

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer ('LoF') is sent to you as a shareholder(s) of VJIL Consulting Limited ('VJIL'/'Target Company'). If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your Equity Shares in the Target Company, please hand over this Letter of Offer to the Member of Stock Exchange through whom the said sale was affected.

OPEN OFFER BY Mr. Satyendra Manchala ('Acquirer') Residing at 8-2-293/82/A/604, Plot No. 604, Road No. 32, Jubilee Hills, Hyderabad-500 033, Telangana Contact No.: +91 98490 18197, E-Mail: satish@vjil.com to the existing shareholders of VJIL CONSULTING LIMITED ('VJIL'/'Target Company') (CIN: L74140TG1992PLC014182) Registered Office: 3rd Floor, Western Wing, NCC House, Survey No .64, Madhapur, Hyderabad-500 081, Telangana State. Tel No.: +91 40 2311 9633/34; Fax No.: +91 40 2311 9614; E-Mail: investor@vjil.com; Website: www.vjil.com To acquire 23,03,300 Equity Shares of ₹10 each representing 26% of the Emerging Voting Capital of the Target Company at a price of ₹12.00 (Rupees Twelve only) per share ('Offer Price'), payable in cash
• This Offer is being made by the Acquirer pursuant to Regulation 3(1) and 3(3) of SEBI (SAST) Regulations 2011. • This Offer is not conditional upon any minimum level of acceptance by the shareholder(s) of the Target Company. • As on date of this Letter of Offer, there are no statutory approvals required to acquire equity shares that are validly tendered pursuant to this Open Offer. However, the Open Offer would be subject to all the statutory approvals that may become applicable at a later date but before the completion of the Open Offer. • If there is any upward revision in the Offer Price/Offer Size at any time up to three (3) working days prior to commencement of the Tendering Period i.e. up to October 29, 2015 (Thursday) in terms of the SEBI (SAST) Regulations, 2011, the same would also be informed by way of an announcement in the same newspapers where the Detailed Public Statement ('DPS') was published. Such revised Offer Price would be payable to all the shareholders, who have validly tendered their shares anytime during the Tendering Period to the extent their shares have been verified and accepted under the Offer, by the Acquirer. If the Offer is withdrawn pursuant to Regulation 23 of the SEBI (SAST) Regulations, 2011, the same would be communicated within two (2) working days by an announcement in the same newspapers in which the DPS had been published. • If there is a competing offer: The public offers under all the subsisting bids shall open and close on the same date. • A copy of the Public Announcement ('PA'), Detailed Public Statement ('DPS') and this Letter of Offer ('LoF') are also available on the website of Securities and Exchange Board of India ('SEBI') at www.sebi.gov.in.

MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
	Mark Corporate Advisors Private Limited CIN:U67190MH2008PTC181996 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057 Telefax.:+91 22 2612 3207/08 E-Mail: openoffer@markcorporateadvisors.com Contact Person: Mr. Manish Gaur SEBI Reg. No.: INM000012128		Bigshare Services Private Limited E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai-400 072 Tel No.: +91 22 4043 0200 Fax No.: +91 22 2847 5207 E-Mail: openoffer@bigshareonline.com Contact Person : Mr. Ashok Shetty Website: www.bigshareonline.com SEBI Reg. No.: INR000001385
	Offer Opens on: November 03, 2015 (Tuesday)		Offer Closes on: November 18, 2015 (Wednesday)

TENTATIVE SCHEDULE OF ACTIVITIES PERTAINING TO THE OFFER:

Nature of Activity	Day & Date
Date of the PA	Monday, September 07, 2015
Date of publishing the Detailed Public Statement	Monday, September 14, 2015
Last date for filing of Draft Letter of Offer with SEBI	Tuesday, September 22, 2015
Last date of a Competing Offer	Thursday, October 08, 2015
Latest date by which SEBI's observations will be received	Thursday, October 15, 2015
Identified Date*	Monday, October 19, 2015
Last date by which the Letter of Offer will be dispatched to the Shareholders' (<i>except the Acquirer and the Promoter/Promoter Group</i>) as on the identified date	Tuesday, October 27, 2015
Last Date for revising the Offer Price/number of shares	Thursday, October 29, 2015
Last date by which the recommendation of the committee of Independent Directors of the Target Company will be given and published	Friday, October 30, 2015
Date of public announcement for Opening the Offer	Monday, November 02, 2015
Date of Commencement of the Tendering Period (Offer opening date)	Tuesday, November 03, 2015
Date of Closing of the Tendering Period (Offer closing date)	Wednesday, November 18, 2015
Last date for communicating Rejection/acceptance and payment of consideration for accepted equity shares or equity share certificate/return of unaccepted share certificates/credit of unaccepted shares to demat account	Thursday, December 03, 2015

**Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be sent. It is clarified that all the shareholders (registered or unregistered) of the Target Company (except the Acquirer and the Promoter/Promoter Group) are eligible to participate in this Offer any time during the tendering period of the Offer.*

RISK FACTORS:

Given below are the risks related to the proposed Offer and those associated with the Acquirer:

Relating to the Proposed Offer:

- 1) This Offer is not subject to the receipt of any statutory approvals. However, in case of any such applicability on a later date and therefore, in the event that either the statutory approvals or regulatory approvals, if any, are not received in a timely manner or there is any litigation to stay the Offer, or SEBI instructs the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of Target Company, whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirer, may be delayed. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period, if directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
- 2) In case of over-subscription in the Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- 3) Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw their shares, even if the acceptance of equity shares under this Offer and despatch of consideration are delayed.

Relating to the Acquirer:

- 1) The Acquirer makes no assurance with respect to the financial performance of the Target Company and their investment/divestment decisions relating to their proposed shareholding in the Target Company.
- 2) The Acquirer cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
- 3) The Acquirer and the Manager to the Offer accepts no responsibility for the statements made otherwise than in the Public Announcement(PA)/Detailed Public Statement (DPS)/Letter of Offer (LoF) and anyone placing reliance on any other sources of information, not released by the Acquirer, would be doing so at his / her / its own risk.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of the Target Company or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any Shareholder in the Offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such Shareholder's participation in the Offer.

