

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as an Equity Shareholder(s) of Allsec Technologies Limited. 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 / Registrar to the Offer. In case you have recently sold your Shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement [which includes Form of Withdrawal] and transfer deed to the Purchaser of Shares or Member of the Stock Exchange through whom the said sale was effected.

Cash Offer

BY

First Carlyle Ventures Mauritius [“FCVM” or “the Acquirer”]

Regd Office: Multiconsult Limited, 10 Frere Felix De Valois Street, Port Louis, Mauritius • Tel: 00 230 202 3000; Fax: 00 230 212 5265

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Carlyle Asia Growth Partners III, L.P. [“CAGP III” or “Person Acting in Concert”/ “PAC”]

Regd Office: 2 Walker House, PO Box 908GT, Mary Street George Town, Grand Cayman, Cayman Islands
Tel: 00 345 949 0100; Fax: 00 345 949 7866

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CAGP III Co-Investment, L.P. [“CAGP III Co-Invest” or “Person Acting in Concert”/ “PAC”]

Regd Office: 2 Walker House, PO Box 908GT, Mary Street George Town, Grand Cayman, Cayman Islands
Tel: 00 345 949 0100; Fax: 00 345 949 7866

to acquire

upto 30,45,106 fully paid up Shares of the face value of Rs. 10/- each, representing 20% of the voting paid up equity share capital, (assuming that 1,60,728 Warrants of the Company allotted to the Acquirer and 8,03,640 Warrants of the Company allotted to Promoters on preferential allotment basis on August 23, 2006 are not converted into Shares before the expiration of 15 days after the closure of the Offer), at a price of Rs. 260/- per fully paid up Equity Share (“Offer Price”) payable in cash of



ALLSEC TECHNOLOGIES LIMITED [“The Company” / “Allsec”]

Regd Office: 7H, Century Plaza, 560-562, Anna Salai, Teynampet, Chennai 600 018, India

Tel: 91 44 22447070; Fax: 91 44 22447079

Notes:

- This Offer is being made pursuant to Regulation 10 & 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto [“SEBI Takeover Regulations”] for the purpose of substantial acquisition of Shares and voting rights of the Company without change in control and management of the Company.
- Pursuant to Press Note No. 4 (2006 Series) dated February 10, 2006 issued by the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India, (a) transfer of Shares from residents to non-residents in compliance of SEBI Takeover Regulations and (b) acquisition of Shares in an existing company and falling under the automatic route, does not require a specific approval from Foreign Investment Promotion Board [“FIPB”], provided that the transfer of Shares and issue of Shares are within the sectoral FDI limits as specified therein. As per Regulation 5(1) of Notification No. FEMA 20 / 2000 – RB dated May 3, 2000 issued by RBI, FDI is permitted up to 100% in the Company under Automatic Route.
- Pursuant to the receipt of approval for opening of domestic escrow account from Reserve Bank of India [“RBI”] vide its letter dated September 28, 2006 the acquirer has transferred the funds from overseas escrow account to the domestic escrow account. For more details, please refer Para 6.2 of this letter of offer. Acquirer will make an application to RBI / any other authority for their approval, if required, for transfer of Shares from eligible Shareholders upon closure of the Offer once the basis of acceptance is determined.
This Offer is subject to the aforementioned approvals.
- Shareholders who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement (“PA”)/ Letter of Offer can withdraw the same up to three working days prior to the date of the closure of the Offer i.e. up to Wednesday – December 6, 2006.
- The Acquirer is permitted to revise the Offer Price and number of Shares to be acquired upward any time up to seven working days prior to the date of closure of the Offer i.e. up to Thursday – November 30, 2006. If there is an upward revision of the Offer Price in terms of Regulation 26, the same would be informed by way of a PA in the same newspapers where the original PA has appeared as mentioned in Para No. 2.2.7 of this Letter of Offer. Such revised Offer Price would be payable by the Acquirer for all the Shares tendered at anytime during the Offer.
- Offer is not conditional upon any minimum level of acceptances.
- There has been no competitive bid.**
As the Offer Price cannot be revised during seven working days prior to the closing date of the Offer, it would be in the interest of the Shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly.
- A copy of the PA and Letter of Offer (including Form of Acceptance-cum-Acknowledgement which includes Form of Withdrawal) are also available on SEBI's website at www.sebi.gov.in from the date of opening of the Offer i.e., Tuesday – November 21, 2006.

MANAGER TO THE OFFER



YES BANK Limited
12th Floor, Discovery of India Building
Nehru Centre, Dr. Annie Besant Road
Worli, Mumbai 400018
Tel No: 91 22 6669 9000
Fax No: 91 22 2497 4158
Email ID: allsec@yesbank.in
SEBI Reg No: MB / INM 0000 10874
Contact : Dhanraj Uchil / Steven Sule

REGISTRAR TO THE OFFER



INTIME SPECTRUM REGISTRY LIMITED

Intime Spectrum Registry Limited
C-13, Kantilal Maganlal Industrial Estate
(Pannalal Silk Mills Compound)
L.B.S. Marg, Bhandup West, Mumbai 400 078
Tel No: 91 22 2596 0320-28
Fax No: 91 22 2596 0329
E-mail: allsecOffer@intimespectrum.com
SEBI Registration No: INR 00000 3761
Contact: Ms. Awani Punjani

Offer Opens : Tuesday – November 21, 2006

Offer Closes : Monday – December 11, 2006

Schedule of the Activities

Activities	Schedule as per PA	Revised Schedule
PA date	Tuesday – August 29, 2006	Tuesday – August 29, 2006
Specified Date *	Wednesday – August 30, 2006	Wednesday – August 30, 2006
Last date for Competitive Bid	Tuesday – September 19, 2006	Tuesday – September 19, 2006
Last date by which Letter of Offer to reach the Shareholders	Friday – October 13, 2006	Tuesday – November 14, 2006
Date of opening of the Offer	Monday – October 23, 2006	Tuesday – November 21, 2006
Last date for revising the Offer Price / number of Shares	Wednesday – November 1, 2006	Thursday – November 30, 2006
Last date up to which Shareholders may withdraw acceptance of the Offer	Tuesday – November 7, 2006	Wednesday – December 6, 2006
Date of Closure of the Offer	Saturday – November 11, 2006	Monday - December 11, 2006
Date for communicating acceptance/ rejection under the Offer and payment of consideration for applications accepted and / or return of Shares / Share certificates for applications rejected	Friday – November 24, 2006	Tuesday – December 26, 2006

* Specified Date is only for the purpose of determining the names of Shareholders of the Company as on such date to whom the Letter of Offer is sent.

Risk Factors (a) relating to Transaction, (b) relating to Offer and (c) involved in associating with the Acquirer and likely adverse effect of these risk factors on the Shareholders

1. Acquirer will make an application to RBI / any other authority for their approval, if required, for transfer of Shares to the Acquirer from eligible Shareholders upon closure of the Offer.
2. In the event that either (a) regulatory approvals are not received in time, (b) there is any litigation leading to a stay on the Offer, or (c) SEBI instructing 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 Shareholders of Allsec whose Shares are accepted under this Offer as well as the return of Shares not accepted under this Offer by the Acquirer may get delayed. In case of delay, due to non-receipt of statutory approval(s), as per Regulation 22(12) of the SEBI Takeover Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer agreeing to pay interest to the Shareholders. Further, Shareholders should note that after the last date of withdrawal i.e. Wednesday – December 6, 2006, Shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered Shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.
3. The Shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities, and the Shareholders will not be able to trade such Shares. During such period there may be fluctuations in the market price of the Shares. The Acquirer makes no assurance with respect to the market price of the Shares both during the Offer period and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
4. The Acquirer makes no assurance with respect to the financial performance of Allsec.
5. In the event of oversubscription in the Offer, the acceptance of the Shares tendered will be on a proportionate basis and will be contingent on the level of oversubscription.

The indicative risk factors set forth above are in relation to the Offer and not in relation to the present or future business or operations of Allsec or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Offer or associating with the Acquirer or the PACs. Shareholders of Allsec are advised to consult their stock broker or investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

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Form of Acceptance cum Acknowledgement, with Withdrawal Form, is enclosed

DEFINITIONS

Acquirer / FCVM	First Carlyle Ventures Mauritius
Board / Board of Directors / Directors	Board of Directors of Allsec
BSE	Bombay Stock Exchange Limited
DP	Depository Participant
EGM	Extraordinary General Meeting of the Shareholders of Allsec
FII	Foreign Institutional Investors
FIPB/SIA	Foreign Investment Promotion Board / Secretariat of Industrial Assistance / Any other appropriate authority of the Government of India as notified from time to time
GOI	Government of India
LOF	Letter of Offer
Manager to the Offer/ YES BANK	YES BANK Limited
NRI	Non Resident Indian
NSE	The National Stock Exchange of India Limited
OCB	Overseas Corporate Body
Offer	Offer to acquire upto 30,45,106 Shares representing 20% of the voting paid up equity share capital (assuming that 1,60,728 Warrants allotted to the Acquirer and 8,03,640 Warrants allotted to Promoters under the Preferential Allotment are not converted into Shares before the expiration of fifteen days after the closure of the Offer)
Offer Price	Rs. 260/- per fully paid up Share
PACs/ Persons Acting in Concert	Carlyle Asia Growth Partners III, L.P. and CAGP III Co-Investment, L.P.
Persons eligible to participate in the Offer	All owners (registered and unregistered) of Shares of Allsec except (a) the Acquirer and PACs and (b) the Promoters
Preferential Allotment	Allotment by the Company on preferential allotment basis of (i) 30,21,685 Shares and 1,60,728 Warrants to the Acquirer and (ii) 8,03,640 Warrants to Promoters on August 23, 2006
Promoters	Promoters of Allsec i.e. Mr. A Saravanan and Mr. R Jagadish
Public Announcement/ PA	PA for the Offer released on behalf of the Acquirer and PACs on August 29, 2006
Registrar / Registrar to the Offer	Intime Spectrum Registry Limited
Regulations/ Takeover Regulations/ SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (DIP) Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended
Shares	Fully paid up equity shares of Rs. 10/- each of Allsec
Shareholders / Equity Shareholders	All owners (registered or un registered) of Shares
Stock Exchanges	BSE and NSE where the Shares are presently listed
Subscription and Shareholders Agreement / SSA	Agreement dated August 23, 2006 entered into between the Acquirer, the Promoters and Allsec
Target Company/ The Company/ Allsec	Allsec Technologies Limited
Transaction	30,21,685 Shares and 1,60,728 Warrants allotted to the Acquirer and 8,03,640 Warrants allotted to the Promoters in terms of the SSA
Warrants	1,60,728 Warrants allotted to the Acquirer and 8,03,640 Warrants allotted to the Promoters, each Warrant convertible into one Share at exercise price of Rs. 260/- per warrant in terms of the SSA

1 DISCLAIMER CLAUSE

"It is to be distinctly understood that the filing of the 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 the Shareholders of Allsec 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 are proposed to be acquired or for the correctness of the statements made or opinions expressed in the draft Letter of Offer. It should also be clearly understood that while the Acquirer is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this draft Letter of Offer, the Manager to the Offer is expected to exercise due diligence to ensure that the Acquirer duly discharges its responsibility adequately. In this behalf and towards this purpose, the Manager to the Offer, YES BANK Limited has submitted a due diligence certificate dated September 12, 2006 to SEBI in accordance with the SEBI Takeover Regulations. The filing of the draft 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."

2 DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1 This Offer is being made pursuant to the Preferential Allotment of Shares and Warrants by Allsec to FCVM in accordance with Section 81(1A) of the Companies Act, 1956 ("**Companies Act**") and in compliance with Regulation 10 & 12 of SEBI Takeover Regulations.

In the facts and circumstances of the case, the acquisition of shares in the target company amounts to change in control in terms of Regulation 2(1)(c) and Regulation 12 of SEBI Takeover Regulations.

2.1.2 As per the terms of the Preferential Allotment, the Acquirer has subscribed to and the Company has allotted to the Acquirer 30,21,685 fully paid up Shares representing 19.85% of the post allotment paid up equity share capital of the Company at a price of Rs. 260/- per Share i.e. at a premium of Rs. 250/- per Share aggregating to Rs. 78,56,38,100/-.

2.1.3 The Preferential Allotment also entailed an allotment of 1,60,728 Warrants to the Acquirer representing 0.99% of the post conversion fully diluted paid up equity share capital of the Company, with each Warrant convertible into one Share at a premium of Rs. 250/- per Share i.e. at a price of Rs. 260/- per converted Share, within eighteen months from the date of allotment i.e. on or prior to February 22, 2008 amounting to Rs. 4,17,89,280/-.

2.1.4 The terms of the Preferential Allotment further entailed an allotment of 8,03,640 Warrants representing 4.96% of the post conversion fully diluted paid up equity share capital of the Company to Promoters of Allsec namely, Mr. A Saravanan and Mr. R Jagadish with each warrant convertible into one equity Share of the face value of Rs. 10/- each at a premium of Rs. 250/- per Share i.e. at a price of Rs. 260/- per converted Share, within eighteen months from the date of allotment i.e. on or prior to February 22, 2008 amounting to Rs. 20,89,46,400/-.

2.1.5 The Preferential Allotment thus envisaged total investment of Rs. 82,74,27,380/- by the Acquirer by way of Shares and Warrants, and Rs. 20,89,46,400/- by the Promoters by way of Warrants in terms of Chapter XIII of SEBI (DIP) Guidelines.

2.1.6 The Acquirer, the Promoters and the Company have entered into the SSA which governs the rights and obligations, inter-se, of each of the said parties to the SSA.

Important features of SSA:

- a) The subscription by the Acquirer to 3,021,685 equity Shares at a price of Rs. 260/- per share aggregating to Rs. 78,56,38,100/-.
- b) The subscription by the Acquirer to 1,60,728 warrants for cash at a subscription price of Rs. 26/- per Warrant aggregating to Rs. 41,78,928/- with each Warrant conferring upon the Acquirer the right to subscribe to one equity Share upon payment of the residual exercise price from the total exercise price of Rs. 260/- per equity share, within a period of eighteen months from their allotment. The number of shares to be allotted pursuant to the warrants is to be adjusted for corporate actions such as bonus issues, consolidation, sub-division or split of shares, rights issues and other forms of dilutions and consolidation.
- c) So long as the Acquirer holds, directly or indirectly beneficial interest equivalent to or exceeding 5% of the equity share capital of the Target Company, neither the Promoters nor any of their affiliates shall, except on behalf of and for the business of the Target Company, directly, or indirectly compete with the business of the Target Company. The Promoters and their affiliates are also obliged not to solicit or entice away any employee, counterparty, vendor, lessor, franchisees or business associates of the Target Company and its subsidiaries so long as the Acquirer holds at least 5% of the equity share capital of the Target Company.
- d) A twenty four month lock-in on the shares held by the Promoters of the Target Company, followed by two further lock-in periods of twelve months each, subject to the ability to sell shares up to certain limits.

- e) Restrictions on transfer of shares by the Acquirer to competitors without the right of first refusal
- f) A right of the Acquirer to nominate at least two directors on the Board of the Target Company so long as the Acquirer holds at least 5% of the equity share capital of the Target Company.
- g) Indemnity by the Target Company to the Acquirer for breach of the Agreement and the customary representations and warranties contained in the Agreement.

