PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF

DR. AGARWAL'S EYE HOSPITAL LIMITED

("DAEHL"/ "TARGET COMPANY")

Registered Office: 19, Cathedral Road, Chennai – 600 086; Tel. No.: +91-44-2811 2811; Fax No.: +91-44-2811 1205; E-mail: cfo@dragarwal.com; Website: www.dragarwal.com

This Public Announcement (the "PA") is being issued by Karvy Investor Services Limited ("the Manager to the Offer"), on behalf of Dr. Agarwal's Health Care Limited (hereinafter referred to as the "Acquirer") pursuant to Regulations 10 and 12 of, and as required under, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred as the "SEBI (SAST) Regulations").

1. The Offer and Background to the Offer

1.1. This open offer (the '*Offer*') for 20% of paid-up equity share capital and voting rights of Dr. Agarwal's Eye Hospital Limited (hereinafter referred to as '*DAEHL*' or '*the Target Company*', as defined in Regulation 2(1)(o) of the SEBI (SAST) Regulations) comprising 9,00,000 equity shares of a face value of Rs. 10/- (Rupees Ten Only) each of DAEHL is being made in terms of Regulations 10 and 12 of the SEBI (SAST) Regulations to the equity shareholders / beneficial owners of DAEHL. This Offer is subject to receipt of certain approvals as set forth in Section 6 entitled "Statutory Approvals / Other Approvals required for the Offer" below. The Acquirer intends to acquire the equity shares of the Target Company and voting rights pursuant to this Offer to gain control over the management of DAEHL. The present paid-up equity share capital of DAEHL stands at Rs. 4,50,00,000/- (Rupees Four Crore and Fifty Lakhs Only) divided into 45,00,000 equity shares of a face value of Rs. 10/- (Rupees Ten Only) each (the "equity shares").

1.2. On Tuesday, January 11, 2011, the Acquirer entered into a Share Purchase Agreement ('*SPA*') with the following existing promoters of DAEHL: (1) Dr. (Mr.) Adil Agarwal; (2) Dr. (Mr.) Amar Agarwal (including as nominee of Late Dr. (Mr.) J Agarwal); (3) Dr. (Mr.) Anosh Agarwal; (4) Mr. Ashar Agarwal; (5) Dr. (Mr.) Ashvin Agarwal (including as Legal Heir of Late Dr. (Mrs.) T Agarwal); (6) Dr. (Mrs.) Athiya Agarwal; (7) Dr. Agarwal's Eye Institute Private Limited; and (8) Mrs. Saroj Bala (hereinafter referred to as the "*Promoters*"):

1.2.1. to acquire 24,72,408 equity shares of DAEHL constituting 54.9424% of fully paid-up equity share capital of DAEHL (the '*Sale Shares*'), out of which 13,50,000 equity shares (being 30% of the total paid-up share capital of DAEHL) held by (1) Dr. (Mr.) Adil Agarwal; (2) Dr. (Mr.) Amar Agarwal (as nominee of Late Dr. (Mr.) J Agarwal); (3) Dr. (Mr.) Anosh Agarwal; (4) Dr. (Mrs.) Athiya Agarwal have been pledged with the State Bank of India, Mid Corporate Group, Industrial Finance Branch, 155, Anna Salai, Chennai – 600 002 ('*SBI*') pursuant to the terms of sanction letters for credit facilities extended to DAEHL ('*Pledged Sale Shares*'); and

1.2.2. to issue and allot 7,92,089 equity shares of face value of Rs. 10/- (Rupees Ten Only) each of the Acquirer to (1) Dr. (Mr.) Adil Agarwal; (2) Dr. (Mr.) Amar Agarwal (including as nominee of Late Dr. (Mr.) J Agarwal); (3) Dr. (Mr.) Ashvin Agarwal (including as Legal Heir of Late Dr. (Mrs.) T Agarwal); (4) Dr. (Mr.) Anosh Agarwal; (5) Mr. Ashar Agarwal; (6) Dr. (Mrs.) Athiya Agarwal; (7) Dr. Agarwal's Eye Institute Private Limited; and (8) Mrs. Saroj Bala, in consideration thereof in the ratio of 1 : 3.12 (i.e. one (1) equity share of the Acquirer for every 3.12 equity shares of the Target Company).

