PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF

TEJ INFOWAYS LIMITED

(Regd. Off.: 8-3-191/570, Tej House, 2nd Floor, Vengalrao Nagar Colony, Hyderabad500 038)

(Corp. Office: II Floor, My Home Plaza, Masab Tank, Hyderabad-500 028)

This Public Announcement (PA) is being issued by Ashika Capital Limited (hereinafter referred to as 'Manager to the Offer'), for and on behalf of **Mr. Nukarapu Surya Prakash Rao** (hereinafter referred to as 'Acquirer') pursuant to regulation 10 & 12 and in compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as 'Regulations').

1. THE BACKGROUND OF THE OFFER:

a) The Open Offer is being made by **Mr. Nukarapu Surya Prakash Rao,** S/o Late N. Rama Swamy, aged about 48 years, resident of H.No.317/A/A, Road No.12, Banjara Hills, Hyderabad500 034 to the equity shareholders of **TEJ INFOWAYS LIMITED** (hereinafter referred to as 'Target Company' or 'TIL').

b) The Acquirer has entered into a Share Purchase Agreement ('Agreement' or 'SPA') on December 9, 2006 with Mr. T. Raghunandan and Others)-Promoter Group [duly represented by Mr. T. Raghunandan, constituted Attorney holder] (hereinafter collectively referred to as 'Sellers') 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.

2. THE OFFER:

a) Pursuant to the aforesaid SPA, provisions of regulation 10 read with regulation 12 of the Regulations have been attracted. The Acquirer is now making this Open Offer ('Offer') to the Shareholders of TIL (other than the parties to the Agreement) to acquire upto 6,97,100 equity shares of Rs. 10/- each fully paid-up shares at a price of Rs. 11/- per share ('Offer Price') representing 20% of its subscribed & voting capital, payable in cash.

b) 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). Based on the information available, the shares of TIL deemed to be infrequently traded on these Stock Exchanges 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:

i)	Negotiated Price under the Agreement	:	Rs. 8/- per fully paid-up equity share
ii)	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
iii)	**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

In view of the aforesaid financial parameters, the Offer Price of Rs. 11/- per equity share is justified in terms of Regulations.

c) 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.

d) As on date of this 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. 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.

e) The Manager to the Offer i.e. Ashika Capital Limited does not hold any shares in the Target Company as on the date of PA. 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.

f) The Offer is not subject to any minimum level of acceptances from shareholders and is not a conditional Offer.

g) This is not a competitive bid.

h) The Acquirer has not entered into any separate non-compete agreement with the Sellers.

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.

3. INFORMATION ABOUT THE 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-500034. He completed his Bachelor of Commerce from Osmania University, Hyderabad in the year 1982. He has 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 and SP Creations, Hyderabad a film production firm in the year 2001.

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. INFORMATION ABOUT THE TARGET COMPANY:

a) The Company 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) As on this PA, the Authorised Share Capital of the company is Rs. 600.00 Lakhs and the issued share capital is Rs. 348.55 Lakhs. The subscribed Capital of the Company 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 shares in the company.

c) TIL is presently carrying on the business of Software Development.

d) The equity shares of TIL are listed on HSE, MSE and ASE. The equity shares of the company are infrequently traded on these stock exchanges in terms of explanation (i) to regulation 20(5).

e) As per Audited Accounts for the year ended 31st March 2006, the company earned gross revenue of Rs. 719.99 Lakhs and earned a Net Profit After Tax of Rs. 20.72 Lakhs. The Networth, Book Value, Earning Per Share and Return on Networth for the year ended 31.03.2006 was Rs. 362.37 Lakhs, Rs.10.40 Per Share, Rs. 0.59 Per Share and 5.72% respectively.

5. REASONS FOR THE ACQUISITION AND 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) 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.

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.

6. STATUTORY APPROVALS/ OTHER APPROVALS REQUIRED FOR THE OFFER:

a) 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 thereto for acquiring equity shares tendered by Non Resident Shareholders, if any.

b) As on the date of this PA, to the best of the knowledge of the Acquirer, there are no other statutory approvals and / or consents required. However, the Offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.

c) In case of delay in receipt of Statutory Approvals, 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 Acquirer in obtaining the Approvals, regulation 22(13) of the Regulations will also become applicable.

7. OPTION IN TERMS OF REGULATION 21:

In the event, pursuant to this Offer, the public shareholding in the Target Company falls below 25% of its outstanding equity share capital, the Acquirer will, in accordance with Regulation 21(2) of the SEBI (SAST) Regulations, 1997, facilitate the target company to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the stock exchanges within the specified time and in accordance with the prescribed procedure under amended clause 40A(viii) of the Listing Agreement and in compliance with the Regulations.

8. FINANCIAL ARRANGEMENTS:

a) 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 Institutions 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. Tel. No. (040) 23326666/23312554 Fax No: (040) 23392474 has certified vide letter dated 9.12.2006 that sufficient resources are available with the Acquirer for fulfilling the obligations under this 'Offer' in full.

b) The total fund requirement for the Offer is Rs. 76,68,100/- (Rupees Seventy Six Lakhs Sixty Eight Thousand and One Hundred only). In accordance with regulation 28 of the Regulations, the Acquirer has opened an Escrow Account in HDFC Bank, Fort Branch, Mumbai and made a Cash deposit of Rs. 19,20,000/- (Rupees Nineteen Lakhs and Twenty Thousand only) in the account being more than 25% of the total consideration payable to the shareholders under the Offer. A lien has been marked on the said Escrow Account in favour of the Manager to the Offer by the bank. The Manager to the Offer i.e. Ashika Capital Limited has been solely authorised by the Acquirer to operate and realize the value of Escrow Account in terms of the Regulations.