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1. ABBREVIATIONS / DEFINITIONS

Acquirer	Mr. Satyendra Manchala
BSE	BSE Limited, Mumbai
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956, as amended or modified from time to time and the Companies Act, 2013
DP	Depository Participant
DPS/Detailed Public Statement	Detailed Public Statement relating to the Offer published on September 14, 2015 (Monday)
Draft Letter of Offer / DLoF	This Draft Letter of Offer dated September 21, 2015
Eligible Persons for the Offer	All owners (registered or unregistered) of Equity Shares of the Target Company who own the shares at any time before the Closure of the Offer (<i>except the Acquirer and the Promoter/Promoter Group</i>).
Emerging Voting Capital	78,58,600 Equity Shares of ₹10 each of the Target Company and the Proposed Allotment of 10,00,000 Equity Shares to the Acquirer on a Preferential Allotment basis aggregating to 88,58,600 Equity Shares of ₹10 each. However, the Issue and allotment of 10,00,000 Warrants are not included since no warrants will be converted into Equity Shares as of the tenth working day from the Closure of the Tendering Period
Equity Shares	Equity Shares of the Target Company of the face value of ₹10 (Rupees Ten only) each
Escrow Account	Shall have the meaning given to it in paragraph 6.2 (2) of this Letter of Offer
Escrow Amount	Shall have the meaning given to it in paragraph 6.2 (2) of this Letter of Offer
Escrow Bank	Kotak Mahindra Bank Limited
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor registered with SEBI
Identified Date	October 19, 2015 (Monday) i.e. date falling on the tenth (10 th) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Public Shareholders to whom this Letter of Offer shall be sent
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
₹/ INR / Rs.	Indian Rupees, the legal currency of India
Manager / Manager to the Offer	Mark Corporate Advisors Private Limited
MICR	Magnetic Ink Character Recognition
NA/N.A.	Not Applicable
NECS	National Electronic Clearing System
NEFT	National Electronic Funds Transfer
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding Equity Shares of the Target Company
NRI	Non-Resident Indian
OCBs	Overseas Corporate Bodies
Offer period	Period from the date of entering into an agreement, to acquire Shares, Voting Rights in the Target Company requiring a Public Announcement, or the date of Public Announcement, and the date on which the payment of consideration to Shareholders who have accepted the Open Offer is made, or the date on which the Open Offer is withdrawn.
Offer/Open Offer	The Open Offer is made by the Acquirer to the Public Shareholders to acquire 23,03,300 Equity Shares of ₹10 each, representing 26% of the Emerging Voting Capital of the Target Company
Offer Price	₹12 (Rupees Twelve only) per Equity Share
Offer Size	23,03,300 Equity Shares representing 26% of the Emerging Voting Capital of the Target Company at a price of ₹12.00 (Rupees Twelve

	only) per equity share, aggregating to ₹2,76,39,600 (Rupees Two Crores Seventy Six Lakhs Thirty Nine Thousand and Six Hundred only)
PA / Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirer on September 07, 2015 (Monday)
Promoters	Promoter and Promoter Group of VJIL Consulting Limited as per Clause 35 of the Listing Agreement entered with the Stock Exchange
Preferential Allotment	Issue and allotment of 10,00,000 Equity Shares to the Acquirer of face value of ₹10.00 each at a price of ₹12.00 per Share and 10,00,000 Warrants to the Acquirer at a price of ₹12.00 per warrant, each warrant convertible into or exchangeable for one (1) Equity Shares of Face Value of ₹10 each within eighteen (18) months from the date of allotment.
Public Shareholder(s)	The Equity Shareholder(s) of The Target Company other than the Acquirer and Promoter/Promoter Group of the Target Company
RBI	Reserve Bank of India
Registrar / Registrar to the Offer	Bigshare Services Private Limited
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified from time to time
SEBI (SAST) Regulations, 2011/ SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof
Equity Share Capital	Present paid-up Equity Share Capital of ₹7,85,86,000 comprising of 78,58,600 Equity Shares of ₹10 each
Stock Exchange	BSE Limited, Mumbai ('BSE')
Target Company/VJIL	VJIL Consulting Limited
Tendering Period	Period within which Shareholders of the Target Company may tender their Equity Shares in acceptance to the Offer, i.e. the period between and including November 03, 2015 (Tuesday) and November 18, 2015 (Wednesday)

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT 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 DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE SHAREHOLDERS OF VJIL CONSULTING LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, MARK CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 21, 2015 (MONDAY) TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 BACKGROUND OF THE OFFER

- 3.1.1. This Open Offer is being made by Mr. Satyendra Manchala (hereinafter referred to as 'Acquirer') to the Equity shareholders of VJIL Consulting Limited (hereinafter referred to as 'VJIL'/'Target Company') pursuant to and in compliance with regulation 3(1) and 3(3) of SEBI (SAST) Regulations, 2011 to acquire 23,03,300 Equity Shares of ₹10 each representing 26% of the Emerging Voting Capital of the Target Company ('Offer Size') at a price of ₹12 (Rupees Twelve only) per Equity Share ('Offer Price'), payable in cash, subject to the terms and conditions set out in the PA, DPS and the LoF which will be sent to the Public Shareholders of the Target Company.
- 3.1.2. There will be no change in control of the Target Company pursuant to the Preferential Allotment and Open Offer.
- 3.1.3. As on the date of PA, the Acquirer holds 13,30,233 Equity Shares of the Target Company representing 15.02% of the Emerging Voting Capital of the Target Company. The Acquirer belongs to the Promoter/Promoter Group of the Target Company. The members of Promoter/Promoter Group (including the Acquirer) of the Target Company holds 18,80,943 Equity Shares of face value of ₹10 each representing 21.23% of Emerging Voting Capital of the Target Company. The Object of the acquisition is to consolidate the Shareholding in the Target Company.
- 3.1.4. The Board of Directors of the Target Company in their meeting held on September 07, 2015 passed a resolution for issue and allotment upto 10,00,000 Equity Shares representing 11.29% of the Emerging Voting Capital and upto 10,00,000 Warrants at a price of ₹12.00 per Warrant to the Acquirer, each warrant convertible into or exchangeable for one (1) Equity Shares of Face Value of ₹10 each on Preferential Allotment basis ('Preferential Issue') pursuant to Section 62 and other applicable provisions of Companies Act, 2013 and SEBI (ICDR) Regulations, 2009.
- 3.1.5. The Target Company is in the process of making an application under Clause 24 (a) of the Listing Agreement to BSE for obtaining In-Principle Approval for listing of issued Equity Shares to be allotted on preferential allotment basis to the Acquirer.

3.1.6. Upon completion of the aforementioned Preferential Allotment of Equity Shares to the Acquirer, his individual holding as well as the Promoter Group aggregate holding would exceed 25% of the total voting rights of the Target Company being the threshold set out in Regulation 3(1) and 3(3) of the Regulations. The same is presented in the table below:

Particulars	Pre-Preferential Allotment Shareholding		No of Shares proposed to be allotted under Preferential Issue	Post-Preferential Allotment Shareholding		Incremental % of Voting Rights
	No of Equity shares	% of Present Capital		No of Equity shares	% of Emerging Voting Capital	
Acquirer	13,30,233	16.93%	10,00,000	23,30,233	26.30%	9.37%
Promoter/ Promoter Group (including Acquirer)	18,80,943	23.93%	10,00,000	28,80,943	32.52%	8.59%
Paid-up Capital	78,58,600	-	-	88,58,600	-	-

Note: The Issue and allotment of 10,00,000 Warrants not included, since no warrants will be converted into Equity Shares as of the tenth working day from the Closure of the Tendering Period.

