PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF NAGARJUNA AGRI TECH LIMITED

Regd. Office: No.56, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082

This Public Announcement is being issued by Keynote Corporate Services Limited (hereinafter referred to as the **"Manager to the Offer"**), on behalf of Sweet Solutions Ltd. (**"Acquirer"**) pursuant to Regulation 10 of the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 [SEBI (SAST) Regulations, 1997] & subsequent amendments thereto (hereinafter referred to as the **"Regulations"**).

ACQUISITION OF EQUITY SHARES OF NAGARJUNA AGRI TECH LIMITED AND OFFER TO ITS SHAREHOLDERS

I Background of the Offer

a) The Board of Directors of Nagarjuna Agri Tech Limited (**"NATL"** or **"Target Company"**) in its meeting held on 08/03/2006 had proposed to issue 20,00,000 equity shares of Rs.10/- each at par and 20,00,000 warrants convertible into equity shares of Rs.10/- each at par to Sweet Solutions Limited (hereinafter referred to as **"Acquirer" or "SSL"**) subject to obtaining the approval of members/ shareholders of NATL. Accordingly an Extra Ordinary General Meeting of the members/shareholders of NATL was held on 31/03/2006 which has approved the said issue of equity shares and warrants to acquirer.

b) The present equity capital of NATL consists of 60,94,400 equity shares of Rs.10/- each. The proposed allotment of 20,00,000 equity shares of Rs.10/- each at par and 20,00,000 warrants will entitle the acquirer to a voting right to the extent of 39.63% of the post preferential allotment of equity shares and conversion of warrants into equity shares to the fullest extent. Thus the total holding of acquirer pursuant to the aforesaid preferential allotment of equity shares and also assuming conversion of warrants will be 39.63%, which is more than threshold limit of 15% as mentioned in regulation 10 of the Regulations.

c) SSL having its registered office at 204, Veena Chambers, 2nd Floor, 41 Dalal Street, Fort, Mumbai – 400 023 does not hold any equity shares of the company prior to the proposed preferential allotment. The total holding of the Acquirer after the allotment of equity shares and conversion of all share warrants would thus be 39.63% of the equity share capital after the proposed issue and conversion, excluding the current offer.

II. The Offer

a) The aforesaid preferential allotment of equity shares and share warrants to the Acquirer would attract provisions of Regulation 10 of the SEBI (SAST) Regulations, 1997.In view of this the Acquirer hereby announces an offer under the Regulations, to acquire by tender upto 20,18,880 fully paid-up equity shares of Rs.10/- each of NATL representing 20% of the equity share capital of NATL post preferential issue of equity share and conversion of warrants into equity shares to the fullest extent, at a price of Rs. 10/- per share ("Offer Price") for cash from the remaining shareholders.

b) The offer is not subject to any minimum level of acceptance.

c) The equity shares of NATL are listed on The Bombay Stock Exchange Limited (BSE) and Hyderabad Stock Exchange Ltd. (HSE). The equity shares of the Company have not been traded on either of the stock exchanges for the past six months. Thus the equity shares of NATL are infrequently traded on these exchanges in terms of Explanation (i) to Regulation 20(5) of the Regulations. The offer price of Rs.10/- per share, has been determined as per Regulation 20(5) of the Regulations taking into account the following factors:

a.	Negotiated price under the agreement	:	Not Applicable	
b.	Highest price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or proposed preferential issue, if any, during the twenty-six weeks period prior to the date of Public Announcement.	:	Rs. 10.00*	
c.	Other Parameters	:	Based on audited accounts ended 31/03/2005#	Based on provisional figures for nine months ended 31/12/2005#
	Return on Networth(%)	:	(69.81)	(12.30)
	Book Value(Rs.)	:	(6.79)	(7.74)
	Earning Per Share (EPS)(Rs.)	:	(4.27)	(0.86)

*The preferential allotment is proposed to be made at Rs. 10/- per share as aproved at the AGM dated 31.03.2006.

As certified by the statutory auditors of NATL.

Note: Figures in the bracket indicate negative figures.

The equity shares of NATL were last traded on 06/12/2001 on the Bombay Stock Exchange Limited (BSE) at a price of Rs.5/- per share. The offer price of Rs.10.00 per share is more than the book value of the equity shares as on 31/12/2005 and is also equal to the price at which the Acquirer has agreed to acquire 39.63% of the paid-up capital of NATL post preferential issue and warrants conversion into equity shares to the fullest extent. Thus the offer price of Rs. 10.00 per share is justified.

d) As on the date of the public announcement the Acquirer does not hold any equity shares of NATL. There will be no change in control of management of NATL, pursuant to this offer.

e) The Acquirer and NATL are not included in the list of persons / entities debarred from accessing the capital market under Section 11 B of the SEBI Act, 1992 or under any other Regulation.