1.3. The existing shareholding and other details of the Promoters in DAEHL is as under:

Sr. No.	Name of the Promoter	No. of Equity Shares	% of Paid-up Capital
1.	Dr. (Mr.) Adil Agarwal	382,321	8.4960
2.	Dr. (Mr.) Amar Agarwal	156,413	3.4758
3.	Dr. (Mr.) Amar Agarwal (as nominee of Dr. (Mr.) J Agarwal)	317,474	7.0550
4.	Dr. (Mr.) Anosh Agarwal	368,246	8.1832
5.	Mr. Ashar Agarwal	51,300	1.1400
6.	Dr. (Mr.) Ashvin Agarwal	56,334	1.2519
7.	Dr. (Mr.) Ashvin Agarwal (as Legal Heir of Dr. (Mrs.) T Agarwal)	318,274	7.0728
8.	Dr. (Mrs.) Athiya Agarwal	354,546	7.8788
9.	Dr. Agarwal's Eye Institute Private Limited	451,800	10.0400
10.	Mrs. Saroj Bala	15,700	0.3489
	Total	2,472,408	54.9424

1.4. Some of the important terms and conditions of the SPA are as under:

(i) The Acquirer has agreed to acquire from the Promoters, an aggregate of 24,72,408 equity shares of face value of Rs. 10/- each of DAEHL, which constitutes 54.9424% of the total paid-up equity share capital of the Target Company. In consideration thereof, the Acquirer has agreed to issue and allot 7,92,089 equity shares of the Acquirer to the Promoters.

(ii) At the request of the Acquirer and some of the Promoters, the Investor, being a company registered in Mauritius, viz. EILSF SPV 3 ('*the Investor*') whose principal place of business is at Les Cascades, Edith Cavell Street, Port Louis, Mauritius has executed a Subscription Agreement dated Tuesday, January 11, 2011 and agreed to invest in the Acquirer subject to condition that the Acquirer completes the purchase of equity of the Target Company from the Promoters and from other shareholders through an Open Offer made under SEBI SAST Regulations.

(iii) The Acquirer shall, within 30 days of execution of the SPA, make an application to Reserve Bank of India ('*RBI*') / Foreign Investment Promotion Board ('*FIPB*') to obtain the approval for transfer of equity shares of DAEHL from non-residents (if any) to the Acquirer pursuant to the Offer.

(iv) On or prior to the expiry of 120 Business Days from the date of execution of the SPA, the Promoters shall provide to the Acquirer certified true copies of Government, corporate, creditors', shareholders' and other permissions, approvals, licences, consents, registrations and authorisations, if any, required under Law or under any contract or otherwise:

(a) for the Acquirer to acquire the aforesaid equity shares of the Promoters and for the transfer of the aforesaid equity shares by the Promoters to the Acquirer;

(b) to render SPA legally valid, binding and enforceable; and

(c) to enable the parties to SPA to perform their obligations under SPA.

including without limitation, the consent letter from SBI being the lender to DAEHL, in respect of the transaction contemplated in the SPA.

(v) The Acquirer shall comply with all its obligations under the SEBI SAST Regulations in connection with the Offer, including Regulation 22 (16) of the SEBI SAST Regulations, and the sale and purchase contemplated in SPA shall not be acted upon in the event of non-compliance with the SEBI SAST Regulations by the Acquirer.

1.5. Pursuant to execution of the SPA, the Acquirer is making this Offer under Regulations 10 and 12 of the SEBI (SAST) Regulations to the public shareholders of DAEHL (other than the Promoters as stated hereinabove) to acquire from them upto 20% of the total issued and paid-up equity share capital of the Target Company (comprising 9,00,000 equity shares) at a price of Rs. 100/- (Rupees One Hundred Only) per fully paid-up equity share ('*Offer Price*'), payable in cash.

1.6. The Offer is not a conditional offer and is not subject to any minimum level of acceptance.

1.7. The Acquirer does not hold any equity shares in DAEHL as on the date of this PA. Further, they have neither acquired nor have been allotted any equity shares in DAEHL during the 12 (twelve) months period preceding the date of this PA.

1.8. Upon completion of the Offer and assuming full acceptance of the Offer and taking into account the Sale Shares, the Acquirer will hold 74.9424% of the fully paid-up share capital of DAEHL.

1.9. Karvy Investor Services Limited, Manager to the Offer, does not hold any equity shares in DAEHL as on the date of this PA. It declares and undertakes that it shall not deal in the shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer in terms of Regulation 13 the SEBI (SAST) Regulations, till the expiry of 15 days from the date of closure of the Offer.

1.10. The Offer is not a Competitive Bid.

1.11. The Acquirer is not prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the Securities and Exchange Board of India Act, 1992 ('*SEBI Act*') or under any other rules or regulations made thereunder.

1.12. The Offer is not being made as a result of a global acquisition resulting in indirect acquisition of DAEHL.

1.13. There is no person representing the Acquirer on the Board of Directors of DAEHL as on the date of this PA. However, (i) Dr. (Mr.) Amar Agarwal; (ii) Dr. (Mrs.) Athiya Agarwal; (iii) Dr. (Mr.) Adil Agarwal; and (iv) Dr. (Mr.) Anosh Agarwal, some of the Promoters, are already on the Board of Directors of the Target Company, who are also shareholders of the Acquirer.

1.14. The equity shares under the Offer will be acquired by the Acquirer free from all liens, charges and encumbrances and together with all rights attached to, including all the rights to dividend, bonus and rights offer declared thereof.

