Public Announcement to the Equity Shareholders of
INNOVA HEALTH SYSTEMS LIMITED

Registered Office: 1005, Deccan Towers, Basheerbagh, Hyderabad 500 029

This Public Announcement is being issued by CIL Securities Limited (hereinafter referred to as “Managers & Registrars to the Offer/CIL”), on behalf of Mr PVRRLN Prasad & Mr. P. Koteshwara Rao (hereinafter referred to as “Acquirers”) pursuant to and in compliance with Regulation 10 and 12 of Chapter III of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 [hereinafter referred to as “SEBI (SAST) Regulations/ Regulations”] and subsequent amendments thereto.

I. The offer:

1. The Acquirers Mr PVRRLN Prasad & Mr. P. Koteshwara Rao both Resident of Powerpet, Eluru, West Godavari Dist. Andhra Pradesh 534 002 are making an open offer pursuant to Regulation 10 & Regulation 12 and in compliance with the SEBI (SAST) Regulations, 1997. There are no Persons Acting in Concert (“PAC”) with the Acquirers for the purpose of this offer.
2. The Acquirers have entered into a Share Purchase Agreement (SPA) with the Promoter Group of M/s Innova Health Systems Limited (hereinafter referred to as “IHSL”/ “Target Company”) on Wednesday, 06th September 2006 to acquire from them 13,90,000 (Thirteen Lakhs Ninty Thousand) fully paid equity shares of Rs.10/- each representing aggregate of 27.493% of the Subscribed Equity Share Capital (53.26% of Voting Capital) (“the acquisition”) for cash at a price of Rs. 1.00 /- (Rupees One only) per share ('the negotiated price'). The Target Company has 24,45,900 partly paid up equity shares (Rs 2.50/- Paid up).The Partly paid up shares do not carry voting rights. As per Article 111 of the Articles of Association of the company, no voting rights are exercisable on the shares on which calls or other sums presently payable have not been paid. There are no outstanding convertible instruments as on the date of this Public Announcement.
3. Salient features of the Share Purchase Agreement:
   a. The acquirer shall acquire the Shares in the following proportion
      Mr PVRRLN Prasad - 4,90,000 fully paid up equity shares
      Mr. P. Koteshwara Rao- 9,00,000 fully paid up equity shares
      The Purchase consideration for the shares shall be paid as follows (a) A sum of Rs 0.50 (Fifty paisa only) per share as earnest money or deposit with the execution of this agreement. (b) balance of Rs 0.50 (Fifty paisa only) per share at the time of completion
   b. In case of non compliance of any of the provisions of the Securities Exchange Board of India Takeover Regulations, this agreement shall not be acted upon by either Party.
   c. The Acquirer/ Seller have undertaken that if the public shareholding in the Company fall below the limit specified in listing Agreement with Stock Exchanges for the purpose of listing on continuous basis, pursuant to the agreements and Open Offer, the Acquirers will acquire only such number of shares under the agreement so as to maintain the minimum specified public shareholding in the Company.
4. The Acquirers are now making this open offer to acquire 5,22,000 fully paid equity shares of Rs. 10/- each, representing 20% of the voting equity capital, of the Target Company at a price of Rs.6.00 /- (Rupees Six only) per fully paid up equity share payable in cash, (“ Offer”). The Offer is not subject to any minimum level of acceptance and is not a conditional offer. The offer is being made only to shareholders holding fully paid Equity Shares and no offer is being made to shareholders holding partly paid equity shares.
5. The equity shares of Target Company are listed on Hyderabad Stock Exchange Limited (HSE) and Ahmedabad Stock Exchange Limited (ASE). The equity shares of the company are infrequently traded in terms of explanation (i) to Regulations 20(5) of the SEBI (SAST) Regulations, 1997. The offer price of Rs. 6.00 /- per share has been determined as per Regulation 20(5) taking into account the following factors:
   a. The Negotiated price in terms of the SPA entered into on Wednesday, 06th September 2006 is Rs. 1.00 /-(Rupees One only) per fully paid equity share.
   b. The Acquirers have not acquired any shares of Innova Health Systems Limited, including by way of allotment in public or rights issue or by way of preferential allotment by Target Company during the 26 Weeks Period prior to the date of this public Announcement.
   c. Value per share: The Value per fully paid up equity shares based on the Audited Balance Sheet as on 31st March 2006 as certified by Mr. Grandhi Vittal Chartered Accountant vide his report dated 31st August 2006 is Rs 7.62/- (Rupees Seven and Paise Sixty Two only) based on Net Asset Value Method and Rs 3.75/-(Rupees Three and paisa Seventy Five only) based on Adjusted Net Asset Value Method (based on expected realizable value as per the Company).
   d. Justification for the Offer Price in terms of the Regulation 20(4) & (5) of the SEBI (SAST) Regulations:

Particulars	RS
(a) The negotiated price under the Agreement referred to in Regulation 14(1) of the SEBI (SAST) Regulations.	1.00
(b) Price paid by the Acquirer for acquisition, if any, during the twenty six week period prior to the date of public announcement	NA
(c) Return on Net Worth	-ve
(d) value per fully paid up share (Net Asset Value Method)as certified by Chartered Accountant.	7.62
(e) value per fully paid up share (Adjusted Net Asset Value Method) as certified by Chartered Accountant	3.75
(f) Earning Per Share	-ve
(g) Price earning ratio on offer price	NA
(h)The average of the weekly high and low of the closing prices of the Shares of the Target Company as quoted on Hyderabad Stock Exchange Limited and the Ahmedabad Stock Exchange Limited are not available, since the Shares of the Target Company are most infrequently traded.	No trading has taken place for the said period

The shares of Target Company are not traded and therefore, for the purpose of valuation, market value could not be considered. IHSL had no profits in the last three years, therefore Earning Based Value per share has not been used to determine the offer price. Mr. Grandhi Vittal Chartered Accountant (M. No. 206462) has vide his report dated August 31, 2006. based on Net Asset Value Method and based on Audited Balance Sheet as on 31st March 2006 have stated that the fair value per fully paid equity share is Rs 6.00 for the purpose of offer price to the shareholders of Innova Helath Systems Limited. In view of the above, the Offer Price of Rs. 6/- per fully paid up equity share based on the net asset value as on 31st March 2006 is justified in terms of regulations 20(4) and 20 (5) of the Regulations

6. The Acquirers do not hold any shares in the Target Company as on the date of Public Announcement.
7. CIL (Managers and Registrars to the offer) does not hold any shares in the target company.
8. This is not a competitive bid.

II. Information about Acquirers:

1. Mr. PVRRLN PRASAD resident of Powerpet, Eluru, West Godavari Dist. Andhra Pradesh 534 002 completed graduation from Andhra University and is having vast experience of about 10 years in the areas of Administration, Marketing and Procurement of Agarbathies and has experience in Hotel , Restaurant and Real Estate business. Presently he is working for Ambica Agarbathies and Aroma Industries Limited as an Asst. Manager and looking after Agarbathies, Hotel and Windmills division of the Company. He does not hold directorships in any Company. The Networth of Mr PVRRLN PRASAD as on 31st August 2006 is Rs 15,00,000 (Rupees Fifteen Lakhs only) as certified by Mr. Grandhi Vittal, Chartered Accountant, 2-159, Street No. 3, Vani Nagar, Malkajigiri, Hyderabad-500047. (Membership No. 206462)
2. Mr. P. KOTESWARA RAO resident of Powerpet, Eluru, West Godavari Dist. Andhra Pradesh 534 002 completed SSC from the Board of Secondary Education and is having an experience of 35 years in the area of Finance, Administration, Marketing and Procurement of Agarbathies and has experience in Hotel , Restaurant and Real Estate business . He is Director of Ambica Agarbathies and Aroma Industries Limited. The Networth of Mr. P. KOTESWARA RAO as on 31st August 2006 is Rs 1,30,00,000 (Rupees One Crore Thirty lakshs only) as certified by Mr. Grandhi Vittal, Chartered Accountant, 2-159, Street No. 3, Vani Nagar, Malkajigiri, Hyderabad-500047. (Membership No. 206462)
3. The Acquirer Mr P. KOTESWARARAO is father of Mr. PVRRLN PRASAD

