LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as shareholder(s) of **M/s. Genera Industries Ltd (Formerly Known as M/s. Anand Lakshmi Finance Ltd).** If you require any clarification about the action to be taken, you may please consult your stockbroker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in Genera Industries Ltd (Formerly Known as Anand Lakshmi Finance Ltd), please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected

OPEN OFFER BY

Mr. M. R. Naidu and Mrs. M. K. Raj
Residing at Plot No. 249, Road No. 78, Phase III, Jubilee Hills,
Hyderabad 500 033, Andhra Pradesh
To
Acquire 5,99,740 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs. 2.75/- (Rupees Two and Paise Seventy Five only) per fully paid equity shares, payable in Cash.

Of

M/s. GENERA INDUSTRIES LTD

(FORMERLY KNOWN AS ANAND LAKSHMI FINANCE LTD)
Registered Office: 9-6-17, 1st Street, Brodipet, Palakol – 534 260, Andhra Pradesh
Tel. (040) 5515 3788 Fax: (040) 2354 7720
Pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof

ATTENTION:

1. The offer is not a conditional offer.
2. Approval for transfer of shares of a company registered in India by a Non-resident to a person resident in India is not required as the shares allotted to the non- residents are on non-repatriable basis vide Notification No. FERA 1/4-92-RB dated 27.04.1992 issued under section 29(1) read with section 19(1) of FERA, 1973.
3. 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 closure of the offer i.e. Saturday, 17th December 2005.
4. If there is any upward revision in the Offer Price by the Acquirers up to seven working days prior to the date of closure i.e. upto 7th December 2005 (Friday), the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revision in the Offer Price would be payable for all the equity shares tendered anytime during the Offer Period.
5. 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
6. A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's web- site: www.sebi.govin

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Khandwala Securities Limited Vikas Building, Ground Floor, Green Street Fort, Mumbai – **400 023** Tel.: 91-22-2264 2300 Fax: 91-22-2261 5172 Email:ibg@kslindia.com	**Ikon Visions Pvt. Ltd.** 33, Sanali Heavens, 8-3-948, Ameerpet, Hyderabad 500 073 Tel: 91- 40- 2374 4138 Fax: 91 – 40 – 5582 9559 Email: ikonvisions@yahoo.com
Contact Person: Mr. Ajay Puri	**Contact Person: K.Janaradhana Rao**
OFFER OPENS ON: 28th November 2005	**OFFER CLOSED ON: 17th December 2005**

FOR PROCEDURE FOR ACCEPTANCE OFTHIS OPEN OFFER PLEASE REFER SECTION “11” PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OFTHE OFFER" (PAGE Nos. 18)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND FORM OFWITHDRAWAL ARE ENCLOSEDWITHTHIS LETTER OF OFFER.

	SCHEDULE OFTHE MAJOR ACTIVITIES OFTHE OFFER	
Sr.No.	Activity	Day and Date
1	Date of Public Announcement (PA)	Monday, 12th September 2005
2	Specified Date	Thursday, 22nd September 2005
3	Last Date for a Competitive Bid(s)	Monday, 3rd October 2005
4	Date by which Letter of Offer will be dispatched to the Shareholders	Monday, 21st November 2005
5	Offer Opening Date	Monday, 28th November 2005
6	Last Date for the Revision of the Offer Price / Number of Equity Shares.	Wednesday, 7th December 2005
7	Last date to withdraw acceptance tendered by Shareholders	Tuesday, 13th December 2005
8	Offer Closing Date	Saturday, 17th December 2005
9	Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired equity shares and / or the unaccepted equity shares / share certificates will be dispatched.	Saturday, 31st December 2005

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1. DEFINITIONS

1	Acquirers or The Acquirers	Mr. M. R. Naidu and Mrs. M. Kalpana Raj
2	HSE	The Stock Exchange, Hyderabad
3	MSE	The Stock Exchange, Madras
5	FEMA	Foreign Exchange Management Act
6	Form of Acceptance	Form of Acceptance cum Acknowledgement
7	Form of Withdrawal	Form of Withdrawal cum Acknowledgement
8	GIL/Target Company	**GENERA INDUSTRIES LTD (FORMERLY KNOWN AS ANAND LAKSHMI FINANCE LTD) referred in the document as Genera Industries Ltd or GIL.**
9	LoO or Letter of Offer	Offer Document
10	Manager to the Offer or Merchant Banker	**Khandwala Securities Limited**
11	Negotiated Price	Rs.2.72/- (Rupees Two and Seventy Two Paise Only) per fully paid-up equity share of face value of Rs.10/- each.
13	Offer or The Offer	5,99,740 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs. 2.75/- (Rupees Two and paise Seventy Five Only) per fully paid equity share, payable in Cash.
14	Offer Price	Rs. 2.75/- (Rupees Two and paise Seventy Five Only) per fully paid equity share, payable in Cash
15	Persons eligible to participate in the Offer	Registered shareholders of **Genera Industries Ltd** and unregistered shareholders who own the equity shares of **Genera Industries Ltd.** any time prior to the Offer closure other than the Parties to SPA i.e. Acquirers & the Sellers
16	Public Announcement or "PA"	Announcement of the Open Offer by The Acquirers, which appeared in the newspapers on Monday, 12th September 2005.
17	RBI	Reserve Bank of India
18	Registrar or Registrar to the Offer	**Ikon Visions Pvt. Ltd.**
19	SEBI	Securities and Exchange Board of India
20	SEBI (SAST) Regulations, 1997/ Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.
21	SEBI Act	Securities and Exchange Board of India Act, 1992

22	Sellers	Mr. D. N. Ravi Kumar, Mrs. D. V. S. Lakshmi and Mr. D. Ashok Chakravarthy
23	SPA	Share Purchase Agreement
24	Specified Date	Thursday, 22nd September 2005

2. RISK FACTORS

In the event that either (a) the regulatory approvals are not received on time (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirers not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of GIL, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirers may be delayed

i. The Acquirers intends to make an open offer for 20% of the voting capital amounting to 5,99,740 equity shares of GIL under the SEBI (SAST) Regulations, 1997. Further, the shares tendered in the offer will lie to the credit of a designated escrow account, till the completion of the offer formalities.

ii. The share purchase agreement provides that, in case of non-compliance of any provisions of the SEBI (SAST) Regulations, 1997 (the "Regulations"), the agreement shall not be acted upon either by the sellers or the Acquirers.

iii. The Acquirer makes no assurance with respect to the financial performance of GIL.

iv. The Acquirer makes no assurance with respect to the market price of the shares both during the offer period and upon completion of the offer, and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the offer.

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of GIL or any other related matters, and are neither exhaustive not intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of GIL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer.

3. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOODTHAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANYWAY BE DEEMED OR CONSTRUEDTHAT 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 GENERA INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARDTOTHE OFFER. SEBI DOES NOTTAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OFTHE ACQUIRERS; PERSONS ACTING IN CONCERT OR THE COMPANY WHOSE SHARES ARE 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 ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, KHANDWALA SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 02.11.2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) 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 FORTHE PURPOSE OFTHE OFFER.

