

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a shareholder(s) of *SPACE COMPUTER AND SYSTEMS LIMITED* (herein after referred to as “SCSL” or “the Company” or the “Target Company”). If you require any clarification about the action to be taken, you should consult your Stockbroker or Investment Consultant or the Manager to the Offer or the Registrar to the offer. In case you have sold your shares in SCSL, please hand over this Letter of offer and the accompanying FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT, FORM OF WITHDRAWAL and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

Dr. G. Ravichandran,
residing at AE – 166, 4th Avenue, Shanthi Colony, Annanagar, Chennai 600 040, Tele no. (044) 26533166

Mrs. Usha Venkatramani,
residing at No. 9/1, Thiruvengadam Street, Mandaveli, Chennai 600 028, Tele no.24934181
(herein after referred to as the “Acquirers”)

MAKE A CASH OFFER AT Rs. 4.00 PER FULLY PAID-UP EQUITY SHARE (“OFFER PRICE”)

(The price calculated as per the provisions of Regulation 20 (5) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the “Regulations”) and subsequent amendments thereof.)

TO ACQUIRE 16,06,740 EQUITY SHARES

Representing 20.00% of the total issued and subscribed equity share capital and 23.07% of the total voting equity share capital of



SPACE COMPUTER AND SYSTEMS LIMITED

having its registered Office at No.4/751, Mogappair West, Chennai 600 037 Tel No (044) 28283886, Fax No(044) 28239784 .

Please Note:

1. This Offer is made pursuant to provisions of Regulations 10 and 12 and in compliance with the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as “Regulations”) and subsequent amendments thereto.
2. The offer is subject to approval required from RBI for acquiring of shares by the Acquirers and transfer of shares by the Non Resident Shareholders. As on the date of this Letter of offer, there are no other approvals, statutory or otherwise, required under the Companies Act, 1956, Monopolies and Restrictive Trade Practices Act, 1969, the Foreign Exchange Management Act, 1999 and / or any other applicable laws and from any bank and /or financial institutions for the said acquisition.
3. If the aggregate of the valid response exceeds 16,06,740 shares, then, the Acquirers shall accept the shares equal to the offer size i.e. 16,06,740 shares, on a proportionate basis, in consultation with the Manager to the Offer, in accordance with Regulation 21(6) of the Regulations.
4. Upward revision/ withdrawal of offer, if any, would be informed by way of Public Announcement on or before Monday 12th September 2005 in respect of such changes in all the newspapers in which the original Public Announcement was made. The Acquirers shall pay the revised price for all the shares tendered any time during the offer.
5. The procedure of acceptance of this Offer is set out in Section 9 of this Letter of Offer. A Form of Acceptance cum Acknowledgement and an Instrument of Transfer are enclosed with this Letter of Offer.
6. A copy of the Public Announcement dated 20th June 2005 and a copy this Letter of Offer (including Form of Acceptance cum Acknowledgement) is available on SEBI’s website at <http://www.sebi.gov.in/> Form of Acceptance cum Acknowledgement may be downloaded from the said website and used as an application.
7. **Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public Announcement/Letter of Offer, can withdraw the same upto three working days prior to the date of the “closure of the offer”. The request for such withdrawal should reach to the designated centers before 4 p.m. on , Friday 16th September, 2005 by filling the withdrawal form attached herewith.**
8. The offer is not a competitive bid.
9. **If there is competitive bid:**
 - ◆ The public offer under all the subsisting bids shall close on the same date.
 - ◆ As the Offer Price in such circumstance can not be revised during 7 working days prior to the closing date of the offer / bids, it would, therefore, be in the interest of shareholders to wait until the commencement of that period to know the final Offer price of each bid and tender their acceptance accordingly.
10. The Acquirers shall make payment consideration to the shareholders latest by Wednesday 5th October, 2005. The Acquirers reserve the right to withdraw the Offer in terms of Regulation 27 of the Takeover Regulations. In the event of such withdrawal, the same would be notified in the form of a Public Announcement in the same newspapers where the original Public Announcement appeared.
11. No Litigations are pending against the Acquirers.
12. The offer is not conditional.

All further correspondence, if any, should be addressed to the Registrar to the Offer at the address mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>Vivro Financial Services Pvt. Ltd. Contact Person: Mr. Jayesh Vithlani, Company Secretary “Vivro House”, 11, Shashi Colony, Opp. Suvidha Shopping Center, Paldi, Ahmedabad 380006</p> <p>Tel: +91-79-26575666, Fax: +91-79-26575441 E-Mail: ahmedabad@vivro.net</p>	 <p>Cameo Corporate Services Limited Contact Person: Mr. A. Sivasubramanian, Sr. Executive – Shares “Subramaniam building”, V Floor, 1, Club House Road, Chennai – 600 002</p> <p>Tel.: (044) 28460390 Fax: (044) 28460129 Email: siva@cameoindia.com</p>

OFFER OPENS ON 1st SEPTEMBER 2005

OFFER CLOSES ON 20th SEPTEMBER 2005

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER:

Activity	Original Day & date	Revised Day & date
Public Announcement (“PA”) Date	Monday 20 th June, 2005	Monday, 20 th June 2005
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Monday 27 th June, 2005	Monday, 27 th June 2005
Last date for Competitive Bid	Monday 11 th July, 2005	Monday, 11 th July 2005
Date by which Letter of Offer to be posted to the shareholders.	Friday 29 th July, 2005	Monday, 29 th August 2005
Date of Opening of the Offer	Friday 5 th August, 2005	Thursday, 1 st September 2005
Last date for revising the offer price / Number of shares	Wednesday 17 th August, 2005	Monday, 12 th September 2005
Last date up to which shareholders may withdraw	Monday 22 nd August, 2005	Friday, 16 th September 2005
Date of Closure of the Offer	Thursday 25 th August, 2005	Tuesday, 20 th September 2005
Date by which acceptance/ rejection would be communicated and the corresponding payment for the acquired shares and/ or the unaccepted shares/ share certificates will be dispatched/ credited.	Friday 9 th September, 2005	Wednesday, 5 th October 2005

Risk Factors:

1. Post this Offer the Acquirers will be having a significant equity ownership and control over the Target Company pursuant to regulation 10 & 12 and the interest of the Acquirers may conflict with those of the other shareholders.
2. In the event that either (a) a regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of SCSL whose Shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirers may be delayed.
3. The Acquirers intend to acquire 16,06,740 Equity Shares of Rs. 10/- each of SCSL at a price of Rs. 4.00/- per share representing 20.00 % of the total Issued and subscribed equity share capital and 23.07% of the total Voting Capital of the Company under the SEBI Takeover Regulations. Further, the Shares tendered in the Offer in demat form will lie to the credit of a designated escrow account and the shares tendered in physical form will lie with the Registrar to the Offer, till the completion of the Offer formalities. Accordingly, the Acquirers make no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.
4. Acceptance of the Shares tendered in the Offer is subject to receipt of the statutory approvals, as mentioned in Section 8 of this Letter of Offer including the approval from R.B.I. to be taken by the Company, if any in terms of the Foreign Exchange Management Act, 1999. For further details, see Section 8 of this Letter of Offer.

The risk factors set forth above pertain to the Offer and not in relation to the present or future business or operations of SCSL 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. Shareholders of SCSL are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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1) DEFINITIONS / ABBREVIATIONS

Acquirers	1. Dr. G. Ravichanderan. 2. Mrs. Usha Venkatramani
BgSE	The Bagalore Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Company / Target Company	Space Computer and Systems Limited (SCSL)
Date of Closure of Offer	Tuesday 20 th September, 2005
DP	Depository Participant
Eligible Person(s) for the Offer	All owners (registered or unregistered) of the shares (other than Acquirers and parties to SPA) anytime before the date of closure of the Offer
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance / FOA	Form of Acceptance-cum-Acknowledgement
FOW	Form of Withdrawal
HSE	The Hyderabad Stock Exchange Limited
Letter of Offer	This Letter of Offer
Manager / Manager to the offer / Merchant Banker	Vivro Financial Services Private Limited (Vivro)
MSE	The Madras Stock Exchange Limited
NSDL	National Securities Depository Limited
Offer	Open Offer for acquisition of 16,06,740 shares, representing 20.00% of the total issued & subscribed equity share capital and 23.07% of the total voting equity share capital at the Offer Price being made by the Acquirers to the shareholders of SCSL.
Offer Price	Rs. 4/- per share determined under Regulation 20(5) of the Takeover Regulations.
PA	Public Announcement dated 20 th June 2005
Registrar / Registrar to the Offer	Cameo Corporate Services Limited
SEBI	Securities and Exchange Board of India
Shares	Equity Shares of Rs. 10/- each of SCSL
Specified Date	Date for the purpose of determining the names of the shareholders, as appearing in the Register of Members of SCSL to whom the letter of offer will be sent i.e. 27 th June 2005, Monday
Takeover Regulations / Regulations / Takeover code	Securities And Exchange Board Of India (Substantial Acquisition Of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

2) **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 space computer and systems limited (“the company”) to take an informed decision with regard to the offer. Sebi does not take any responsibility either for the financial soundness of the acquirers or of the company whose shares / control are / is proposed to be acquired or for the correctness of the statements made or opinions expressed in the letter of offer. It should also be clearly understood that, while the acquirers are primarily responsible for the correctness, adequacy, and disclosure of all relevant information in this letter of offer, the manager of the offer is expected to exercise due diligence to ensure that the acquirers duly discharge their responsibility adequately. In this behalf, and towards this purpose the manager of the offer – vivro financial services pvt. Ltd. Has submitted due diligence certificate -dated 25/6/2005 to sebi in accordance with the sebi (substantial acquisition of shares and takeover) regulations 1997 and subsequent amendments thereof. The filing of the letter of offer does not however absolve, the acquirers from the requirement of obtaining such statutory clearances as may be required for the purpose of the offer.

