PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF DR.AGARWAL'S EYE HOSPITAL LIMITED ("DAEHL/ TARGET COMPANY")

Registered Office: 19, (Old No.13) Cathedral Road, Chennai-600086

This Public Announcement ("PA") is being issued by Karvy Investor Services Limited ("Karvy" or the "Manager to the Offer") on behalf of Dr.J.Agarwal, Dr.(Mrs).T.Agarwal, Dr.Athiya Agarwal, Dr.Adil Agarwal, Dr. Anosh Agarwal, (hereinafter referred to as "the Acquirers"), pursuant to Regulation 11(1) and other provisions of Chapter III of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("the Regulations")

I Background to the Offer :

1.1 The Board of Directors of the Target Company has issued and allotted on preferential basis 12,50,000 equity shares of Rs.10/- each of the Target Company for cash at a price of Rs.42.88 per share including a premium of Rs.32.88 aggregating to Rs.5,36,00,000 ("Preferential Issue") to the Acquirers in accordance with the Guidelines for Preferential Issues of SEBI (Disclosure and Investor Protection) Guidelines, 2000 and the subsequent amendments thereto ("Guidelines").

The Preferential Issue has been duly authorised by a resolution passed by the Board of Directors of the Target Company at its meeting held on 27 December, 2006 and by the special resolution under section 81(1A) of the Companies Act, 1956 and other applicable provisions, passed by the shareholders of the Target Company at the Extraordinary General Meeting ("EGM") held on 27 January, 2007 authorising the Board of Directors of the Target Company to issue and allot the above equity shares.

Pursuant to the subscription money received from the Acquirers, the Board of Directors of the Target Company allotted 12,50,000 fully paid-up equity shares to the Acquirers on 10 February, 2007. The said equity shares will be subject to "lock-in" as per the Guidelines.

1.2 Pursuant to Regulation 11(1) of the Regulations consequent to the Preferential Issue referred to in clause 1.1, on account of consolidation of the holdings, the Acquirers are required to make an offer to the shareholders of the Target Company to acquire their shares by making a PA in terms of the Regulations.

1.3 Prior to the aforementioned Preferential Issue the Acquirers held 4,72,275 shares forming 14.53% of the equity share capital of the Target Company. Upon the allotment of the said 12,50,000 equity shares, the Acquirers hold 17,22,275 equity shares forming 38.27% of the post preferential fully paid-up equity share capital of the Target Company.

1.4 As on the date of this PA, the promoters of DAEHL hold 25,93,788 equity shares representing 57.64% of the post preferential fully paid-up equity capital of the Target Company

2. The Offer

2.1 The Acquirers are making an offer to the shareholders of DAEHL to acquire 9,00,000 fully paid-up Equity Shares of Rs.10/- each of DAEHL ("Equity Shares"), representing 20% of the outstanding voting equity share capital (post Preferential Issue) of DAEHL, at a price of Rs.43.10 per fully paid-up Equity Share (the "Offer Price") payable in cash in terms of Regulation 20 and 21 of the Regulations (the "Offer" or "Open Offer"). The Offer is in accordance with Regulation 11(1) of the Regulations, consequent to the Preferential Issue referred to in clause 1.1 above, on account of the consolidation of the holdings by the Acquirers. There are no partly paid-up shares of DAEHL.

2.2 As on the date of this PA, the Acquirers hold 17,22,275 equity shares of DAEHL. The highest and the average price at which the Acquirers have acquired equity shares of DAEHL during the 12 months preceding the date of this PA other than through preferential issue as stated above are Rs 41.00 and Rs 35.49 respectively.

2.3 The Offer is not conditional on any minimum level of acceptance.

2.4 This is not a Competitive Bid.

2.5 The Offer is subject to the terms and condition set out herein and in the Letter of Offer ("LOO") that would be sent to the shareholders of DAEHL.

