PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF VALUEMART INFO TECHNOLOGIES LIMITED

(Formerly known as GDR Software Limited)

Regd. Office: 29 B, Berataina Agrahara, Singasandra Post, Hosur Road, Bangalore - 560052

OPEN OFFER TO THE EQUITY SHAREHOLDERS OF VALUEMART INFO TECHNOLOGIES LIMITED

This Public Announcement is being issued by Keynote Corporate Services Limited (hereinafter referred to as the **"Manager to the Offer"**), on behalf of Ripple Investments Limited (**Acquirer**) pursuant to Regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 [SEBI (SAST) Regulations, 1997] & subsequent amendments thereto (hereinafter referred to as the **"Regulations"**).

1. Background of the Offer

a) The Board of Directors of Valuemart Info Technologies Limited (**"VITL" or " Target Company"**) had pursuant to a special resolution passed by the company at the Extraordinary General Meeting (**EGM**) of shareholders held on 19/03/2005, allotted 1,50,00,000 Equity Shares of Rs. 2/- each for cash, at Rs.3/- per equity share (including premium of Re.1/- per share) aggregating to Rs. 450.00 lacs forming 49.89% of the post preferential issue equity share capital of VITL to Ripple Investments Limited (hereinafter referred to as **"Acquirer" or "RIL"**)in order to augment the working capital requirements of the VITL. The price of Rs.3/- per share has been arrived at in terms of the Guidelines for Preferential Allotment prescribed by SEBI and as per the directions received from the Stock Exchange Mumbai (BSE). The said equity shares will be subject to "lock-in" as per the aforementioned Guidelines. The preferential allotment of equity shares to RIL has been made in the Board meeting held on 25/07/2005.

b) Prior to the aforementioned preferential allotment, VITL had passed a special resolution at the Annual General Meeting held on 05/08/2004 to reduce the face value of its shares from Rs. 10/- each to Rs. 2/- each and the Paid up capital of the company from Rs. 15,06,72,000/- to Rs. 3,01,34,400/- so as to wipe out the accumulated losses and to bring the capital in parity with the assets of the company. Pursuant to this company preferred a petition before the Honorable High Court of Karnataka seeking approval of this reduction of capital and the High Court had confirmed the reduction of capital vide its order dated 31/01/2005.

c) RIL having its registered office at 2, R.R. Chambers, 11th Main road, Vasanth nagar, Bangalore - 560052 does not hold any equity shares of the company prior to this preferential allotment. Post preferential issue RIL would hold 1,50,00,000 equity shares of Rs 2/- each forming 49.89% of the post preferential issue capital of the target company.

2. The Offer

a) The preferential allotment of equity shares to the Acquirer would attract provisions of Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations, 1997.In view of this the Acquirer hereby announces an open offer to acquire upto 60,13,440 equity shares of Rs. 2/- each forming 20% of the post preferential issue equity share capital of the company at a price of Rs. 3/- per share ("**Offer Price**") for cash from the remaining shareholders.

b) The offer is not subject to any minimum level of acceptance. There are no partly paid-up equity shares in the company.

c) The equity shares of VITL are listed on the Stock Exchanges at Mumbai (BSE), Bangalore and Hyderabad. The equity shares of the Company are frequently traded on BSE in terms of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997 and are not traded on the other Stock Exchanges for the past six months.

The offer price of Rs. 3/- per equity share, has been determined as per Regulation 20(4) of the Regulations taking inter-alia into account the following factors:

The negotiated price under the Agreement	Not Applicable
Highest price paid by the Acquirer for acquisition of equity shares by way of preferential allotment made on 25/07/2005	Rs. 3/- per share
Highest price paid by the Acquirer for acquiring equity shares of VITL other than above preferential allotment during the 12 months period prior to the date of the Public Announcement	Not Applicable
Average of the weekly high and low of the closing prices of the shares of VITL as quoted on the BSE during the 26 weeks preceding the date of P.A.	Rs. 1.38/-
Average of the weekly high and low of the closing prices of the shares of VITL as quoted on the BSE during the 2 weeks preceding the date of P.A.	Rs. 2.95/-

The offer price of Rs. 3/- per share being the highest of all the above parameters is justified in terms of Regulation 20(4) applicable in respect of frequently traded shares.

d) Since the equity shares of VITL are infrequently traded on the stock exchanges at Bangalore and Hyderabad in terms of explanation (i) to Regulation 20(5) the offer price of Rs.3/- per share is determined taking into account the other parameters as per Regulation 20(5) as follows:

Based on the audited accounts ended on 31/03/2004, the company has reported a negative Return on Networth (RONW), Book Value(BV) and also negative Earning Per Share. As per unaudited results for the nine months period ended 31/12/2004 the company has reported a negative Return on Networth (RONW), Book Value(BV) and also negative Earning Per Share.