3) DETAILS OF THE OFFER

3.1 Background of the Offer

- a) This Offer is being made by the Acquirers in compliance with Regulations 10 and 12 of the Regulations. The prime object of the Offer by the Acquirers is substantial acquisition of shares and voting rights accompanied with change in control/ management of SCSL.
- b) On 18th June 2005, the Acquirers have entered into three Share Purchase Agreements (hereinafter referred to as “SPAs”) with the existing promoters viz. Mr. Hasan Abdul Khadar, Mr. H. Ratnakumar and Mr. Anoop Balraman and with some of the existing non promoter shareholders (“the Sellers”) of the Target Company to acquire from them aggregating 30,90,900 Equity Shares representing the 38.47% of the total Issued and Subscribed Capital and 44.37% of the Voting Share Capital of the Target Company at a price of Rs.0.25 (Paise Twenty Five Only) [“Negotiated Price”] per Equity Share, payable in cash and to acquire the control of the Target Company and that triggered the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The above referred acquisition of shares were as under:

Sr. No.	Name of the Existing Shareholders	No of Shares held as on the date of the SPA the SPA	Share agreed to be acquired under the SPA	Shares agreed to be acquired by Dr. G. Ravichanderan	Shares agreed to be acquired by Mrs. Usha Venkatramani	Total Shares agreed to be Acquired
SPA -- I						
1.	MR.HASAN ABDUL KHADAR	2,50,000	2,50,000	1,25,000	1,25,000	2,50,000
2.	MR. H. RATNA KUMAR	2,50,000	2,50,000	1,25,000	1,25,000	2,50,000
3.	MR. ANOOP BALRAMAN	2,50,000	2,50,000	1,25,000	1,25,000	2,50,000
	Sub Total [A]	7,50,000	7,50,000	3,75,000	3,75,000	7,50,000
SPA -- II						
	MR.DAKSHNAMURTHY	2,50,000	2,50,000	2,50,000	-----	2,50,000
	MRS.SAROJA ANNASAMY	1,50,000	1,50,000	1,50,000	-----	1,50,000
	MR.R.CHANDRASEKARAN	2,50,000	2,50,000	1,25,000	1,25,000	2,50,000
	MR.R.SHANMUGA KUMAR	2,50,000	2,50,000	-----	2,50,000	2,50,000
	Sub Total [B]	9,00,000	9,00,000	5,25,000	3,75,000	9,00,000
SPA --- III						
1	A RAJAVARMAN	8500	8500	8500	-----	8500
2	AS SUNDHARESAN	5500	5500	5500	-----	5500
3	ABID ALL	5000	5000	5000	-----	5000
4	ANJUM BAIG	5500	5500	5500	-----	5500
5	AUGSTAIN DAVID	7000	7000	7000	-----	7000
6	BARUMUGAM	3500	3500	3500	-----	3500
7	BARATHKUMAR	9000	9000	9000	-----	9000
8	D CHANDRAN	8000	8000	8000	-----	8000
9	DSENTHILKUMAR	5000	5000	5000	-----	5000
10	D SURESH	9500	9500	9500	-----	9500
11	DVSSARMA	7000	7000	7000	-----	7000
12	E MARIAPPAN	7500	7500	7500	-----	7500
13	E SAMPATHKUMAR	9500	9500	9500	-----	9500
14	FARTHULLAN	9000	9000	9000	-----	9000
15	G ELANGO VAN	5000	5000	500	4500	5000
16	G LOGASIGAMANI	7000	7000	-----	7000	7000
17	G PEER MOHAMED	6500	6500	-----	6500	6500
18	GRADHA	15000	15000	-----	15000	15000
19	G RAVI	5000	5000	-----	5000	5000
20	G SUDHARSUN	9500	9500	-----	9500	9500
21	GANGA NATARAJAN	6500	6500	-----	6500	6500
22	GOVINDRAJAN	5000	5000	-----	5000	5000
23	H RAMAKRISHNAN	5000	5000	-----	5000	5000
24	H VELAYUTHAM	6000	6000	-----	6000	6000
25	J VADIVELU	6500	6500	-----	6500	6500

26	JAGANATHAN	7000	7000	-----	7000	7000
27	JANARDAN RAO	17000	17000	-----	17000	17000
28	JAYANTHI MANI	5000	5000	-----	5000	5000
29	JAYESH MENON	6000	6000	-----	6000	6000
30	K BALAKRISHNAN	6000	6000	-----	6000	6000
31	KGMANI	8500	8500	-----	8500	8500
32	KGANESAN	5500	5500	-----	5500	5500
33	K GOPIKUMAR	9000	9000	-----	9000	9000
34	KJAGANATHAN	6500	6500	-----	6500	6500
35	K KRISHNAKUMAR	5000	5000	-----	5000	5000
36	K NARAYAN KUTTY	4500	4500	-----	4500	4500
37	K RAJALAKSHMI	6800	6800	-----	6800	6800
38	KSETHUMADAVAN	9000	9000	-----	9000	9000
39	K SUBBIAH	6000	6000	-----	6000	6000
40	K SUBRAMANIAM	9000	9000	-----	9000	9000
41	KALYANI RAMACHANDRA	7000	7000	-----	7000	7000
42	KVPRASAD	6500	6500	-----	6500	6500
43	KAMALA	5000	5000	-----	5000	5000
44	LAKSHMI REDDY	6500	6500	-----	6500	6500
45	LOKESWARI	8500	8500	-----	8500	8500
46	M S MURUGESAN	6500	6500	-----	6500	6500
47	M SIVASREE	5600	5600	-----	5600	5600
48	MAGESH JAIN	6500	6500	-----	6500	6500
49	MALINI HARIHARAN	10000	10000	-----	10000	10000
50	MOHAMED BASHA	12000	12000	-----	12000	12000
51	MOHAMED IBRAHIM ALI	7000	7000	-----	7000	7000
52	MUNIYANDI	5000	5000	-----	5000	5000
53	MURGAPPAN	4000	4000	-----	4000	4000
54	MUTHUKARUPPAN	6800	6800	-----	6800	6800
55	N G SRINIVASA REDDY	6000	6000	-----	6000	6000
56	N KRISHNAMURTHY	5500	5500	-----	5500	5500
57	N RAMACHANDRAN	8500	8500	-----	8500	8500
58	N SWAMINATHAN	12000	12000	-----	12000	12000
59	NTHIYAGARAJAN	7000	7000	-----	7000	7000
60	NVSANKARAPPA	8500	8500	-----	8500	8500
61	NARAYANAN	5400	5400	-----	5400	5400
62	NARSIAHULU	6500	6500	-----	6500	6500
63	NARYAN REDDY	18000	18000	-----	18000	18000
64	NIRMALA KRISHNAMURTI	10000	10000	-----	10000	10000
65	P BHASKARAN	7000	7000	-----	7000	7000
66	PKBHASKAR	5500	5500	-----	5500	5500
67	P KARTHICK	6000	6000	-----	6000	6000
68	P MANIVANNAN	4000	4000	-----	4000	4000
69	P NAGARAJAN	6500	6500	-----	6500	6500
70	P RAGHUNATHAN	7500	7500	-----	7500	7500
71	PSPARAMESWARAN	4000	4000	-----	4000	4000
72	P T JANAKIRAMAN	9500	9500	-----	9500	9500
73	PHILIP MATHEWS	6500	6500	-----	6500	6500
74	RALAGENDRAN	10000	10000	-----	10000	10000
75	R KUMARASWAMY	21000	21000	-----	21000	21000
76	R MQHAN	8000	8000	-----	8000	8000
77	R MUTHULAKSHMI	9000	9000	-----	9000	9000
78	R PITCHAI	6000	6000	-----	6000	6000
79	R RAMAKRISHNAN	4500	4500	-----	4500	4500
80	R SUBRAMANIAN	5500	5500	-----	5500	5500
81	RADHA ARLJUGAM	10000	10000	-----	10000	10000
82	RAM SUBRAMANIAM	18000	18000	-----	18000	18000
83	RAMCHANDRAN	5000	5000	-----	5000	5000

84	RAMMOHANRAO	8500	8500	-----	8500	8500
85	RAVISHANKAR	4000	4000	-----	4000	4000
86	SABDUSALEEM	6500	6500	-----	6500	6500
87	S ASHOK KUMAR	6500	6500	-----	6500	6500
88	S HARIHARAN	7500	7500	-----	7500	7500
89	SJDDEVASAGAYAM	5000	5000	-----	5000	5000
90	S KUMARESAN	7000	7000	-----	7000	7000
91	S MEGANATHAN	7000	7000	-----	7000	7000
92	S N NARSHIMAN	10000	10000	-----	10000	10000
93	SANKARAN 9000	9000	9000	-----	9000	9000
94	SAROJ KAMATH	7500	7500	-----	7500	7500
95	SELVA KUMAR	15000	15000	-----	15000	15000
96	SELVAKUMAR	5500	5500	-----	5500	5500
97	SRIDHARAN	7500	7500	-----	7500	7500
98	SRIVARMA RAO	19000	19000	-----	19000	19000
99	SUBBA RAO	9500	9500	-----	9500	9500
100	T M PARTHASARATHY	8500	8500	-----	8500	8500
101	T NALINI	8500	8500	-----	8500	8500
102	U GOPTNAHAN	6500	6500	-----	6500	6500
103	UJHON	4500	4500	-----	4500	4500
104	U M KANNAN	6900	6900	-----	6900	6900
105	V ARUNAGIRI	6000	6000	-----	6000	6000
106	V BALACHANDRAN	5000	5000	-----	5000	5000
107	VGSAMBANTHAM	8500	8500	-----	8500	8500
108	VSREERAM	7500	7500	-----	7500	7500
109	VTHANGARAJ	6000	6000	-----	6000	6000
110	VUDAYAKUMAR	5500	5500	-----	5500	5500
111	VENKATESH RAO	8000	8000	-----	8000	8000
112	VIJAY KUMAR REDDY	10000	10000	-----	10000	10000
113	VISWANATHAN	5500	5500	-----	5500	5500
114	VIVEKANDAN	6500	6500	-----	6500	6500
115	APARNA SUKLA	25000	25000	-----	25000	25000
116	ASEEM KUMAR SHUKLA	25000	25000	-----	25000	25000
117	ALAGAPPAN K	72000	72000	-----	72000	72000
118	LAKSHMI R V	41000	41000	-----	41000	41000
119	KUMARGN	41000	41000	-----	41000	41000
120	SWAMINATHAN N	40000	40000	-----	40000	40000
121	MANIKANDAN R B	40000	40000	-----	40000	40000
122	NAGARAJAN R	32000	32000	-----	32000	32000
123	GOWN SHANKAR	32000	32000	-----	32000	32000
124	CHALPATI RAO	25000	25000	-----	25000	25000
125	BABU NARAYANAN V	25000	25000	-----	25000	25000
126	KNISHNAKUMAR C	22000	22000	-----	22000	22000
127	AJAYAGARWAL	20000	20000	-----	20000	20000
128	S SUDHERSUN	20000	20000	-----	20000	20000
129	V SARASWATHI	11000	11000	-----	11000	11000
130	SPICE CO.	400	400	-----	400	400
131	S RAJAGOPALAN	5000	5000	-----	5000	5000
132	ANIL KUMAR KEDIA	20000	20000	-----	20000	20000
133	BIJAY AGARWAL	5500	5500	-----	5500	5500
134	CHHAGANLAL TEJRAJ LAIN	10000	10000	-----	10000	10000
135	K.VINDHYA RANI	10000	10000	-----	10000	10000
136	KAMALESH AGARWAL	11500	11500	-----	11500	11500
137	R.SUNDERRAJ	44000	44000	-----	44000	44000
	Sub Total [C]	14,40,900	14,40,900	1,00,000	13,40,900	14,40,900
	Grand Total [A + B +C]	30,90,900	30,90,900	10,00,000	20,90,900	30,90,900

The summary of the major terms of the SPAs are as follows:

- (1) Under the above-mentioned three SPAs, Dr. G. Ravichanderan and Mrs. Usha Venkatramani propose to acquire 10,00,000 Fully Paid Up Equity Shares and 20,90,900 Fully Paid Up Equity Shares respectively. Thus the Acquirers have agreed to acquire 30,90,900 equity shares representing 38.47% of the issued and subscribed share capital and 44.37% of the voting share capital of the Company. Details of the acquisition are as under:
 - i. The Acquirers have agreed to acquire 7,50,000 equity shares of the Company from the present promoters of the Company under SPA I.
 - ii. The Acquirers have agreed to acquire 14,40,900 equity shares of the Company from the present non-promoters shareholders of the Company under SPA II,
 - iii. The Acquirers have agreed to acquire 9,00,000 equity shares of the Company from the Non promoter shareholders of the Company under SPA III.
- (2) The purchase consideration payable under the SPAs has been fixed on the basis of the negotiation between the parties to the SPAs.
- (3) The purchase consideration payable under the SPAs has been paid simultaneously with the execution of the SPAs.
- (4) The Acquirers shall comply with all the obligations of the “Acquirers” under the Regulations and in case of the non-compliance with the provisions of the Regulations; the Parties to the SPA shall not act upon these SPAs.
- (5) In case of termination of the SPAs, the Sellers shall forthwith refund to the Acquirers the full amount of the purchase consideration paid under the said SPAs.
- (6) The sale of the shares under the SPAs shall be completed simultaneously on or before the expiry of three working days from the date of certification by the Merchant banker that all the formalities under the Regulations for the offer have been completed.
- (7) Mr. S M. Jahufar Sadique, Mr. K. Albin Xavier Chacho and Mr. Mohammed Jalal who are the representative directors of the present promoters would resign from the directorship of the Target Company on or before the expiry of the three working days of the certification by the Merchant banker that all the formalities under the SEBI Regulations for the offer have been completed.
 - c) The acquirers did not acquire any fully paid up or partly paid up equity shares during 12 months proceeding the date of PA in the Target Company
 - d) The offer is not as a result of a Global Acquisition resulting in indirect acquisition of Target Company.
 - e) Neither Acquirers nor the Target Company nor sellers have been prohibited by SEBI from dealing in the securities in terms of directions issued under Section 11B of SEBI Act or under any of the regulations made under the SEBI Act.
 - f) The Acquirers have decided to change the composition of Board of Directors of SCSL and for such a change, the promoters of the Target company shall cooperate them for the restructuring as per one of the terms of the SPA.
 - g) The Manager to the Offer i.e. Vivro Financial Services Pvt. Ltd. does not hold any share in the Target Company as on the date of PA. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the offer till the expiry of 15 days from the date of closure of offer.