2.1.7 The Board of Directors of the Company at the meeting held on August 23, 2006 has allotted the said 30,21,685 Shares and 1,60,728 Warrants to the Acquirer. Further, 8,03,640 Warrants were also allotted to Promoters. The Acquirer and the Promoters have paid, on allotment of the Warrants, 10% of the exercise price payable upon conversion of the Warrants, which shall be adjusted against the balance price payable upon conversion, in accordance with the SEBI (DIP) Guidelines. The Promoters' current shareholding represents 26.86% of the post-allotment paid up equity share capital of the Company. The shareholding of the Promoters assuming exercise of all Warrants allotted to them shall stand at 30.23% of the post-allotment paid up equity share capital of the Company and that of the Acquirer assuming exercise of all Warrants allotted to them (without taking into account, acceptances of the Offer made hereby) shall be 19.66% of the post-allotment paid up equity share capital of the Company.

2.1.8 The Preferential Allotment has been approved by the Company pursuant to a special resolution passed by the Members of the Company in accordance with section 81(1A) of the Companies Act at the "EGM" held on August 21, 2006, which was convened by a resolution passed by the Board of Directors in their meeting held on July 26, 2006 and in accordance with the provisions of the Memorandum of Association (**MOA**) and Articles of Association (**AOA**) of the Company, Listing Agreement, applicable provisions of the Companies Act, guidelines issued by the RBI, SEBI and all other concerned statutory and other authorities to the extent necessary. The Shares and Warrants allotted in favour of the Acquirer are to be locked-in for a period of one year from the date of the allotment as per the SEBI (DIP) Guidelines.

2.1.9 Friday - July 21, 2006, being the date falling thirty days prior to the date of the EGM was the "**Relevant Date**" for the purpose of determination of the minimum issue price at which the Preferential Allotment of the above mentioned Shares and Warrants to the Acquirer and the Promoters as per Clause 13.1.1 of SEBI (DIP) Guidelines was to be made. The average of the weekly high and low of the closing prices of the Shares of Allsec on the NSE as per the certificate dated August 16, 2006 of S R Batliboi & Associates, Statutory Auditors of the Company was: (a) for the six months ended on Friday - July 21, 2006 i.e. the day preceding the relevant date, Rs. 234/- per Share and (b) for the two weeks ended on July 21, 2006 i.e. the day preceding the relevant date, Rs. 195.99 per Share. Therefore, the issue price of Rs. 260/- per Share and conversion price of the Warrants of Rs. 260/- per Warrant under the Preferential Allotment is not less than the higher of above mentioned (a) and (b). Shares of the company are listed on BSE and the NSE but most frequently traded on NSE during the period of six months preceding the Relevant Date.

2.1.10 In accordance with the terms of the SSA, the overall management and control of Allsec will remain with the Promoters while the Acquirer will be a financial investor with certain minority investor protection rights.

Minority investor protection rights:

As an investor protection measure, in the event of the Target Company or its shareholders desiring to take any action with respect to certain fundamental and core decisions ("**Fundamental Issues**") at any meeting of the Board of Directors or at any general meeting of shareholders the prior written consent of the Acquirer would be required. Such Fundamental Issues are: (a) Alteration or change in the rights, preferences or privileges of any preference shares or equity shares or creation (by reclassification or otherwise) of any new class or series of shares having rights, preferences or privileges senior to or on parity with preference shares or equity shares, (b) Any action that authorizes, creates or issues shares or any other convertible instrument including rights issue of any class or series of shares or such convertible instruments, (c) Any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on par with the equity shares held by the Acquirer, (d) Any action that changes the face value or rights attached to any outstanding securities, (e) Any amendment to the constitutional documents of the Target Company, (f) Any merger, acquisition or consolidation of the Target Company, (g) The liquidation, dissolution, disposition, sale, license or transfer of all or substantially all of the assets of the Target Company, (h) Recapitalization, reclassification, split-off, spin-off or bankruptcy of the Target Company, (i) Incurrence of indebtedness or capital commitment in excess of Rs.25,00,00,000 (j) An increase of more than 25% in the total compensation (excluding commission) payable to the promoters of the Target Company in terms of their employment, (k) Finalization of the annual business plan, any short, medium and long term business plan of the Target Company, including the budgeting, financial forecasting and strategic planning exercises, and material changes in any of such business plans, (l) The purchase of any real estate or lease of any real estate involving a monthly payment in excess of Rs.5,00,000 other than as provided in the annual business plan, (m) Strategic purchase by the Target Company of securities in any company, (n) All mergers and acquisitions, joint ventures, fund raising and sale of shares undertaken by the Target Company, (o) Engaging in any business materially different from that described in the annual business plan, (p) Change in the name of the Target Company, (q) Ceasing to carry on any business undertaking of the Target Company, (r) Increase or decrease in the size of the Board or any committee thereof after the date of this Agreement, (s) Any change in the accounting methods or policies followed

by the Target Company, (t) Entering into or continuation of any transactions with connected persons and related parties, (u) Delisting of the equity shares from any of the stock exchanges; and (v) Any agreement or commitment in respect of the foregoing.

2.1.11 Acquirer, PACs, and the Company have not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11B of SEBI Act or under any of the regulations made under the SEBI Act.

2.2 Details of the proposed Offer

2.2.1 As the aggregate equity stake of the Acquirer in the paid up equity share capital of Allsec, after the Preferential Allotment will be more than the stipulated threshold of 15% under Regulation 10 of the Takeover Regulations, the Acquirer is hereby making this Offer in compliance with Regulation 10 and 12 of Takeover Regulations to acquire upto 30,45,106 Shares of Rs. 10/- each, representing 20% of the voting rights in Allsec, computed in accordance with Regulation 21(5) of the Takeover Regulations, from the remaining equity Shareholders of Allsec, at the Offer Price payable in cash subject to the terms and conditions mentioned hereinafter.

2.2.2 As on March 31, 2006 the paid up equity share capital of Allsec was Rs. 12,08,67,410/- comprising of 1,20,86,741 Shares of Rs. 10/- each. The Company allotted 1,17,100 Shares on July 10, 2006 under its Employee Stock Option Plan 2004. Pursuant to the SSA, the Company allotted 30,21,685 Shares and 1,60,728 Warrants to the Acquirer and 8,03,640 Warrants to Promoters. Therefore, while determining 20% of the paid up equity share capital for the purpose of minimum Offer size, paid up equity share capital of Rs. 15,22,55,260/- comprising of 1,52,25,526 Shares of Rs. 10/- each is considered in terms of Regulation 21(5) of Takeover Regulations which provides that for the purpose of determining minimum 20% of the voting capital of the Company, voting rights as at the expiration of fifteen days after the closure of the proposed Offer shall be reckoned.

2.2.3 The Warrants issued to the Acquirer and the Promoters are not taken into consideration while determining the minimum Offer size i.e. 20% of the paid up equity share capital of Allsec as the Acquirer and the Promoters have agreed and undertaken not to exercise their respective Warrants before the expiration of fifteen days after the closure of the proposed Offer.

2.2.4 The Offer is not conditional on any minimum level of acceptance and the Acquirer will be obliged to acquire all the Shares tendered in response to the Offer, subject to a maximum of 30,45,106 Shares that are tendered in the valid form in terms of this Offer subject to the terms and conditions mentioned in the PA and this Letter of Offer .

2.2.5 Other than the Warrants issued in favour of the Acquirer and the Promoters, there are no other securities issued by the Company which can be converted into Shares.

2.2.6 There are no partly paid up Shares in the books of Allsec.

2.2.7 The PA of the Offer was published in the newspapers in terms of Regulation 15(1) of SEBI Takeover Regulations on August 29, 2006 and the details of the same are as follows:

Language	Name of Newspaper	Editions
English	Financial Express	All editions
Hindi	Jana Satta	Kolkata, New Delhi
Marathi	Navashakti	Mumbai
Tamil	Makkal Kural	Chennai

2.2.8 In case of any upward revision in the Offer Price by the Acquirer at any time up to seven working days prior to the date of closure of the Offer i.e. Thursday – November 30, 2006 the same would be announced in the above mentioned newspapers and the revised Offer Price would be payable by the Acquirer for all Shares tendered at anytime during the Offer and accepted under the Offer.

2.2.9 Acquirer and PACs do not hold any Shares in Allsec as on the date of this Letter of Offer, save and except for 30,21,685 Shares and 1,60,728 Warrants allotted to Acquirer on August 23, 2006 and 7,50,000 shares purchased by the Acquirer on October 12, 2006 from Euronet at a price of Rs. 258.50 per share by way of an off market purchase.

Further, the Acquirer and PACs have not acquired directly or through any person, any Shares in Allsec after the date of the PA or during the twelve months preceding the date of the PA other than the Shares and Warrants acquired by the Acquirer under the Preferential Allotment and 7,50,000 shares purchased by the Acquirer on October 12, 2006 from Euronet at a price of Rs. 258.50 per share by way of an off market purchase.

2.2.10 Other than as stated above, the Acquirer and PACs have not acquired any Shares in Allsec during the twenty six weeks period prior to the PA by way of preferential allotment, rights issue, public issue or otherwise.

2.2.11 The Acquirer and PACs do not hold any Shares or securities convertible into Shares of Allsec as on the date of the PA other than as mentioned above, and have not acquired any Shares of Allsec from the date of PA till the date of this Letter of Offer except 7,50,000 shares purchased by the Acquirer on October 12, 2006 from Euronet at a price of Rs. 258.50 per share by way of an off market purchase.

- 2.2.12 A copy of the PA and the Letter of Offer will be available on SEBI's website i.e. www.sebi.gov.in.
- 2.2.13 The Shares acquired by the Acquirer, pursuant to this Offer, will be free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.
- 2.2.14 There has been no competitive bid.

As the Offer Price can not be revised during seven working days prior to the date of closure of this Offer, it would, therefore be in the interest of Shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly.

- 2.2.15 This Offer is being made to all Shareholders of Allsec except the parties to the SSA and PACs.

2.3 Reasons for the acquisition, rationale for the Offer and future plans

- 2.3.1 The aggregate equity stake of the Acquirer in the paid up equity share capital of Allsec after the Preferential Allotment is more than the threshold of 15% stipulated in Regulation 10 of the Takeover Regulations. In view of the above, to comply with Regulation 10 and 12 of the Takeover Regulations, the Acquirer is making this Offer to acquire up to 30,45,106 Shares of Rs. 10/- each, representing 20% of the voting rights in Allsec, (assuming that 1,60,728 Warrants allotted to the Acquirer and 8,03,640 Warrants allotted to Promoters are not converted into Shares before the expiration of 15 days after the closure of the Offer) computed in accordance with Regulation 21(5) of the Takeover Regulations. The Offer Price is payable in cash subject to the terms and conditions mentioned hereinafter.
- 2.3.2 This Offer is being made pursuant to the Preferential Allotment of Shares and Warrants by Allsec to FCVM in accordance with Section 81(1A) of the Companies Act and in compliance with Regulation 10 & 12 of SEBI Takeover Regulations for the purpose of substantial acquisition of Shares and voting rights of the Company without change in control and management of the Company. However, in the facts and circumstances of the case, the acquisition of shares in the target company amounts to change in control in terms of Regulation 2(1)(c) and Regulation 12 of SEBI Takeover Regulations.
- 2.3.3 The Acquirer is merely a financial investor and this acquisition will not result in a change in control of the Company and therefore, the Acquirer will not be in control of the management of the Company.
- 2.3.4 The Acquirer is a financial private equity investor and the Preferential Allotment by the Target Company is also a financial investment for the Acquirer. The Acquirer does have certain fundamental investor protection rights in the interests of corporate governance. The main activities of FCVM are to acquire interests in attractive businesses that have the potential to grow and provide returns to investors. The investment in the Target Company was made by the Acquirer on the premise that the Target Company has a strong management and the high growth potential, not only of the Business Process Outsourcing (“BPO”) industry in general, but also the Target Company in specific. This Offer is being made in compliance with the SEBI Takeover Regulations since the acquisition is in excess of the threshold specified in Regulation 10 of the SEBI Takeover Regulations.
- 2.3.5 The Acquirer plans to try and help the Target Company grow and scale its business in the next few years through a combination of organic and inorganic growth with the aim of being a leading full service BPO provider. The Acquirer, being part of The Carlyle Group, will attempt to leverage its network comprising senior management employees and their strong corporate relationships across industries, and also the range of strong past and present portfolio companies to help generate business for the Target Company by making suitable introductions, and tapping synergies, wherever possible.
- 2.3.6 The future plans of the Acquirer with respect to the Target Company are (a) to utilize proceeds of the Preferential Allotment for organic and inorganic growth and to expand delivery capabilities, (b) to attempt leveraging on the Acquirer's strong and extensive network of relationships to open doors to the Target Company for business development through suitable introductions where ever possible and (c) to assist the Target Company in business strategy and new initiatives going forward, where ever possible, and as desired by the Target Company management.
- 2.3.7 Since the investment by the Acquirer in Allsec is in the nature of a financial investment in the ordinary course of business and management control is retained by the existing Promoters of the Company, the Acquirer does not propose to sell, dispose of or otherwise encumber any substantial assets of Allsec in the succeeding two years except in the ordinary course of business of Allsec and except with the prior approval of the shareholders of Allsec. An undertaking to this effect has been provided to the Manager to the Offer. The Board of Directors or their authorized representatives, as the case may be, would take appropriate decisions in these matters, as per the requirements of business and in line with opportunities or changes in the economic scenario, from time to time.
- 2.3.8 As on the date of this Letter of Offer there are no representatives of the Acquirer or PACs on the Board of Allsec. The Acquirer is entitled, in terms of the SSA to appoint two nominee directors and one Observer / Invitee on the Board of Directors of the Company. The Acquirer may exercise the said rights after the completion of the Offer.

3. BACKGROUND OF THE ACQUIRER AND PERSONS ACTING IN CONCERT

This Offer is being made by the Acquirer along with the Persons Acting in Concert.

FCVM is the Acquirer. CAGP III and CAGP III Co-Invest are the Persons Acting in Concert with the Acquirer.

3.1 Details of the Acquirer - FCVM

3.1.1 FCVM, a collective investment scheme or investment holding company, was incorporated on June 19, 2000 in Mauritius as a public limited company limited by Shares under the Mauritius Companies Act, 1984.

FCVM is held by Carlyle Asia Venture Partners II, L.P. ("CAVP II"), CIPA Holdings L.P. ("CIPA Holdings"), CAGP III and CAGP III Co-Invest. CAVP II and CIPA Holdings, though shareholders of FCVM, have no beneficial interest in the equity shares and warrants of Allsec allotted to FCVM (including the equity shares acquired under the Open Offer).

FCVM, CAGP III and CAGP III Co-Invest are advised and managed by The Carlyle Group. The Carlyle Group makes investment decisions and acts on behalf of the Acquirer and the PACs. The Carlyle Group is a global private equity firm with nearly US\$ 44.3 billion under management, and employs more than 680 employees in 16 countries.

