THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **Tej Infoways 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. Nukarapu Surya Prakash Rao ('Acquirer')
H.No.317/A/A, Road No.12, Banjara Hills, Hyderabad–500 034.
Telefax.:-040-40020031.

to acquire upto 6,97,100 equity shares of Rs. 10/- each representing 20% of the voting capital at a price of Rs. 11.17 per share (including interest of Re.0.17), of

TEJ INFOWAYS LIMITED (TIL)
Regd. Off.: 8-3-191/570, Tej House, 2nd Floor, Vengalrao Nagar Colony, Hyderabad–500 038.
Corp. Office: II Floor, My Home Plaza, Masab Tank, Hyderabad-500 028.
Tel. No.:-040-23550229; Fax No.:-040-23553751.

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 TIL.

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 TIL to the Acquirer. There are no other statutory approvals required to acquire equity shares that are tendered pursuant to this Offer.

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. April 4, 2007 or withdrawal of the Offer in terms of the regulations, 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.

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 April 11, 2007.

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

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ASHIKA CAPITAL LIMITED 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021. Tel: 022-66111700; Fax:022-66111710 E-Mail: mbd@ashikagroup.com **Contact Person: Mr. Narendra Kumar Gamini**	**AARTHI CONSULTANTS PRIVATE LIMITED** 1-2-285, Domalguda, Hyderabad-500 029. Tel No:-040-27633111/27634445 Fax No:-040-27632184 E-mail: info@aarthiconsultants.com **Contact Person: Mr. G. Bhaskar**

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

Activities	Original Date & Day	Revised Date & Day
Public Announcement	December 14, 2006 (Thursday)	December 14, 2006 (Thursday)
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	December 22, 2006 (Friday)	December 22, 2006 (Friday)
Last Date for a Competitive Bid	January 4, 2007 (Thursday)	January 4, 2007 (Thursday)
Corrigendum to the Public Announcement	March 16, 2007 (Friday)	March 16, 2007 (Friday)
Date by which the Letter of Offer to be Despatched to shareholders	January 27, 2007 (Saturday)	March 22, 2007 (Thursday)
Date of Opening of the Offer	February 2, 2007 (Friday)	March 28, 2007 (Wednesday)
Last date for revising the Offer Price/ Number of Shares	February 9, 2007 (Friday)	April 4, 2007 (Wednesday)
Last date for Withdrawal of Acceptance by share holders who have accepted the Offer	February 15, 2007 (Thursday)	April 11, 2007 (Wednesday)
Date of Closing of the Offer	February 21, 2007 (Wednesday)	April 16, 2007 (Monday)
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be despatched	March 8, 2007 (Thursday)	April 30, 2007 (Monday)

RISK FACTORS:

Relating to the Transaction:

1. The Share Purchase Agreement (Agreement) contains a clause that it is subject to the provisions of SEBI (SAST) Regulations (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 6,97,100 equity shares of Rs. 10/- each representing 20% of voting capital of TIL 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 Offer in demat form will lie to the credit of a designated escrow account and the shares tendered in physical form will lie with the Registrar to the Offer, till the completion of the Offer formalities. The Acquirer 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 TIL 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 TIL 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. Nukarapu Surya Prakash Rao
ASE	Ahmedabad Stock Exchange Limited, Ahmedabad
Eligible Persons for the Offer	All owners of shares registered or unregistered of TIL (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.8/- Per Share
Offer	Cash Offer being made by the Acquirer to acquire upto 6,97,100 equity shares of Rs. 10/- each representing 20% of voting capital of TIL
Offer Price	Rs. 11.17 per share (including interest of Re.0.17)
PA / Public Announcement	Announcement of the Offer made by Acquirer on December 14, 2006 and March 16, 2007
TIL/Target Company	Tej Infoways Limited
RBI	Reserve Bank of India
Registrar to the Offer / Registrar	Aarthi Cosultants Pvt Ltd.
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations or Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof
Sellers	Mr. T. Raghunandan, Mr. J. Sreekanth, Mr. M. Venkat Reddy, Mr. K. Laxmana Chary, Mr. P. RavindraKumar, Mr. P. Ramdas, Mr. B. Ramsai, Mr. K. S. C. Sekhar, Mr. Ch. Krishna Rao, Mr. J. Srinivasa Rao, Mr. Venkataratnam.M, Mr. Mallesham Kasarapu, Mrs. Ramadevi Dammineni, Mrs. Y. Sarojini, Mrs. K. Sasikala, Mrs. B. Sitha, Mr. B. Appa Rao, Mr. J. Gangaraju, Mr. P. Srinivasa Rao, Mr. T. Koteswara Rao, Mr. J. Venkata Durga, Mr. R. Siva, Mrs. P. Geetha, Mr. Ramesh. M (Promoter Group)
Specified Date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of TIL, to whom the Letter of Offer should be sent, i.e. December 22, 2006

