1956 in the State of Andhra Pradesh and received Certificate of Commencement of Business on 02.12.1994. The Registered Office of the Company is situated at 3-375, Lakshmipuram, Nellore-524 002.

b. The Authorised Share Capital of the company is Rs. 900.00 Lakhs and Issued and Subscribed Share Capital is Rs. 522.00 Lakhs comprising of 52,20,000 fully paid-up Equity Shares of Rs. 10/- each. There are no partly paid-up Equity Shares.

c. SEL is presently engaged in the business of Aquaculture-shrimp farming.

d. The Equity Shares of SEL are listed on BSE, HSE and MSE. The equity shares are infrequently traded on BSE, HSE and MSE in terms of explanation (i) to Regulation 20(5).

e. The company came out its maiden public issue of 13,05,000 Equity Shares of Rs. 10/- each for cash at par in the year 1996 , through prospectus, to part finance the cost of modernization of Aqua Farms & Equipments and to meet the working capital requirement of the company.

f. The main Object Clause of Memorandum of Association of SEL was amended in the Extra-ordinary General Meeting held on 08.05.2000 to include interalia Publishing, Software Development, Data Processing, Multimedia Content Development, Internet Enabled Services, etc.

6.2. Share Capital Structure of SEL:

Paid-up Equity Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity shares	52,20,000/52,20,000	100%/ 100%
Partly Paid-up Equity shares	NIL	NIL
Total paid-up Equity shares	52,20,000/52,20,000	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.	%				
On Incorporation	700	0.01	7,000	Subscribers to Memorandum	Promoters	Complied
15.12.1994	4,45,000	8.53	44,57,000	Further Issue	Promoters & Associates	Complied
31.12.1994	23,54,300	45.10	2,80,00,000	Further Issue	Promoters & Associates	Complied
28.09.1995	9,96,855	19.10	3,79,68,550	Further Issue	Promoters & Associates	Complied
22.08.1996	1,18,145	2.26	3,91,50,000	Further Issue	Promoters & Associates	Complied
22.08.1996	13,05,000	25.00	5,22,00,000	Public Issue	Public	Complied
TOTAL	**52,20,000**	**100.00**	**5,22,00,000**			

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. The trading of equity shares of the company was suspended from BSE from February 17, 2003 for violation of Clause 41 of the Listing Agreement and the suspension was subsequently revoked w.e.f. November 28, 2005 after complying with the listing requirements of BSE. While revoking the suspension, BSE imposed a condition of lock-in of entire shareholding of Promoters/Promoter Group for a period of one year and accordingly 32,59,700 Equity Shares pertaining to Promoters/Promoter Group were put under lock-in upto 31.10.2006 and the residual lock-in period will continue in the hands of the Acquirer. While revoking the suspension, BSE resumed the trading in the securities of SEL in 'Z' category. Presently, the Company has been complying with the provisions of the Listing Agreement entered into with the Stock Exchange(s). The company has paid upto date Listing Fees to BSE, HSE & MSE and has addressed the 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 SEL:

As on the date of Public Announcement [December 19, 2005], the Directors representing the Board of SEL were:

Sl. No.	Name & Designation	Address	Qualification	Experience	Date of Appointment
1.	D. Surendranath Reddy	3-375, Lakshmipuram, Nellore-524 002.	M. A. (IRPM), B. L.	10 years in Aquaculture	Since Incorporation
2.	D. Soujanyamma	3-375, Lakshmipuram, Nellore-524 002.	--	Housewife	28.09.2001
3.	J. Jayarami Reddy	Damaramadugu Village, Buchireddypalem Mandal, Nellore Distrct.	B. A.	6 years in Aquaculture	25.12.1995
4.	M. Vijay Kumar Reddy	Allipuram Village, Nellore Rural Mandal, Nellore District.	B. Com.	3 years in Accounts	25.10.2002
5.	N. Mallikharjuna Reddy	D3, Shantisikhara Apartments, Somajiguda, Hyderabad-500 082.	M. Com.	10 years in Accounts	25.10.2002
6.	E. V. Raja Reddy	301, Rekha Towers, 6-3-661, Sangeeta Nagar, Somajiguda, Hyderabad-500 082.	--	10 years in film distribution, exhibition and production.	30.07.2005