2.6 This Offer is subject to receipt of the statutory approvals mentioned in clause 7 of the PA. In terms of Regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

3. The Offer Price

3.1 The Equity Shares of DAEHL are listed on the Bombay Stock Exchange Limited ("BSE"), and Madras Stock Exchange ("MSE")

3.2 The annualized trading turnover in the shares of DAEHL in each of the above mentioned Stock Exchanges based on trading volume during August 2006 to January 2007 (six calendar months preceding the month in which the PA is made) is as given below:

Stock Exchange	Total no. of shares traded during 6 calendar months preceding the month in which the PA is made	Total no. of listed shares	Annualized trading turnover (as % of total listed shares)
BSE	7,43,940	32,50,000	45. 78%
MSE	NIL	32,50,000	NIL

Source: www.bseindia.com

The Equity Shares of DAEHL are frequently traded on BSE and infrequently traded MSE within the meaning of explanation (i) to Regulation 20(5) of the Regulations.

3.3 In accordance with Regulations 20(4) and 20(5) of the Regulations, the Offer Price of Rs.43.10 per share is higher than any of the following:

<table>
<tr><td colspan="2">a. Negotiated Price under the agreement for acquisition of shares or voting rights or deciding to acquire shares or voting rights.</td><td>Not applicable</td></tr>
<tr><td colspan="2">b. Highest Price paid by the Acquirers for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to 14 February, 2007 (i.e. the date of PA)</td><td>Rs. 42.88</td></tr>
<tr><td colspan="2">c. The highest of the average of the weekly high and low of the closing prices for the equity shares of DAEHL for the 26 week period and the average of the daily high and low prices of the equity shares during the 2 week period at BSE prior to 27 December, 2006 i.e. the date of the Board Resolution authorizing the Preferential Issue.</td><td>Rs. 43.07</td></tr>
<tr><td>d. Other Parameters</td><td colspan="2">As certified by M.K.Dandekar & Co. Chartered Accountants, Statutory Auditors of DAEHL.</td></tr>
<tr><td></td><td>Audited 6 month financials (period ended 30 September 2006)</td><td>Audited 12 month financials (year ended 31 March 2006)</td></tr>
<tr><td>Return on Networth (%)</td><td>18.98</td><td>8.81</td></tr>
<tr><td>Book Value per share (Rs.)</td><td>17.53</td><td>14.23</td></tr>
<tr><td>Earnings Per Share (Rs.)</td><td>4.80*</td><td>1.78</td></tr>
<tr><td>Price/Earnings Ratio</td><td colspan="2">The industry average and high/ low PE ratio of the Healthcare Industry is 23.8 and 28.7/7.1 respectively (Source: Capital Market Volume XXI / 12 dated Jan 15-28,2007).</td></tr>
</table>

* Annualised and on enhanced post preferential issue Equity Capital.

In view of the above, the Offer Price of Rs 43.10 offered by the Acquirers to the shareholders of under the proposed Open Offer is justified in terms of Regulations 20(4) and 20(5) of the Regulations.

4. Information on Acquirers

4.1 Dr J. Agarwal, aged 77 years, FICS, DOMS, F.O.R.C.E, residing at New 19, Cathedral Road, Chennai - 600 086, Tel No: +91 44 28113704, is an Ophthalmologist and eye surgeon. He has about five decades of experience in the field of Ophthalmology. He is the Chairman of DAEHL and has been on its the Board of Directors since inception in 1994. He is a pioneer in propagating eye donation in India. He was awarded the Padma Bhushan award in 2006 for his contribution to the field of medicine. He has presented papers in various conferences. Prior to the Preferential issue as mentioned in clause 1.1 he held 1,58,900 Equity Shares of Rs.10/- each representing 4.89% of the total paid up share capital of DAEHL. After the preferential issue he holds 3,15,150 Equity Shares of Rs.10/- each representing 7.00% of the total paid up share capital of DAEHL. Mr.S.Neelakantan of M.K.Dandekar & Co., Chartered Accountants (Membership No. 018961) has certified vide certificate dated 12 February, 2007 that the networth of Dr J. Agarwal as on 12 February, 2007 was Rs.237.89 lakhs. Other than DAEHL is a member of the Board of the following unlisted companies: Dr.Agarwal's Pharma Ltd, Dr.Agarwal's Eye Institute P Ltd, Maya Furniture P Ltd.