III. Information on the Acquirer

a) Sweet Solutions Limited was incorporated as Sweet Infosys Limited on 01/04/1999 under the Companies Act, 1956.The name of the company was changed to Sweet Solutions Limited and fresh certificate of incorporation was obtained from the Registrar of Companies, Maharashtra, Mumbai on 02/11/2000. The registered office of the company is situated at at 204, Veena Chambers, 2nd Floor, 41 Dalal Street, Fort, Mumbai – 400 023. The company belongs to the Subhkam group of companies promoted by Mr. Rakesh S. Kathotia. The company was promoted by Mr. Rakesh S. Kathotia with an objective of carrying on activities of software development and export. SSL has discontinued its software business and is carrying out investment activities for the Subhkam Group. SSL is currently active in the field of making financial and other investments.

b) The present paid up equity share capital of SSL is Rs. 384.97 lacs comprising of 38,49,700 equity shares of Rs.10/- each. The equity shares of the company are not listed on any stock exchange and no action has been taken by SEBI against the Company under any regulation

c) As per audited results for the year ended on 31/03/2005 the Company has earned a total income of Rs. 11,177.32 lacs and reported a profit of Rs. 601.14 lacs. The networth of SSL as on 31/03/2005 was Rs. 3990.67 lacs. The Book Value, EPS and Return on Networth (%) as on 31/03/2005 are Rs. 103.66, Rs. 15.62 and 15.06% respectively. As per the unaudited financial results of SSL for the nine months period ended 31/12/2005 company earned a total income of Rs. 6200.30 lacs & PAT was Rs. 4232.31 lacs.

d) The Board of Directors of SSL comprises of Shri. Rakesh S. Kathotia, Ms. Arti R. Kathotia, Shri. Manu Punnoose and Shri Vipin Kumar Jain

e) SSL is not listed in any of the stock exchange hence the provisions of Chapter II of the SEBI (SAST) Regulations, 1997 are not applicable.

IV. Information on NATL/ Target Company

a) Nagarjuna Agri Tech Limited was incorporated on 24/11/1987 under Companies Act, 1956 as Nagarjuna Health Products Private Limited. The name was later changed to Nagarjuna Agri Tech Private Limited on 05/04/1994, and subsequently became a public limited company and a fresh certificate of Incorporation was received on 19/01/1995. The Registered Office of the company is situated at No.56, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082. The Company was promoted by Dr. K.V.L.N. Raju. The Company is engaged in Agro products and floriculture activities.

b) The Board of Directors of NATL comprises of Dr. K.V.L.N Raju, Mr. K. Soma Raju and Mr. N. Viswanatha Raju.

c) The issued & paid up equity share capital of the company is Rs. 609.44 lacs comprising of 60,94,400 equity shares of Rs. 10/- each. The equity shares of NATL are listed on BSE and HSE. The trading in the shares of NATL has been suspended from BSE since 18/02/2002 due to non compliance with listing agreement. NATL has applied to BSE for the revocation of suspension of the equity shares, vide their letter dated 23/09/2005. The equity shares are infrequently traded on these exchanges in terms of Explanation (i) to Regulation 20(5).

d) As per the audited financials for the year ended 31/03/2005, NATL has reported a loss of Rs.72.92 lacs on a total income of Rs. 245.28 lacs. The company has accumulated losses amounting to Rs. 1090.73 lacs. The company has a negative networth and Book Value as on 31/03/2005. As per the unaudited financials for the nine months ended 31/12/2005 the company has reported a loss of Rs. 18.32 lacs.

e) As on date there are no partly paid-up equity shares in the Company and/or outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date. There are no shares under lock-in period. There are no directors representing the Acquirer on the Board of NATL and there has been no merger / de-merger or spin off in the Company during the past three years.

f) NATL has not been regular in complying with the provisions of the listing agreement entered into with the Stock Exchanges. NATL has not been regular in complying with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997. There has been an average delay of 300 days in complying with various provisions by NATL and an average delay of 340 days in complying with various provisions of the Regulations by the promoters of NATL. In view of such non-compliance/delayed compliance SEBI may initiate appropriate action against the Target Company.