3.2 Details of the proposed Offer:

- a) The Public Announcement dated 20th June 2005 was made in the following newspapers, in accordance with Regulation 15 of the Takeover Regulations

Newspapers	Language	Editions
Business Standard	English	All Editions
Pratah Kal	Hindi	All Editions
Dinabhoomi	Tamil	Tamilnadu Edition

The Public Announcement dated 20th June 2005 is also available on SEBI's website at <http://www.sebi.gov.in/>

- b) The Acquirers are making an offer to the public shareholders of SCSL to acquire 16,06,740 equity shares (“Shares”) of Rs. 10/- each representing 20.00 % of the total issued & subscribed equity share capital and 23.07% of the total voting equity share capital of SCSL at a price of Rs. 4/- (Rupees Four Only) per equity share (“Offer Price”) payable in cash . The offer price for partly paid shares will be adjusted to the extent unpaid as per Regulation 20(10) of the regulations. However such offer may be subjected to payment of interest on un paid calls. Accordingly the offer price for the partly paid up shares shall be Re. 2/- per share i.e. Amount offered to fully paid up shares (Rs.4/- per share) taken proportionately in relation to calls in arrears (Rs. 5 per share). The fair value of shares as on 1st June 2005 as per the fresh valuation report is

Rs. 3.88 per share. So the Offer price of Rs.4/- per share is justified in terms of Regulation 20(5) of the Regulations. The individual Acquirers shall acquire such shares in the following numbers:

Name of the Acquirers	Number of shares of Target Company to be acquired
Dr. G. Ravichanderan	20,000
Mrs. Usha Venkatramani	15,86,740
Total	16,06,740

- c) If the aggregate of the valid response exceeds 16,06,740 shares, then, the Acquirers shall accept the shares equal to the offer size i.e. 16,06,740 shares, on a proportionate basis, in consultation with the Manager to the Offer, in accordance with Regulation 21(6) of the Regulations. In such an event all the equity shares tendered by the applicant may not be accepted.
- d) The Offer is NOT conditional upon any minimum level of acceptance by the shareholders.
- e) The Acquirers have not acquired any shares of SCSL after the date of the Public Announcement till the date of this Letter of Offer.
- f) The Equity Shares of SCSL to be acquired, pursuant to the offer shall be, free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid.
- g) This is not a competitive bid.
Further, terms and conditions of the offer are set out in Section 8 of this Letter of Offer. The procedure for sending acceptance and settlement is set out in Section 8 of this Letter of Offer.

3.3 Objects of the Acquisition / Offer

- a) The Offer has been made pursuant to Regulation 10 and 12 and other provisions of Chapter III and in compliance with the Regulations. The acquisition is for substantial acquisition of shares and voting rights accompanied with change in control / management
- b) The Acquirers entered into a Share Purchase Agreements on 18th June 2005 with the promoters of the Target company and some of the existing non-promoters shareholders of the Target Company and acquired the shares equivalent to 38.47% of the total issued and subscribed equity share capital and 44.37% of the total voting equity share capital of the Target Company. The acquisition triggered the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and as per the said Regulations they were required to make a Public Announcement for the acquisition of at least 20% of the total equity share capital of the Target Company and comply with all the relevant provisions of the SEBI Takeover Regulations.
- c) Accordingly, the Acquirers pursuant to such a Share Purchase Agreements and acquisition are now making this offer to the Public Shareholders of the Company for acquisition of 16,06,740 equity shares representing 20.00% total issued & subscribed equity share capital and 23.07% of the total voting shares capital the Company so as to ensure compliance with the regulations.
- d) Space Computer and Systems Limited is presently engaged in the business of Software Development and System Integration Consultancy. The company specializes in areas of client-server, component based models, web enabled applications and object oriented technologies. The Acquirers by virtue of their managerial and administrative expertise intend to enter in to Telemedicine project in large scale by taking management control through acquisition of shares of Target Company. By virtue of this acquisition the Acquirers will get substantial shareholding entitling them to exercise control over the Target Company.

4) BACKGROUND OF THE ACQUIRERS

I. Dr. G. Ravichanderan

- a) Dr. G. Ravichanderan, aged 34 years, ("individual"), being an Indian citizen, (a person resident in India), is residing at AE -166 4th Avenue, Shanthy Colony, Annanagar, Chennai 600 040 (Tel No. 26533166).
- b) Dr. G. Ravichanderan is a physician having an experience of 8 years as an orthopedic consultant.
- c) The net worth of Dr. G. Ravichanderan as on 31st May 2005 is Rs. 45,50,000/- as per the certificate dated 6/6/2005 issued by Mr. M.B. Srinivasan, (Membership no. 200/27630) Chartered Accountant, Partner of Sri & Co., having their office at 27, II Floor, Ramakrishna Street, T. Nagar, Chennai 600 017 (Telephone No. (044) 28140850 Fax No. (044) 28143170, E-mail address srco@md4.vsnl.net.in).
- d) The Acquirer Dr. G. Ravichanderan has never been a shareholder of the target company and hence the compliance of provisions of Regulation 7(1) and (2) of Chapter II of Takeover Regulations regarding the disclosure of his shareholding in the Target Company to the Target

company and the stock exchanges where shares of the target company are listed within 2 days of the date of acquisition of such shares doesn't arise.

- e) Dr. G. Ravichanderan is presently not holding the directorship in any company.
- f) Dr. G. Ravichanderan does not have any intention to dispose of or otherwise encumber any assets of the Company in the next two years from the date of the closure of the offer, except in the ordinary course of business with the prior approval of the shareholder of the Company.
- g) Except with the approval of the shareholders of SCSL, the Acquirer undertakes that he will not sell, dispose of or otherwise encumber any substantial assets of SCSL.
- h) No Litigations are pending against Dr. G. Ravichanderan.
- i) Dr. G. Ravichanderan does not hold any shares in SCSL as on date and is not a director in the Target Company.
- j) He has neither promoted any listed company nor has any controlling stake in any listed Company.

II. Mrs. Usha Venkatramani

- a) Mrs. Usha Venkatramani, aged 41 years, being an Indian citizen (a person resident in India) is residing at No. 9/1, Thiruvengadam Street, Mandaveli, Chennai – 600 028, Tele no. 24934181
- b) She is a producer of short television serials in Tamil and a distributor of musical and religious audio-cassettes.
- c) The net worth of Mrs. Usha Venkatramani as on 31st May 2005 is Rs. 2,41,75,000/- as per the certificate dated 6/6/2005 issued by Mr. M.B. Srinivasan, (Membership no. 200/27630) Chartered Accountant, partner of Sri & Co., having their office at 27, II Floor, Ramakrishna Street, T. Nagar, Chennai 600 017 (Telephone No. (044) 28140850 Fax No. (044) 28143170, E-mail address srico@md4.vsnl.net.in).
- d) The Acquirer Mrs. Usha Venkatramani has never been a shareholder of the target company an hence the compliance of the provisions of Regulation 7(1) and (2) of Chapter II of Takeover Regulations regarding the disclosure of his shareholding in the Target Company to the Target company and the stock exchanges where shares of the target company are listed within 2 days of the date of acquisition of such shares doesn't arise.
- e) She is presently holding the directorship in the following mentioned companies: M/s. Eyelight Events and promoters (India) Pvt Ltd.
- f) Mrs. Usha Venkatramani does not have any intention to dispose of or otherwise encumber any assets of the Company in the next two years from the date of the closure of the offer, except in the ordinary course of business with the prior approval of the shareholder of the Company.
- g) Except with the approval of the shareholders of SCSL, the Acquirer undertakes that she will not sell, dispose of or otherwise encumber any substantial assets of SCSL.
- h) No Litigations are pending against Mrs. Usha Venkatramani.
- i) Mrs. Usha Venkatramani does not hold any shares in SCSL as on date and is not a director in the Target Company.
- j) Mrs. Usha Venkatramani is promoter of G V Films Limited and Kaashyap Radiant Systems Ltd.

The Acquirers Dr. G. Ravichanderan and Mrs. Usha Venkatramani are not related to each other.

Brief Particulars of other Ventures promoted by Ms. Usha Venkatramani are given below:

a)	G V Films Ltd.	
	Name of the Company	G V Films Ltd.
	Date of Incorporation	March 7, 1989
	Name of The Directors	Mr. Mahadevan Ganesh, Mr. A. Venkatramani, Mr. P.R. Ramanan, Mr. V.P. Mani, Mr. P. Raghuraman
	Nature of Business	Integrated Film production, exhibition And Distribution Company.

Brief Financial based on audited accounts are given below: (Rs. in Lacs)

Particulars	31.03.2005	31.03.2004	31.03.2003
Equity Capital	5775.00	5775.00	1925.00
Reserves & Surplus	8992.27	8957.35	8346.54
Total Income	288.51	258.09	1982.00
Profit After Tax	34.93	(27.97)	(18.34)
Earnings Per Share	0.01	(0.05)	(0.10)
Net Assets Value Per share	2.55	2.55	5.34

- b) **Kaashyap Radiant Systems Limited (KRSL)**
 Name of the Company Kaashyap Radiant Systems Limited (KRSL)
 Date of Incorporation May 21, 1997
 Name of The Directors Mr. A. Ganesan, Mr. A. Venkatramani,
 Mr.Raghuraman Tandra
 Nature of Business Computer Education & Training, Projects and Consultancy activities.

Brief Financials based on audited accounts are given below:

Particulars	(Rs. in Lacs)		
	18 months ended 31.03.2002*	12 months ended 30.09.2000*	12 months ended 30.09.1999*
Equity Capital	2628.47	1194.67	715.58
Reserves & Surplus	7621.10	3233.10	198.79
Total Income	5516.73	2829.11	1072.78
Profit After Tax	(619.03)	727.48	152.95
Earnings Per Share	(1.92)	6.08	1.29
Net Assets Value Per share	30.38	34.80	37.81

* As per Latest Audited Annual Accounts.