4. DETAILS OF THE OFFER

4.1 Background of the Offer

4.1.1 The offer is being made under Regulation 10 read with Regulation 12 and as a result of this offer, the Acquirers will have substantial acquisition of shares or voting rights accompanied with complete change in control and management of "Genera Industries Limited". This offer (the "Offer") is being made by **Mr. M. R. Naidu and Mrs. M. K. Raj** (hereinafter referred to as Acquirers) for the purpose of this open offer; no other person is acting in concert with the Acquirers for the Offer.

4.1.2 The Acquirers entered into an **SPA** dated 9th September 2005 to acquire 14,98,800 (Fourteen Lakh Ninety Eight Thousand Eight Hundred Only) fully paid up equity shares of Rs.10/- each representing 49.98% of the total paid up equity share capital of "Genera Industries Limited" from among the promoters of GIL, namely, Mr. D. N. Ravi Kumar, Mrs. D. V. S. Lakshmi and Mr. D. Ashok Chakravarthy (Collectively referred to as the **Sellers**), at a price of Rs 2.72/- (Rupees Two and Paise Seventy Two Only) per fully paid up equity share payable in cash (Negotiated Price). The total consideration for the shares acquired under the SPA is Rs. 40,76,736/- (Rupees Forty Lakhs Seventy Six Thousand Seven Hundred Thirty Six Only) being discharged to the sellers by the Acquirers as per the terms agreed upon and contained in the SPA. All the Sellers are part of the Promoter Group of the Target Company. Prior to SPA the Acquirers were holding 1,49,700 (One Lakh Forty Nine Thousand Seven Hundred Only) fully paid up equity shares of Rs. 10/- each acquired at a price of Rs. 2.72/- per share representing 4.99% of the total paid up equity share capital. The proportion of above referred acquisition of shares are as under:

Name of the Promoter Seller	**Shares Agreed to be acquired under the SPA by Mr. M. R. Naidu on behalf of acquirers**	**Total No. of Shares to be sold by the each Promoter Seller**
Mr. D. N. Ravi Kumar	1,09,600	1,09,600
Mrs. D.V.S. Lakshmi	12,56,734	12,56,734
Mr. D. Ashok Chakravarthy	1,32,466	1,32,466
TOTAL	**14,98,800**	**14,98,800**
Name of the Acquirers		
Total No. Of Shares to be Acquired by **Mr. M. R. Naidu**	**7,49,400**	**Nil**
Total No. Of Shares to be Acquired by **Mrs. M. K. Raj**	**7,49,400**	**Nil**
TOTAL	**14,98,800**	**14,98,800**

4.1.3 **The important features of the SPA are laid down as under:**

a) In consideration of the purchase of the shares, the Acquirers shall pay total cash consideration of Rs. 40,76,736/- (Rupees Forty Lakhs Seventy Six Thousand Seven Hundred Thirty Six Only) to the Sellers.

b) Against payment of the sale consideration, the Sellers as the legal and beneficial owners of the shares, shall sell, transfer, convey and deliver to the Acquirers and the Acquirers shall purchase and acquire from the sellers, shares free from all encumbrances, all rights, title and interests of the Sellers in the shares together with all accrued benefits, rights and obligations attaching thereto.

c) The obligation of the Acquirers to purchase, shall be conditional upon the satisfaction of the following condition(s):

Completion of the financial, legal and technical due diligence of the Target Company and the findings of the same being to the full and complete satisfaction of the Acquirers.

d) The Acquirers undertakes to take all steps and actions as may be necessary for compliance with the provisions of the Takeover Code. The Promoters agree to provide the Acquirers with all necessary support, for complying with the provisions of the Takeover Code relating to public offers as are applicable to the transaction envisaged herein.

e) On completion, by the Acquirers, of the obligations relating to the public offer under the Takeover Code, as certified by Khandwala Securities Limited, the manager to the offer appointed for such public offer in accordance with the Takeover Code, the parties shall ensure that the Board of Directors of the target company shall pass effective resolutions for recording the transfer of shares of the target company to the Acquirers and appointment of the persons nominated by the Acquirers on the Board of Directors of the target company.

f) In the event the Acquirers fail to comply with the applicable provisions of the Takeover Code relating to the public offer, the SPA shall stand terminated and shall be null and void.

4.1.4 Neither the Acquirers, Sellers nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

4.1.5 Acquirers have not acquired any equity shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

4.1.6 There will not be any change in the composition of the Board of Directors of the Target Company during the offer period. However, there is no proposal to this effect as of today.

4.2 Details of the proposed offer

4.2.1 The Acquirers has made a Public Announcement, which was published on Monday, 12th September 2005 in the following newspapers in accordance with the Regulation 15 and pursuant to Regulation 10 and 12 of SEBI (SAST) Regulations, 1997

Publication	**Editions**
The Free Press Journal (English)	All Editions
Hindi Milap (Hindi)	All Editions
Andhra Prabha (Telugu, Hyderabad)	All Editions

The Public Announcement is also available on the SEBI website at www.sebi.gov.in

4.2.2 The Acquirers is making an offer under the SEBI (SAST) Regulations, 1997 to acquire 5,99,740 equity shares of Rs. 10/- each fully paid up representing 20% of the voting capital of "GIL" at a price of Rs. 2.75/- (Rupees Two and Paise Seventy Five Only) per fully paid up equity share ("Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter. The mode of payment consideration is not by way of exchange of shares / secured instruments. The Offer is not subject to any minimum level of acceptances from shareholders.

4.2.3 There are no partly paid up shares in “Genera Industries Limited ".

4.2.4 The Offer is not subject to any minimum level of acceptances from the shareholders. The Acquirers will accept the equity shares of GIL those are tendered in valid form in terms of this offer up to maximum of 5,99,740 equity shares. In case of receipt of excess application during the offer period, the shares would be allotted on a proportionate basis.

4.2.5 Apart from the 14,98,800 equity shares constituting 49.98% of the total issued, subscribed, paid-up and voting share capital from sellers under SPA, the Acquirers has not acquired any equity share in the Target Company since the date of Public Announcement i.e. 12th September 2005 up to the date of Letter of Offer.

4.3 Object of the acquisition/offer

4.3.1 Company is making consistent loss for last more than three years, and not able to revive it. They are also unable to continue the existing business in an efficient manner. The Acquirers are jointly interested in taking over the management and control of GIL. By acquiring the equity shares, acquirers will have control over the target company. The acquirers have plan to mange the company in a more efficient manner by diversifying and expanding the business activity. Thus substantial acquisition of shares and voting rights accompanied with change in control and management is the reason and rationale for the acquisition.

4.3.2 The acquirers and target company are not in a similar line of business /operations. The Offer to the Public shareholders of GIL is for the purpose of acquiring 20% of the total voting capital/rights of GIL. After the proposed Offer, the Acquirers will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company. The acquirers have decided to diversify the existing business / operation by changing the main object clause of the Memorandum of Association. The acquirers have expertise to enter in to Bio Diesel, Software / Information Technology and Manufacturing of packaging material in large scale hence, have plan to expand the business in the said areas of operation.

5. BACKGROUND OFTHE ACQUIRERS

5.1 The Open Offer is being made by Mr. Mr. R. Naidu and Mrs. M. K. Raj, individuals residing at Plot No. 249, Road No. 78, Phase III, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh (Telephone no (040) – 2355 7720). There are no other Acquirers or other entities / persons who are or can be deemed to be Persons acting in concert for the purpose of this offer.