V. Rationale for the Acquisition and Offer

NATL has been incurring losses for several years and hence the networth of the company has become negative. Acquirer feels that the company has a growth potential and needs funds to achieve the same. SSL sees a good investment opportunity in NATL and feels that NATL can be revived by bringing fresh funds into the Company and take it to a growth path.

NATL proposes to issue and allot, 20,00,000 equity shares of Rs. 10/- each at a price of Rs. 10/- and also 20,00,000 share warrants to the Acquirer where each share warrant is convertible at the option of the Acquirer into one equity share of Rs. 10/- each at a price of Rs. 10/- each, consequent to the approval of the share holders/members by way of a special resolution at its extraordinary general meeting. As a result, provisions of Regulation 10 of the SEBI (SAST) Regulations, 1997 are attracted. Hence the present offer to the shareholders is being made in terms of the Regulations.

The Acquirer does not have any plan to dispose off or otherwise encumber any of the assets of NATL in the succeeding two years from the date of closure of the offer except in the ordinary course of business of NATL. The Acquirer will not dispose off, sell or otherwise encumber any substantial assets of NATL except with the prior approval of the shareholders of the Company in the General Meeting.

VI. Statutory Approvals and Conditions of the Acquisition and the Offer

There are no approvals, statutory or otherwise, required under the Companies Act 1956, Monopolies and Restrictive Trade Practices Act, 1969, the Foreign Exchange Management Act, 1999 and /or any other applicable laws for this open offer.

VII. Delisting option to NATL

Pursuant to this offer the provisions of Regulation 21(3) of the SEBI (SAST) Regulations 1997 are not attracted.

VIII. Financial Arrangements

a) Assuming full acceptance, the total monetary value of the offer would be Rs.201.89 Lacs. The Acquirer has opened an Escrow Account with UTI Bank, Nariman Point Branch, Mumbai, in favour of the Manager to the Offer for an amount of Rs. 50.90 lacs by way of fixed deposit and of Rs. 10,000/- by way of current account, totaling to 25.26 % of the total monetary value of the offer. Acquirer has empowered the Manager to the Offer to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(5).

b) The Acquirer has adequate and firm financial resources to fulfill the obligations under the open offer. The source of funds is through the internal domestic resources of the Acquirer and not through any borrowings from Banks/Financial Institutions or from any foreign/ NRI funds. Mehta Chokshi & Shah, Chartered Accountants and Statutory Auditors of SSL, having their office at Bakodia Mansion, 2nd Floor, 229, Princess Street, Mumbai – 400 002 (Membership No. of Mr. R. T Mehta, Partner, Mehta Chokshi & Shah is 5445) have certified vide their certificate dated 08/03/2006 that the networth of SSL is Rs. 82.23 crores as on 31/03/2005 and has an immediate access to Rs. 500 lacs as on 08/03/2006.

c) The financial obligation under the offer is being fulfilled through internal resources of the Acquirer and will not be through any bank/financial institution.

d) In view of this, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the offer as firm financial arrangement through verifiable means are in place to fulfill the offer obligation.

IX. Other Terms of the Offer

a) The Letter of Offer specifying the detailed terms and conditions of this offer together with Form of Acceptance cum Acknowledgement and Form of Withdrawal will be mailed to the equity shareholders of NATL (other than Sellers) whose names appear on the Register of Members of NATL, at the close of business hours on 28/04/2006 (hereinafter referred to as **"the Specified Date"**).

b) Shareholders holding equity shares in Physical form

Presently equity shares of NATL are available in physical form and not in dematerialised form. 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, X L Softech Systems Ltd, (the **"Registrar to the Offer"**) on or before the date of Closure of the Offer, i.e. 15/06/2006, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement at the address mentioned below:

X l Softech System Limited
3, Sagar Society, Road No. 2,
Banjara Hills,
Hyderabad – 500 034
Tel : (040) 235 45913, 45
Fax: (040) 23553214
Email: xlfield@rediffmail.com
SEBI Reg. No. : INR000000254
Contact Person: Mr. Ramprasad

The documents can be sent either by registered post or hand delivery to the Registrar to the offer at the address mentioned above during business hours on all week days (other than Sundays and Public Holidays) so as to reach the Registrar to the offer on or before 15/06/2006.

d) All shareholders other than those mentioned in (a) above, who own the equity shares of NATL 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 the Name, Address, No. of Shares held, No. of Shares offered, Distinctive Nos., Folio No., together with the original Share Certificate(s), valid transfer deeds and the original contract note issued by the broker through whom they acquired their Shares. No indemnity is required from the unregistered owners.