5) DELISTING OPTION TO THE ACQUIRERS IN TERMS OF REGULATION 21 (3)

The Public Shareholding shall not reduce to a level below the limit specified in the Listing Agreement with the stock exchanges for the purpose of listing on continuous basis as a consequence of the Offer. Hence the provision of Regulation No. 21(3) does not apply.

6) BACKGROUND OF SPACE COMPUTER AND SYSTEMS LIMITED (The “Target Company”)

6.1 Location of the Company

Space Computer and Systems Limited (SCSL) was incorporated as a private limited company on 21st September 1990 under the Companies Act, 1956 and subsequently converted into a public limited company on 27th December 1999 vide fresh Certificate of Incorporation dated 23rd February 2000. The Registered Office of the company was situated at No.131/C, Perumal Koil Street, Allapakkam, Chennai-600 116, subsequently the said Registered Office of the Target Company has been shifted to No. 4/751, Mogappair West, Chennai – 600 037 with effect from 16th November 2004.

6.2 Brief History and Main Areas of Operation

The company had been promoted by Mr. Hasan Abdul Khadar, Mr. H. Ratnakumar and Mr. Anoop Balraman. The present Directors of the Company are Mr. Albin Xavier Chacko, Mr. S. M. Jahufar Sadique, Mr. Mohammed Jalal, Mr. R. Chandrasekaran, Mr. Sunil G Raheja, Mr. P. V. Vijayraghavan, Mr. P. Sreehari Rao, Mr. V. R. Balasubramaniyan and Ms. M. Geetha.

- a) The Target Company is engaged in the business of Software Development and System Integration Consultancy. The company specializes in areas of client-server, component based models, web enabled applications and object oriented technologies.

6.3 Details of the manufacturing facilities of the company

The company is engaged in the Software Development and System Integration Consultancy and it is not carrying on any manufacturing activity. So there are no manufacturing facilities available with the company.

6.4 Share Capital Structure of SCSL

- a) The Share Capital Structure of SCSL as on 31st March, 2005 is as follows:

	No. of shares	Face Value	% of voting rights
Authorized Equity Capital	85,00,000	10	---
Issued and subscribed Equity Capital	80,33,700	10	---
Fully paid – up equity shares	69,65,900	10	100
Partly paid – up equity shares *	10,67,800	10	---
Total voting rights in Target Company			100

- There are 10,67,800 partly paid up equity shares of Rs. 10/- each . There are calls in arrears of Rs. 5/- per share in respect of 10,67,800 Equity shares. In pursuance of Section 181 of the Companies Act, 1956 read with the Articles of Association of SCSL, in order to calculate 23.07% of the voting capital to make the Open Offer within the meaning of the Regulation 21 (1) of the Regulations, Equity shares in which calls are in arrears have not been taken in to consideration.

6.5 Details of the changes in share capital of the Target Company since incorporation

Date of Allotment	Equity shares		Cumulative Equity Paid-up Capital		Mode of Allotment	Identity of Allottees (Promoters / Ex. Promoters / others)	Status of Compliance
	No. of shares	%					
21.9.90 (Incorporation)	400	0.005	400	10	Cash	Subscribers	Complied
18.2.95	61600	0.767	62000	10	Cash	Allotted to Promoters	Complied
8.1.96	698000	8.688	760000	10	Cash	Allotted to Promoters/ Others	Complied
15.9.96	355500	4.425	1115500	10	Cash	Others	Complied
20.3.98	900000	5.477	2015500	10	Cash	Others	Complied
15.3.99	505000	11.203	2520500	10	Cash	Others	Complied
17.4.99	440000	6.286	2960500	10	Cash	Others	Complied
18.4.2000	2039500	25.387	5000000	10	Cash	Others	Complied
25.5.2000	3033700	37.762	8033700	10	Cash	Others	Complied
Total	8033700	100.00					

The equity shares of the Company are listed on the Madras Stock Exchange Limited, (MSE) The Bangalore Stock Exchange Limited (BgSE) and The Hyderabad Stock Exchange Limited.(HSE). The Annualized Trading Turnover of the equity shares of the Company on MSE during the preceding six months i.e. from 1st December 2005 to 31st May 2005, prior to the month in which this PA is required to be made is NIL (Based on the certificate of the MSE, BgSE and HSE dated 31st May 2005), being less than 5% of the total listed equity shares of the Company. Based on the above information, the equity shares of the Company are deemed to be infrequently traded in terms of explanation (i) to Regulation 20(5) of the Regulations and hence the Offer Price is determined in accordance with the requirement of Regulation 20(5) of the Regulations.

- 6.6** There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date. There are no shares under lock-in period. There has been no merger / de-merger or spin off in the Company during the past three years.
- 6.7** There are 10,67,800 partly paid up equity shares.
- 6.8** SCSL has complied with the applicable provisions of Chapter II of SEBI Takeover Regulations and the extent of compliance with the same has been furnished herein below. SEBI may initiate adjudication against SCSL/ Promoters / Sellers under SEBI Act for non compliance with regulation 8(3) of the SEBI (SAST) Regulations.

Sr. No.	Regulation / Sub-regulation	Due Date for compliance as mentioned in regulation	Actual date of compliance	Delay, if any (in No. Of days) Col.4-Col. 3	Remarks
1	2	3	4	5	6
1.	6(2)	20.05.1997	NA	NA	Company was listed on 14 th June 2000
2.	6(4)	20.05.1997	NA	NA	Company was listed on 14 th June 2000
3.	8(3)	30.04.1998	NA	NA	Company was listed on 14 th

					June 2000
4.	8(3)	30.04.1999	NA	NA	Company was listed on 14 th June 2000
5.	8(3)	30.04.2000	NA	NA	Company was listed on 14 th June 2000
6.	8(3)	30.04.2001	24.08.2001	116	-----
7.	8(3)	30.04.2002	02.05.2002	2	-----
8.	8(3)	30.04.2003	11.04.2005	710	-----
9.	8(3)	30.04.2004	11.04.2005	345	

6.9 SCSL has complied with various requirement under the Listing Agreement with MSE, BgSE and HSE.

6.10 Present Composition of the Board of Directors of SCSL as on the date of the PA:

Name of the Director	Original Appointment Date as Director	No. of Shares held (before acquisition)	Experience years of experience	Qualification	Residential Address
K Albin Xavier Chacko	05.12.2001	NIL	14 years of experience in Computer software industry	NA	Sri Venkateshwara Apts, D Block, Prem Vijay Nagar, New Miralguda, Malkajgiri, Hyderabad – 42.
S M Jahufar Sadique	21.11.2001	NIL	13 years of experience in Computer Hardware industry both in India and abroad	Arts Graduate & Diploma in Computer Application I	No 29, Kandappa Street, Purasawalkam, Chennai – 600 007.
Mohamed Jalal	31.10.2002	NIL	13 years of experience in Computer Hardware industry both in India and abroad	Commerce Graduate	72, Moore Street, Mannady, Chennai – 1.
R Chandrasekaran	29.10.2004	250000	11 years experience in Systems and Administration.	MSc Mathematics	64, V R D Nagar, Madhavaram, Chennai - 60
Sunil G Raheja	31.01.2005	217500	11 years experience in Building construction	BA (CS)	57A, Subramaniam Street, Flat 7, 2 nd Floor, Sreshta Abhiramapuram, Chennai – 18.
P V Vijayaraghavan	27.02.2005	NIL	20 years of work experience as orthopedic surgeon	DNB (Ortho) MCh (Liverpool)	S2, 48/6, Muthukumarappa Street, Saligramam, Chennai – 93.
P Sreehari Rao	27.02.2005	NIL	30 years of work experience in plastic surgery	BVSC MBBS MS (Plastic) FMHC	164/116, NTR Street, Rangarajapuram, Kodambakkam, Chennai – 24.

V R Balasubramaniyan	29.04.2005	NIL	25 years of rich experience in Journalism.	NA	14, Asthalakshmi Street, Muthulakshmi Nagar, Chittlapakkam, Chennai
Mrs. M Geetha	09.05.2005	NIL	NA	B.Sc. Zoology	13/8, Binny Road, Poes Garden, Chennai – 600 086.

6.11 The Acquirers do not have any representative on the Board of Directors.

6.12 Brief audited financials of SCSL

The summarized consolidated financial statements of SCSL are as follows:

(a) Profit and Loss Statement

(Rs. in Lacs)

Profit & Loss Statement	31 st March 2003	31 st March 2004	31 st March 2005
Income from operations	67.00	48.97	120.46
Other Income	2.96	1.02	0.45
Total Income	69.96	49.99	120.91
Total Expenditure.	49.17	37.06	74.26
Profit Before Depreciation Interest and Tax (PBIDT)	20.79	12.93	46.65
Depreciation	18.84	11.31	9.81
Interest	NIL	NIL	NIL
Profit Before Tax (PBT)	1.95	1.62	36.84
Provision for Tax	0.14	0.12	2.83
Deferred Tax	(2.27)	NIL	(2.20)
Net profit transferred to Balance sheet	4.08	1.50	36.21

(b) Balance Sheet Statement

(Rs. in Lacs)

Balance Sheet Statement	31 st March 2003	31 st March 2004	31 st March 2005
Sources of Funds:			
Paid up share Capital	696.59	696.59	749.98
Reserves & Surplus	482.66	484.15	573.75
Deferred Tax Liability	14.87	14.87	12.66
Secured Loans	NIL	NIL	NIL
Unsecured Loans	NIL	NIL	NIL
Total	1194.12	1195.61	1336.39
Use of Funds:			
Net Fixed Assets	1067.34	1067.04	1005.61
Capital work in progress	NIL	NIL	85.91
Investment	NIL	NIL	NIL
Net Current Assets	114.72	122.46	244.70
Total Misc. Exp. Not written off	12.06	6.11	0.17
Profit and Loss Account	NIL	NIL	NIL
Total	1194.12	1195.61	1336.39
Net Worth	1167.19	1174.63	1323.56

* the paid up share capital of the company was increased

Other Financial Data	For the Year 2003	For the Year 2004	For the Year 2005
Dividend (%)	NIL	NIL	NIL
Earning Per Share	0.05	0.02	0.46
Return on Net worth %	0.35	0.125	2.40
Book Value Per Share	16.97	17.08	18.95

Source: The above financial data has been taken from the audited annual accounts of SCSL for the year, 2002 – 2003 and 2003 – 2004 and 2004-2005.