5.2 The Acquirers Mr. M. R. Naidu and Mrs. M. K. Raj, individuals are the Acquirers and do not belong to any group as such.

5.3 The Acquirers Mr. M. R. Naidu, aged about 40 years, is a PG Diploma holder in Business Administration and a graduate in commerce by qualification and has a total of 18 years of industrial experience in technology ventures. Mrs. M. Kalpana Raj**,** aged 30 years, is residing at Plot No. 249, Road No. 78, Phase III, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh. Mrs. Raj is a commerce graduate by qualification and has 10 years experience in Finance and Accounts. The acquirers have relation of husband and wife. As per the arrangement between the acquirers they will equally share the offer expenses.

5.4 The Acquirers are individuals and there are no persons acting in concert with them.

5.5 Mr. M. R. Naidu presently holds the directorship in Genera Industries Limited. His Net worth stands at Rs. 85 Lakhs. The net worth working is certified by Mr. K.V.Mohan Rao, (Membership No: 26323) Partner, Vasireddi & Co, Chartered Accountants, having their office at Flat No: G-1, Kalinga Home, Plot No: 42, Nayakranti Nagar, Kapra, ECIL (P.O), Hyderabad-500 062. (Telephone No: 040-2713 7800) vide their certificate dated 9th September, 2005. They have certified that the net worth of Mr. M. R. Naidu is of Rs. 85 lacs (Rupees Eighty Five Lakhs Only) as on 9th September 2005.

5.6 Mrs. M. K. Raj presently holds the directorship in Genera Industries Limited. Her Net worth stands at Rs. 50 Lakhs. The net worth working is certified by Mr. K.V.Mohan Rao, (Membership No: 26323) Partner, Vasireddi & Co, Chartered Accountants, having their office at Flat No: G-1, Kalinga Home, Plot No: 42, Nayakranti Nagar, Kapra, ECIL (P.O), Hyderabad-500 062. (Telephone No: 040-2713 7800) vide their certificate dated 9th September, 2005. They have certified that the net worth of Mrs. M. K. Raj is of Rs. 50 lacs (Rupees Fifty Lakhs Only) as on 9th September 2005.

5.8 As per the declarations given by the Acquirers, they have not promoted any other company.

5.9 As per the declaration given by the Acquirers, there is no litigation pending against them as on date.

5.10 No action has been taken by SEBI under section 11B or under any of the Regulations made under the SEBI Act, 1992 against the Acquirers and disclosure in this regard have been made.

5.11 The provisions of Chapter II of SEBI (SAST) regulation are not applicable to the Acquirers. Since they have not bought any shares more than 5% at any point of time in the target company.

5.12 The acquirers do not hold any position the as Board of Directors of any listed companies except Target Company.

5.13 On 21st April 2005, Mr. M. R. Naidu acquired 94,700 and Mrs. M. K. Raj acquired 55,000 equity shares aggregating 1,49,700/- shares acquired at Rs. 2.72/- per share, amounting to Rs. 4,07,184/-, representing 4.99% of the total paid up equity share capital, before entering into SPA. The Acquirers have entered into SPA with sellers on 9th September 2005 to acquire 14,98,800 fully paid up equity shares of Rs. 10/- each at a price of Rs. 2.72/- per share representing 49.98%.

5.14 Since the Acquirers are on the Board of the target company, they recuse themselves and undertake not to participate in the any matter(s) concerning or relating to the offer including any preparatory steps leading to the offer.

6. DISCLOSURE IN TERMS OF REGULATION 16 (IX)

Mr. M. R. Naidu and Mrs. M. K. Raj are based at Hyderabad and hail from an industrialist family whose roots are well embedded with Agri Sciences. Mr. M. R. Naidu and Mrs. M. K. Raj have the experience of running Software Consultancy venture, which subject to requisite approvals may be commenced within the fold of Genera Industries Limited. Thus by bringing this business venture which hitherto have been pursued by them on their own, they intend to strengthen the business model of Genera Industries Limited. High density plantation of Jatropha, as an energy crop, will provide energy on regular basis annually over a period of time without replanting. With suitable technology, jatropha could possibly be used as a furnace fuel to facilitate electricity generation in a decentralized manner at a lower cost as compared to the existing power generation system, which requires massive infrastructure for distribution of power. The Acquirers are interested in taking over the management and control of GIL. It will be the responsibility of the Board of Directors of the Target Company to evaluate and take appropriate decision on the future business plans in line with opportunities or changes in the economic scenario, from time to time. Thus substantial acquisition of shares and voting rights accompanied with change in control and management is the reason and rationale for the acquisition

The Acquirers do 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.

Further the acquirers shall not sell, dispose of or otherwise encumber any substantial asset of the target company except with the prior approval of the shareholders.

6.1 FUTURE PLANS / STRATEGIES OF THE ACQUIRERS WITH REGARD TO THE TARGET COMPANY:

The present Promoters of GIL voluntarily expressed their intentions to sell their holdings in GIL to Acquirers expressing their inability to run the business and diversify into new areas. They have also expressed their inabilities to bring in further fresh money for undertaking new business initiatives.

After acquisition, the company has plans to develop "Growing Nurseries" to meet the Global Demand of Jatropha Cultivation and Simultaneously Cultivate Bio Diesel Plants on its own for Captive Purpose and sell the same to Oil Refining Companies on continuous basis. Company also intends to commercially exploit the medicinal values of the Bio Diesel Plants and supply the same as raw material to Life Sciences Companies.

The Companies Expected Revenues from the above stated Business Model beginning from the Financial Year of 2005-06. The Company has already changed its Main Object clause with the new clause to deal in IT and IT related products and into Bio Diesel products. Since the financing business does not remain lucrative as before, company intends to phase out the financing business over a period of time.

The Acquirers by virtue of their managerial and administrative expertise intend to enter in to Bio Diesel as explained above and Software / Information Technology and Manufacturing of packaging material in large scale by taking management control through acquisition of shares of Target Company.

7. DELISTING OPTION TO THE ACQUIRERS

Pursuant to this offer the public shareholding will not be reduced 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.

8. BACKGROUND OF GENERA INDUSTRIES LIMITED

8.1 Genera Industries Limited is a Public Limited Company having its Registered Office at 9-6-17, 1st Street, Brodipet, Palakol-534 260, Telephone Number: (08814) 222945. The Company was originally incorporated on 28th October 1992 with the name M/s. Anand Lakshmi Finance Private Limited, during 1994 Company went to public and on 18th April 1994 name of the company was changed from Pvt. Ltd. to Ltd. On 11th August 2005 name of the Company is changed from Anand Lakshmi Finance Limited to Genera Industries Limited. The Company had been originally promoted by Late Mr. D. V. S. Anand and Mrs. D. V. S. Lakshmi. The present Directors of the Company are Mr. D. N. Ravi Kumar, Managing Director, Mrs. D. V. S. Lakshmi, Director, Mr. M. R. Naidu, Director, Mrs. M. K. Raj, Director.