Taking all the above factors into consideration the offer price of Rs. 3/- per share is justified.

e) The Acquirer/Board of Directors of the Acquirer and VITL are not included in the list of persons/ entities debarred from accessing the capital market under Section 11B of the SEBI Act, 1992.

f) There will be a change in control of management or in the Board of Directors of VITL pursuant to this offer.

2. Information on Acquirer

Ripple Investments Private Limited (RIL)

a) RIL is incorporated on 25/04/1994 and is having its registered office at 2, R.R. Chambers, 11th Main Road, Vasanth nagar, Bangalore - 560052. RIL is engaged in the business of software development.

b) The present paid-up equity share capital of the Company is Rs. 250 Lacs comprising of 25,00,000 equity shares of Rs. 10/- each.

c) As per the audited results for the year ended on 31/03/2004 the company has recorded a Profit of Rs.2.06 Lacs. The networth of the Company as on 31/03/2004 is Rs.250.46 lacs and the Book Value of the shares is Rs. 10.02 per share. As per the unaudited results for the year ended 31/03/2005 the company has reported a net profit of Rs. 11.98 lacs on turnover of Rs. 70.58 lacs.

d) The Board of Directors of RIL comprises of Mr. Ranganath Iyengar, Mr. C. K. Vasudevan, Mr. Mahesh Ramachandran and Mr. Suresh Shah. Mr. C. K. Vasudevan is also on the Board of VITLand have recused himself from the offer and will not participate in any matter concerning or relating to the open offer including any preparatory steps leading to the offer.

e) The post preferential allotment holding of RIL in VITL is 1,50,00,000 equity shares of Rs. 2/- each fully paid-up forming 49.89% of the equity share capital of the company.

f) RIL has complied with relevant provisions of Chapter II of SEBI (SAST) Regulations, 1997

3. Information on Taget Company
Valuemart Info Technologies Limited (VITL)

a) VITL was incorporated as GDR Software Pvt. Ltd. under the Companies Act, 1956 on 31/10/1997 and subsequently became a public limited company on 18/05/1999 and certificate of registration was obtained from Registrar of Companies, Karnataka, Bangalore. The company made its first issue of Equity shares of Face value of Rs. 10/- each at par to the public through the prospectus dated 27/03/2000. At the Annual General Meeting held on 05/08/2004 members of the company had resolved to change the name of the company to Valuemart Info Technologies Limited. Fresh certificate of registration dated 21/09/2004 was obtained from the Registrar of Companies, Karnataka. The registered office of the company was changed from 33,35th Main road, 6th Cross, KAS Colony, B.T.M. 2nd Stage, Bangalore – 560068 to 29 B, Beratina Agrahara, Singasandra Post, Hosur Road, Bangalore – 560068. VITL has been promoted by Mr. Dhananjaya Reddy, Mr. D. Ravikumar and Mr. K. Varadarajan.

b) The company is professionally managed IT organization engaged in software development for domestic and export market covering customer application development, internet, e-commerce, medical transcription, inhouse personnel training and tie-ups consultancy, product development, CAD (Computer aided Designs), CAM (Computer assisted Manufacturing) and GIS (Geographical Information Systems). During the year 2001 the company acquired Meditech Software Ltd., a product software development company by issuing 35,00,000 equity shares of Rs. 10/- each of VITL at a premium of Rs. 7.50 per share. Consequent to the acquisition Meditech Software Ltd. became the subsidiary of VITL. The turnover and profits of Meditech Software Ltd were not as per expectations and hence the company during 2002-03 sold off the subsidiary.

c) The company incurred losses for the past three years. The networth of the company was totally eroded. To wipe out the accumulated losses and to bring the capital in parity with the assets of the company VITL had passed special resolution at the Annual General Meeting held on 05/08/2004 to reduce the face value of its shares from Rs. 10/- each to Rs. 2/- each and the Paid up capital of the company from Rs. 15,06,72,000/- to Rs. 3,01,34,400/- comprising of 1,50,67,200 equity shares of Rs. 2/- each. Pursuant to this, company preferred a petition before the Honorable High Court of Karnataka seeking approval of this reduction of capital and the High Court had confirmed the reduction of capital vide its order dated 31/01/2005.

