DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **Phaarmasia Limited.** If you require any clarification about the action to be taken, you may consult your stockbroker or investment consultant or SOBHAGYA CAPITAL OPTIONS LIMITED (hereinafter referred to as "**Manager to the Offer**") or **Venture Capital and Corporate Investments Pvt. Limited,** (hereinafter referred to as "**Registrar to the Offer").** In case you have recently sold your Shares in Phaarmasia Limited, please hand over this Letter of Offer and accompanying Form of Acceptance cum acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected:

Pursuant to Regulation 11 (1) & 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof.

OPEN OFFER BY
"THE ACQUIRER"
M/s Maneesh Pharmaceuticals Limited, ("MPL")
Regd. Office: Kalpataru Court, 2nd Floor, Dr. C G Road, Chembur, Mumbai – 400 074
Phone No.: 022 - 2520 2122 / 2520 2123 / 2520 2124, Fax No.: 022 – 2520 2121.
&
Person Acting in Concert (PAC) is
M/s. Svizera Labs Private Limited, ("SLPL")
Regd. Off.: Plot No. D 16/6, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai – 400 703,
Phone No.: 022 – 2761 7448, Fax No.: 022 – 2761 7449

to acquire from the existing (fully paid up) equity shareholders of

M/s. Phaarmasia Limited
Regd. Office: # 16, Phase III, IDA, Jeedimetla, Hyderabad – 500 055,
Telephone No. 040 – 2309 5002 / 2309 5690, Fax No.: 040 – 2309 7323

FOR THE ACQUISITION OF 25,94,245 FULLY PAID UP EQUITY SHARES OF RS. 10/- EACH (REPRESENTING 38% OF THE VOTING CAPITAL) OF PHAARMASIA LIMITED, AT RS. 4/- (RUPEES FOUR ONLY) PER EQUITY SHARE PAYABLE BY CASH. FURTHER THE OFFER PRICE SO COMPUTED IS ENHANCED TO RS. 4.50 BY INTEREST PAYABLE AT 10% P. A., FOR THE PERIOD OF DELAY FOR PAYMENT OF CONSIDERATION. (Consideration to be paid by 24th July, 2007, will now be paid not later than the scheduled date of payment i.e., Thursday, 16th October, 2008. The interest for the delayed payment will be 0.48 paisa rounded off to Rs.0.50 ps. on each share of Rs. 4/- each. Thus the Offer Price including interest is Rs. 4.50/share.)

Notes:

- The Offer is not conditional.
- **There has been no competitive bid as on date.**
- This Offer is subject to the statutory and regulatory approvals and clearances from RBI required to acquire Shares tendered pursuant to this Offer (described in Section VI).
- Shareholders, who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to three working days prior to the closure of the Offer viz. Friday, 26th September, 2008.
- If there is any upward revision of the Offer Price by the Acquirer till the last permitted date for revision viz. Monday, 22nd September, 2008 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the original Public Announcement had appeared. Such revised Offer Price would be payable for all the Shares tendered anytime during the Offer and accepted under the Offer.
- The procedure for acceptance is set out in Section VIII of this letter of offer. A form of acceptance cum acknowledgement and instrument of Transfer Deeds are enclosed with this letter of offer.
- A copy of the Public Announcement and this Letter of Offer (including the Form of Acceptance cum Acknowledgement and the Form of Withdrawal) will be available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER:
SOBHAGYA **CAPITAL OPTIONS LTD**. 7-1-32/4, P – 1, Leelanagar, Begumpet, Hyderabad – 500 016. Phone Nos.: 040 – 6552 8262 Fax No.: 040 – 2374 0419 Email: lavanya@sobhagyacapital.com Contact person: Ms. Lavanya Chandra	**Venture Capital and Corporate Investments Pvt. Ltd.,** Regd. Off.: 12-10-167, Bharat Nagar, Hyderabad – 500 018. Phone Nos.: 040 – 2381 8475 / 76 / 2386 8023 Fax No.: 040 – 2386 8024 Email: info@vccilindia.com SEBI Regn. No. INR000001203 Contact Person: Mr. P V Srinivas

SCHEDULE OF ACTIVITIES

Activity	Schedule	Revised Schedule
Public Announcement (PA) Date	**Thursday, 26th April, 2007**	**Thursday, 26th April, 2007**
Specified Date	**Friday, 25th May, 2007**	**Friday, 25th May, 2007**
Last date for announcement of competitive bid	**Thursday, 17th May, 2007**	**Thursday, 17th May, 2007**
Date by which Letter Of Offer will be dispatched to the Shareholders	**Thursday, 7th June, 2007**	**Thursday, 4th September, 2008**
Date of Opening of the Offer	**Tuesday, 19th June, 2007**	**Friday, 12th September, 2008**
Last date for revising offer price/number of shares	**Thursday, 28th June, 2007**	**Monday, 22nd September, 2008**
Last date for withdrawal of acceptance by shareholders	**Wednesday, 4th July, 2007**	**Friday, 26th September, 2008**
Date of Closure of the Offer	**Monday, 9th July, 2007**	**Wednesday, 1st October, 2008**
Date upto which communication of rejections / acceptances and payment of consideration for the applications accepted and also dispatch of rejected share certificates (refer Section VIII).	**Tuesday, 24th July, 2007**	**Thursday, 16th October, 2008**

RISK FACTORS

Risks related to the offer

1. The Offer is made to acquire upto 38 % of fully paid-up equity share capital of Phaarmasia Limited from the eligible persons. In case of over subscription in the Offer, acceptance would be determined on proportionate basis in accordance with Regulation 21 (6) of the Regulations and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

2. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would be subject to such statutory approvals. In terms of Regulation 27 of the Regulations, the Acquirers may not be able to proceed with the Offer in the event the approvals indicated above are not received. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

3. The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities, and the shareholders will not be able to trade such Equity Shares. During such period there may be fluctuations in the market price of the Shares of Phaarmasia Limited. Accordingly, the Acquirers make no assurance with respect to the market price of the Equity Shares both during the Offer period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any shareholder of Phaarmasia Limited on whether to participate or not to participate in the Offer.

Probable risk involved in associating with the Acquirers

1. Pursuant to this Offer the Acquirers propose to increase their holding in Phaarmasia Limited under Regulation 11 (1) & 12 of the Regulations. The Acquirers does not warrant any assurance with respect to the future financial performance of the Target Company.

2. The Acquirers makes no assurance with respect to the market price of the Equity Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

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DEFINITIONS

Acquirer	M/s Maneesh Pharmaceuticals Limited (MPL)
ASE	The Ahmedabad Stock Exchange Association Limited, Ahmedabad
BSE	The Bombay Stock Exchange, Mumbai
Closing Date	Date of closing of the Open Offer, Monday 9th July, 2007
Companies Act	The Companies Act, 1956
Date of Public Announcement	Thursday 26th April, 2007
CDSL	Central Depository Services Limited
DP	Depository Participant
Escrow Account	Account opened with HDFC Bank Limited in terms of the Regulations
Escrow Amount	Amount being not less than 25% of the maximum purchase consideration payable under the Offer in favour of the Manager to the Offer
Escrow Banker	HDFC Bank Limited, Lakdi-ka-pool, Hyderabad – 500 004
Form of Acceptance	Form of Acceptance-cum-Acknowledgment enclosed with this Letter of Offer
HSE	The Hyderabad Stock Exchange Association Limited, Hyderabad
INR or Rupees or Rs.	Indian National Rupees
Manager / Manager to the Offer	SOBHAGYA CAPITAL OPTIONS LIMITED (SCOL)

NRI	Non Resident Indian
Offer	Offer being made by the Acquirers for acquiring up to 25,94,245 Shares representing 38 % of the Voting Capital of PhL payable in cash.
Offer Document	Letter of Offer
Offer Period	The date of public announcement to the date of completion of offer formalities i.e., Tuesday, 26th April, 2007 to Thursday, 16th October, 2008
Offer Price	Rs. 4/- (Rupees four only), per equity share of PhL. **Further the offer price so computed is enhanced to Rs. 4.50 by interest payable at 10% p. a., for the period of delay for payment of consideration.** (Consideration to be paid by 24th July, 2007, will now be paid not later than the scheduled date of payment i.e., Thursday, 16th October, 2008. The interest for the delayed payment will be 0.48 paisa rounded off to Rs.0.50 ps. on each share of Rs. 4/- each. Thus the Offer Price including interest is Rs. 4.50/share.)
Offer Size	25,94,245 Shares representing 38 % of the Voting Capital
Opening Date	Date of opening of the Open Offer, being 19th June, 2007
PAC	Person Acting in Concert for the purpose of the Open Offer is M/s. Svizera Labs Private Limited**.**
Persons eligible to apply in the Offer	All owners of the shares, registered or unregistered (except the Acquirer and Person Acting in Concert)
PhL	Phaarmasia Limited
Public Announcement or PA	The Public Announcement relating to the Offer as appeared in the newspapers on Friday 27th April, 2007 and Corrigendum to the PA dated August, 30,2008
RBI	Reserve Bank of India
Registrar to the Offer	M/s. Venture Capital & Corporate Investments Pvt. Limited,
Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof.
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
Shareholder(s)	All owners (registered or unregistered) of Equity Shares of Phaarmasia Limited, whose names appear in the Register of Members of Phaarmasia Limited at the close of business hours on the Specified Date (25th May 2007) and also the persons who own the Equity Shares at anytime before the Closure of the Offer, but may not be included in the Register of Members (but does not include the PAC).
Shares	Fully paid Up Equity Shares of Phaarmasia Limited
Specified Date	Tuesday, 25th May, 2007
Target Company	Phaarmasia Limited (PhL)
Voting Capital	Equity share capital comprising 68,26,960 Equity Shares of the Target Company as on the date of PA (i.e., 26th April, 2007) as obtained from the Target Company.
Valuation Report	Valuation Report dated 26th March, 2007 of M/s. K S Ramakrishna & Co., Chartered Accountants.

Note: All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the Regulations

I. DISCLAIMER CLAUSE

It is to be distinctly understood that filing of 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 regulations. This requirement is to facilitate the shareholders of Phaarmasia Limited to take an informed decision with regard to the offer. SEBI does not take any responsibility either for the financial soundness of the acquirer or the company whose shares/control is proposed to be acquired or for the correctness of the statements made or opinions expressed in the letter of offer. It should also be clearly understood that while acquirer is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this letter of offer, the merchant banker is expected to exercise due diligence to ensure that acquirer duly discharge its responsibility adequately. In this behalf, and towards this purpose, the merchant banker, SOBHAGYA CAPITAL OPTIONS LIMITED has submitted a due diligence certificate dated 9th May, 2007 to SEBI in accordance with the SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997 and subsequent amendment(s) thereof. The filing of the letter of offer does not, however, absolve the acquirer from the requirement of obtaining such statutory clearances as may be required for the purpose of the offer.

II. DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1 This open offer ("Offer") is being made by the Acquirer and PAC in compliance with regulations 11 (1) & 12 of the Regulations, triggered by a proposal to acquire more than 5% of the voting rights of the Target Company and a change in the control of the Target Company.

2.1.2 The Acquirer is making a voluntary offer, for acquiring upto a maximum of 25,94,245 Equity Shares of Rs.10/- each (representing 38% of the voting capital of PhL) at a price of Rs. 4/- per share (Rupees four only) for each fully paid up equity share of PhL (hereinafter referred to as the **"Offer Price"**) payable in cash (hereinafter referred to as **"Offer" or "Open Offer"**). **Further the offer price so computed is enhanced to Rs. 4.50 by interest payable at 10% p. a., for the period of delay for payment of consideration.** (Consideration to be paid by 24th July, 2007, will now be paid not later than the scheduled date of payment i.e., Thursday, 16th October, 2008. The interest for the delayed payment will be 0.48 paisa rounded off to Rs.0.50 ps. on each share of Rs. 4/- each. Thus the Offer Price including interest is Rs. 4.50/share.). The Offer is not as a result of global acquisition resulting in indirect acquisition of the target company.
The Acquirer and PAC together are holding 25,00,000 equity shares of Rs.10/- each or 36.60% of the voting capital in the target company, which was allotted to them at Rs. 10/- per share on 31-03-06 under a Scheme of arrangement for reduction of capital sanctioned by the Hon'ble High Court of Andhra Pradesh.

2.1.3 The Acquirer/PAC and the Target Company have not 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.

2.1.4 Mr Maneesh R Sapte, one of the Directors of the Acquirer and PAC, was appointed as the Managing Director of Phaarmasia Limited on 01-03-2006 in his professional capacity, subject to approval of the shareholders, which was accorded on 30/11/2006 at the AGM of the Company.