2. The Offer Price

2.1. The Offer Price is Rs. 100/- (Rupees One Hundred Only) per fully paid-up equity share of DAEHL.

2.2. The equity shares of DAEHL are listed on the Bombay Stock Exchange Limited (hereinafter referred as '*BSE*') and the Madras Stock Exchange Limited (hereinafter referred as '*MSE*'). DAEHL has complied with all the provisions of the Listing Agreements and no punitive action has been initiated by the said Stock Exchanges. DAEHL, vide its letter dated September 30, 2008, has applied for delisting of its equity shares from MSE and is awaiting their confirmation / approval for the same.

2.3. The annualized trading turnover in the equity shares of DAEHL on BSE based on trading volume during the period July 19, 2010 to January 14, 2011 (i.e., 6 (six) calendar months preceding the month in which the PA is made) is as given below:

Name of the Stock Exchange	Total Number of Equity Shares traded during the 6 (six) calendar months prior to the month in which PA was made	Total Number of Equity Shares	Annualised Trading Turnover (in terms of % to total listed Equity Shares)
BSE	3,34,774	45,00,000	14.87%

(Source: www.bseindia.com)

The Acquirer has filed an application dated Wednesday, January 12, 2011 and sought trading volume data on MSE. The Acquirer has not received the information till date. The trading volume data on MSE would be incorporated in the Letter of Offer upon receipt from them.

2.4. The Offer Price in terms of Regulation 20(5) of the SEBI (SAST) Regulations has been determined taking into account the following parameters:

a.	The Negotiated Price (@)	Rs. 79.33
b.	Highest Price paid by the Acquirer for acquisition, if any, including by way of allotment in a public or rights issue or Preferential Issue during the 26 (twenty six) weeks prior to the date of PA	N. A.
c.	Other Financial Parameters	Based on Audited Results upto September 30, 2010 (6 (Six) months)
(i)	Return on Networth (%)	13.66
(ii)	Earnings / (Loss) per Share (Rs.)	3.55
(iii)	Price Earnings Multiple (P/E) (*as on January 14, 2011 on BSE)*	20.61
(iv)	Average Industry PE (*)	39.40
(v)	Book Value (Rs. per equity share) (*as on September 30, 2010*)	26.02

**Source for information: "Capital Market - January 10 – 23, 2011 (as on 03/01/2011) under the Segment-Healthcare".*

(@): In terms of the SPA dated Tuesday, January 11, 2011, the Acquirer has agreed to issue and allot 7,92,089 equity shares of face value of Rs. 10/- (Rupees Ten Only) each of the Acquirer to the Promoters, in consideration for purchase of 24,72,408 equity shares of the Target Company in the ratio of 1 : 3.12 (i.e. one (1) equity share of the Acquirer for every 3.12 equity shares of the Target Company). The Acquirer and the Promoters have negotiated and arrived at the said Exchange Ratio. Whereas, the Acquirer has agreed to issue and allot equity share at Rs. 247.60 per share of face value of Rs. 10/- each of the Target Acquirer to the Investor (against the derived value of Rs. 232.54 per share, as on January 7, 2011). And, the equity share price of the Target Company, i.e. DAEHL has been taken at Rs. 79.33 per share (against 26 weeks average price of Rs. 76.77 per share upto January 7, 2011).

2.5. Based on the above parameters, the Offer Price of Rs. 100/- (Rupees Hundred Only) per equity share of DAEHL, is justified in terms of the SEBI (SAST) Regulations. The Offer Price of Rs. 100/- per equity share of face value of Rs. 10/- is at a premium of 29.95% compared to closing price of shares of the company as on Friday, January 14, 2011 (Rs. 76.95). It is at a premium of 29.33% compared to the average of the high and low of closing prices (Rs. 77.32) for preceding six months and 33.80% compared to the average of the high and low closing prices (Rs. 74.74) preceding two weeks.

3. Information About the Acquirer

3.1. The Acquirer, Dr. Agarwal's Health Care Limited, was incorporated on April 19, 2010, by some of the existing promoters of DAEHL. The registered office of the Acquirer is situated at No. 19, Cathedral Road, Chennai - 600 086, in the state of Tamil Nadu. The Acquirer's Corporate Identity No. is U85100TN2010PLC075403.

3.2. The authorized capital of the Acquirer, as on date of the PA, is Rs. 12,10,00,000/- (Rupees Twelve Crores Ten Lakhs Only) constituted of 21,00,000 equity shares having face value of Rs. 10/- (Rupees Ten Only) each and 1,00,00,000 - 10% redeemable non-convertible preference shares ('*RNCPS*') having face value of Rs. 10/- (Rupees Ten Only) each and the issued, subscribed and paid-up share capital of the Acquirer is Rs. 12,05,00,000/- (Rupees Twelve Crores Five Lakhs Only) constituted of 20,50,000 equity shares of face value of Rs. 10/- each and 1,00,00,000 RNCPS of face value of Rs. 10/- each. There are no partly paid-up equity shares of the Acquirer. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc., which are convertible into equity shares of the Acquirer on a later date.