6.13 Comparison of Financial Results

a) Year ended 31st March 2005 compared to year ended 31st March 2004

During the year ended 31st March, 2005 there was an increase in Total Income of the company by 71.49 Lacs as compared with the total income of the financial year ended 31st March, 2004. For the financial year ended 31st March, 2005 there was an increase of 360.78 % in Profit before Depreciation, Interest & Tax as compared to that of financial year ended 31st March 2004. The Profit before tax of the financial year ended 31st March, 2005 increased to Rs. 36.84 lacs as compared to the same of Rs. 1.62 lacs for financial year ended 31st March, 2004. Again the Profit After Tax of year ended 31st March 2005 increased to Rs. 36.21 lacs as against Rs. 1.5 lacs for year ended 31st March 2004.

b) Year ended 31st March 2004 compared to year ended 31st March 2003

During the year ended 31st March, 2004 there was a decrease in Total Income of the company by 18.03 lacs as compared with the total income of the financial year ended 31st March 2003. For the financial year ended 31st March, 2004 the Profit before Depreciation, Interest & Tax decreased to Rs. 12.93 lacs as compared to Rs. 20.79 lacs for that of financial year ended 31st March 2003. There was a

6.14 Pre and Post- Offer share holding pattern of SCSL as on the date of letter of offer

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer		Shares /voting rights agreed to be acquired which triggered off the Regulations.		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer. i.e. (A)+(B)+(C)	
	(A) No.	(A) %	(B) No.	(B) %	(C) No.	(C) %	(D) No.	(D) %
1. Promoter Group								
a) Parties to agreement, if any	750000	10.76	(750000)	(10.76)	----	----	----	----
b) Promoters other than 'a' above	----	----	----	----	----	----	----	----
Total (1) (a+b)	750000	10.76	(750000)	(10.76)	----	----	----	----
2. Acquirers								
a) Main Acquirers								
1. Dr. G. ravichanderan	----	----	1000000	14.35	20000	0.28	1020000	14.64
2. Mrs. Usha Venkatramani	----	----	2090900	30.00	1586740	22.78	3677640	52.80
b) PACs	----	----	----	----	----	----	----	----
Total (2) (a+b)	----	----	3090900	44.35	1606740	23.06	4697640	67.44
3. Parties to Agreement other than 1(a) & 2 above	2340900	33.62	(2340900)	(33.62)	----	----	----	----
4. Public (other than parties to agreement, acquirers & PACs)								
a) FIs/ MFs/ FIs / Banks, SFIs (indicate names)	13500 (MF)	0.19	----	----	----	----	13500 (MF)	0.19
b) Others	3861500	55.43	----	----	(1606740)	23.06	2254760	32.37
Total (4) (a + b)	3875000	55.62	----	----	----	----	2268260	32.56
Grand Total (1+2+3+4)	6965900	100.00	----	----	----	----	6965900	100.00

Source: The above information is drawn from the List of shareholders and shareholding pattern provided by SCSL and duly certified by the Chairman and Managing Director of SCSL

6.15 Details of Change in Shareholding of the Promoters as and when it happened in SCSL

As per the available information, there has been no change in the Shareholding of the promoters of SCSL right from the date of allotment of the shares to them by the target company.

Details of the Compliance with SEBI Take over Code: The promoters of SCSL have confirmed that they have complied with the applicable provisions of Chapter II of the SEBI Takeover Code and other applicable Regulations under the SEBI Act. SEBI may initiate adjudication against SCSL / promoters / Sellers under SEBI Act for non compliance with regulation 8(3) of the SEBI (SAST) Regulations. The extent of compliance under the Chapter II of the SEBI Takeover Code is as mentioned below. .

Sr. No.	Regulation / Sub-regulation	Due Date for compliance as mentioned in regulation	Actual date of compliance	Delay, if any (in No. Of days) Col.4-Col. 3	Remarks
1	2	3	4	5	6
1.	6(2)	20.05.1997	N.A	N.A	Company was listed on 14 th June 2000
2.	6(4)	20.05.1997	N.A	N.A	Company was listed on 14 th June 2000
3.	8(3)	30.04.1998	N.A	N.A	Company was listed on 14 th June 2000
4.	8(3)	30.04.1999	N.A	N.A	Company was listed on 14 th June 2000
5.	8(3)	30.04.2000	N.A	N.A	Company was listed on 14 th June 2000
6.	8(3)	30.04.2001	24.08.2001	116	-----
7.	8(3)	30.04.2002	02.05.2002	2	-----
8.	8(3)	30.04.2003	11.04.2005	710	-----
9.	8(3)	30.04.2004	11.94.2005	345	-----

6.16 Compliance with the Corporate Governance

SCSL has complied with the applicable requirement of the listing agreement in relation to Corporate Governance. The details of the corporate governance for the Company are as follows : (**Source:** Annual Report of SCSL for the Financial year 2004-05 and subsequent clarifications from SCSL)

(a) Composition of the Board of Directors and various committees required under Corporate Governance

The Board of Directors of the Company consists of Nine directors, four of them are non-executive-independent directors.

The Audit Committee consists three directors, two of them are independent non-executive directors.

Remuneration committee consists three directors, two of them are independent non executive directors.

The Company has constituted the Shareholders' Grievances Committee, which consists three members, Shri Albin Xavier Chacko is a Chairman of the Committee. The Committee resolves any complaints received from the Shareholders and provide information to the Board of Directors of the Company. There were no complaints received during the financial year ended as on 31st March, 2005.

Compliance Certificate of the Auditors

The Statutory Auditors of the Company have vide their letter dated 29.04.2005 certified, for the year ended March 31, 2005 that in their opinion and to the best of their information and according to the explanations given to them, and the representation made by the directors and the management, SCSL has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Stock Exchange Listing Agreement.

6.17 There are no material legal cases or pending litigations involving SCSL, to the best of knowledge of SCSL.

6.18 The Compliance Officer of SCSL is Mr. G Arunmozhi, Company Secretary. His contact details are: 2/310, Mogappair West, Chennai – 600 037. Ph:(044) 52110391.

7) OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The equity shares of SCSL are listed on the Madras Stock Exchange Limited, (MSE) The Bangalore Stock Exchange Limited (BgSE) and The Hyderabad Stock Exchange Limited.(HSE).

7.1.2 The Annualized Trading Turnover of the equity shares of the Company on MSE during the preceding six months i.e. from 1st December 2005 to 31st May 2005, prior to the month in which this PA is required to be made is NIL equity shares (*Based on the Certificate of MSE dated 31st May 2005*), being less than 5% of the total listed equity shares of the Company.

Name of Stock Exchange	Total No. of Shares traded during the 6 calendar months ending on 31 st May, 2005	Total No. of Listed Shares	Annualized trading turnover (in terms of % of total listed shares)
MSE	NIL	8033700	NIL
BgSE	NIL	8033700	NIL
HSE	NIL	8033700	NIL

Note: As per information availed from MSE, BgSE, HSE.

7.1.3 Based on above information, the equity shares of the Company are deemed to be infrequently traded in terms of explanation (i) to Regulation 20(5) of the Regulations and hence the Offer Price is determined in accordance with the requirement of Regulation 20(5) of the Regulations.

7.1.4 The Share Price of Rs.4/- per fully paid up equity share of SCSL is justified in terms of Regulation 20(5) of the Takeover Regulations since the same has been determined after considering following facts:

1.	Negotiated price	0.25
2.	Highest price paid by the Acquirers for acquisition including a public or right or a preferential issue during the period of 26 weeks prior to PA	Not Applicable
3.	Other parameters	
Year ended		31st March, 2005
(a)	Return on Net Worth	2.40%
(b)	Earning Per Share (Rs.)(Fully Paid up Share)	0.46
(c)	Price Earning Ratio	NIL

7.1.5 Since the shares of SCSL are infrequently traded on the above mentioned Stock Exchanges, the fair value of shares has been arrived at by considering the above parameters and by placing reliance on the Supreme Court Judgment in the Case of Hindustan Lever Employee Union vs. Hindustan Lever Limited [(1995) 83 CC 30] and with due regard to the erstwhile CCI Formula for valuation of shares. Accordingly, the fair value has been calculated taking weighted average of three methods as follows:

Method	Amount (Rs.) (x)	Weights (y)	Weighted Amount (X * Y)
1. Value of share as per Net Assets Method (NAV)	18.95	1	18.75
2. Value of shares as per Earning Capitalization Method	0.22	2	0.45
3. Value of Shares as per Imputed Market Price Method	NIL	2	NIL
Total		5	19.40
Fair value of shares			3.88

The above working of fair value of shares is certified by Mr. M.B. Srinivasan, (Membership no. 200/27630) Chartered Accountant, partner of Sri & Co., having their office at 27, II Floor,

Ramakrishna Street, T. Nagar, Chennai 600 017 (Telephone No. (044) 28140850 Fax No. (044) 28143170, E-mail address srico@md4.vsnl.net.in) vide their certificate dated 1st June 2005..

- 7.1.6 Based on the above information, in the opinion of the Manager to the Offer, the Offer Price is being justified in terms of Regulation 20 (5) of the Takeover Regulations.
- 7.1.7 The offer price for partly paid shares will be adjusted to the extent unpaid as per Regulation 20(10) of the regulations. However such offer may be subject to payment of interest on non- paid calls. Accordingly the offer price for the partly paid up shares shall be Rs. 2/- per share i.e. Amount offered to fully paid up shares (Rs.4/- per share) taken as proportionate to the calls in arrears (Rs. 5 per share are in arrears).
- 7.1.8 If the Acquirers acquire shares in the open market or through negotiations, after the date of Public Announcement and upto seven working days prior to the closure of the offer at a price higher than the offer price stated herein, the highest price paid for such acquisition shall be payable for all shares tendered and accepted under this offer as per regulation 20 (7) of the Takeover Regulations.

7.2 Financial arrangements:

- 7.2.1 The maximum purchase consideration payable by the Acquirers in case of full acceptance of offer i.e. 16,06,740 fully equity shares are Rs. 6426960/- (SixtyFour Lacs TwentySix Thousand Nine Hundred Sixty only) at a price of Rs.4.00 per equity share payable in cash subject to the terms and conditions mentioned hereinafter
- 7.2.2 The Acquirers have created an Escrow Account in the form of Fixed Deposit of Rs. 16,25,000/- (being more than 25% of the consideration payable) with Indian Overseas Bank, Mahalingapuram Branch, 5- Scheme Road, Mahalingapuram, Chennai 600 034 and a lien has been marked in favour of the Manager to the Offer.
- 7.2.3 The Manager to the Offer has been duly authorized by the Acquirers vide their letters dated 8th June, 2005 and 27th August, 2005 to realize the value of escrow account in terms of the Regulation.
- 7.2.4 Mr. M. B. Srinivasan, (Membership no. 200/27630) a Chartered Accountant, partner of Sri & CO. having their office at 27, II Floor, Ramakrishna Street, T. Nagar, Chennai 600 017 (Telephone No. (044) 28140850 Fax No. (044) 28143170, E-mail address srico@md4.vsnl.net.in) vide their certificate have certified that sufficient resources are available with the Acquirers to fulfill its obligations under the Offer.
- 7.2.5 Manager to the Offer is satisfied that firm arrangement through verifiable means are in place and the Acquirers have adequate financial resources to meet the obligation under the offer.
- 7.2.6 Acquirers have adequate and firm financial arrangements in terms of Regulation 16(xiv) out of their business income, investments, personal savings and other assets to fulfill the obligations under the open offer. No borrowings from Banks/ Financial Institutions are being made for the purpose. The funds to be utilized shall be domestic and not any foreign funds.
- 7.2.7 The Manager to the offer has satisfied itself about the Acquirer's ability to Implement the Offer in accordance with the Takeover Regulations.

8) TERMS AND CONDITIONS OF THE OFFER

8.1 Statutory Approvals

- a) The Offer is subject to Approval, if any, required from RBI under the Foreign Exchange Management Act, 1999 (FEMA) for the acquisition of equity shares by the Acquirers from the Non residents under the Offer.
- b) No approval from any Bank/ Financial Institution is required for the purpose of this Offer, to the best of the knowledge of the Acquirers.
- c) No statutory approvals are required to the best of the knowledge of the Acquirers to acquire the shares that may be tendered pursuant to the Offer.
- d) If any other statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals.
- e) Subject to the receipt of statutory approval, the Acquirers shall complete all procedure relating to the Offer including payment of consideration within a period of 15 days from the Offer Closing Date to those shareholders whose share certificates and / or other documents are found valid and in order. In case of delay in receipt of any statutory approval, if any, SEBI has power to grant extension of time to the Acquirers for the payment of the consideration to the tendering shareholders subject to the Acquirers agreeing to pay interest as directed by SEBI under Regulation 22(12) of SEBI (SAST) Regulations. If the delay occurs due to willful default of the Acquirers in obtaining the requisite approval, if any, Regulation 22(13) of SEBI (SAST) Regulations will become applicable.

