LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as a shareholder of **Matrix Laboratories Limited**. If you require any clarifications about the action to be taken, you should consult your stock-broker or investment consultant or the Manager/ Registrar to the Offer. In case you have sold your shares, please hand over this Letter of Offer, the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

CASH OFFER AT Rs. 1,500 /- (Rupees One Thousand and Five Hundred Only) PER FULLY PAID-UP EQUITY SHARE OF Rs. 10 (RUPEES TEN ONLY)

Alongwith interest at a rate of 10% per annum for a period from July 29, 2004 to the date of payment

[Pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto]

TO ACQUIRE

Up to 2,909,578 fully Paid-up Equity Shares of face value Rs. 10/- each, representing 20% of the voting share capital

OF

Matrix Laboratories Limited ("Matrix")

having its registered office at:

1-1-151/1, Sairam Towers, 4th Floor, Alexander Road, Secunderabad 500 003

Tel: +91 40 2770 0363 Fax: +91 40 2770 0343

BY

India Newbridge Investments Limited ("INIL")

having its registered office at:

4th Floor, Li Wan Po House, 12 Remy Ollier Street, Port Louis, Mauritius

Tel: +230 210 4000 Fax: +230 211 7549

AND

Maxwell (Mauritius) Pte Ltd ("Maxwell")

having its registered office at:

3rd Floor, TM Building, Pope Hennessy Street, Port Louis, Republic of Mauritius

Tel: +230 207 1000 Fax: +230 208 7949

ALONG WITH THE FOLLOWING PERSONS ACTING IN CONCERT

Newbridge Asia III, L.P.

having its registered office at:

Ugland House, South Church Street, PO Box 309, George Town, Grand Cayman, Cayman Islands, BWI

Tel: +1 817 871 4000 Fax: +1 817 850 4076

India Newbridge Coinvestment Limited

having its registered office at:

4th Floor, Li Wan Po House, 12 Remy Ollier Street, Port Louis, Mauritius

Tel: +230 210 4000 Fax: +230 211 7549

India Newbridge Partners FDI Limited

having its registered office at:

4th Floor, Li Wan Po House, 12 Remy Ollier Street, Port Louis, Mauritius

Tel: +230 210 4000 Fax: +230 211 7549

Seletar Investments Pte Ltd

having its registered office at:

60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891

Tel: +65 6828 6828 Fax: +65 6821 1170

ALONG WITH THE FOLLOWING DEEMED PERSON ACTING IN CONCERT

Temasek Holdings (Private) Limited

having its registered office at:

60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891

Tel: +65 6828 6828 Fax: +65 6821 1170

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
DSP Merrill Lynch **DSP Merrill Lynch Limited** 10th Floor, Mafatlal Center, Nariman Point Mumbai 400 021 Tel: +91 22 5632-8000 Fax: +9122 2204-8518 Email: matrix_openoffer@ml.com Contact Person: Mr. Ravi Shankar	KARVY **Karvy Computershare Private Limited** 46, Avenue 4, Street No 1, Banjara Hills Hyderabad 500 034 Tel: +91 40 2331-2454 Fax: +91 40 2331-1968 Email: murali@karvy.com Contact Person: Mr. Murali Krishna
OFFER OPENS ON: JULY 28, 2004	**OFFER CLOSES ON: AUGUST 26, 2004**

ATTENTION:

a) The Offer is subject to the receipt of approval from (i) the Foreign Investment Promotion Board ("FIPB") and (ii) the Reserve Bank of India ("RBI"), under the Foreign Exchange Management Act, 1999 ("FEMA").

b) Besides this, as on the date of the Public Announcement, no other statutory approval was required to acquire the shares tendered pursuant to this Offer. The Acquirers and the PACs will not proceed with the Offer in the event that any statutory approval indicated above (including, without limitation, from the FIPB and RBI)is not obtained in terms of Regulation 27 of SEBI (SAST) Regulations.

c) Due to the delay in offer till date, the Acquirers and the PACs would pay an interest at a rate of 10% per annum for a period from July 29, 2004 to the date of actual payment. In case of further delay in receipt of any statutory approval(s), SEBI has a power to grant extension of time to the Acquirers and the PACs for payment of consideration to shareholders, subject to the Acquirers and the PACs agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further if the delay occurs on account of willful default by the Acquirers and the PACs in obtaining the requisite approval, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.

d) Due to its "Deemed Person Acting in Concert" status, Temasek Holdings (Private) Limited is neither responsible for the information contained in this Letter of Offer nor jointly and severally responsible with the Acquirers and the PACs for fulfillment of their respective obligations under the SEBI (SAST) Regulations.

e) Subsequent to the Public Announcement, Matrix shareholders have approved certain changes in the Articles of Association of Matrix to give effect to the various clauses of the agreements that Matrix has entered into with the Acquirers.

f) The provisions of Regulation 12 of SEBI (SAST) Regulations are not applicable to this offer.

g) If there is any upward revision in the Offer Price by the Acquirers prior to or on the last date for revising the offer price viz. August 16, 2004 or withdrawal of the Offer, you would be informed by way of another public announcement in the same newspapers where the original/first public announcement had appeared. The Acquirers and the PACs would pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.

h) ***Shareholders who have accepted the Offer by tendering the requisite documents, in terms of this Letter of Offer shall have the option to withdraw acceptance tendered by them up to August 23, 2004 i.e. 3 (three) working days prior to the date of closure of the Offer viz. August 26, 2004.***

i) As on the last date for a competitive bid i.e. May 9, 2004, there had been no competitive bid.

j) The Public Announcement and this Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal would also be available on SEBI's website (www.sebi.gov.in) from the Offer opening date viz. July 28, 2004.

k) Form of acceptance cum acknowledgement and form of withdrawal are enclosed with this Letter of Offer.

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER:

Activity	Earlier Announced Date	Revised Date
Public Announcement Date	Sunday : April 18, 2004	Sunday : April 18, 2004
Specified Date (for the purpose of determining the names of Shareholders to whom the Letter of Offer will be posted)	Friday : May 7, 2004	Friday: May 7, 2004
Last date for a competitive bid	Sunday : May 9, 2004	Sunday : May 9, 2004
Date by which Letter of Offer to be dispatched to shareholders	Wednesday : May 26, 2004	Saturday : July 24, 2004
Date of opening of the Offer	Monday : May 31, 2004	Wednesday : July 28, 2004
Last date for revising the Offer Price	Friday : June 18, 2004	Monday : August 16, 2004
Last date for withdrawing acceptance from the Offer	Thursday : June 24, 2004	Monday : August 23, 2004
Date of closing of the Offer	Tuesday : June 29, 2004	Thursday : August 26, 2004
Last date of communicating rejection/ acceptance and payment of consideration for accepted shares	Thursday : July 29, 2004	Saturday : September 25, 2004

RISK FACTORS

Given below are the risks related to the transaction, the proposed offer and getting associated with the Acquirers:

a) The acceptances of the shares tendered in the Offer is subject to the approval of the FIPB and the RBI. In the event that either the FIPB or the RBI does not grant its approval, the Offer would stand withdrawn in terms of the SEBI (SAST) Regulations.

b) In the event of either the regulatory approvals not being received in a timely manner or litigation leading to stay on the Offer, or SEBI instructing that the Offer does not proceed, the Offer process may be delayed beyond the Schedule of the Major Activities indicated in this Letter of Offer, and consequently, the payment of consideration to the public shareholders of Matrix whose shares have been accepted in the Offer as well as the return of non-accepted shares may also be delayed.