8.2 Genera Industries Limited (Formerly known as Anand Lakshmi Finance Ltd) is currently diversifying into Bio Fuels. The company has embarked on Bio Fuel technologies and currently is in the process of growing Jatropha in 200 acres of land near Hyderabad. The target company at present have the main object to deal in the agri science and to manufacture and produce Agri base products. Prior to this acquisition Mr.M.R.Naidu and Mrs.M.K.Raj have been pursuing Bio Fuels business under sole proprietary model and now they intend to corporatise their Bio Fuels business through Genera Industries Limited. Formerly company was finance company, with Hire Purchase, Loans and Finance as its main business model. Due to lackluster business in the said finance industry per se private finance, the company found the said business unviable and decided to diversify the existing business. At present the Target Company is engaged in the business of farming agriculture, tissue culture, cultivation and sericulture in all their respective forms and branches including commercial plantations and social forestry, to grow, produce, manufacture, process, prepare, refine, extract, grind, lench, hydrogenate, or otherwise deal in all kinds of agricultural products. The Target Company is also involved in the manufacture and processing of oil seeds, herbal plants, medicinal plants, flowers, vegetables, fruits, nectoral and aorma related products, foods and food products of every description. The target company is also dealing, trading, importing, exporting every agricultural and allied product. Since the company was into financing business till now, company do not have and do not need manufacturing facility.

8.3 The present capital structure of GIL is as under: -

Paid-up equity shares of GIL	**No. of Equity Shares/ Voting Rights**	**% of shares/ Voting Rights**
Fully paid-up equity shares	29,98,700	100%
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	29,98,700	100%
Total Voting Rights in GIL	**29,98,700**	**100%**

8.5 There is no litigation initiated by and against the company.

8.6 The current capital structure of GIL has been build up since inception as under: -

Date of allotment	**No of shares issued**	**% of shares issued**	**Cumulative paid up capital in Rs.**	**Mode of allotment**	**Identity of allottees (promoters/ ex promoters/ others**	**Status of compliance**
MoA	**1,10,000**	**100%**	**11,00,000**	**Cash**	**Promoters**	**Requisite Compliance have been made from time to time as per the prevailing statutory requirements**
25.03.1993	**90,000**		**20,00,000**	**Cash**	**Promoters**	
05.01.1994	**2,00,000**		**40,00,000**	**Cash**	**Promoters**	
27.02.1994	**40,000**		**44,00,000**	**Cash**	**Promoters**	
31.03.1994	**60,000**		**50,00,000**	**Cash**	**Promoters**	
23.07.1994	**1,00,000**		**60,00,000**	**Cash**	**Promoters**	
25.03.1995	**4,00,000**		**1,00,00,000**	**Cash**	**Promoters**	
16.08.1995	**2,50,000**		**1,25,00,000**	**Cash**	**Relatives / Friends**	
17.08.1995	**2,50,000**		**1,50,00,000**	**Cash**	**Promoters**	
17.08.1995	**7,50,000**		**2,25,00,000**	**Cash**	**Promoters**	
26.12.1995	**7,48,700***		**2,99,87,000**	**Cash**	**Public (IPO)**	

- Out of total allotted shares of 7,68,600, 19,900 shares were forfeited, hence deducted from total allotted shares.

8.7 The shares of "GIL" are listed on The Stock Exchange, Hyderabad (HSE) and The Stock Exchange, Madras (MSE). No trading has taken place on HSE and MSE during 26 weeks prior to date of PA. The trading in the shares of Target Company was never been suspended in any stock exchange where the shares of the company are listed.

8.8 The Acquirers have acquired 1,49,700 number of equity shares at the rate of Rs. 2.72/- per shares, of the Target Company during the 12 months period prior to the date of this Public Announcement.

8.9 There are no outstanding convertible instruments like warrants, FCDs or PCDs etc. in GIL. All the shares issued by the company are listed and there is no shares whose pending for listing.

8.10 The information regarding compliance of provisions of chapter II is enclosed as annexure I. Based on the information available, there were significant delays in compliance of provisions of chapter II of the regulations in some years and of the requirements of listing agreement by the target company, sellers, promoters and other major shareholders of GIL. In regulation 6(2) and 6(4) during the year 1997 delay was occurred for the 40 days each. In compliance with regulation 8(3) also, delay was occurred during the year 2000 (10 days), 2001 (4 days), 2003 (27 days), 2005 (58 days) as also detailed in the annexure. No stock exchange has initiated any punitive action against the company. There were delay in compliance with regulation 8(2) during the year 1998 (6 days), 1999 (2 days), 2000 (16 days), 2001 (11 days), 2003 (1 day), 2004 (3 days) and 2005 (60 days). Since the significant delay has taken place in compliance with chapter II, SEBI may initiate appropriate action for the said non-compliance.

8.11 The composition of the Board of Directors of GIL as on the date of this letter of offer is as under:-

Sl. No.	Name	Age	Designation	Qualification and Experience in no. of years	Address	Date of Appointment
1	Shri D. N. Ravi Kumar	29	Managing Director	Qualification: B.E / 10 years of experience in marketing, office & administrative, and trading.	**9-6-17, 1st Street, Brodipet, Palakol, Andhra Pradesh**	**Date of Appointment 24th May 1994**
2	Smt. D. V. S. Lakshmi	50	Director	25 years of experience in trading	**9-6-17, 1st Street, Brodipet, Palakol, Andhra Pradesh**	**Since Incorporation 28th October 1992**
3	Shri M. R. Naidu	40	Director	Qualification: B.Com, P.G.D.B.M /18 years of experience in manufacturing and technology ventures	**Plot no. 249, Road no. 78, Jubilee Hills Hyderabad**	**21st April 2005**
4	Smt. M. K. Raj	30	Director	Qualification: B.Com /10 years of experience in Finance and Accounts	**Plot no. 249, Road no. 78, Jubilee Hills Hyderabad**	**21st April 2005**

As on date out of total board strength Mr. M. R. Naidu and Smt. M. K. Raj are Acquirers under this offer.

8.12 There has no merger/de-merger, spin off during the past three years in GIL.

8.13 The audited financial information of GIL is as under:

(Rs. in Lakhs)

Profit and loss Statement	Year ended 31.03.2003 Audited	Year ended 31.03.2004 Audited	Period ended 31.05.2005 Audited *
Operating Income	20.58	19.76	18.26
Other Income	1.83	0.01	0.04
Total Income	**22.41**	**19.77**	**18.30**
Total Expenditure	77.27	55.61	76.80
Profit before Depreciation, Tax and Provisions	**-54.86**	**-35.84**	**-58.50**
Depreciation	0.48	0.52	0.32
Profit before Tax	**-55.34**	**-36.37**	**-58.82**
Tax and Provisions	8.74	49.69	0.00
Profit After Tax	**-64.08**	**-86.06**	**-58.82**

(Rs. in Lakhs)

Balance Sheet Statement	Year ended 31.03.2003 Audited	Year ended 31.03.2004 Audited	Period ended 31.05.2005 Audited
Sources of Funds			
Paid up Share Capital	299.87	299.87	299.87
Reserves and Surplus	1.97	1.97	1.97
Secured Loans	0.00	0.00	0.00
Unsecured Loans	25.05	0.00	0.00
Current Liabilities	38.05	73.68	0.00
Total	**364.93**	**375.52**	**301.84**
Uses of Funds			
Net Fixed Assets	1.84	1.73	0.00
Investments	21.94	16.85	0.00
Current Assets	188.80	119.00	60.45
Miscellaneous Assets not written off	0.95	0.48	0.00
P&L Account Debit Balance	151.41	237.47	241.39
Total	**364.93**	**375.52**	**301.84**

Other Financial Data	Year ended 31.03.2003 Audited	Year ended 31.03.2004 Audited	Period ended 31.05.2005 Audited
Net Worth (In Lacs) By considering the Debit Balance of P&L Account	150.42	64.37	60.45
Dividend (%)	NA		
Earning Per Share (in Rs.)	-2.137	-2.870	-1.961
Return on Net worth (%)	-42.6%	-133.7%	-97.3%
Book Value Per Share (in Rs.)	5.016	2.147	2.016

* Results for the FY ended on May 2005 is for the period of 14 months as compare to last years which for 12 months.