3.3. The present shareholding pattern of the Acquirer is as follows:

A. Equity Shares:

Sr. No:	Name of Promoter	No. of Equity Shares held	Percentage of Outstanding Equity Shares (%)
1.	Dr. (Mr.) Amar Agarwal	2,66,500	13.00
2.	Dr. (Mrs.) Athiya Agarwal	4,10,000	20.00
3.	Dr. (Mr.) Adil Agarwal	3,89,500	19.00
4.	Dr. (Mr.) Anosh Agarwal	4,10,000	20.00
5.	Dr. (Mr.) Ashvin Agarwal	3,89,500	19.00
6.	Mrs. Farah Agarwal	20,500	1.00
7.	Mrs. Urmila Agarwal	20,500	1.00
8.	Mr. S. Rajagopalan	1,43,500	7.00
	Total	20,50,000	100.00

B. Redeemable Non-Convertible Preference Shares:

Sr. No:	Name of Promoter	No. of RNCPS held	Percentage of Outstanding RCPS (%)
1.	Dr. (Mr.) Adil Agarwal	33,33,334	33.34
2.	Dr. (Mr.) Anosh Agarwal	33,33,333	33.33
3.	Dr. (Mr.) Ashvin Agarwal	33,33,333	33.33
	Total	1,00,00,000	100.00

3.4. The equity shares of the Acquirer are not listed on any stock exchange either in India or abroad.

3.5. The Acquirer was established to consolidate the shareholding of some of the existing promoters of DAEHL in a single corporate entity and to pursue and provide medical services in the eye care segment. The Acquirer intends to establish at least 20 eye hospitals, primarily in the States of Andhra Pradesh and Karnataka with a few hospitals being set up in the Southern part of Tamil Nadu, by March 2011. The Acquirer has already set-up eye care facilities and has commenced providing eye care services at Bannerghatta Road, Koramangala, Bashweswara Nagar in Bengaluru, in the state of Karnataka; Kukatpally, Dilshukh Nagar in Hyderabad in the state of Andhra Pradesh; and Tirunelveli and Tambaram in the state of Tamil Nadu.

3.6. The Acquirer is managed by a professional Board. The present Directors of the Acquirer are (i) Ms. B. Sudha; (ii) Mr. S. Rajagopalan; and (iii) Dr. (Mrs.) Neera Nilesh Kanjani. It is expected that the vast knowledge and experience of the Board of the Acquirer led by Mr. S. Rajagopalan will assist the Acquirer in implementing its growth plans.

3.7. The Acquirer also intends to draw on the experience and resources of DAEHL in managing its eye care business, if necessary. DAEHL will be paid technical know-how fees, as a percentage of net revenue, for providing such support and all transactions between the Acquirer and DAEHL will be on an arms-length basis.

3.8. To finance its growth plans, the Acquirer has entered into an agreement dated January 11, 2011 with the Investor.

3.9. The Investor is a private equity fund which provides growth capital to established companies in the Indian pharmaceutical / healthcare sector. The fund invests in small to mid-sized companies (having revenues of equivalent of USD 10 million to USD 250 million) with unique capabilities needed to effectively compete in the markets in which they operate. Among others, the fund invests in:

- Active Pharmaceutical Ingredient ('*API*') and Finished Dosage manufacturers
- Contract Research Organizations
- Disease Management companies
- Diagnostic Services companies
- Biopharmaceutical / Biotechnology companies
- Medical Device manufacturers
- Healthcare delivery / hospital chains

In addition to providing the capital, the fund assists portfolio companies in creating significant value.

3.10. The Investor proposes to invest a total amount of up to Rs. 60,00,00,000/- (Rupees Sixty Crores Only) which will be utilised to finance the roll-out of eye care hospitals and services. The Investor is acting in concert with the Acquirer as per the provisions of Regulation 2(1)(e) of the SEBI (SAST) Regulations. The Investor does not hold any securities of the Target Company and there is no person representing the Investor on the Board of Directors of the Target Company as on the date of this PA. However, as mentioned earlier, (i) Dr. (Mr.) Amar Agarwal; (ii) Dr. (Mrs.) Athiya Agarwal; (iii) Dr. (Mr.) Adil Agarwal; and (iv) Dr. (Mr.) Anosh Agarwal, some of the Promoters, are already on the Board of Directors of the Target Company, who are also shareholders of the Acquirer.

4. Information about the Target Company

4.1 DAEHL, incorporated as Dr. Agarwal's Eye Hospital Limited on April 22, 1994, obtained its certificate of commencement of business on July 12, 1994. The main promoters of DAEHL, Late Dr. (Mr.) J Agarwal and his family members, have been engaged in providing total eye care services for the past five decades and have a track record of successfully running DAEHL. DAEHL came out with its Initial Public Offer ('*IPO*') in January 1995. It is also engaged in conducting continuous training and research and development programs and has over a period, developed an eminent team of Ophthalmic Specialists and Surgeons. The present Directors of DAEHL are: (i) Dr. (Mr.) Amar Agarwal; (ii) Dr. (Mrs.) Athiya Agarwal; (iii) Dr. (Mr.) Adil Agarwal; (iv) Dr. (Mr.) Anosh Agarwal; (v) Mr. M. R. G. Apparao; (vi) Dr. (Mr.) Jasvinder Singh Saroya; (vii) Mr. Prabhat Toshniwal; and (viii) Mr. Sanjay Anand.