6.7. During the year 2002-03 the company proposed for the merger with Nexgen Technologies Ltd. The scheme of Merger/Amalgamation was approved by the members in the EGM held on 22.03.2003 as directed by the Hon'ble High court of Andhra Pradesh. As the secured creditors of Nexgen Technologies Ltd. have declined to give their consent for the proposed Amalgamation/Merger. The company filed a memo dated 30.10.2003 seeking permission of the court to withdraw the petition. Accordingly, the Hon'ble High Court of Andhra Pradesh dismissed the petition as having been withdrawn.

6.8. The Promoters/Sellers have complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997. However, there was a delay in compliance with regulation 6(2), 6(4) for the year 1997 & 8(3) for the years 1998 to 2003 by the Target Company. SEBI has 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. 1,75,000/- (Rupees One Lakh Seventy Five Thousand only) towards the alleged violation under regulation 6(2) & 6(4) for the year 1997 and 8(3) for the years 1998 to 2002. The Target Company vide its letter dated December 27, 2004 requested SEBI to reconsider the matter and drop the adjudication for the alleged violation under regulation 8(3) since there was no change in the shareholding of the Promoters. SEBI may initiate appropriate action against the Target Company under SEBI Act for non-compliance with the Regulations for the said period.

6.9. Financial Information:

Brief audited financials of the company for the last 3 Years and certified results for the period ended 30.09.2005 are as follows:

Profit & Loss Statement

(Rs. in Lakhs)

For the Year ended	30.09.2005	31.03.2005	31.03.2004	31.03.2003
Income:				
Sales	186.83	355.88	22.64	18.57
Total Income	**186.83**	**355.88**	**22.64**	**18.57**
Total Expenditure	159.16	310.26	11.83	8.43
Profit/(Loss) Before Depreciation, Amortisation, Interest and Tax	27.67	45.62	10.81	10.14
Preliminary & Public Issue Exp. Wri. off	0.34	0.72	0.72	0.72
Depreciation	5.72	11.44	11.44	11.51
Interest	--	--	--	--
Profit/ (Loss) Before Tax	21.61	33.46	(1.35)	(2.09)
Provision for Tax - Current Tax - Deferred Tax	 -- --	 -- 17.60	 -- --	 -- --
Provision for Doubtful Advances	16.25	--	--	--
Profit/ (Loss) After Tax	5.36	15.86	(1.35)	(2.09)

Balance Sheet Statement

(Rs. in Lakhs)

As on	30.09.2005	31.03.2005	31.03.2004	31.03.2003
SOURCES OF FUNDS:				
Paid up Share Capital	522.00	522.00	522.00	522.00
Profit & Loss Account (Debit Balance)	(58.21)	(63.57)	(79.43)	(78.08)
Net worth	463.79	458.43	442.57	443.92
Deferred Tax	6.50	6.50	(11.10)	(11.10)
Total	**470.29**	**464.93**	**431.47**	**432.82**
APPLICATION OF FUNDS:				
Net Fixed Assets	186.09	191.81	203.25	214.69
Net Current Assets	283.86	272.45	226.82	216.01
Total Miscellaneous Expenditure (to the extent not written off)	0.34	0.67	1.40	2.12
Total	**470.29**	**464.93**	**431.47**	**432.82**

Other Financial Data

For year ended	31.03.2005 (Audited)	31.03.2004 (Audited)	31.03.2003 (Audited)
Dividend (%)	Nil	Nil	Nil
EPS (Rs.)	0.30	Negative	Negative
Return on Networth	3.46	Negative	Negative
Book Value per share (Rs.)	8.77	8.45	8.46

Note:
EPS = Profit after Tax /No. of equity shares
Networth=Paid up Share Capital + Reserves & Surplus-P & L Account (Debit Balance)
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