4.2 Dr (Mrs) T Agarwal, FICS, DOMS, F.O.R.C.E, aged 75 years, residing at 19, Cathedral Road, Chennai - 600086 Tel No: +91 44 28113704, has about five decades of experience in the field of ophthalmology. She has been on the Board of Directors of DAEHL since inception in 1994. She along with her husband Dr J. Agarwal has authored two books namely "Vitreous Surgery" and "Care of Eyes". She has presented papers at National and International conferences.

Prior to the Preferential issue as mentioned in clause 1.1 she held 1,59,700 Equity Shares of Rs.10/- each representing 4.91% of the total paid up share capital of DAEHL. After the preferential issue she holds 3,15,950 Equity Shares of Rs.10/- each representing 7.02% of the total paid up share capital of DAEHL. Mr.S.Neelakantan of M.K.Dandekar & Co., Chartered Accountants (Membership No. 018961) has certified vide certificate dated 12 February, 2007 that the net worth of Dr (Mrs) T Agarwal as on 12 February, 2007 was Rs.221.97 lakhs.

Other than DAEHL is a member of the Board of the following unlisted companies: Dr.Agarwal's Pharma Ltd, Dr.Agarwal's Eye Institute P Ltd, Maya Furniture P Ltd.

4.3 Dr Athiya Agarwal, MD (PATH), F.R.S.H , LONDON, D.O aged 52 years, residing at 19, Cathedral Road, Chennai-600086 Tel No: +91 44 28113704, is one of the leading anterior segments surgeon and ocular pathologists in India. She has about three decades of experience. She was trained in the Moorfields Eye Hospital in London. She has presented papers in various national and international conferences. She is involved in the activities of the All India Opthalmological Society and conducts instruction courses.

Prior to the Preferential issue as mentioned in clause 1.1 she held 37,400 Equity Shares of Rs.10/- each representing 1.15% of the total paid up share capital of DAEHL. After the preferential issue She holds 3,49,900 Equity Shares of Rs.10/- each representing 7.78% of the total paid up share capital of DAEHL.

Mr.S.Neelakantan of M.K.Dandekar & Co., Chartered Accountants (Membership No. 018961) has certified vide certificate dated 12 February, 2007 that the networth of Dr Athiya Agarwal as on 12 February, 2007 was Rs.124.71 lakhs.

Other than DAEHL she is a member of the Board of the following unlisted companies: Dr.Agarwal's Pharma Ltd, Dr.Agarwal's Eye Institute P Ltd.

4.4 Dr Adil Agarwal, MBBS, aged 24 years, residing at 19, Cathedral Road, Chennai-600086 Tel No: +91 44 28113704, has about one year's experience in the medical field. He has been on the Board of the Company since 28 March, 2005 and has been contributing to the Company by his knowledge in the medical field.

Prior to the Preferential issue as mentioned in clause 1.1 he held 65,175 Equity Shares of Rs.10/- each representing 2.01% of the total paid up share capital of DAEHL. After the preferential issue He holds 3,77,675 Equity Shares of Rs.10/- each representing 8.39% of the total paid up share capital of DAEHL.

Mr.S.Neelakantan of M.K.Dandekar & Co., Chartered Accountants (Membership No. 018961) has certified vide certificate dated 12 February, 2007 that the net worth of Dr Adil Agarwal as on 12 February, 2007 was Rs.105.95 lakhs.

Other than DAEHL he is not a member of the Board of any other company.

4.5 Dr Anosh Agarwal, MBBS, aged 23 years, residing at 19, Cathedral Road, Chennai-600086 Tel No: +91 44 28113704 has been contributing to the company by his knowledge in the medical field.

Prior to the Preferential issue as mentioned in clause 1.1 he held 51,100 Equity Shares of Rs.10/- each representing 1.57% of the total paid up share capital of DAEHL. After the preferential issue He holds 3,63,600 Equity Shares of Rs.10/- each representing 8.08% of the total paid up share capital of DAEHL.

Mr.S.Neelakantan of M.K.Dandekar & Co. Chartered Accountants (Membership No. 018961) has certified vide certificate dated 12 February, 2007 that the net worth of Dr Anosh Agarwal as on 12 February, 2007 was Rs.111.78 lakhs

He is not a member of the Board of any company.