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)*100
Earning Per Share = Profit After Tax / No. of Equity Shares issued
Return on Net worth (%) = (Profit After Tax / Net worth)*100
Book Value Per Share = Net worth / No. of Equity shares issued

Prior to 2004-05, Genera Industries Limited formerly known as M/s. Anand Lakshmi Finance Limited was a finance company, with Hire Purchase, Loans and Finance as its main business model.

A Summary of Financials is As Follows:

Particulars (Rs. in Lakhs)	2002-03	2003-04	2004-05
Income	22.41	19.77	18.30
Total Expenditure	77.75	56.14	77.12
Profit / Loss	-55.34	-36.37	-58.82
Bad Debts Written Off	**47.46**	**47.47**	**59.40**
%ge of bad debts to Income	**212%**	**240%**	**325%**
%ge of bad debts to Total Expenditure	**61%**	**85%**	**77%**

Since the finance business is a high risk high return business, the business model of Genera Industries Limited (formerly known as M/s. Anand Lakshmi Finance Limited) has gone through the business cycles of finance activities.

As it could be interpreted from the above table of summary of financials, the operations of the company got affected with "BAD Debts and Non Recovery of Advances", which had its toll on its profits, which in turn lead to the erosion of its Reserves over a period of time.

Analysis of the financials of the past three years shows that the bad debts have increased to 212% of Income (61% of Expenditure) in 2002-03, 240% of Income in (85% of total Expenditure) 2003-04 and 325% of Income (77% of total Expenditure) in 2004-05, thereby rendering the business model of finance unviable. To enable it sustain it requires fresh infusion of funds which the promoters were not in a position to pump in to support the finance business.

One of the major reason which drastically effected the business could be attributed the "Retail focus of Commercial Banks post 2001". Genera Industries Limited was unable to face the competition from Commercial Banks and went into losses as the hire purchase and retail rates became so competitive and finance from private companies became costlier thus making the consumers / customers to go for alternative means of finances which was available from banks like Citi Bank, Standard Chartered, SBI and host of other commercial banks whose focus has shifted to Retail.

As Mr. M.R.Naidu and Mrs. M.K.Raj got associated with the company, it drew plans to diversify the business of Genera into Bio Tech through Bio Fuels and Software in which they have experience and expertise and showed interest to carry forward the mantle of "Wealth Maximization of Shareholders" by acquiring the majority stake through an agreement with the Original Promoters of Genera Industries Limited. Having got convinced with the abilities of Mr. Naidu and Mrs. Raj, bringing in the required money for the diversification activities of Genera and having got convinced with their abilities to continue to serve the outside (Public) shareholders of Genera, they (the original promoters) have agreed to sell their stakes in favor of Mr. Naidu and Mrs. Raj.

8.14 Pre- and Post-Offer shareholding pattern of the Target Company is as per the following table:

Sr No.	Shareholder Category	Shareholding & Voting rights prior to the Acquisition and Offer		Shares/voting rights acquired Which triggered off the Regulations		Shares/Voting rights to be acquired in the open offer (assuming full acceptance)		Shareholding/voting Rights After the Acquisition and Offer	
		(A)		(B)		(C)		(D)	
1	**PROMOTER GROUP**								
a	Parties To Agreement	15,21,100	50.73%	(14,98,800)	49.98%*	NA	NA	Nil	Nil
b	Promoters other than (a) above	NA	NA	NA	NA	NA	NA	NA	NA
	Total 1(a+b)	15,21,100	50.73%	(14,98,800)	49.98%*	NA	NA	Nil*	Nil*
2	**ACQUIRERS**								
A	Mr. M. R. Naidu	94,700	3.16%	7,49,400	24.99%	299870	10%	11,43,970	38.15%
b	Mrs. M. K. Raj	55,000	1.83%	7,49,400	24.99%	299870	10%	11,04,270	36.82%
c	PAC's	NA	NA	NA	NA	NA	NA	NA	NA

	Total 2(a+b)	149700	4.99%	1498800	49.98%	599740	20%	2248240	74.97%
3	Parties to agreement other than (1) (a) & (2)	NA	NA	NA	NA	NA	NA	NA	NA
4	**Public (other than parties to agreement, Acquirers & PAC's)**								
A	FIs / MFs /FIIs / Banks, SFIs etc.	NA	NA	NA	NA	NA	NA	NA	NA
B	Others	13,27,900	44.28%	NA	NA	5,99,740	20%	7,50,460	25.02%
	Total 4(a+b)	13,27,900	49.27%	NA	NA	5,99,740	20%	7,50,460*	25.02%*
	GRAND TOTAL (1+2+3+4)	**29,98,700**	**100%**	**14,98,800**	**49.98%**	**5,99,740**	**20%**	**29,98,700**	**100%**

* On acquisition of shares from promoters, promoters will left with 0.74% of the shareholding and hence will not longer be a promoter. Hence, their balance shareholding is shown in the Public.

8.15 The approximate number of shareholders in GIL in public category is 650.

8.16 The company has complied with the conditions of corporate governance to the best of its knowledge.

8.17 The name and contact details of the compliance officer are as under: - Name of the Compliance Officer: Mr. D. N. Ravi Kumar, Contact Address: 9-6-17, 1st Street, Brodipet, Palakol-534260, Contact Number: (08814) 222945.

8.18 All the equity shares of the target company are in physical form.

9. OFFER PRICE AND FINANCIAL ARRANGEMENTS

The Offer Price Rs. 2.75

9.1 Justification of Offer Price

a) The equity shares of the Company are listed on Hyderabad Stock Exchange (HSE) and Madras Stock Exchange (MSE).

b) The Annualized Trading Turnover of the equity shares of the Company on HSE & MSE during the preceding six months i.e. from 1st March 2005 to 31st Aug 2005, prior to the month in which this PA is required to be made is nil.