3.1.7. This Open Offer shall be in force irrespective of the outcome of the Shareholders approval for the said Preferential Allotment in the AGM to be held on September 30, 2015

3.1.8. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of SEBI Act or under any other regulations made under the SEBI Act.

3.1.9. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company is required to constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period i.e. October 30, 2015 (Wednesday) in the same newspaper where the DPS was published. A copy whereof shall be sent to SEBI, BSE and Manager to the Offer and in case of a competing offer/s to the Manager/s to the Open Offer for every competing offer.

3.1.10. No other persons/individuals/entities are acting in concert with the Acquirer for the purpose of this Offer in terms of Regulation 2 (1) (q) of the SEBI (SAST) Regulations.

3.2 DETAILS OF THE PROPOSED OFFER

3.2.1 The PA announcing the Open Offer, under Regulation 3(1) and 3(3) read with Regulation 13, 14 and 15 of the SEBI (SAST) Regulations, 2011 was made on September 07, 2015 (Monday) and was submitted to BSE Ltd, Mumbai ('BSE') and the Target Company on September 07, 2015 and was also filed with SEBI, Mumbai on September 08, 2015.

3.2.2 In accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, the DPS was published on September 14, 2015 (Monday) in the following newspapers:

Publication	Language	Edition(s)
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Mumbai Lakshadweep	Marathi	Mumbai Edition
Prajasakti (Nav Telangana)	Telugu	Hyderabad Edition

The Public Announcement and Detailed Public Statement are also available on the website of SEBI at www.sebi.gov.in.

3.2.3 Simultaneously with the publication of DPS in the newspapers, a copy of the DPS was filed through the Manager to the Offer with SEBI & BSE and sent to the Target Company at its Registered Office.

3.2.4 This Open Offer is triggered due to proposed Preferential Allotment of Equity Shares to the Acquirer which will result in increase in shareholding of the Promoter/Promoter Group of the Target Company and also the individual holding of the Acquirer in the Target Company beyond the threshold limit. There will be no change in control of the Target Company pursuant to the proposed preferential allotment and open offer.

- 3.2.5 The Offer is being made by the Acquirer to the Public shareholders of the Target Company, to acquire 23,03,300 Equity Shares representing 26% of the Emerging Voting Capital of the Target Company at a price of ₹12.00 (Rupees Twelve only) per Equity Share ('Offer Price') aggregating to ₹2,76,39,600 (Rupees Two Crores Seventy Six Lakhs Thirty Nine Thousand and Six Hundred only), payable in cash subject to the terms and conditions set out in the PA, DPS and the LoF.
- 3.2.6 There are no partly paid-up Equity Shares in the Target Company. Further, there is no differential pricing for the Offer.
- 3.2.7 This is not a Competing Offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 3.2.8 The Offer is unconditional and not subject to any minimum level of acceptance from the shareholders in terms of Regulation 19(1) of the SEBI (SAST) Regulations. The Acquirer will accept those Equity Shares of the Target Company which are tendered in valid form in terms of this Offer upto a maximum of 23,03,300 Equity Shares representing 26% of the Emerging Voting Capital of the Target Company.
- 3.2.9 The Acquirer has not acquired any shares of the Target Company after the date of PA i.e. September 07, 2015 (Monday) up to the date of this DLoF.
- 3.2.10 As on date, the Manager to the Offer, Mark Corporate Advisors Private Limited does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.
- 3.2.11 The Equity Shares of the Target Company acquired by the Acquirer shall be free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.2.12 As per clause 40A of the Listing Agreement read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended ('SCRR'), the Target Company is required to maintain at least 25% Public Shareholding, on continuous basis for listing. Pursuant to completion of this Offer, assuming full acceptance, the public shareholding in the Target Company will not fall below the minimum public shareholding requirement as per SCRR as amended and the Listing Agreement.

3.3 OBJECT OF THE OFFER

- 3.3.1 This Offer is being made to the public shareholders of Target Company pursuant to and in compliance with regulation 3(1) and 3(3) of the SEBI (SAST) Regulations.
- 3.3.2 The main object of acquisition is to consolidate the Shareholding in the Target Company. The Acquirer is currently controlling the management of the Target Company and reserves the right to modify the present structure of the business in a manner which is beneficial to the larger interest of the Shareholders. Any change in the structure that may be affected, will be in accordance with the applicable laws. The Acquirer intends to build new businesses by organic means and/or acquisition of Companies in the same line of business. The Acquirer intends to grow the business of the Target Company and strengthen its position in the industry. The Acquirer also intends to further strengthen the Board.
- 3.3.3 The Acquirer does not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The Target Company's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of regulation 25(2) of SEBI (SAST) Regulations, 2011.

4. BACKGROUND OF THE ACQUIRER

4.1 Information about Mr. Satyendra Manchala

- 4.1.1. **Mr. Satyendra Manchala**, the Acquirer, S/o Late Malleshm Manchala, aged 49 years, presently residing at 8-2-293/82/A/604, Plot No. 604, Road No. 32, Jubilee Hills, Hyderabad-500 033, Telangana, Contact

No.: +91 98490 18197, Email: satish@vjil.com is a Bachelor of Commerce from Osmania University, Hyderabad. His Permanent Account Number (PAN) is ABMPM7666H.

4.1.2. The Acquirer is the Promoter of the Target Company and thus has over 20 years of experience in the field of Software Development and Consulting Services.

4.1.3. The Acquirer is not part of any group.

4.1.4. As on date, the Acquirer holds 13,30,233 Equity Shares representing 15.02% of the Emerging Voting Capital of the Target Company. The said Equity Shares are under lock-in till May 31, 2016 pursuant to Regulation 78 (6) of Chapter VII of SEBI (ICDR) Regulations, 2009. The Acquirer proposes to subscribe for upto 10,00,000 Equity Shares of face value of ₹10 each of the Target Company at price of ₹12 per Equity Share and upto 10,00,000 Warrants at a price of ₹12.00 per warrant, each warrant convertible into or exchangeable for one (1) Equity Shares of Face Value of ₹10 each on Preferential Allotment basis.