8.2 Other Terms

- a) The Letter of Offer together with the Form of Acceptance cum Acknowledgement shall be mailed by Registered Post to the shareholders of SCSL (except to the Acquirers) whose names appear on the Register of Members of SCSL and to the beneficial owners of the shares of SCSL whose

name appear on the beneficial records of the respective depository at the close of the business on 27th June 2005 ("specified date").

- b) All owners of fully paid-up equity shares, registered or unregistered and the beneficial owners of the shares (except the Acquirers) who own the shares at any time prior to the closure of the offer are eligible to participate in the offer as per procedure set out in the section 9. Unregistered owners/ shareholders who have not received Letter of Offer can send their application in accordance with the section 9 so as to reach the Registrar to the Offer on or before 20th September 2005. No indemnity is required from the unregistered owners.
- c) Accidental omission to dispatch this Letter of Offer or the non-receipt or delayed receipt of this Letter of Offer will not invalidate the offer in any way.
- d) Shares, if any, that are subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these shares are not received together with the shares tendered under the offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.
- e) The acceptance of the Offer made by the Acquirers is entirely at the discretion of the shareholders of the Target Company. The Acquirers will not be responsible in any manner for any loss of share certificate(s) and offer acceptance documents during transits and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.
- f) Incomplete applications, including non-submissions of necessary enclosures, if any, are liable to be rejected.
- g) Shares that are subject to any lien, charge or encumbrance are liable to be rejected.
- h) The instructions and provisions contained in the FOA and FOW constitute an integral part of the terms of this offer.
- i) Shareholders should note that after 4 PM on the last date of withdrawal i.e. 16th September 2005, shareholders who have lodged their acceptance would not be able to withdraw them even if the acceptance of shares under the Offer and dispatch of consideration gets delayed. The validly tendered shares and documents would be held by the Registrar to the Offer in trust, till such time as the process of acceptance of tenders and the payment of consideration is completed.
- j) In case the shares tendered in the open offer are more than the shares agreed to be acquired by the Acquirers, the Acquirers shall accept all valid application received from the shareholders on a proportional basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots.
- k) Acquirers are confident of completing all the formalities pertaining to the acquisition of the said shares, within 15 days from the date of closure of this Offer including payment of consideration to the shareholders who have accepted the Offer and for the purpose opened a Special account as provided under Regulation 29.
- l) Subject to the conditions governing this Offer, as mentioned in the Letter of Offer, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.
- m) Acquirers can revise the price upwards up to seven working days prior to closure of the offer and revision if any in the offer price would appear in the same newspapers where the Public Announcement has appeared. The same price would be paid to all shareholders who tender their shares in the offer.
- n) Shareholders may note that if there is a competitive bid, the public offers under all the subsisting bids shall close on the same date. As the offer price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.
- o) For any queries regarding the Offer the shareholders / applicants may contact the Registrar to the Offer at the address mentioned in this Letter of Offer.
- p) Where the number of shares offered for sale by the shareholders are more than the shares agreed to be acquired by the Acquirers making the offer, the Acquirers shall, accept offers received from shareholders on proportional basis in consultation with Merchant Bankers taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non marketable lot. Provided that acquisition of shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of the equity shares of the company is one share.

Provided that where the Acquirers are unable to make payment to the shareholders who have accepted the offer before the said period of 15 days due to non-receipt of requisite statutory approval, if any, the SEBI may, if satisfied that non-receipt of requisites statutory approval was not due to any willful default or neglect of the Acquirers or the failure of the Acquirers to diligently pursue the application for such approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the Shareholders for delay beyond 30 days, as may be specified by the SEBI from time to time.

9) **PROCEDURE FOR ACCEPTANCE AND SETTLEMENT**
PROCEDURE FOR ACCEPTING THE OFFER BY ELIGIBLE PERSON

9.1.1 The Public shareholders of SCSL who qualify and wish to avail of the Offer are free to offer their shareholding in whole or in part and they should forward the documents mentioned in Section 9.2 herein below, by hand delivery at the Collection Centers mentioned below, on or before the close of the business hours but not later than 4 PM. Shareholders are advised to ensure that the FOA and other documents are complete in all respect; otherwise the same are liable to be rejected.

Address	Contact Persons	Mode of Delivery	Phone No.
No. 17/3, First Floor, Andree Road, Shanti Nagar, Bangalore	S. Mahesha	Hand Delivery	080-51240340/41
Kalpavruksha, 3-6-475/3, 2 nd Floor, Himayath Nagar, Hyderabad 500 029	G. Nagesh	Hand Delivery	040-55777951/52
A – 11 / 1,2, 1 st Floor, Gurukripa, CHSL, Sector 3, Sanpada, Navi Mumbai 400 705	Milind Dali	Hand Delivery	022–27683335
Marayil Chamber, 2 nd Floor, 57/792, Karikkamuri Cross Road, Cochin 682 0011	E.V. Vijesh	Hand Delivery	0484-2369970/80

Timing: Monday to Friday (11 AM to 4 PM) Excluding Saturday, Sunday and Bank Holiday.

The Shareholders who cannot hand deliver their documents should send the same by Registered Post at their own risk, to the Registrar to the Offer at their office at Cameo Corporate Services Limited, “Subramaniam building”, V Floor, 1, Club House Road, Chennai – 600 002, to reach before 4 PM on 20th September, 2005. The Acquirers do not take any responsibility for any postal delays.

9.1.2 Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed:

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

✓ **Registered Shareholders Should enclose:**

Form of Acceptance-cum-Acknowledgement (FOA) duly completed and signed in accordance with the instructions contained therein in an envelope subscribing the same with “**Space Computer and Systems Limited – Offer For Acquisition Of Shares**”, by all shareholders whose name appear on the Shares Certificates.

Original Share Certificate(s)

Valid Share Transfer deed / form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signature registered with SCSL and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this Letter of Offer.

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

✓ **Unregistered Owners or Shareholders Who have Not Received the Letter of Offer Should enclose:**

An Application in writing, on a plain paper stating the following details

- Name
- Address
- Number of Shares Held
- Number of Shares Offered
- Distinctive Numbers of the Shares
- Folio No. of the Shares

Form of Acceptance-cum-Acknowledgement (FOA) duly completed and signed in accordance with the instructions contained therein in an envelope subscribing the same with “**Space Computer and Systems Limited – Offer For Acquisition Of Shares**”.

Original Share Certificate(s)

Original Broker Contract Note of the Registered Sharebroker of Recognised Stock Exchange.

Valid Share Transfer deed (s) as received from the market. The details of buyer should be left blank failing which, the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.

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

b) **For Shares held in Demat Form:**

✓ **Beneficial Owners should enclose:**

Form of Acceptance-cum-Acknowledgement (FOA) duly completed and signed in accordance with the instructions contained therein, by all the beneficiary owners whose names appears in the beneficiary account, as per the records of the respective depository.

Photocopy of the delivery instructions in "Off Market" mode or counter foil of the delivery instruction in "Off Market" mode, duly acknowledged by the DP in favour of the Special Depository Account (as defined in herein below) not later than 4 PM on 20th September ,2005

The Registrar to the Offer has opened a Special Depository Account. The details of the Special Depository Account are as under (the "Special Depository Account"):

DP Name	Indian Overseas Ltd
DP ID	IN302437
Client ID	20090939
Account Name	"Cameo Corporate Services Ltd- Escrow account-Space Computers Ltd- Open Offer"
Depository	NSDL

For each delivery instruction, the beneficial owner should submit a separate FOA. **In case of the demat shares, the shareholders of SCSL are advised to ensure that their shares are credited in favour of the Special Depository Account, not later than 4 PM on the close of the business hours on Tuesday the 20th September, 2005. Beneficial Owners having their depository account in CDSL have to use inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account with NSDL. The forms of Acceptance of such demat shares not credited in favour of the Special Depository Account, before 4 PM on Tuesday the 20th September 2005, will be rejected.**

- 9.2 Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent failing which the application would be considered invalid and would be liable to be rejected.
- 9.3 The Shares Certificates, Shares Transfer Form(s) FOA and other relevant documents, if any, should be sent only to the Registrar to the Offer, at the collection centers mentioned in Section 9 above. **They should not be sent to the Manager to the Offer or the Acquirers or the Target Company.** The above-mentioned documents can be sent to the collection centers as mentioned in section 9 above by hand delivery or Registered Post on all days except Saturday, Sunday and other Bank Holiday.
- 9.4 The minimum marketable lot for the purpose of acceptance, for both physical and demat Shares would be one share.
- 9.5 In case of non-receipt of Letter of offer, the eligible person may obtain the copy of the same from any of the collection centers mentioned above on providing suitable documentary evidence of acquisition of shares. The Letter of Offer and Form of Acceptance-Cum-Acknowledgement will be available on website of SEBI i.e. <http://www.sebi.gov.in> from the Offer Opening Date i.e. 1st September 2005 Thursday. Which will be made available from the opening of the Offer. The eligible shareholders, desirous of participating in the Offer, can download these documents from the SEBI's website. Alternately, they may send, by delivery or Registered post their acceptance to the Registrar to the Offer on a plain paper stating the name, address, no. of shares held, distinctive no., folio no., no. of shares offered, along with documents as mentioned above, so as to reach to the Registrar to the Offer at the above address on or before the closure of the Offer i.e. 20th September 2005. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. In case of Beneficial Owners, they may send their name, address, number of Shares held, number of Shares offered, DP Name, DP ID, beneficial account number and the photocopy of the delivery instruction in "Off Market" mode, duly acknowledged by the DP in favour of the Special Depository Account, so as to reach the Registrar to the Offer, not later than 4 PM on 20th September 2005. The application should be signed by all the shareholders as per the registration details available with SCSL and should be sent to the Registrar to the Offer in an envelope clearly marked "**Space Computer and Systems Limited – Offer For Acquisition Of Shares**".

9.6 **Procedure for withdrawal of Application / Acceptance**

In accordance with Regulation 22(5)(A) of the Regulations, shareholders who have tendered requisite documents in terms of Public Announcement and Letter of Offer shall have option to withdraw acceptance tendered upto 3 working days prior to the offer closing date i.e. 20th September 2005, Tuesday

- a) The withdrawal option can be exercised by submitting the documents, as per the instruction in (b) and (c) below, so as to reach the Registrar to the Offer at any collection centers, mentioned in section 9 herein above not later than 4 PM on 16th September 2005 Friday .