III. Information about the Target Company:

1. Innova Health Systems Limited was incorporated on November 18, 1992 as a Private Limited Company under the name Coromandel Spices & Resins Private Limited. It was converted into a Public Limited Company on December 9, 1994. The Company came out with a Public Issue during August, 1996 to implement the project of Manufacturing of Spices Oils and Oleoresins, Natural Colors (Food grade) & Herbal Extracts. The name of the company was changed to Innova Health Systems Limited on 26th July 2001.
2. The Target Company could not commence its project of Manufacturing of Spices Oil due to non-receipt of allotment money. At the Annual General Meeting held on 27th September 1999, the main objects of the Target Company were changed to carrying of business of providing of software services and solutions in the area of marketing of health care products like insurance, medical equipments, software, books pharmaceutical and services like telemedicines, pain clinics, diagnostics and consulting services, educational services.
3. The Target Company was initially promoted by Mr S.K Karimulla and Mrs K Ratna Kumari On 07th July 2000, Mr M Kalyan Chakravarthy along with Mr M.N Vishnuvardhan and Mrs Varalalshmi have agreed to acquire from Mr S.K Karimulla and associates (the then promoters) their holding by way of a Share Purchase Agreement. Public Announcement was made to the Shareholders of the Target Company on 13th July 2000 and the Control of the management was changed to Mr M Kalyan Chakravarthy , Mr M.N Vishnuvardhan and Mrs Varalalshmi in compliance with the Takeover Regulation.
4. As on the date of Public announcement the Authorised Share Capital of IHSL is Rs 5,50,00,000/- (Rupees Five Crores Fifty Lakhs Only) consisting of 55,00,000 Equity Shares of Rs. 10/- each and the Issued and Subscribed Capital of the Company is Rs. 5,05,59,000 (Rupees Five Crores Five Lakhs Fifty Nine Thousand Only) consisting of 50,55,900 Equity Shares of Rs. 10/- each and the paid-up capital of the Company is Rs. 3,22,14,750 (Rupees Three Crores Twenty Two Lakhs Fourteen Thousand and Seven Fifty Only) consisting of 26,10,000 fully paid up Equity Shares and 24,45,900 Partly Paid up shares (i.e. Rs. 2.50/- Per Equity share). As per Article 111 of the Articles of Association of the company, no voting rights are exercisable on the shares on which calls or other sums presently payable have not been paid. There are no outstanding convertible instruments as on the date of this Public Announcement.
5. The equity shares of Target Company are listed on Hyderabad Stock Exchange Limited (HSE) and the Ahmedabad Stock Exchange Limited (ASE).
   Brief financials of the Target Company, based on the Audited Annual Accounts, are as under:

Rs. Lakhs

Particulars		Year ended March 31		
		2006	2005	2004
Authorized Equity Share Capital		550.00	550.00	550.00
Paid-up Equity Share Capital		322.15	322.15	322.15
Reserves and Surplus		NIL	NIL	NIL
Total Income		4.20	4.01	4.76
Profit (loss) after Tax		(0.39)	(7.39)	(5.92)
Earnings Per Share (EPS)	Rupees	-ve-	-ve-	-ve-
Book Value Per Share	Rupees	7.62	7.63	7.88

6. There was no trading in the Shares of the Company in the last 26 Weeks on Hyderabad Stock Exchange Limited (HSE) and the Ahmedabad Stock Exchange Limited (ASE).

IV. Reasons for the Acquisition and offer and future plan about Target Company:

1. This Open Offer to the Shareholders of the Target Company is being made, pursuant to Regulation 10 and 12 of SEBI (SAST) Regulations for the purpose of substantial acquisition of Shares with change in control and management of the Target Company.
2. Objects: The Object for acquisition of shares is to acquire the controlling stake in the Target Company.
3. Future Plans: The acquirers desire to continue the existing business of the Target Company and like to avail various growth opportunities in the existing business and thereby increase the value of stakeholders.
4. The acquirer undertake not to sell, dispose off or otherwise encumber any substantial asset of the target company except with the prior approval of the shareholders
5. As on the date of Public Announcement, the acquirers do not have any intention to dispose off or otherwise encumbrance of any assets of Target Company in succeeding two years except in ordinary course of business of the target company.