3.1.2 FCVM has its registered office at Multiconsult Limited, 10 Frere Felix De Valois Street, Port Louis, Mauritius, Tel: 00 230 202 3000; Fax: 00 230 212 5265. Since its inception in 2000, the main activities of FCVM are to acquire interests in attractive businesses. FCVM is not listed on any stock exchange.

3.1.3 The entire beneficial interest of the Shares and Warrants allotted to the Acquirer and the Shares proposed to be acquired through the Offer will flow to / is held by two of the Acquirer's Shareholders viz., CAGP III and CAGP III Co-Invest, who are Persons Acting in Concert with the Acquirer.

3.1.4 FCVM does not hold any Shares in Allsec as on the date of the PA, save and except for 30,21,685 Shares and 1,60,728 Warrants allotted on August 23, 2006. Further, FCVM has not acquired directly or through any person, any Shares in Allsec during the twelve months preceding the date of the PA other than the Shares and Warrants acquired under the Preferential Allotment. However, FCVM purchased 7,50,000 shares on October 12, 2006 from Euronet at a price of Rs. 258.50 per share by way of an off market purchase.

3.1.5 Allsec proposes to use the proceeds of the Preferential Allotment of Shares and Warrants to FCVM for the purpose of acquisitions in the BPO space and expansion of delivery capabilities.

3.1.6 There has been no name change of the Acquirer since incorporation and there were no mergers, de-mergers and/or spin-offs involving FCVM during the last three years. The Carlyle Group makes investment decisions and acts on behalf of the Acquirer. There are no major contingent liabilities since inception. There are no pending litigation matters.

3.1.7 The details of Board of Directors of FCVM on the date of PA are as under:

Name	Designation	Date of Appointment	Residential Address
Mr. Marie Joseph Louis Raymond Lamusse	Director	September 22, 2000	La Casa Bleue, Coast Road, Melville, Grand Gaube, Mauritius
Mr. Marie Joseph Louis Couacaud	Director	June 11, 2002	Couacaud Lane, Melville, Grand Gaube, Mauritius
Sean He	Director	July 7, 2005	21H, Tower 5, The Belcher's 89, Pok Fu Lam Road, Hong Kong
John Fenton Harris	Director	March 24, 2006	1615, Maddux LN, Mc Lean, VA 22101, USA
Nicholas Shao	Director	June 23, 2006	Unit 2204, Plaza 66, 1266, Manjing Road (W), Shanghai, China
David Allan Willich	Director	July 7, 2005	10633, Morning Field, DR Potomac, Maryland [MD] 20854 – 6375, USA

Qualification and experience details of the directors are as follows:

Mr. Marie Joseph Louis Raymond Lamusse qualified as a Chartered Accountant and a Fellow of the Institute of Chartered Accountants in England and Wales in 1958 and has a total work experience of about 48 years. He was the founding partner of Lamusse Sek Sum, an audit, accounting and tax practice based in Mauritius. Lamusse Sek Sum is the local representative of Pauell Kerr Fosler. Currently, Mr. Lamusse has his own practice and is a freelance consultant in the field of management and finance. He is also chairman and / or finance director of Mauritian and overseas companies.

Mr. Marie Joseph Louis Couacaud qualified as a Chartered Accountant in 1962 and has a total work experience of about 44 years. He is the director of several investment funds. Mr. Couacaud is also the auditor of several onshore and offshore companies in Mauritius. He was the Company Secretary of a Mauritian conglomerate from 1963 to 1991.

Mr. Sean He is a Managing Director of The Carlyle Group focusing mainly on growth capital investment opportunities in China. He is based in Hong Kong. Prior to joining Carlyle, he was an Associate Director of Intel Capital where he was responsible for venture capital investments in the Asia-Pacific region. Before that, he was an Investment Manager with Nikko Global Asset Management (HK) Ltd managing a Greater China Fund. Previously, he worked as a Senior Research Analyst at DBS Securities. Prior to business school, he was a consulting engineer at CH2M HILL Engineering Co. in Canada. He received his Bachelor of Engineering from Zhejiang University, China, a Masters of Engineering from Carleton University, Canada, a Masters of Business Administration from Schulich School of Business, York University, Canada and is a Chartered Financial Analyst.

Mr. John Fenton Harris is a Managing Director of the Carlyle Group and Carlyle's Chief Financial Officer. He has overall responsibility for the firm's investor reporting, internal controls, and financial management. Prior to joining Carlyle in 1997, Mr. Harris was a Vice President with Golub Capital, a private equity firm, where he focused on middle market investments. Previously, Mr. Harris was a Senior Manager with Arthur Andersen LLP. His experience also includes serving as a Research Associate for the National Commission on Fraudulent Financial Reporting. He received a Bachelor of Science in Commerce from The University of Virginia in 1982.

Mr. Nicholas Shao is a Vice President focused on Asian growth capital opportunities. He is based in Shanghai. Prior to joining Carlyle, Mr. Shao was a Senior Associate and Equity Research Analyst of the semiconductor industry with Credit Suisse First Boston Hong Kong and Taipei. Prior to that, Mr. Shao worked for Morgan Stanley Investment Management in New York as a Technology Research Analyst, and for Infinity Financial Technology as a Trading Consultant. Prior to that, Mr. Shao was a Senior Software Engineer with the Digital Equipment Corporation, where he managed their consulting office at Microsoft in Redmond, Washington. Mr. Shao has a Bachelor's degree in Computer Science from the University of Washington and a M.B.A. from the Columbia University Business School.

Mr. David Allan Willich is a Vice President of the Carlyle Group and Head of the Asia Buyout and Venture Fund Management in Washington DC. Prior to joining Carlyle in 2001, Mr. Willich served in several financial roles with Discovery Communications, most recently as Director, Finance and Business Operations for Discovery Health Media. Previously, he was a manager with PricewaterhouseCoopers in the Washington, D.C. office. He received his M.B.A. in Finance and International Business from University of Maryland in 1999 and a Bachelor of Science in Accounting degree from Clemson University in 1986. Mr. Willich is a C.P.A.

- 3.1.8 None of the aforementioned directors of FCVM are on the board of Allsec. However, FCVM proposes to appoint up to two representatives and one Observer / Invitee on the Board of Directors of Allsec and its subsidiaries after the successful completion of the Offer.
- 3.1.9 None of the aforesaid directors of FCVM have acquired any Shares of the Target Company during the twelve months preceding the date of the PA or after the date of the PA.
- 3.1.10 Audited financials of FCVM for last three years and for the period ended June 30, 2006 and September 30, 2006 are as follows:

Rs. in Lakhs

Profit & Loss a/c Items	September 30, 2006	June 30, 2006	December 31, 2005	December 31, 2004	December 31, 2003
Total Income	187.61	4,578.51	262.82	23.00	18.79
Total Expenditure (including loss on disposal of investments)	42.29	5.27	1,044.21	856.34	665.57
Net Profit/ (Loss)	145.32	4,573.24	(781.39)	(833.34)	(646.78)
Balance Sheet Items					
Capital Contribution	0.08	0.02	0.19	0.20	0.09
Share Premium	14,943.20	5,061.48	10,926.70	10,879.41	8,034.45
Income account (excluding revaluation deficit)	(75.68)	878.39	(3,613.87)	(2,738.84)	(1,994.26)
Net Worth	14,867.60	5,939.88	7,313.03	8,140.77	6,040.29
Loans	0.00	0.00	0.00	0.00	0.00
Total	14,867.60	5,939.88	7,313.03	8,140.77	6,040.29
Uses of funds					
Net Fixed assets	0.00	0.00	0.00	0.00	0.00
Investments	12,717.05	6,035.30	7,402.19	8,217.04	6,109.34
Net Current assets	2,150.55	(95.41)	(89.16)	(76.27)	(69.05)
Total	14,867.60	5,939.88	7,313.03	8,140.77	6,040.29

Conversion rates as per RBI website: As on September 29, 2006: 1 USD = INR 45.96, as on June 30, 2006: 1 USD = INR 46.08, as on December 30, 2005: 1 USD = INR 45.07, as on December 31, 2004: 1 USD = INR 43.58 and as on December 31, 2003: 1 USD=INR 45.61 The exchange rate as on September 29, 2006 has been taken for conversion as September 30, 2006 is a Saturday. The exchange rate as on December 30, 2005 has been taken for conversion as December 31, 2005 is a Saturday.

Reasons for sudden spurt in the income for the period January to June 2006

In April 2006, FCVM divested its entire equity stake in one of its investments and earned a profit of US\$ 97,42,294, which is equivalent to Rs. 4,489.25 lakhs at an exchange rate of 1 USD = INR 46.08 on June 30, 2006.

Therefore, FCVM recorded total income of Rs. 4,578.51 lakhs for the six months period ended June 30, 2006 a substantial jump over total income of Rs. 262.82 lakhs registered for the year ended December 31, 2005. Consequently, FCVM registered net profit of Rs. 4,573.24 lakhs for the six months period ended June 30, 2006 compared to net loss of Rs. 781.39 lakhs for the year ended December 31, 2005.

Reasons for change in the networth

The change in networth of FCVM is largely on account of the profit on sale of one of its investments (Rs 4,489.25 lakhs) and the redemption of shares by the shareholders of FCVM (US\$ 13.26 million which is equivalent to Rs 6,110.30 lakhs) during the period January 1, 2006 to June 30, 2006.

Reasons for 'Nil' Fixed Assets

FCVM is an investment holding company. The only assets are the investments held by it and it does not own any physical assets. Hence the Net Fixed Assets are shown as Nil.

3.1.11 Significant accounting policies: (a) The financial statements have been prepared under the historical cost convention except that available-for-sale securities are stated at their fair value and in accordance with International Financial Reporting Standards. (b) Investment in subsidiary company is carried at cost. The carrying amount is reduced to recognize any impairment in the value of individual investments. (c) Financial assets and liabilities are recognized on the company's balance sheet when the company has become a party to the contractual provisions of the instrument. (d) Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. (e) Investments are recognized on a trade-date basis and are initially measured at cost. (f) Available-for-sale investments are measured at subsequent reporting dates at fair value. Unrealised gains and losses on such securities are recognized directly in equity, until the security is disposed of or found to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the Income Statement for the period. On disposal, the profit or loss recognized in the Income Statement is the difference between the proceeds and carrying amount of the assets. (g) Trade payables are stated at their nominal value. (h) Equity instruments are recorded at the proceeds received, net of direct issue costs. (i) Interest income earned by the company is recognized as it accrues. Dividend income is recognized when the Shareholder's right to receive payment is established. (j) Reporting currency is the United States Dollar.

3.1.12 FCVM did not hold any Shares in the equity share capital of Allsec prior to the date of the PA and as of the date hereof, FCVM does not hold any Shares in Allsec except for 30,21,685 Shares and 1,60,728 Warrants allotted under the Preferential Allotment and 7,50,000 shares purchased on October 12, 2006 from Euronet at a price of Rs. 258.50 per share by way of an off market purchase. Therefore, the provisions of Chapter II of SEBI Takeover Regulations are not applicable.

There is no need for FCVM to make disclosure under Regulation 7 as the PA was made for the Open Offer under Regulation 10. Immediately upon execution of SSA dated August 23, 2006, PA was made for the open offer on August 29, 2006. The contents of the PA completely cover each and every detail specified in the proforma of the disclosure to be made under Regulation 7. The PA has also been sent not only to every stock exchange where the shares are listed, but also to Allsec as per the requirements of Regulation 7. Therefore there was no requirement to make a filing in terms of Regulation 7 in addition to the PA.

However, with respect to purchase of 7,50,000 shares on October 12, 2006 from Euronet at a price of Rs. 258.50 per share by way of an off market purchase, FCVM made disclosure to the Stock Exchanges and Manager to the Offer under Regulation 22(17) of SEBI Takeover Regulations.

3.1.13 The Compliance Officer of FCVM is Mr. Navin Phullah, 10 Frere Felix De Valois Street, Port Louis, Mauritius, Tel: 00 230 202 9748, Fax: 00 230 212 5265.

3.2 Details of the PACs - CAGP III

3.2.1 CAGP III having its registered office at Walker House, PO Box 908GT, Mary Street George Town, Grand Cayman, Cayman Islands, Tel: 00 345 949 0100; Fax: 00 345 949 7866, is an exempted limited liability partnership formed on June 7, 2005 pursuant to the Exempted Limited Partnership Law, 1991 under the laws of Cayman Islands. The ownership of CAGP III is broad based and its limited partners include mainly Trusts, Corporations, Partnerships and high wealth individuals. CAGP III has a total of 113 investors from 27 different countries, and no single investor has invested more than US\$ 75 million in CAGP III. CAGP III has standard non-disclosure obligations with its limited partners. A profile of the nature and type of the limited partners, their percentage holding in CAGP III and number of limited partners of each type of partners is given below:

Type of Limited Partners	% of CAGP III	No of Investors
Bank	22.8%	9
Corporate Pension	4.5%	4
Corporation	0.6%	1
Foundation, Endowment, University, Trust	4.6%	8
Fund of Funds	2.5%	5
Government Agency (non pension)	7.6%	1
High Net Worth	38.1%	77
Insurance	1.7%	1
Private Bank	5.2%	2
Public / Government Pension	11.5%	1
Unknown	0.3%	2
General Partner / Investment Limited Partner	0.6%	2
Total	100%	113

3.2.2 The objective of CAGP III is to invest in a number of industry sectors in Asia. CAGP III has total capital commitments of US\$ 653.9 million. It is not listed on any stock exchange. CAGP III started making investments only in March 2006 upon successful closure of its fund. The Year 2006 is the first year of operation.

3.2.3 CAGP III does not hold any Shares in Allsec as on the date of the PA. Further, CAGP III has not acquired directly or through any person, any Shares in Allsec during the twelve months preceding the date of the PA or after the date of the PA except for the 30,21,685 Shares and 1,60,728 Warrants acquired by the Acquirer in concert with CAGP III under the Preferential Allotment. However, FCVM purchased 7,50,000 shares on October 12, 2006 from Euronet at a price of Rs. 258.50 per share by way of an off market purchase.

3.2.4 There has been no name change of CAGP III since incorporation and there were no mergers, demergers and/or spin-offs involving CAGP III during the last three years. The Carlyle Group makes investment decisions and acts on behalf of CAGP III. There are no major contingent liabilities since inception. There are no pending litigation matters.

3.2.5 None of the general partners of CAGP III have acquired any Shares of the Target Company during the twelve months preceding the date of the PA or after the date of the PA.

3.2.6 CAGP III did not hold any Shares in the equity share capital of Allsec prior to the date of the PA and as of date hereof, CAGP III does not hold any Shares in Allsec. Therefore, the provisions of Chapter II of SEBI Takeover Regulations are not applicable.

However, FCVM purchased of 7,50,000 shares on October 12, 2006 from Euronet at a price of Rs. 258.50 per share by way of an off market purchase and made disclosure to the Stock Exchanges and Manager to the Offer under Regulation 22(17) of SEBI Takeover Regulations.

3.2.7 The Compliance Officer of CAGP III is Mr. John Harris, 1001 Pennsylvania Ave. NW, Washington DC 20004, TEL: 001 202 585 2626, FAX: 001 202 347 1818.

