

CORRIGENDUM

TO THE SHAREHOLDERS OF

M/s. DEVAKI HOSPITAL LIMITED

Regd. Office: No. 148, Luz Church Road, Mylapore, Chennai 600 004.

This is further to the Public Announcement given by us on 28.09.2003 on behalf of M/s. Madras Medical Care & Health Centre Pvt. Ltd., to acquire up to 19,58,160 fully paid up equity shares representing 40% of total share and voting capital of the target company (M/s. Devaki Hospital Limited) at the rate of Rs.11.00 per equity share. The following information is given to the shareholders to take an informed decision regarding the open offer.

1. Litigations:

M/s. Madras Medical Care & Health Centre Pvt. Ltd., (Acquirer) and its Managing Director Dr. K C Reddy have filed Company Petition No: 34 of 2003 on the file of Company Law Board, Additional Principal Bench, Southern Region, Chennai u/s 397 read with section 398 of the Companies Act, 1956 for oppression and mismanagement of the affairs of M/s. Devaki Hospital Limited by its Directors and sought for the relief that Mrs. Chitra Chockalingam had ceased to be the Managing Director/ Director of M/s. Devaki Hospital Limited, since she has violated section 295 of the Companies Act, 1956 and consequently her office as a Director has become vacant pursuant to section 283(1)(h) of the Companies Act, 1956 and various other reliefs against the company and its Directors. The Company Law Board, Southern Region has passed an order on 14.08.2003 in Company Application No:77 of 2003 in C P No: 34 of 2003 restraining Mrs. Chitra Chockalingam from interfering with the activities of the company.

The said Mrs. Chitra Chockalingam had filed C M A No: 2027 of 2003 on the file of High Court, Madras against the order of the Company Law Board passed on 14.08.2003 in Company Application No: 77 of 2003 in C. P. No: 34 of 2003. The Division Bench has dismissed the said C.M.A on 25.08.2003 and directed the Learned Single Judge to dispose the Original Application 675 of 2003 in C.S.No: 562 of 2003 which has been filed by M/s. Devaki Hospital Limited on the file of the High Court, Madras for a declaration that Mrs. Chitra Chockalingam had vacated her office as a Director since she had violated section 295 of the Companies Act, 1956 and consequently her office as a Director had become vacant.

M/s. Devaki Hospital Limited has filed O.A.No.675 of 2003 in the said suit seeking an injunction restraining Mrs. Chitra Chockalingam acting as a Managing Director/ Director of M/s. Devaki Hospital Limited. The said O.A.No. 675 of 2003 has been dismissed by the Learned Single Judge, High Court, Madras on 19.09.2003. M/s. Devaki Hospital Limited has filed an O.S.A. No.342 of 2003 before the Division Bench of the High Court, Madras. C.M.P No. 15297 of 2003 in O.S.A. No.342 of 2003 came before the Division Bench of High Court, Madras on 30.09.2003 and the Division Bench has directed Mrs. Chitra Chockalingam to draw money to meet the bare minimum expenses to disburse the salaries to the staffs of the hospital and the said C.M.P is posted for hearing on 10.11.2003.

2. The Acquirer company ("M/s. Madras Medical Care & Health Centre Pvt. Ltd.,") has purchased 5,00,000 equity shares of the Target Company representing 10.21% of the total share capital/ voting rights of the Target Company at the average rate of Rs.5.00 per share (Highest price Rs.5.60 per share), during the twenty six weeks prior to the date of Public Announcement.

3. There is no group company to which the persons having control over the acquirer belong to.

4. Dr. Salim J Thomas, aged about 55 years, residing at No: 18, Ethiraj Salai, Egmore, Chennai 600 105 is a director in the acquirer company. The Net Worth of Dr. Salim J Thomas as on 31.03.2003 is Rs.210.00 Lakhs as certified by Ms. Niranjana Rao, Chartered Accountant, (Membership No: 208706) of M/s. Kurien & Co, Chartered Accountants, 1-C, Queen's Court, No: 6/102, Montieth Road, Egmore, Chennai 600 008.

5. The target company (M/s. Devaki Hospital Limited) is engaged in running of hospital and laboratory and provides a comprehensive health care in the various branches of medicine such as General Surgery, Urology, Neurology, Cardiology, Ophthalmology, Pathology, Thorasic Surgery and other allied specialities.

6. The acquirer undertakes that they will not sell, dispose of or otherwise encumber any substantial asset of the target company in the succeeding two years except with the prior approval of the shareholders.

7. Because of this open offer, if the acquirer company gets a favourable response from the public, there could be a change in control of the target company. In case of change in control of the target company, it will be run in the interest of the shareholders. There might be addition of newer medical facilities by sophisticated and advanced instruments.

8. No approval is required from Financial Institutions and Banks other than banks of the acquirers.

9. General Clause:

Name and Address of the Acquirer Company: M/s. Madras Medical Care & Health Centre Pvt. Ltd., No: 148, Luz Church Road, Mylapore, Chennai 600 004.

Name and Address of Persons Acting in Concert : Dr. K C Reddy, No:115, St. Mary's Road, Alwarpet, Chennai 600 018, Dr. C M Thiagarajan, No: 6, Moores Road, Chennai 600 006 and Dr. Salim J Thomas, No: 18, Ethiraj Salai, Egmore, Chennai 600 105.

Issued by the Merchant Banker to the Offer



Indbank Merchant Banking Services Limited

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