2.1.5 The Acquirer may make requisite changes to the composition of the Board of Directors of the Target Company as per business considerations and regulatory requirements and shall take decisions in this regard, if any, after the successful completion of the Offer

2.2 Details of the Proposed Offer

2.2.1 In accordance with regulation 15(1) of the Regulations, the Acquirers issued a Public Announcement ("PA") on 27th April, 2007, which appeared in all the editions of the following Newspapers. The Corrigendum to the Public Announcement also appeared on August 30th, 2008 in all the editions of the following Newspapers.

Newspaper	Language	Editions
Financial Express	English	All editions
Janasatta	Hindi	All editions
Praja Shakti	Telugu	All editions

A copy of the PA and Corrigendum to the PA is available on SEBI's website (www.sebi.gov.in).

2.2.2 This Offer is to acquire up to 25,94,245 fully paid up equity shares ("Offer Size") of face value of Rs. 10/- each ("Share") of Phaarmasia Limited ("Target Company") representing 38 % of the voting equity share capital of the Target Company ("Voting Capital") at a price of Rs. 4/- (Rupees four only) for each Share of the Target Company (such price, the "Offer Price"), to be paid in cash in accordance with the Regulations. **Further the offer price so computed is enhanced to Rs. 4.50 by interest payable at 10% p. a., for the period of delay for payment of**

consideration. (Consideration to be paid by 24th July, 2007, will now be paid not later than the scheduled date of payment i.e., Thursday, 16th October, 2008. The interest for the delayed payment will be 0.48 paisa rounded off to Rs.0.50 ps. on each share of Rs. 4/- each. Thus the Offer Price including interest is Rs. 4.50/share.)

2.2.3 There are no partly paid-up Shares in the Target Company.

2.2.4 The Acquirer and PAC have not acquired any Equity Shares of PhL since the date of the Public Announcement to the date of this Letter of Offer.

2.2.5 **There is no competitive bid**.

2.3 Object of the acquisition / Offer

2.3.1 The Offer is being made in accordance with Regulation 11 (1) & 12 of the Regulations for the purpose of substantial acquisition of shares and voting rights of the Target Company. The Offer is intended to consolidate the Acquirer's equity stake in the Target Company.

2.3.2 The Acquirer is engaged in the business of Manufacturer & Sale of Pharmaceutical formulation including Hormones & Gyneac products. The target company is engaged in the Manufacturing of Oral Contraceptives & related products. Thus the Acquirer has identified the synergy in both the business.

III. BACK GROUND OF THE ACQUIRER

3.1 M/s Maneesh Pharmaceuticals Limited, ("MPL") "Acquirer" Regd. Office: Kalpataru Court, 2nd Floor, Dr. C G Road, Chembur, Mumbai – 400 074. Phone No.: 022 - 2520 2122 / 2520 2123 / 2520 2124, Fax No.: 022 – 2520 2121.

3.1.1 Relationship between the Acquirer and Persons Acting in Concert

Both the companies are Group companies.

3.1.2 The Brief History and major areas of operations of the Acquirer:

3.1.2.1 M/s. Maneesh Pharmaceuticals Limited ("MPL") was incorporated as Pvt. Ltd., company on 25th July, 1985 and converted into a Limited company on 27th March, 2007. The Authorised Capital of the company is Rs. 20 crores consisting of 2,00,00,000 equity shares of Rs. 10/- each. The issued, subscribed and paid up capital of M/s. Maneesh Pharmaceuticals Limited (MPL) as on March 31, 2007 was Rs. 9,91,52,860/- consisting of 98,18,486 equity shares of Rs.10/- each fully paid up and 9,68,000 equity shares of Rs. 10/- each Rs. 1/- called & paid up.

3.1.2.2 The main objects of the company are to carry on the business of production and sale of pharmaceutical, medical drugs and intermediates. The Company is a part of Rs. 500 Crores, "Maneesh" group of Companies headquartered at Mumbai. The Maneesh Pharmaceuticals group of companies are engaged in R & D, Clinical Research, Manufacturing, Marketing & Distribution of Anti invectives, Gynaec, Dermatological products, Hormones, Anti Biotics & other products including OTC range of products. The formulations are manufactured in the form of tablets, capsules, syrups, suspensions, dry powder for suspension, creams & lotions, soft gelatine capsules and injectables.

MPL's Global presence consists of 2 Domestic Subsidiaries, 5 International Subsidiaries & 3 Joint Ventures in Europe & South Africa. The Maneesh Pharmaceuticals Group was promoted by Mr. Vinay Sapte, an Engineer by qualification & an Entrepreneur. He initiated dealing in pharmaceutical by-products more than 2 decades ago. MPL subsequently started CRAM for many reputed companies for the formulations developed & manufactured by MPL. MPL commenced their own Marketing operation & distribution network since year 2000.

MPL under its brand SVIZERA is one of the largest suppliers of Anti TB Fixed Dose Combinations to WHO. MPL manufacturing facilities & CRO are approved by WHO Geneva, European Union, MCC South Africa, ANVISA Brazil as well as local FDA and Ministry of Health (MOH) of many countries.

The Acquirer exports to more than 70 countries through its world class state of the art facilities. The Group is one of the very few companies which offers specialized facilities dedicated to the same therapeutic group of products. The company launched the 4 FDC Single Dose Sachets for the first time in the world in 2004, (the same has Global patents at advance stage - and is already patented in India & is granted National patent in South Africa). The Company has well established R & D Centre and a Clinical Research Centre to support its research initiatives.

Shanbag Storage and Services Private Limited and Bombay Biosyntex & Chemicals Private Limited both erstwhile subsidiaries of Maneesh Pharmaceuticals Ltd. were merged with Maneesh Pharmaceuticals Ltd. as per Bombay High Court Order dated June 12, 2007.

Heritage Laboratories Private Limited, a subsidiary of the Company was merged with the Company as per Himachal Pradesh High Court order dated February 26, 2008.

3.1.2.3 The promoters of MPL are Mr. R. K Sapte and Mr. Vinay R Sapte. They hold 72.13 % of the shareholding in Maneesh Pharmaceuticals Limited as follows:

Shareholding pattern of Maneesh Pharmaceuticals is as under:

Sl. No.	Shareholder's Category	No. and percentage of Shares held	
1.	Promoters	83,30,956	72 .13 %
2.	FII/Mutual-Funds/FIs/Banks	-	-
3.	Public/others	32,18,200	27.87 %
4.	Total Paid-up Capital	**1,15,49,156**	**100 %**

3.1.3 The Acquirer has complied with all the compliances of Chapter II of SEBI (SAST) Regulations.

3.1.4 The present directors of the MPL as on the date of Corrigendum to the Public Announcement are :

Name	Designation / Date of Appointment	Residential Address	Qualifications / Experience	Directorship in Other Companies
Mr Vinay R. Sapte	Chairman & Managing Director 25.07.1985	61-62, Kalpataru Residency Tower 'A', Opp. Cine Planet, Sion (East), Mumbai-400 022	B.E. Electrical / **Experience:** He has 23 Years of experience in manufacturing, marketing of Pharmaceutical products. He is well conversant with Finance and looks after day to day affairs of the Company.	**Director:** 1. Meghdoot Chemicals Limited 2. Mantech Counting & Systems Pvt. Ltd., 3. Pure Health Products Pvt. Ltd., 4. Svizera Labs Pvt. Ltd., 5. Svizera Pharma Pvt. Ltd. 6. Fairjob Group Investments India P. Ltd. 7. Intelligent Trading Pvt. Ltd. 8. Svizera Pharmatech Pvt. Ltd.
*Mr Maneesh R. Sapte	Director 01.10.2002	51-52, Kalpataru Residency Tower 'A', Opp. Cine Planet, Sion (East), Mumbai-400 022	B.Sc. With major subject Chemistry / **Experience**: He has 18 years. He looks after day to day purchase of material and manufacturing activities in the plant.	**Director:** 1. Meghdoot Chemicals Limited 2. Mantech Counting & Systems Pvt. Ltd., 3. Phaarmasia Limited, 4. Svizera Labs Pvt. Ltd., 5. Svizera Pharma Pvt. Ltd. 6. Fairjob Group Investments India P. Ltd. 7. Intelligent Trading Pvt. Ltd. 8. Svizera Pharmatech Pvt. Ltd
Mrs. Rashmi V. Sapte	Director 18.03.2003	61-62, Kalpataru Residency Tower 'A', Opp. Cine Planet, Sion (East), Mumbai-400 022	B. A. / Housewife.	**Director:** 1. Svizera Labs Pvt. Ltd.,
Mr. Kishor K Sardal	Additional Director 14.11.2007	C/603, Vaibhav Apts., Old Prabhadevi Road, Mumbai – 400 025.	M.Com, LLB, FCS **Experience:** He has 45 years of experience in Legal matters. Currently practicing as Advocate.	-
Mr. Pravin M. Hegde	Additional Director 14.11.2007	3, Saraf Sadan, Hanuman Road, Vile Parle (East) Mumbai – 400 057.	B.Com, FCA **Experience:** He is Practicing as Finance Consultant and having 22 Years of experience in Finance & Accounts.	**Director** Master Mind Propertys Pvt. Ltd.,

Mr. Rakesh Jhunjhunwala	Director 27.03.2008	3, Sital Sagar, Sital Baug, 64, Walkeshwar Road, Mumbai – 400 006	B. Com, ACA **Experience:** of 23 Years Well-known Corporate Investor	**Director** 1. Aptech Limited 2. Aspire Hanuman Capital Management Pvt. Ltd., 3. Bydesign India Pvt. Ltd., 4. Bilcare Limited 5. Concord Biotech Ltd., 6. Dharti Dredging & Infrastructure Ltd., 7. Future Venture India Ltd., 8. Geojit Financial Services Ltd., 9. Innovasynth Technologies Ltd., 10. Inventurus Knowledge Solutions Pvt. Ltd., 11. Metro Shoes Ltd., 12. Mid Day Multimedia Ltd., 13. Nagarjuna Constructions Co. Ltd., 14. Ohm Educom Foundation Pvt. Ltd., 15. Prime Focus Ltd., 16. Provogue India Ltd., 17. Tops Security Ltd., 18. Viceroy Hotels Ltd., 19. Virtual Marketing (India) Pvt. Ltd.,

* Mr Maneesh R. Sapte, one of the Directors of the Acquirer and PAC, was appointed as the Managing Director of Phaarmasia Limited on 01-03-2006 in his professional capacity, subject to approval of the shareholders, which was accorded on 30/11/2006 at the AGM of the Company. He did not participate in any matter concerning or "relating" to the offer as per Regulation 22 (9). No other Director of MPL is a Director on the Target Company.

3.1.5 Maneesh Pharmaceuticals Limited is not listed on any stock exchange.

3.1.6 The issued, subscribed and paid up capital of M/s. Maneesh Pharmaceuticals Limited (MPL) as on March 31, 2007 was Rs. 9,91,52,860/- consisting of 98,18,486 equity shares of Rs.10/- each fully paid up and 9,68,000 equity shares of Rs. 10/- each Rs. 1/- called & paid up.