3.2.8 Unaudited financials of CAGP III as on December 31, 2005 and for the nine months period ended September 30, 2006 are as follows:

	Rs. in Lakhs	
	Sep 30, 2006	Dec 31, 2005
Income Statement		
Total Income	124.55	-
Total Expenses	5,396.62	(361.91)
Net Investment Loss	(5,272.07)	(361.91)
Balance Sheet		
Investments in portfolio companies at fair value	39,551.34	-
Cash & Cash Equivalents	2,676.71	-
Due from CAGP III Co-Investment L.P.	496.83	-
Prepaid Management Fees	1,493.70	746.36
Due from Limited Partners	157.18	85.63
Total Assets	44,375.76	831.99

	Sep 30, 2006	Dec 31, 2005
Liabilities and Partners Capital		
Liabilities		
Bank Credit Facility	3,447.00	–
Due to General Partner	159.02	–
Accrued Expenses	–	–
Total Liabilities	3606.02	–
Partners Capital		
Partners Contribution	46,657.21	1,193.90
Partners Distribution	(246.34)	–
Accumulated Gain / Loss from Operations	(5,641.13)	(361.91)
Total Partners Capital	40,769.74	831.99
Total Liabilities and Partners Capital.	44,375.76	831.99

Conversion rates as per RBI website: As on September 29, 2006: 1 USD = INR 45.96 and as on December 30, 2005: 1 USD = INR 45.07. The exchange rate as on September 29, 2006 has been taken for conversion as September 30, 2006 is a Saturday. The exchange rate as on December 30, 2005 has been taken for conversion as December 31, 2005 is a Saturday.

3.3 Details of the PACs - CAGP III Co-Invest

3.3.1 CAGP III Co-Invest, having its registered office at Walker House, PO Box 908GT, Mary Street George Town, Grand Cayman, Cayman Islands, Tel: 00 345 949 0100; Fax: 00 345 949 7866 is an exempted limited liability partnership formed on August 3, 2005 pursuant to the Exempted Limited Partnership Law, 1991. CAGP III Co-Invest is owned by a number of employees of The Carlyle Group across the world. As of today, there are 158 employees of The Carlyle Group who invest through the partnership, and this amount is expected to change on an annual basis depending on the number of employees investing through CAGP III Co-Invest.

3.3.2 The objective of CAGP III Co-Invest is to invest alongside CAGP III. CAGP III Co-Invest has total capital commitments of US\$ 26.1 million. It is not listed on any stock exchange. Similar to CAGP III, CAGP III Co-Invest also started making investments only from March 2006. Again the Year 2006 is the first year of operation.

3.3.3 CAGP III Co-Invest does not hold any Shares in Allsec as on the date of the PA. Further, CAGP III Co-Invest has not acquired directly or through any person, any Shares in Allsec during the twelve months preceding the date of the PA or after the date of the PA, except for 30,21,685 Shares and 1,60,728 Warrants acquired by the Acquirer in concert with CAGP III Co-Invest under the Preferential Allotment. However, FCVM purchased 7,50,000 shares on October 12, 2006 from Euronet at a price of Rs. 258.50 per share by way of an off market purchase.

3.3.4 There has been no name change of CAGP III Co-Invest since incorporation and there were no mergers, de-mergers and/or spin-offs involving CAGP III Co-Invest during the last three years. The Carlyle Group makes investment decisions and acts on behalf of CAGP III Co-Invest. There are no major contingent liabilities since inception. There are no pending litigation matters.

3.3.5 None of the general partners of CAGP III Co-Invest have acquired any Shares of the Target Company during the twelve months preceding the date of the PA or after the date of the PA. However, FCVM purchased 7,50,000 shares on October 12, 2006 from Euronet at a price of Rs. 258.50 per share by way of an off market purchase.

3.3.6 CAGP III Co-Invest did not hold any Shares in the equity share capital of Allsec and as of date CAGP III Co-Invest does not hold any Shares in Allsec. Therefore, the provisions of Chapter II of SEBI Takeover Regulations are not applicable.

However, FCVM purchased of 7,50,000 shares on October 12, 2006 from Euronet at a price of Rs. 258.50 per share by way of an off market purchase and made disclosure to the Stock Exchanges and Manager to the Offer under Regulation 22(17) of SEBI Takeover Regulations.

3.3.7 The Compliance Officer of CAGP III Co-Invest is Mr. John Harris, 1001 Pennsylvania Ave. NW, Washington DC 20004, TEL: 001 202 585 2626, FAX: 001 202 347 1818.

3.3.8 Unaudited financials of CAGP III Co-Invest as on September 30, 2006 are as follows:

	Rs. In Lakhs
	Sep 30, 2006
Income Statement	
Total Income	2.30
Total Expenses	6.89
Net Investment Loss	(4.60)

	Sep 30, 2006
Balance Sheet	
Assets	
Investments in portfolio companies at fair value	1,577.35
Due from the Limited Partners	498.21
Cash & Cash Equivalents	9.65
Due from Affiliate	5.97
Total Assets	2,091.18
Liabilities and partners Capital	
Liabilities	
Due to Carlyle Asia Growth Partners III, L.P	496.83
Note Payable	15.63
Due to Limited Partners	–
Due to Affiliate	–
Total Liabilities	512.46
Partners Capital	
Partners Contribution	1,581.48
Partners Distribution	–
Accumulated Gain / Loss from Operations	(2.76)
Total Partners Capital	1,578.73
Total Liabilities and Partners Capital	2,091.18

Conversion rates as per RBI website: As on September 29, 2006: 1 USD = INR 45.96. The exchange rate as on September 29, 2006 has been taken for conversion as September 30, 2006 is a Saturday.

Note: There are no financials as of December 31, 2005 since it did not have any activity until 2006.

3.4 Relation between the Acquirer and PACs

FCVM is the Acquirer. CAGP III and CAGP III Co-Invest are Persons Acting in Concert. CAGP III and CAGP III Co-Invest are shareholders of FCVM that have provided funding for the acquisition of Shares and Warrants by the Acquirer under the Preferential Allotment. The PACs would also fund FCVM for acquiring Shares under the Offer. CAGP III has commitments of US\$ 653.9 million and CAGP III Co-Invest has commitments of US\$ 26.1 million. CAGP III and CAGP III Co-Invest together intend to invest in companies in a number of sectors in Asia. The entire beneficial interest of the Shares and Warrants allotted to the Acquirer under the Preferential Allotment as well as the Shares proposed to be acquired through Offer would flow only to CAGP III and CAGP III Co-Invest. FCVM, CAGP III and CAGP III Co-invest are advised and managed by The Carlyle Group. The Carlyle Group makes investment decisions and acts on behalf of the Acquirer and the PACs.

Capital commitment of PACs and source of funding for investment in FCVM

Capital commitment of PACs: CAGP III is a limited liability partnership formed with the objective of investing in a number of industry sectors in Asia and has total capital commitments of US\$ 653.9 million. CAGP III is a broad-based entity and its ownership is widely dispersed and its limited partners include mainly Trusts, Corporations, Partnerships and High Networth individuals. Each of these limited partners has committed to contribute a certain amount of capital to CAGP III which totals to US\$ 653.9 million. Each of the limited partners holds a defined share in the partnership and is bound by a partnership agreement. Every time CAGP III proposes to make an investment, it makes a “capital call” on the limited partners to contribute capital to the extent of their share and the same is used to make the investment.

Similarly, CAGP III Co-invest is also a limited liability partnership formed with objective of investing along with CAGP III and has total capital commitments of US\$ 26.1 million. CAGP III Co-Invest is owned by a number of employees of The Carlyle Group across the world. Employees of The Carlyle Group across the world have made a commitment to invest into CAGP III Co-Invest which totals to US\$ 26.1 million. Similar to CAGP III, every time an investment is proposed, a “capital call” would be made on each of the employees of The Carlyle Group who had made a commitment and they would contribute capital to the extent of their share.

FCVM is an investment holding company which is used for some of the India investments of The Carlyle Group. In the present instance, CAGP III and CAGP III Co-Invest have used FCVM to make the investment into Allsec.

Source of funding for investment in FCVM: Every time CAGP III and CAGP III Co-Invest propose to make an investment, a “capital call” is made on its limited partners. In the case of Allsec as well, a “capital call” was made on

the limited partners (in US Dollars for a similar amount including fees and bank charges) to the extent of (a) Rs.78.56 crore representing the amount contributed for the allotment of equity shares under the terms of the Preferential Allotment, (b) Rs.0.418 crore representing 10% of the warrant amount paid upfront as per the terms of the Preferential Allotment and (c) US\$ 44,29,512/- (approximate Rs.20,64,59,554/-) representing the escrow amount for the proposed Open Offer.

The above mentioned amounts were wired to FCVM's bank account in Mauritius with HSBC Bank, were and subsequently wired by FCVM to Allsec (for the Preferential Allotment – both equity shares and warrants) and HSBC Bank Mauritius (for the amount to be deposited in the escrow account).

Similar capital calls would be made on the limited partners to fund the balance amount to be paid on the warrants (Rs.3.762 crores) and the amount required to fund the Special Account upon successful closure of the Open Offer.

4. DISCLOSURE IN TERMS OF REGULATION 21(3)

The minimum public Shareholding required for continuous listing of the Shares of Allsec is twenty five percent of the total issued equity share capital. Pursuant to this Offer, there will be no violation of Clause 40A of the listing agreement of Allsec with the Stock Exchanges and the Shares will continue to be listed as the public Shareholding of Allsec, assuming full acceptance of the Offer, is not expected to fall to a level below the limit for continuous listing specified in the listing agreement.

5. BACKGROUND OF THE TARGET COMPANY – ALLSEC

5.1 Allsec is a public limited company incorporated on August 24, 1998 under the Companies Act, 1956 by the name of Allsec Technologies Ltd to carry on the business of providing IT Enabled Services (“ITES / BPO”) and there has been no name change since incorporation. It obtained the Certificate of Commencement of business on October 16, 1998 and the registered office of the Company is situated at 7H, Century Plaza, 560 – 562, Anna Salai, Teynampet, Chennai 600 018, India. The Corporate Office is situated at 46B & 46C, Velachery Main Road, Velachery, Chennai 600 042 whereas two units are located at No. 8/1,2 and 3, Sundaram Salai, R.A.Puram, Chennai 600 028 and 46 B & C Velachery Main Road, Velachery, Chennai – 600 042.

5.2 In April 2005 the Company completed Initial Public Offering of 31,41,200 Shares of Rs. 10/- each at a price of Rs. 135/- per share for cash aggregating Rs.424.10 million through 100% book building route. The issue was oversubscribed by 3.88 times and the Shares were allotted on May 3, 2005 and listed on May 9, 2005. The Shares were listed on NSE and BSE.

5.3 The main objects of the Company are (i) to design, develop, market and implement computer software packages for clients in India and abroad and to acquire the necessary equipments - hardware and software and related know-how, locally or from overseas, (ii) to Offer and undertake professional services in India and abroad in the areas of management, computer and information technology and communication services, database services, internet and intranet services including consultancy, system study and analysis, recruitment, training, placements, information processing, maintenance and all other services arising out of technological advancements in these areas, (iii) to buy, sell, market, lease or deal in all manner computer hardware, software, peripherals, communication equipments, computer accessories, training materials, components, spare parts and other electronic items in India and abroad, including internet and intranet systems, satellites and the like and such other products arising out of technological advancements in these areas, and (iv) to engage in research and development activities relating to management, computer and information technology areas.

5.4 The Company was promoted by Mr. A Saravanan and Mr. R Jagadish and they are the Promoters of the Company in terms of Regulation 2(1)(h) of Takeover Regulations.

Mr. A Saravanan, 43, President, has completed his B.Sc. in Physics from Vivekananda College, Chennai in 1982. He is a qualified Chartered Accountant. He has over seventeen years of experience in finance and management across different industry segments, which he has effectively used whilst being the co-promoter of the Allsec group of companies. He headed the financial services operations of the Allsec group of companies for 12 years. He also headed marketing initiatives in areas of investments, merchant banking, portfolio management, brokerages and debt syndication for the Allsec group of companies. Prior to setting up the Allsec group of companies with Mr. Jagadish, he worked for Ashok Leyland Finance Limited as a Finance Executive, Overseas Sanmar Finance Limited as a Senior Officer Marketing and Pioneer Leasing Limited as Vice President. In addition to being the President of Allsec, he is also a Director of Allsectech Inc., wholly owned subsidiary of Allsec. As the President and Whole Time Director, he is responsible for business development, strategy and finance and he also directly oversees the marketing initiatives of the Company across all geographies.

Mr. R Jagadish, 43 is the Chief Executive Officer and he has done his B.Sc. in Physics from Vivekananda College, Chennai in 1982. He is a qualified Chartered Accountant from India and a Management Accountant from the Chartered Institute of Management Accountants, London. Mr. Jagadish has over seventeen years of experience in enterprise creation and corporate management, which he has effectively used whilst being the co-promoter of the Allsec group of companies. He has been managing the operations of the Allsec group of companies for twelve years and has handled departments like merchant banking, investment banking, treasury operations, portfolio management and debt syndication. Prior to setting up the Allsec group of companies with Mr. Saravanan, he worked for Ashok

Leyland for four years in various departments including management information systems, budgets, and planning & treasury. In addition to being the Chief Executive Officer of Allsec, he is also a Director of Allsectech Inc., wholly owned subsidiary of Allsec. As the Chief Executive Officer and Whole Time Director, he is responsible for all of Allsec's day-to-day operations, human resources, delivery and client servicing initiatives.

5.5 Allsec, ISO 27001 certified, is a BPO service company providing support services for inbound customer care, technology helpdesk, inbound and outbound tele-services that include sales, collections, lead generation and market research. The Company has four call centre facilities, three in Chennai and one in Bangalore, housing 2,300 seats with state-of-the-art facilities. The facility located at Bangalore belongs to B2K Corp Private Limited, a wholly owned subsidiary of Allsec. The Company also provides third-party quality assurance as well as HR and Payroll processing services.

5.6 Allsec handles business development initiatives in US through Allsectech, Inc, a fully owned subsidiary. Allsec has four sales offices in US and India, three delivery centers in Chennai, one delivery center in Bangalore and has 2,950 employees and currently services global clients in US, UK and Australia. Allsec supports multitude of services including voice, non-voice and specialized BPO services and the clientele includes Fortune 500 clients across different verticals viz, Banking, Financial Services, Automobile, etc. The Company is raising capital by way of the Preferential Allotment to the Acquirer for the purpose of raising capital for acquisitions in the BPO space and expansion of delivery capabilities.

Allsectech Inc, a wholly owned subsidiary is a corporation duly incorporated on September 14 , 2000 in the State of Delaware USA, and it has its registered office at 5 Independence Way, Princeton, New Jersey, USA, 08540. The main business of this subsidiary is to handle business development and client relationships in the USA. This subsidiary operates from Princeton, New Jersey. Mr. Saravanan and Mr. Jagadish are the directors of this subsidiary since inception.

5.7 There were no mergers, de-mergers and/or spin-offs involving Allsec during the last three years.

5.8 Capital Structure of Allsec as on the date of the PA was as under:

Shares	No of Shares / voting rights	% of Shares / voting rights
Fully paid-up Shares of Rs. 10/- each	1,52,25,526	100.00
Partly paid-up Shares	–	–
Total paid up Shares of Rs. 10/- each	1,52,25,526	100.00
Total voting rights in Target Company	1,52,25,526	100.00

5.9 The Board of Directors of Allsec, on August 23 2006, allotted 1,60,728 Warrants to the Acquirer and 8,03,640 Warrants to the Promoters. These Warrants can be converted into Shares within 18 months from the date of allotment i.e. on or prior to February 22, 2008.