4.1.5. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.1.6. The Net Worth of Mr. Satyendra Manchala is ₹8,44,42,463 (Rupees Eight Crores Forty Four Lakhs Forty Two Thousand Four Hundred and Sixty Three only) as on August 31, 2015 as certified vide certificate dated September 07, 2015 issued by Mr. Venkata Ratnam P (Membership No. 230675), partner of M/s Ravishankar & Co., Chartered Accountants (FRN: 003226S) having office at Flat No. 101, H. No. 8-3-960, Siri Enclave, Besides Axis Bank, Main Road, Srinagar Colony, Hyderabad-73, Telangana. Tel. No.: +91 40 2374 0063, Email: psksureshaca@gmail.com.

4.1.7. The major entities promoted/controlled/managed by Mr. Satyendra Manchala apart from the Target Company are as under:

Sr. No.	Name of the Company	Current Designation
1)	Mercury Outsourcing Management Limited	Managing Director
2)	Vishwashree Enterprises Private Limited	Director

Note: None of the above entities are listed on any Stock Exchanges.

4.2 The Acquirer belongs to the Promoter/Promoter Group of the Target Company. The members of Promoter/Promoter Group (including the Acquirer) of the Target Company holds 18,80,943 Equity Shares of face value of ₹10 each representing 21.23% of Emerging Voting Capital of the Target Company.

4.3 The Acquirer has delayed in compliance of Chapter V of SEBI (SAST) Regulations, 2011 in FY 2011-2012 and FY 2012-2013 and has not complied with Chapter II of SEBI (SAST) Regulations, 1997 in FY 2005-2006. SEBI may initiate appropriate action against them for such non-compliance in terms of SEBI (SAST) Regulations and provisions of the SEBI Act.

4.4 The Acquirer has not acquired any Equity Share of the Target Company during the twelve (12) months period prior to the Public Announcement.

4.5 Neither the Acquirer nor any of the Company, with which the Acquirer is associated, are in Securities related business and registered with SEBI as a Market Intermediary.

4.6 None of the entities promoted or controlled or managed by the Acquirer as mentioned above under point no. 4.1.7 of the DLoF are either participating or acting in Concert in the Open Offer.

4.7 Mr. Satyendra Manchala, the Acquirer is the Chairman & Managing Director of the Target Company and presently controlling the management of the Target Company. He shall recuse himself and not participate in any matter concerning or relating to the Offer including any preparatory steps leading to the Offer.

5. BACKGROUND OF THE TARGET COMPANY–VJIL CONSULTING LIMITED

5.1 VJIL Consulting Limited, bearing CIN L74140TG1992PLC014182 was incorporated on May 06, 1992 in the name of 'VJ Infosystems Limited' in the State of Andhra Pradesh pursuant to the provisions of the Companies Act, 1956. Subsequently, the name was changed to 'VJIL Consulting Limited' and a fresh

Certificate of Incorporation was obtained on May 04, 1998. There has been no change in the name of the Company during the last three years.

- 5.2 The Registered Office of the Target Company is situated at 3rd Floor, Western Wing, NCC House, Survey No .64, Madhapur, Hyderabad-500 081, Telangana.
- 5.3 The Target Company is engaged in the business of providing Offshore Software Development and Consultancy Services.
- 5.4 The Authorized Share Capital of the Target Company is ₹9,00,00,000 comprising of 90,00,000 Equity shares of ₹10 each. The paid-up Equity Share Capital of the Target Company is ₹7,85,86,000 comprising of 78,58,600 fully paid-up Equity Shares of ₹10 each,. The Authorized Share Capital shall be increased to ₹10,00,00,000 comprising of ₹1,00,00,000 Equity shares of ₹10 each after approval of the Shareholders of the Target Company in the AGM to be held on September 30, 2015.
- 5.5 The Target Company came out with the Initial Public Offering in the FY 1993-1994 for 37,20,000 Equity Shares of ₹10 each at par aggregating to ₹3,72,00,000 Lakhs.
- 5.6 As on date, the Promoter/Promoter Group holds in aggregate 18,80,943 Equity Shares representing 21.23% of the Emerging Voting Capital of the Target Company.

5.7 Share Capital Structure:

The Equity Share Capital structure of the Target Company is as follows:

Paid-up Shares	No. of Equity Shares/ Voting Rights	% of Equity Shares/ Voting Rights
Fully Paid-up Equity Shares	78,58,600	100.00%
Partly Paid-up Equity Shares	Nil	N.A.
Total Paid-up Equity Shares	78,58,600	100.00%

- 5.8 The Promoter/Promoter Group of the Target Company has delayed in compliance of Chapter V of SEBI (SAST) Regulations, 2011 in FY 2011-2012 and FY 2012-2013 and has not complied with Chapter II of SEBI (SAST) Regulations, 1997 in FY 2005-2006. SEBI may initiate appropriate action against them for such non-compliance in terms of SEBI (SAST) Regulations and provisions of the SEBI Act.
- 5.9 The Target Company has delayed in compliance of Chapter II of SEBI (SAST) Regulations, 1997 for FY 2007-2008, FY 2008-2009, FY 2009-2010 and FY 2010-2011. SEBI may initiate appropriate action against the Company for such non-compliance in terms of SEBI (SAST) Regulations and provisions of the SEBI Act.
- 5.10 The Equity shares of the Target Company are listed on BSE Limited, Mumbai ("BSE"). The Equity Shares of the Target Company are not frequently traded within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations, 2011. The ISIN of the Target Company is INE576B01019. The Company has paid the listing fees to BSE for FY 2015-2016.
- 5.11 The Trading in the Equity shares of the Target Company was suspended on BSE for non-compliance of various clauses of the Listing Agreement which was later revoked by BSE Limited w.e.f. April 22, 2009. As on date, the Target Company is compliant with the listing requirements and there has not been any non-listing of Equity Shares on the Stock Exchange.
- 5.12 There are currently no outstanding convertible instruments to be converted into Equity Shares of the Target Company at a future date. There has been no merger/ de-merger or spin off in the Target Company during the past three years.