3.1.7 Brief audited financial details for a period of last three years.

M/s. Maneesh Pharmaceuticals Limited, as on the date of the corrigendum to the public announcement

(Rupees in Lakhs)

P & L Statement	**Year Ended Mar. 2005 (Audited)**	**Year Ended Mar. 2006 (Audited)**	**Year Ended Mar. 2007 (Audited)**	**9 Months Dec. 2007 (Certified)**
Income from operations	18603	28411	37484	35412
Other Income	-	517	489	1222
Total Income	18603	28928	37973	36634
Total expenditure	16292	24812	31049	29835
Profit before depreciation, interest and Tax	2311	4116	6924	6799
Depreciation	653	791	897	864
Interest	326	944	1801	2275
Profit before Tax	1332	2381	4226	3660
Provision for Tax	340	279	667	397
Profit after Tax	992	2102	3559	3263

Balance Sheet Statement	**Year Ended Mar. 2005 (Audited)**	**Year Ended Mar. 2006 (Audited)**	**Year Ended Mar. 2007 (Audited)**	**9 Months Dec. 2007 (Certified)**
Sources of Funds				
Paid up share capital	670	921	992	992
Reserves and Surplus	1322	10480	26727	29991
Deferred Liabilities	2490	2354	2347	2347
Secured Loans	8007	8792	23289	34108
Un-secured Loans	2012	1354	2465	1598
Total	14501	23901	55820	69036
Uses of Funds				
Net fixed assets	7761	9367	15242	15825

Investments	604	3741	17215	17215
Net current assets	6067	10694	23273	35912
Total misc. expenditure not written off.	69	99	90	84
Total	14501	23901	55820	69036

Other financial data	**Year Ended Mar. 2005**	**Year Ended Mar. 2006**	**Year Ended Mar. 2007**
Dividend %	20%	30%	50%
Earning per share	14.80	23.07	36.24
Return on net worth	0.52	0.19	0.14
Book value per share	206.39	220.11	392.27

* The un-audited financial results as on 31st December, 2007 have been certified by J D Padwal & Co., Chartered Accountants, (Membership No: 48993), 352/A, Sanjog, Veear Savarkar Marg, Dadar(West), Mumbai – 400 028, Ph.: 022 – 2436 5254

Contingent Liabilities as on 31.03.2007

i. In respect of Bank Guarantees executed **Rs. 3618.14 Lacs** (Previous Year Rs. 488 Lacs)
ii. In respect of Excise Duty disputes pending with various judicial authorities **Rs. 14.24 Lacs** (Previous Year Rs. 14.24 Lacs)
iii. Custom Duty liability on imports under EPCG scheme pending fulfillment of export obligations **Rs. 168.09 Lacs** (Previous Year Rs. 130.82 Lacs)
iv. In respect of Foreign Bills discounted/purchased by banks /financial institutions **Rs. 178.94 lacs** (Previous Year Rs.300.45 Lacs)

Reason for Fall / Rise in Total Income and PAT

2006-07
During the year Maneesh Pharmaceuticals Limited achieved 31.73% growth overall. Manufacturing growth on year to year basis was 47.74%, Brand business grew by 44.45%, due to the ability to achieve high growth rate for 'Smyle' brand acquired from Kopran Ltd. The Clinical Research Organisation (CRO) also started contributing to the revenue.
PAT was INR 35.59 crores on turnover of 374.84 crores which is 9.49% as against 7.05% for the previous year.

2005-06
Income growth of 55.71% achieved. This was achieved by significant expansion/productivity improvement in the manufacturing (66.87% Growth), Exports (26.21% Growth). The thrust on brand business was successful and achieved, year to year growth of 91.92%. 'Sigma' Brand was acquired in 2004 and it was ramped up to this level. During the year a reliable manufacturing source was developed for the over the counter (OTC) product. The company tied up with Kopran for sales and distribution of their brand 'Smyle'. It also commenced the Clinical Research Organisation during the year. During the year the International Patent Application for its unique Anti-TB formulation was published.
PAT was 20.50 crores on a turnover of 284.11 crores which is 7.05% on Turnover as against 5.33% on Turnover in the previous year

Details of earlier acquisitions
The Acquirer/PAC are holding 25,00,000 equity shares of Rs.10/- each or 36.60% of the voting capital in the target company, which was allotted to them at Rs. 10/- per share on 31-03-06 under a Scheme of arrangement for reduction of capital sanctioned by the Hon'ble High Court of Andhra Pradesh.

3.1.8 **Significant Accounting policies of the Acquirer**: The accounts are prepared on the basis of historical cost convention except in case of certain Fixed Assets which were modified by revaluation and complied with applicable accounting standards issued by The Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

3.1.9 The Acquirer has the following Indian subsidiaries as on 31.12.2007

a. Pure Health Products Private Limited

Name of Company	Pure Health Products Pvt. Ltd.,
Date of Incorporation	21st June, 1988
Nature of Business	Marketing Pharmaceuticals Products
Equity Capital,	Rs. 45,45,200/-,
Reserves	NIL
Total Income	NIL
Profit/(Loss) After Tax (PAT)	(Rs. 40421/-)
Earnings per Share (EPS)	NIL
Net Asset Value (NAV)	NIL

b. Meghdoot Chemicals Limited,

Name of Company	Meghdoot Chemicals Limited
Date of Incorporation	2nd September, 1970
Nature of Business	Manufacturing Pharmaceutical Products
Equity Capital,	Rs. 96,00,000/-,
Reserves	NIL
Total Income	Rs. 87,46,180/-
Profit/(Loss) After Tax (PAT)	(Rs. 79,09,168/-)
Earnings per Share (EPS)	NIL
Net Asset Value (NAV)	Rs. 54.71

International Subsidiaries of Maneesh Pharmaceuticals Limited

a. Svizera Holdings B.V

Name of Company	Svizera Holdings B.V
Date of Incorporation	27th March,2007
Nature of Business	Investment Company
No.of Equity Shares held	18,000 shares @ 1 Euro per share
% of Stake of Holding Company	100%
Equity Capital, Reserves (excluding revaluation reserves) *****	-
Total Income *****	-
Profit/(Loss) After Tax (PAT) *****	-
Earnings per Share (EPS) *****	-
Net Asset Value (NAV) *****	-

b. Lasa Industria Farmaceutica, Brazil,

Name of Company	Lasa Industria Farmaceutica
Date of Incorporation	-
Nature of Business	Manufactures of Pharmaceutical Product
No.of Equity Shares held	76,50,400 Quota @ 1 R$ per Quota
% of Stake of Holding Company	100%
Equity Capital, Reserves (excluding revaluation reserves) *****	-
Total Income *****	-
Profit/(Loss) After Tax (PAT) *****	-
Earnings per Share (EPS) *****	-
Net Asset Value (NAV) *****	-

c. Faromed Handelsgese IIschaft m.b.H., Gasse, Austria

Name of Company	Faromed Handelsgese IIschaft m.b.H
Date of Incorporation	-
No.of Equity Shares held	18168 shares @ 1 Euro per share
% of Stake of Holding Company	100%
Nature of Business	Product Registration formalities
Equity Capital, Reserves (excluding revaluation reserves) *****	-
Total Income *****	-
Profit/(Loss) After Tax (PAT) *****	-
Earnings per Share (EPS) *****	-
Net Asset Value (NAV) *****	-

Subsidiaries of Svizera Holdings B.V

a. Tillomed Laboratories Limited,Uk

Name of Company	Tillomed Laboratories Limited
Date of Incorporation	-
Nature of Business	Trading Phramaceutical Products
No.of Equity Shares held	510 shares @ 1Pound per share
% of Stake of Holding Company	51%
Equity Capital, Reserves (excluding	-

revaluation reserves) *****	
Total Income *****	-
Profit/(Loss) After Tax (PAT) *****	-
Earnings per Share (EPS) *****	-
Net Asset Value (NAV) *****	-

b. Laboratoria Sanobiol Ltda, Sao Paulo. Brazil

Name of Company	Laboratoria Sanobiol Ltda
Date of Incorporation	-
Nature of Business	Manufactures of Pharmaceutical Product
No.of Equity Shares held	90,00,000 quota @ 1 R$ per shares
% of Stake of Holding Company	100%
Equity Capital, Reserves (excluding revaluation reserves) *****	-
Total Income *****	-
Profit/(Loss) After Tax (PAT) *****	-
Earnings per Share (EPS) *****	-
Net Asset Value (NAV) *****	-

Investment of Svizera Holdings B.V

c. Nostrum Laboratories Inc, Kansas, Masoori, USA.

Name of Company	Nostrum Laboratories Inc
Date of Incorporation	31st March,2008
No.of Equity Shares held	200 shares @ 50,000 per share
% of Stake of J/V Partner Company	40%
Nature of Business	Manufactures of Pharmaceutical Product
Equity Capital, Reserves (excluding revaluation reserves) *****	-
Total Income *****	-
Profit/(Loss) After Tax (PAT) *****	-
Earnings per Share (EPS) *****	-
Net Asset Value (NAV) *****	-

Joint Ventures of Maneesh Pharmaceuticals Limited

a. Svizera Europe BV, Almere, The Netherlands

Name of Company	Svizera Europe BV
Date of Incorporation	-
Nature of Business	Trading in Pharmaceutical Products
No.of Equity Shares held	52,229 shares @ 1 Euro Per share
% of Stake of J/V Partner Company	45%
Equity Capital, Reserves (excluding revaluation reserves) *****	-
Total Income *****	-
Profit/(Loss) After Tax (PAT) *****	-
Earnings per Share (EPS) *****	-
Net Asset Value (NAV) *****	-

b. Svizera S.A. (PTY) Ltd., Johannsburg, South Africa.

Name of Company	Svizera S.A. (PTY) Ltd
Date of Incorporation	-
Nature of Business	Trading in Pharmaceutical Products
No.of Equity Shares held	60 shares @ 1 S.A Rand Per share
% of Stake of J/V Partner Company	50%
Equity Capital, Reserves (excluding revaluation reserves) *****	-
Total Income *****	-
Profit/(Loss) After Tax (PAT) *****	-
Earnings per Share (EPS) *****	-
Net Asset Value (NAV) *****	-

***** The Investment of Maneesh Pharmaceuticals Limited in above companies and Joint Ventures are the recent developments in Investment / Acquisitions. As these developments and the progress of respective Investment / Acquisitions are at initial stage of business no information with respect to its reserves as well as profitability and other related financials can be given.

None of the companies mentioned above is a sick industrial company.

3.2 BACK GROUND OF THE PERSONS ACTING IN CONCERT ("PAC")

3.2.1 **M/s. Svizera Labs Private Limited, ("SLPL") Person Acting in Concert (PAC)** was originally incorporated on 17th April, 1997 as Trident Cleaning & Warehouse Private Limited, by R L Agarwal and Mr. J R Mehta. Mr. Vinay R Sapte took over this company in the year 2000 and changed its name to Svizera Labs Private Limited on 12th March, 2001, its Regd. Off. at: Plot No. D 16/6, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai – 400 703, Ph.: 022 – 2761 7448, Fax No.: 022 – 2761 7449, the company's current directors are Mr Vinay R Sapte, Mr. Maneesh R Sapte and Ms. Rashmi V Sapte.

3.2.2 Relationship between the Acquirer and Persons Acting in Concert

Both the companies are Group companies.

3.2.3 Svizera Labs Private Limited manufactures pharmaceutical products on loan license basis for others and does not have its own product.

The current promoters are Mr. Vinay R Sapte holding 51% of the share capital and Maneesh Pharmaceuticals holding 49% of the share capital as follows:

Shareholding pattern of Svizera Labs Private Limited is as under:

Sl. No.	Shareholder's Category	No. and percentage of Shares held	
1.	Promoters	28,00,000	100 %
2.	FII/Mutual-Funds/FIs/Banks	-	-
3.	Public	-	-
4.	Total Paid-up Capital	28,00,000	100 %

3.2.4 The PAC has complied with all the compliances of Chapter II of SEBI (SAST) Regulations.

3.2.5 The present directors of the SLPL as on the date of the corrigendum to the Public Announcement:

Name	Designation / Date of Appointment	Address	Qualifications / Experience	Directorship in Other Companies
Mr Vinay R. Sapte	Director 09.04.1999	61-62, Kalpataru Residency Tower 'A', Opp. Cine Planet, Sion (East), Mumbai-400 022	B.E. Electrical / **Experience:** He has 23 Years of experience in manufacturing, marketing of Pharmaceutical products. He is well conversant with Finance and looks after day to day affairs of the Company.	**Director:** 1. Meghdoot Chemicals Limited 2. Mantech Counting & Systems Pvt. Ltd., 3. Pure Health Products Pvt. Ltd., 4. Maneesh Pharmaceuticals Ltd, 5. Svizera Pharma Pvt. Ltd. 6. Fairjob Group Investments India P. Ltd. 7. Intelligent Trading Pvt. Ltd. 8. Svizera Pharmatech Pvt. Ltd.

*Mr Maneesh R. Sapte	Director 27.11.2000	51-52, Kalpataru Residency Tower 'A', Opp. Cine Planet, Sion (East), Mumbai-400 022	B.Sc. With major subject Chemistry / **Experience**: He has 18 years. He looks after day to day purchase of material and manufacturing activities in the plant.	**Director:** 1. Meghdoot Chemicals Limited 2. Mantech Counting & Systems Pvt. Ltd., 3. Maneesh Pharmaceuticals Ltd., 4. Svizera Pharma Pvt. Ltd. 5. Fairjob Group Investments India P. Ltd. 6. Intelligent Trading Pvt. Ltd. 7. Phaarmasia Ltd, Managing Director 8. Svizera Pharmatech Pvt. Ltd.,
Mrs. Rashmi V. Sapte	Director 09.04.1999	61-62, Kalpataru Residency Tower 'A', Opp. Cine Planet, Sion (East), Mumbai-400 022	B. A. / Housewife.	**Director:** Maneesh Pharmaceuticals Ltd.,

*Mr Maneesh R. Sapte, one of the Directors of the Acquirer and PAC, was appointed as the Managing Director of Phaarmasia Limited on 01-03-2006 in his professional capacity, subject to approval of the shareholders, which was accorded on 30/11/2006 at the AGM of the Company. He did not participate in any matter concerning or "relating" to the offer as per Regulation 22 (9). No other Director of SLPL is a Director on the Target Company.