c) The Acquirers make no assurance with respect to the market price of the shares during/ after the Offer and disclaim any responsibility with respect to the participation/non-participation decision by the shareholders in the Offer.

d) The Acquirers are investing in Matrix solely as financial investors and have not acquired control of Matrix or any of its subsidiaries and make no assurance with respect to the financial performance of Matrix.

e) The tendered shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period there may be fluctuation in the market price of the shares of Matrix.

f) In the event of oversubscription in the Offer, the acceptance will be on a proportionate basis and will be contingent on the level of oversubscription.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of Matrix or its subsidiaries or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of Matrix are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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1 DEFINITIONS

Acquirers	India Newbridge Investments Limited and Maxwell (Mauritius) Pte Ltd
Addenda to Public Announcement	Announcement of inclusion of India Newbridge Partners FDI Limited as a PAC and certain other matters made by the Acquirers and the PACs on April 30, 2004 and July 24, 2004
BSE	The Stock Exchange, Mumbai
CDSL	Central Depository Services Limited
Deemed Person Acting in Concert	Temasek Holdings (Private) Limited
DP	Depository Participant
DSPML	DSP Merrill Lynch Limited
Eligible Person(s) for the Offer	All owners (registered or unregistered) of Shares of Matrix Laboratories Limited (other than Acquirers/PACs and parties to the Agreements) anytime before the Closure of the Offer
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance	Form of Acceptance cum Acknowledgement
HSE	Hyderabad Stock Exchange
INIL	India Newbridge Investments Limited
INCL	India Newbridge Coinvestment Limited
INPFL	India Newbridge Partners FDI Limited
Letter of Offer	Offer Document
Manager/ Manager to the Offer	DSP Merrill Lynch Limited
Matrix	Matrix Laboratories Limited
Maxwell	Maxwell (Mauritius) Pte Ltd
Mm	Million
NA III	Newbridge Asia III, L.P.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange
OCB	Overseas Corporate Bodies
Offer	Open offer for acquisition of 2,909,578 fully Paid-up Equity Shares of face value of Rs.10/- each, representing 20% of the voting share capital of Matrix Laboratories Limited at a price of Rs.1,500 per fully paid-up equity share
Offer Price	Rs.1,500 (Rupees One Thousand and Five Hundred only) per fully paid-up equity share of Rs.10/- each
Person(s) Acting in Concert/PAC	Newbridge Asia III, L.P., India Newbridge Coinvestment Limited, India Newbridge Partners FDI Limited and Seletar Investments Pte Ltd
Post Issue Equity Capital	Voting share capital (after the preferential issue) consisting of 14,547,886 shares
Public Announcement/ PA	Announcement of the Offer made by Acquirers and the PACs on April 18 , 2004
RBI	Reserve Bank of India
Registrar/ Registrar to Offer	Karvy Computershare Private Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Seletar	Seletar Investments Pte Ltd
Share(s)	Fully paid-up equity shares of face value of Rs.10 each of Matrix Laboratories Limited
Specified Date	May 7, 2004
Temasek	Temasek Holdings (Private) Limited
Target Company/ Company/ Matrix	Matrix Laboratories Limited

2 DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT 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 SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS/PACS/TARGET COMPANY, WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS/PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT ACQUIRERS/PACS DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER - DSP MERRILL LYNCH LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED April 30, 2004 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE ACQUIRERS/ PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER".

3 DETAILS OF THE OFFER

3.1 Background

a) INIL and Maxwell, companies incorporated under the laws of the Republic of Mauritius along with Newbridge Asia III, L.P., a Cayman Islands exempted limited partnership; India Newbridge Coinvestment Limited, a company incorporated under the laws of the Republic of Mauritius; India Newbridge Partners FDI Limited, a company incorporated under the laws of the Republic of Mauritius; and Seletar Investments Pte Ltd, a company incorporated under the laws of the Republic of Singapore ("Persons Acting in Concert"/"PACs") together acting as persons acting in concert within the meaning of Regulation 2(1)(e) of SEBI (SAST) Regulations, are making an offer to the public shareholders of Matrix to acquire up to 2,909,578 Fully Paid-Up Equity Shares ("shares(s)") of Rs. 10/- each, representing in the aggregate 20% of the Post Issue Equity Capital of Matrix at a price of Rs. 1,500 (Rupees fifteen hundred only) per share ("Offer Price") alongwith interest at a rate of 10% per annum for a period from July 29, 2004 to the date of payment, payable in cash and subject to the terms and conditions mentioned hereinafter ("Offer").

b) The Acquirers have each entered into separate Agreements with Matrix Laboratories Limited ("Agreements") dated April 15, 2004 with respect to subscription and allotment of 11,25,000 equity shares (7.73% of the Post Issue Equity Capital) of the Company each on a preferential allotment basis at a price of Rs. 1,500 (Rupees fifteen hundred only) per share ("Preferential Issue"). Subsequent to approval by the shareholders of Matrix at an Extraordinary General Meeting held on May 15, 2004, the Board of Directors of Matrix completed the Preferential Issue. On completion of the Preferential Issue, the voting equity share capital comprises 14,547,886 shares ("Post Issue Equity Capital"). INIL has also entered into a Share Purchase Agreement dated April 15, 2004 with Promoter shareholders ("Sellers" - details shown in the table below) of Matrix with a right to purchase up to 727,394 shares at Rs. 1,500 per share until 45 days after Offer closure ("Secondary Purchase"). Preferential Issue and Secondary Purchase would together constitute upto 20.46% of post-issue paid up equity capital.

Promoter Shareholders	Residential Address	Contact
N Prasad	Asha Deep, Plot Nos. 10 & 11 Radhaswamy Colony Secunderabad - 500 009	Tel: 91-40-2789-1245
All Time Formulations Limited	3-6-100 Besides Vijaya Bank West Marepally Secunderabad - 500 003	Tel: 91-40-2770-4879
Mula Ravinder	3-6-100 Besides Vijaya Bank West Maredpally Secunderabad - 500 003	Tel: 91-40-2780-1444
Chava Satyanarayana	Plot No. 40, Mano Vikas Nagar Hasmath Pet Secunderabad	Tel: 91-40-2795-2985

c) Some of the salient clauses in the Agreements are as follows:

* Each of the Acquirers is independently entitled to representation on the Board of Directors of Matrix and is also independently entitled to specific rights in relation to the Company, such as consent rights over certain specified matters, information and other rights

* Each of the Agreements also contains certain provisions relating to the transfer of shares by the Promoters and the relevant Acquirer (as the case may be)

* INIL and Maxwell are acting in concert only for the purpose of this Offer and are entitled to exercise all of their rights, on their respective shares as may be acquired in the Preferential Issue and the Offer, independently of each other, post Offer completion

d) The Acquirers and the PACs did not hold any shares in Matrix as of the date of the Public Announcement.

e) None of the Acquirers, the PACs, the Sellers or Matrix have been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act.

3.2 The Offer

a) The Public Announcement dated April 18, 2004 and the Addenda to the Public Announcement dated April 30, 2004 and July 24, 2004 were made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	Editions
Financial Express	All Editions
Andhra Prabha	Hyderabad
Jansatta	All Editions
Tarun Bharat	Mumbai

(The Public Announcements are also available at the SEBI website: www.sebi.gov.in)

b) INIL (including its affiliates) and Maxwell (including its affiliates) will acquire all the shares tendered and accepted under the Offer, such that their overall shareholding in Matrix is in the approximate proportion of 3: 2, subject to certain conditions and other terms and conditions set out in the Public Announcement and the Letter of Offer being sent to the shareholders of Matrix.

c) The Offer is not conditional on any minimum level of acceptance by the shareholders of Matrix.