4.6 Dr J. Agarwal and Dr (Mrs) T Agarwal are husband and wife and the grand parents of Dr Anosh Agarwal and Dr Adil Agarwal. Dr Athiya Agarwal is their daughter-in-law and the mother of Dr Anosh Agarwal and Dr Adil Agarwal.

4.7 The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.

5. Information on The Target Company (" DAEHL.")

5.1 DAEHL, incorporated as Dr Agarwal's Eye Hospital Ltd on 22 April, 1994 obtained its certificate of commencement of business on 12 July, 1994. It has its Registered office at 19, (Old No.13) Cathedral Road, Chennai-600086, Tel No.:+91-44-28116233,28112592 Fax No: +91-44-28115871. The main promoters of DAEHL, Dr J Agarwal and his family have been in the business of 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. DAEHL, which has been involved in the field of Ophthalmic care, has kept abreast with its advances globally and has many firsts to its credit. 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. It has five facilities in Chennai, Tamil Nadu and one each in Kanchipuram, Tamil Nadu and Jaipur, Rajasthan. Its specialized treatments include "Phakonit" Cataract Surgery, "Micro Phakonit", "Zyoptix" treatment for correction of Myopia, Hypermetropia and Astigmatism and Aberropia corrective treatment. The present Directors of DAEHL are Dr J Agarwal , Dr Amar Agarwal, Dr (Mrs) T Agarwal, Dr Athiya Agarwal, Dr Adil Agarwal, Mr.Apparao, Dr.(Ms) Akther Begum, Dr Steve Charles, Dr Jasvinder Singh Saroya ,Dr Sasikanth, Ms Sudha, Mr Prabhat Toshniwal.

5.2 The authorised capital of DAEHL as on the date of the PA comprises of 50,00,000 equity shares of Rs.10/- each aggregating to Rs.5,00,00,000/-. The issued, subscribed and paid-up share capital of DAEHL as at the date of the PA pursuant to the Preferential Issue comprises of 45,00,000 fully paid-up Equity Shares of Rs. 10/- each. There are no partly paid-up Equity Shares of DAEHL as at the date of the PA. There are no shares under lock-in period other than those mentioned in clause 1.1.

5.3 All the Equity Shares of DAEHL, other than those mentioned in Clause 1.1, are listed on BSE and MSE. The Equity Shares of DAEHL are listed and are frequently traded on BSE and infrequently traded MSE. The last traded price as on 13 February, 2007 on BSE was Rs 50.25 with a volume of 5854 equity shares.

5.4 As per the audited financial results for the year ended 31 March, 2006, DAEHL has reported a Total Income of Rs 1470.16 lakhs and a profit of Rs.40.74 lakhs. As per the audited financials for the six-month period ended 30 September 2006, as certified by M/s.M.K. Dandekar & Co, the Statutory Auditors, DAEHL has reported a total income of Rs.1052.74 lakhs and a profit of Rs 108.08 lakhs. As on 31 March 2006 the paid up equity share capital, Networth (excluding revaluation reserves) and the book value per share were Rs.325 lakhs, Rs.488.55 lakhs and Rs.14.23 respectively. As on 30 September 2006 the paid up equity share capital, Networth (excluding revaluation reserves) and the book value per share were Rs.325 lakhs, Rs.591.28 lakhs and Rs.17.53 respectively.

5.5 DAEHL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.

6. Reason for Acquisition and Offer

6.1 Presently the Acquirers are in the management control of DAEHL and this Offer to the shareholders of DAEHL is being made pursuant to Regulation 11(1) of the Regulations consequent to the Preferential Issue of equity shares to the Acquirers as explained in clause 1.1 above resulting in consolidation of holding in DAEHL. DAEHL after setting up operations successfully in Tamil Nadu and Jaipur, is embarking on an expansion program to increase its network of hospitals in and around Chennai besides upgradation and renovation of its flagship facility at Chennai. The proceeds of the preferential issue are to be used to fund these plans and to augment the long-term working capital of the company.