4.2 The registered office of the Target Company is situated at 19, (Old No.13) Cathedral Road, Chennai - 600086, in the state of Tamil Nadu. Tel. No.:+91-44-2811 6233 / 2811 2592 Fax No: +91-44-2811 5871. The Target Company's Corporate Identity No. is 18-27366.

4.3 The authorized capital of the Target Company, as on date of the PA, is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 equity shares. The issued, subscribed and paid-up capital of the Target Company, as on the date of the PA, is Rs. 4,50,00,000/- (Rupees Four Crore Fifty Lakhs Only) comprising of 45,00,000 equity shares. There are no partly paid-up equity shares of the Target Company. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc., which are convertible into equity shares on a later date.

4.4 The equity shares of DAEHL are listed on BSE and MSE. DAEHL has applied for voluntary delisting of its equity shares under Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, from the MSE vide their letter dated September 30, 2009, pursuant to special resolution passed at the Annual General Meeting of the Target Company held on August 12, 2008. DAEHL has sent several reminders to MSE. However, the response for de-listing of shares of the Target Company from the stock exchange is still awaited. The equity shares of DAEHL continue to be listed and traded on the BSE and DAEHL has complied with all the provisions of the Listing Agreement till the date of PA and no punitive action has been initiated by the Stock Exchanges. However, the Target Company had received a letter Ref. No. CFD/DCR/RC/TO/23040/04 dated November 16, 2004 from SEBI citing non compliances of Regulations 6(2), 6(4) of SEBI (SAST) Regulations for 1997; Regulation 8(3) of SEBI (SAST) Regulations for 1998, 1999, 2000, 2001 and Regulation 8(3) of SEBI (SAST) Regulations for Record Date for 1998, 1999, 2000, 2001 and 2002. The Target Company had replied vide its letter dated November 25, 2004, enclosing the status report on compliance from MSE and stating that it had been regularly filing the disclosures under Regulation 8(3) of SEBI (SAST) Regulations. A reply from the Adjudicating Officer in this matter is awaited. The Target Company has requested BSE for the status on compliance vide their letter dated January 29, 2007 for which a reply is awaited. For the non-compliances with Regulation of SEBI (SAST) Regulations, 1997, if any, suitable action may be initiated by SEBI against DAEHL.

4.5 As per the audited financial results for the half-year ended September 30, 2010, DAEHL has reported a Total Income of Rs. 5,230.12 lakhs and Profit after Tax of Rs. 1,59.89 lakhs. As on September 30, 2010, the paid-up equity share capital was Rs. 4,50,00,000/- (Rupees Four Crore Fifty Lakhs Only), whereas, the Networth (excluding revaluation reserves) was Rs.1,170.76 lakhs and the Book Value per equity share stood at Rs. 26.02.

5. Reason for the Acquisition and Offer and Future Plan about Target Company, if any.

5.1 The Offer is being made in compliance with the Regulations 10 and 12 of the SEBI (SAST) Regulations consequent to the SPA entered into by the Acquirer as referred to in paragraph 1.2 above, resulting in substantial acquisition of equity shares and voting rights in DAEHL and consequent change of control and management of DAEHL.

5.2 The SPA has been entered into in order to consolidate the shareholding of individual promoters of DAEHL in a single corporate entity, viz. the Acquirer, which would, upon successful completion of transfer of equity shares of DAEHL from the Promoters to the Acquirer under the SPA, become the holding company for DAEHL.

5.3 DAEHL has recently completed implementation of a major expansion plan and now has 31 (Thirty One) eye hospitals in operation. DAEHL will benefit from the growth of these hospitals. In addition, the Acquirer also intends to support DAEHL in raising further resources for growth, if needed, including by way of making additional investments in DAEHL

5.4 The Acquirer does not intend to dispose-off or otherwise encumber any assets of DAEHL in the succeeding 2 (two) years except in the ordinary course of business. The Acquirer undertakes that it shall not, sell, dispose of or otherwise encumber any substantial assets of DAEHL except with the prior approval of the shareholders and in accordance with and subject to applicable laws, permissions and consents, if any.