3.3 Object of the Offer and Acquirers' Future Plans for Matrix

a) The Offer to the shareholders of Matrix is being made pursuant to the signing of the Agreements between the Acquirers and Matrix and is being made in accordance with Regulation 10 of the SEBI (SAST) Regulations.

b) The Acquirers and the PACs do not propose to change the current composition of the Board of Directors of Matrix. Currently Mr. Puneet Bhatia and Mr. Fred Cohen are nominee directors of INIL and Mr. S. Iswaran is a nominee director of Maxwell.

c) The Acquirers and the PACs do not have any plans to dispose of or otherwise encumber any assets of Matrix in the next 2 (two) years, except in the ordinary course of business of Matrix and except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities or otherwise of Matrix.

d) Other than in the ordinary course of business, the Acquirers and the PACs undertake that they shall not sell, dispose of or otherwise encumber any substantial asset of Matrix except with the prior approval of Matrix shareholders.

e) The proposed Offer does not lead to the public holding in Matrix reducing to 10% or below. Hence Regulation 21(3) of SEBI (SAST) Regulations is not applicable.

4 BACKGROUND OF THE ACQUIRERS AND THE PACs

4.1 India Newbridge Investments Limited ("INIL")

a) INIL is a private limited company incorporated under the laws of the Republic of Mauritius with its registered office located at 4th Floor, Li Wan Po House, 12 Remy Ollier Street, Port Louis, Mauritius.

b) INIL is a wholly-owned subsidiary of Newbridge Asia III, L.P., a Cayman Islands exempted limited partnership.

c) INIL was incorporated for the purpose of making investments in India.

d) As on the date of the Public Announcement, INIL had not made any investments since its incorporation in July 2003.

e) The Board of Directors of INIL as on the date of the Public Announcement was as follows:

Name	Designation/ Appointment Date	Qualification	Experience	Residential Address
Daniel Carroll	Director 08.08.2003	MBA	19 years	2120 Lyon Street, San Francisco, CA 94115, USA
Richard Ekleberry	Director 08.08.2003	Law degree	19 years	6504 Saucon Valley, Fort Worth, TX 76132, USA
Jeffery Ekberg	Director 08.08.2003	BS (Business)/ CPA	12 years	4141 Ranier Court, Fort Worth, TX 76109, USA
John Viola	Director 08.08.2003	MBA/ CPA	17 years	3913 Overton Park Drive, Fort Worth, TX 76109, USA
Amal Autar	Director 01.07.2003	B. Com.	9 years	Luna Street, Petit Raffray, Mauritius
Kee Cheong Li Kwong Wing	Director 01.07.2003	B. Sc. (Econ)	25 years	2 Decaen Street, Rose Hill, Mauritius

f) None of the Directors of INIL has acquired any shares of Matrix during the preceding 12 months.

g) None of the Directors of INIL is on the board of Matrix. However, Mr. Puneet Bhatia and Mr. Fred Cohen are nominees of INIL on the board of Matrix.

h) Chapter II of SEBI (SAST) Regulations is not applicable to INIL.

4.2 Maxwell (Mauritius) Pte Ltd ("Maxwell")

a) Maxwell is a private limited company incorporated under the laws of Republic of Mauritius with its registered office located at 3rd Floor, TM Building, Pope Hennessy Street, Port Louis, Republic of Mauritius. In October 2003, Maxwell changed its name from Maxwell Technologies (Mauritius) Pte Ltd to Maxwell (Mauritius) Pte Ltd. Maxwell is registered with SEBI as a "Foreign Institutional Investor" and any acquisition by it will be in compliance with applicable regulations in this regard.

b) Maxwell is a wholly owned subsidiary of Seletar Investments Pte Ltd.

c) Maxwell was incorporated for the purpose of making investments in India and other parts of Asia. As Maxwell is an investment holding company, it did not had any operational history as of the date of the Public Announcement.

d) The Board of Directors of Maxwell as on the date of the Public Announcement was as follows:

Name	Title/ Appointment date	Qualification	Experience	Residential Address
Marie Angelo Clarel Benoit	Director 15 March 2001	Legal practitioner	19 years	Comet Street, Roches BrunesRepublic of Mauritius
Thierry Regis Antoine Harold Chellen	Director 15 March 2001	Legal practitioner	8 years	Engrais Martial, Curepipe Road, Republic of Mauritius
Tow Heng Tan	Director 25 April 2003	FCMA	27 years	98 Jalan Kuras, Singapore 577764
S Iswaran	Director 23 March 2001	Bachelor of Economics (1st Class Honours) Masters in Public Administration	17 years	25 Hemsley Avenue, Singapore 557691

e) None of the directors of Maxwell is also a director on the board of Matrix, except for Mr S Iswaran, who is a nominee director of Maxwell.

f) None of the directors of Maxwell has acquired any shares of Matrix during the preceding 12 months.

g) Chapter II of SEBI (SAST) Regulations is not applicable to Maxwell.

4.3 Newbridge Asia III, L.P. ("NA III")

a) NA III is a Cayman Islands exempted limited partnership, with its registered office located at Ugland House, South Church Street, PO Box 309, George Town, Grand Cayman, Cayman Islands, BWI and its principal office located at 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102, USA. The partnership was formed on June 21, 2000.

b) The general partner of NA III is Newbridge Asia GenPar III, L.P., a Cayman Islands exempted limited partnership, the general partner of which is Newbridge Asia Advisors III, Inc., a Cayman Islands company. The management of NA III is conducted by its general partner. Limited partners of NA III may not participate in the management, control, administration or business of NA III.

c) NA III has US$724 million (equivalent to Rs 31,682 million) of committed capital and was organized principally to invest, directly or indirectly, in entities organized or doing business in Asia, including India, Greater China (the People's Republic of China, Hong Kong, SAR and Taiwan), Indonesia, Japan, the Republic of Korea, the Philippines, Singapore and Thailand. It was jointly established by the Texas Pacific Group and Blum Capital Partners and is managed out of offices in Fort Worth, Hong Kong, San Francisco, Shanghai, Tokyo, Seoul and Singapore.

d) The Board of Directors of Newbridge Asia Advisors III, Inc. (the ultimate general partner of NA III) as on the date of Public Announcement was as follows:

Name	Title/ Appointment date	Qualification	Experience	Residential Address
David Bonderman	Director 29.06.2000	Law degree	33 years	333, Throckmorton, Fort Worth, Texas 76102, USA
Richard Blum	Director 29.06.2000	MBA	47 years	30 Presidio Terrace, San Francisco, CA 94118, USA

e) None of the Directors of Newbridge Asia Advisors III, Inc. has acquired any shares of Matrix during the preceding 12 months.

f) None of the Directors of Newbridge Asia Advisors III, Inc. is on the board of Matrix.

g) Chapter II of SEBI (SAST) Regulations is not applicable to NA III.

h) NA III is not required to file its financial statements with any authority in the Cayman Islands and its financial statements are not available for public inspection.

i) Total Revenue of NA III for the year ended December 31, 2003 was US $990,000 (equivalent to Rs. 43,322,400) as compared to US $85,000 (equivalent to Rs. 3,719,600) for the year ended December 31, 2002.

j) The Profit/(Loss) after tax of NA III for the year ended December 31, 2003 was US $(16,172,000) (equivalent to Rs. (707,690,000)) as compared to US $(17,040,000) (equivalent to Rs. (745,670,000)) for the year ended December 31, 2002.

k) The Partners' Capital of NA III for the year ended December 31, 2003 was US $221,542,000 (equivalent to Rs. 9,694,680,000) as compared to US $(8,788,000) (equivalent to Rs. (384,560,000)) for the year ended December 31, 2002.