3.2.6 Svizera Labs Private Limited is a private limited company.

3.2.7 The authorized capital of the company is Rs. 5 crores is consisting of 50,00,000 equity share of Rs. 10/- each. The issued, subscribed and paid up capital of M/s. Svizera Labs Private Limited as on March 31, 2007 was Rs.2,80,00,000/- consisting of 28,00,000 equity shares of Rs.10/- each fully paid up.

3.2.8 Brief audited financial details for a period of last three years

M/s. Svizera Labs Private Limited, as on the date of the corrigendum to the public announcement

(Rupees in Lakhs)

P & L Statement	**Year Ended Mar. 2005 (Audited)**	**Year Ended Mar. 2006 (Audited)**	**Year Ended Mar. 2007 (Audited)**	**9 Months Dec. 2007 (Certified)**
Income from operations	255	392	333	287
Other Income	0	0	0	0
Total Income	255	392	333	287
Total expenditure	201	343	301	219
Profit before depreciation, interest and Tax	54	49	32	68
Depreciation	48	47	46	61
Interest	6	2	0	0
Profit before Tax	0	0	-14	7
Provision for Tax	3	-3	-3	0
Profit after Tax	-3	3	-11	7

Balance Sheet Statement	**Year Ended Mar. 2005 (Audited)**	**Year Ended Mar. 2006 (Audited)**	**Year Ended Mar. 2007 (Audited)**	**9 Months Dec. 2007 (Certified)**
Sources of Funds				
Paid up share capital	280	280	280	280
Reserves and Surplus (Excluding revaluation reserves)	2433	2436	2430	2432
Deferred Liabilities	23	19	16	16
Secured Loans	0	462	315	194
Un-secured Loans	82	121	121	278
Total	2818	3318	3162	3200
Uses of Funds				
Net fixed assets	322	309	315	266
Investments	6	381	381	381

Net current assets	2465	2592	2380	2446
Total misc. expenditure not written off.	25	36	86	107
Total	2818	3318	3162	3200

Other financial data	**Year Ended Mar. 2005**	**Year Ended Mar. 2006**	**Year Ended Mar. 2007**
Dividend %	NIL	NIL	NIL
Earning per share Rs.	NIL	0.11	NIL
Return on net worth	NIL	NIL	NIL
Book value per share Rs.	99.54	103.61	96.25

* The un-audited financial results as on 31st December, 2007 have been certified by J D Padwal & Co., Chartered Accountants, (Membership No: 48993), 352/A, Sanjog, Veear Savarkar Marg, Dadar(West), Mumbai – 400 028, Ph.: 022 – 2436 5254.

The formulas for the financial ratios given above are as follows

1. Dividend (%) = Dividend per share/ Face value per share
2. Earnings/(Loss) per share = Profit or Loss after tax / Number of equity shares in the Company's share capital
3. Networth = Share Capital + Reserves & Surplus
4. Return on Networth = Profit after tax / Networth
5. Book Value per fully paid up Share = Networth / Number of equity shares in the Company's share capital

Contingent Liabilities as on 31.03.2007

There are no Contingent Liabilities.

Details of earlier acquisitions

The Acquirer/PAC are holding 25,00,000 equity shares of Rs.10/- each or 36.60% of the voting capital in the target company, which was allotted to them at Rs. 10/- per share on 31-03-06 under a Scheme of arrangement for reduction of capital sanctioned by the Hon'ble High Court of Andhra Pradesh.

Significant Accounting policies of the PAC:

A) Accounting Conventions
   i. The accounts are prepared on the basis of historical cost convention and comply with applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956. All income and expenses are accounted for an accrual basis except the following.
   ii. Income on investment is recognized as and when received.

B) Fixed Assets
   i. All fixed assets are stated at cost of acquisition less accumulated depreciation.
   ii. Depreciation on all assets as provided for on W.D.V. method on actual cost at rates specified in schedule XIV of the Act, 1956.

C) Investments
   Investments are stated at cost.

3.3 Disclosure in terms of regulation 16(ix)

3.3.1 The Acquirer does not have any plans to dispose off or otherwise encumber any assets of PhL in the succeeding two years from the date of closure of this offer except in the ordinary course of business of PhL.

3.3.2 Further the Acquirer undertakes not to sell, dispose off or otherwise encumber any substantial asset of PhL, except with the prior approval of the shareholders. The Board of Directors of PhL would take appropriate decisions in these matters, as per the requirements of business and in line with opportunities or changes in the economic scenario, from time to time.

IV. Option in Terms of regulation 21(2)

This Offer is for acquisition of a maximum of 25,94,245 equity shares representing 38 % of the Voting Capital, which assuming full acceptance, together with the Acquirer & PAC existing shareholding of 25,00,000 Equity Shares representing 36.60 % of the Voting Capital, will not result in the public shareholding in the Target Company falling below the limit specified for the purpose of listing on continuous basis in terms of the Listing Agreement with the stock exchanges.

V. BACKGROUND OF THE TARGET COMPANY

Brief History and Main areas of operation

5.1 M/s. Phaarmasia Limited, having its Registered Office and Factory at: 16, Phase III, IDA Jeedimetla, Hyderabad – 500 055, Phone No.: 040 – 2309 5002 / 2309 5690, Fax No.: 040 – 2309 7323, was incorporated on 6th February, 1981 as M/s. Phaarmasia Private Limited, and the name of the company was changed to Phaarmasia Limited on 15th February, 1992.

5.2 The company's main objective is carrying on the business as manufacturers, buyers, sellers, Importers, exporters, distributors, agents and or otherwise deal as wholesalers, or retailers in drugs, medicines, pharmaceuticals, chemicals and other intermediates, dyes pigments, paints, rubber chemicals, phyto chemicals, hormones, agro-chemicals, veterinary and poultry products, food and nutritional products, house-hold remedies, biological and herbal products etc.

5.3 Brief History and main areas of operations.

Phaarmasia Limited is a 27 year old Public Limited Company, manufacturing Pharmaceutical Formulations, Cosmetics, Home Care Products and Herbal Products having two well laid out and well equipped factories at Hyderabad, India, manned by competent, qualified and experienced professionals.

5.4 The Registered Office and factory of the Company is situated at 16, Phase III, IDA Jeedimetla, Hyderabad – 500 055 and another unit of the manufacturing facilities is situated at 145, Phase V, IDA Jeedimetla, Hyderabad – 500 055.
The company has an installed capacity on single shift basis as follows:

- Liquids in KL 6000 P.A.
- Tablets in Millions 5400 P.A.
- Capsules in Millions 3000 P.A.
- Pastes, Creams & Ointments in MT 4500 P.A.

The authorised share capital of the Company is Rs. 10,00,00,000/- comprising of 1,00,00,000 Equity shares of Rs. 10/-, each. The issued, subscribed and paid up capital of the company as on the date of this public Announcement is Rs.6,82,69,600/-, divided into 68,26,960 Equity shares of Rs.10/-, each fully paid up. There are no partly paid up shares.

5.5 Share Capital Structure of PhL

The share capital structure is as under:

Paid up equity shares of PhL (Face Value Rs.10/- each)	No. of Shares/ Voting rights	% of Shares / Voting Rights
Fully paid up equity shares	68,26,960	100
Partly paid up equity shares	-	-
Total paid up equity shares	68,26,960	100
Total voting rights in PhL	68,26,960	100

The company had restructured its Paid up Share Capital account of 91,34,800 Equity Shares of Rs. 10/- each fully paid up as on 31st, March, 2005 by reducing/debiting the amount of Rs. 730.78 lakhs for setting off the Accumulated Losses of the Company and has further allotted 50,00,000 Equity Shares of Rs. 10/- as per the scheme. To Promoters' Associates Rs. 250 lakhs and balance to Unsecured Creditors as approved in the Scheme of Arrangement as approved by the Hon'ble High Court of Andhra Pradesh u/s 391 to 394 as per Companies Act. Thus, the company's paid up Share Capital as on 31-03-2006 is Rs. 6,82,69,600/- divided into 68,26,960 Equity Shares of Rs. 10/- each Fully Paid up.

The Fixed Assets are revalued by Rs.1367.58 lakhs and from the Revaluation / Capital Reserve, the required amount of Rs. 1097.02 lakhs was used for wiping off the accumulated losses of the Company in accordance with the Scheme of Arrangement.

The Restructuring of Capital by Reduction, issue of additional shares and Revaluation of Assets pursuant to the Scheme shall be reflected in the Books of Accounts of the Company in the following manner as on effective date.

Particulars	As on 01-04-2003	As on 10-09-2004
Paid up Share Capital		
a) Share value of each share	Rs. 10/-	Rs. 10/-
b) Number of Shares	91,34,800	18,26,960
c) Additional Shares to be issued	-	50,00,000 (Rs. 10/- each)
d) Total Paid up share Capital	Rs. 913.48 Lakhs	Rs. 682.69 Lakhs
e) Net Block of Fixed Assets	Rs. 411.82 Lakhs	Rs. 1651.75 Lakhs
f) Capital Reserve	Rs. 45.67 Lakhs	Rs. 54.50 Lakhs
g) Profit and Loss Account	(-) Rs.1961.88 Lakhs	(After adjusting reduction of share capital & revaluation reserves)

5.6 Capital buildup of the Company

Date of Allotment	Shares Issued		Face Value	Cumulative paid up capital	Mode of Allotment	Identity of allottees (Promoters/ Ex- Promoters/Others)	Status of Compliance
	Nos	%					
23.03.1982	4230		Rs. 100/-	423000	Cash	Promoters	Complied
21.03.1983	1170		Rs. 100/-	540000	Cash	Promoters	Complied
15.11.1983	10		Rs. 100/-	541000	Cash	Promoters	Complied
27.10.1984	10		Rs. 100/-	542000	Cash	Promoters	Complied
08.01.1985	610		Rs. 100/-	603000	Cash	Promoters	Complied
29.08.1985	3490		Rs. 100/-	952000	Cash	Promoters	Complied
03.12.1985	1010		Rs. 100/-	1053000	Cash	Promoters	Complied
08.04.1986	1440		Rs. 100/-	1197000	Cash	Promoters	Complied
25.01.1990	10		Rs. 100/-	1198000	Cash	Promoters	Complied
09.02.1990	40		Rs. 100/-	1202000	Cash	Promoters	Complied
25.02.1992			Rs. 10/-	1202000			
25.02.1992						Increase of Auth. Share Capital from Rs. 50 Lacs to Rs. 500 Lacs	
05.03.1992	84140		Rs. 10/-	2043400	Cash	Promoters	Complied
16.03.1992	295660		Rs. 10/-	5000000	Cash	Promoters	Complied
23.10.1992	4067400		Rs. 10/-	45674000	Cash Public Issue	Promoters / Friends / Employees / Public	Complied
20.10.1993						Increase of Auth. Share Capital from Rs. 500 Lacs to Rs. 1000 Lacs	Complied
12.09.1994	4567400		Rs. 10/-	91348000	Right Issue	Promoters / Friends / Employees / Public	Complied
29.12.2005 29.03.2006				18269600		Scheme of Reduction	Complied
31.03.2006	2500000		Rs. 10/-	43269600	Cash	Promoter's Associates	Complied
31.03.2006	2500000		Rs. 10/-	68269600	Cash	Persons other than Promoter's Associates	Complied

5.7 The equity shares of Phaarmasia Limited were listed at Hyderabad Stock Exchange (HSE), The Mumbai Stock Exchange (BSE) & The Ahmedabad Stock Exchange (ASE). The Target Company passed a Resolution in the Annual General Meeting held on 30-09-2003 for delisting of its shares from the Ahmedabad Stock Exchange and The Hyderabad Stock Exchange and informed the same to both the Exchanges by their letter dated: 13th October, 2003. The Hyderabad Stock Exchange was de-recognised by the Securities and Exchange Board of India in 2007. The trading in Target Company was suspended in BSE due to restructuring of the Capital from April, 2006 and was recommenced on May 14th, 2008.