CURRENCY OF PRESENTATION

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

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF TEJ INFOWAYS 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 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 23, 2006 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 Offer is being made by **Mr. Nukarapu Surya Prakash Rao** ('Acquirer') pursuant to regulation 10 & 12 and other provisions of the Chapter III and in compliance with the Regulations. The prime object of the Offer is 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' or 'SPA') on December 9, 2006, for acquisition of 20,91,200 fully paid up equity shares of Rs. 10/- each, aggregating to 60% of voting capital of the Target Company at a price of Rs. 8/- per share, with Mr. T. Raghunandan and others (duly represented by Mr. T. Raghunandan, constituted attorney holder)-Promoter Group (hereinafter collectively referred to as "Sellers"), whose details are as under:

S. No.	Name of the Seller (s)	No. of Shares	% of Voting Capital	Negotiated Price (Rs.)
1.	Mr. T. Raghunandan	1,29,000	3.701	Rs. 8.00 (Rupees Eight only)
2.	Mr. J. Sreekanth	1,26,500	3.629	
3.	Mr. M. Venkat Reddy	1,11,500	3.299	
4.	Mr. K. Laxmana Chary	1,02,700	2.946	
5.	Mr. P. Ravindra Kumar	1,13,500	3.256	
6.	Mr. P. Ramdas	68,000	1.951	
7.	Mr. B. Ramsai	1,20,000	3.443	
8.	Mr. K. S. C. Sekhar	1,20,000	3.443	
9.	Mr. Ch. Krishna Rao	1,20,000	3.443	
10.	Mr. J. Srinivasa Rao	1,20,000	3.443	
11.	Mr. Venkataratnam	30,000	0.861	
12.	Mr. Mallesham Kasarapu	21,440	0.615	
13.	Mrs. Ramadevi Dammineni	13,500	0.387	
14.	Mrs. Y. Sarojini	1,00,000	2.867	
15.	Mrs. K. Sasikala	1,00,000	2.867	
16.	Mrs. B. Sitha	1,00,000	2.867	
17.	Mr. B. Appa Rao	80,000	2.295	
18.	Mr. J. Gangaraju	80,000	2.295	
19.	Mr. P. Srinivasa Rao	80,000	2.295	

20.	Mr. T. Koteswara Rao	80,000	2.295	
21.	Mrs. J. Venkata Durga	80,000	2.295	
22.	Mr. R. Siva	80,000	2.295	
23.	Mrs. P. Geetha	80,000	2.295	
24.	Mr. Ramesh. M	31,560	0.905	
	GRAND TOTAL (A+B)	**20,91,200**	**60.00**	

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

i. The Sellers have agreed to sell, transfer and assign 20,91,200 equity shares of Rs.10/- each of TIL to the Acquirer and the Acquirer ad agreed to purchase the said shares from the Sellers, at a Price of Rs. 8/- per share, for a total consideration amount of Rs. 1,67,29,600/- (Rupees One Crore Sixty Seven Lakhs Twenty Nine Thousand and Six Hundred only).

ii. That the purchase consideration will be paid as earnest money or deposit would be to the sellers simultaneously with the execution of the Agreement.

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

iv. 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.

v. The Acquirer and 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 Agreements 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 SEBI Act. No action has been taken by SEBI against the Acquirer, Target Company & its Promoters/Directors, under the SEBI Act or under any of the Regulations made under 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) As on date of PA, Mr. Nukarapu Surya Prakash Rao (Acquirer) holds 1,37,700 equity shares of Rs. 10/- each constituting 3.95% of voting capital of TIL. These shares were acquired through off-market purchase. Except this, the Acquirer has not acquired either directly or through any other person any Shares of TIL during the twelve months preceding the date of this PA.

(h) The Manager to the Offer i.e. Ashika Capital Limited does not hold any shares in the Target Company as on the date. They declare and undertake that they 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.

(i) Mr. Nukarapu Surya Prakash Rao is the Director of the Target Company. He undertakes not to participate in any matters concerning or relating to the Offer including any preparatory steps leading to the Offer. The Acquirer is neither controlling the management nor involved in day to day operations of TIL.