d) Even after the capital reduction and the corresponding wiping out of the losses the company's networth is negative (Rs. 2.82 crores). The company required funds towards working Capital and pursuant to this requirements, the company at Extraordinary General Meeting of the shareholders held on 19/03/2005 passed special resolution to allot 1,50,00,000 equity shares of Rs. 2/- each for cash at a premium of Re. 0.50 per share aggregating to Rs. 3,75,00,000 on Preferential basis to Ripple Investments Limited. The application for the allotment of 1,50,00,000 equity shares at a price of Rs. 2.50 was made to The Stock Exchange Mumbai (BSE) and BSE has granted in-principle approval to the company to allot the shares to RIL at a revised price of Rs. 3/- per share vide their letter no. List/sdm/rk/sum/2005 dated 13/07/2005. Accordingly, the company passed a resolution at the Board meeting held on 09/07/2005 for revising the issue price from Rs. 2.50 per share to Rs. 3/- per share and allotted the shares on 25/07/2005.

e) As per the audited results for the year ended 31/03/2004, VITL has recorded a net loss of Rs. 228.02 lacs and the company has negative networth and Book Value as on 31/03/2004. As per the unaudited results for the nine months period ended 31/12/2004 the company has reported net loss of Rs. 6.00 lacs.

f) The post preferential allotment, issued and paid up equity capital of VITL comprises of 3,00,67,300 equity shares of Rs. 2/- each aggregating to Rs. 601.35 lacs. The Equity shares of the company are listed on the Stock Exchange Mumbai (BSE), Bangalore Stock Exchange and Hyderabad Stock Exchange. The equity shares of the company are included in Z group by BSE. The trading in equity shares was suspended by BSE with effect from 08/04/2005 to enable the company to give effect to the reduction in capital. This suspension was revoked by BSE vide their letter no. DCS/SMG/RCG/2005/532338 dated 10/06/2005 by granting trading permission from 14/06/2005 in the shares of the company. The equity shares are frequently traded on The Stock Exchange Mumbai (BSE) and are infrequently traded on other stock exchanges.

g) As on date 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. There are no merger / demerger or spin off in the company during the past three years except for the reduction in capital.

h) The company has been regular in complying with the provisions of the Listing Agreement entered into with the Stock Exchanges. No action punitive or otherwise has been initiated by SEBI or RBI against the company. The company has not complied with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

4. Rationale for the offer

a) The Board of Directors of Valuemart Info Technologies Limited (**"VITL" or " Target Company"**) had pursuant to special resolution passed by the company at the Extraordinary General Meeting (**EGM**) of shareholders held on 19/03/2005, allotted 1,50,00,000 Equity Shares of Rs. 2/- each for cash, at Rs.3/- per equity share (including premium of Re.1/- per share) forming 49.89% of the post preferential issue equity share capital of VITL to Ripple Investments Limited (hereinafter referred to as **"Acquirer" or "RIL"**)in order to augment the working capital requirements of the VITL. As a result of the said preferential allotment the provisions of Regulation 10 and Regulation 12 of the Regulations have been attracted. Hence the present offer to the shareholders is being made in terms of the Regulations.

b) Acquirer does not have any plan to dispose off or otherwise encumber any of the assets of VITL in the two years from the date of closure of the offer except in the ordinary course of business of VITL. Acquirer has undertaken not to sell, dispose of or otherwise encumber any substantial asset of VITL except with prior approval of the shareholders.

5. Statutory Approvals

Permission of RBI would be required for transfer of shares received from NRI shareholders. As on the date of this Announcement no other approvals, statutory or otherwise, are required under the Companies Act 1956, Monopolies and Restrictive Trade Practices Act, 1969, the Foreign Exchange Management Act. 1999 and /or any other applicable laws and from any bank and/ or financial institutions for the said acquisition.

In case of non receipt of the approval stated above, SEBI may, if satisfied that non receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 30 days, as may be specified by SEBI from time to time.

6. Delisting option to VITL

Pursuant to this offer the public share holding is not falling below the permisable minimum level and hence delisting option is not applicable.