5.8 Fifty lakh shares allotted on March 31st, 2006 under a Scheme of arrangement for reduction of capital sanctioned by the Hon'ble High Court of Andhra Pradesh, were listed on BSE and trading commenced on May 14th, 2008

5.9 There are no outstanding convertible instruments (warrants/FCDs/PCDs etc.,) as on date.

5.10 Chapter II Compliances: The target Company had complied with all compliances from 1997 to 2001 in the year 2004 under the SEBI (Substantial Acquisition of Shares and Takeovers) Regularisation Scheme 2002 for non-compliance of regulation 6 & 8 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the Regulations) to BSE & HSE. The company has received a letter from SEBI No. CFD/DCR/RC/TO/26660/04 dated: Nov' 29th, 2004 regarding violation of Takeover Regulations – Settlement by consent order provided the company was willing to pay an amount of Rs. 1,75,000/- as penalty for the violations. The company is corresponding with SEBI on this matter. Thereafter it has complied with Chapter II Compliances upto the year 2008 to BSE.

The Promoters as given below have complied with the provisions of Chapter II Compliances.

1. L. V. Vithal Rao, # 51, Bhel Enclave, Akbar Road, Secunderabad.
2. L. Lalita, # 51, Bhel Enclave, Akbar Road, Secunderabad.
3. L. M. Kaushik, # 51, Bhel Enclave, Akbar Road, Secunderabad.
4. L. Aparna, # 51, Bhel Enclave, Akbar Road, Secunderabad.
5. L. Sangeeta, # 51, Bhel Enclave, Akbar Road, Secunderabad.

The major shareholders of the Target Company also, have complied with the provisions of Chapter II.

5.11 The company has complied with all the listing requirements of the BSE and no punitive action has been taken by any of the stock exchanges. The Target Company passed a Resolution in the Annual General Meeting held on 30-09-2003 for delisting of its shares from the Ahmedabad Stock Exchange and The Hyderabad Stock Exchange and informed the same to both the Exchanges by their letter dated: 13th October, 2003. Payment of listing fees is pending from 1996 – 97 for Ahmedabad Stock Exchange. The Target Company has not filed any compliance to the Ahmedabad Stock Exchange. The Hyderabad Stock Exchange was de-recognised by the Securities and Exchange Board of India in 2007.

5.12 The present directors of the PhL as on the date of the Corrigendum to the Public Announcement are:

Name	Designation / Date of appointment	Address	Qualifications / Experience
Sri L V Vithal Rao	Chairman Re-appointed on 01-04-2002 Resigned as Managing Director on 28-02-2006 and continues as Director	51, Bhel Enclave, Akbar Road, Secunderabad–500009	Qualification: Post Graduate Experience: 48 years in Pharmaceutical Industry
Sri Maneesh R Sapte *	Managing Director 01-03-2006	51-52, Kalpataru Residency Tower 'A', Opp. Cine Planet, Sion (East), Mumbai – 400 022	Qualification: Science Graduate Experience: 15 years in Pharmaceutical line, Admin. & Production at the Manufacturing plant.
Sri. Y N Bhaskara Rao	Executive Director Re-appointed on 10-09-2004	107, Vijaya Durga Estate, Nizampet Road, Kukatpally, Hyderabad.	Qualification: Graduate in Commerce Experience: 23 years in Pharmaceutical line, Admin & Production at the Manufacturing plant.
Prof. V. B. Desai	Director 25-07-1998	81, Kalyan Krupa, 5th Main Road, Amar Jyoti Layout, Sanjaynagar, Bangalore	Qualification: Post Graduate in Pharmacy Experience: 48 years in Pharmaceutical Line
Dr. T V Subbaiah	Director 27-07-1998	8-3-1102/403, Geetanjali Apartment, Srinagar Colony, Hyderabad	Qualification: Ph. D in Bio-Chemistry Experience: 46 years in Pharmaceutical Line
Mr Ch. Srinivas	Director Appointed on 30.01.2008 in place of Mr. D L Rao who expired on 30-01-2008.	Flat No.: 3-A, Siva Residency Phase 1, Kalyan Nagar, Hyderabad – 500 038.	Qualification: B.Com., B.L., P.G.Diploma in Patent Law from NALSAR, Hyd. Experience: Practicing as Advocate in High Court of A.P. since 1991

* Mr Maneesh R. Sapte, one of the Directors of the Acquirer and PAC, was appointed as the Managing Director of Phaarmasia Limited on 01-03-2006 in his professional capacity, subject to approval of the shareholders, which was accorded on 30/11/2006 at the AGM of the Company

5.13 There have been no mergers, demergers and / or spin-offs involving the Target Company during the three years prior to the date of the PA. The company was originally incorporated as Pharmasia private limited and it was converted into a public company, namely Pharmasia Limited on 12th March, 1992. The name was changed from Pharmasia Limited to **Phaarmasia Limited** on 29-03-1995.

5.14 The audited financial information for the last three years of PhL and certified as on 31st December, 2007 is as under:

Profit & Loss Statement

(Rs. in lakhs)

P & L Statement	Year Ended Mar. 2005 (Audited)	Year Ended Mar. 2006 (Audited)	Year Ended Mar. 2007 (Audited)	9 Months Dec. 2007 (Certified)
Income from operations	1609.98	1135.03	1001.39	604.95
Other Income	1.06	0.28	0.37	0.87
Increase /(Decrease) in Stocks	0.00	0.00	-7.20	65.42
Total Income	1611.04	1135.31	994.56	671.24
Total Expenditure	1429.67	1070.53	897.55	621.75
Profit before depreciation, Interest and Tax	181.38	64.78	97.01	49.49
Depreciation	34.92	27.14	50.94	51.51
Interest	106.71	0.00	0.00	0.00
Profit before tax	39.75	37.64	46.07	-2.02
Add./Less: Previous year Adjustment	0.00	82.43	0.38	0.00
Profit for the year	39.75	120.07	46.45	-2.02
Less. Provision for Tax	0.00	-4.63	-5.33	-0.95
Add. /Less: Deferred Tax Liability	-3.32	3.07	0.49	0.00
Net Profit during the year	**36.43**	**118.51**	**41.61**	**-2.97**

Balance Sheet (Rs. lakhs)

Particulars	Year Ended Mar. 2005 (Audited)	Year Ended Mar. 2006 (Audited)	Year Ended Mar. 2007 (Audited)	9 Months Dec. 2007 (Certified)
Sources of Funds				
Paid up Share Capital	913.48	682.69	682.69	682.69
Reserves and Surplus	0.00	*118.51	*160.12	*157.15
Net Worth *	-913.48	*	*	*
Secured Loans	762.93	0.00	0.00	0.00
Un -Secured Loans	264.52	0.00	0.00	0.00
TOTAL	**1940.93**	**801.20**	**842.81**	**839.84**
Uses of Funds				
Net Fixed Assets	329.82	1599.36	1747.61	1651.35
Investments	0	0	0	0
Net Current Assets	-174.38	-462.38	-680.79	-660.40
Total Misc. Expenditure not written off	1827.80	0	0	0
TOTAL	1983.24	1136.98	1066.82	990.95
Less. Capital Reserve	-40.78	-337.32	-226.03	-153.13
Add. Deferred Tax	-1.53	1.54	2.02	2.02
TOTAL	**1940.93**	**801.20**	**842.81**	**839.84**

Other financial data	**Year Ended March' 05**	**Year Ended March' 06**	**Year Ended March' 07**
Dividend %	0	0	0
Earning per share	0.40	0.55	0.61
Return on net worth	3.98	14.80	4.93
Face value per share	10	10	10
Book value per share	0	0	0

* These are only the profits of the company transferred to Reserve, after Capital Restructuring i.e. from 1.4.06, and the existing revaluation reserves as per the Balance Sheet are not considered here. Also when the actual revaluation reserves, created and already used/exhausted to wipe out losses, are to be removed, the reserves turns negative, as per the NAV statement given, as per there in given guide lines. And so the relevant Net worth or the Book value columns are left blank, not to contradict. However, the fixed assets are taken at 'Revalued' as per the Balance sheet and that proportionate revalued addition is reduced as Capital reserve

The formulas for the financial ratios given above are as follows

a) Dividend (%) = Dividend per share/ Face value per share

b) Earnings/(Loss) per share = Profit or Loss after tax / Number of equity shares in the Company's share capital

c) Networth = Share Capital + Reserves & Surplus

d) Return on Networth = Profit after tax / Networth

e) Book Value per fully paid up Share = Networth / Number of equity shares in the Company's share capital

Un-audited figures as on 31st December, 2007 are certified by the Statutory Auditors.

5.15 Reasons for fall/rise in the total income and PAT in the relevant years.

Year 2006- 07
During the year under review there was a decrease in Turnover by 12.39% over previous year. However profit for the year registered at Rs. 41.61 lakhs as against Rs. 118.51 lakhs (previous year). The reduction of the turnover and profits was due to operations in formulations unit were completely stopped as there were no job work orders.

Year 2005 – 06
During the year the turnover decreased due to government policy, major job works have been diverted to Northern States where in benefits like Excise, Sales Tax etc. exemption are available. However profitability during the year has been increased because of waiver of interest by the Banks.

Year 2004 – 05
Compared to the previous year there was an increase in Turnover by 9 % over previous year. However, profit reduced because of higher input cost and severe competition, reducing the margin considerably.

5.16 Pre and Post Offer Shareholding pattern of PhL

Shareholder Category	Shareholding and 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 open offer (assuming full acceptances) (C)		Shareholding / voting rights after the Acquisition and offer. (D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
a) Parties to agreement, if any	-	-	-	-	-	-	-	-
b) Promoters other than (a) above	4,67,598	6.85	-	-	-	-	-	-
Total 1 (a+b)	4,67,598	6.85	-	-	-	-	-	-
2. <u>Acquirers</u>								
a) Main Acquirers	5,00,000	7.32			25,94,245	38.00	30,94,245	45.32
b) PACs	20,00,000	29.30	-	-	0	0	20,00,000	29.30
Total 2(a+b)	25,00,000	36.62			25,94,245	38.00	50,94,245	74.62
3. Parties to agreement other than 1(a) & 2 above	-	-	-	-	-	-	-	-
4. Public(other than parties to agreement, acquirers& PACs)								
a) FI's/ MFs/ FIIs/ Banks/ SFIs	5.620	0.08	-	-	-	-	-	-
b) Others	38,53,742	56.45					17,32,715	25.38
Total 4 (a + b)	**38,59,362**	**56.53**	**-**	**-**	**-**	**-**	**17,32,715**	**25.38**
Grand Total (1+2+3+4)	**68,26,960**	**100.00**					**68,26,960**	**100.00**

Total number of Shareholders as on date are 23,400

The Acquirer / PAC have not purchased any shares of the target company from the date of public announcement to the date of Letter of Offer.

The existing promoters will become part of public after the completion of Offer.

Details of change in shareholding of the promoters as and when it happened in the Target Company.

The promoters of the company were holding the complete share capital comprising of 5,00,000 shares at Rs. 10/- each till the time of public issue in 1992. Thereafter in the public issue the promoters shareholding became 25.60 % of the total share capital of Rs.4,56,74,000/-. In 1993 there were some interse transfers within the promoter group but the overall percentage of 25.60 remained the same. In 1994, there was a rights issue of 1:1 and the promoters shareholding remained the same. Other than the above mentioned change due to interse transfers there is no change in the promoters shareholding.

In 2005 due to a Scheme of arrangement for reduction of capital sanctioned by the Hon'ble High Court of Andhra Pradesh, the share capital of Rs. 9,13,48,000/- was reduced to Rs. 1,82,69,600/-. As per the scheme 50,00,000 shares were allotted to Promoter's Associates and persons other than Promoters due to which promoter shareholding came down to 6.85 % which they are holding as on date.

Chapter II Compliances: The target Company had complied with all compliances from 1997 to 2001 in the year 2004 under the SEBI (Substantial Acquisition of Shares and Takeovers) Regularisation Scheme 2002 for non-compliance of regulation 6 & 8 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the Regulations) to BSE & HSE. The company has received a letter from SEBI No. CFD/DCR/RC/TO/26660/04 dated: Nov' 29th, 2004 regarding violation of Takeover Regulations – Settlement by consent order provided the company was willing to pay an amount of Rs. 1,75,000/- as penalty for the violations. The company is corresponding with SEBI on this matter. Thereafter it has complied with Chapter II Compliances upto the year 2008 to BSE

5.17 Status of Corporate Governance and Pending Litigation:

The Company has been regular in complying with clause 49 of the listing agreement with regard to the mandatory requirements relating to corporate governance to the BSE & HSE.

The Target Company has no pending litigations.