(j) 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.

(k) 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 they would acquire only such number of shares under the

Agreement so as to maintain the minimum specified public shareholding in the Company. In such case, the Sellers will remain the shareholder(s) and they will form part of Public.

(l) There has been no change on the Board of Directors of TIL from the date of Share Purchase Agreement. The Acquirer hereby further undertake that, during the Offer Period, he shall not appoint / recommend himself or any of his representative(s) for the office of the Directorship on the Board of Directors of Target 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 **The Financial Express** (English), **Jansatta** Hindi) and **Andhra Prabha** (Telugu) on December 14, 2006 in compliance with regulation 15 (1) of Regulations. The Public Announcement is also available on SEBI's website at www.sebi.gov.in.

(b) The Acquirer propose to acquire upto 6,97,100 equity shares of Rs.10/- each, from the existing equity shareholders of TIL at a price of Rs. 11.17 per share (including interest of Re. 0.17), representing 20% of the voting capital.

(c) The offer is not subject to any minimum level of acceptance. The Acquirer will acquire all equity shares of TIL that are tendered in terms of this Offer up to a maximum of 6,97,100 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 Offer has been made pursuant to regulation 10 & 12 and other provisions of the Chapter III and in compliance with the Regulations.

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

(c) Since the Acquirer and Target Company are in similar line of business, the acquirer believes that this acquisition will facilitate economies of scale which would result in significant cost advantage and operational efficiencies. The Acquirer believes that this acquisition will facilitate him for the implementation of growth plans in the business and achieve greater synergies. This acquisition consolidates the market position of the Acquirer and the Target Company in the Software market. In future both jointly may work on effective utilization of their respective facilities for maximizing revenues and increased market penetration.

(d) The Acquirer does not have any plans to sell, dispose off or otherwise encumber any assets of TIL in the next two years, except in the ordinary course of business. The Acquirer will not dispose off, sell or otherwise encumber any substantial Assets of TIL except with the prior approval of the Shareholders.

4. BACKGROUND OF THE ACQUIRER

4.1. Information about Acquirer:

a. **Mr. Nukarapu Surya Prakash Rao**, S/o. Late N. Rama Swamy, aged about 48 years is a resident of H. No. 317/A/A, Road No. 12, Banjara Hills, Hyderabad-500 034. He completed his Bachelor of Commerce from Osmania University, Hyderabad in the year 1982. He is having around 22 years of experience in the diversified areas like Infrastructure, Software Development and Film Production. He promoted Diginet Software India Ltd. in the year 1999 which is engaged in the business of Software Development, Information Technology and Information Technology Enabled Services. He also promoted M/s. SP Creations, Hyderabad a film production firm in the year 2001 to undertake the activities of film production.

b. His Networth as on 30.11.2006 is Rs. 3200.00 Lakhs as certified by Mr. P. Murali Mohana Rao (Membership No. 23412), Partner of M/s. P. Murali & Co., Chartered Accountants, having Office at 6-3-655/2/3, Somajiguda, Hyderabad- 500 082. Tel. No. (040) 23326666/23312554 Fax No: (040) 23392474 vide certificate dated 9.12.2006.

4.2. As on date, Mr. Nukarapu Surya Prakash Rao ('Acquirer) is on the Board of Directors of the Target Company.

4.3. Except above, the Acquirer is not a member of the Board of Directors of any listed company.

4.4. The compliances under Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirer since he does not hold any shares of TIL except 1,37,700 equity shares of Rs. 10/- each constituting 3.95% of voting capital of TIL, which were acquired through off-market.

4.5. The details of the companies promoted by the Acquirer are as under:
Diginet Software India Limited, originally incorporated on 8th July, 1999 under Companies Act, 1956, is engaged in the name and style of 'Surya Teja Software Limited'. Subsequently the name was changed to the present name with effect from 23rd March, 2000. The Company is presently engaged in the business of Software Development and Information Technology. The Company is not Sick Industrial Company. The shares of the company are not listed on any stock exchange(s).