6. Statutory Approvals / Other Approvals required for the Offer

6.1 The Offer is subject to the receipt of approval from the Reserve Bank of India ('*RBI*'), if any, for acquiring equity shares from non-resident Indians, who validly tender their equity shares under this Offer. The Acquirer will make the necessary application to and filings with the various authorities to obtain the statutory approval described above. In case, RBI approval for acquisition of equity shares from Non-Resident shareholders is unduly delayed, the Acquirer reserves the right to proceed with the payment to the resident shareholders whose equity shares have been accepted by the Acquirer in terms of the Offer. *Provided that the payment instruments in respect of the payment to Non-Resident Shareholders are kept in safe custody with the Registrars to the Offer.*

6.2 As on the date of this PA, to the best of the knowledge of the Acquirer, other than the one specified in paragraph 6.1 above and the approval / No Objection Certificate ('*NoC*') from SBI in respect of the Pledged Sale Shares, there are no other statutory approvals or NoC or any other approvals / consents from Banks or Financial Institutions required to acquire the equity shares tendered pursuant to this Offer. If any other statutory approval becomes applicable prior to the completion of the Offer, the Offer would be subject to such statutory approvals. The Acquirer will not proceed with the Offer pursuant to Regulation 27 of the SEBI (SAST) Regulations in the event such statutory approvals have been refused.

6.3 In case of delay in receipt of any approval, SEBI has the power to grant an extension of the time required for payment under the Offer pursuant to Regulation 22(12) of the SEBI (SAST) Regulations, ***provided the Acquirer agrees to pay interest for the delayed period***. Further, if delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will apply which provides that the Escrow Account shall be liable to be forfeited and dealt with in the manner provided in Clause (e) of sub-Regulation 12 of Regulation 28, apart from the Acquirer being liable for penalty as provided in the SEBI SAST Regulations.

7. Delisting / Continuous Listing Option to the Acquirer in Terms of Regulation 21(2)

Assuming full acceptance under the Offer, the public shareholding would not reduce below the minimum limit specified in the Listing Agreement with the BSE. The Target Company would comply with the continuous listing requirements, even after successful completion of this Offer.

8. Financial Arrangements for the Offer

8.1 Assuming full acceptance in the Offer, the total consideration for acquisition of 9,00,000 fully paid-up equity shares of DAEHL, at an Offer Price of Rs. 100/- per equity share is Rs. 9,00,00,000/- (Rupees Nine Crores Only).

8.2 The Acquirer has made firm financial arrangements to meet their obligations in full under the Offer. In accordance with the provisions of Regulation 28(2) of the SEBI (SAST) Regulations, the Acquirer has created an Escrow Account as under:

8.2.1 Bank Guarantee for Rs. 9,00,00,000/- (Rupees Nine Crores Only) representing 100% of the total consideration payable under this Offer. The said Bank Guarantee Bearing No. 11650100000269 has been issued by Axis Bank Limited, Corporate Banking Branch, Ground Floor, Karumuthu Nilayam, No. 192, Anna Salai. Chennai – 600 002 in favour of the Manager to the Offer.

8.2.2 Cash Deposit of Rs. 9,00,000/- (Rupees Nine Lakhs Only) representing 1% of the total consideration payable under this Offer with Axis Bank Limited, No. 82, Radhakrishnan Salai, Mylapore, Chennai – 600 004. The said Cash Deposit is maintained in the Escrow Account Bearing No. 911020002440603.

8.3 The Manager to the Offer, Karvy Investor Services Limited, has been empowered to operate the Escrow Account. Axis Bank Limited, No. 82, Radhakrishnan Salai, Mylapore, Chennai – 600 004 has marked a lien on the Escrow Account in favour of Manager to the Offer and is empowered to realise the value of the aforesaid Escrow Account.

8.4 Mr. K. J. Dandeker, Partner (Membership No. 018533) of M/s. M. K. Dandeker & Co., Chartered Accountants (ICAI Registration No. 000679S), , having their address at 244 (Old No. 138), Angappa Naicken Street, Chennai – 600 001; Tel. No.: +91-44-2522 2100; and Mobile No.: +91-98410 26050 have certified that the Networth of Dr. Agarwal's Health Care Limited as on January 7, 2011 was Rs. 8,03,00,000/- (Rupees Eight Crore Three Lakhs Only), vide their Certificate dated January 12, 2011.

8.5 Based on the Bank Guarantee, as stated hereinabove, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations, as firm arrangements for funds for payment through verifiable means are in place to fulfil the Offer obligations.

8.6 In case of revision in the Offer Price, the Acquirer would raise the amount in the Escrow Account to ensure compliance with Regulation 28 of the SEBI (SAST) Regulations.

9. Other Terms of the Offer

9.1 All shareholders who own the equity shares in DAEHL at any time before the Closure of the Offer, except the Acquirer, are eligible to participate in the Offer.

9.2 The Letter of Offer ("*LoF*") together with the Form of Acceptance - cum - Acknowledgement will be mailed to the shareholders / beneficial owners of DAEHL (*except the Acquirer*) whose names appear on the Register of Members or are beneficial owners on the records of the respective depositories at the close of the business on Monday, February 14, 2011 ('*the Specified Date*').

9.3 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholders / beneficial owners of DAEHL and each shareholder / beneficial owner of DAEHL to whom this Offer is made is / are free to Offer his / her / their shareholding in the Target Company in whole or in part while accepting the Offer.