5.13 Details of the Board of Directors of the Target Company:

As on the date, the Directors representing the Board of the Target Company are:

Sr. No.	Name of the Director, DIN, PAN & Designation	Address of the Director	Date of Appointment	Experience	No of Shares held in the TC
1)	Mr. Satyendra Manchala <i>DIN:</i> 01843557 <i>PAN:</i> ABMPM7666H <i>Designation:</i> Chairman and Managing Director	8-2-293/82/A/604, Plot No. 604, Road No. 32, Jubilee Hills, Hyderabad-500 033, Telangana State	May 06, 1992	24 years in the field of Software	13,30,233
2)	Mrs. Sunitha Manchala <i>DIN:</i> 06741426 <i>PAN:</i> AKAPM2079B <i>Designation:</i> CFO & Director	8-2-293/82/A/604, Plot No. 604, Road No. 32, Jubilee Hills, Hyderabad-500 033, Telangana State	November 06, 2014	6 years in the field of Finance	4,14,117
3)	Mr. Nagendra Ganpaa <i>DIN:</i> 01838209 <i>PAN:</i> ABIPG4788L <i>Designation:</i> Independent Director	1-2-120, Gunj, Bhongir, Nalgonda-508 116, Telangana	February 12, 2007	30 years in the field of Finance	59,000
4)	Mr. Siva Subrahmanya Murty Jonnalagedda <i>DIN:</i> 05211183 <i>PAN:</i> AHYPJ1312P <i>Designation:</i> Independent Director	Chemin DU PRE-D'ORSAT 17, Coll Bellerive, NA, Switzerland	February 12, 2007	25 years in the field of Marketing	Nil
5)	Mr. Rajesh Katragadda <i>DIN:</i> 02727491 <i>PAN:</i> AKVVPK3486B <i>Designation:</i> Independent Director	Sravanthy Enclave, Flat No. 501, Madinaguda, Hyderabad-500 050, Telangana	August 13, 2015	15 years in the field of Finance	Nil

5.14 The key financial information of the Target Company based on the Audited Financials for the financial year ended March 31, 2015 , March 31, 2014 and March 31, 2013 are as follows:

Profit & Loss Statement:

(Amount in Lakhs)

Particulars	FY ended 2014-2015*	FY ended 2013-2014*	FY ended 2012-2013
	(Audited)	(Audited)	(Audited)
Income from Operations	757.82	642.07	310.03
Other Income	0.10	1.15	1.98
Total Income	757.92	643.22	312.01

Particulars	FY ended 2014-2015*	FY ended 2013-2014*	FY ended 2012-2013
	(Audited)	(Audited)	(Audited)
Total Expenditure	684.27	1,184.71	460.11
Profit Before Depreciation, Interest & Tax	73.65	(541.49)	(148.10)
Depreciation	14.32	22.30	31.97
Interest & Financial charges	2.66	-	-
Exceptional Item	-	-	-
Profit before Tax	56.67	(563.79)	(180.07)
Tax Expenses	-	-	-
Profit after Tax	56.67	(563.79)	(180.07)

* Consolidated Financials.

Balance Sheet Statement:

(Amount in Lakhs)

Particulars	FY ended 2014-2015*	FY ended 2013-2014*	FY ended 2012-2013
	(Audited)	(Audited)	(Audited)
Sources of Funds:			
Paid up Share Capital	785.86	785.86	785.86
Reserves & Surplus (Excluding Revaluation Reserve) [#]	(1,705.59)	(1,747.52)	(625.06)
Less : Miscellaneous Expenditure		-	-
NET WORTH	(919.73)	(961.66)	160.80
Non-Current Liabilities	1,605.62	1,609.55	1,417.55
Current liabilities	887.00	856.35	722.86
TOTAL	1,572.89	1,504.24	2,301.21
Uses of Funds:			
Non-Current Assets	689.87	674.78	1,606.21
Current Assets	883.02	829.46	695.00
TOTAL	1,572.89	1,504.24	2,301.21

* Consolidated Financials.

[#] Includes Translation Reserve.

Other Financial Data:

(Amount in Lakhs, except EPS)

Particulars	FY ended 2014-2015*	FY ended 2013-2014*	FY ended 2012-2013
	(Audited)	(Audited)	(Audited)
Total Revenue	757.92	643.22	312.01
Net Profit/Loss	56.67	(563.79)	(180.07)
Paid-up Capital	785.86	785.86	785.86
Earnings Per Share (Basic) (In ₹)	0.72	(7.17)	(2.29)
Earnings Per Share (Diluted) (In ₹)	0.72	(7.17)	(2.29)
Net Worth	(919.73)	(961.66)	160.80

* Consolidated Financials.

(Source: Annual Reports for the financial year ended March 31, 2015, March 31, 2014 and March 31, 2013).

5.15 Pre and Post-Offer Shareholding Pattern of the Target Company as on date of LoF are as follows:

Shareholders' Category	Equity Shareholding & Voting Rights prior to the Preferential Allotment and Offer		Equity Shares/Voting Rights agreed to be acquired which triggered off the Regulations		Equity Shares/Voting Rights to be acquired in open offer (Assuming full acceptances)		Equity Shareholding/ Voting Rights After the Preferential Allotment and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%*	No.	%*	No.	%*
1) Promoter/ Promoter Group (including Acquirer)								
a) Acquirer	13,30,233	16.92	10,00,000	11.29	23,03,300	26.00	46,33,533	52.31

Shareholders' Category	Equity Shareholding & Voting Rights prior to the Preferential Allotment and Offer		Equity Shares/Voting Rights agreed to be acquired which triggered off the Regulations		Equity Shares/Voting Rights to be acquired in open offer (Assuming full acceptances)		Equity Shareholding/ Voting Rights After the Preferential Allotment and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%*	No.	%*	No.	%*
b) Promoters other than (a) above	5,50,710	7.01	-	-	-	-	5,50,710	6.22
Total 1 (a+b)	18,80,943	23.93	10,00,000	11.29	23,03,300	26.00	51,84,243	58.53
2) Public (other than parties to agreement and Acquirer)								
a) FIs/MFs/FIIs/ Banks, FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Others	59,77,657	76.07	Nil	Nil	(23,03,300)	(26.00)	36,74,357	41.47
Total 2 (a+b)	59,77,657	76.07	Nil	Nil	(23,03,300)	(26.00)	36,74,357	41.47
GRAND TOTAL (1+2)	78,58,600	100.00	10,00,000	11.29	Nil	Nil	88,58,600	100.00

* Figures are calculated on the basis of Emerging Voting Capital of 88,58,600.

Note:

- 1) Since the Acquirer is the Promoter of the Target Company, the details of the Acquirer have been included in the Promoter/Promoter Group of the Target Company.
- 2) Total Number of Shareholders in Public Category as on June 30, 2015 is 6914.

5.16 Details of the Compliance Officer:

Mr. M K Bhaskara Teja

3rd Floor, Western Wing, NCC House,

Survey No .64, Madhapur,

Hyderabad-500 081,

Telangana State

Tel. No.: +91 40 2311 9633/34

Fax No.: +91 40 2311 9614

E-mail: vjilinvestors@gmail.com

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 JUSTIFICATION OF OFFER PRICE

6.1.1 The Equity Shares of the Target Company are presently listed and traded on BSE Ltd ('BSE') having a scrip code as 517429. The Equity Shares of the Target company are not frequently traded on BSE during the twelve (12) calendar months preceding the month in which PA was made as set out under Regulation 2(1) (j) of SEBI (SAST) Regulations.

