CORRIGENDUM TO PUBLIC ANNOUNCEMENT

For the attention of the Shareholders of

INNOVA HEALTH SYSTEMS LIMITED

Registered Off: "1005, Deccan Towers, Basheerbagh, Hyderabad 500 029.

In continuation to the Public Announcement issued by **CIL Securities Limited** (Managers & Registrars to the Offer), on Saturday, 09th September 2006 on behalf of Mr PVRRLN Prasad and Mr P. Koteswararao (herein after referred to as Acquirers) pursuant to Regulation 10 & 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereto [here in after referred to as Regulations].

The Schedule of activity pertaining to the Open offer has been changed and shall be read as under.

Activity	Current Day & Date	Revised Day & Date
Public Announcement Date	Saturday, 09th September 2006	Saturday, 09th September 2006
Last date for a Competitive Bid	Friday, 29th September 2006	Friday, 29th September 2006
Specified Date	Friday, 06th October 2006	Friday, 06th October 2006
Date by which Letter of Offer to be dispatched to Shareholders	Monday, 16th October 2006	Tuesday, 05th December 2006
Date of opening of the Open Offer	Wednesday, 25th October 2006	Wednesday, 13th December 2006
Last date for revising the Offer Price / number of shares	Thursday, 02nd November 2006	Wednesday, 20th December 2006
Last date for withdrawing acceptance from the Open Offer	Wednesday, 08th November 2006	Wednesday, 27th December 2006
Last date of closing of the Open Offer	Monday, 13th November 2006	Monday, 1st January 2007
Last date of communicating rejection / acceptance and payment of consideration for accepted tenders	Tuesday, 28th November 2006	Tuesday, 16th January 2007

The above dates where ever it appeared in the Original Public Announcement shall be read accordingly.

The Offer has been Revised as under.

The offer shall be made to acquire 10,11,180 Equity Shares (being 20 % of Issued Equity Capital) at Rs 6.00/- (Rupees Six only) per fully paid equity share and Re 1.00 (Rupee One) for partly paid equity shares (Rs 2.50 Paid up). The offer of 10,11,180 Equity Shares being acquired shall consists of 5,22,000 Fully paid equity shares being 20% of the voting capital and 4,89,180 partly paid equity shares being 20% of the outstanding partly paid equity shares.

The offer price is Re-Justified taking into account the case of Hindustan Lever Employee Union Case and the Erstwhile CCI Formula

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.	8.81
(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 share valuation report dated 20th November 2006 based on Hon'ble Supreme Court Decision in the Case of Hindustan Lever Employee Union Vs HLL, 1995(83.com Case 30) and the erstwhile CCI Formula have stated that the fair value per fully paid equity share is Rs 6.00 (Rupees Six only) for the purpose of offer price to the shareholders of Innova Helath Systems Limited. In view of the above, the Offer Price of Rs. 6.00(Rupees Six Only) per fully paid up equity share based on the Certificate of Mr. Grandhi Vittal, Chartered Accountant is justified.

Justification of offer Price for Partly Paid Equity Shares calculated in terms of Regulation 20(10)

Particulars	Amount
Offer Price per fully paid equity shares	**Rs 6.00**
Less amount due towards call remaining un paid	**Rs 7.50**
Price for Partly Paid Equity Shares	**Rs -1.50**

However the acquirers intend to offer Re 1.00/-(Rupee one only) for partly paid shares.

Revised Financial Arrangement

1. The Total fund requirement for the open offer is Rs 36,21,180 (Rupees Thirty Six Lacs Twenty one Thousand One hundred and Eighty only) assuming that the entire open offer is accepted. The Fund requirement is calculated as follows :

i. Rs 31,32,000 - 5,22,000 fully paid equity shares being acquired @Rs 6.00/- per share

ii. Rs 4,89,180 - 4,89,180 partly paid equity shares being acquired @Re 1.00/- per share.

2. The Acquirers have opened an Escrow Account with HDFC Bank, Lakdi Ka Pul Branch, Hyderabad and deposited cash of Rs 10,00,000/- (Rupees Ten Lacs only) being more than 25% of the Total consideration payable as mentioned above. Also Lien has been marked in favour of Managers & Registrars to the offer

Others

1. Non compliance with Chapter II of the SEBI (SAST) Regulation 1997 by the Target Company and Promoters , SEBI may initiate suitable action against the promoters and the target company at a later stage

2. No Change in the Board of Director of the Target Company is proposed after the offer as on the date of this public announcement.

The Acquirers accept full responsibility for the information contained in this public announcement.
This Corrigendum Public Announcement would be available on SEBI's website at www.sebi.gov.in.

Place: Hyderabad
Date:29-11-2006

Issued by the Manager to the Offer:
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