5.18 The Compliance Officers are

Name	**Mr. V S N Murthy**	**Mr. N E V Prasada Rao**
Qualification	B. Com, P G Diploma in Law of Taxation	M. Com
Designation	Accounts Manager	Accounts Manager
Address	Plot No. 16, Phase III, IDA, Jeedimetla, Hyderabad – 500 055	Plot No. 16, Phase III, IDA, Jeedimetla, Hyderabad – 500 055
Telephone No.	040 – 2309 5690 / 2309 5002	040 – 2309 5690 / 2309 5002

VI. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 The equity shares of Phaarmasia Limited were listed at Hyderabad Stock Exchange (HSE), The Mumbai Stock Exchange (BSE) & The Ahmedabad Stock Exchange (ASE). The Target Company passed a Resolution in the Annual General Meeting held on 30-09-2003 for delisting of its shares from the Ahmedabad Stock Exchange and The Hyderabad Stock Exchange and informed the same to both the Exchanges by their letter dated: 13th October, 2003. The Hyderabad Stock Exchange was de-recognised by the Securities and Exchange Board of India in 2007.

6.1.2 The Shares of the Target Company have been considered as infrequently traded on the Stock Exchanges, as trading was suspended since April, 2006 due to the restructuring of the capital. It re-commenced from May 14th, 2008.

6.1.3 The offer price of Rs. 4/- (Rupees four only) per share has been determined as per Regulation 20(5) of the Regulations as it is the highest taking into account the following factors:

a. The negotiated price under the agreement - NIL

b. Highest price paid by Acquirer or PAC for shares of the Target Company including by way of public/rights issue or preferential allotment during the twenty-six week period prior to the date of public announcement – NIL

c. Other parameters (as on 31.03.2006)

i) Return on Networth : Rs. 14.80

ii) Book Value : 0

iii) Earning per share : 0.55

iv) P/E multiple : -

Since the shares of the company are infrequently traded the fair value of the share has been arrived based on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, 1995 (83 com case 30) the value of the equity shares of Phaarmasia Limited is computed at Rs. 4/- per equity share, as follows taking weighted average of the three methods given below:

Method	**Amount (Rs.) (X)**	**Weightage (Y)**	**Weighted Amount (Rs.) (X * Y)**
Value of shares as per Net Assets Value (NAV) Method	Nil	1	Nil
Value of shares as per Profit Earning Capacity Value (PECV) Method	3.40	2	6.80
Value of Shares as per imputed market price Method	Nil	2	Nil
TOTAL		5	6.80
Fair Value per fully Paid up Equity Share			**6.80 / 5 = 1.36**

The above NAV and PECV is certified by Mr. K S Ramakrishna, (Membership No. 21154) Partner, M/s. K S Ramakrishna & Co., Chartered Accountants, having their address at 5-9-22/38/2, Adarsh Nagar, Hyderabad – 500 463. Ph.: 040 – 2324 0992, 2323 2062, Fax No.: 040 – 2323 4234, vide his certificate dated: 26-03-2007.

6.1.4 There is no non-compete agreement entered into by the Acquirer with respect to the Offer.

6.1.5 Based on the above, in the opinion of the Managers to the Offer and the Acquirers, the Offer Price of Rs. 4/- is justified as per the Regulations.

6.1.6 As per the Regulations, the Acquirers can revise the Offer Price / Offer Size upwards up to 7 working days prior to the closure of this Offer and the revision, if any, would be announced in the same newspapers where the PA has appeared and the revised price will be paid for all Shares acquired pursuant to this Offer.

6.1.7 If the Acquirer (including PAC) acquires the Shares of the Target Company after the date of the PA and this Letter of Offer and up to 7 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 applications received under the Offer. Further, the Acquirer shall not acquire any Shares of the Target Company during the last seven working days prior to the closure of the Offer, except those accepted in the Offer.

6.2 Financial Arrangements

6.2.1 The total financial resources required for this Offer, assuming full acceptance, will be Rs. 1,03,76,980/- (Rupees one crore three lakhs seventy six thousand nine hundred and eighty only) the maximum consideration, which is now increased to Rs. 1,16,74,102/-, which includes interest @ 10% p.a. for the period of delay for payment of consideration.

6.2.2 In accordance with the Regulation 28 of The SEBI (SAST) Regulations, the Acquirer has given a bank guarantee of ICICI Bank Limited, ICICI Centre, 163, H. T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai – 400 020, to the Merchant Banker SOBHAGYA CAPITAL OPTIONS LIMITED for Rs. 25,94,245/- as per Regulation 28 (4)(b) valid till all the formalities are complied with, under the Regulations or upto 2nd December, 2008 whichever is later. The value of the bank guarantee has been enhanced to Rs. 29,19,245/- since the total consideration now includes interest payable @ 10% p.a. for the period of delay for payment of consideration. Also opened an Escrow Account with HDFC Bank Limited, Lakdi-ka-pul branch, Saeed Plaza, Lakdi-ka-pool, Hyderabad – 500 004, in favour of the Manager to the offer, SOBHAGYA CAPITAL OPTIONS LIMITED with an amount of Rs. 1,04,000/- (Rupees One Lakh Four Thousand Only) which was deposited on 24th April, 2007, being in excess of 1% of the maximum consideration payable under the offer as per Regulation 28 (10). It has been enhanced to Rs. 1,17,000/-, as per letter from HDFC Bank, dated: 11th August, 2008 based on the total consideration which now includes interest payable @ 10% p.a. for the period of delay for payment of consideration.

6.2.3 The Acquirer and PACs have adequate and firm financial resources to fulfill the obligations under the open offer. The sources of funds shall be through internal resources of the Acquirer and PAC. No borrowings from Bank/ Financial Institution is being made for the purpose. All the funds will be domestic and no foreign funds will be utilized as per Regulation 16 (xiv).

6.2.4 Mr. M. N. Nanday of M/s. M Nanday & Co., Chartered Accountants (Membership No: 38132), having their address at: D-13, Samruddhi, Baburao Parulekar Marg, Dadar(W), Mumbai – 400 028, Phone: 022 – 2430 7969 / 2432 4308, vide certificate dated 27-11- 2006 certified the adequacy of financial resources of Acquirers for fulfilling all the obligations under the Offer. Another Certificate dated: 23/06/2008 from Mr. Jitendra D Padwal of M/s. J D Padwal & Co., Chartered Accountants (Membership No: 48993), 352/A, Sanjog, Veear Savarkar Marg, Dadar(West), Mumbai – 400 028, Ph.: 022 – 2436 5254, certifying the financial adequacy of the Acquirer to fulfill the Open Offer obligations.

6.2.5 The Manager to the offer SOBHAGYA CAPITAL OPTIONS LIMITED has been duly authorised by the acquirer and persons acting in concert to operate and realise the value of the Escrow Account in terms of the Regulations

6.2.6 The Manager to the offer SOBHAGYA CAPITAL OPTIONS LIMITED confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfil offer obligations.

VII. TERMS AND CONDITIONS OF THE OFFER

7.1

a. The Offer is being made in accordance with Regulation 11 (1) & 12 of SEBI (SAST) Regulations 1997 to consolidate their holdings.

b. The Acquirer and PAC have made a Public Announcement on 27th April, 2007 and Corrigendum to the Public Announcement on August 30, 2008, for the offer. The offer is made to all the shareholders of PhL (except Acquirer and PAC). However, the Letter of Offer is being mailed to those shareholders whose names appear on the Register of Members, at the close of business on the specified date i.e., Friday, 25th May, 2007.

c. The acceptance of the offer made by the Acquirer is entirely at the discretion of equity shareholders of PhL and each shareholder of PhL to whom this offer is made, is free to offer his shareholding in PhL, in whole or in part, while accepting the offer.

d. Any Equity Shares of PhL that are subject matter of litigation or are held in abeyance due to pending court cases, wherein the shareholders of PhL may be precluded from transferring the equity shares during pendency of the said litigation are liable to be rejected in case directions/orders to the contrary regarding these equity shares are not received together with the equity shares tendered under the offer. The Letter of Offer in some of these cases, wherever possible would be forwarded to the concerned statutory authorities for further action at their end.

e. The Offer will open on Friday, 12th September, 2008 and close on Wednesday, 1st October, 2008 (both days inclusive).

f. Accidental omission to dispatch this letter of offer or any further communication to any person to whom this letter of offer is made or the non-receipt of this letter of offer by any such person shall not invalidate the offer in any way.

g. The instructions, authorizations and provisions contained in the form of acceptance and form of withdrawal constitute an integral part of the terms of this offer.

h. The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of PhL (except the Acquirer and PACs) whose names appear on the Register of Members of PhL at the close of the business hours on Friday, 25th May, 2007 (the Specified Date).

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

j. The acceptance of the Offer must be unconditional and should be sent in the attached Form of Acceptance along with the other documents duly filled in and signed by the applicant shareholder(s), which should be received by the Registrar. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.

k. Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the equity shareholders of PhL are advised to adequately safeguard their interest in this regard.

l. As already mentioned elsewhere in this Letter of Offer, the Offer is not subject to any minimum level of acceptance and Acquirer and/or Persons Acting in Concert will acquire all the paid-up equity shares of PhL that are validly tendered in terms of this Offer up to a maximum of 25,94,245 Equity Shares. Thus, the Acquirer will proceed with the Offer even if it is unable to obtain acceptance to the full extent of the equity shares of PhL, for which this Offer is made.

m. The Acquirer reserves the right of upward revision of price at any time up to seven working days prior to the closure of the Offer, as per Regulation 26 of the Regulations. If there is any upward revision in the Offer Price before the last date of revision (i.e., Monday, 22nd September, 2008) the same would be informed by way of Public Announcement in the newspapers mentioned in para 2.2.1 of this Letter of Offer. Such revised Offer Price would be payable to all shareholders who tender their shares at any time during the Offer and which are accepted under the Offer.

n. Shareholders who wish to tender the 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, M/s. Venture Capital and Corporate Investments Pvt. Limited, Regd. Off.: 12-10-167, Bharat Nagar, Hyderabad – 500 018. Phone Nos.: 040 – 2381 8475 / 76 / 2386 8023, Fax No.: 040 – 2386 8024, Email: info@vccilindia.com, either by hand delivery during normal business hours Monday to Saturday 10.00 a.m. to 5.00 p.m. (excluding Bank Holidays) or by Registered Post on or before the close of the offer i.e., Wednesday, 1st October, 2008 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgement.

o. Beneficial Owners and Shareholders holding shares in the dematerialised form, will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the offer either by hand delivery during normal business hours or by Registered Post on or before the close of the offer i.e., Wednesday, 1st October, 2008, along with photocopy of the delivery instructions in "Off Market" mode or counterfoil of the delivery instructions in "Off Market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of M/s. Venture Capital and Corporate Investments Pvt. Limited. For further details please refer to the Letter of Offer.

p. All owners of shares, registered or unregistered (except the Acquirer and Other Promoters), who own the shares at any time prior to the closure of the offer are eligible to participate in the offer. Unregistered owners can send their application in writing to the M/s. Venture Capital and Corporate Investments Pvt. Limited, Regd. Off.: 12-10-167, Bharat Nagar, Hyderabad – 500 018. Phone Nos.: 040 – 2381 8475 / 76 / 2386 8023, Fax No.: 040 – 2386 8024, Email: info@vccilindia.com,, to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares Offered, Distinctive Numbers, Folio No., together with the Original Share Certificate(s), valid transfer deed(s) and a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

q. In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance to M/s. Venture Capital and Corporate Investments Pvt. Limited, Regd. Off.: 12-10-167, Bharat Nagar, Hyderabad – 500 018. Phone Nos.: 040 – 2381 8475 / 76 / 2386 8023, Fax No.: 040 – 2386 8024, Email: info@vccilindia.com, on a plain paper stating the Name, Address, No. of shares held, Distinctive Nos., Folio No., No. of shares offered, along with documents as mentioned above, so as to reach him on or before the close of the Offer, i.e., Wednesday, 1st October, 2008.

r. M/s. Venture Capital and Corporate Investments Pvt. Limited, Regd. Off.: 12-10-167, Bharat Nagar, Hyderabad – 500 018. Phone Nos.: 040 – 2381 8475 / 76 / 2386 8023, Fax No.: 040 – 2386 8024, Email: info@vccilindia.com, the Registrar to the Offer will hold in trust the shares/share certificates, shares Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders, who have accepted the offer, until the cheques / drafts for the consideration and/ or the unaccepted shares/ share certificates are dispatched/ returned.

s. 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.

t. In case the shares tendered in the offer by the shareholders of PhL are more than the shares to be acquired under the offer, the acquisition of the shares from each shareholder will be as per the provision of Regulation 21(6) of the Regulations on a proportionate basis

u. Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance cum Acknowledgement, which will be available on SEBI's website at http://www.sebi.gov.in from the offer opening Date i.e., Friday, 12th September, 2008 and apply in the same.

v. Shareholders who have sent their shares for demat need to ensure that the process of getting shares demated is completed well in time so that the credit in the Escrow Account should be received on or before the date of closure of the Offer, i.e., Wednesday, 1st October, 2008 else the application would be rejected.

w. Procedure for withdrawal of application

I. In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations 1997, shareholders shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date i.e., Friday 26th September, 2008.