6.1.2 The annualized trading turnover of the equity shares of the Target Company during Twelve (12) calendar months preceding the month of PA (September 2014-August 2015) on the Stock Exchange on which the Equity Shares of the Target Company is traded is detailed below:

Name of the Stock Exchange	Total Number of shares traded during the preceding 12 calendar months prior to the month of PA	Total No. of Equity Shares listed	Annualized trading turnover (as % of total number of listed shares)
BSE Ltd	3,93,529	78,58,600	5.01%

(Source: www.bseindia.com)

6.1.3 The Offer Price of ₹12.00 (Rupees Twelve only) is justified in terms of Regulation 8(2) of SEBI (SAST) Regulations on the basis of the following:

Sr. No.	Particulars	Amount (In. ₹)
a)	Negotiated Price as per SPA	: Not Applicable
b)	The volume-weighted average price paid or payable for acquisition whether by the Acquirer, during 52 weeks preceding the date of PA	: Not Applicable

Sr. No.	Particulars		Amount (In. ₹)
c)	The highest price paid or payable for any acquisition, whether by the Acquirer, during 26 weeks preceding the date of the PA	:	Not Applicable
d)	The volume-weighted average market price of Equity shares of the Target Company for a period of sixty trading days immediately preceding the date of public announcement as traded on BSE, being the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period, the shares being infrequently traded	:	11.20
e)	The Price at which the Equity Shares are proposed to be issued and allotted to the Acquirer under Preferential Allotment attracting the Obligation to make the Public Announcement	:	12.00
f)	Other Financial Parameters as at:		31.03.2015 (Audited)
	(i.) Return on Net Worth	:	Negative
	(ii.) Book Value Per Share	:	Negative
	(iii.) Earnings Per Share (Diluted)	:	0.72

Note: The Trading data has been taken from BSE's website www.bseindia.com.

The Fair Value of the Target Company is ₹11.20 (Rupees Eleven and Paise Twenty only) per share as certified vide Valuation Report dated September 07, 2015 issued by Mr. Nekkanti Srinivasu (Membership No. 209453) partner of M/s Nekkanti Srinivasu & Co., Chartered Accountants (FRN: 008801S) having office at Flat No. 604, Kanchanjunga Apartments, 'D' Block, Aditya Enclave, Ameerpet, Hyderabad-38 Tel. No.: +91 40 2341 0145, Email: info@svpandco.com.

The Fair Price of ₹11.20 per share have been determined taking into account the methodology adopted under Hindustan Lever Employees Union vs Hindustan Lever Ltd case.

- 6.1.4 In view of the parameters considered and presented in the table above and in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹12.00 (Rupees Twelve only) per share is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations.
- 6.1.5 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.
- 6.1.6 In the event of further acquisition of Equity Shares of the Target Company by the Acquirer during the Offer Period, at a price higher than the Offer Price, then the Offer Price will stand revised equal to or more than the highest price paid for such acquisition in terms of regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer will not be acquiring any Equity Shares of the Target Company after the third working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period except Proposed Allotment of Equity Shares through Preferential Allotment.
- 6.1.7 If the Acquirer acquire Equity Shares of the Target Company during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, then he will pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty (60) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.
- 6.1.8 As on date, there is no revision in the Open Offer Price or Open Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirer is permitted to revise the Offer Price upward at any time up to 3 working days prior to the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. If there is any such upward revision in the Offer Price by the Acquirer or in the case of withdrawal of Offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirer for all the shares validly tendered in the Offer.

6.1.9 In the event that the number of Equity Shares validly tendered by the Public Shareholders of the Target Company under the Offer is higher than the Offer Size, the Equity Shares received from the public shareholders shall be accepted on a proportionate basis, in consultation with the Manager to the Offer.

6.2 DETAILS OF FIRM FINANCIAL ARRANGEMENTS

6.2.1 The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of 23,03,300 Equity Shares at a price of ₹12.00 (Rupees Twelve only) per Equity Share is ₹2,76,39,600 (Rupees Two Crores Seventy Six Lakhs Thirty Nine Thousand and Six Hundred only) (**‘Maximum Consideration’**).

6.2.2 In accordance with regulation 17(4) of SEBI (SAST) Regulations, 2011, the Acquirer has opened a Cash Escrow Account under the name and style of ‘VJIL-Open Offer-Cash Escrow Account’ (**‘Escrow Account’**) with Kotak Mahindra Bank Limited, Ground Floor, Moreshwar Building, Hanuman Road, Vile Parle (East), Mumbai-400 057 (**‘Escrow Banker’**) bearing account number 1411635850 and deposited an amount of ₹85.00 Lakhs (Rupees Eighty Five Lakhs only), in cash, being more than 25% of the Maximum Consideration on September 09, 2015. The Acquirer has authorized the Manager to the Offer to operate and realize the value of the Escrow Account in terms of SEBI (SAST) Regulations, 2011. The cash deposit in the Escrow Account has been confirmed vide certificate dated September 10, 2015 issued by the Escrow Banker.

6.2.3 The Acquirer has empowered the Manager to the Offer i.e. Mark Corporate Advisors Private Limited to operate and to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

6.2.4 The Acquirer has adequate financial resources and has made firm financial arrangements for implementation of the Open Offer. No funds are borrowed from banks or financial institutions for the purpose of this Offer by the Acquirer. Mr. Venkata Ratnam P (Membership No. 230675), partner of M/s Ravishankar & Co., Chartered Accountants (FRN: 003226S) having office at Flat No. 101, H. No. 8-3-960, Siri Enclave, Besides Axis Bank, Main Road, Srinagar Colony, Hyderabad-73, Telangana. Tel. No.: +91 40 2374 0063, Email: psksureshaca@gmail.com has confirmed and certified that the Acquirer has sufficient resources for fulfilling the obligations under this ‘Offer’ in full.

6.2.5 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer and to implement the offer in accordance with the SEBI (SAST) Regulations. Further, the Manager to the Offer confirms that the funds / money are in place to fulfill the Open Offer obligations.

6.2.6 In case of any upward revision in the Offer Price or the Offer Size, the value of the Escrow Amount shall be computed on the revised consideration calculated at such revised Offer Price or Offer Size and any additional amounts required will be funded via cash in the Escrow Account by the Acquirer prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 OPERATIONAL TERMS AND CONDITIONS

7.1.1 This Open Offer is not conditional upon any minimum level of acceptance by the Public Shareholders of the Target Company.

7.1.2 The Open Offer is subject to the terms and conditions set out in this LoF, the PA, the DPS and any other Public Announcements that may be issued with respect to this Offer.