6.2 To the extent required and to optimize the value to all shareholders, the Acquirers may, subject to applicable shareholders' consent, propose any compromise or arrangement, reconstruction, restructuring, merger, rationalizing and/or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of DAEHL. The Board of Directors of DAEHL will take appropriate decisions in these matters. The Acquirers do not have any plan to dispose off or otherwise encumber any asset of DAEHL in the next two years except in the ordinary course of business of DAEHL and except to the extent mentioned above. However, the Acquirers undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of DAEHL except with the prior approval of the shareholders of DAEHL and in accordance with and subject to applicable laws, permissions, consents, if any.

7. Statutory and Other Approvals Required for the Offer

7.1 The Offer is subject to receipt of the permission from Reserve Bank of India (RBI) under Foreign Exchange Management Act, 1999 (FEMA) to acquire equity shares tendered by Non Resident Indian ("NRI"), Overseas Corporate Bodies ("OCB") and Foreign Institutional Investors registered with SEBI ("FIIs") (jointly referred to as "Non-Resident Shareholders") in this Offer. The Acquirers will make necessary applications for the requisite approvals at an appropriate time.

7.2 As of the date of this PA, to the best of the knowledge of the Acquirers there are no other statutory approvals 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 Acquirers will not proceed with the Offer in the event that such statutory approvals are not obtained in terms of Regulation 27 of the SEBI (SAST) Regulations.

7.3 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 provided that the Acquirers agree to pay interest in accordance with Regulation 22(12) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

7.4 In case, RBI's approval for acquisition of equity shares from Non-Resident shareholders is unduly delayed, the Acquirers reserve the right to proceed with the payment to the resident shareholders whose Equity Shares have been accepted by the Acquirers in terms of the Offer, pending payment to Non-Resident shareholders subject to the payment instruments payable to Non-Resident shareholders being kept in the safe custody with the Registrars to the Offer.

8. Option to the Acquirer in terms of Regulation 21(2)

As this offer (assuming full acceptance), would result in the public shareholding falling below 25 % of the voting capital of DAEHL the Acquirers in terms of the Regulation 21(2) of the Regulations undertake to comply with the provisions of Clause 40(A)(vi) and (vii) of the listing agreement with the Stock Exchange.

9. Financial Arrangement for the Offer

9.1 The Acquirers, have made firm financial arrangements to meet its obligations in full under the Offer. For this purpose, the Acquirers intend to utilize internal resources. No borrowings from Banks / Financial Institutions is being made for the purpose. All the funds will be domestic and no foreign funds will be utilized.

9.2 The maximum purchase consideration payable for the Offer assuming full acceptance of the Offer would be Rs.387.90 Lakhs (i.e. 9,00,000 fully paid up equity shares of DAEHL at Rs.43.10/- per equity share).

9.3 In accordance with the provisions of Regulation 28 of the Regulations, the Acquirers have established a bank guarantee in favour of the Manager to the Offer for Rs. 98.00 lakhs being more than 25% of the total consideration payable under the Offer assuming full acceptance through UTI Bank Ltd having its office at 82, Dr.Radhakrishnan Salai Chennai - 600 004. This bank guarantee shall be valid until 8 August 2007. The Acquirers have also made a cash deposit of Rs. 1 lakh (being not less than 1% of the maximum purchase consideration payable under this Offer) in the same Bank. The Manager to the Offer is authorised to realise the value of the aforesaid Bank account.

9.4 S.Neelakantan, Partner: M.K.Dandekar & Co. Chartered Accountants, No.244, (Old No.138), Angappan Street, 2nd Floor, Chennai-600001, Tel No.044-2522100 Fax No.044-25220721 have certified vide their certificate dated 12 February, 2007 that the Acquirers have adequate resources to meet the financial requirements of the Open Offer.

9.5 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers 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 fulfill the Offer obligations.

10. Other Terms of the Offer

10.1 The Letter of Offer ("LOO") together with the Form of Acceptance cum Acknowledgment will be mailed to the shareholders of DAEHL (except the Acquirers) whose names appear on the Register of Members and to the beneficial owners of the shares of DAEHL whose names appear on the beneficial records of the respective depositories at the close of the business on Friday, 09 March, 2007 (the Specified Date).