II. Shareholders who wish to withdraw their shares from the Offer will be required to send the Form of Withdrawal duly completed & signed along with the requisite documents.

III. In case of non receipt of Form of Withdrawal, the withdrawal can be exercised by making an application on plain paper along with the following details:-

- **In case of physical shares**: by stating Name, Address, Distinctive numbers, Folio number, Number of shares tendered.
- **In case of dematerialised shares**: by stating Name, Address, Folio number, Number of shares tendered, DP Name, DP ID, beneficiary account number, photocopy of the delivery instruction in “Off Market” mode duly acknowledged by the DP in favour of the special depository account.
- **In either case**: a copy of the acknowledgement received from the Registrar to the Offer upon tendering of the Shares, so as to reach the Registrar, M/s. Venture Capital and Corporate Investments Pvt. Limited, Regd. Off.: 12-10-167, Bharat Nagar, Hyderabad – 500 018. Phone Nos.: 040 – 2381 8475 / 76 / 2386 8023, Fax No.: 040 – 2386 8024, Email: info@vccilindia.com,, either by hand delivery or by registered post on or before Friday 26th September, 2008

7.2 Shares subject to Lock in

There are no Equity Shares of the company which are subject to lock in.

7.3 Eligibility for accepting the offer

This offer is made to all the Shareholders who are the holders of fully paid up equity shares (Except Acquirer and PACs) whose names appear in the register of shareholders on Friday, 25th May, 2007 being the specified date and also to those persons who own fully paid up shares of PhL any time prior to the closure of the offer, but are not the registered shareholders.

7.4 Statutory Approvals

This Offer is subject to the statutory approvals and conditions for acquisition of shares of the target company .Application will be made to RBI to obtain its approvals for the acquisition / transfer of Shares validly tendered pursuant to this Offer if required. As on the date of the PA, there are no other statutory approvals required to acquire the shares that are validly tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event any statutory approval indicated herein is not obtained in terms of regulation 27 of the Regulations.

It may be noted that in case of non-receipt of statutory approvals within time, SEBI has a power to grant extension of time to the Acquirers for payment of consideration to Shareholders subject to the Acquirers paying interest for the delay beyond 30 days from the date of the closure of the Offer, as directed by SEBI under regulation 22(12) of the

Regulations. In case of extension of time for payment of consideration, interest will be payable as per the provisions of regulation 22(12) of the Regulations.

VIII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1 The Shareholders of PhL, who wish to avail themselves of this offer should forward the under mentioned documents by hand delivery or by registered post to the Registrar at the office address mentioned on the first page of this Letter of Offer so as to reach the Registrar on or before Wednesday, 1st October, 2008 (the Offer Closure Date) on working days (Monday to Saturday) between 10.00 AM and 5.00 PM on any working day.

In case of dematerialised shares, the Registrar is not bound to accept those offers, which have not yet being credited to the depository account opened for this purpose on the closure of the offer.

a) For Equity Shares held in dematerialised form:

i. Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository.

ii. Photocopy of the delivery instruction in "Off Market" mode or counterfoil of the delivery instruction in "Off Market" mode, duly acknowledged by the relevant Depository participant (DP).

iii. For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.

iv. The details of the special depository account opened by the Registrar named **"VCCIPL ESCROW ACCOUNT – PHAARMASIA LIMITED – OPEN OFFER"**, are as under:-

DP Name	Inter-Connected Stock Exchange of India Limited (CDSL)
DP ID	1302340000281979

Shareholders holding their beneficiary account in National Securities Depository Limited ('NSDL) will have to use an inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with CDSL

Incase of non-receipt of the aforesaid documents, but receipt of the shares in the special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by the Shareholder.

Shareholders should ensure that the credit for the delivered shares should be received in the Special Depository Escrow Account on or before the Closure of the Offer. (i.e., Wednesday, 1st October, 2008)

b) For Equity Shares held in Physical form.

Registered Shareholders should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/first shareholder whose names appear on the share certificate(s) (in case of joint holdings) in the same order in which their names appear in the Registrar of Members.
- Original Share Certificate(s).
- Valid Share Transfer deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with PhL and duly witnessed at the appropriate place, preferably, by a Notary or Bank Manager or Member of Stock Exchange under their seal of office and membership number. The Transfer Deed should be left blank except for the signatures as mentioned above. A blank Share Transfer Deed is enclosed along with this Letter of Offer.

Unregistered Shareholders should enclose:

- Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein by the person accepting the Offer.
- Original share certificate(s)
- Valid share transfer form(s) as received from market
- Original contract note issued by the Broker through whom the shares were acquired.

It may be noted that if the specimen signature(s) of the acceptor differs with the specimen signature(s) recorded with PhL or if they are not in the same order, such shares are liable to be rejected under this Offer.

Non-Residents if any should also enclose a copy of permission received from RBI for the shares held by them in PhL.

Neither the share certificate(s) nor transfer deed(s) nor the form of acceptance should be sent to the Acquirer/ Target Company or Manager to the Offer. The same should be sent to the Registrar only.

8.2 Procedure for acceptance of the offer by unregistered shareholders, owners of shares who have sent them for transfer or those who did not receive the Letter of Offer

8.2 (i)

a) Persons who hold shares of PhL, but who are not registered shareholders are also eligible to participate in the offer. Such unregistered shareholders or eligible shareholders who did not receive the Letter of Offer may send their consent to the Registrar, on a plain paper stating their Name, Address, no. of shares held, Distinctive Nos., Folio No., Number of Shares offered. Alternatively such shareholders if they so desire may apply on the form of acceptance cum acknowledgement obtained from the SEBI web site www.sebi.gov.in. The application on plain paper or on the form of acceptance should be tendered along with the original share certificates and valid share transfer deeds duly executed and witnessed as explained at 8.1 above. Shareholders whose shares have been sent for transfer but have not yet been received back by them should tender their applications as above along with documents to prove their title to the shares offered for acceptance, such as original brokers contract note, along with duly executed and witnessed transfer deed(s). The applications / documents should be sent by registered post to the Registrar and should not be sent to the Merchant Banker to the Offer and the Acquirer. No indemnity is required from unregistered shareholders.

b) It may be noted that if the specimen signature(s) of the Transferor differs with the specimen signature(s) recorded with PhL or are not in the same order, such shares are liable to be rejected under this Offer even, if the Offer has been accepted by a bonafide owner of such un-transferred shares.

c) Non-Residents if any should also enclose copy of permission received from RBI for the shares held by them in PhL and No Objection Certificate / Tax Clearance Certificate from the Income-Tax Authorities under Income Tax Act, 1961, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid No Objection Certificate/Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholders.

d) Payment of consideration will be made by crossed account payee cheques / demand drafts and sent by registered post to those shareholders whose share certificates and other documents are found in order and accepted by the Acquirer. All cheques / demand drafts will be drawn in the name of the First Holder in case of Joint Registered holders. In case of unregistered owner of the shares, payments will be made by crossed account payee cheque / demand draft in the name of the person specified by such unregistered owner. Such unregistered owners may at their own option provide details of their Bank accounts in the Form of Acceptance and Authority/plain paper application.

e) The Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent. Such documents may include, but are not limited to:

1. Duly attested death certificate and succession certificate (in case of single shareholder) in case of the original shareholder is deceased.
2. Duly attested Power of Attorney, if any person apart from the shareholder has signed the application form and/or transfer deed(s).
3. In case of Companies, the necessary corporate authorisations (including Board Resolutions).
4. Any other relevant documents

8.2 (ii) If the aggregate of the valid response to the Offer exceeds 25,94,245 fully paid up equity shares, then the Acquirer shall accept the offers received on a proportionate basis in accordance with Regulation 21(6) of the Regulations. The Acquisition of shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than marketable lot.

8.2 (iii) Barring unforeseen circumstances and factors beyond their control, the acquirer intends to complete all formalities pertaining to the purchase of the shares, including payment of consideration to the shareholders who have accepted the Offer, within 15 days from the date of closure of this Offer.

8.2 (iv) Where the Acquirer is unable to make the payment to the shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by SEBI from time to time.

8.2 (v) In case of acceptance on proportionate basis or in cases where acceptances are rejected, the unaccepted / rejected share certificates, transfer deeds and other documents, if any, will be returned by registered post to the shareholders / unregistered owners.

8.2 (vi) The Registrar to the Offer will hold in trust the share certificates, on behalf of shareholders / unregistered owners of shares of PhL who have accepted the Offer, till the acquirer completes the offer obligations in terms of the Regulations.

8.3 The marketable lot of the shares of the Target Company is 20.

8.4 A copy of this Letter of Offer (including the Form of Acceptance-cum-Acknowledgement) is expected to be available on SEBI's web-site (www.sebi.gov.in) during the period the Offer is open. Eligible Shareholders can make an application in the Offer in the form downloaded from SEBI's website as one of the alternatives for applying in the Offer.

IX. MATERIAL DOCUMENTS FOR INSPECTION

Copies of the following Material documents will be available during the offer period for inspection at the office of SOBHAGYA CAPITAL OPTIONS LIMITED, 7-1-32/4, P – 1, Leela Nagar, Begumpet, Hyderabad - 500 016, between 10 a.m. up to 1 p.m. and 2 p.m. to 5 p.m. on any working day.

9.1 Certificate of Incorporation and Memorandum and Articles of Association of Phaarmasia Limited.

9.2 Certificate from Mr. M N Nanday of M/s. M Nanday & Co., Chartered Accountants (Membership No: 38132), D-13, Samrudhi, Baburao Parulekar Marg, Dadar (W), Mumbai – 400 028, Ph.: 022 – 2430 7969 / 2432 4308, vide certificate dated 14/12/2006, has confirmed the Networth of the Acquirer, M/s. Maneesh Pharmaceuticals Limited and it has been reconfirmed as Rs.249.07 Crores as on 10th April, 2008.

9.3 Mr. M. N. Nanday of M/s. M Nanday & Co., Chartered Accountants (Membership No: 38132), having their address at: D-13, Samruddhi, Baburao Parulekar Marg, Dadar(W), Mumbai – 400 028, Phone: 022 – 2430 7969 / 2432 4308, vide certificate dated 27-11- 2006 certified the adequacy of financial resources of Acquirers for fulfilling all the obligations under the Offer. Another Certificate dated: 23/06/2008 from Mr. Jitendra D Padwal of M/s. J D Padwal & Co., Chartered Accountants (Membership No: 48993), 352/A, Sanjog, Veear Savarkar Marg, Dadar(West), Mumbai – 400 028, Ph.: 022 – 2436 5254, certifying the financial adequacy of the Acquirer to fulfill the Open Offer obligations.

9.4 NAV, PECV Certificate of the shares of PhL as certified by Mr. K S Ramakrishna, Partner, M/s. K S Ramakrishna & Co., Chartered Accountants, (Membership No. 21154), having their address at 5-9-22/38/2, Adarsh Nagar, Hyderabad – 500 463. Ph.: 040 – 2324 0992, 2323 2062, Fax No.: 040 – 2323 4234, vide dated: 26.03.2007.

9.5 Audited Accounts of Phaarmasia Limited for the accounting years ended 31st March, 2005, 31st March, 2006, 31st March, 2007 and certified results as on 31st December, 2007 for the nine months period.

9.6 Bank guarantee of ICICI Bank Limited, ICICI Centre, 163, H. T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai – 400 020, to the Merchant Banker SOBHAGYA CAPITAL OPTIONS LIMITED for Rs. 25,94,245/- as per Regulation 28 (4)(b) valid till all the formalities are complied with, under the Regulations or upto 2nd December, 2008 whichever is later. The value of the bank guarantee has been enhanced to Rs. 29,19,245/- since the total consideration now includes interest payable @ 10% p.a. for the period of delay for payment of consideration.

A letter from HDFC Bank, dated: 26th April 2007 confirming the amount kept in the Escrow account and lien marked in favour of the Merchant Banker to the Offer. A letter from HDFC Bank, dated: 11th August, 2008 for enhancing the amount kept in the Escrow account and lien marked in favour of the Merchant Banker to the Offer due to increase in the total consideration to include the interest payable.