Brief Financial based on the Audited Accounts for the last three years are given below:
(Amount-Rs.in Lacs)

Particulars	31.03.2006	31.03.2005	31.03.2004
Equity Share Capital	182.72	182.72	182.72
Reserves & Surplus	0.70	0.60	0.49
Total Income	26.37	24.53	24.15
Profit After tax (PAT)	0.01	0.11	0.08
Earning Per Share (EPS) (Rs.)	0.001	0.006	0.004
Networth	182.11	181.86	181.59
Net Asset Value (NAV) per share in Rs. (Equity share of Rs. 10/- each)	9.97	9.95	9.94

SP Creations is a proprietary concern engaged in the film production business. The Provisions relating to Sick Industrial Company and listing are not applicable.

Brief Financial based on the Audited Accounts for the last three years are given below:
(Amount-Rs. in Lacs)

Particulars	31.03.2006	31.03.2005	31.03.2004
Share Capital	119.82	25.64	3.13
Total Income	88.73	216.69	--
Profit After tax (PAT)	6.87	28.85	(2.13)

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

a. The Acquirer intends to expand his present activities through the Target Company and also derive benefits of a Listed Company. By virtue of this acquisition, the Acquirer will get majority shareholding entitling him to exercise management control over the Target Company.

b. The Acquirer does not have any plans to sell, dispose off or otherwise encumber any assets of TIL in the next two years, except in the ordinary course of business. The Acquirer will not dispose off, sell or otherwise encumber any substantial Assets of TIL except with the prior approval of the Shareholders.

5. DISCLOSURE IN TERMS OF REGULATION 21

As per Clause 40A of the Listing Agreement, the company is required to maintain on a continuous basis, public shareholding of at least 25% of the total number of issued shares of a class or kind, for every such class or kind of its shares which are listed. Pursuant to the Agreement and this Offer or otherwise, if the public shareholding in TIL fall below the limit specified in the Listing Agreement with Stock Exchange(s) for the purpose of listing on continuous basis, the Acquirer undertake 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- TIL

6.1. Brief History and Main Areas of Operations:

a. TIL was originally incorporated on 5th July, 1991 in the name and style 'Sitco Fine Pharmaceuticals Private Limited' under the Companies Act, 1956 in the State of Andhra Pradesh. Subsequently, it has been converted into Limited Company with effect from 27th March, 1995. Thereafter, the name was changed to 'Tej Infoways Limited' with effect from 6th January 2000. The Registered Office of the company is situated at 8-3-191/570, Tej House, 2nd Floor, Vengalrao Nagar Colony, Hyderabad-500 038.

b. The Authorised Share Capital of the company is Rs. 600.00 Lakhs divided into 60,00,000 equity shares of Rs.10/- each. The Issued and Subscribed Share Capital is Rs. 348.55 Lakhs comprising of 34,85,500 fully paid-up equity shares of Rs.10/- each. There are no partly paid-up equity shares.

c. TIL is presently engaged in the business of Software Development. The company is engaged in development of software solutions in niche areas and rendering services in the ITES & BPO sector. The company plans to expand into areas like GIS, CAD and Engineering services.

d. The equity shares of TIL are presently listed on HSE, MSE and ASE.

e. The company came out with a maiden public issue in September 1996 through prospectus, to part finance the project to manufacture bulk drugs and to meet the margin money for working capital.

f. Later, on January 6, 2000 the main Object Clause of the company was amended to carry on the business of Software Development. Since then the company engaged in present activities and discontinued its previous activities.

6.2. Share Capital Structure of TIL:

Paid-up Equity Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity shares	34,85,500/34,85,500	100%/ 100%
Partly Paid-up Equity shares	Nil/Nil	Nil/Nil
Total paid-up Equity shares	34,85,500/34,85,500	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	400	0.01	4,000	Subscribers to Memorandum	Promoters	Complied
17.01.1995	42,600	1.22	4,30,000	Further Allotment	Promoters & Associates	Complied
17.05.1995	1,67,000	4.79	21,00,000	Further Allotment	Promoters & Associates	Complied
22.06.1995	1,28,500	3.69	33,85,000	Further Allotment	Promoters & Associates	Complied
26.12.1995	2,53,500	7.27	59,20,000	Further Allotment	Promoters & Associates	Complied
23.09.1996	28,93,500	83.02	3,48,55,000	Public Issue	Promoters & Public	Complied
TOTAL	**34,85,500**	**100.00**	**3,48,55,000**			

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 Company has been complying with the applicable clauses of the Listing Agreement entered into with the Stock Exchange (s) and no punitive action was taken against the company by these Stock Exchange(s). The company has paid upto date Listing Fees to the Stock Exchange(s) and 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 TIL:

As on date of Public Announcement [December 14, 2006], the Directors representing the Board of TIL were:

Sl. No.	Name	Address	Qualification	Experience	Date of Appointment
1.	T. Raghunandan	1-9-236/2/2/B, Parsiguttalane, Ramnagar, Hyderabad – 500 020.	M. Sc. (Bio-Sciences)	Around 25 years in Pharma industry	Since Incorporation
2.	J. Sreekanth	A-16,#2-2-18/63/A, D.D.Colony, Hyderabad.	Graduate in Pharma	Around 17 years in Pharma industry	12.07.1991
3.	Nukarapu Surya Prakash Rao	317/A/A, MLA Colony, Banjarahills, Hyderabad-34.	B. Com.	Around 22 years in Infrastructure, Software Development and Film Production	30.05.2000
4.	K. Rama Chandra Rao	1-96, Murthungaguda, Nazeebnagar (village), Moinbad (mandal) Ranga Reddy Dt.	B.A.	Around 3 years in Administration	01.10.2006
5.	V. Srinivas	8-3-315/C/4, Maruthinagar, Yousufguda, Hyderabad – 500 029.	B.A	More than 6 years in Marketing and Administration	30.05.2000
6.	R. Srinivas	1057/A, Prasanthinagar, Bachupally, Qutballapur Mandal, Ranga Reddy Dist.	B.Com	Around 5 years in Administration	01.10.2006

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

6.8. The Promoters/Sellers have complied with the applicable provisions of SEBI (SAST) Regulations 1997.The Target Company is also complying with the applicable provisions of Chapter II of SEBI (SAST) Regulations 1997.

6.9. Financial Information:

Brief audited financials of the company for the last 3 years and certified results for the period ended 30.09.2006 are as follows:

Profit & Loss Statement

(Rs. in Lakhs)

For the Year ended	30.09.2006	31.03.2006	31.03.2005	31.03.2004
Income:				
Income	332.62	719.98	618.65	516.33
Total Income	**332.62**	**719.98**	**618.65**	**516.33**
Total Expenditure	312.37	676.42	584.91	499.70
Profit/(Loss) before Interest, Depreciation & Tax	20.25	43.56	33.74	16.63
Depreciation	7.87	15.73	10.61	7.33
Profit/(Loss) before Tax	**12.38**	**27.83**	**23.13**	**9.30**
Provision for Current Tax	1.39	2.66	2.26	0.98
Provision for FBT	0.23	0.42	--	--
Provision for Deffered Tax	0.89	4.02	1.75	(1.08)
Profit/(Loss) after Tax	**9.87**	**20.73**	**19.12**	**9.40**

Balance Sheet Statement

(Rs. in Lakhs)

As at	30.09.2006	31.03.2006	31.03.2005	31.03.2004
Sources of Funds:				
Share Capital	348.55	348.55	348.55	348.55
Reserves & Surplus	31.98	22.11	1.39	--
Networth	**380.53**	**370.66**	**349.94**	**348.55**
Deferred Tax Liability	23.74	22.84	18.83	17.08
Total	**404.27**	**393.50**	**368.77**	**365.63**
Application of Funds:				
Net Fixed Assets	130.66	138.52	91.00	61.11
Advance for Capital Goods	101.35	101.35	101.35	101.35
Net Current Assets	163.97	145.34	168.13	177.14
Misc. Exp. (not written off)	8.29	8.29	8.29	8.29
Profit & Loss Account	--	--	--	17.74
Total	**404.27**	**393.50**	**368.77**	**365.63**

Other Financial Data

For year ended	30.09.2006	31.03.2006	31.03.2005	31.03.2004
Dividend (%)	Nil	Nil	Nil	Nil
EPS (Rs.)	0.28	0.59	0.55	0.27
Return on Networth (%)	2.65	5.72	5.60	0.03
Book Value per share (Rs.)	10.68	10.40	9.80	9.25

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

Notes

a. The increase in the net fixed assets to the tune of Rs. 63.25 Lakhs in the year 31.03.2006 is on account of purchase of Computers.