- b) The withdrawal option can be exercised by submitting the FOW attached to this Letter of Offer duly completed together with Acknowledgement slip in original / copy of the submitted Form of Acceptance in case delivered by Registered post.
- c) In case of non-receipt of the FOW, the withdrawal option can be exercised by making an application on plain paper along with the following details. The FOW shall be delivered to the Registrar to the Offer either by hand delivery or Registered Post:
- ✓ **In case of physical share:** name, address, distinctive no. folio no., no. of shares tendered / withdrawn
 - ✓ **In case of dematerialized shares:** name, address, no. shares tendered / withdrawn, DP name, DP ID, Beneficiary Account No., photo copy for delivery instruction in "Off Market" mode or counter foil of the delivery instruction in "Off Market" mode, duly acknowledged by the DP in favour of the Special Depository Account.
- d) Shareholders who have tendered Shares in physical form and wish to partially withdraw their tenders, should also enclose valid shares transfer form(s) for the remaining equity 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 signature registered with SCSL and duly witnessed at the appropriate place.
- e) The withdrawal of Shares will be available only for the Shares certificates / shares that have been received by the Registrar to the Offer / Special Depository Account.
- f) The intimation of returned Shares to the shareholders will be at the address as per the records of SCSL or the Depositories as the case may be.
- g) The FOW should be sent to the Registrar to the Offer only, at the collection centers mentioned in section 9(a) above.
- h) In case of partial withdrawal of Shares tendered in physical form, if the original shares certificates are required to be split, the same will be returned on receipt of shares certificate from SCSL.
- i) 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 will stand revised to that effect.
- j) Shareholders holding shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
- 9.7 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders/ unregistered owners' sole risk to the sole / first shareholder.
- 9.8 Shares held in the demat form to the extent not accepted will be credited back to the beneficial owners' depository account, with the respective depository participant as per the details furnished by the beneficial owner in FOA. Shareholders holding shares in the dematerialized form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account. It will be the responsibility of the shareholders of SCSL to ensure that 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.
- 9.9 The Registrar to the Offer will hold in trust the shares, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company, who have accepted the offer, until the cheques / drafts for the consideration and / or the unaccepted shares/ share certificates are dispatched/ returned.
- 9.10 In case any person has lodged shares for transfer and such transfer has not yet been effected, the concerned person may apply as per instruction contained in section 9.6 above together with Acknowledgement of the lodgment of shares for transfer. Such person should also instruct SCSL and its Registrar and Transfer Agent to send the transferred shares certificate(s) directly to the collection center located at Mumbai. The applicant should ensure that the certificate(s) reach the designated collection center not later than 4 PM on 20th September 2005, Tuesday.
- 9.11 In case any person has tendered his / her physical shares for dematerialization and such dematerialization has not yet been effected the concerned shareholder may apply in the offer as per the instruction mentioned in the section 9.6 above together with a photocopy of the completed dematerialization request form acknowledged by the shareholder's DP. Such shareholders should ensure the credit of the shares to the Special Depository Account on or before the Offer Closing Date i.e. 20th September 2005, Tuesday . A copy of delivery instruction acknowledged by the DP in favour of the Special Depository Account should be forwarded to the collection centers where the FOA and other documents were tendered, not later than 4 PM on 20th September 2005, Tuesday
- 9.12 Payment of Consideration**
- a) The payment of consideration shall be made to those shareholders whose equity share certificates and / or other documents are found valid and in order by the Acquirers, and the same shall be through a crossed account payee cheque / demand draft / pay order. The intimation regarding the acquisition (in part or full) or rejection of the shares tendered by the shareholders in acceptance of this Offer and the corresponding payment for the acquired Shares and / or Share certificates for the rejected Shares will be dispatched to the shareholders by registered post **or by ordinary post as the case may be (*)**, at the shareholders'/ unregistered owner's sole risk within 15 days from the date of closure of the offer i.e. 20th September 2005.

- b) All cheques / demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of shares, payment will be made in the name of the person stated in the contract note. **It will be desirable if the shareholders provide bank account details in the Form of Acceptance cum Acknowledgement for incorporation in the cheque / demand draft.**
- c) However, if the Acquirers are unable to make the payment to the shareholders within 15 days due to non-receipt of any statutory approval to which the offer may be subject, the Board may, if it is satisfied that non receipt of requisite statutory approval was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the applications for such approvals, grant extension or time for the purpose, subject to payment of interest to the shareholders at such rate for delay beyond 15 days, as may be specified by the Board.

10) DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection by the shareholders of SCSL at the office of the Manager to the Offer i.e. Vivro Financial Services Pvt. Ltd., from 10.30 a.m. to 3.00 p.m. on any working day except Saturdays, Sundays, and Public / Bank Holidays until the Offer closes on 20th September 2005.

- 1) Copy of Share Purchase Agreements dated 18th June 2005.
- 2) Certificate of Incorporation and the Memorandum and Articles of Association of the Target Company.
- 3) Copy of Public Announcement of Offer dated 20th June 2005.
- 4) The annual reports of the Target Company for the financial year ended 31st March 2001, 2002, 2003, 2004 and 2005.
- 5) Letter from the Acquirers regarding appointment of Manager to the Offer.
- 6) Letter from the Bank confirming the amount kept in the escrow account and a lien in favour of MB.
- 7) Chartered Accountant's certificate certifying the net worth of the Acquirers.
- 8) Chartered Accountant's certificate certifying the adequacy of financial resources with Acquirers to fulfil the open offer obligations.
- 9) Copy of the undertaking from the Acquirers.
- 10) Due Diligence Certificate.
- 11) Memorandum of Understanding with the Acquirers.

11) DECLARATION BY THE ACQUIRERS

The Acquirers, Dr. G. Ravichanderan and Mrs. Usha Venkatramani accepts full responsibility for the information contained in this Letter of Offer.

The Acquirers shall be responsible for ensuring compliance with the Takeover Regulations. The information relating to the Target Company has been obtained from publicly available information and from the company.

For and on behalf of The Acquirers

Sd/-

Dr. G. Ravichanderan,

Mrs. Usha Venkatramani

(Acquirers)

The person signing the Letter of Offer is duly and legally authorized person.

Place: Ahmedabad

Date: 27.08.2005

Attached: Form of Acceptance – cum – Acknowledgement

Form of Withdrawal

Transfer deed for shareholders holding shares in the Physical form

FORM OF ACCEPTANCE -- CUM -- ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Cameo Corporate Services Limited at any of the collection centers as mentioned in the Letter of Offer)

(All terms and expression used herein shall have the same meaning as described thereto in letter of offer and please read the instructions mentioned below before filling in this form of acceptance.)

From: _____ _____ Name: _____ _____ Address: _____ _____ _____ _____	<table border="1"> <tr> <th colspan="3">OFFER</th> </tr> <tr> <td>Opens on:</td> <td>1st September</td> <td>2005,</td> </tr> <tr> <td></td> <td>Thursday</td> <td></td> </tr> <tr> <td>Last date of withdrawal:</td> <td>16th September</td> <td>2005,</td> </tr> <tr> <td></td> <td>Friday</td> <td></td> </tr> <tr> <td>Closes on :</td> <td>20th September</td> <td>2005,</td> </tr> <tr> <td></td> <td>Tuesday</td> <td></td> </tr> </table>	OFFER			Opens on:	1st September	2005,		Thursday		Last date of withdrawal:	16th September	2005,		Friday		Closes on :	20th September	2005,		Tuesday	
OFFER																						
Opens on:	1st September	2005,																				
	Thursday																					
Last date of withdrawal:	16th September	2005,																				
	Friday																					
Closes on :	20th September	2005,																				
	Tuesday																					

Tel No: (____) _____ Fax No.: (____) _____ E-mail: _____

To,
 M/s. **Cameo Corporate Services Limited**
 "Subramaniam building",
 V Floor, 1, Club House Road, Chennai – 600 002

Dear Sir/Madam

Re: Open Offer to acquire 16,06,740 equity shares of Rs.10 /- each, representing 20.00% of the issued & subscribed Equity share Capital and 23.07% of the total voting equity share capital of Space Computer and Systems Limited ("Target Company" / "SCSL ") at price of Rs. 4/- (Rupees Four only) per Equity share ("Offer Price") payable in cash by Dr. G. Ravichanderan and Mrs. Usha Venkatramani (the "Acquirers")

I/We refer to the Letter of Offer dated 27th August, 2005 constituting an offer for acquiring the equity shares held by me/us in **SPACE COMPUTER AND SYSTEMS LIMITED** .

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

SHARES HELD 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.	Folio No.	Certificate No.	Distinctive No.(s) From	No. of Shares
---------	-----------	-----------------	-------------------------	---------------

			To		
Total Number of shares					

please use additional sheet and authenticate the same in case of insufficient space.

SHARES HELD IN DEMAT FORM

I/We, holding shares in demat form, accept the Offer and enclose a photocopy of the delivery instructions by my/our DP in respect of my/our Shares as detailed below:

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

I/We have done an off-market transaction for crediting the Shares to the depository account with Indian Overseas Limited styled " Cameo Corporate Services Ltd-Escrow a/c Space computers Ltd-Open offer " whose particulars are:

DP Name: Indian Overseas Ltd.	DP ID: IN30247	Client ID: 20090939
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Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Shares in favour of the Special Depository Account with NSDL. Enclosures (Please tick as appropriate, if applicable)

<input type="checkbox"/> Power of Attorney of companies along specimen signatures	<input type="checkbox"/> Corporate authorization in Case With Board Resolution and of authorized signatories
<input type="checkbox"/> Death Certificate / Succession Certificate	<input type="checkbox"/> Others(Please specify)
<input type="checkbox"/> No objection Certificate & Tax Clearance Certificate under Income-Tax Act, 1961, for NI CBs / Foreign Shareholders as applicable	

I/We confirm that the equity shares of Space Computer and Systems Limited 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 the original share certificate(s) and valid share transfer deed will be held in trust for me / us by the Registrar to the Offer until the time the Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer.

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

I/We authorize the Acquirers to send by registered post/ speed post/ UCP the draft/ cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

I/We note and understand that the shares would lie in the Special Depository Account until the Acquirers make payment of the purchase consideration as mentioned in the Letter of Offer.

I/We authorize the Acquirers to accept the Shares so offered or such lesser number of equity shares which it 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 Acquirers to return to me/us, equity share certificate(s) which is not found valid.

My/Our execution of this Form Of Acceptance shall constitute my/our warranty that the Equity shares comprised in this application are owned by me/us and are transferred by me/us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I/We will hold the Acquirers, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these equity shares. I/We agree that the Acquirers may pay the offer price only after due verification of the documents and signatures and on obtaining the necessary approvals as mentioned in the said letter of offer.

I/We undertake to execute such further documents and give further assurance as may be required or expedient to give effect to my/our agreeing to sell the said Equity shares.

So as to avoid fraudulent encashment in transit, Shareholder(s) should provide details of bank account of the first/sole shareholder and the cheque or demand draft will be drawn accordingly.

Name of Bank	Branch	City	Type of Account	Account Number

The permanent Account No. (PAN/GIR No.) Allotted under the Income Tax Act 1961 is as under:

	1 st Shareholder	2 nd Shareholder	3 rd Shareholder
PAN/GIR No.			

Yours faithfully,
Signed and delivered

	FULL NAME (S) OF THE HOLDER	SIGNATURE (S)
First / Sole Holder		
1 st Shareholder		
2 nd Shareholder		
3 rd Shareholder		

Note : In case of joint holdings, all shareholders must sign. In case of body corporate, the company seal should be affixed

Place : _____

Date

----- Tear along this line -----

Acknowledgment Slip: Space Computer and Systems Limited – Open Offer (to be filled in by the shareholders)

Sr. No.
Received from Mr./Ms./M/s _____
Form of Acceptance cum Acknowledgement for SCSL Offer as per details below :-
Physical Shares: Folio No. _____
No. of Certificates Enclosed _____ Certificate No. _____ Total No. of Shares Enclosed _____
Demat Shares: Client ID _____
DP ID _____
Copy of Delivery Instruction to DP _____
Total No. of Shares Enclosed _____
(Delete whichever is not applicable)
Date of Receipt : _____
Stamp of collection center: _____
Signature of Official: _____

I/We irrevocably authorize the Acquirers or the Manager to the Offer to send by registered post the draft / cheque, in settlement of purchase at my own risk and any excess share certificate, if any, to the Sole/first holder at the address mentioned below:

NAME AND COMPLETE ADDRESS OF THE SOLE/FIRST HOLDER (IN CASE OF MEMBER(S), ADDRESS as Registered with the Company.