5.10 Details of Share capital history of Allsec as on the date of this Letter of Offer are as under:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Mode of payment	Reasons for allotment	Paid up Capital (Rs.)	Cumulative Capital	Share Premium (Rs.)	Name of the persons to whom shares were allotted
15-Sep-99	70	10	10	Cash	Subscriber to MoA/AoA	700	700	Nil	
20-Mar-00	1,00,000	10	10	Cash	Further Allotment	10,00,000	10,00,700	Nil	Mr. A Saravanan and Mr. R Jagadish
3-Oct-00	34,00,000	10	10	Cash	Further Allotment	3,40,00,000	3,50,00,700	Nil	Mr. A Saravanan and Mr. R Jagadish
28-Mar-01	5,50,000	10	10	Cash	Further Allotment	55,00,000	4,05,00,700	Nil	IDBI Ltd., and Bala V Balachandran
20-Sep-01	2,50,000	10	10	Cash	Further Allotment	25,00,000	4,30,00,700	Nil	IDBI Ltd
24-Apr-02	27,500	10	30	Cash	Further Allotment	2,75,000	4,32,75,700	5,50,000	Euronet and KMVCF
4-Jun-02	27,500	10	30	Cash	Further Allotment	2,75,000	4,35,50,700	5,50,000	Euronet and KMVCF
14-Jan-05	21,17,317	10	39.59		Conversion of 8,38,250 CCPS of Rs. 100/- each	2,11,73,170	6,47,23,870	6,26,51,416	Euronet

Date of Allotment	No of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Mode of payment	Reasons for allotment	Paid up Capital (Rs.)	Cumulative Capital	Share Premium (Rs.)	Name of the persons to whom shares were allotted
14-Jan-05	16,68,092	10	29.61		Conversion of 494,000 CCPS of Rs. 100/- each	1,66,80,920	8,14,04,790	3,27,19,080	KMVCF
31-Jan-05	6,84,362	10	51.65	Cash	Further Allotment	68,43,620	8,82,48,410	2,85,04,780	CCRT International Holding B.V.
13-Apr-05	31,41,200	10	10.00	Cash	Further Allotment	3,14,12,000	11,96,60,410	Nil	Public Issue Allotment
23-Jul-05	94,500	10	10.00	Cash	Further Allotment	9,45,000	12,06,05,410	Nil	under ESOP
17-Feb-06	26,200	10	10.00	Cash	Further Allotment	2,62,000	12,08,67,410	Nil	under ESOP
10-Jul-06	1,17,100	10	10.00	Cash	Further Allotment	11,71,000	12,20,38,410	Nil	under ESOP
23-Aug-06	30,21,685	10	260.00	Cash	Pref Allotment	3,02,16,850	15,22,55,260		FCVM
Total	1,52,25,526					15,22,55,260		88,03,96,526	

5.11 Details of change in the Shareholding of Promoters are as follows:

Name of Promoter	Date of Allotment/sale	No. of Shares acquired	No. of Shares sold	Cumulative Holding
Mr. A Saravanan	15/09/1999	10	-	10
	20/03/2000	50,000	-	50,010
	03/10/2000	17,00,000	-	17,50,010
	31/01/2005	3,75,000	80,000	20,45,010
Mr. R Jagadish	15/09/1999	10	-	10
	20/03/2000	50,000	-	50,010
	03/10/2000	17,00,000	-	17,50,010
	31/01/2005	3,75,000	80,000	20,45,010

5.12 The Stock Exchanges have given their in-principle approvals for issue of Shares and Warrants under the Preferential Allotment vide their letters dated August 21, 2006.

5.13 Compliance of SEBI Takeover Regulations: The following Shareholders were required to comply with the requirements of Chapter II of the SEBI Takeover Regulations as on the date of PA. There were no other Shareholders holding the required percentage of voting capital so as to warrant disclosure under Chapter II:

Sr. No.	Name & Address	Telephone No. Fax No.	No of Shares / Warrants	%
1	Mr. A Saravanan	Tel: 044 22447070 Fax: 044 22447077	20,45,010 - Shares 4,01,820 - Warrants	13.43 (without Warrants)
2	Mr. R Jagadish	Tel: 044 22447070 Fax: 044 22447077	20,45,010 - Shares 4,01,820 - Warrants	13.43 (without Warrants)

5.14 Shares have not been suspended from trading at any stock exchange and there have not been any listing agreement violations by the Company in the past.

5.15 Allsec has complied with the provisions of Takeover Regulations and other applicable provisions of SEBI Act and other statutory requirements.

5.16 The Company's management is vested with the Board of Directors. The composition of the Board of Directors as on the date of PA is as under:

Name	Designation	Address	Date of Appointment	Qualification	Experience
Dr. Bala V Balachandran	Director	3269 Prestwick Lane North Block IL 60062.	31/12/00	Mater of Science, Business Administration & Ph.D in Industrial Admn.	Over 40 Years
Mr. R. Jagadish	Whole-Time Director	16/18 First Cross Street, R.A. Puram, Chennai – 600 028.	24/08/98	Chartered Accountant	18 Years
Mr. A Saravanan	Whole-Time Director	No. 17, Yogambal Street, T. Nagar, Chennai – 600 017.	24/08/98	Chartered Accountant	18 Years
Mr. Vinod Ganjoor	Director	12, Fair Fax Road London, UK.	29/01/04	MBA, MA, Master in Finance	16 Years
Mr. N S Raghuram	Alternate Director to Vinod Ganjoor	101 Meenakshi Manor, 14/2 10th D Main, 1 st Block, Jayanagar, Bangalore – 560011.	29/01/04	B.E. (Mechanical), MBA	13 Years
Mr. Dilipkumar B Patel	Director	1238 Whispering Meadow, CT, New Albany, Ohio 43054 USA.	27/04/00	M.Sc. (Engineering)	Over 35 Years
Mr. N Karthikeyan	Alternate Director to Dilipkumar B Patel	29, I Main Road, CIT Colony, Mylapore, Chennai – 600 004.	20/08/01	B. Com	18 Years
Mr. T Anantha Narayanan	Director	“Sri Niketan”, New No. 1, Raja Street, Mandaveli, Chennai – 600 028.	20/10/05	Chartered Accountant Cost Accountant	Around 40 Years
Mr. A Sankarakrishnan	Director	New No. 82 Old No. 195, St Mary's Road, Chennai – 600 018.	23/07/05	B.E. (Mechanical)	41 Years

As on the date of this Letter of Offer there are no representatives of the Acquirer or the PACs on the Board of Directors of Allsec. However, the Acquirer proposes to appoint up to two representatives and one Observer / Invitee on the Board of Directors of Allsec and its subsidiaries after successful completion of Offer. Further, Mr. Dilipkumar B Patel resigned on October 12, 2006 and his resignation was recorded by the Board on October 19, 2006. Consequent to his resignation, the position of his Alternate Director Mr. N Karthikeyan has also got vacated.

5.17 Brief audited financial details of Allsec:

Rs. in Lakhs

Profit & Loss Statement For the year ended	31 st March 2006	31 st March 2005	31 st March 2004#
Income from Operations - Net	9,225.65	5,755.25	2,494.08
Other Income	107.62	1.12	1.99
Total Income	9,333.27	5,756.37	2,496.08
Total Expenditure	6,557.20	4,177.72	3,529.64
Profit before Depreciation, Interest and tax	2,776.07	1,578.65	(1,033.57)
Depreciation	609.55	393.27	475.92
Interest	50.39	139.66	149.42
Profit before tax	2,116.13	1,045.72	(1,658.91)
Provision for tax	(47.56)	(140.45)	(9.06)
Profit after tax	2,163.69	1,186.17	(1,649.85)

Balance Sheet As at	31st March 2006	31st March 2005	31st March 2004#
<i>Sources of Funds</i>			
Paid up Equity Share Capital	1,208.67	882.49	1,767.76
Reserves & Surplus (excluding revaluation reserve)	5,873.42	913.99	(1,475.44)
Net Worth	7,082.09	1,796.48	292.32
Secured Loan	15.16	720.59	1,147.86
Total	7,097.25	2,517.07	1,440.18
<i>Uses of Funds</i>			
Net Fixed Assets	3,419.50	1,440.19	1,548.43
Investments	1,084.21	149.03	149.03
Net Current Assets	2,593.54	927.85	(257.28)
Total	7,097.25	2,517.07	1,440.18

There are no contingent liabilities as on March 31, 2006.

Other Financial data

Particulars	31st March 2006	31st March 2005	31st March 2004#
Dividend (%)			
Shares	50.00%	-	-
Earning Per Share (Rs.)	18.40	14.37	(37.93)
Return on Net Worth (%)	30.55%	66.03%	Negative
Book Value per Share (Rs.)	58.59	20.36	1.65

Source: Annual Reports

15 months period ended March 31, 2004

Note:

- (a) EPS = Basic Earning per Share as per the Annual Reports
- (b) RONW= Profit after tax/ Net Worth
- (c) Book Value per Share (Rs.) = Net Worth/ No of Shares

5.18 Reason for rise in total income and PAT:

Rise in Total Revenue: 2004-05 vis-à-vis 2003-04 (fifteen months) - Increase in revenue is mainly due to additional business from existing clients and addition of four new clients. 2005-06 vis-à-vis 2004-05. The growth is mainly due to increased business from existing clients and acquisition of new clients. The revenue contribution from the new clients/processes constitutes 29% of the total revenue.

Rise in PAT: 2004-05 vis-à-vis 2003-04 (fifteen months) – Better utilisation of assets coupled with higher realisation has yielded a post tax profit as against loss in Previous period. 2005-06 vis-à-vis 2004-05. Cost control and focus on bottom line has resulted in maintaining profitability levels even with higher top line growth.

5.19 Shareholding pattern before and after the Offer (assuming full acceptances) as on the date of PA

Category	Shareholding & voting rights prior to Preferential Allotment		Preferential Allotment which triggered off the Regulation	Shares/voting rights to be acquired in Offer (assuming full acceptances)		Share holding / voting rights after Offer		Share holding / voting rights after Offer (after conversion of Warrants)	
	Shares	%		Number	Shares	%	Shares	%	Shares
(1) Promoter & Promoter Group									
a) Parties to agreement	40,90,020	33.51%				40,90,020	26.86%	48,93,660	30.23%
b) Parties other than above									
Total 1 (a + b)	40,90,020	33.51%				40,90,020	26.86%	48,93,660	30.23%
(2) Acquirer Company									
(a) FCVM		0.00%	30,21,685	30,45,106	20.00%	60,66,791	39.85%	62,27,519	38.47%
(b) CAGP III									
(c) CAGP III Co-Invest									
Total 2 (a+b+c)	-	0.00%	30,21,685	30,45,106	20.00%	60,66,791	39.85%	62,27,519	38.47%
(3) Public (other than parties to agreement, Promoters, acquirers & PACs)									
	81,13,821	66.49%		(30,45,106)	-20.00%	50,68,715	33.29%	50,68,715	31.31%
GRAND TOTAL	1,22,03,841	100.00%	30,21,685	-	0.00%	1,52,25,526	100.00%	1,61,89,894	100.00%

5.20 Shareholding of Promoters: Prior to the Preferential Allotment, the Promoters held 40,90,020 Shares constituting 33.51% of the paid-up equity share capital of the Company. Upon allotment of the Shares and Warrants under the Preferential Allotment, the Promoters holding in Allsec will be 26.86% of paid up equity share capital of Allsec (not taking into account the Shares to be allotted to the Promoters upon conversion of the Warrants allotted in their favour under the Preferential Allotment) and 30.23% of paid up equity share capital of Allsec (taking into account the Shares to be allotted to the Promoters upon conversion of the Warrants allotted in their favour under the Preferential Allotment).

5.21 As on August 30, 2006 i.e. Specified Date, there were 4,381 Shareholders and all owners (registered or unregistered) of Shares of Allsec except (a) the Acquirer and PACs and (b) the Promoters are eligible to participate anytime before closure of the Offer.

5.22 Corporate Governance: S. R. Batliboi & Associates, Chartered Accountants, Auditors of Allsec vide their letter dated April 28, 2006 have certified that Allsec has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. [Source: Audited Annual Report 2005-06].

5.23 Compliance Officer: Allsec has appointed Mr. KS Raghu, Company Secretary, 46B, Velachery Main Road, Velachery, Chennai 600 042, Tel No: 91 44 2244 7070, Fax No. 91 22 2244 7079 as the Compliance Officer.

5.24 There were no mergers, de-mergers and/or spin-offs involving the Target Company during the last three years.

5.25 There were no contingent liabilities, no pending litigations and no disputed liabilities as on March 31, 2006.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 The Shares of Allsec are presently listed and traded on BSE and NSE.

6.1.2 During the six months prior to the month in which the PA was made i.e. February 2006 to July 2006 the Shares were traded on BSE and NSE. Details of trading during this period was as follows:

Stock Exchanges	Total Shares traded	Total No. of listed Shares as on the date of Board Meeting	Annualized trading turnover as a % of total number of listed Shares
BSE	13,84,526	1,22,03,841	22.69
NSE	26,94,757	1,22,03,841	44.16

Source: www.bseindia.com; www.nseindia.com

Based on the information available, the Shares are deemed to be frequently traded on BSE and NSE as the annualized trading turnover based on the trading during six calendar months i.e. February 2006 to July 2006 is more than 5% of the total number of listed Shares in terms of Explanation (i) to Regulation 20(5) of the SEBI Takeover Regulations.

As the annualized trading turnover on NSE based on the trading during six calendar months i.e. February 2006 to July 2006 is 44.16% of the total number of listed Shares, the Shares of Allsec are deemed to be "most frequently traded" on NSE in terms of Explanation (i) to Regulation 20(5) of SEBI Takeover Regulations. As per the parameters set out in Regulation 20(4) of SEBI Takeover Regulations, applicable for companies whose Shares are frequently traded, the minimum Offer Price works out to Rs. 260/- and the Offer Price of Rs. 260/- is the highest of the parameters as specified in Regulation 20(4) of Takeover Regulations.