6.10.Pre and Post-Offer Shareholding Pattern of TIL (Based on Voting Capital):

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	20,91,200	60.00	(20,91,200)	(60.00)	Nil	Nil	Nil	Nil
b) Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (a+b)	**20,91,200**	**60.00**	**(20,91,200)**	**(60.00)**	**Nil**	**Nil**	**Nil**	**Nil**
2. Acquirer								
Mr. Nukarapu Surya Prakash Rao	1,37,700	3.95	20,91,200+	60.00+	6,97,100	20.00	29,26,000	83.95
Total (a+b)	**1,37,700**	**3.95**	**20,91,200**	**60.00**	**6,97,100**	**20.00**	**29,26,000**	**83.95**
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	12,56,600	36.05	Nil	Nil	(6,97,100)	(20.00)	5,59,500	16.05
Total (a+b)	**12,56,600**	**36.05**	**Nil**	**Nil**	**(6,97,100)**	**(20.00)**	**5,59,500**	**16.05**
GRAND TOTAL (1+2+3+4)	**34,85,500**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**34,85,500**	**100.00**

+The Shares to be acquired through Agreement will be reduced to such extent so as to maintain over all Promoter's shareholding not exceeding 75% of the subscribed/Voting capital of the Company. In such case, the holding of erstwhile Promoter Group will be included in public.

6.11. There are 1,149 Equity Shareholders under Public category.

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

6.13. Name and Contact details of the Compliance Officer:
R. Srinivas, Director
8-3-191/570, Tej House, 2nd Floor, Vengalrao Nagar Colony, Hyderabad–500 038.
Tel No:-040-2355 0229; Fax No:-040-2355 3751

6.14. There were no changes in the Promoters shareholding since 1997.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1. Justification of Offer Price:

1. The equity shares of TIL are listed on The Hyderabad Stock Exchange Limited, Hyderabad (HSE), The Madras Stock Exchange Limited, Chennai (MSE) and Ahmedabad Stock Exchange Limited, Ahmedabad (ASE). The shares of the company are not traded on any Stock Exchange(s) 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. June 2006 to November 2006 (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	Nil	Nil
HSE	Nil	Nil	Nil
MSE	Nil	Nil	Nil

3. Based on the information available, the shares of TIL deemed to be infrequently traded on the Stock Exchange(s) 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	:	Rs. 8/- per fully paid-up equity 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 twenty six week period prior to the date of PA	:	Nil
c)	**Other parameters**		**Based on audited accounts for the year-ended 31.03.2006**
	Return on Networth (%)	:	5.72
	Book Value per share (Rs.)	:	10.40
	Earning Per Share (Rs.)	:	0.59
	Price Earning (considering the Offer Price of Rs. 11/- per share)	:	18.64
	The average industry P/E for the sector in which TIL operates *(Source: Capital Market, Volume XXI/17, Dated Oct 23 - Nov05, 2006; Industry:-Computers-Software-Medium/Small)*	:	23.20

4. In view of the aforesaid financial parameters, the Offer Price of Rs. 11.17 per equity share (including interest of Re. 0.17) is justified in terms of Regulations.

5. If the Acquirer acquires Shares after the Original PA and upto seven working days prior to closure of the Offer at a price higher than the Offer Price, the highest price paid for such acquisitions shall be payable for all the acceptances received under this Offer as per the Regulations. Any revision in the Offer Price shall be notified by advertisement in the same newspapers in which the original 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 Rs. 77,86,607/- (Rupees Seventy Seven Lakhs Eighty Six Thousand Six Hundred Seven only).

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

1.	Name of the Bank	HDFC Bank Limited
2.	Address	Maneckji Wadia Building, Ground Floor, Nanik Motwani Marg, Fort, Mumbai-400001. Tel No.: 022-66573535; Fax: 022-22705520
3.	Amount	Rs. 19,50,000/-
4.	Account Number	0600350032174

3. The Manager to the Offer i.e. Ashika Capital Limited has been solely authorised by the Acquirer to operate and realise the value of Escrow Account in terms of the Regulations, and accordingly HDFC Bank Limited have issued a Letters dated December 13, 2006 & March 14, 2007 in favour of Manager to the Offer confirming the same.

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 sources/Networth and no borrowings from any Bank and/or Financial Institution is envisaged. Mr. P. Murali Mohana Rao, (Membership No:23412) Partner of M/s. P. Murali & Co., Chartered Accountants, having Office at 6-3-655/2/3, Somajiguda, Hyderabad-500 082 has certified vide letter dated December 9, 2006 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 TIL (except parties to the Agreement) whose name appear on the Register of Members of TIL and to those beneficial owners of the equity shares of TIL, whose names appear as beneficiaries on the records of the respective Depository Participants, at the close of business hours on December 22, 2006 (the 'Specified Date').