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

9. OTHER TERMS OF THE OFFER:

a) The Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of TIL (except the Acquirer and Sellers) whose name appear on the Register of Members and to the beneficial owners of the shares of the TIL whose names appear on the beneficial records of the respective Depository Participant, at the close of business hours on December 22, 2006 (Friday) ('Specified Date').

b) Shareholders holding equity shares in physical form who wish to accept the Offer and tender their shares will be required to send their duly signed Form of Acceptance cum Acknowledgment, Original Share Certificate (s) and duly signed and executed Transfer Deed (s) to the Registrar to the Offer, either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closing of the Offer, i.e. February 21, 2007 (Wednesday), in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgment.

c) 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.

d) 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 Acknowledgment along with a photocopy of the delivery instructions in 'Off-Market' mode or counterfoil of the delivery instruction in 'Off-Market' mode, duly acknowledged by the Depository Participant ('DP'), in favour of the Special Depository Account, to the Registrar to the Offer either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post, on or before the Closing of the Offer, i.e. February 21, 2007 (Wednesday), in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgment.

e) All owners of the shares, Registered or Unregistered (except the Acquirer and Sellers) 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 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.

f) 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. February 21, 2007 (Wednesday), 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. February 21, 2007 (Wednesday).

g) 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 Escrow Account should be received on or before the closure of the Offer, else the application would be rejected.

h) 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.

i) 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.

j) In case the shares tendered in the Offer by the shareholders of TIL are more than the shares to be acquired under the Offer, 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.

k) The payment of acquisition of shares will be made by the Acquirer in Cash through a crossed Demand Draft/Pay Order to the equity Share holders of TIL whose equity share certificates and other documents are found in order and accepted, with in 15 Days from the date of Closing of the Offer.

l) In terms of regulation 22(5A) of the Regulations, shareholders shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing date by submitting the required documents, so as to reach the Registrar to the Offer. The withdrawal option can be exercised by submitting the Form of Withdrawal enclosed with Letter of Offer. Incase of non-receipt of Form of Withdrawal the withdrawal can be exercised by making it on plain paper along with the details as mentioned in the point 'f' above. The shares withdrawn by the Shareholders, if any, would be returned by Registered Post.

m) A Schedule of some of the major activities in respect of the Offer is given below:

Activities	Date	Day
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	December 22, 2006	Friday
Last Date for a Competitive Bid, if any	January 4, 2007	Thursday
Date by which the Letter of Offer to be Despatched to the shareholders	January 27, 2007	Saturday
Date of Opening of the Offer	February 2, 2007	Friday
Last date for revising the Offer Price/ Number of Shares	February 9, 2007	Friday
Last date for withdrawal of acceptance by shareholders who have accepted the Offer	February 15, 2007	Thursday
Date of Closing of the Offer	February 21, 2007	Wednesday
Date by which communicating acceptance /rejection and payment of consideration for accepted shares / despatch of Share Certificate in case of rejection	March 8, 2007	Thursday

10. GENERAL:

a) Shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA/Letter of Offer, can withdraw the same up to three working days prior to the date of Closure of the Offer i.e. February 15, 2007 (Thursday).

b) If there is any upward revision in the Offer Price up to seven working days prior to the date of Closure of the Offer i.e. February 9, 2007 (Friday) or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same Newspapers where this PA appeared and such revised Offer Price would be payable to all the shareholders who have tendered their shares any time during the Offer and accepted under the Offer.

c) If there is a Competitive Bid:

i) The Public Offers under all the subsisting bids shall close on the same date.

ii) 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.

d) The Acquirer, the Sellers and TIL have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any other Regulations made under the SEBI Act.

e) Pursuant to regulation 13 of the Takeover Regulations, the Acquirer has appointed Ashika Capital Limited, as Manager to the Offer.

f) The Acquirer has appointed **Aarthi Consultants Pvt. Ltd.,** as the Registrar to the Offer, having office at 1-2-285, Domalguda, Hyderabad-500 029. Tel: 040-27638111/27634445; Fax: 040-27632184. E-mail: info@aarthiconsultants.com; The Contact Person is Mr. G. Bhaskar.

g) The Acquirer accepts full responsibility for the information contained in this PA and also for the obligations of Acquirer laid down in Regulations.

h) This PA will be available on SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Letter of Offer along with Form of Acceptance cum Acknowledgment and Form of Withdrawal, which will also be available on SEBI's website from the Offer opening date i.e. February 2, 2007 (Friday) and apply in the same.

j) For further details, please refer to the Letter of Offer and Form of Acceptance cum Acknowledgment.

Issued by Manager to the Offer on behalf of the Acquirer:

ASHIKA

ASHIKA CAPITAL LIMITED

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E-Mail: mbd@ashikagroup.com
Contact Person: Mr. Narendra Kumar Gamini

Place: Mumbai
Date: December 14, 2006