6.1.3 Average of the weekly high and low of the closing prices and volume data in NSE (where the Shares are most frequently traded) for the twenty six weeks period ended July 25, 2006 i.e. date preceding the date of the Board resolution which authorized the Preferential Allotment [Board meeting was held on July 26, 2006]:

Wk No	Week Ending	Weekly High	Weekly Low	Weekly Average	Volume Traded
1	31-Jan-06	244.90	242.70	243.80	1,05,182
2	7-Feb-06	238.35	232.30	235.33	85,253
3	14-Feb-06	249.55	234.15	241.85	1,04,647
4	21-Feb-06	236.65	227.25	231.95	53,806
5	28-Feb-06	240.00	228.15	234.08	66,184
6	7-Mar-06	247.95	243.40	245.68	86,088
7	14-Mar-06	244.15	234.90	239.53	63,603
8	21-Mar-06	234.65	233.25	233.95	35,454
9	28-Mar-06	256.25	233.10	244.68	4,72,277
10	4-Apr-06	264.75	258.15	261.45	1,27,782
11	11-Apr-06	269.10	257.75	263.43	1,76,439
12	18-Apr-06	268.75	242.65	255.70	54,506
13	25-Apr-06	271.45	253.70	262.58	90,963
14	2-May-06	282.30	270.30	276.30	74,549
15	9-May-06	274.85	269.70	272.28	50,297
16	16-May-06	265.70	260.50	263.10	83,209
17	23-May-06	263.25	235.20	249.23	92,332
18	30-May-06	245.25	233.20	239.23	25,557
19	6-June-06	245.10	228.15	236.63	28,752
20	13-June-06	214.50	172.95	193.75	1,00,780
21	20-June-06	193.50	167.00	180.25	32,536
22	27-June-06	196.90	188.80	192.85	30,588
23	4-July-06	189.65	168.55	179.10	36,253
24	11-July-06	199.20	192.50	195.85	34,433
25	18-July-06	197.60	195.30	196.45	51,525
26	25-July-06	195.30	183.95	189.63	36,857
Twenty six weeks average (Rs.)					233.02

Source: www.nseindia.com

6.1.4 Average of daily high and low prices for the two weeks period ended July 25, 2006 i.e. date preceding the date of the Board resolution which authorized the Preferential Allotment [Board meeting was held on July 26, 2006]:

Relevant Dates	Daily High	Daily Low	Daily Average
25-July-06	190.00	182.50	186.25
24-July-06	193.85	185.25	189.55
21-July-06	196.95	190.00	193.48
20-July-06	216.00	185.05	200.53
19-July-06	197.40	194.95	196.18
18-July-06	196.90	195.00	195.95
17-July-06	197.50	195.00	196.25
14-July-06	200.00	195.00	197.50
13-July-06	200.00	192.05	196.03
12-July-06	199.00	195.00	197.00
Two weeks Average (Rs.)			194.87

Source: www.nseindia.com

The Offer Price of Rs. 260/- per Share is justified in terms of Regulation 20(4) of the Takeover Regulations, applicable for companies whose Shares are frequently traded, in view of this price being the highest of the following 4 parameters:

(a)	Negotiated price	Not Applicable
(b)	Highest price paid (Preferential Allotment of Shares) and contracted to be paid (Preferential Allotment of Warrants) by the Acquirer or persons acting in concert with them for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA	Rs. 260/- per Share
(c)	Average of weekly high and low of the closing prices of Allsec for the twenty six weeks period ended on July 25, 2006 i.e., the date preceding the date of the resolution of the Board of Directors which authorized the Preferential Allotment, on the stock exchange, where Shares are most frequently traded i.e., NSE	Rs. 233.02 per Share
(d)	Average of daily high and low prices of Allsec for the two weeks period ended on July 25, 2006 i.e., the date preceding the date of the resolution of the Board of Directors which authorized the Preferential Allotment, on the stock exchange, where Shares are most frequently traded i.e., NSE	Rs. 194.87 per Share

6.1.5 Non Compete Fee: Since the Acquirer has not paid any non-compete fee pursuant to any non-compete agreement for acquisition of the Shares or Warrants of Allsec, provisions relating to non compete fee are not applicable.

6.1.6 Therefore the Offer Price of Rs. 260/- per equity Share of the Face Value of Rs. 10/- each of Allsec is as per the parameters as set out in Regulation 20(4) of SEBI Takeover Regulations and the Offer Price is justified as per Regulation 20(11) of Takeover Regulations as stated above.

6.1.7 Based on the above, (a) the Manager to the Offer and (b) the Acquirer and PACs are of the opinion that the Offer Price of Rs. 260/- per Equity Share is justified.

6.1.8 It will be ensured that the Offer Price is higher than the highest price paid by the Acquirer and PACs, for any acquisition of Shares of Allsec, if any, from the date of PA i.e. Tuesday – August 29, 2006 up to seven working days prior to the closure of the Offer i.e. Thursday – November 30, 2006.

6.2 Financial Arrangements

6.2.1 The total funds required for the acquisition of 30,45,106 Shares of Allsec in the Offer assuming full acceptance at Rs. 260/- per equity Share amounts to Rs. 79,17,27,560/-

6.2.2 Mr. Ruben Thumiah, FCCA [Membership No: 1349424], Nexia Baker & Arenson, Chartered Accountants, 5th Floor, C&R Court - 49 Labourdonnais Street - Port Louis- Mauritius, Tel No: 00 230 207 0600, Fax No: 00 230 210 7878, e-mail ID: nexiamtius@intnet.mu have certified vide their letter dated August 22, 2006 that the Acquirer has adequate financial resources and October 25, 2006 that Acquirer and PACs have adequate financial resources to finance the above mentioned acquisition of 30,45,106 Shares to the extent of their obligations of the Offer.

CAGP III vide their letter dated October 27, 2006 has guaranteed to fund the Open Offer and Wachovia Bank, N.A., the Bankers of CAGP III, vide their letter dated October 26, 2006 certified that CAGP III is capable of funding the Offer obligations.

6.2.3 Pending receipt of the approval of the RBI to open and operate an escrow account in India, prior to release of PA, the Acquirer opened an offshore cash escrow account with HSBC Bank Mauritius (Limited), having its registered office at 5th Floor, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius under the name and style of "HSBC as Escrow Agent for First Carlyle Venture Mauritius" and bearing No. 080-099468-20 and deposited US\$ 44,29,512 equivalent to Rs. 20,64,59,554/- at an exchange rate of Rs. 46.61 per US\$ [RBI Reference Exchange Rate as on August 25, 2006].

However, subsequent to PA, the Acquirer received approval from RBI vide letter No. FE.CO.FID/6710/10.21.047/2006-07 dated September 28, 2006 and transferred the aforementioned funds i.e. US\$ 44,29,512 from offshore cash escrow account with HSBC Bank Mauritius (Limited) to domestic cash escrow account opened with The Hongkong and Shanghai Banking Corporation Limited, 52/60, M G Road, Mumbai 400001 [HSBC Mumbai] under the name and style of "Escrow a/c Allsec Open Offer" and bearing No. 019 874551 001. HSBC Mumbai vide their letter dated October 10, 2006 certified that as on October 10, 2006 an amount of Rs. 20,13,21,320.40 was lying to the credit of the said domestic cash escrow account.

6.2.4 Funds lying in the domestic cash escrow account represent more than 25% of the total purchase consideration payable under the Offer assuming full acceptance at the aforesaid Offer Price. Acquirer has confirmed that the funds lying in the above mentioned domestic cash escrow will be utilized exclusively for the purpose of the Offer.

6.2.5 Manager to the Offer has been authorised to operate the domestic cash escrow account in compliance with the provisions Takeover Regulations.

6.2.6 In light of the (a) aforesaid cash escrow constituting more than 25% the total purchase consideration payable under the Offer and (b) Mr. Ruben Thumiah, FCCA, Nexia Baker & Arenson, Chartered Accountants having certified that the Acquirer and the PACs have adequate financial resources to finance the Offer, the Manager to the Offer are satisfied that firm arrangements for financial resources required to implement the Offer i.e. funds and money for payment through verifiable means are in place to fulfill the Offer obligations and are satisfied that Acquirer has the ability to implement the Offer in accordance with the Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 The Offer is being made by the Acquirer to (i) all Shareholders of Allsec whose names appeared in the Register of Members on Wednesday – August 30, 2006 i.e. Specified Date except (a) the Acquirer and PACs and (b) the Promoters, (ii) beneficial owners of the Shares of Allsec whose names appeared as beneficiaries on the records of the respective Depositories, at the close of business hours on Wednesday – August 30, 2006 i.e. Specified Date and (iii) to those persons who acquire Shares of Allsec any time prior to the date of the closure of the Offer i.e. Monday – December 11, 2006 but who are not the registered Shareholders of Allsec.

7.2 The Offer is not subject to any minimum level of acceptance and the Acquirer will be obliged to acquire up to a maximum of 30,45,106 Shares of Allsec that are tendered in the valid form in terms of this Offer subject to the terms and conditions mentioned in the PA and this Letter of Offer. Shares of Allsec that would be tendered in the valid form in terms of this Offer will be transferred in favour of the Acquirer.

7.3 The Offer will open on Tuesday – November 21, 2006 and close on Monday – December 11, 2006.

7.4 Shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA / Letter of Offer can withdraw the same up to three working days prior to the date of the closure of the Offer i.e. on or up to Wednesday – December 6, 2006.

7.5 The instructions, authorizations and provisions contained in the Acceptance Form constitute an integral part of the terms of this Offer.

7.6 Each Shareholder of Allsec to whom this Offer is being made to is free to offer his Shareholding in Allsec in whole or in part while accepting the Offer. However, (a) the Acquirer and PACs and (b) the Promoters are not eligible to tender their Shares under the Offer.

7.7 The Shares will be acquired by the Acquirer free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared thereafter.

7.8 The Offer is subject to receipt of the following statutory and regulatory approvals, and clearances:

Approval of the RBI / any other authority for transfer of Shares to the Acquirer from eligible Shareholders upon closure of the Offer once the basis of acceptance is determined.

To the best of the Acquirer's knowledge, no approvals from banks / financial institutions are required for the Offer.

7.9 As on date no statutory / other approvals other than those indicated above are required for the Offer. If any other statutory approvals become applicable, the Offer would be subject to such approvals. The Acquirer will have a right, in terms of Regulation 27(1)(b) of SEBI Takeover Regulations, not to proceed with the Offer in the event that statutory approvals indicated above are not received or are refused.

- 7.10 In case of delay in receipt of statutory approvals as explained above, SEBI has power to grant extension of time to Acquirer for payment of purchase consideration to eligible Shareholders, subject to Acquirer agreeing to pay interest for the delayed period in terms of Regulation 22(12) of the Regulations. If the delay occurs due to willful default of the Acquirer in obtaining requisite approvals, Regulation 22(13) of the Regulations will become applicable.
- 7.11 Where the Acquirer fails to obtain the requisite approvals in time on account of willful default or neglect or inaction or non-action on its part, the amount lying in the escrow account shall be liable to be forfeited and dealt with in the manner provided in Regulation 28 of SEBI Takeover Regulations, apart from the Acquirer being liable for penalty as provided in the Takeover Regulations.
- 7.12 There has been no competitive bid.
- 7.13 As the Offer Price cannot be revised during seven working days prior to the closing date of the Offer (November 30, 2006), it would be in the interest of the Shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly.
- 7.14 The Manager to the Offer shall within a period of forty five days of the closure of the Offer inform NSE, BSE and SEBI as to level of acceptance received thereof.
- 7.15 The acceptance of the Offer of the Acquirer is entirely at the discretion of the Equity Shareholders of Allsec. The Acquirer will not be responsible for any loss of share certificate(s) and Offer acceptance documents during transit and the Shareholders of Allsec are advised to adequately safeguard their interests in this regard.
- 7.16 The Acquirer will proceed with the Offer even if they are unable to obtain acceptance to the extent of 30,45,106 fully paid-up Shares of face value of Rs. 10/- each of Allsec.
- 7.17 In the case of Shares acquired from non resident Shareholders, the Acquirer will not be responsible for any fall in the value of the Rupee due to any fluctuation in the foreign exchange market on account of delay in the approval.
- 7.18 Accidental omission to dispatch this Letter of Offer to any person to whom this Offer has been made to or non-receipt of this Offer by any such person shall not invalidate the Offer in any way.
- 7.19 The acceptance must be unconditional and should be sent with the attached form duly filled in, signed by the applicant Shareholder(s) which should be received by the Registrar to the Offer at the address mentioned in Para No. 8.13 on or before Monday – December 11, 2006. If any change or modification is made, the acceptance is liable to be rejected.
- 7.20 All expenses relating to the Offer will be borne by the Acquirer.
- 7.21 The Acquirer reserves the right of upward revision of (a) price and (b) number of Shares to be acquired at any time up to seven working days prior to the closure of the Offer as per Regulation 26 of the Takeover Regulations. The same price would be paid by the Acquirer for all the Shares tendered any time during the Offer and accepted under the Offer. The information about such revision(s), if any, would appear in the same newspapers in which PA has appeared.
- 7.22 Details of locked in Shares of Allsec are as under:
- As per the terms of Clause 13.3.1(c) of Chapter XIII of the SEBI (DIP) Guidelines, (a) 30,21,685 Shares and 1,60,728 Warrants allotted to the Acquirer and (b) 8,03,640 Warrants allotted to Promoters i.e. 4,01,820 Warrants each allotted to Mr. A Saravanan and Mr. R Jagadish, under the Preferential Allotment made on August 23, 2006 are subject to lock-in for a period of one year from the date of its allotment ie upto August 22, 2007.
- Further, 16,36,812 Shares held by the Promoters i.e. 8,18,406 Shares held by Mr. A Saravanan and 8,18,406 Shares held by Mr. R Jagadish prior to the Preferential Allotment, are subject to lock in upto March 5, 2007 ie from the relevant date upto a period of six months from the date of Preferential Allotment, as per the terms of Clause 13.3.1(g) of Chapter XIII of the SEBI (DIP) Guidelines.
- Besides above, 24,53,208 Shares held by the Promoters i.e. 12,26,604 Shares held by Mr. A Saravanan and 12,26,604 Shares held by Mr. R Jagadish are subject to lock in upto May 2, 2008. These Shares were placed under three years lock in from the date of allotment of Shares in the IPO ie May 3, 2005.
- Other than these Shares and Warrants, and the lock in restrictions pursuant to the SSA, there are no Shares / instruments which are subject to lock in as on date.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1 Shareholders of Allsec who wish to avail this Offer should forward the under mentioned documents by hand delivery or by registered post or by courier to Intime Spectrum Registry Limited, Registrar to the Offer [details of collection centres are given in Para No. 8.13] so as to reach them on or before Monday – December 11, 2006 on their working days during business hours indicated in Para No. 8.13. In the case of dematerialized Shares, the Registrar is not bound to accept those Offers which have not yet been credited to the escrow depository account as on the date of closure of the Offer, i.e. Monday – December 11, 2006. No documents for tendering the Shares should be sent either to the Acquirer or PACs or Manager to the Offer or Allsec.

- 8.2 Registered Shareholders of Allsec holding physical Shares should submit:
- The enclosed Acceptance Form duly completed and signed in accordance with the instructions contained therein by the equity Shareholders of Allsec in the same order in which they hold Shares in Allsec. The order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
 - Original Share certificate(s).
 - Valid Share transfer deed(s) duly signed as transferors by all Shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with Allsec.

In case of non-receipt of the aforesaid documents, but receipt of the original Share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted

In case the present signature of the Shareholder(s) differ from the specimen signatures lodged with Allsec, transfer deeds should be duly attested at the appropriate place by a notary or bank manager or member of stock exchange under their seal of office and membership number. In each case, the name and address of the attesting authority, attesting authority's seal and registration number (if the authority is a notary public/member of stock exchange) or the name and address of the bank (if the authority is a Bank manager) should appear. Further, all attestations should be unconditional, i.e. the authority attesting should not deny the responsibility of identifying the person and the signature by qualifying the attestation. If the said guidelines are not followed, Acquirer reserves the right to reject the transfer deed along with the application.