4.4 India Newbridge Coinvestment Limited ("INCL")

a) INCL is a private limited company incorporated under the laws of the Republic of Mauritius with its registered office located at 4th Floor, Li Wan Po House, 12 Remy Ollier Street, Port Louis, Mauritius.

b) INCL is a wholly-owned subsidiary of Newbridge India Partners, L.P. ("Partnership"), a Cayman Islands exempted limited partnership. The general partner of the Partnership is Newbridge Asia GenPar III, L.P. The management of the Partnership is conducted by its general partner. Limited partners of the Partnership may not participate in the management, control, administration or business of the Partnership.

c) INCL was incorporated for the purpose of making investments in India. INCL has not carried out any activities since its incorporation in April 2004 and the stated capital for INCL was US$ 2 as on June 30, 2004.

d) The Board of Directors of INCL as on the date of the Public Announcement was as follows:

Name	Title/ Appointment Date	Qualification	Experience	Residential Address
Daniel Carroll	Director	MBA	19 years	2120 Lyon Street, San Francisco, CA 94115, USA
Richard Ekleberry	Director	Law degree	19 years	6504 Saucon Valley, Fort Worth, TX 76132, USA
Jeffery Ekberg	Director	BS (Business)/ CPA	12 years	4141 Ranier Court, Fort Worth, TX 76109, USA
John Viola	Director	MBA/ CPA	17 years	3913 Overton Park Drive, Fort Worth, TX 76109, USA
Amal Autar	Director	B. Com.	9 years	Luna Street, Petit Raffray, Mauritius
James Bette-Bennett	Director	FCA	29 years	Route Royale, Mont Choisy, Triolet, Mauritius

e) None of the directors of INCL is also director on the board of Matrix.

f) None of the Directors of INCL has acquired any shares of Matrix during the preceding 12 months.

g) Chapter II of SEBI (SAST) Regulations is not applicable to INCL.

4.5 India Newbridge Partners FDI Limited ("INPFL")

a) INPFL is a private limited company incorporated under the laws of the Republic of Mauritius with its registered office located at 4th Floor, Li Wan Po House, 12 Remy Ollier Street, Port Louis, Mauritius.

b) INPFL is a wholly-owned subsidiary of Newbridge India Partners FDI, L.P. ("Partnership II"), a Cayman Islands exempted limited partnership. The general partner of Partnership II is Newbridge Asia GenPar III, L.P. The management of Partnership II is conducted by its general partner. Limited partners of Partnership II may not participate in the management, control, administration or business of Partnership II.

c) INPFL was incorporated for the purpose of making investments in India. INPFL has not carried out any activities since its incorporation in April 2004 and the stated capital for INPFL was US$ 2 as on June 30, 2004.

d) The Board of Directors of INPFL is as follows:

Name	Title/ Appointment Date	Qualification	Experience	Residential Address
Daniel Carroll	Director 28.04.2004	MBA	19 years	2120 Lyon Street, San Francisco, CA 94115, USA
Richard Ekleberry	Director 28.04.2004	Law degree	19 years	6504 Saucon Valley, Fort Worth, TX 76132, USA
Jeffery Ekberg	Director 28.04.2004	BS (Business) / CPA	12 years	4141 Ranier Court, Fort Worth, TX 76109, USA
John Viola	Director 28.04.2004	MBA / CPA	17 years	3913 Overton Park Drive, Fort Worth, TX 76109, USA
James Bette-Bennett	Director 28.04.2004	FCA	29 years	Route Royale, Mont Choisy, Triolet, Mauritius
Amal Autar	Director 28.04.2004	B. Com	9 years	Luna Street, Petit Raffray, Mauritius

e) None of the directors of INPFL is also director on the board of Matrix.

f) None of the directors of INPFL has acquired any shares of Matrix during the preceding 12 months.

g) Chapter II of SEBI (SAST) Regulations is not applicable to INPFL.

4.6 Seletar Investments Pte Ltd ("Seletar")

a) Seletar is a private limited company incorporated under the laws of the Republic of Singapore with its registered office at 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

b) Seletar is wholly owned by Temasek Capital (Private) Limited, which in turn is wholly-owned by Temasek Holdings (Private) Limited ("Temasek"), an investment holding company that is wholly owned by the Government of Singapore. Seletar currently holds investments, directly or indirectly, in various countries in the Asia-Pacific region.

c) The authorised and paid-up capital of Seletar were S$50,000,000 (equivalent to Rs.1,303,000,000) and S$1,000,000 (equivalent to Rs.26,060,000) respectively as at 30 June 2004.

d) Total Revenue of Seletar for the financial year ended March 31, 2004 was S$8,175,593 (equivalent to Rs. 213,119,646) as compared to S$1,307,044 (equivalent to Rs. 34,071,749) for the financial year ended March 31, 2003.

e) Profit/(Loss) after tax of Seletar for the financial year ended March 31, 2004 was S$33,564,823 (equivalent to Rs. 874,960,776) as compared to S$(39,080,927) (equivalent to Rs. (1,018,753,420)) for the financial year ended March 31, 2003.

f) Shareholders' Equity of Seletar for the financial year ended March 31, 2004 was S$(125,002,574) (equivalent to Rs. (3,258,540,918)) as compared to S$(148,725,765) (equivalent to Rs. (3,876,952,092)) for the financial year ended March 31, 2003.

g) The Board of Directors of Seletar as on the date of the Public Announcement was as follows

Name	Title/ Appointment date	Qualification	Experience	Residential Address
Tow Heng Tan	Director 2 September 2002	FCMA	27 years	98 Jalan Kuras, Singapore 577764
Jeffrey Chua Siang Hwee	Director 1 November 2003	Master of Laws	12 years	30 Lorong M Telok Kurau, #01-06, Singapore 425312
Yeo Lee Choo	Director 1 November 2003	CPA	19 years	370E Alexandra Road, #08-07 The Anchorage Condominium, Singapore 159958

h) None of the directors of Seletar is also director on the board of Matrix.

i) None of the directors of Seletar has acquired any shares of Matrix during the preceding 12 months.

j) Chapter II of SEBI (SAST) Regulations is not applicable to Seletar.

4.7 Temasek Holdings (Private) Limited ("Temasek")

a) Temasek is a private limited company incorporated under the laws of the Republic of Singapore with its registered office at 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

b) Temasek is an investment holding company that is wholly owned by the Government of Singapore. Temasek is an active investor in various countries and across a broad range of industries, including transportation and logistics, finance, telecommunications, infrastructure, engineering and property.

c) The authorised and paid-up capital of Temasek were S$1,000,000,000 (equivalent to Rs. 26,067,790,552) and S$663,174,750 (equivalent to Rs. 17,287,500,483) respectively as at 30 June 2004.

d) None of the directors of Temasek is also director on the board of Matrix.

e) None of the directors of Temasek has acquired any shares of Matrix during the preceding 12 months.

f) Chapter II of SEBI (SAST) Regulations is not applicable to Temasek.

The aforesaid information on Temasek has been included in view of its "Deemed Person Acting in Concert" status. Temasek is neither responsible for the information contained in this Letter of Offer nor jointly and severally responsible with the Acquirers and the PACs for fulfillment of their respective obligations under the SEBI (SAST) Regulations.