Name of Stock Exchange(s)	Total no. of shares traded during the 6 calendar months prior to the month in which PA was made	Total no. of listed shares	Annualized Trading turnover (in terms of % to total listed shares)
Hyderabad Stock Exchange	Nil	29,98,700	Nil
Madras Stock Exchange	Nil	29,98,700	Nil
Total	**Nil**	**29,98,700**	**Nil**

c) As the shares of "GIL" have not been traded at all on the Stock Exchanges where they are listed/permitted to be traded during the preceding six calendar months prior to the month of this Public Announcement, The annualized trading turnover of shares of the company on all the Stock Exchange where the securities of the company are listed is considered to be Nil.

d) 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

9.1.2 The Offer Price in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 has been determined taking into account the following parameters

I	Negotiated price under an agreement as referred to in sub-regulation (1) of Regulation 14 of SEBI (SAST) Regulations, 1997	**Rs. 2.72/- (Two and paise Seventy Two only)**
	Price paid by the Acquirers for Acquisition including by way of allotment in a public or rights or preferential issue during the twenty-six week period prior to the date of this public announcement.	Negotiated Price is Rs. 2.72/- During the twenty six week period prior to the date of this public announcement there were "NO Public or Rights or Preferential Issues from the Company"
OTHER PARAMETERS:		
(As per Audited Financial Data for period ended 31.05.2005) Return on Net-Worth (%)		
	31.05.2005	-97%
Book Value Per Share (Annualized) (Rs.)		
	31.05.2005	1.73
Earning Per Share (Rs.)		
	31.05.2005	-1.961

The Share Price of Rs. 2.75/- per fully paid up equity share of GIL is justified in terms of Regulation 20 (5) of the Takeover Regulations since the same has been determined after considering following facts:

The above working is certified by K.V.Mohan Rao, (Membership No: 26323) Partner, Vasireddi & Co, Chartered Accountants, having their office at Flat No: G-1, Kalinga Home, Plot No: 42, Nayakranti Nagar, Kapra, ECIL (P.O), Hyderabad-500 062. (Telephone No: 040-2713 7800) vide their certificate dated September 9, 2005.

Based on the above information, in the opinion of the Manager to the Offer, the Offer Price is Rs. 2.75/- per share is being justified in terms of Regulation 20 (5) of the Takeover Regulations of the SEBI (SAST) Regulations, 1997 is justified.

9.2 **Financial Arrangements**

9.2.1 The Acquirers has made firm financial arrangements to meet the obligation under the offer in full. The Acquirers has confirmed that the firm financial arrangements required to meet the obligation under the offer are in place and are available with them. The Acquirers will meet out its financial obligations from its Internal resources.

Mr. K. V. Mohan Rao, (Membership No: 26323) Partner, Vasireddi & Co, Chartered Accountants, having their office at Flat No: G-1, Kalinga Home, Plot No: 42, Nayakranti Nagar, Kapra, ECIL (P.O), Hyderabad-500 062. (Telephone No: 040-2713 7800) vide their certificate dated 9th September, 2005, have certified that the net worth of Mr. M. R. Naidu is of Rs. 85 lacs

(Rupees Eighty Five Lakhs Only) as on 9th September 2005 and the Net worth of Mrs.M.K.Raj is Rs. 50 lakhs (Rupees Fifty Lakhs Only) for the same period.

9.2.2 The total fund requirements for the acquisition of 5,99,740 equity shares/voting capital of “GIL” at Rs. 2.75/- per share is Rs. 16,49,285/- (Rupees Sixteen Lakh Forty Nine Thousand Two Hundred and Eighty Five Only). In accordance with Regulation 28 of the SEBI (SAST) Regulations, 1997 and in compliance with the provisions of the regulation, the Acquirers has made arrangements for an Escrow Account and has deposited an amount of Rs. 7,98,000/- (Rupees Seven Lakhs Ninety Eight Thousand Only) being more than 48% of the total consideration payable to shareholders under the offer with UTI Bank, Chembur, Near Sandhu Garden, Mumbai-400 071.

9.2.3 The Acquirers has empowered Khandwala Securities Limited, Manager to the Offer to operate and realize the value of the Escrow Account in terms of SEBI (SAST) Regulations, 1997.

9.2.4 In terms of Regulation 28 (13), in case of non-fulfillment of obligations by the Acquirers, the Manager to the Offer shall ensure realisation of escrow amount by way of foreclosure of deposit.

9.2.5 The Manager to the Offer has satisfied itself about the Acquirers ability to implement the offer in accordance with the SEBI (SAST) Regulations, 1997.

10. TERMS AND CONDITIONS OFTHE OFFER

10.1 The offer is being made by the Acquirers to all the remaining equity shareholders (except the acquirers) of GIL whose names appeared in the Register of Members on Specified Date i.e. Thursday, 22nd September 2005 and also to those persons (except the acquirers) who own the shares any time prior to the closure of the offer, but are not the registered shareholder(s).

10.1.1 The offer is being made by the Acquirer to all the remaining equity shareholders (except the Acquirer) of PPIL whose names appeared in the Register of Members on Specified Date i.e. Monday, 7th November 2005 and also to those persons (except the Acquirer) who own the shares any time prior to the closure of the offer, but are not the registered shareholder(s).

10.1.2 None of the existing shares of GIL are under any Lock-in requirements.

10.2 Statutory Approvals

10.2.1 As on the date of Public Announcement, no approval from any bank or financial institutions is required for the purpose of this Offer, to the best of the knowledge of the Acquirers.

10.2.2 As on the date of Public Announcement, to the best of the Acquirer’s knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

10.2.3 The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of Offer.

10.2.4 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997, will be adhered to, i.e. SEBI has power to grant extension of time to Acquirers for payment of consideration to shareholders subject to Acquirers agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of willful default by the Acquirers in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

10.3 Others

10.3.1 Accidental omission to dispatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

10.3.2 This Letter of Offer has been mailed to all the shareholders of GIL other than parties to SPA, whose names appeared on the Register of Members of GIL as on Thursday, 22nd September 2005, being the Specified Date. Persons who own equity shares of GIL any time prior to the date of Offer Closure, but are not registered holders, are also eligible for accepting the offer.

10.3.3 Unaccepted Share / Shares Certificates, Share Transfer Forms and other documents, if any, will be credited back to respective depository account or returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

10.3.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

10.3.5 In accordance with the Regulation 22 (6) of the SEBI (SAST) Regulations, Mr. M. R. Naidu and Mrs. M. K. Raj, Acquirers accepts the responsibility for the information contained in this Letter of Offer.

11. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

11.1 Procedure for accepting the offer by eligible persons shall be mentioned indicating:

Name and Address of the entities Registrar to whom the shares should be sent	Working days and Timing	Mode of Delivery
Ikon Visions Pvt. Ltd. **Contact Person: Shri K. Janaradhana Rao** 33, Sanali Heavens, 8-3-948, Ameerpet, Hyderabad 500 073 Tel: 91- 40- 2374 4138 Fax: 91 – 40 – 5582 9559 Email: ikonvisions@yahoo.com	Mondays to Fridays between 10.30 AM and 5.00 PM and Saturdays between 10.30 AM and 1.30 PM	Hand delivery /registered post or through courier

11.2 Shares and other relevant documents should not be sent to the acquirers / target company / Merchant Banker.

11.3 Shareholders holding shares in physical form, who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by registered post, as the case may be, on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e. **17th December 2005.**

- Form of Acceptance, duly completed in all respects and signed by all the joint shareholders in the same order and as per the specimen signature(s) registered with GIL.