V. Statutory Approvals/ other approvals required for the offer:

1. The offer is subject to the approval of RBI under the Foreign Exchange Management Act, 1999 for acquiring shares tendered by NRIs/FIIs/OCBs. No other approval is required to be obtained from Banks/Financial Institutions for the offer
2. Besides this, as on this date to the best of the knowledge of the Acquirers, no other statutory approvals are required to acquire the Shares tendered pursuant to this Open Offer. However, the Open Offer would be subject to all statutory and such other approvals that may be applicable at a later date.
3. The Acquirers shall complete all procedures relating to the Offer within a period of 15 days from the closure of the Offer, in terms of Regulation 22(12) of the Regulations. In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to the Acquirers agreeing to pay interest for the delayed period to the shareholders as directed by SEBI. Further if the delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.
4. In case the required RBI approvals for shares tendered by NRIs/FIIs/OCBs are not submitted/obtained, the Acquirers reserves the right to reject such Shares tendered. The Acquirers shall withdraw this offer if the statutory/other approval(s) which shall become applicable at a later date, as specified in point no.2 above, is refused as provided in regulation 27 of the SEBI (SAST) Regulations 1997.

VI. Option to the acquirer in terms of Regulation 21(3):

As per clause 40A of the Listing Agreement, the company is required to maintain on a continuous basis, public shareholding of at least 25% of the total number of issued shares of a class or kind, for every such class or kind of its shares which are listed. On Completion of the offer formalities the public shareholding of the Target Company is not likely to fall below the limit specified for the purpose of listing on continuous basis in terms of the Listing Agreement with the stock exchange, therefore the option available under Regulation 21 (3) of the Takeover Regulation is not applicable.

VII. Financial Arrangements:

1. The total fund requirement for the Open Offer is Rs. 31,32,000 (Rupees Thirty One Lacs Thirty Two Thousand only) assuming that the entire Open Offer is accepted.
2. The Acquirers have assets, resources and means to meet their obligations under the Open Offer in full. For this purpose, the Acquirers intend to utilize the resources available with them.
3. The Acquirers have opened an Escrow Account with HDFC Bank, Lakdi-ka-pool Branch, Hyderabad, and deposited cash of Rs. 8,00,000 /- (Rupees Eight Lacs only) being more than 25% of the total consideration payable to shareholders for 5,22,000 fully paid equity shares @ Rs.6.00 /- per share and have marked a lien in favour of the Managers & Registrars to the offer.
4. The acquirers have empowered the Managers & Registrars to the Offer to realize the value of the Escrow Account by encashing or otherwise in terms of the SEBI (SAST) Regulations, 1997.
5. Based on the above, the Managers & Registrars to the Offer have satisfied themselves about the Acquirers ability to implement the Open Offer in accordance with the SEBI (SAST) Regulations.