7.1.3 The Letter of Offer is being mailed to those Shareholders of the Target Company whose names appear on the Register of Members of the Target Company and to the Beneficial Owners of the Equity Shares of the Target Company whose names appear as beneficiaries on the beneficial record of the respective depositories (*except the Acquirer and the Promoter/Promoter Group of the Target Company*), at the close of business on the Identified Date i.e. October 29, 2015 (Thursday). Owners of Equity Shares who are not registered as Shareholder(s) are also eligible to participate in the Offer at any time prior to the Date of Closure of the Offer i.e. November 18, 2015 (Wednesday).

- 7.1.4 Accidental omission to dispatch this Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.1.5 Eligible persons can write to the Registrar/Manager to the Offer requesting for the Letter of Offer. Alternatively, the Letter of Offer would also be available on the website of SEBI, www.sebi.gov.in, and Shareholders can also apply by downloading such forms from the website.
- 7.1.6 The Shareholders to whom the Offer is being made are free to Offer their Equity Shares in the Target Company in whole or in part while accepting the Open Offer.
- 7.1.7 This Offer is subject to receipt of the Statutory and other approvals as mentioned under paragraph 'Statutory Approvals' of this Letter of Offer. In terms of Regulation 23(1) of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- 7.1.8 The acceptance of the Offer must be unconditional, absolute and unqualified and sent along with the other documents duly filled in and signed by the applicant shareholder(s).
- 7.1.9 The Public Shareholders who tender their Equity Shares under the Open Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends, bonus and rights declared thereafter.
- 7.1.10 The Acquirer will not be responsible in any manner for any loss of Equity Share Certificate(s) and Offer acceptance documents during transit. The Public Shareholders are advised to adequately safeguard their interest in this regard.
- 7.1.11 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending Court cases/attachment orders/restriction from other Statutory Authorities wherein the Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders regarding the free transferability of such equity shares tendered under the Offer are not received prior to the date of Closing of the Offer.
- 7.1.12 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.1.13 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, 2011, the Shareholders who have accepted this Open Offer by tendering their Equity Shares and requisite documents in terms of the PA, DPS and LoF are not entitled to withdraw such acceptance in this Open Offer.

7.2 LOCKED-IN SHARES

As on date, the Target Company does not have any Equity Shares under lock-in except for the Acquirer's pre-preferential shareholding of 13,30,233 Equity Shares representing 15.02% of the Emerging Voting Capital of the Target Company which are under lock-in till May 31, 2016 pursuant to Regulation 78 (6) of Chapter VII of SEBI (ICDR) Regulations, 2009.

7.3 ELIGIBILITY FOR ACCEPTING THE OFFER

All the shareholders (registered or unregistered) of the Target Company (except the Acquirer and the Promoter/Promoter Group of the Target Company) who own Shares any time before the Date of Closure of the Offer, i.e. November 18, 2015 (Wednesday) is eligible to participate in the Offer.

7.4 STATUTORY APPROVALS

- 7.4.1 As of date, to the best of the knowledge of the Acquirer, there are no Statutory Approvals required to implement the Offer. However, in case of any regulatory or statutory approval being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary applications for such approval.

7.4.2 If any statutory or other approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory or other approvals. The Acquirer will not proceed with the Offer in the event that such statutory or other approvals becoming applicable prior to completion of the Offer are finally refused in terms of regulation 23 of SEBI (SAST) Regulations, 2011. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which this DPS has been published.

7.4.3 In case of delay in receipt of any Statutory Approvals becoming applicable prior to completion of the Offer, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011. Provided where the Statutory Approvals extend to some but not all equity Shareholders, the Acquirer has the option to make payment to such shareholders in respect of whom no Statutory Approvals are required in order to complete this Open Offer. Further, in case the delay occurs on account of willful default by the Acquirer in obtaining any Statutory Approvals in time, the amount lying in the Escrow Account will be liable to be forfeited and dealt with in the manner provided in clause (e) of sub-regulation (10) of Regulation 17 of SEBI (SAST) Regulations, 2011.

7.4.4 No approval is required from any bank or financial institutions for this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

8.1 The Acquirer has appointed Bigshare Services Private Limited as the Registrar to the Offer.

8.2 The Registrar would be accepting the documents by Hand Delivery/Regd. Post/Speed Post/Courier at the following specified centre:

Name & Address	Contact Person	Mode of Delivery
Bigshare Services Private Limited E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai-400 072 Tel: +91 22 4043 0200 Fax: +91 22 2847 5207 Website: www.bigshareonline.com E-Mail: openoffer@bigshareonline.com	Mr. Ashok Shetty	Hand Delivery / Registered Post / Speed Post / Courier

8.3 The Target Company is presently having connectivity with Central Depository Services (India) Limited ('CDSL') and National Securities Depositories Limited ('NSDL').

8.4 This Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by National Stock Exchange of India Limited, Mumbai ('NSE') in the form of a separate window ('Acquisition Window') as provided under the SEBI SAST Regulations, 2011 and SEBI Circular No. CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI.

8.5 National Stock Exchange of India Limited ('NSE') shall be the Stock Exchange for the purpose of tendering the Equity shares in the Open Offer.

8.6 The Acquirer has appointed Sparkle Securities Solutions Private Limited ('Buying Broker') for the Open Offer through whom the purchases and settlement of the Offer Shares tendered in the Open Offer shall be made.

The Contact Details of the Buying Broker are mentioned below:

Sparkle Securities Solutions Private Limited

E-501, Remi Bizcourt, Off Veera Desai Road,

Andheri (W), Mumbai-400 053

Tel No.: +91 22 6759 2033;

Contact Person: Ms. Kunjal Anjaria

8.7 All the Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective Stock Broker (**“Selling Broker”**), during the normal trading hours of the secondary market during tendering period.

8.8 Separate Acquisition window will be provided by the Stock Exchange to facilitate placing of Sell Orders. The Selling Members can enter Orders for Demat Shares as well as Physical Shares.

8.9 The cumulative quantity tendered shall be displayed on the Exchange’s website throughout the trading session at specific intervals by the Stock Exchange during tendering period.

8.10 Procedure for tendering Equity Shares held in Dematerialised Form:

8.10.1 The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their broker/Selling Member indicating details of Shares they wish to tender in the Open Offer.

8.10.2 The Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. (‘Clearing Corporation’), the transfer of Equity Shares to the Special Account of the Clearing Corporation before placing the bids/order and the same shall be validated at the time of order entry. The details of the Special Account of Clearing Corporation shall be informed in the issue opening circular that will be issued by NSE /Clearing Corporation.

8.10.3 Shareholders will have to submit Delivery Instruction Slips (‘DIS’) duly filled in specifying market type as “Open Offer” and execution date along with other details to their respective broker so that Shares can be tendered in Open Offer.

8.10.4 For Custodian participant order for demat Equity Shares, early pay-in is mandatory prior to confirmation of order by the Custodian. The Custodians shall either confirm or reject orders not later than the close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

8.10.5 Upon placing the bid, the seller member(s) shall provide Transaction Registration slip (‘‘TRS’’) generated by the Exchange Bidding System to the shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No of Shares tendered, etc.