7. Financial Arrangements

a) Assuming full acceptance, the total monetary value of the offer would be Rs. 180.40 lacs. The Acquirer has opened an Escrow Account with State Bank of India, New Tharagupet branch, Bangalore in favour of the Manager to the Offer and deposited an amount of Rs.45.25 lacs being more than 25% of the total monetary value of the offer. The acquirer has empowered Manager to the Offer to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(7).

b) The Acquirer has adequate and firm financial resources to fulfill the obligations under the open offer. The networth of the Acquirer is Rs.250.46 lacs as on 31/03/2004 as per audited financial results. V.Sreenivasan, Chartered Accountant and Statutory Auditor of RIL having their office at 24, 5th Cross, Malleshwaram, Bangalore - 03 (Membership No. 27386) have certified vide their certificate dated 25/07/2005 that the company has sufficient means to fulfill all the obligations under the regulations and has immediate access to liquid assets to complet the offer. The net worth of RIL as on 25/07/2005 is Rs. 463 lacs. The financial obligations under the offer will be fulfilled through internal resources of the Acquirer and not from banks, financial institutions or foreign sources i.e. from Non Resident Indians or otherwise.

c) The Manager to the Offer is satisfied about the ability of the Acquirer to implement the offer as firm financial arrangement through verifiable means are in place to fulfill the offer obligation.

8. Other Terms of the Offer

a) The offer will be made to the equity shareholders of VITL (other than Acquirer) whose names appear on the Register of the Members of VITL at the close of business hours on 24/08/2005 (the **"Specified Date"**). The Letter of Offer (LOO) will be despatched to these shareholders.

b) All shareholders other than those mentioned in (a) above, who own the equity shares of VITL anytime before the closure of the offer are also eligible to participate in the offer.

c) Shareholders holding the shares in dematerialized form and who wish to tender their shares will be required to send their Acceptance form with a photocopy of the Delivery Instruction Slip in 'off-market' mode or the counterfoil of the delivery instruction in 'off-market' mode duly acknowledged by the Depository Participant (DP) in favour of the Special Depository Account, to Venture Capital And Corporate Investments Ltd. the Registrar to the Offer.

d) Shareholders holding shares in physical form and who wish to tender their Shares will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s), duly signed, to the Registrar to the Offer, Venture Capital And Corporate Investments Ltd., on or before the date of Closure of the Offer, i.e. 08/10/2005, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement at the address mentioned below :

Venture Capital And Corporate Investments Ltd.
6-2-913/914, 3rd Floor,
Progressive Towers,
Khairatabad, Hyderabad – 500004
Tel : (040) 23322262/64 Fax: (040) 23324803
Email Id: info@vccilindia.com
SEBI Reg. No. : INR000001203
Contact Person: Mr. E. S. K. Prasad

The documents can be sent either by registered post or hand delivery to the Registrar to the offer at the address mentioned above during business hours on all week days (other than Sundays and Public Holidays) so as to reach the Registrar to the offer on or before 08/10/2005.

e) For the purpose of this offer a Special Depository Account has been opened with Stock Holding Corporation of India Limited, in the name and style of **'VCCL - Escrow A/c- Valuemart Open Offer'**. The **DP ID No. is IN301022** and the **Beneficiary ID No. is 21097628**. The equity shareholders having their beneficiary account with Central Depository Services (India) Ltd. will have to use inter depository delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account.

f) Shareholders or the other holders of the equity shares of the Company who do not receive the LOO in due course may send their application on a plain paper stating the Name, Address, No. of shares held, Distinctive numbers, Folio No., Number of shares offered, copy of delivery instruction slip as may be applicable and the original contract note issued by the broker through whom they acquired the equity shares along with related documents so as to reach the Registrar on or before 08/10/2005.

g) In case of non-receipt of the Letter of Offer, the shareholders may obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence to that effect. Such shareholders may also download the Form of Acceptance cum Acknowledgement from the website of SEBI at www.sebi.gov.in.

h) The unregistered equity shareholders are required to send relevant documents to the Registrar to the Offer and are not required to submit any indemnity in this respect.

i) Subject to the conditions governing this Offer as mentioned in the Letter of Offer, the acceptance of this Offer by equity Shareholders of VITL must be absolute and unqualified. Any acceptance to this Offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever.