10.2 Shareholders, holding shares in physical form, will be required to send the Form of Acceptance cum Acknowledgment, Original Share Certificate(s) and Transfer Deed (s) duly signed, to the Registrar to the Offer at Integrated Enterprises (India) Ltd II nd Floor, 'Kences Towers ' No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai-600017. Tel: +91-44-28140801-03 Fax: 28142479, 28143378 e-mail: sureshbabu@iepindia.com, website : www.iepindia.com either by hand delivery during normal business hours, 11.00 a.m. to 4.00 p.m. and on Saturdays (excluding Bank Holidays) or by Registered Post on or before the close of the Offer i.e., Saturday, 28 April, 2007 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgment.

10.3 Beneficial Owners and Shareholders holding shares in the dematerialized form, will be required to send their Form of Acceptance cum Acknowledgment to the Registrar to the Offer either by hand delivery during normal business hours or by Registered Post on or before the close of the offer i.e., Saturday, 28 April, 2007 along with 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"). For further details please refer to the Letter of Offer.

10.4 All owners of shares, registered or unregistered (except the Acquirers) who own the shares at any time prior to the closure of the Offer are eligible to participate in the Offer. 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 the shares. No indemnity is required from the unregistered owners.

10.5 In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of shares held, Distinctive Nos., Folio No., No. of shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e., Saturday, 28 April, 2007 or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer on a plain paper stating the Name, Address, No. of shares held, No. of Shares offered, DP Name, DP ID No., Beneficiary account number and a photocopy of the delivery instruction in "Off Market" mode, duly acknowledged by the DP, in favour of special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer i.e. Saturday, 28 April, 2007

10.6 The Acquirers have appointed Integrated Enterprises Limited, as the Registrar to the Open Offer ("Registrar"). A special depository account has been opened with National Securities Depository Limited ("NSDL") styled Dr.Agarwal's Eye Hospital Limited- Escrow Account - Open Offer". The DP ID is IN301313 and Beneficiary Client ID is 21131611. Shareholders having their beneficiary account in Central Depository Services India Limited ("CDSL") have to use inter depository delivery instruction for the purpose of crediting their equity shares in favour of Special Depository Escrow Account with NSDL.

10.7 The Registrar to the Offer will hold in trust the share certificates, shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgment, 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.

10.8 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. Shareholders whose shares are held in dematerialised form to the extent not accepted will be intimated by post for the non-acceptance.

10.9 In case the shares tendered in the Offer by the shareholders of DAEHL are more than the shares to be acquired under the Offer the acquisition of the shares from each shareholder will be as per the provision of Regulation 21(6) of the Regulations on a proportionate basis irrespective of whether the shares are held in physical or dematerialized form.

10.10 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.

10.11 The consideration for the shares accepted by the Acquirers will be paid by crossed account payee cheques/ demand drafts. Such payments and documents, in case of unaccepted shares will be returned by registered post/ speed post at the shareholders / unregistered owners' sole risk. Shares held in dematerialised form to the extent not accepted will be credited back to the account of beneficial owner specified in the acceptance form.

Communication of acceptance/ rejection and the payment of consideration for the accepted shares will be made by the Acquirers in cash through cheque/ demand draft to the shareholders of accepted shares within 15 days from the date of the closure of the Offer.

10.12 In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered upto three working days prior to the date of closure of the Offer by submitting the documents as specified below, so as to reach the Registrar to the Offer. The withdrawal can be exercised by submitting the Form of Withdrawal enclosed with Letter of Offer. In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making plain paper application along with the following details:

In case of physical shares: Name, address, distinctive numbers, folio nos., number of shares tendered/withdrawn.

In case of dematerialized shares: Name, address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the Depository Escrow Account.

10.13 Eligible persons to the Offer may also download a copy of the Letter of Offer, Form of Acceptance cum Acknowledgment and Form of Withdrawal, which will be available on SEBI's website at http://www.sebi.gov.in from the Offer opening date i.e Monday, 09 April, 2007 and apply in the same.