6.10. Pre and Post-Offer Shareholding Pattern of SEL (Based on Subscribed and Voting Capital as on 19.12.2005)

Shareholders' Category	Shareholding & Voting Rights prior to the Agreement/ 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	32,59,700	62.45	(32,59,700)	(62.45)	Nil	Nil	Nil	Nil
b) Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (a+b)	**32,59,700**	**62.45**	**(32,59,700)**	**(62.45)**	**Nil**	**Nil**	**Nil**	**Nil**
2. Acquirer SMPL	Nil	Nil	32,59,700+	62.45+	10,44,000	20.00	43,03,700	82.45
3. Parties to Agreement other than (1) (a) & (2)	Nil	Nil	Nil	Nil	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	19,60,300	37.55	Nil	Nil	(10,44,000)	(20.00)	9,16,300	17.55
Total (a+b)	**19,60,300**	**37.55**	**Nil**	**Nil**	**(10,44,000)**	**(20.00)**	**9,16,300**	**17.55**
GRAND TOTAL (1+2+3+4)	**52,20,000**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**52,20,000**	**100.00**

+The Shares to be acquired through Agreement will be reduced to such extent so as to maintain over all Promoter's shareholding to 75% of the total equity capital of the Company.

6.11. There are 859 Equity Shareholders under Public category.

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

6.13. **Name and Contact details of the Compliance Officer:**
Mr. J. Jayarami Reddy, 3-375, Lakshmipuram, Nellore-524 002. (Andhra Pradesh).

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1. Justification of Offer Price:

1. The shares of SEL are listed at Bombay Stock Exchange Limited, Mumbai (BSE), The Hyderabad Stock Exchange Limited, Hyderabad (HSE) and Madras Stock Exchange Limited, Chennai (MSE) The shares of the company are not traded on any Stock Exchange 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. June, 2005 to November 2005 (both Inclusive) at BSE, HSE & MSE are as under: -

Name of the Stock Exchange(S)	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	50	52,20,000	Negligible
HSE	Nil	52,00,000	Nil
MSE	Nil	52,00,000	Nil

(Source: BSE Website www.bseindia.com)

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)	:	Re. 0.30
	Return on Networth	:	3.46%
	Book Value per share	:	Rs. 8.77/-
d)	Price Earning multiple considering the Offer Price of Rs. 9/- per share		30
e)	Average Industry P/E		4.9

4. The Offer Price of Rs. 9/- per Equity Share of SEL is therefore justified in terms of Regulation 20(11) of the Regulations.

5. If the Acquirer acquire Shares after the Original 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 original Public Announcement appeared.

6. There is no non-compete agreement.

7.2. Financial Arrangements:

1. Assuming full acceptance, the total Financing Resources required to fulfill the Offer is 93,96,000/- (Rupees Ninety Three Lakhs Ninety Six Thousand only).

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

1.	Name of the Bank	**Bank of India**
2.	Address	Film Nagar Branch, Jubilee Hills, Hyderabad-33.
3.	Amount	Rs. 24,00,000/-
4.	Account Number	**866020110000047**

3. The Manager to the Offer, Ashika Capital Limited has been empowered by the Acquirer to operate the said Escrow Account solely and accordingly **Bank of India** has issued a Letter dated 15.12.2005 in favour of Manager to the Offer confirming the same.

4. In accordance with regulation 22(11) of the Regulations, the Acquirer has adequate financial resources and has 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. Kari Venkateswarlu (Membership No. 207068) Partner of M/s. Kari Venkateswarlu & Associates, Chartered Accountants, having office at #401, Mithila Apartments, Vivekananda Nagar Colony (Extn), Kukatpally, Hyderabad-72, Tel. No. 040-23065488 has certified vide letter dated 15.12.2005, that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full.

5. 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 along with Form of Acceptance cum Acknowledgement shall be mailed to all those shareholders of SEL (except parties to the Agreement) whose name appear on the Register of Members of SEL and to those beneficial owners of the equity shares of SEL, whose names appear as beneficiaries on the records of the respective Depository Participants, at the close of business hours on December 24, 2005 (the "Specified Date").