5 BACKGROUND OF MATRIX LABORATORIES LIMITED (“MATRIX/ COMPANY”)

a) Matrix was incorporated as a private limited company on November 29, 1984. It was converted into a public limited company on June 27, 1994. The Company’s registered office (also the corporate office) is located at 1-1-151/1, Sairam Towers, 4th Floor, Alexander Road, Secunderabad 500 003.

b) Matrix changed its name from Herren Drugs & Pharmaceuticals Limited to Matrix Laboratories Limited on March 21, 2001. Subsequently, the company merged with Medicorp Technologies India Limited and Vorin Laboratories Limited in May 2003. On March 29, 2004, company announced a merger of Vera Laboratories Limited, Fine Drugs and Chemicals Limited, Medikon Laboratories Limited and Calibre Engineering Private Limited with itself. The Company has obtained approvals under clause 24(f) of the Listing Agreements from both the stock exchanges i.e. the Stock Exchange, Mumbai and the Hyderabad Stock Exchange vide letter dated: 19th April, 2004 and April 16, 2004 respectively. The Company has filed the Application in the Hon’ble High Court of Andhra Pradesh on 21st April 2004. The likely date of completion of merger formalities is end September 2004.

Apart from this, there has been no merger/de-merger/spin-off in the last 3 years

c) Matrix is engaged in the business of manufacturing and selling pharmaceutical products.

d) Following are the manufacturing locations of the Company:

Unit No.	Location	Certifications
Unit 1	Kazipally Industrial Estate, Medak District, Andhra Pradesh	ISO 9000
Unit 2	Kazipally Industrial Estate, Medak District, Andhra Pradesh	
Unit 3	Jeedimetla, Hyderabad, Andhra Pradesh	TGA (Australia), MCA (UK), ISO 9001:2000, USFDA
Unit 4	Jeedimetla, Quthubullapur Mandal, R.R.Dist, Andhra Pradesh	
Unit 5	Jeedimetla Village, Quthubullapur Mandal, R.R.Dist, Andhra Pradesh	
Unit 6	Balanagar, Hyderabad, Andhra Pradesh	
Unit 7	Pashamylaram, Patancheru Mandal, Medak Dist., Andhra Pradesh	USFDA, TGA (Australia), MCA (UK), ISO 14000, ISO 9001:2000, EDQM
Unit 11	Jeedimetla, Hyderabad, Andhra Pradesh	

e) The share capital structure of Matrix is as follows:

	No. of Shares	% of Shares
Pre Preferential Issue		
Fully Paid-up Equity Shares	12,297,886	-
Partly paid-up Equity Shares	Nil	-
New shares proposed to be issued	2,250,000	
Post Preferential Issue		
Total Paid-up Equity Shares	14,547,886	100%
Total Voting Rights	14,547,886	100%

f) Details of the share capital change for the Company are as follows:

Financial Year	Particulars of Issue	No of Shares Issued	Total No of Shares Post-issue
1995	Public Issue	3,282,312	3,282,312
1999	Amalgamation of Dolphin Drugs Private Limited & United Intermediates and Chemicals Private Limited	554,524	3,836,836
2001	Allotment of shares to IDBI	156,000	3,992,836
2001	Preferential Issue	3,207,164	7,200,000
2001	Shares forfeited	12,500	7,187,500
2003	Preferential Issue	965,476	8,152,976
2003	Preferential Issue	1,565,475	9,718,451
2003	Merger of Vorin Laboratories Limited and Medicorp Technologies India Limited	2,579,435	12,297,886

Preferential Issue 2001: None of the allottees in the preferential issue made in the year 2001 were allotted more than 5% of the paid up equity capital of the Company. Hence, no disclosures were required.

Preferential Issue 2003: Preferential issue of 25,30,951 equity shares of Rs.10/- each, at a price of Rs.107/- per share, was made to Mr. M. Ravinder, Mr. N. Prasad, All Time Formulations Limited and G2 Corporate Services. This issue triggered open offer and all acquirers made an open offer to the shareholders of Matrix in April 2003

With respect to disclosure under Regulation 7(1) of SEBI (SAST) Regulations, All Time Formulations Limited and G2 Corporate Services Limited have made the following disclosures to the Company and the Company in turn informed the Stock Exchanges. Details are as follows:

Name of the Allottee	Date of Allotment & No. of Shares	Disclosure to the Company	Disclosure by the Company	Remarks
All Time Formulations Limited	28/01/2003 8,00,000 Equity Shares	29/01/2003	29/01/2003	Within Time
G2 Corporate Service Ltd	05/02/2003 14,00,000 Equity Shares.	6/02/2003	6/02/2003	Within Time

g) As on the date of the Public Announcement, the shares of Matrix were listed on BSE and HSE. Subsequently, the shares of the company were listed on NSE on June 22, 2004.

h) There are neither any partly paid-up equity shares nor outstanding convertible instruments as on date of the Public Announcement.

i) Matrix has complied with applicable provisions of Chapter II of SEBI (SAST) Regulations within the specified time, except in the following cases:

Sl. No.	Regulation/ Sub-Regulation	Due date of Compliance	Actual date of Compliance	Delay, if any in no. of days
1	6 (2)	20.05.1997	23.11.2001	1647
2	6 (4)	20.05.1997	23.11.2001	1647
3	8 (3)	30.04.1998	23.01.2002	1364
4	8 (3)	30.04.1999	23.01.2002	999
5	8 (3)	30.04.2000	23.01.2002	633
6	7 (3)	11.05.2000	05.01.2002	603
7	8 (3)	30.04.2001	25.07.2001	85

SEBI had initiated adjudication proceedings against Matrix vide its show cause notice dated May 9, 2002, for delay in compliance and non-compliance with the provisions of Regulations 6, 7 and 8 of the SEBI (SAST) Regulations in respect of the disclosures to BSE and HSE. The penalty had been imposed on the Company in this respect, the same has been paid by the Company.

j) Matrix is in compliance with the listing agreement as on the date of the Public Announcement and no punitive action has been initiated against Matrix by the stock exchanges where its shares are listed.

k) Matrix has not received any directions from SEBI u/s 11B of the SEBI Act, prohibiting them from dealing in securities or under any of the regulations made under the SEBI Act.

l) The Board of Directors of Matrix as on the date of the Public Announcement was as follows:

Name of the Director	Designation & Appointment Date	Experience	Qualification	Residential Address
N. Prasad	Chairman and CEO, 06.04.2000	20 years	MBA, M.Sc. (Physics)	Asha Deep, Plot Nos.10 & 11, Radhaswamy Colony, Secunderabad - 500 009
M. Ravinder	EVP – General Finance and Business Support Services 05.10.2000	20 years	M.Com., L.L.B.	3-6-100/1, Beside Vijaya Bank, West Maredpally, Secunderabad - 500 003
Dr. C. Satyanarayana	EVP –Business Development and Technical Services, 06.04.2000	10 years	Ph. D.	Plot No.40, Mano Vikas Nagar, Hasmathpet Road, Secunderabad
C. Ramakrishna	EVP –Corporate Finance and Corporate Services , 03.02.2001	20 years	CA/ CWA	107-A, Metro PalmGrove Apts, Rajbhavan Road, Hyderabad - 82.
Prof. P. V. Indiresan	Director; 26.04.2003	50 years	Ph. D.	B-57, Hill View Apts, Vasanth Vihar, New Delhi-110057.
K.R.V. Subrahmanian	Director 18.05.2003	46 years	Management Education from UK and USA, Degree in Economics	8, Rushilla,17C, Carmichael Road, Bombay-400 026.
Puneet Bhatia	Director 11.04.2004	14 years	MBA/ B.Com.	LGG 123, Laburnum, Gurgaon, Haryana - 122 002
Fred Cohen	Director 11.04.2004	20 years	Ph.D. / D.Phil.	767, Rhode Island Street, San Francisco, CA, 94107 USA
S. Iswaran	Director 11.04.2004	17 years	Bachelor of Economics (1st Class Honors) Master in Public Administration	25 Hemsley Ave, Singapore 557 691

m) The details regarding the corporate governance norms for the Company are as follows:

Particulars	Listing Agreement Clause	Compliance status (Yes / No)	Remarks
Board of Directors	49 I	No	Complied on 11th April 2004.
Audit Committee	49 II	Yes	
Shareholders / Investors Grievance Committee	49 VI (C)	Yes	
Remuneration of Directors	49 III	Yes	
Board Procedures	49 IV	Yes	
Management	49 V	Yes	
Shareholders	49 VII	Yes	
Report on Corporate Governance	49 VII	Yes	

n) The details of the pending litigation for the Company are as follows:

	Amount (Rs lakhs)
Litigation Against the Company	
Excise Cases	137.3
Customs Cases	14.0
Legal Cases	65.8
Tax Matters in Appeal	17.6
Cases Filed by the Company	**125.4**

o) The shareholding pattern of Matrix is as follows:

Shareholders' category	Shareholding & Voting rights prior to the agreement/ acquisition and Offer (A)	Shares/ Voting rights agreed to be acquired which triggered off the Regulations (B)	Shares/ Voting rights to be acquired in the open Offer (Assuming full acceptances) (C)	Shareholding/ Voting rights after the acquisition and Offer (A)+(B)+(C) = (D)
1) Promoter Group				
a) Indian Promoters	5,433,929 (44.19%)			4,706,535 (32.35%)
b) Foreign Promoters	-			-
Total (1)	5,433,929 (44.19%)			4,706,535 (32.35%)
2) Acquirers/PACs	-	2,977,394(*) (20.46%)	2,909,578 (20.00%)	5,886,972 (40.46%)
3) Public				
a) FIs/FIIs/MFs/ UTI/Banks	2,515,664 (20.46%)			
b) NRIs/Pvt. Corp. Bodies/OCBs/ other	938,252 (7.63%)			
c) Public	3,410,041 (27.73%)			
Total (3) (a)+(b)+(c)	6,863,957 (55.81%)			3,954,379 (27.18%)
Grand Total (1+2+3)	12,297,886 (100%)	2,250,000 (15.46%)	-	14,547,886 (100%)

(*) This includes Secondary Purchase of 727,394 shares by the Acquirers from Promoter shareholders under the Share Purchase Agreement dated April 15, 2004, post-Open Offer

Total number of public shareholders was 15,323 as on April 23, 2004.

p) Key financials of Matrix: **(Rs. Lakhs)**

Profit & Loss Statement	**March'01**	**March'02**	**March'03**	**March'04**
12 Months	*(Audited)*	*(Audited)*	*(Audited)*	*(Unaudited)*
Sales	6,078	10,218	41,693	56,043
Other Income	713	189	77	623
Total Income	***6,791***	***10,407***	***41,770***	***56,666***
Total Expenses	6,124	9,323	28,889	38,212
PBDIT	**667**	**1,084**	**12,881**	**18,454**
Depreciation	86	153	720	1,105
Interest	145	167	2,604	1,527
PBT	436	764	9,557	15,822
Tax	16	316	2,052	2,359
PAT	**420**	**448**	**7,505**	**13,463**

Balance Sheet Statement	**March'01**	**March'02**	**March'03**	**March'04**
Sources of Funds				
Equity share capital	399	719	1,230	1230
Reserves & Surplus	982	1,433	8,926	21,696
Less: Misc expenses and loss for the year	300	-	-	—
Net Worth	**1,081**	**2,152**	**10,157**	**22,926**
Deferred tax liability	-	247	1,400	2,250
Secured Loans	1,079	1,727	11,628	19,743
Unsecured Loans	397	170	1,440	702
Total Liabilities	**2,557**	**4,296**	**24,624**	**45,621**
Application of funds				
Net Fixed Assets (including CWIP)	1,216	2,837	15,106	22,027
Investments	14	81	341	701
Net Current Assets	1,327	1,379	9,178	22,892
Total Assets	**2,557**	**4,296**	**24,624**	**45,621**

Other Financial Data	March'01	March'02	March'03	March'04
Dividend (%)	0.0%	10.0%	100.0%	50%[1]
Earning per Share (Rs)	10.5	6.2	61.0	109.5
Return on Net Worth	38.9%	20.8%	73.8%	58.7%
Book Value per Share (Rs)	27.1	29.9	82.6	186.4

***Note**:* *(1) Interim dividend*
EPS = Profit After Tax / No. of shares outstanding
Return on Net Worth = Profit after Tax / Net Worth at year-end
Book Value per share = Net Worth / No. of shares outstanding

q) Rambabu & Co. and Deloitte haskins & Sells, the joint auditors of Matrix have undertaken a Limited Review of FY04 financials and have certified the same.

r) The increase in revenue and profits has been on account on introduction of new products with high margins in European markets.

s) The compliance officer of the Company is Mr N Anjaneyulu (Company Secretary).

6 OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

a) As on the date of the Public Announcement, the shares of Matrix were listed on The Stock Exchange, Mumbai ("BSE") and Hyderabad Stock Exchange ("HSE"). Based on the information available as of such date, the shares of Matrix were frequently traded on BSE *(Source: Bloomberg)* and infrequently traded on HSE within the meaning of explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations.

b) The annualized trading turnover during the preceding six months ending March 31, 2004 in each of the Stock Exchanges is detailed below:

Name of Stock Exchange	Total number of shares traded during the preceding six calendar months (Oct 03 – Mar 04)	Total number of listed shares	Annualized trading turnover (in terms of % of total listed shares)	Trading Status in terms of SEBI (SAST) Regulations
BSE	3,051,382	12,297,886	49.62%	Frequently Traded
HSE	Nil	-	-	Infrequently Traded

(Source: Bloomberg)

c) The Offer Price of Rs.1,500 (Rupees one thousand and five hundred only) per fully paid-up equity share is justified in terms of Regulation 20(4) of the SEBI (SAST) Regulations as it is the highest of the following:

a.	Negotiated Price	Rs 1500
b.	Highest Price paid by Acquirers/ PACs for any acquisition including by way of allotment in a Public or Rights or Preferential issue during the 26-weeks prior to the date of Board Meeting	Not Applicable
c.	The average of weekly high and low of the closing prices of the shares of Matrix during the 26-weeks preceding the date of Board Meeting i.e. April 15, 2004 on BSE	

Week #	End date	Low	High	Average	Volume
1	23/10/2003	Rs.935	Rs.993	Rs.964	201713
2	29/10/2003	954	992	973	199363
3	05/11/003	985	1067	1026	79165
4	13/11/2003	1035	1120	1078	275970
5	19/11/2003	1084	1128	1106	69417
6	26/11/2003	1048	1069	1059	167248
7	3/12/2003	1090	1180	1135	139109
8	10/12/2003	1204	1303	1254	24369
9	17/12/2003	1329	1410	1370	91505
10	24/12/2003	1391	1447	1419	63397
11	31/12/2003	1476	1567	1522	48048
12	7/1/2004	1598	1729	1666	42900
13	14/01/2004	1653	1764	1709	126674
14	21/01/2004	1495	1620	1558	143363