10.14 Shareholders who have sent their shares for demat need to ensure that the process of getting shares demated is completed well in time so that the credit in the Escrow Account should be received on or before the date of closure of the Offer, i.e., Saturday, 28 April, 2007 else the application would be rejected.

10.15 The shares withdrawn by the shareholders, if any would be returned by registered post, in case of physical shares.

10.16 The Acquirers undertake to pay interest pursuant to Regulation 22(12) to the shareholders for the delay, if any, in payment of consideration.

10.17 While tendering shares under the Offer, NRI/OCBs/foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by Acquirers under the Income Tax Act, 1961, before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, Acquirers will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

10.18 A schedule of some of the key events in respect of the Offer is given below:

Activity	Date
Public Announcement	Thursday, 15 February, 2007
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Friday, 09 March, 2007
Last Date for a Competitive Bid	Thursday, 8 March, 2007
Date by which Letter of Offer will be posted to shareholders	Friday, 30 March, 2007
Date of Opening of the Offer	Monday, 09 April, 2007
Last date for revising the Offer Price	Wednesday, 18 April, 2007
Last date of withdrawal of tendered application by the shareholders of DAEHL	Tuesday, 24 April, 2007
Date of Closing of Offer	Saturday, 28 April, 2007
Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/or the unaccepted Equity Shares / Share Certificate(s) will be dispatched / credited	Saturday, 12 May, 2007

11. General

11.1 In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations, the shareholders of DAEHL who have accepted the Offer by tendering the requisite documents in terms of the PA/ Letter of Offer can withdraw the same up to three working days prior to the date of closure of the Offer.

11.2 If there is any upward revision in the Offer Price by the Acquirers before the last date of revision or withdrawal of the Offer, the same would be informed by way of a PA in the same newspapers in which the original PA had appeared. Such revised price would be payable to all the shareholders who have tendered their shares at any time during the Offer and which has been accepted under the Offer.

11.3 If there is a competitive bid:

a. The public offers under all the subsisting bids shall close on the same date.

b. As the Offer Price cannot be revised during the seven working days prior to the closing date of the offers/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 acceptances accordingly.

11.4 The Acquirers and DAEHL have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or any other Regulation made under the SEBI Act.

11.5 Pursuant to Regulation 13 of the SEBI (SAST) Regulations, the Acquirers have appointed Karvy Investor Services Limited as Manager to the Offer and Integrated Enterprises (India) Limited as Registrars to the Offer.

11.6 For further details please refer to the Letter of Offer, the Form of Acceptance and the Form of Withdrawal.

11.7 The Acquirers accept full responsibility for the information contained in this PA and also for their obligations as laid down in the SEBI (SAST) Regulations. The Acquirers are jointly and severally responsible for each of their obligations in terms of the SEBI (SAST) Regulations.

Eligible persons to the Offer may also download a copy of this PA from SEBI's website at www.sebi.gov.in

Eligible persons to the Offer may also download a copy of Letter of Offer, Form of Acceptance and the Form of Withdrawal which will be available on SEBI's website at www.sebi.gov.in from the date of Opening of the Offer, i.e, Monday, 09 April, 2007 and can apply on the same.

ISSUED BY (Manager to the Offer)

KARVY INVESTOR SERVICES LTD
"Karvy House", 46, Avenue 4,
Street No.1, Banjara Hills, Hyderabad 500 034.
Tel: +91 40 2337 4714/2332 0752 Fax: +91 40 2337 4714
e-mail: mbd@karvy.com. Website: www.karvy.com
Contact person: Mr.T.R.Prashanth Kumar

Registrars to the Offer

INTEGRATED ENTERPRISES (INDIA) LIMITED
II nd Floor, 'Kences Towers'No.1, Ramakrishna Street,
North Usman Road, T.Nagar, Chennai-600017.
Tel: +91-44-28140801-03 Fax: 28142479.
e-mail: sureshbabu@iepindia.com website : iepindia.com
Contact Person: Suresh Babu K.

On behalf of Acquirers
Dr.J.Agarwal, Dr.(Mrs).T.Agarwal, Dr.Athiya Agarwal, Dr.Adil Agarwal, Dr.Anosh Agarwal.

Place : Chennai
Date : 14 February, 2007