- Relevant Original Share Certificate(s).

- Valid Share Transfer Deed(s), duly signed (in case the equity shares are held in joint names, by all the shareholders and in the same order as appearing) as transferors in the same order and as per specimen signatures lodged with GIL. In case the present signature of the shareholder(s) differ from the specimen signatures lodged with GIL, transfer deeds should be duly witnessed at the appropriate place by a notary or bank manager. In each case, the name and address of the attesting authority, attesting authority's seal and registration number (if the authority is a notary public/member of stock exchange) or the name and address of the bank (if the authority is a Bank Manager) should appear. Further, all attestations should be unconditional, i.e. the authority attesting should not deny the responsibility of identifying the person and the signature by qualifying the attestation. If the said guidelines are not followed, acquirers reserve the right to reject the transfer deed along with the application. Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differ(s) from the specimen signature(s) recorded with GIL or are not in the same order, such equity shares are liable to be rejected under this offer even if the offer has been accepted by a bonafide owner of such equity shares.

11.4 Unregistered Owners of equity shares / Registered shareholders who have not received the Letter of Offer and are holding physical shares should enclose the Acceptance Form which is available on SEBI web site (www.sebi.gov.in), duly completed and signed in accordance with the instructions contained there in or an application in writing on a plain paper with Original Equity share certificates, original broker contract note, valid share transfer deed(s) as received from the market stating the name, address, number of shares held, number of shares offered, distinctive numbers and folio number. All other requirements for valid transfer (including matching of signatures) will be precondition for acceptance. No indemnity is required from the unregistered owners.

11.5 The Equity shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the acceptance is being sent. Such documents may include (but are not limited to):

- Duly attested death certificate and succession certificate / No Objection Certificates / letters from legal heirs (in the case of single shareholder) where the original shareholder has expired.

- Duly attested Power of Attorney, if any person other than the Shareholder has signed the Form of Acceptance cum acknowledgement or transfer deed(s).

- In case of companies, the necessary corporate authorizations (including Board and General Meeting Resolutions) and specimen signatures of authorized signatories.

- Any other relevant documents, as deemed necessary.

11.6 Eligible shareholders are entitled to receive interest at the rate of 10% pa of the delay in payment of purchase consideration beyond Thursday, 8th December 2005, the date by which acceptance/rejection would have been intimated and the corresponding payment for the acquired shares and/or the share certificates/shares for the rejected shares would have been dispatched/returned, as per the schedule in terms of Public Announcement made on Monday, 12th September 2005. Due to revision in the schedule and delay from the original date of acceptance/rejection, eligible shareholders are entitled to receive interest at the rate of 10% pa.

11.7 The consideration for the equity shares accepted by the Acquirers will be paid by crossed account payee cheques / demand drafts. Such considerations in excess of Rs. 1,500/- or unaccepted Share certificates, transfer forms and other documents, if any, will be returned by Registered Post / Speed post at the shareholders / unregistered owners sole risk to the sole / first shareholder. Consideration upto Rs. 1,500/- will be dispatched Under Certificate of Posting. It is mandatory that shareholders provide bank account details in the Acceptance Form so that the same can be incorporated in the cheque / demand draft.

11.8 The Registrars to the Offer, M/s. Ikon Visions Pvt. Ltd. will hold in trust the share certificates, Form of Acceptance cum Acknowledgement, if any and the transfer form(s) on behalf of the shareholders of GIL who have accepted the Offer, till the cheques/ demand drafts for the consideration and/ or the unaccepted shares / share certificates are returned/ dispatched.

11.9 All shares of Target Company are in physical form and no shares are under dematerialization.

11.10 In accordance with Regulation 22(5A) of the Regulations, shareholders who have tendered the requisite documents in terms of the PA and Letter of Offer shall have the option to withdraw acceptances tendered upto three working days prior to the offer closing date. The withdrawal option can be exercised by submitting the documents as per the instructions given below so as to reach the Registrars to the Offer at the collections centers mentioned above as per the mode of delivery indicated therein on or before Monday, 12th December 2005.

11.10 The withdrawal option can be exercised by submitting the form of withdrawal which will be sent to shareholders along with the Letter of Offer and the copy of the acknowledgement received from the Registrars to the offer while tendering the acceptances together with name, address, distinctive numbers, folio number and umber of shares tendered. In case of non-receipt of form of withdrawal, the above application can be made on a plain paper.

11.11 In case of receipt of excess application during the offer period, the shares would be allotted on a proportionate basis

12 DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at Plot No. 249, Road No. 78, Phase III, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh the place where the Acquirers resides, during normal business hours (10.00 A.M. to 5.00 P.M.) on all working days (except Saturdays and Sundays) during the period from the date of this Letter of Offer till date of closure of the Offer.

1. Copy of Certificate dated 9th September 2005 by Shri. K. V. Mohan Rao, (Membership No: 26323) Partner, Vasireddi & Co, Chartered Accountants, having their office at Flat No: G-1, Kalinga Home, Plot No: 42, Nayakranti Nagar, Kapra, ECIL (P.O), Hyderabad-500 062. (Telephone No: 040-2713 7800) certifying that the Net Worth of Mr. M. R. Naidu and Mrs. M. K. Raj as on 9th September 2005 is Rs. 85 Lakhs and Rs. 50 Lakhs respectively.

2. Copy of Certificate dated 9th September 2005 from Shri. K.V.Mohan Rao, (Membership No: 26323) Partner, Vasireddi & Co, Chartered Accountants, having their office at Flat No: G-1, Kalinga Home, Plot No: 42, Nayakranti Nagar, Kapra, ECIL (P.O), Hyderabad-500 062. (Telephone No: 040-2713 7800) certifying that the Acquirers has adequate liquid resources to meet the funds requirements of the Offer, including expenses thereof.

3. Published Audited accounts of M/s. Genera Industries Limited for the years 2002-03, 2003-04, 2004-05.

4. Copy of Agreement for acquisition of Shares dated 9th September 2005 between the sellers and Acquirers.

5. A Published Copy of the Public Announcement made in newspapers on 12th September 2005 & published copy of Corrigendum to PA, made on 17th September 2005.

6. Due Diligence letter dated 2nd November 2005 submitted to SEBI by M/s. Khandwala Securities Limited, Manager to the Offer.

7. Certified Copies of Certificate of Incorporation of M/s. Genera Industries Limited, the Target Company.

8. Copy of MOU dated 26th August 2005 between the Acquirers and Manager to the Offer.

9. Copy of MOU dated 3rd September 2005 between the Acquirers and Registrar to the Offer.

10. Memorandum of Association / Articles of Association of GIL.

11. Letter from bank confirming amount kept in escrow account.

12. Copy of letter from SEBI as per regulation 18(2) of SEBI (SAST) Guidelines.

13. Letter from Stock Exchanges, HSE & MSE, certifying no volume on the exchanges.

9 DECLARATION

The Acquirers accepts full responsibility for the information contained in this Letter of Offer and Form of Acceptance. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

The Acquirers shall be responsible for ensuring compliance of the Regulations.