15	28/01/2004	1436	1465	1451	105358
16	4/2/2004	1324	1407	1366	55657
17	11/2/2004	1272	1350	1311	223047
18	18/02/2004	1377	1490	1434	21894
19	25/02/2004	1504	1593	1549	280502
20	3/3/2004	1644	1699	1672	121705
21	10/3/2004	1660	1713	1687	65065
22	17/03/2004	1499	1675	1587	109406
23	24/03/2004	1400	1501	1451	46000
24	31/03/2004	1408	1428	1418	143221
25	7/4/2004	1417	1427	1422	46004
26	14/04/2004	1419	1450	1435	97812
		26 weeks average		**1370**	

d. The average of daily high and low of the shares of Matrix during the 2-weeks preceding the date of Board Meeting i.e. April 15, 2004 on BSE

Day #	End Date	High	Low	Average	Volume
1	01/04/2004	Rs.1410	Rs.1431	Rs.1421	29138
2	02/04/2004	1415	1439	1427	2069
3	05/04/2004	1415	1435	1425	3618
4	06/04/2004	1415	1425	1420	4540
5	07/04/2004	1410	1440	1425	6639
6	08/04/2004	1400	1455	1428	77553
7	12/04/2004	1421	1451	1436	9618
8	13/04/2004	1399	1425	1412	10641
		2 Weeks Average		**1424**	

d) The Offer Price of Rs.1,500 (Rupees One Thousand and Five Hundred only) per fully paid-up equity share is justified in terms of Regulation 20(5) of the SEBI (SAST) Regulations as it is the highest of the following:

a.	Negotiated Price	Rs.1500
b.	Highest Price paid by Acquirers/PACs for any acquisition including by way of allotment in a Public/Rights/Preferential Issue during the 26-weeks prior to the date of Public Announcement	Not Applicable
c.	Other parameters	*(Based on audited financials for 12 months ended March 31, 2003)*
	i. Return on Net-worth (%)	73.8%
	ii. Book Value per Share (Rs.)	82.6
	iii. Earning per Share (Rs.)	61.0
	iv. Price to Earnings Ratio (based on the Offer price)	24.6x
	v. Industry PE Ratio*	22.0x

* *(source: Capital Market Vol. XIX/02, March 29-April 11, 2004, Industry: Pharmaceuticals)*

e) In the opinion of the Manager to the Offer and Acquirers/PACs, the Offer Price is justified.

f) If the Acquirers/PACs acquire shares after the date of Public Announcement up to 7 (seven) working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

6.2 Financial Arrangements

a) The total maximum fund requirement for the acquisition of up to 2,909,578 shares held by shareholders in Matrix at Rs. 1,500 per share is Rs. 4,36,43,67,000 (Rupees Four hundred and thirty six crores, forty three lakhs and sixty seven thousand only). Newbridge Asia GenPar III, L.P., the general partner of NA III, has agreed vide letter dated April 8, 2004 to require NA III's limited partners to contribute cash in order to fulfill its obligations under Regulation 29 of SEBI (SAST) Regulations. Further, Maxwell has made a cash deposit of US$5,910,000 (US$ five million, nine hundred and ten thousand only) equivalent to Rs 258,621,600 only in a bank account with Barclays Bank PLC, Offshore Banking Unit, 8th Floor, Harbour Front, John Kennedy Avenue, Port Louis (Mauritius). A lien has been marked in favor of DSPML on the aforesaid deposit. The Manager to the Offer is satisfied about the ability of the Acquirers along with the PACs to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

b) In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirers and the PACs have created an Escrow Account in the form of two bank guarantees issued by Bank of America, 5th Floor, DCM Building, 16 Barakhamba Road, New Delhi 110 001, for an aggregate amount of Rs. 60,00,00,000 (Rupees sixty crores only) in favor of DSPML – the Manager to the Offer, valid till October 15, 2004 , being in excess of the amount required under Regulation 28(2) of the SEBI (SAST) Regulations, i.e., 25% for the first Rs. 100 crores and 10% thereafter.

c) Further, the Acquirers and the PACs have also made cash deposits of: (i) US$630,000 (US$ six hundred and thirty thousand only) in a bank account with Bank of America NA, 500 West 7th Street, Fort Worth, TX 76102 (USA) and (ii) US$420,000 (US$ four hundred and twenty thousand only) in a bank account with Barclays Bank PLC, Offshore Banking Unit, 8th Floor, Harbour Front, John Kennedy Avenue, Port Louis (Mauritius) aggregating to US$1,050,000 (equivalent to Rs. 45,948,000 only) being in excess of 1% of the maximum purchase consideration payable under the Offer. DSPML has been authorized to realize the value of the aforesaid bank account. This amount would be transferred from the aforesaid bank account to Bank of America, 5th Floor, DCM Building, 16 Barakhamba Road, New Delhi 110 001 after the requisite approval has been obtained from RBI for opening and operating the Escrow Account in India.

7 TERMS AND CONDITIONS OF OFFER

7.1 Statutory approvals required for the Offer

a) The Offer is subject to the receipt of approval from (i) the Foreign Investment Promotion Board ("FIPB") and (ii) the Reserve Bank of India ("RBI"), under the Foreign Exchange Management Act, 1999 ("FEMA").

b) Besides this, as on the date of the Public Announcement, no other statutory approval was required to acquire the shares tendered pursuant to this Offer. The Acquirers and the PACs will not proceed with the Offer in the event that any statutory approval indicated above (including, without limitation, from the FIPB and RBI) is not obtained in terms of Regulation 27 of SEBI (SAST) Regulations.

c) Due to delay in the offer till date, the Acquirers and the PACs would pay an interest at a rate of 10% per annum for a period from July 29,2004 to the date of actual payment. In case of further delay in receipt of any statutory approval(s), SEBI has a power to grant extension of time to the Acquirers and the PACs for payment of consideration to shareholders, subject to the Acquirers and the PACs agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further if the delay occurs on account of willful default by the Acquirers and the PACs in obtaining the requisite approval, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.

7.2 Others

a) The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of Matrix (except the Acquirers, the PACs and parties to the Agreements), whose names appear on the Register of Members of Matrix and to the beneficial owners of the shares of Matrix, whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on May 7, 2004 ("Specified Date").

b) Shareholders who wish to tender their shares will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer - Karvy Computershare Private Limited, 46, Avenue 4, Street 1, Banjara Hills, Hyderabad 500 034 Telephone number: (040) 2331 2454, Fax number: (040) 2331 1968 either by hand delivery on weekdays or by Registered Post, on or before the close of the Offer, i.e., no later than August 26, 2004 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement.

c) The Registrar to the Offer, M/s Karvy Computershare Private Limited, have opened a special depository account with DSP Merrill Lynch Limited at National Securities Depository Limited (NSDL) called "Escrow Account - Matrix Offer". The details of the special depository account are as under:

DP Name	DSP Merrill Lynch Limited
DP	IN 302638
Client ID	10006598

d) Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL.

e) All owners (registered or unregistered) of Shares of Matrix, (except the Acquirers, PACs and parties to the Agreements) anytime before the closure of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with 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 Note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

f) The acceptance of the Offer made by the Acquirers/PACs is entirely at the discretion of the shareholders of Matrix. The Acquirers/PACs will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the shareholders of Matrix are advised to adequately safeguard their interest in this regard.

g) Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

a) Shareholders of Matrix, who wish to avail of this Offer are free to offer their shareholding in whole or in part and should forward the under mentioned documents to the Registrar to the Offer at their office at **Karvy Computershare Private Limited, 46, Avenue 4, Street 1, Banjara Hills, Hyderabad 500 034. Telephone No.: (040) 2331 2454, Fax no.: (040) 2331 1968** either by hand delivery on weekdays or by Registered Post, on or before the Close of the Offer, i.e., no later than August 26, 2004 or at the Collection Centres, so as to reach the Registrar/ Collection Centres on or before the close of business hours, i.e., no later than 1600 hrs on August 26, 2004 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance cum Acknowledgement. ***Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other documents are complete in all respects, otherwise the same is liable to be rejected. In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demat shares, not credited in favour of the special depository account before the closure of the Offer, will be rejected.***

i. For Equity shares held in physical form:

Registered Shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with "Matrix" and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.

Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original broker contract note.
- Valid Share Transfer form(s) as received from the market.

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

ii. For Equity shares held in demat form:

Beneficial owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

b) The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer, the Acquirers, the PACs, the Sellers or Matrix.

c) In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Distinctive Number; Folio Number, Number of shares offered; along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e., no later than August 26, 2004 or in case of beneficial owners they may send their application in writing to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Number of shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, or the eligible persons can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than August 26, 2004. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI's website (www.sebi.gov.in), from the date of Opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI's website and apply using the same.

d) If the aggregate of the valid responses to the Offer exceeds the Offer size of 2,909,578 fully paid-up equity shares of Matrix (representing 20% of the paid-up equity share capital of Matrix), then the Acquirers and the PACs shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The shares of Matrix are compulsorily traded in dematerialised form, hence minimum acceptance will be one share.

e) Shareholders who have sent their shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Special Depository Account is received on or before the date of Closure of the Offer, i.e., no later than August 26, 2004, else the application would be rejected.

f) While tendering shares under the Offer, NRIs/OCBs/Foreign Shareholders will be required to submit the previous RBI Approvals (specific or general) that they may have obtained for acquiring shares of Matrix. ***In case of previous RBI Approvals not being submitted, the Acquirers reserve the right to reject such shares tendered.***

g) While tendering shares under the Offer, NRI/OCBs/Foreign Shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by 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.

h) In addition to the above mentioned address, the equity shareholders of Matrix, who wish to avail of and accept the Offer can also deliver the Acceptance Form along with all the relevant documents at any of the collection centres below. All the centres mentioned herein below would be open as follows:

(Monday to Saturday: 10.00 a.m. to 7.00 p.m.)

Address	Contact Person	Mode of Delivery	Phone No.	Fax
16/22, Bake House, Maharashtra Chamber of Commerce Lane, Opp. MSC Bank, Fort, Mumbai - 400 023	Ms. Hema R	Hand Delivery	(022) 56382666	(022) 5633 1135
7, Andheri Industrial Estate Off. Veera Desai Road, Andheri (W), Mumbai 400053	Ms.Vishakha Shringarpure	Hand Delivery	(022) 26730799 / 26730843	(022) 2673 0152
'T K N Complex, No. 51/2, Vanivilas RoadBasavangudi Bangalore 560004	Mr Kishore	Hand Delivery	(080) 26621193 / 26621192	(080) 26621169
'201-203 "Shail" Opp: Madhusudhan House Off CG Road Ahmedabad 380006	Mr Aditya Gupta	Hand Delivery	(079) 26420422 / 26400527 / 28	(079) 26565551
G1, Swathy Court, 22, Vijaya Raghava Road T Nagar, Chennai 600017	Mr. Gunasekhar	Hand Delivery	(044) 28153445 / 28151034	(044) 28153181
Karvy House, 21, Avenue 4, Street No:1,Banjara Hills, Hyderabad - 500 034.	Ms. A Anitha	Hand Delivery/ Registered Post	(040) 23312454/ 23320251	(040) 23312946
49, Jatin Das Road, Kolkata -700029	Mr. Debnath	Hand Delivery	(033) 24647231 / 24644891	(033) 2464 4866
s105-108, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi - 110001	Ms. Laxmi Baluni	Hand Delivery	(011) 23324401-5	(011) 2332 4621

i) Shareholders who cannot hand deliver their documents at the Collection Centers referred above, may send the same by Registered Post, at their own risk and cost, to the Registrar to the Offer at their address given below:

Karvy Computershare Private Limited, 46, Avenue 4, Street 1, Banjara Hills, Hyderabad 500 034. Telephone No.: (040) 2331 2454, Fax no.: (040) 2331 1968.

j) In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before August 23, 2004.

k) The withdrawal option can be exercised by submitting the Form of withdrawal as enclosed with the Letter of Offer.

1) Shareholders should enclose the following:

i. For Equity Shares held in demat form:

Beneficial owners should enclose

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original / Copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by Registered A.D.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

ii. For Equity Shares held in physical form:

Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by Registered A.D.
- In case of partial withdrawal, valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Matrix and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by Registered A.D.

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 case of dematerialised shares: Name; Address; Number of Shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

2) The withdrawal of Shares will be available only for the Share certificates/ Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.

3) The intimation of returned shares to the Shareholders will be at the address through Registered post as per the records of Matrix/Depository as the case may be.

4) The Form of Withdrawal should be sent only to the Registrar to the Offer.

5) In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from Matrix.

6) Partial withdrawal of tendered shares can be done only by the Registered shareholders / Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

7) ***Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.***

l) In case of delay in receipt of statutory approvals beyond September 25, 2004, interest will be payable for the delayed period in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by Acquirers in obtaining the requisite approvals, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.

m) Payment of consideration will be made by crossed account payee cheque / demand draft and sent by registered post, to those shareholders/unregistered owners and at their own risk, whose shares/ share certificates and other documents are found in order and accepted by the Acquirers. In case of joint registered holders, cheques /demand drafts will be drawn in the name of the sole/first named holder/unregistered owner and will be sent to him. ***It is desirable that shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that same can be incorporated in the cheque / demand draft***.

n) Unaccepted or withdrawn Share Certificate(s), transfer form(s) and other documents, if any, will be returned by Registered Post at the shareholders'/unregistered owners' sole risk to the sole/first named shareholder/ unregistered owner. Unaccepted or withdrawn shares held in demat form will be credited back to the beneficial owners' depositary account with the respective depositary participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

o) The Registrar to the Offer will hold in trust the Share(s)/Share certificate(s), Shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders/unregistered owner(s) of Matrix, who have accepted the Offer, till the cheques / drafts for the consideration and/or the unaccepted shares/ share certificates are despatched / returned.

9 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer, DSP Merrill Lynch Limited, from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closes:

a) Agreement Copies

b) Constitution and Certificate of Incorporation for the Acquirers and the PACs

c) Memorandum and Articles of Association of Matrix

d) Audited results of Matrix for three years ended March 31, 2001, 2002 & 2003

e) Certified copy of unaudited results of Matrix for year ended March 31, 2004

f) Bank Guarantee in favor of DSP Merrill Lynch, created for the escrow account

g) Published copy of Public Announcements dated April 18, 2004, April 30, 2004 and July 24, 2004

h) Letter dated April 8, 2004 confirming the arrangement of funds by Newbridge Asia GenPar III, L.P.

i) SEBI observation letters

10 DECLARATION BY THE ACQUIRERS AND THE PACs

The Acquirers and the PACs accept responsibility for the information contained in this Letter of Offer. The Acquirers and the PACs are jointly and severally responsible for fulfilment of their respective obligations under the SEBI (SAST) Regulations.

India Newbridge Investments Limited

Sd/-

Authorised Signatory

Maxwell (Mauritius) Pte Ltd

Sd/-

Authorised Signatory

Newbridge Asia III, L.P.

Sd/-

Authorised Signatory

India Newbridge Coinvestment Limited

Sd/-

Authorised Signatory

India Newbridge Partners FDI Limited

Sd/-

Authorised Signatory

Seletar Investments Pte Ltd

Sd/-

Authorised Signatory

Place: Mumbai

Date: July 24, 2004

Encl:

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal
3. Transfer deed for shareholders holding shares in physical form