VIII. Other Terms of the Offer:

1. The Letter of Offer, together with the Form of Acceptance cum Acknowledgment will be mailed to the Shareholders holding fully paid-up shares of the Target Company (except the Acquirer, Persons Acting in Concert and the sellers who are party to the share purchase agreement) whose names appear in the Register of Members of the Target Company and to the beneficial owners of the Shares of the Target Company whose names appear as beneficiaries on the records of the respective Depositories at the close of business on Friday, 06th October 2006 (“Specified Date”).
2. The Managers & Registrars to the offer have opened a Special Depository Account with CDSL in the name and style of “CIL Sec Ltd Escrow A/c - IHSL Open Offer " (the “ Depository Escrow Account”). The DP ID is 12013500 and Client ID is 1201350000049979. Shareholders having their beneficiary account in NSDL have to use the inter-depository delivery instructions slip for the purpose of crediting their Shares in favour of the Special Depository Account with CDSL.
3. Beneficial owners (holders of Shares in dematerialised form), who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with photocopy of the delivery instruction slip(s) in “Off Market” mode or counterfoil of the delivery instruction slip(s) in “Off Market” mode, duly acknowledged by the Depository Participant (“DP”) in favour of “CIL Sec Ltd Escrow A/c - IHSL Open Offer " (the “ Depository Escrow Account”) to CIL Securities Ltd # 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad- 500 001 either by hand delivery on week days during the normal business hours or by Registered Post/Courier on or before the close of the Open Offer, i.e., not later than Monday, 13th November 2006, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. The credit for the delivered Shares should be received in the Special Depository Account on or before close of the Open Offer, i.e., not later than Monday, 13th November 2006.
4. Shareholders (holding physical share certificates) who wish to tender their Shares will be required to send the Form of Acceptance cum Acknowledgment, original Share Certificate(s) and transfer deed(s) duly signed to the collection center mentioned below, on or before the Close of the Offer, i.e., not later than Monday, 13th November 2006, in accordance with the instructions to be specified in the Letter of Offer and in the form of Acceptance cum Acknowledgement.

Name and Address of the persons (Managers & Registrars to the Offer) to whom the Shares should be sent including name of the contact person, telephone no., fax no. etc.	Working days and Timings	Mode of delivery
CIL SECURITIES LIMITED #214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad 500 001. Tel. Nos. (040) 2320 2465/3155. Fax No. (040) 2320 3028. Contact Person : Mr B.M. Maheshwari E Mail: advisors@cilsecurities.com	Monday to Saturday (Except on Holidays) 11:00 A.M to 5:00 PM	By Post/ Courier/ Hand Delivery

5. All owners (registered or unregistered) of Shares of the Target Company (except the Acquirer, Persons acting in concert and the sellers who are party to the share-purchase agreement) are eligible to participate in the Open Offer any time before the closure of the Open Offer. Unregistered owners can send their application in writing to the Managers & Registrars to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the original Share Certificate(s), valid Transfer Deed(s) and the original contract notes issued by the Broker through whom they acquired their Shares. No indemnity is required from the unregistered owners.
6. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Managers & Registrars to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, Distinctive Numbers, along with documents as mentioned above so as to reach the Mangers to the Offer on or before the close of the Open Offer. i.e., not later than Monday, 13th November 2006, or in case of beneficial owners, they may send the application in writing to the Managers and Registrars to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, DP Name, DP ID, Beneficiary Account Number and a photo copy of the delivery instruction slip(s) in “Off Market” mode or counterfoil of the delivery instruction slip(s) in “Off Market” mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Managers & Registrars to the Offer, on or before the close of the Offer, i.e., not later than Monday, 13th November 2006.
7. In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, Equity Shareholders desirous of withdrawing the acceptance tendered by them in the Open Offer, may do so up to 3 (three) working days prior to the date of closure of the Open Offer. The withdrawal option can be exercised by submitting the documents as per the instructions given below, so as to reach the Managers & Registrars to the Offer at the Collection Centre mentioned above, as per the mode of delivery mentioned therein, on or before Wednesday, 08th November 2006.
   (i) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.
   (ii) In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:
   - In case of physical shares: Name, Address, Distinctive Numbers, Folio Number, Number of Shares tendered, and
   - In the case of Dematerilised Shares: Name, Address, Number of Shares Offered, DP Name, DP ID, Beneficiary Account Number and a photo copy of the delivery instruction slip(s) in “Off Market” mode or counterfoil of the delivery instruction slip(s) in “Off Market” mode, duly acknowledged by the DP, in favour of the Special Depository Account.
8. The Managers & Registrars to the Offer will hold in trust the Shares / Share Certificates, Shares lying in credit of the Special Depository Account, if any, and the transfer form(s) on behalf of the Shareholders of the Target Company who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted Shares / Share Certificates are dispatched / returned.
9. If the aggregate of the valid responses to the Open Offer exceeds the Open Offer size of 5,22,000 fully paid-up Equity Shares of the Target Company (representing 20% of the voting Equity Share Capital of the Target Company), then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The market lot for the dematerialized shares will be 1 (one) share and for the physical share the market lot will be 100 (hundred) shares.
10. Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at Shareholders' / unregistered owners' sole risk to the sole / first Shareholder. Unaccepted Shares held in demat form will be credited back to the beneficial owners' depository account with the respective depository participant, as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.
11. Shareholders who have sent their Shares for dematerialisation need to ensure that the process of getting their Shares dematerialised is completed well in time so that the credit in the Special Depository Account is received on or before the date of the closure of the Open Offer, i.e., not later than Monday, 13th November 2006, else their application would be rejected.
12. Any Shares that are the 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 Open 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.
13. Shares that are subject to any charge, lien or encumbrance are liable to be rejected.
14. The Acquirers will not be responsible in any manner for any loss of Equity Share Certificate(s) and Offer Acceptance Document(s) during transit and the Equity Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.
15. While tendering the Shares under the Open Offer, NRIs / OCBs / FIIs if any will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the Shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirers reserve the right to reject such Shares tendered.
16. While tendering Shares under the Open Offer, NRIs / OCBs / FIIs if any will be required to submit a Tax Clearance Certificate from the Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirers under the Income Tax Act, 1961, before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the 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.
17. A schedule of activities pertaining to the Open Offer is given below:

Activity	Day and Date
Public Announcement Date	Saturday, 09th September 2006
Last date for a Competitive Bid	Friday, 29th September 2006
Specified Date	Friday, 06th October 2006
Date by which Letter of Offer to be dispatched to Shareholders	Monday, 16th October 2006
Date of opening of the Open Offer	Wednesday, 25th October 2006
Last date for revising the Offer Price / number of shares	Thursday, 02nd November 2006
Last date for withdrawing acceptance from the Open Offer	Wednesday, 08th November 2006
Last date of closing of the Open Offer	Monday, 13th November 2006
Last date of communicating rejection / acceptance and payment of consideration for accepted tenders	Tuesday, 28th November 2006

IX. General:

1. Shareholders who have accepted the Open Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer shall have the option to withdraw acceptance tendered by them upto three working days prior to the date of closure of the Open Offer, i.e upto Wednesday, 08th November 2006.
2. If there is any upward revision in the Offer Price by the Acquirers till the last date of revision, viz., Thursday, 02nd November 2006, or withdrawal of the Open Offer, the same would be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement has appeared. The Acquirers would pay such revised price for all shares validly tendered any time during the Open Offer and accepted under the Open Offer.
3. 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 (seven) working days prior to the closing date of the Open Offers / bids (i.e. Thursday, 02nd November 2006), it would therefore,
     be in the interest of the Shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.
4. The Acquirers and Sellers or Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11-B of the SEBI Act.
5. Pursuant to Regulation 13 of the SEBI (SAST) Regulations, the Acquirers have appointed M/S CIL Securities Ltd as Managers & Registrars to the Offer. This public announcement has been issued by CIL Securities Ltd (Managers & Registrars to the Offer) on behalf of the Acquirers.
6. The Acquirers accept full responsibility for the information contained in this Public Announcement. The Acquirers are responsible for the fulfillment of their obligations under the SEBI (SAST) Regulations.
7. This Public Announcement would also be available on the SEBI's website at (http://www.sebi.gov.in/). Eligible persons to the Open Offer may also download a copy of the Form of Acceptance cum Acknowledgement, which will be available on SEBI's website at (http://www.sebi.gov.in/) from the Offer Opening Date, i.e., Wednesday, 25th October 2006. The Equity shareholders may please note that the Form of Acceptance, Share Certificates/ copy of the delivery instruction slip(s) and other documents shall be sent only to the Managers & Registrars to the Offer and not to the Acquirers, Target Company and Sellers.
8. Name and Address of the Acquirers:

Mr PVRRLN Prasad	Mr. P. Koteshwara Rao
Powerpet, Eluru, West Godavari Dist. Andhra Pradesh 534 002	Powerpet, Eluru, West Godavari Dist. Andhra Pradesh 534 002

ISSUED BY: MANAGERS & REGISTRARS TO THE OFFER

CIL SECURITIES LIMITED

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