Signed by

The Acquirers

Mr. M. R. Naidu
Smt. M. K. Raj

Place : Mumbai
Date: 2nd November 2005

Encl.:

1. Form of Acceptance cum Acknowledgement

2. Form of Withdrawal

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrars to the Offer)

Offer opens on	Monday, 28th November 2005
Offer closes on	Saturday, 17th December 2005

From:

Unique identification No. under MAPIN __________________
(In case of Shareholders to whom it has already been made compulsory)

To,

Mr. M. R. Naidu & Mrs. M. K. Raj
Plot No. 249, Road No. 78, Phase III, Jubilee Hills,
Hyderabad 500 033, Andhra Pradesh

Madam,

Sub: Open Offer for purchase of 5,99,740 Equity Shares of M/s. Genera Industries Limited representing 20 % of the Issued, Subscribed , paid up and voting Equity Capital by **Mr. M. R. Naidu and Mrs. M. K. Raj.**

I/We refer to the Letter of Offer dated 2nd November 2005 for acquiring the Equity Shares held by me/us in Genera Industries Limited.

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We, hold Shares in the physical form, 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:

Sl. No	Ledger Folio No.	No. of Shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Numbers From	To

(In case of insufficient space, please attach a separate sheet.)

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

--**(Tear here)**--

Acknowledgement Receipt

Received from Mr./Ms./M/s.. Form of acceptance cum acknowledgement in connection with open offer to shareholders of Genera Industries Limited

Ledger Folio No. _______________

No. of Share Certificates for ________ No. of Shares ________ (of Genera Industries Limited)

Stamp of Registrar	In case of physical Shares, verify the number of Share certificates / number of Shares

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

Ikon Visions Pvt.Ltd
33, Sanali Heavens
8-3-948, Ameerpet
Hyderabad-500 073.
Tel: (040) 23744138
Fax: (040) 55829559
Contact Person: Shri K. Janaradhana Rao

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 Registrars 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 consideration only after verification of the documents and signatures.

I/We note and understand that the Shares would be in the said Account, will be held in trust for me/us by the Registrars 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 consideration only after verification of the documents and signatures.

I/We authorize the Acquirers to accept the Shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, Equity Share certificate(s) in respect of which the offer is not found valid /not accepted, specifying the reasons thereof. I/We authorize the Acquirers or the Manager to the Offer or the Registrars to the Offer to send by registered post/under certificate of posting, the Cheque, in settlement of the amount to the sole/first holder at the address mentioned below:

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

	PAN / GIR No.
1st Shareholder	
2nd Shareholder	
3rd Shareholder	
4th Shareholder	

Yours faithfully,

Signed and delivered

	Full Name	Holder's Signature
Sole / First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place: ----------------
Date: ----------------

So as to avoid fraudulent encashment in transit, the applicants are requested to provide details of Bank account of the sole/first Shareholder and the consideration Cheque will be drawn accordingly.

Name of the Bank	
Full address of the Branch	
Nature of Account	
Account Number	

FORM OF WITHDRAWAL

Offer opens on	Monday, 28th November 2005
Offer closes on	Saturday, 17th December 2005

From:

Unique identification No. under MAPIN __________________
(In case of Shareholders to whom it has already been made compulsory

To,

Mr. M. R. Naidu & Mrs. M. K. Raj
Plot No. 249, Road No. 78, Phase III, Jubilee Hills,
Hyderabad 500 033, Andhra Pradesh

Madam,

Sub: Open Offer for purchase of 5,99,740 Equity Shares of M/s. Genera Industries Limited representing 20.00 % of the Issued, Subscribed , paid up and voting Equity Capital by **Mr. M. R. Naidu and Mrs. M. K. Raj.**

I/We refer to the Letter of Offer dated 2nd November 2005 for acquiring the Equity Shares held by me/us in M/s. Genera Industries Limited. I/We, hereby consent to unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorize the Acquirers to return to me/us, the tendered Equity Share Certificate(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 the Acquirers/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay /loss in transit of the Share Certificate(s) due to incomplete or inaccurate particulars.

I/We also note and understand that the Acquirers will return the original Share Certificate(s) , Share Transfer Deed(s) etc. only on completion of verification of the documents .

The particulars of Share Certificate(s) tendered and duly signed Transfer Deeds which are wished to be withdrawn from the Offer are as given below:

Sl. No	Ledger Folio No.	No. of Shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Numbers	
					From	To

(In case of insufficient space, please attach a separate sheet.)

--**(Tear here)**--
-

Acknowledgement Receipt

Received from Mr./Ms./M/s...…..................................... Form of acceptance cum acknowledgement in connection with open offer to shareholders of Genera Industries Limited.

Ledger Folio No. _______________

No. of Share Certificates for ________ No. of Shares ________ (of Genera Industries Limited)

Stamp of Registrar	In case of physical Shares, verify the number of Share certificates / number of Shares

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

Ikon Visions Pvt.Ltd
33, Sanali Heavens
8-3-948, Ameerpet
Hyderabad-500 073.
Tel: (040) 23744138
Fax: (040) 55829559
Contact Person: Shri K. Janaradhana Rao

I/We confirm that the Equity Shares of Genera Industries Limited, which were tendered by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We confirm that the particulars given above are true and correct.

Yours faithfully,

Signed and delivered

Sole / First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Full Name

Holder’s Signature

Place:------

Date :------

M/s. Genera Industries Limited

ANNEXURE UNDER REGULATION 6 AND 8

STATUS OF COMPLIANCE WITH THE PROVISIONS OF CHAPTER II OF THE TAKEOVER REGULATIONS BY THE TARGET COMPANY

Sl. no	Regulations	Due Date	Actual Date	Delay, if any*
1	2	3	4	5
1	6(2)	20.05.1997	30.06.1997	40 days
2	6(4)	20.05.1997	30.06.1997	40 days
3	8(3)	30.04.1998	29.04.1998	-
4	8(3)	30.04.1999	27.04.1999	-
5	8(3)	30.04.2000	10.05.2000	10 days
6	8(3)	30.04.2001	04.05.2001	4 days
7	8(3)	30.04.2002	26.04.2002	-
8	8(3)	30.04.2003	27.05.2003	27 days
9	8(3)	30.04.2004	30.04.2004	-
10	8(3)	30.04.2005	27.06.2005	58 days

* The delay has happened due to not having a competent person with the company.

M/s. Genera Industries Limited

ANNEXURE UNDER REGULATION 8(2)

STATUS OF COMPLIANCE WITH THE PROVISIONS OF CHAPTER II OF THE TAKEOVER REGULATIONS BY THE PROMOTERS OF TARGET COMPANY

Sl. no	Regulations	Due Date	Actual Date	Delay, if any*
1	2	3	4	5
1	8(2)	21.04.1998	27.04.1998	6 days
2	8(2)	21.04.1999	23.04.1999	2 days
3	8(2)	21.04.2000	07.05.2000	16 days
4	8(2)	21.04.2001	02.05.2001	11 days
5	8(2)	21.04.2002	20.04.2002	-
6	8(2)	21.04.2003	22.05.2003	1 days
7	8(2)	21.04.2004	24.04.2004	3 days
8	8(2)	21.04.2005	21.06.2005	60 days

* The delay is due to non-availability of concern person in town.