2. While revoking the suspension, BSE imposed a condition of lock-in of entire shareholding of Promoters/Promoter Group for a period of one year and accordingly 32,59,700 Equity Shares pertaining to Promoters/Promoter Group were put under lock-in upto 31.10.2006. The residual lock-in period will continue in the hands of the Acquirer.

3. Shareholders holding equity shares in physical form who wish tender their shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and duly signed and executed Transfer Deed (s) to the Registrar 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 Closing of the Offer, i.e. February 28, 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 Stock Holding Corporation of India Limited, (Registered with NSDL), styled “VCCIL ESCROW ACCOUNT SEL OPEN OFFER". The DP ID is IN301022 and Client ID is 21125862. 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 and Shareholders holding shares in the 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 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 Closing of the Offer, i.e. February 28, 2006 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

6. Shareholders who have sent their shares for dematerialisation need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Special Depository Account should be received on or before the closure of the Offer, else the application would be rejected.

7. All owners of the shares, Registered or Unregistered (except parties to the Agreement) who own the shares any time prior to the closing of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar or Manager to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, 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 unregistered owners

8. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar 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 point ‘4” above, so as to reach the Registrar or Manager to the Offer on or before the Closing of the Offer, i.e. February 28, 2006 or in case of beneficial owners, they may send the application in writing to the Registrar 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 or Manager to the Offer, on or before the Closing of the Offer, i.e. February 28, 2006.

9. 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 SEL who have accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.

10. In case the number of shares validly tendered in the Offer by the shareholders of SEL are more than the shares to be acquired under the Offer (i.e. 10,44,000 Fully paid-up Equity shares), 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. The rejected Applications / Documents will be sent by Registered Post.

11. 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 shareholders 'unregistered owners' sole risk to the sole/first shareholder. 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.

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 whose equity share certificates and other documents are found in order accepted, with in 15 Days from the date of closing of the Offer i.e. March 15, 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 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.

14. To the best of the knowledge of the Acquirer, there are no other statutory Approvals/or consents required to acquire the shares that are tendered pursuant to the Offer. However, if any statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals

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 for the delayed period as directed by SEBI under Regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the approvals, Regulation 22(13) of Regulations will become applicable.

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.

17. 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.

18. 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 SEL who qualify and who wish to avail of 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 February 28, 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 Quantum 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 Quantum 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 Acquirers as the Acquirers 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: -**

The Registrar to the Offer, "**Venture Capital and Corporate Investments Limited**", has opened a Special Depository Account with Stock Holding Corporation of India Limited (SHCIL) (Registered with NSDL), styled "VCCIL ESCROW ACCOUNT SEL OPEN OFFER". The above said account details are as under: -

DP Name	Stock Holding Corporation of India Limited
DP ID	IN 301022
Beneficiary ID	21125862

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.

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 SEL.

7. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar 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 other relevant documents as mentioned above, so as to reach the Registrar or Manager to the Offer on or before the Closing of the Offer, i.e. February 28, 2006. in case of beneficial owners, they may send the application in writing to the Registrar 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 or Manager to the Offer, on or before the Closing of the Offer, i.e. February 28, 2006 (Tuesday)

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. February 28, 2006 (Tuesday).

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 February 23, 2006 (Thursday). 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 February 23, 2006 (Thursday). 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 /Dematerialised 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 February 9, 2006 to February 28, 2006:

i) Copy of the Share Purchase Agreement between Acquirer & Sellers dated December 15, 2005, which triggered off the Offer.
ii) Memorandum & Articles of Association of SEL along with Certificate of Incorporation.
iii) Audited Annual Reports of SEL for the Financial Years ended 31.03.2003, 31.03.2004 and 31.03.2005 and certified results for the period ended 30.09.2005 duly certified by the auditor of the company.
iv) Copy of Prospectus dated 09.04.1996.
v) Memorandum & Articles of Association of SMPL along with Certificate of Incorporation.
vi) Audited Annual Reports of SMPL for the Financial Years ended 31.03.2003, 31.03.2004 and 31.03.2005 and certified results for the period ended 30.09.2005 duly certified by the auditor of the company.
vii) Chartered Accountant's Certificate dated 15.12.2005 certifying the adequacy of financial resources with Acquirer to fulfill the Open Offer obligations.
viii) A Letter from Bank of India, Film Nagar Branch, Jubilee Hills, Hyderabd-33 dated 15.12.2005 for the amount kept in the Escrow Account and empowering solely the Manager to the Offer to operate it.

ix) Copy of confirmation regarding opening of Special Depository Account in the name and style of “VCCIL ESCROW ACCOUNT SEL OPEN OFFER “.

x) Published copies of the Public Announcement made on December 19, 2005.

xi) Copy of the Letter No. CFD/DCR/NM/TO/57981/06 dated January 17, 2006 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 December 15, 2005.

b. Copy of Letter dated 15th December 2005 appointing Venture Capital and Corporate Investments Limited as Registrar to the Offer.

c. Copy of undertakings from Acquirer & Target Company.

11. DECLARATION BY THE ACQUIRER

The Acquirer and its Directors accepts full responsibility severally and jointly for the information contained in the Public Announcement made in this regard, Letter of Offer and also for the ensuring compliance with 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 the Acquirer.

On behalf of the Board of Directors of
For Siri Media Private Limited

Sd/-
Director

Place: Hyderabad
Date: January 27, 2006.

Attached: Form of Acceptance cum Acknowledgement and Withdrawal

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

Date:

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-500 004.
Tel: 040-23322264, Fax: 040-23324803

Dear Sir,

Sub: Open Offer for purchase of 10,44,000 Fully Paid-up Equity shares of Rs. 10/- each at a price of Rs. 9/- per share of SEL representing 20.00% of its Subscribed and Voting Capital by Siri Media Private Limited [Acquirer].

I/We, refer to the Letter of Offer dated January 27, 2006 for acquiring the Equity Share(s) held by me/us in **Sowbhagya Exports 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 Stock Holding Corporation of India Limited, (Registered with NSDL), styled "VCCIL ESCROW ACCOUNT SEL OPEN OFFER"", whose particulars are:

DP Name	Stock Holding Corporation of India Limited
DP ID	IN 301022
Beneficiary ID	21125862

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 confirm that the shares of **Sowbhagya Exports 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 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 Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

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 authorise the Acquirers 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 Acquirers 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 and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP 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) 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 February 23, 2006 (Thursday). In case you wish to withdraw your acceptance please use this form.	**OFFER SCHEDULE** **Offer Opens on : February 9, 2006 (Thursday)** **Last Date of Withdrawal : February 23, 2006 (Thursday)** **Offer Closes on : February 28, 2006 (Tuesday)**

Please read the Instructions in Letter of Offer 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-500 004.

Tel: 040-23322264, Fax: 040-23324803

Dear Sir,

Sub: Open Offer for purchase of 10,44,000 Fully Paid-up Equity shares of Rs. 10/- each at a price of Rs. 9/- per share of SEL representing 20.00% of its Subscribed and Voting Capital by Siri Media Private Limited [Acquirer].

I/We refer to the Letter of Offer dated January 27, 2006 for acquiring the equity shares held by me/us in **Sowbhagya Exports 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 _________ 2006 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 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 Stock Holding Corporation of India Limited, (Registered with NSDL), styled "VCCIL ESCROW ACCOUNT SEL OPEN OFFER"", whose particulars are:

DP Name	Stock Holding Corporation of India Limited
DP ID	IN 301022
Beneficiary ID	21125862

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:

FULL NAME (S) OF THE HOLDERS	ADDRESS OF THE SOLE/FIRST HOLDER	SIGNATURE (S)
First/sole Holder		
Joint Holder 1		
Joint Holder 2		

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. February 23, 2006 (Thursday).

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.

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