9.4 Equity shares that are subject to any charge, lien or encumbrance are liable to be rejected. Any equity shares of DAEHL that are subject matter of litigation or are held in abeyance due to pending court cases, wherein the shareholders of DAEHL may be precluded from transferring the equity shares during pendency of the said litigation are liable to be rejected. The LoF, wherever possible, would be forwarded to the concerned statutory / competent authorities for further action at their end in respect of the equity shares which are subject matter of litigation.

9.5 Accidental omission to dispatch the LoF or any further communication to any person to whom the LoF is made or the non-receipt of the LoF by any such person shall not invalidate the Offer in any way.

9.6 Instructions, authorizations and provisions contained in the Form of Acceptance - cum - Acknowledgment and Form of Withdrawal constitute an integral part of the terms of this Offer.

9.7 The acceptance of the Offer must be unconditional and should be sent in the Form of Acceptance cum Acknowledgment along with the other documents duly filled-in and signed by the applicant shareholder(s) and should be received by the Registrar to the Offer at the address mentioned below, at Paragraph 9.10 on or before 1700 hours on Friday, March 25, 2011. If any change or modification is made in the Form of Acceptance - cum - Acknowledgment, the same is liable to be rejected.

9.8 The Acquirer will not be responsible in any manner for any loss of share certificate(s) representing the equity shares of DAEHL and the Offer Acceptance Documents during transit and the shareholders of DAEHL are advised to adequately safeguard their interest in this regard.

9.9 The Acquirer will acquire all the paid-up equity shares of DAEHL that are validly tendered in terms of this Offer upto a maximum of 9,00,000 equity shares of Rs 10/- (Rupees Ten Only) each. In the event of the Offer receiving a response of more than 100% (9,00,000 equity shares), the Acquirer shall accept the equity shares on a proportionate basis pursuant to Regulation 21(6) of the SEBI (SAST) Regulations, *subject to minimum marketable lot of 100 equity shares in physical form and one (1) equity share in case of electronic share*. The Acquirer will proceed with the Offer even if they are unable to obtain acceptance to the full extent of the equity shares of the Target Company for which this Offer is made.

9.10 Shareholders who wish to tender the equity shares will be required to send the Form of Acceptance cum Acknowledgment, Original Share Certificate (s) and Transfer Deed (s) duly signed by applicants (all joint holders must sign) to the Registrar to the Offer, Integrated Enterprises (India) Limited, at the address mentioned below, either by hand delivery during normal business hours from Monday to Friday between 1000 hours to 1700 hours and Saturdays between 1000 hours to 1300 hours (excluding Bank Holidays) or by Registered Post so as to reach them on or before the Closure of the Offer not later than 1700 hours on Friday, March 25, 2011 in accordance with the instructions specified in the LoF and the Form of Acceptance.

Integrated Enterprises (India) Limited
II Floor, 'Kences Towers', No. 1 Ramakrishna Street,
North Usman Road, T. Nagar, Chennai – 600 017. India.
Tel. No.: +91-44-2814-0801 - 03, Fax No.: +91-44–2814 2479,
Contact Person: Ms. N Anusha,
E-mail: corpserv@iepindia.com, Website: www.iepindia.com

9.11 Beneficial owners holding equity shares in the dematerialized form, will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the Offer either by hand delivery during normal business hours or by Registered Post on or before the Closure of the Offer, not later than 1700 hours on Friday, March 25, 2011 along with a photocopy of the delivery instructions in "Off Market" mode or counterfoil of the delivery instruction in "Off Market" mode, duly acknowledged by the Depository Participant ("*DP*"), in favour of the Escrow Depository Account.

DP Name	:	Integrated Enterprises (India) Limited
DP ID	:	IN301313
Beneficiary ID	:	21393461
Name of Account	:	"Dr. Agarwal's Health Care Limited- DAEHL Open Offer-Escrow Account"
ISIN No.	:	INE934C01018

Shareholders having their beneficiary account with CDSL must use Inter-depository Delivery Instruction Slip for the purpose of crediting their equity shares in favour of the Escrow Depository Account with NSDL. For further details, please refer to the LoF.

9.12 All owners of equity shares, registered or unregistered (except the Acquirer) and in case of non-receipt of LoF and Form of Acceptance cum Acknowledgement by the shareholders, who own the equity shares at any time prior to the Closure of the Offer are eligible to participate in the Offer. Registered (who have not received LoF and Form of Acceptance cum Acknowledgement) and unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares Offered, Distinctive Numbers, Folio No., together with the Original Share Certificate(s), valid transfer deed(s) and a copy of the contract note issued by the broker through whom they acquired their equity shares, not later than 1700 hours on Friday, March 25, 2011. No indemnity is required from the unregistered owners.

9.13 The Registrar to the Offer will hold, ***in trust***, the share certificates, equity shares lying in credit of the Escrow Depository Account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of DAEHL, who have accepted the Offer, until the cheques / drafts / pay orders for the consideration and / or the un-accepted share certificates have been dispatched / returned.

9.14 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders / un-registered owners sole risk to the sole / first shareholder. Shareholders whose equity shares are held in dematerialized form to the extent not accepted will be intimated by post for the non-acceptance.