Name:

Address:

Place:

Date:

Tele No:

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

M/s. Cameo Corporate Services Limited
"Subramaniam building", V Floor, 1, Club House Road,
Chennai – 600 002 Tel.: (044) 28460390 Fax: (044) 28460129
Contact Person: Mr. A. Sivasubramanian Sr. Executive – Shares,
Email: siva@cameoindia.com

INSTRUCTIONS

1. In the case of dematerialized shares, the shareholders are advised to ensure that their Shares are credited in favour of the Special Depository Account, before the Date of Closure of the Offer i.e. 25th August 2005, Thursday. The Form of Acceptance-cum-Acknowledgment of such demat shares not credited in favour of the Special Depository Account, before the Date of Closure of the offer will be rejected.
2. **Share holders should enclose the following:**
 - I. **For shares held in demat form:-**

Beneficial owners should enclose

 - i. **Form of Acceptance-cum-Acknowledgment** duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
 - ii. **Photocopy of the delivery instruction** in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP as per the instruction in the Letter of offer.
 - II. **For Shares held in physical form:-**

Registered Shareholders should enclose

 - i) **Form of Acceptance-cum-Acknowledgment** duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the Share certificates.
 - ii) **Original Share certificate(s).**
 - iii) **Valid transfer deed(s)** duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with SCSL and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done.

The details of buyer should be left blank failing which the same will be invalid under the offer. The details of the Acquirers as buyer will be filled by Mr. Manindersingh Jolly upon verification of the Form Of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.
 - III. **Unregistered owners should enclose**
 - i. **Form of Acceptance-cum-Acknowledgment** duly completed and signed in accordance with the instructions contained therein.
 - ii. **Original Share certificate(s).**
 - iii. **Original broker contract note.**
 - iv. **Valid Share transfer deed(s)** as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected.
3. **The Share certificate(s), share transfer form(s) and the Form of Acceptance-cum-Acknowledgment should be sent only to the Registrar to the Offer and not to the Manager to the Offer or Acquirers or SPACE COMPUTER AND SYSTEMS LIMITED .**
4. **The Form of Acceptance-cum-Acknowledgment and other related documents should be submitted at any of the collection centers of Cameo Corporate Services Limited as stated in the Letter of Offer.**

5. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their Shares in favour of the Special Depository Account with NSDL.
6. **It is mandatory for Shareholders to indicate the bank account details at the appropriate place in the Form of Acceptance-cum-Acknowledgment and the consideration would be made to the bank account of the sole/first shareholder. The payment would be made at par to all the shareholders.**
7. **Rejection of Shares**
If the shares are rejected for any of the following reasons, the shares will be returned to the holder(s) along with all the documents received from them at the time of submission. Please note that the following list is not exhaustive.
- The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of SPACE COMPUTER AND SYSTEMS LIMITED ,
 - The Transfer deed is not complete or that the signatures do not match with the specimen recorded with SPACE COMPUTER AND SYSTEMS LIMITED ,
 - The number of Shares mentioned in the Form of Acceptance-cum-Acknowledgment does not tally with the actual physical share certificate(s) submitted or in case of dematerialized shares; the shares in the Form of acceptance-cum-Acknowledgment do not tally with the instruction to the Depository Participant.
8. All documents/ remittances sent by or to shareholders will be at their own risk. Shareholders of Space Computer and Systems Limited are advised to adequately safeguard their interests in this regard. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective Depository Participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgment.
9. Neither The Acquirers, the Manager to the Offer, the Registrar to the Offer or Space Computer and Systems Limited will be liable for any delay/loss in transit resulting in delayed receipt/non-receipt by the Registrar of your Form of Acceptance-cum-Acknowledgment or for the failure to deposit your shares to the Special Depository Account or submission of original physical Share certificate(s) due to inaccurate /incomplete particulars/instructions on your part, or for any other reason.
10. Applicants who cannot hand deliver their documents at the collection Centers, may send their documents only by Registered post, at their own risk, to the Registrar to the Offer at Cameo Corporate Services Limited , "Subramaniam building", V Floor, 1, Club House Road, Chennai – 600 002 so as to reach the Registrars to the offer on or before the last date of acceptance i.e. 20th September 2005, Tuesday.
11. Please read the enclosed letter of offer before filling up the form of Acceptance.
12. The Form of Acceptance should be filled up in English only.
13. Signature(s) other than in English, Hindi and thumb impression must be attested by notary public under his official seal.
14. **Mode of tendering the Equity shares pursuant to the offer**
(i) The acceptance of the offer made by the Acquirers is entirely at the discretion of the equity shareholders of SCSL
(ii) Shareholders of SCSL to whom the offer is being made, are free to offer his/her/their shareholding in SCSL for sale to the Acquirers, in whole or part, while tendering his/her/their equity shares in the offer.

All queries in this regard to be addressed to the Registrar to the offer at the following address quoting your Reference Folio No./DPID/Client ID:

Cameo Corporate Services Limited
(Unit: SPACE COMPUTER AND SYSTEMS LIMITED)
"Subramaniam building",

V Floor, 1, Club House Road,
Chennai – 600 002
Tel.: (044) 28460390, Fax: (044) 28460129
Email: siva@cameoindia.com

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Withdrawal with enclosures to Cameo Corporate Services Limited at any of the collection centers as mentioned in the Letter of Offer)

THIS FORM SHOULD BE USED BY THE SHAREHOLDERS ONLY FOR EXERCISING THE WITHDRAWL OPTION AS PROVIDED IN THE LETTER OF OFFER

Offer	
Opens on:	1 st September 2005, Thursday
Last date of Withdrawal	16 th September 2005, Friday
Closes on:	20 th September 2005, Tuesday

To,
M/s. **Cameo Corporate Services Limited** ,
"Subramaniam building",
V Floor, 1, Club House Road,
Chennai – 600 002

Dear Sir/Madam,

Sub: **Open Offer to acquire 16,06,740 equity shares of Rs.10/- each, representing 20.00% of the total issued & subscribed equity share capital and 23.07% of the total voting equity share capital of Space Computer and Systems Limited ("Target Company" / "SCSL ") at price of Rs. 4/- (Rupees Four only) per Equity share ("Offer Price") payable in cash by Dr. G. Ravichanderan and Mrs. Usha Venkatramani (the "Acquirers") - withdrawal of Shares tendered in the Offer.**

I/We refer to the Letter of Offer dated 27th August, 2005 for acquiring the Shares held by me/us in **SPACE COMPUTER AND SYSTEMS LIMITED** .

I/we, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.

I/we have read the procedure for withdrawal of shares tendered by me/us in the Offer as mentioned in the Letter of offer and unconditionally agree to the terms and conditions mentioned therein.

I/we hereby consent unconditionally and irrecoverably to withdraw my/our Shares from the offer and I/we further authorize the Acquirers to return to me/us, tendered Share certificate(s)/ Share(s) at my /our sole risk.

I/We note that upon withdrawal of my/our shares from the offer, no claim or liability shall lie against the Acquirers /Manager to the Offer /Registrar to the offer.

I/We note that this Form of withdrawal should reach the Registrar to the offer at any of the collection centers mentioned in the Letter of offer as per the mode of delivery indicated therein on or before the last date of withdrawal.

I/we note that the Acquirers/Manager to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for non-receipt of shares held in the dematerialized form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirers shall return original Share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position data as available from the Depository from time to time, respectively.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Folio no.	Certificate No.	Distinctive Nos.		No. of Shares
		From	To	
Tendered				
Withdrawn				
Total No. of equity shares				

(In case of insufficient space, please use additional sheet and authenticate the same)

I/We hold the following shares in dematerialized form, have tendered the Shares in the offer and had done an off-market transaction for crediting the Shares to the Special Depository Account with Indian Overseas Bank Styled " Cameo Corporate Services Ltd- Escrow A/C Space Computers Ltd- Open Offer" as per the following particulars:

DP Name: Indian Overseas Bank.	DP ID : IN302437	Client ID: 20090939
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Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by the Depository Participant.

The particulars of the account form which my/our shares have been tendered are as detailed below:

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

I/We note that the Shares will be credited back only to the depository account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard. I/We confirm that the particulars given above are true and correct.

In case of dematerialized Shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,
Signed & Delivered

Full Name(s) of the holders	Address	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all must sign. A corporation must affix its common seal necessary Board Resolution should be attached.

Place: _____

Date: _____

----- Tear along this line -----

Acknowledgment Slip: Space Computer & systems Limited – Open Offer (to be filled in by the shareholders)

Sr. No.
Received from Mr./Ms./M/s _____
Form of Acceptance cum Acknowledgement for SCSL Offer as per details below :-
Physical Shares: Folio No. _____
No. of Certificates Enclosed _____ Certificate
No. _____ Total No. of Shares Enclosed

Demat Shares: Client ID _____
DP ID _____
Copy of Delivery Instruction to DP _____
Total No. of Shares Enclosed _____
(Delete whichever is not applicable)
Date of Receipt : _____
Stamp of collection center: _____ Signature of Official: _____

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. 16th September 2005, Friday .
2. Shareholders should enclose the following:
 - I. **For Shares held in demat form:**
Beneficial owners should enclose
 - a. Duly signed and completed Form of Withdrawal.
 - b. Acknowledgement slip in original Copy of the submitted Form of Acceptance –cum- Acknowledgement in case delivered by Registered A.D
 - c. Photocopy of the delivery instruction in “Off-marker” mode or Counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the **DP**.
 - II **For Shares held in physical form:-**
 Registered Shareholders should enclose.
 - a. Duly signed and completed Form of Withdrawal
 - b. Acknowledgement **slip in original /copy** of the submitted Form of acceptance-cum- Acknowledgement in case delivered by Registered A.D.

- c. In case of partial withdrawal, 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 Space Computer and Systems Limited and duly witnessed at the appropriate place.

III Unregistered owners should enclose.

- a. **Duly signed and completed Form of Withdrawal.**
- b. **Acknowledgement slip in original Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.**

3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer / Special Depository Account.
4. The intimation of returned Shares to the shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original Share certificates are required to be split, the same will be returned on receipt of Share certificates from the Target Company. ' The facility of partial withdrawal is available only to registered shareholders.
7. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
8. The Form of Withdrawal and other related documents should be submitted at any of the Collection Centers of **Cameo Corporate Services Limited** as stated in the Letter of Offer.

Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at **Cameo Corporate Services Limited** "Subramaniam building", V Floor, 1, Club House Road, Chennai – 600 002 on or before the last date of withdrawal i.e. 16th September 2005, Friday.

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Cameo Corporate Services Limited
(Unit: SPACE COMPUTER AND SYSTEMS LIMITED)

"Subramaniam building",
V Floor, 1, Club House Road,
Chennai – 600 002
Tel.: (044) 28460390, Fax: (044) 28460129
Email: siva@cameoindia.com