- 8.3 Notwithstanding that the signature(s) of the transferor(s) has/ have been attested as aforesaid, if the signature(s) of the transferor(s) differ(s) from the specimen signature(s) recorded with Allsec or are not in the same order, such Shares are liable to be rejected under this Offer even if the Offer has been accepted by a bonafide owner of such Shares.
- 8.4 Unregistered Owners of Shares / Registered Shareholders who have not received the Letter of Offer and are holding physical Shares should enclose the Acceptance Form which is available on SEBI web site (www.sebi.gov.in), duly completed and signed in accordance with the instructions contained therein or an application in writing on a plain paper with original Equity Share certificates, original broker contract note, valid Share transfer deed(s) as received from the market stating the name, address, number of Shares held, number of Shares Offered, distinctive numbers and folio number. All other requirements for valid transfer (including matching of signatures) will be precondition for acceptance. No indemnity is required from the unregistered owners.
- 8.5 In the case of Shareholders who have sent their physical Share certificates for transfer to Allsec can enclose the acknowledgement if any, received from Allsec. Shareholders who are attaching the acknowledgement are requested to direct Allsec in writing to retain the Share certificates for onward submission to the Registrar to the Offer.
- 8.6 If required Shareholder may download the Acceptance Form from the SEBI's site (www.sebi.gov.in) or may request for the Acceptance Form from the Registrar to the Offer.

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED EXCEPT NAME, SIGNATURE AND WITNESS.

- 8.7 Procedure for Shares held in dematerialized form - Registered beneficiary owners:
Beneficiary owners (holders of Shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP in favor of the escrow depository account.
- 8.8 Unregistered beneficiary owners/ Registered demat Shareholders who have not received Letter of Offer:
These Shareholders can apply on a plain piece of paper giving details like the Name, address, Number of Shares held, No of Shares Offered, depository details i.e. DP name, DP ID and Client ID along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP in favor of the escrow depository account. Alternatively, they may download the Acceptance Form from the SEBI's site (www.sebi.gov.in) or may request for the Acceptance Form from the Registrar to the Offer. All other requirements for valid transfer (including matching of signatures) will be precondition for acceptance.
- 8.9 Intime Spectrum Registry Limited., Registrar to the Offer, have opened an escrow depository account. The details are as under:

Depository	NSDL
Depository Participant / DP Name	Kotak Securities Limited
Client ID	12383429
DP ID	IN 300214
ISIN	INE 835 G 01018

- 8.10 Shareholders having their depository account with a DP who is registered with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the escrow depository account opened by Intime Spectrum Registry Limited with Kotak Securities Limited which is registered with NSDL. Shareholders may note that the credit for the Shares tendered must be received in the escrow depository account, as specified above, on or before 3 p.m. IST on Monday – December 11, 2006.
- 8.11 For each delivery instruction, the beneficial owner should submit a separate Acceptance Form.
- 8.12 The Equity Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but are not limited to):
- Duly attested death certificate and succession certificate / No Objection Certificates (“NoC”) / letters from legal heirs (in the case of single Shareholder) where the original Shareholder has expired.
 - Duly attested Power of Attorney, if any person other than the Shareholder has signed the Form of Acceptance cum acknowledgement or transfer deed(s).
 - In case of companies, the necessary corporate authorizations (including Board and Shareholders Resolutions) and specimen signatures of authorized signatories.
 - Any other relevant documents, as deemed necessary.
- In case of non-receipt of the aforesaid documents, but receipt of Shares in the escrow depository account on or before 3 p.m. IST of Monday – December 11, 2006, the Offer shall be deemed to be accepted provided subsequent receipt of all the relevant documents.
- 8.13 The Shareholders of Allsec who wish to avail of the Offer can deliver all the relevant documents referred to above to the Registrar to the Offer at the addresses given below (on all days except holidays and Sundays) in accordance with the instructions specified in the Letter of Offer.

Addresses of the Collection Centres	Contact Persons	Mode of delivery	Phone/Fax / Email
Intime Spectrum Registry Limited, C-13, Kantilal Maganlal Industrial Estate (Panalal Silk Mills Compound), L B S Marg, Bhandup (W), Mumbai 400 078	Vishwas Attavar	Hand Delivery/ Regd Post/ Courier	Tel: 022 2596 0320-28 Fax: 022 2596 0329 Email: vishwasa@intimespectrum.com
Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai 400 001	Vivek Limaye	Hand Delivery/ Regd Post/ Courier	Tel: 022 2269 4127 Fax: 022 2596 0329 Email: vivek.limaye@intimespectrum.com
C/o Hitech Share Services Pvt Ltd., No 81, Ground Floor, MNO Complex, Greams Road, Chennai 600 006	Lakshmi Subramaniam	Hand Delivery/ Regd Post/ Courier	Tel: 044 2829 2272 / 73 Fax: 044 4214 2061 Email: sri3secadmin@rediffmail.com
Intime Spectrum Registry Ltd, No: 658-57,1st Floor, Laxmi Venkateshwar Archade, 11th Main,4th Block, Jayanagar, Opp : Vijay Party Hall, Bangalore 560 011	Chandra Shekhar	Hand Delivery/ Regd Post/ Courier	Tel: 080 3272 0640 Fax: 080 2691 0054 Email: bangalore@intimespectrum.com
Intime Spectrum Registry Ltd, 3rd Floor, A-31, Naraina Industrial Area, Phase I, New Delhi 110 028	Bharat Bhushan	Hand Delivery/ Regd Post/ Courier	Tel: 011 4141 0592 / 93 / 94 Fax: 011 4141 0591 Email: delhi@intimespectrum.com
Intime Spectrum Registry Limited, 59 C, Chowringhee Road, 3rd Floor, Kolkata 700 020	S.P. Guha	Hand Delivery/ Regd Post/ Courier	Tel: 033 2289 0539 / 40 Fax: 033 2289 0539 / 40 Email: kolkata@intimespectrum.com
Intime Spectrum Registry Limited, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad 380 009	Hitesh Patel	Hand Delivery/ Regd Post/ Courier	Tel: 079 2646 5179 Fax: 079 2646 5179 Email: ahmedabad@intimespectrum.com
Intime Spectrum Registry Limited, Bhagirathi, 1202/3/11, Shivajinagar, Off : Ghole Road, Opp : Hotel Surya, Pune 411 004	P. N. Albal	Hand Delivery/ Regd Post/ Courier	Tel: 020 6520 3395 Fax: 020 2553 3304 Email: pune@intimespectrum.com

Note: Collection centres mentioned above would remain open from (a) Monday to Friday between 10 am and 1 pm and between 2 pm and 4 pm and on (b) Saturdays between 10 am and 1 pm.

- 8.14 The documents sent by Registered Post/ Speed Post/ Courier or through other means will be at the applicant's own risk and cost.

- 8.15 All owners (registered or unregistered) of Shares of Allsec except (a) the Acquirer and PACs and (b) the Promoters, anytime before closure of the Offer are eligible to participate in the Offer.
- In the event that the Shares tendered in the Offer by the Shareholders of Allsec are more than the Shares to be acquired under the Offer, the acquisition of Shares from each Shareholder will be as per the provisions of Regulation 21(6) of the Regulations i.e. on a proportionate basis, to be decided in a fair and equitable manner, in consultation with the Manager to the Offer, irrespective of whether the Shares are held in physical or dematerialized form.
- The minimum marketable lot for the purpose of acceptance, for both physical and demat Shares, would be one Share.
- 8.16 Shares, if any, that are the subject matter of litigation wherein the Shareholder(s) is/ are / may be precluded from transferring the Shares during the pendency of the said litigation are liable to be rejected in case directions / orders from competent authority regarding these Shares are not received together with the Shares tendered under the Offer. The Letter of Offer in such cases, would be forwarded to the concerned competent authority for further action at their end. In cases where the Shares of Allsec are in the name of tainted persons or the transfer of Shares were kept in abeyance due to the inclusion of the tainted persons as declared by the Special Custodian under the Special Act, Offers will not be accepted until the Shares are cleared by the Special Court appointed for this purpose.
- 8.17 Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting Shares dematerialized is completed well in time so that the credit in the escrow depository account should be received on or before the date of closure of the Offer, else the application would be rejected.
- 8.18 The Registrar to the Offer will hold in trust the Share certificates, Shares lying in credit of the escrow depository account, Form of Acceptance cum Acknowledgement, if any and the transfer form(s) on behalf of the Shareholders of Allsec who have accepted the Offer, till the cheques/ demand drafts for the consideration and / or the unaccepted Shares / Share certificates are returned / dispatched.
- 8.19 In the case of dematerialized Shares, the Shares would reside in the escrow depository account as mentioned above. The Registrar to the Offer will debit the escrow depository account to the extent of payment of consideration made by the Acquirer and give instructions for the credit to the beneficiary account of the Acquirer. The Shares held in dematerialized form to the extent not accepted as a result of non-payment / part payment of consideration by the Acquirer will be released to the beneficial owner's depository account with the respective beneficial owner's depository participant as per details furnished by the Beneficial owner in the Acceptance Form, at the sole risk of the beneficial owner.
- 8.20 In accordance with Regulation 22(5A) of the Takeover Regulations, Shareholders who have tendered the requisite documents in terms of the PA and this Letter of Offer shall have the option to withdraw acceptances tendered up to three working days prior to the closing date of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions given below so as to reach the Registrar to the Offer at the collection centers mentioned above as per the mode of delivery indicated therein on or before Wednesday – December 6, 2006.
- 8.21 The withdrawal option can be exercised by submitting (a) the form of withdrawal which will be sent to Shareholders along with the Letter of Offer and (b) the copy of the acknowledgement received from the Registrar to the Offer while tendering the acceptances together with (c) In respect of physical Shares – name, address, distinctive numbers, folio number, and number of Shares tendered and in respect of dematerialized Shares – name, address, number of Shares tendered, DP Name, DP ID, beneficiary account number and photocopy of the delivery instruction in off market mode duly acknowledged by DP. In case of nonreceipt of form of withdrawal, the above application can be made on a plain paper.
- 8.22 In case of partial withdrawal of the Offer or rejection of Shares:
- Shareholders who have tendered Shares in physical form and wish to partially withdraw their tenders, should also enclose valid Share transfer form(s) for the remaining Shares (i.e. Shares not withdrawn) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Allsec and duly witnessed at the appropriate place.
 - The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer / escrow depository account.
 - The intimation of returned Shares / rejected Shares to the Shareholders will be made at the address as specified in the Acceptance Form.
 - The form of Withdrawal should be sent only to the Registrar to the Offer, at the collection centres mentioned in para 8.13.
 - In case of partial withdrawal of Shares tendered in **physical form** and the original Share certificates are required to be split, the withdrawn Shares will be returned on receipt of Share certificates from Allsec.
 - In case of partial withdrawal of Shares / rejection of Shares tendered in **demat form**, the Shares withdrawn / rejected will be credited to the beneficial owner's depository account with the respective DP as furnished in the

Acceptance-cum-acknowledgment form. **It is the responsibility of the Shareholder to ensure that the withdrawn Shares / unaccepted Shares are accepted by their respective DP when transferred by the Registrar to the Offer. Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.**

- Partial withdrawal of tendered Shares can be done only by the registered Shareholders / beneficial owners.
- In case of partial withdrawal, the earlier Form of Acceptance-cum-Acknowledgement will stand revised to that effect.
- Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

8.23 Transfers not lodged: In case any person has lodged Shares of Allsec for transfer and such transfer has not yet been effected, the concerned person may apply as per instruction contained in para 8.5 above together with the acknowledgement of the lodgement of Shares for transfer. Such persons should also instruct Allsec to send the transferred Share certificate(s) directly to the collection centre at C-13, Kantilal Maganlal Industrial Estate, (Pannalal Silk Mills Compound), L.B.S. Marg, Bhandup West, Mumbai 400 078. The applicant should ensure that the certificate(s) reach the designated collection centre on or before the Offer closing date, else the Offer will be deemed invalid.

Dematerialization process not complete: In case any person has tendered his physical Shares in Allsec for dematerialization and such dematerialization has not yet been effected, then, the concerned Shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialization request form acknowledged by Shareholder's DP. Such Shareholders should ensure the credit of the Shares to the escrow depository account on or before 3 pm of Monday – December 11, 2006 and forward a copy of the delivery instructions acknowledged by the DP to the collecting centre.

8.24 The consideration for the Shares accepted by the Acquirer will be paid by crossed account payee cheques / demand drafts. Such considerations in excess of Rs. 1,500/- or unaccepted Share certificates, transfer forms and other documents, if any, will be returned by Registered Post / Speed post at the Shareholders' / unregistered owners' sole risk to the sole / first Shareholder. Consideration up to Rs. 1,500/- will be dispatched Under Certificate of Posting ("**UPC**"). It is mandatory that Shareholders provide bank account details in the Acceptance Form so that the same can be incorporated in the cheque / demand draft.

8.25 While tendering Shares under the Offer, non resident Shareholders (NRI/OCB/FII etc) will be required to submit the previous RBI / GOI approvals, if any, which they would have obtained for acquiring the Shares of Allsec and NoC / Tax Clearance Certificate ("**TCC**") from the Income Tax Authorities under the Income Tax Act, 1961 ("**Income-tax Act**") indicating the rate at which the tax is required to be deducted by the Acquirer before remitting the consideration. In case previous approvals as explained above are not submitted, Acquirer reserves the right to reject the Shares tendered in the Offer. In case the aforesaid NoC / TCC is not submitted, Acquirer will deduct the tax at the current prevailing rates as applicable on the Offer Price and interest thereon if applicable.

8.26 As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD of the Income Tax Act payable to a FII as defined in section 115AD of the Income Tax Act. However the Interest payment for delay in payment of consideration, if any, shall not be governed by this provision. For interest payments, if any, FIIs shall also have to provide their TCC, indicating the amount of tax to be deducted. In absence of the same, acquirer will arrange to deduct tax on the interest component, at the rate as may be applicable to the category of shareholder under the Income Tax Act.

8.27 In the case of resident Shareholders, the Acquirer will deduct the tax on the interest component exceeding Rs. 5,000/- at the current prevailing rates as applicable, if applicable. If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, he will be required to submit NoC from the Income Tax authorities or a self declaration in Form 15H as may be applicable indicating the rate at which tax is to be deducted by the Acquirer. Shareholders eligible to receive interest component exceeding Rs. 5,000/- would be required to give their Permanent Account Number ("**PAN**") for income-tax purposes. Paragraphs relating to payment of interest will become applicable only in the event of Acquirer becoming liable to pay interest for delay in release of purchase consideration.

8.28 The securities transaction tax will not be applicable to the Shares accepted in this Offer.

9. DOCUMENTS FOR INSPECTION

Copies / certified copies of the following documents will be available for inspection at the office of YES BANK Limited, 12th Floor, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 during normal business hours on any working day i.e. Monday to Friday between 10 am and 3 pm during the Offer period i.e. from Tuesday – November 21, 2006 to Monday – December 11, 2006.