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

3. Shareholders holding equity shares in physical form and wish to 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. April 16, 2007 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 The Hyderabad Stock Exchange Limited, Hyderabad CDSL DP Division (Registered with CDSL), styled 'M/S AARTHI-TEJINFOWAYS OPEN OFFER-ESCROW ACCOUNT'. The DP ID is 23800 and Client ID is 1302380000194164. Shareholders having their beneficiary account in NSDL 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 and 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 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. April 16, 2007 (Monday) 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(s)] 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 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, Registered Folio Number, Share Certificate Numbers, Distinctive Numbers, Number of Shares held, Number of Shares offered, along with documents as mentioned in above point 'e', so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. April 16, 2007 (Monday), in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, DP Name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in 'Off-Market' mode or counterfoil of the delivery instruction in 'Off-Market' mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Registrar to the Offer, on or before the Closing of the Offer, i.e. April 16, 2007 (Monday).

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 TIL 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 TIL are more than the shares to be acquired under the Offer (i.e. 6,97,100 Equity shares) then the Acquirer will accept shares 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. Incase, the equity shares of TIL are surrendered in dematerialized mode, minimum marketable lot is one (1) equity share only. The rejected applications/ documents will be sent by Registered Post.

11. 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 and accepted, within 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.

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 the 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 TIL 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: -
   Aarthi Consultants Pvt. Ltd.
   1-2-285, Domalguda,
   Hyderabad-500 029.

   Acceptances may be sent by Registered Post or by hand so as to reach the Registrars/Manager to the Offer on or before April 16, 2007.

   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 demated shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demated shares not credited in favour of the special depository account before the closure of the Offer will be rejected.

3. Shareholders should enclose the following::

a) **For Equity Shares held in Physical Form:**

Registered Shareholders:

- **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 TIL 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 TIL 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:

- **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. All other requirements for valid transfer will be preconditions for valid acceptance.

b) **For Equity shares held in Demat form: -**

The Registrar to the Offer has opened a Special Depository Account with The Hyderabad Stock Exchange Limited, Hyderabad CDSL DP Division (Registered with CDSL), styled 'M/S AARTHI-TEJINFOWAYS OPEN OFFER-ESCROW ACCOUNT' The above said account details are as under: -

DP Name	The Hyderabad Stock Exchange Limited
DP ID	23800
Beneficiary ID	1302380000194164

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

- **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 DP.

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

4. 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.

5. 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, TIL or parties to the Agreement.

6. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Registered Folio Number, Share Certificate Numbers, Distinctive Numbers, Number of Shares held, Number of Shares offered, along with documents as mentioned in above point 'e', so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. April 16, 2007 (Monday), in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, DP Name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in 'Off-Market' mode or counterfoil of the delivery instruction in 'Off-Market' mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Registrar to the Offer, on or before the Closing of the Offer, i.e. April 16, 2007 (Monday).

   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. April 16, 2007 (Monday).

   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 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. 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 April 11, 2007. 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 April 11, 2007. 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.

8. 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.

9. 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**, 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021, on any working day between 10.00a.m to 2.00p.m during the period the Offer is open i.e., from March 28,2007 to April 16,2007 :

i) Copy of the Share Purchase Agreement executed between Acquirer & Sellers dated December 9, 2006, which triggered off the Offer.

ii) Memorandum & Articles of Association of TIL along with Certificate of Incorporation.

iii) Audited results of TIL for the financial years ended 31.03.2004, 31.03.2005 and 31.03.2006 and certified results for the period ended 30.09.2006

iv) Memorandum & Articles of Association along with Certificate of Incorporation and Annual Reports for the Financial Years ended 31.03.2004, 31.03.2005, 31.03.2006 of Diginet Software India Limited.

v) Results of SP Creations for the Financial Years ended 31.03.2004, 31.03.2005, 31.03.2006.

vi) Copy of Prospectus dated 13.08.1996.

vii) Chartered Accountant's Certificate dated 9.12.2006 certifying the Net worth of Mr. Nukarapu Surya Prakash Rao.

viii) Chartered Accountant's Certificate dated 9.12.2006 certifying the adequacy of financial resources with Acquirer to fulfill the Open Offer obligations.

ix) A Letters from HDFC Bank dated December 13, 2006 & March 14, 2007 for the amount kept in the Escrow Account.

x) Published copies of the Public Announcement made on December 14, 2006 and Corrigendum made on March 16, 2007.

xi) Copy of the letter of The Hyderabad Stock Exchange Limited, Hyderabad confirming the compliance of Listing Agreement clauses by the Target Company.

xii) Copy of the Letter No. CFD/DCR/MM/TO/88364/07 dated March 6, 2007 from SEBI in terms of Provisions of regulation 18(2).

xiii) Other relevant documents such as:

   a. Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer dated December 9, 2006.
   b. Copy of the consent letter from Aarthi Consultants Pvt. Ltd., the Registrar to the Offer.
   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 Public Announcement made in this regard, Letter of Offer and also for ensuring compliance with the obligation 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.