9.15 Shareholders may also download a copy of the LoF and Form of Acceptance-cum-Acknowledgement, which will be available on SEBI's website at www.sebi.gov.in from the Offer Opening Date i.e. Monday, March 7, 2011 and apply in the same.

9.16 Shareholders who have sent their equity shares for dematerialisation need to ensure that the process of having the equity shares dematerialised is completed well in time so that the credit in the Escrow Depository Account should be received on or before the date of Closure of the Offer not later than 1700 hours on Friday, March 25, 2011 else the application would be rejected.

9.17 Procedure for Withdrawal of Application

(i) In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders shall have the option to withdraw acceptances tendered upto 3 (three) working days (i.e. Tuesday, March 22, 2011) prior to the Offer Closing Date i.e. Friday, March 25, 2010.

(ii) Shareholders who wish to withdraw their shares from the Offer will be required to send the Form of Withdrawal duly completed and signed along with the requisite documents.

(iii) In case of non-receipt of Form of Withdrawal, the withdrawal can be exercised by making an application on plain paper along with following details: -

a. In case of physical shares: by stating Name, Address, Distinctive Numbers, Folio Number, Number of shares tendered.

b. In case of dematerialized shares: by stating Name, Address, Number of shares tendered, DP Name, DP ID, beneficiary account number, photocopy of the delivery instruction in "Off Market" mode duly acknowledged by the DP in favour of the Escrow Depository Account.

c. In either case, a copy of the acknowledgement received from the Registrar to the Offer upon tendering of the equity shares, so as to reach the Registrar to the Offer either by hand delivery or by Registered Post not later than 1700 hours on Friday, March 25, 2010.

9.18 Shares Subject to Lock-In

The Acquirer shall acquire all the equity shares tendered by the shareholders even if they are subjected to lock-in. However, such equity shares shall continue to be locked-in for the residual period in the hands of the Acquirer. The event in which these equity shares may be rejected / returned is in case of invalid applications and / or the equity shares being rejected due to proportionate acceptance.

9.19 In case of non-receipt of the aforesaid documents, but receipt of the equity shares in the Escrow Depository Account, the Acquirer may deem the Offer to have been accepted by the shareholder.

9.20 Schedule of the Activities pertaining to the Offer is given below:

Activity	Day	Date
Public Announcement	Monday	January 17, 2011
Last Date for a Competitive Bid	Monday	February 7, 2011
Specified Date(*)	Monday	February 14, 2011
Date by which LoF will be Dispatched to the Shareholders	Thursday	February 23, 2011
Offer Opening Date	Monday	March 7, 2011
Last Date for Revising the Offer Price / Number of Shares	Wednesday	March 16, 2011
Last Date for Withdrawal by Shareholders	Tuesday	March 22, 2011
Offer Closing Date	Friday	March 25, 2011
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired shares and / or the share Certificate(s) will be dispatched /credited	Saturday	April 9, 2011

(*): Specified Date is only for the purpose of determining the names of the shareholders of the Target as on such date to whom the LoF would be sent.

10. General

10.1 If there is any upward revision in the Offer Price before the last date of revision (i.e. Wednesday, March 16, 2011) or in case of Withdrawal of the Offer, the same would be informed by way of PA in the same newspaper where the original PA appeared. Such revised Offer Price would be payable to all the shareholders who have tendered their equity shares at any time during the Offer period and which have been accepted under the Offer.

10.2 "If there is Competitive Bid:

1. **The tenders under all the subsisting Offers shall close on the same date.**
2. **As the Offer Price cannot be revised during 7 (seven) working days prior to the Closing Date of the Offers / Bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly."**

10.3 The Acquirer and DAEHL have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of SEBI Act 1992 or under any other regulations made under the SEBI Act 1992.

10.4 The Acquirer accepts the responsibility for the information contained in the PA and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations.

On behalf of Dr. Agarwal's Health Care Limited,

Place : Hyderabad

Date : Saturday, January 15, 2010

Issued By (Manager to the Offer)

KARVY
INVESTOR SERVICES LTD

Karvy Investor Services Limited
"Karvy House", 46, Avenue 4, Street No.1,
Banjara Hills, Hyderabad – 500 034.
Tel. No.: +91-40–2331 2454 / 2342 8774
Fax No.: +91-40–2331 1968
Email: cmg@karvy.com ;Website: www.karvy.com,
Contact Person1: Ms. Menka Jha
(+91-22-2289 5091 / +91-90299 79029)
Contact Person2: Mr. Harihara Subramanian
(+91-97909 06827 / +91-97899 98514)

Registrars to the Offer

Integrated Enterprises (India) Limited
II Floor, 'Kences Towers', No. 1 Ramakrishna Street,
North Usman Road, T. Nagar, Chennai – 600 017.
Tel. No.: +91-44 – 2814 0801-03
Fax No.: +91-44 – 2814 2479,
Email: corpserv@iepindia.com
Contact Person: Ms. N Anusha

CONCEPT

Size: 32.9x50 sq. cm