9.7 Copy of the order of the Scheme of Arrangement of Reduction of Capital sanctioned by the Hon'ble High Court of Andhra Pradesh

9.8 Published copy of the Public Announcement which appeared on 27th April, 2007 and Corrigendum to the Public Announcement dated August 30, 2008.

9.9 Letter from the Depository regarding the special depository account with the depository participant dated: 8/5/2008.

9.10 Copy of SEBI letter no: CFD/DCR/TO/AK/136058/2008 dated: 26th August, 2008, in terms of provision to Reg. 18(2).

X. DECLARATION BY THE ACQUIRER AND PAC

10.1 The Acquirer and PAC accept full responsibility for the information contained in this Letter of Offer and Form of Acceptance and also for the obligations of the Acquirer and PAC, laid down in the Regulations and any subsequent amendments made thereto.

10.2 The Acquirer and PAC shall be jointly and severally responsible for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

For The Acquirer and Person Acting in Concert,

For M/s. Maneesh Pharmaceuticals Limited

Sd/-
Vinay R Sapte
Chairman & Managing Director

Place: Mumbai
Date: 30-08-2008

Attached: Form of Acceptance – cum - Acknowledgement.
Form of Withdrawal
Transfer deed.

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

From
Folio No.:/DP ID No/Client ID No.:

OFFER OPENS ON	**Friday, 12th September, 2008**
OFFER CLOSES ON	**Wednesday, 1st October, 2008**

Tel.: **Fax:** **E-mail:**

To,
"VCCIPL ESCROW ACCOUNT – PHAARMASIA LIMITED – OPEN OFFER"
Venture Capital and Corporate Investments Pvt. Limited,
Regd. Off.: 12-10-167,
Bharat Nagar,
Hyderabad – 500 018.

Dear Sirs,

Sub: Open offer for Acquisition of 25,94,245 Equity Shares of Phaarmasia Limited representing 38% of its voting capital, by M/s. Maneesh Pharmaceuticals Limited and M/s Svizera Labs Pvt. Ltd., ("Acquirer" and PAC).

I/We refer to the Letter of Offer dated 30-08-2008 for acquiring the Equity Shares held by me/us in Phaarmasia Limited. I/We have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We also understand and accept that my/our acceptance of the Offer will become a fully valid and binding contract between me/us and you, only upon fulfillment of all the conditions mentioned in Point VIII of the Letter of Offer. I/We hereby irrevocably and unconditionally accept the Offer and enclose the original Share Certificate(s) and duly signed Transfer Deed(s) in respect of my/our shares, as detailed below (please enclose additional sheet if required).

Sl. No.	**Ledger Folio No.**	**Certificate Nos.**		**Distinctive Nos.**		**No. of shares**
		From	To	From	To	
Total no of equity shares to be sold						

I/We confirm that the equity shares of Phaarmasia Limited, which are being tendered by me/us under this offer is free from liens, charges and encumbrances of any kind whatsoever. I/We note and understand that the original share certificate(s) and valid share transfer deeds will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer gives the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the acquirer will pay the purchase consideration only after the verification of the documents and signatures. I/We authorise the Acquirer to accept the shares so offered which they may decide to accept in consultation with the Merchant Banker and the Registrar in terms of the Letter of Offer and I/We further authorise the Registrar to return to me/us equity share Certificate(s) in respect of which the Offer is nor found valid/not accepted, specifying the reasons thereof. I/We or my/our legal heirs/legal representatives do not have any claim over the same and my/our acceptance under the said Offer cannot be disputed upon. I/We authorise the Registrar to send by UCP/Registered Post the draft/pay order, in settlement of the amount to the sole/first holder at the address mentioned below

<u>If the shares are in Dematerialised form:</u>
I/We hold shares in Dematerialsed Form, accept the Offer and enclosed photocopy of the delivery instruction duly acknowledged by DP in respect of my equity shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We have done an Off-Market transaction for crediting the shares to the **"VCCIPL ESCROW ACCOUNT – PHAARMASIA LIMITED – OPEN OFFER"**, whose particulars are, DP Name – Inter-Connected Stock Exchange of India Limited (CDSL)
I/We note and understand that the Shares would lie in the said A/c i.e., **"VCCIPL ESCROW ACCOUNT – PHAARMASIA LIMITED – OPEN OFFER"**, until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.
I/We authorise the Acquirer to accept the shares so offered, which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorise the Acquirer to return to me/us, the equity share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof and in the case of dematerialsed shares, to the extent not accepted will be released to my Depository Account at my sole risk.
I/We authorise the Acquirer or the Manger to the Offer or the Registrar to the Offer to send by registered post the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

Name of Bank		Account No.		Savings/Current/NRE/NRO/Others(Please tick)	
Address of the Branch					

Yours faithfully,

Signed and delivered by	FULL NAME (S)	SIGNATURE(S)
1st Shareholder		
2nd Shareholder		
3rd Shareholder		

Note: In case of joint holdings all must sign. A Corporation must affix its common seal.

Place: Date:

So as to avoid fraudulent encashment in transit, the shareholders may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank & Branch ____________________ Account Number_______________________ Savings/Current/(others; please specify)

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Acknowledgement slip

Received from Mr./Ms.___________________________________ Folio No.____________
Number of certificates Enclosed Certificate Numbers
Total number of shares Enclosed

Stamp of collection Centre Signature of Official Date of Receipt

INSTRUCTIONS

For Shareholders for holding shares in Dematerialsed form:

a. Shareholders should ensure that their shares are credited in favour of the special depository account, before the closure of the offer i.e., Wednesday, 1st October, 2008
b. Shareholders should enclose the following:
    i. Form of Acceptance duly completed and signed
    ii. A photocopy of the delivery instruction in "Off–Market" mode or counterfoil of delivery instruction in "Off-Market" mode, duly acknowledged by the DP
    iii. For each delivery instruction the Beneficial Owner should submit a separate form of acceptance.

Shareholders holding physical shares should enclose:

a. Form of Acceptance duly completed and signed.
b. Original Share Certificate(s)
c. Valid Share Transfer Deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signature lodged with Phaarmasia Limited and duly witnessed.

Unregistered owners should enclose

a. Form of Acceptance duly completed and signed.
b. Original Share Certificate(s)
c. Brokers contract note in original
d. Transfer deed(s) executed by the registered holders of the shares.

NRI's / OCB's / Foreign shareholders should submit

a. The previous RBI approvals (Specific or general) that they would have obtained for acquiring shares of Phaarmasia Limited.
b. No Objection Certificate/Tax clearance Certificate, indicating the amount of tax to be deducted by Acquirer before remitting the consideration, from the Income-Tax Authorities under the Income Tax Act, 1961.

Other Documents as necessary

a. Duly attested death certificate and succession certificate (in case of single shareholder) if the original shareholder is deceased.
b. Duly Attested Power of attorney if any person apart from the shareholder has signed the application form and / or transfer deed(s).
c. No Objection Certificate from the charge holder/lender, if the shares in respect of which the application is sent, are under any charge, lien or encumbrance.
d. In case of companies, the necessary corporate authorization (including Board Resolutions)
e. Any other relevant documentation.

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Note All future correspondence. If any, should be addressed to the Registrar to the Offer

Venture Capital and Corporate Investments Pvt. Limited,
Regd. Off.: 12-10-167, Bharat Nagar, Hyderabad – 500 018.
Phone Nos.: 040 – 2381 8475 / 76 / 2386 8023, Fax No.: 040 – 2386 8024, Email: info@vccilindia.com,

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to this offer any time up to three working days prior to the date of closure of offer i.e. on or before **Wednesday, 1st October, 2008.** In case you wish to withdraw your acceptance please use this form.	OFFER SCHEDULE OFFER OPENS ON : **12th September, 2008** LAST DATE OF WITHDRAWAL : **26th September, 2008** OFFER CLOSES ON : **1st October, 2008**

From:

Tel No. Fax No.: E-mail:

To,
The Registrar,
"VCCIPL ESCROW ACCOUNT – PHAARMASIA LIMITED – OPEN OFFER"
Venture Capital and Corporate Investments Pvt. Limited,
Regd. Off.: 12-10-167,
Bharat Nagar,
Hyderabad – 500 018.

Sub: Open offer for Acquisition of 25,94,245 Equity Shares of Phaarmasia Limited representing 38% of its voting capital, by M/s. Maneesh Pharmaceuticals Limited and M/s Svizera Labs Pvt. Ltd., ("Acquirer" and PACs).

Dear Sir,
I/We refer to the letter of offer-dated 30-08-2008, for acquiring the equity shares held by me/us in Phaarmasia Limited.
I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.
I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.
I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer.
I/We note that this Form of Withdrawal should reach the Registrar at the address mentioned in the Letter of Offer on or before the last date of withdrawal.
I/We note that the Acquirer/Manager/Registrar to the Offer shall not be liable for any postal delay/loss in transit for the equity shares.
I/We also note and understand that the Registrar will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures etc.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:
Ledger Folio No. ______________ No. of Equity Shares ______________________________

Sl.No.	Certificate Nos.	Distinctive Nos.		No. of Shares
Total number of equity shares Tendered		**From**	**To**	
Total number of Equity Shares tendered Withdrawn				

(In case of insufficient space, please use additional sheet and authenticate the same)
I/We hold the following shares in dematerialised Form and had done an Off-Market transaction for crediting the Shares to the **"VCCIPL ESCROW ACCOUNT – PHAARMASIA LIMITED – OPEN OFFER"** as per the following particulars.

DP Name – Inter-Connected Stock Exchange of India Limited (CDSL)	DP ID / Client ID: 1302340000281979

Please find enclosed a photocopy of the Depository Delivery Instruction(s) (TIFD) duly acknowledged by the Depository Participant.
The particulars of the account from which my/our Shares have been tendered are as detailed below.

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We note that the Shares will be credited back only to that Depository Account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.

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

In case of dematerialsed equity shares, I/We confirm that the signatures of the beneficiary holders have been certified by the DP as per the records maintained at their end and the same has also been duly attested by them under their seal.

Yours faithfully,

Signed and Delivered by	Full Name(s) and Address	Signatures(s)	Verified and attested (by DP in case of Demat Shares and by Bank in case of physical Shares)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.

Place:_____________________ Date:____________________

--TEAR HERE--

Folio No.:	Sr. No.:		(Acknowledgement Slip)	
Received from Mr./Ms.			Signature of Official and Date of Receipt	Stamp
Address				
Form of withdrawal in respect of __________ Number of Share Certificates representing _________ number of shares.				

INSTRUCTIONS

1. The Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the address mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal.
2. Shareholders should enclose the following:
   i. for Equity Shares held in demat form:
   - Duly signed and completed form of withdrawal.
   - Copy of the form of acceptance-cum-acknowledgement/Plain paper application submitted and the Acknowledgement slip.
   - A photocopy of the delivery instruction in "Off–Market" mode or counterfoil of delivery instruction in "Off-Market" mode, duly acknowledged by the DP

   ii. for Equity Shares held in physical form:
   - Duly signed and completed form of withdrawal.
   - Copy of the form of acceptance-cum-acknowledgement/Plain paper application submitted and the Acknowledgement slip.
   - Incase of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holding(s) in the same order and as per specimen signatures registered with Phaarmasia Limited, and duly witnessed at the appropriate place.

   iii. Un registered owners should enclose:
   - Duly signed and completed Form of withdrawal.
   - Copy of the Form of Acceptance-cum-acknowledgement / Plain paper application submitted and the Acknowledgement slip.

3. The withdrawal of Share will be available only for the Share Certificate/shares that have been received by the Registrar.

4. The intimation of returned shares to the Shareholders will be at the address as per the records of the Target Company.

5. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the offer.

6. In case of partial withdrawal of Shares tendered, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is only available to registered shareholders.

7. Shareholders holding shares in dematerialised form are required to issue the necessary standing instructions for the receipt of the credit in their DP account.

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Note All future correspondence. If any, should be addressed to the Registrar to the Offer

Venture Capital and Corporate Investments Pvt. Limited,

Regd. Off.: 12-10-167, Bharat Nagar, Hyderabad – 500 018.

Phone Nos.: 040 – 2381 8475 / 76 / 2386 8023, Fax No.: 040 – 2386 8024, Email: info@vccilindia.com

(1) All queries pertaining to this Offer may be directed to the Registrar to the Offer.

(2) In case of Shares held in joint names, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.

(3) In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(4) In case of bodies corporate, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(5) All the Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

(a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.

(b) Duly attested power of attorney if any person apart from the shareholder has signed withdrawal form or transfer deed(s).

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