e) In case of non-receipt of the Letter of Offer, the eligible persons may send their application to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of Shares held, Distinctive Nos., Folio No., No. of Shares offered, bank account no. along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the Closure of the Offer. Such shareholders may also obtain a copy of the 'Letter of Offer' from the Registrar to the Offer on providing suitable documentary evidence to that effect or download the Form of Acceptance cum Acknowledgement from the website of SEBI at www.sebi.gov.in.

f) Subject to the conditions governing the Offer as mentioned in the Letter of Offer, the acceptance of this Offer by equity Shareholders of NATL must be absolute and unqualified. Any acceptance to this Offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever.

g) The Registrar to the Offer will hold in trust the Share Certificates, Form of Acceptance cum Acknowledgement, if any, and the transfer form/s on behalf of the shareholders of NATL who have accepted the Offer, till the drafts / pay orders for the consideration and/ or the unaccepted share certificates are dispatched/ returned. Equity Shares not accepted under the offer will be sent to the shareholders/ applicants at their own risk by registered post.

h) Payment to those shareholders whose share certificates and / or other documents are found valid and in order will be made by way of crossed account payee demand draft/pay order. Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders'/unregistered owners' sole risk to the sole / first shareholder.

i) A tentative schedule of activities in respect of the Offer is given below:

Activity	Date	Day
Public Announcement	04/04/2006	Tuesday
Last date for a competitive bid	24/04/2006	Monday
Specified Date	28/04/2006	Friday
Date by which the Letter of Offer will be dispatched to shareholders	18/05/2006	Thursday
Date of opening the Offer	27/05/2006	Saturday
Last date for revising the offer price/ number of shares	05/06/2006	Monday
Last date for withdrawal of acceptance	09/06/2006	Friday
Date of closing the Offer	15/06/2006	Thursday
Date by which acceptance/ rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate(s)	29/06/2006	Thursday

X. Withdrawal Option

The equity shareholders who are desirous of withdrawing their acceptances tendered in the offer, can do so upto three working days prior to the date of the closure of the offer i.e. on or before 09/06/2006. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, so as to reach them on or before 09/06/2006.

In case of non-receipt of 'Form of withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the details such as name, address, distinctive numbers, folio numbers, number of shares tendered, date of tender.

XI. General

a) The Acquirer can revise the price upwards upto seven working days prior to closure of the offer and revision if any in the offer price would appear in the same news papers where the Public Announcement has appeared. The same price would be paid to all shareholders who tender their shares in the offer.

b) As the offer price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly. Shareholders may note that if there is a competitive bid, the public offers under all the subsisting bids shall close on the same date.

c) For any queries regarding the Offer the shareholders / applicants may contact the Registrar to the Offer at the address mentioned in IX(b) of this Public Announcement.

d) If the aggregate of the valid responses to the offer exceeds offer size, then the acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the Regulations. The equity shares of NATL are being traded in physical mode and the market lot of the shares is 100 (Hundred).

e) The Acquirer shall acquire the equity shares from the shareholders of the Company who have validly tendered the equity shares under the Offer (i.e. equity shares and other documents are in order in accordance with the terms of the Offer) and remit the consideration in respect thereof on or before 29/06/2006 in cash by Account Payee Pay Order / Demand Draft. Any delay will attract interest in terms of Regulation 22(12) of SEBI (SAST) Regulations 1997. The information as to whether the equity shares tendered by them have been accepted (in full or in part) or rejected and consideration payable would be sent by Registered Post.

f) Pursuant to the Regulation 13, the Acquirer has appointed Keynote Corporate Services Ltd. as the Manager to the Offer and X L Softech Systems Ltd as the registrar to the offer.

g) Keynote Corporate Services Limited, the Manager to the Offer, does not hold any equity shares of NATL. Further, they have undertaken not to deal in the equity shares of NATL upto a period of fifteen days after closure of the offer.

h) The Acquirer accepts full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirer as laid down in the Regulations.

The Public announcement will become available on SEBI website www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal which will also be available on SEBI's website from the offer opening date i.e. 27/05/2006 and apply in the same.

Issued by Manager to the Offer on behalf of the Acquirer :

KEYNOTE
CORPORATE SERVICES LIMITED

307, Regent Chambers, Nariman Point, Mumbai - 400 021.
Tel.: (022) 2202 5230 Fax : (022) 2283 5467 E-mail : mbd@keynoteindia.net
SEBI Regn.: INM000003606AMBI Regn. No.AMBI/040
Name of the contact person: Janardhan Wagle

Place: Mumbai
Date: 03/04/2006