Place: Mumbai.
Date: March 20, 2007.

Nukarapu Surya Prakash Rao (Acquirer)

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
Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda,
Hyderabad-500 029.

Dear Sir,

Sub: Open Offer to acquire upto 6,97,100 equity shares of Rs. 10/- each fully paid-up shares at a price of Rs. 11/- per share, representing 20% of voting capital of TIL by Mr. Nukarapu Surya Prakash Rao .

I/We refer to the Letter of Offer dated March 20, 2007 for acquiring the Equity Share(s) held by me/us in **Tej Infoways Limited**.

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

For Shares held 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:

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

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

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

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

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

I/We have done an 'Off-Market' transaction for crediting the Shares to the Special Depository Account named 'M/S AARTHI-TEJINFOWAYS OPEN OFFER-ESCROW ACCOUNT' with the following particulars, opened for the purposes of the Offer, for which necessary instructions have been given to my/our DP.

DP Name	The Hyderabad Stock Exchange Limited
DP ID	23800
Beneficiary ID	1302380000194164

I/We note and understand that the shares would reside in the above Special Depository Account until the time the Acquirer accepts the Shares and makes the payment of purchase consideration as mentioned in the Letter of Offer.

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

Non resident shareholders should enclose No objection Certificate / Tax Clearance Certificate from the income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer 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 Acquirer to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We 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, to return to me/us, share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof 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. **Aarthi Consultants Pvt. Ltd.** **(Acknowledgement Slip)**

1-2-285, Domalguda, Hyderabad-500 029. Tel: 040-27638111/27634445;
Fax: 040-27632184. E-mail: info@aarthiconsultants.com

Received from Mr. /Ms. /Mrs.:___________________________________

Address: ____

____

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

Folio Number: ________ DP ID ___________Client ID___________

Number of Share Certificates Enclosed: _____________

Certificate Numbers: _____________________

Total Number of Shares Enclosed: ________

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

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

FORM OF WITHDRAWAL

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 April 11, 2007 (Thursday). In case you wish to withdraw your acceptance please use this form.	**OFFER SCHEDULE** **Offer Opens on : March 28, 2007 (Wednesday)** **Last Date of Withdrawal : April 11, 2007 (Wednesday)** **Offer Closes on : April 16, 2007 (Monday)**

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

From:

Tel No. Fax No.: E-mail:

To
Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda,
Hyderabad-500 029.

Dear Sir,

Sub: Open Offer to acquire upto 6,97,100 equity shares of Rs. 10/- each fully paid-up shares at a price of Rs. 11/- per share, representing 20% of voting capital of TIL by Mr. Nukarapu Surya Prakash Rao.

I/We refer to the Letter of Offer dated March 20, 2007 for acquiring the equity shares held by me/us in **Tej Infoways 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 _________ 2007 along with 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:

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

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

I/We note and understand the terms of withdrawal of acceptance and request you to return the original Share Certificate(s) and valid share transfer deed 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	Name of Beneficiary	No. of Shares

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 signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,
Signed and Delivered:

	FULL NAME (S)	SIGNATURE (S)
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 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. April 11, 2007 (Wednesday).

2. Shareholders should enclose the following:

   Registered Shareholders:
   - 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:
   - 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/ Manager to the Offer.
   - The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company.
   - The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
   - In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from TIL. The facility of partial withdrawal is available only on to the registered shareholders.

---TEAR HERE--

S. No. **Aarthi Consultants Pvt. Ltd.** **(Acknowledgement Slip)**

1-2-285, Domalguda, Hyderabad-500 029. Tel: 040-27638111/27634445
Fax: 040-27632184. E-mail: info@aarthiconsultants.com

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

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PRINTED MATTER

BOOK POST

To

If undelivered, please return to:

AARTHI CONSULTANTS PRIVATE LIMITED
1-2-285, Domalguda, Hyderabad-500 029.
Tel No:-040-27633111/27634445
Fax No:-040-27632184
E-mail: info@aarthiconsultants.com