1. Certificate of Incorporation / Registration of Acquirer and PACs.
2. Constitution of the Acquirer.
3. Audited financial statements of the Acquirer for the years ended December 31, 2003, 2004 and 2005 and for the period ended June 30, 2006 and September 30, 2006.
4. Unaudited financial statements of the CAGP III as on December 31, 2005 and for the nine months period ended September 30, 2006.
5. Unaudited financial statements of the CAGP III Co-Invest as on September 30, 2006.
6. Audited Annual Reports of Allsec for the years ended March 31, 2006, 2005 and 2004.
7. Letter dated August 25, 2006 from HSBC Bank (Mauritius) Ltd confirming deposit of funds in off shore escrow cash account and letter dated October 10, 2006 from HSBC, Mumbai confirming deposit of funds in domestic escrow cash account.
8. Subscription and Shareholders Agreement dated August 23, 2006 entered into between the Acquirer, the Promoters and Allsec.
9. Letter dated August 17, 2006 received from the Acquirer that the escrow funds will be exclusively utilized for the Offer.
10. Warrants Non Conversion Undertakings given by the Acquirer and Promoters.
11. Newspaper clipping of the PA published on August 29, 2006.
12. Letter dated October 31, 2006 received from SEBI in terms of Regulation 18(2).
13. Escrow Depository agreement entered into with Registrar to the Offer.
14. Certificate dated August 22, 2006 and October 25, 2006 from Mr. Ruben Thumiah, Nexia Baker & Arenson, Chartered Accountants certifying that Acquirer and PACs have adequate financial resources to finance the above mentioned acquisition, to the extent of their obligations of the Offer.
15. Letter from CAGP III dated October 27, 2006 guaranteeing to fund the Open Offer.
16. Letter dated October 26, 2006 from Wachovia Bank, N.A., the Bankers of CAGP III, certifying that that CAGP III is capable of funding the open offer obligations.
17. Undertaking from the Acquirer in accordance with Regulation 16(ixa) of the SEBI Takeover Regulations.

10. DECLARATION BY THE ACQUIRER & PACs

- 10.1 A copy of the draft Letter of Offer was delivered to (a) the Board of Directors of Allsec, (b) Bombay Stock Exchange Limited (c) The National Stock Exchange of India Limited; for their information and perusal on September 12, 2006.
- 10.2 (a) Acquirer, (b) Directors of Acquirer and (c) PACs accept full responsibility for the information contained in this Letter of Offer and also for the obligations of Acquirer as laid down in Regulation 22(6) of SEBI Takeover Regulations.
- 10.3 Acquirer and PACs are severally and jointly responsible for ensuring compliance with SEBI Takeover Regulations.
- 10.4 The Manager to the Offer has ensured that Mr. Marie Joseph Louis Raymond Lamusse / Mr. Marie Joseph Louis Couacaud as attorneys on behalf of each of the Acquirer and PACs be duly and legally authorized to sign the Letter of Offer.

For and on behalf of First Carlyle Ventures Mauritius [Acquirer] and Carlyle Asia Growth Partners III, L.P. and CAGP III Co-Investment, L.P. [Persons Acting in Concert]

Sd/-

Mr. Marie Joseph Louis Raymond Lamusse / Mr. Marie Joseph Louis Couacaud
Authorized Signatory(ies)

Place : Mauritius

Date : November 7, 2006

- Encl: 1. Form of Acceptance cum Acknowledgement with Form of Withdrawal
2. Transfer Deed (as applicable)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

- Please submit this Form with enclosures to the Registrar to the Offer at their address given overleaf.
- Please read the enclosed Letter of Offer dated November 7, 2006 carefully before filling this Acceptance Form.
- All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer.
- Each Shareholder of Allsec to whom this Offer is being made, is free to Offer his Shareholding in Allsec in whole or in part while accepting the Offer.

OFFER
OPENS ON: November 21, 2006
CLOSES ON: December 11, 2006

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

From:

Folio No./DP ID No./ Client ID No.:

To,

Intime Spectrum Registry Limited,

[Unit: **Allsec Technologies Ltd**], C-13, Kantilal Maganlal Industrial Estate, (Pannalal Silk Mills Compound), L.B.S. Marg, Bhandup West, Mumbai 400 078.

Dear Sir,

Sub: Offer for purchase of upto 30,45,106 fully paid up Shares of the face value of Rs. 10/- each, representing 20% of the voting paid up equity share capital of Allsec Technologies Ltd [Allsec] (assuming that 1,60,728 Warrants allotted to the Acquirer and 8,03,640 Warrants allotted to Promoters are not converted into Shares before the expiration of 15 days after the closure of the Offer), at an Offer Price of Rs. 260/- per fully paid-up equity Share by First Carlyle Ventures Mauritius [Acquirer / FCVM] along with Carlyle Asia Growth Partners III, L.P. [CAGP III] and CAGP III Co-Investment, L.P. [CAGP III Co-Invest], Persons Acting in Concert / PACs.

I/We refer to the Letter of Offer dated November 7, 2006 for acquiring the Shares held by me/us in Allsec.

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

 FOR SHARES IN PHYSICAL FORM

I/We accept the Offer and enclose the original Share certificate (s) and duly signed transfer deed(s) in respect of my / our Shares as detailed below:

Sr.No	Ledger Folio No	Certificate No	Distinctive Nos		No of fully paid-up Shares
			From	To	
Total number of Shares					

Note: Please attach an additional sheet of paper if the above space is insufficient and authenticate the same.

I/ We note and understand that the original Share certificate (s) and valid Share transfer deed(s) will be held in trust for me / us by Registrar to the Offer until the time the acquirer pays the purchase consideration as mentioned in the Letter of Offer. I/ We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

 SHARES IN DEMATERIALIZED FORM

I/We holding Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my/our Shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No of fully paid-up Shares

I/ We have executed an off-market transaction for crediting the Shares to the escrow depository account opened by Intime Spectrum Registry Limited with Kotak Securities Limited styled "**First Carlyle – Allsec – Escrow Demat Account**" with the following particulars:

DP Name	DP ID	Client ID	ISIN

 via a delivery instruction from my account with NSDL via inter-depository delivery instruction from my account with CDSL

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

For NRIs/ OCBs/ FIIs/ Foreign Shareholders:

I/We have enclosed the following documents:

- No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities, as applicable.
- RBI approvals for acquiring Shares of Allsec hereby tendered in the Offer.

Following documents should be enclosed wherever applicable

- Power of attorney
- Death certificate/ Succession Certificate/ No Objection Certificate/ Letters from Legal heirs- duly attested
- Corporate authorization in case of Companies along with Board/ General Meeting Resolutions and Specimen Signatures of Authorized Signatories
- Others (please specify) _____

Bank details: So as to avoid fraudulent encashment in transit, the Shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole Shareholder and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in electronic form, the Bank account as obtained from the beneficiary position download to be provided by the depositories will be considered and the Warrants will be issued with those bank particulars only:

Name of Bank		Branch	
Account Number		Current/ Savings/Others (Please specify)	

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

I/ We note and understand that once I/ We have accepted the Offer by tendering the requisite documents in terms of Public Announcement / Letter of Offer, I/ We have the option to withdraw the same up to three working days prior to the date of the closure of the Offer i.e. up to December 6, 2006.

I/We authorize the Acquirer to accept the Shares so Offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, Share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof

I/We authorize the Acquirer to accept the Shares so Offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer to split / consolidate the Share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UPC as may be applicable at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

In case of Shares tendered in dematerialized form,

I/We authorize the acquirer, Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

Yours faithfully,
Signed and Delivered

	Full name(s) of Shareholder(s)	Specimen Signature(s)	PAN/ GIR No.
1st/ Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. A corporation must affix its rubber stamp.

Address of First/ Sole Holder where the purchase consideration/ Share certificates are to be dispatched _____

Place:

Date:

PROCEDURE FOR ACCEPTANCE

The equity Shareholders of Allsec who wish to avail the Offer can deliver all the relevant documents referred to above to the Registrar to the Offer at the collecting centres specified below in accordance with the instructions specified in the Letter of Offer and Acceptance Form so as to reach them not later than December 11, 2006.

COLLECTING CENTRES DETAILS:

Addresses of the Collection Centres	Contact Persons	Mode of delivery	Phone/Fax / Email
Intime Spectrum Registry Limited, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai 400 078	Vishwas Attavar	Hand Delivery/ Regd Post/ Courier	Tel: 022 2596 0320-28 Fax: 022 2596 0329 Email: vishwasa@intimespectrum.com
Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai 400 001	Vivek Limaye	Hand Delivery/ Regd Post/ Courier	Tel: 022 2269 4127 Fax: 022 2596 0329 Email: vivek.limaye@intimespectrum.com
C/o Hitech Share Services Pvt Ltd., No 81, Ground Floor, MNO Complex, Greams Road, Chennai 600 006	Lakshmi Subramaniam	Hand Delivery/ Regd Post/ Courier	Tel: 044 2829 2272 / 73 Fax: 044 4214 2061 Email: sri3secadmin@rediffmail.com
Intime Spectrum Registry Ltd, No: 658-57,1st Floor, Laxmi Venkateshwar Archade, 11th Main,4th Block, Jayanagar, Opp. Vijay Party Hall, Bangalore 560 011	Chandra Shekhar	Hand Delivery / Regd Post/ Courier	Tel: 080 3272 0640 Fax: 080 2691 0054 Email: bangalore@intimespectrum.com
Intime Spectrum Registry Ltd, 3rd Floor, A-31, Naraina Industrial Area, Phase I, New Delhi 110 028	Bharat Bhushan	Hand Delivery/ Regd Post/ Courier	Tel: 011 4141 0592 / 93 / 94 Fax: 011 4141 0591 Email: delhi@intimespectrum.com
Intime Spectrum Registry Limited, 59 C, Chowringhee Road, 3rd Floor, Kolkata 700 020	S.P. Guha	Hand Delivery/ Regd Post/ Courier	Tel: 033 2289 0539 / 40 Fax: 033 2289 0539 / 40 Email: kolkata@intimespectrum.com
Intime Spectrum Registry Limited, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad 380 009	Hitesh Patel	Hand Delivery/ Regd Post/ Courier	Tel: 079 2646 5179 Fax: 079 2646 5179 Email: ahmedabad@intimespectrum.com
Intime Spectrum Registry Limited, Bhagirathi, 1202/3/11, Shivajinagar, Off Ghole Road, Opp. Hotel Surya, Pune 411 004	P. N. Albal	Hand Delivery/ Regd Post/ Courier	Tel: 020 6520 3395 Fax: 020 2553 3304 Email: pune@intimespectrum.com

Working hours: Monday to Friday - 10 am to 1 pm and 2 pm to 4 pm. Saturdays – 10 am to 1 pm

----- TEAR ALONG THIS LINE -----

ACKNOWLEDGEMENT SLIP

Folio No _____ DP ID _____ Client ID _____ Sr. No _____

Received from Mr./Ms. _____
residing at _____

a form of acceptance cum acknowledgment for Offer of _____ Shares of
Allsec Technologies Ltd along with: Copy of depository instruction slip
 Share certificate(s) under folio number(s) _____
along with transfer deed(s).

Stamp of Collection Center	Signature of Official, & Date of Receipt

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR PACs OR TO THE MANAGER TO THE OFFER

- (1) **All queries** pertaining to this Offer may be directed to the Registrar to the Offer.
- (2) **Shareholders holding registered Shares** should submit the Form duly completed and signed in accordance, by the holders of the Shares, along with the original equity Share certificate(s) and valid equity Share transfer form(s) duly signed as per the specimen signatures lodged with Allsec and duly witnessed at the appropriate place. Please do not fill in any other details in the transfer deed except name, signature and witness.
- (3) **Shareholders holding Shares in dematerialized form** should submit the Form duly completed and signed in accordance with the instruction contained therein by all the beneficial holders of the Shares, as per the records of the DP.
- (4) **In case of Shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in Allsec, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
- (5) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
- (6) **Persons who own Shares (as on the Specified Date or otherwise) but are not the registered holders** of such Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note issued by the broker, the Share certificate(s), the transfer deed(s) with the buyers details not filled in and other relevant documents. In case the Share certificate(s) and transfer deed(s) are lodged with Allsec / its transfer agent for transfer, then the Form shall be accompanied by the acknowledgment of lodgment with, or receipt by, Allsec /its transfer agent, of the Share certificate(s) and transfer deed(s). Persons under this paragraph should submit their acceptance and necessary documents by registered post or courier or in person to the Registrar at their office as mentioned above.
- (7) **Non-resident Shareholders** should enclose copy (ies) of permission received from Reserve Bank of India to acquire Shares held by them in Allsec.
- (8) **Non-resident Shareholders** are advised to refer to the clause on taxation in the Letter of Offer regarding important disclosures regarding the taxation of the consideration to be received by them.
- (9) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/Shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.
- (10) **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
 - (a) Duly attested death certificate and succession certificate (in case of single Shareholder) in case the original Shareholder has expired.
 - (b) Duly attested power of attorney if any person apart from the Shareholder has signed acceptance form or transfer deed(s).
 - (c) No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

----- **TEAR ALONG THIS LINE** -----

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

Intime Spectrum Registry Limited
C-13, Kantilal Maganlal Industrial Estate
(Pannalal Silk Mills Compound)
L.B.S. Marg, Bhandup West, Mumbai 400 078
Tel No: 91 22 2596 0320-28
Fax No: 91 22 2596 0329
E-mail: allsecOffer@intimespectrum.com
Contact: Ms. Awani Punjani

FORM OF WITHDRAWAL

OFFER OPENS ON	November 21, 2006
LAST DATE FOR WITHDRAWAL	December 6, 2006
OFFER CLOSSES ON	December 11, 2006

I/ We would like to withdraw my/our acceptance in terms of Regulation 22(5A) of the SEBI Takeover Regulations and my/our relevant details are as follows:

In respect of physical Shares

Name		
Address		
Distinctive Numbers		
Folio Number		
Share Certificate Numbers	From	
	To	
Number of Shares tendered		
Number of Shares withdrawn		

Copy of acknowledgment received from the Registrar to the Offer while tendering the acceptance is being attached herewith.

In respect of DEMAT Shares

Name		
Address		
Number of Shares tendered		
Number of Shares withdrawn		
DP Name		
DP ID		
Beneficiary Account Number		

Photocopy of the delivery instruction slip in off market mode duly acknowledged by DP is attached along with a copy of the acknowledgment received from the Registrar to the Offer while tendering the Shares is being enclosed herewith.

----- **TEAR ALONG THIS LINE** -----

ACKNOWLEDGEMENT SLIP

Folio No _____ DP ID _____ Client ID _____ Sr. No _____

Received from Mr./Ms. _____

residing at _____

a form of withdrawal of Offer of _____ Shares of

Allsec Technologies Ltd along with: Copy of depository instruction slip

Share certificate(s) under folio number(s) _____

along with transfer deed(s).

Stamp of Collection Center	Signature of Official, & Date of Receipt

----- **TEAR ALONG THIS LINE** -----

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

Intime Spectrum Registry Limited
C-13, Kantilal Maganlal Industrial Estate
(Pannalal Silk Mills Compound)
L.B.S. Marg, Bhandup West, Mumbai 400 078
Tel No: 91 22 2596 0320-28
Fax No: 91 22 2596 0329
E-mail: allsecOffer@intimespectrum.com
Contact: Ms. Awani Punjani