8.10.6 In case of receipt of Shares in the Special Account of the Clearing Corporation and a valid bid in the exchange bidding system, the Open Offer shall be deemed to have been accepted, for demat Shareholders.

8.10.7 The Eligible Persons will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to pro-rata acceptance in the Open Offer.

8.11 Procedure for tendering Equity Shares held in Physical Form:

8.11.1 The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Member and submit complete set of documents for verification procedure as mentioned below:

- (a) Original share certificate(s)
- (b) Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place.
- (c) Self-attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors)
- (d) Any other relevant document such as Power of Attorney, corporate authorization (including board resolution/ specimen signature)
- (e) Self-attested copy of address proof such as valid Aadhar Card, Voter ID, Passport

- 8.11.2 The Seller Member(s) should place bids on the Exchange Platform with relevant details as mentioned on Physical Share Certificate(s). The Seller Member(s) to print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No., Dist. Nos., No. of shares, etc.
- 8.11.3 The Seller Members have to deliver the shares & documents along with TRS to the RTA. Physical Share Certificates to reach RTA within 2 days of bidding by Seller Member.
- 8.11.4 Shareholders holding Physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Open Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- 8.11.5 In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date.

8.12 Procedure for tendering the shares in case of non-receipt of Letter of Offer:

Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

In case the Equity Shares are in dematerialised form:

An Eligible Person may participate in the Offer by approaching Broker/Selling Member and tender Shares in the Open Offer as per the procedure mentioned in this Letter of Offer.

In case the Equity Shares are in Physical form:

An Eligible Persons may participate in the Offer by confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, DPS and the Letter of Offer. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in this Letter of Offer) should reach the Registrar of the Company before 5:00 PM on the Closing Date. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Open Offer.

8.13 Settlement Process

- 8.13.1 On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchange to facilitate settlement on the basis of Shares transferred to the account of Clearing Corporation.
- 8.13.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 8.13.3 The payment will be made to or by the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Seller Member / Custodian Participant will receive funds pay-out in their settlement bank account. The Seller Members / Custodian Participants would pay the consideration to their respective clients.
- 8.13.4 Trading Members should use the settlement number to be provided by the Clearing Corporation to transfer the Shares in favour of Clearing Corporation.
- 8.13.5 Excess demat shares or unaccepted demat Shares, if any, tendered by the Shareholders would be returned to the respective Seller Members by Clearing Corporation as part of the Exchange pay-out process. In case of Custodian Participant Orders, excess demat shares or unaccepted demat Shares, if any, will be returned to

the respective Custodian Participant. The Seller Members / Custodian Participants would return these unaccepted shares to their respective clients on whose behalf the bids have been placed.

- 8.13.6 Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholders directly by RTA.
- 8.13.7 Every Seller Member, who puts in a valid bid on behalf of an eligible Person, would issue a contract note & pay the consideration for the Equity Shares accepted under the Open Offer and return the balance unaccepted demat Equity Shares to their respective clients. Buying Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer.
- 8.13.8 Shareholders who intend to participate in the Offer should consult their respective Seller Member for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction) . The consideration received by the selling Shareholders from their respective Seller Member, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses((including brokerage) incurred solely by the Selling Shareholder.
- 8.14 Equity shares that are subject to any charge, lien or encumbrance are liable to be rejected except where 'No Objection Certificate' from lenders is attached.
- 8.15 The Letter of Offer would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.
- 8.16 The Letter of Offer will be dispatched to all the eligible shareholders of the Target Company. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the equity shares of the Target Company\
- 8.17 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the shareholders of Target Company at the office of the Manager to the Offer, Mark Corporate Advisors Private Limited at 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off Western Express Highway, Vile Parle (East), Mumbai- 400 057, on any day (except Saturdays, Sundays and Public Holidays) between 10.30 AM to 2.00 PM from the Date of Opening of the Offer till the Date of Closure of the Offer:

- 1) Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- 2) Annual Reports for the financial years ended March 31, 2015, March 31, 2014 and March 31, 2013 of the Target Company.
- 3) Chartered Accountants' Certificate dated September 07, 2015, issued by Mr. Venkata Ratnam. P (Membership No. 230675), partner of M/s Ravishankar & Co., Chartered Accountants (FRN: 003226S) certifying the Net worth of the Acquirer as on August 31, 2015.
- 4) Chartered Accountants' Certificate dated September 07, 2015, issued by Mr. Venkata Ratnam. P (Membership No. 230675), partner of M/s Ravishankar & Co., Chartered Accountants (FRN: 003226S) certifying that the Acquirer has firm and adequate financial resources to meet the financial obligations under the Open Offer.
- 5) Memorandum of Understanding between Lead Manager i.e. Mark Corporate Advisors Private Limited and the Acquirer.
- 6) Valuation Report dated September 07, 2015 issued by Mr. Nekkanti Srinivasu (Membership No. 209453) partner of M/s Nekkanti Srinivasu & Co., Chartered Accountants (FRN: 008801S).
- 7) Letter from Kotak Mahindra Bank Limited dated September 10, 2015 confirming the balance of ₹85,00,000 in the Cash Escrow Account.
- 8) Due Diligence Certificate dated September 21, 2015 submitted to SEBI by Mark Corporate Advisors Private Limited, Manager to the Offer.
- 9) Undertaking from the Acquirer for unconditional payment of the consideration within 10 working days from the last date of the tendering period to all the Shareholders of the Target Company whose applications are accepted in the Open Offer.
- 10) Undertaking from the Acquirer with regard to Responsibility under Regulation 2(o) and Regulation 7(4) of SEBI (SAST) Regulations.
- 11) Copies of the Public Announcement ('PA') dated September 07, 2015 (Monday) & a published copy of the Detailed Public Statement ('DPS') which appeared in the Newspapers on September 14, 2015 (Monday).
- 12) Published copy of the recommendation made by the Target Company's Board of Independent Directors as required in terms of Regulation 26(7) of SEBI (SAST) Regulations.
- 13) Copy of the Observation Letter no [•] dated [•] received from SEBI.

10. DECLARATION BY THE ACQUIRER

The Acquirer accepts full responsibility, for the information contained in this Letter of Offer and also for ensuring the compliance with the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations.

I, the Acquirer, has made all reasonable inquiries, accept responsibility, and confirm that this Letter of Offer is in compliance with the SEBI (SAST) Regulations, 2011, and that it contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer are true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Manager to the Offer hereby states that the person(s) signing this Letter of Offer is the Acquirer.

Satyendra Manchala ('Acquirer')

Sd/-

Date : September 21, 2015

Place : Hyderabad