j) The Registrar to the Offer will hold in trust the Share certificates, Form of Acceptance cum Acknowledgement, if any, and the transfer form/s on behalf of the shareholders of VITL who have accepted the Offer, till the drafts / pay orders for the consideration and/ or the unaccepted share certificates are despatched/ returned and Demat Credit is given in respect of rejection case. Equity Shares not accepted under the offer will be sent to the shareholders/applicants at their own risk by registered post.

k) A tentative schedule of activities for the public offer is listed below:

Activity	Date	Day
Date by which the Letter of Offer will be despatched to shareholders	09/09/05	Friday
Last date for a competitive bid	16/08/2005	Tuesday
Specified Date	24/08/2005	Wednesday
Date of opening of the Offer	19/09/2005	Monday
Last date for revising the offer price/number of shares	29/09/2005	Thursday
Last date for withdrawal of acceptance by the shareholders	04/10/05	Tuesday
Date of Closing of the offer	08/10/05	Saturday
Date of communication of rejection, if any	15/10/2005	Saturday
Date of payment of consideration for applications accepted	22/10/2005	Saturday

9. Withdrawal option

a) 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 04/10/2005, Saturday. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, Venture Capital And Corporate Investments Ltd. at the address mentioned below so as to reach them on or before 04/10/2005.

Venture Capital And Corporate Investments Ltd.
6-2-913/914, 3rd Floor,
Progressive Towers,
Khairatabad, Hyderabad – 500004
Tel : (040) 23322262/64 Fax: (040) 23324803
Email Id: info@vccilindia.com
SEBI Reg. No. : INR000001203
Contact Person: Mr. E. S. K. Prasad

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 details such as name, address, distinctive numbers, folio numbers, number of shares tendered, date of tender.

10. General

a) Acquirer can revise the price upwards upto seven working days prior to closure of the offer and revision if any in the offer price would appear in the same news papers where the Public Announcement has appeared. The same price would be paid to all shareholders who tender their shares in the offer.

b) Shareholders may note that if there is a competitive bid, the public offers under all the subsisting bids shall close on the same date. As the offer price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.

c) Registered & other equity shareholders who wish to tender their equity shares in response to the said offer should submit their form of acceptance along with other documents by hand delivery and/or by post to the registrar to the offer Venture Capital And Corporate Investments Ltd. on or before 08/10/2005, Saturday between 10.30 am to 4.30 pm on all working days (i.e. other than Sunday and Public Holidays).

d) For any queries regarding the Offer the shareholders / applicants may contact the Registrar to the Offer at the address mentioned in 9(a) of this public announcement.

e) If the aggregate of the valid responses to the offer exceeds offer size, then the acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the Regulations. The equity shares of VITL are in compulsory dematerialized form and minimum marketable lot is one equity share.

f) Acquirer shall acquire the equity shares from the shareholders of the Company who have validly tendered the equity shares under the Offer (i.e. equity shares and other documents are in order in accordance with the terms of the Offer) and remit the consideration in respect thereof on or before 22/10/2005, Saturday in cash by Account Payee Pay Order / Demand Draft. Any delay will attract interest in terms of Regulation 22(12) of SEBI (SAST) Regulations 1997. The information as to whether the equity shares tendered by them have been accepted (in full or in part) or rejected and consideration payable would be sent by Registered Post.

g) Pursuant to the Regulation 13, the Acquirer has appointed Keynote Corporate Services Ltd. as the Manager to the Offer.

h) Keynote Corporate Services Limited, manager to the offer does not hold any equity shares of VITL. Further, they have undertaken not to deal in equity shares of VITL upto a period of fifteen days after the closure of offer.

i) Directors of Acquirer, accept full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirer as laid down in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

The Public Announcement will become available on SEBI website www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Form of Acceptance cum Acknowledgement, Letter of Offer, Form of Withdrawal which will also be available on SEBI's website from the offer opening date i.e. 19/09/2005 and apply in the same.

ISSUED BY MANAGER TO THE OFFER ON BEHALF OF THE ACQUIRER:

KEYNOTE
CORPORATE SERVICES LIMITED

307, Regent Chambers, Nariman Point, Mumbai - 400 021.
Tel.: (022) 2202 5230 Fax : (022) 2283 5467
E-mail : mbd@keynoteindia.net
SEBI Regn.: INM000003606 AMBI Regn. No.AMBI/040
Name of the contact person : Ms Purvi Sheth

Place : Bangalore

Date : 26th July, 2005

CONCEPT

Size: 40x33 sq. cm