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 **Secunderabad Health Care Limited**. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the 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.

OPEN OFFER
By
Mr. Medasani Munisekhar

Flat No. 304, Vasantha Emerald Gardens, Madhapur, Hyderabad-500 081;
Tel No.:040-55881177; Fax No.: 040-23731687

To the shareholders of
SECUNDERABAD HEALTH CARE LIMITED (SHCL)

Regd. Office: 22-A/1, Phase-II, APIIC Colony, Jeedimetla, Hyderabad-500 055.
Corp. Off. : 402, Vijay Laxmi Residency, Indrapuri Colony, West Maredpally, Secunderabad-500 003.
Tel. No: 040-55225969, Fax: 040-23741128

for the purchase of 7,12,000 equity shares of Rs. 10/- each, representing 20.00% of its equity share capital at a price of Rs. 4.50 per fully paid-up share and Rs. 2.00 per partly paid-up share. These shares will be acquired in cash, in accordance with Regulation 20 (2)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof, from the equity shareholders of SHCL.

This Offer is being made in compliance with Regulation 10 & 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereof (hereinafter referred to as “the Regulations”).

The Offer along with any obligation relating to payment for, and purchase of, the shares tendered is subject to the receipt of necessary approval(s), if any, from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 ("FEMA") and subsequent amendments there to. There are no other statutory approvals required to acquire shares that are tendered pursuant to this Offer.

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 date of Closure of the Offer i.e. on or before May 31, 2006.

The Acquirer has the option to revise the Offer Price upward any time up to seven working days prior to the date of Closure of the Offer i.e. on or before May 25, 2006.

The upward revision/ withdrawal if any, of the Offer would be informed by way of Public Announcement in respect of such changes in all the newspapers in which the original Public Announcement was made. Such revised Offer Price would be payable by the Acquirer for all the shares tendered any time during the Offer.

The Offer is not conditional and not subject to any minimum level of acceptance from Shareholders.

If there is a Competitive Bid:

- **The Public Offers under all the subsisting bids shall close on the same date.**
- **As the Offer Price cannot be revised during 7 working days prior to the Closing date of the Offers/ Bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**

The Public Announcement, Corrigendum to Public Announcement and this Letter of Offer including the Form of Acceptance cum Acknowledgement and Form of Withdrawal would also be available on SEBI’s website at www.sebi.gov.in.

MANAGER TO THE OFFER:	**REGISTRAR TO THE OFFER:**
ASHIKA CAPITAL LIMITED 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021. Tel: +91-22-66111700 Fax: +91-22-6611710 E-Mail:ashika_mumbai@rediffmail.com **Contact Person: Mr. Rajendra Kanoongo**	**AARTHI CONSULTANTS PVT. LTD.** 1-2-285, Domalguda, Hyderabad-500 029. Tel: +91-40-27642217/27638111; Fax: +91-40-27632184. E-mail: aarcons@hd2.dot.net.in **Contact Person: Mr. G. Bhaskar**

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activities	Original Date & Day	Revised Date & Day
Public Announcement	March 22, 2006 (Wednesday)	March 22, 2006 (Wednesday)
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	March 24, 2006 (Friday)	March 24, 2006 (Friday)
Last Date for a Competitive Bid, if any	April 12, 2006 (Wednesday)	April 12, 2006 (Wednesday)
Corrigendum to the Public Announcement	May 4, 2006 (Thursday)	May 4, 2006 (Thursday)
Date by which the Letter Of Offer to be Despatched to shareholders	May 4, 2006 (Thursday)	May 9, 2006 (Tuesday)
Date of Opening of the Offer	May 11, 2006 (Thursday)	May 15, 2006 (Monday)
Last date for revising the Offer Price/ Number of Shares	May 19, 2006 (Friday)	May 25, 2006 (Thursday)
Last date for Withdrawal of Acceptance by Shareholders	May 25, 2006 (Thursday)	May 31, 2006 (Wednesday)
Date of Closing of the Offer	May 30, 2006 (Tuesday)	June 3, 2006 (Saturday)
Date by which communicating rejection/acceptance and despatch of Cheques/Demand Drafts towards payment of consideration to be completed	June 14, 2006 (Wednesday)	June 17, 2006 (Saturday)

Risk Factors relating to the transaction, the proposed Offer and probable risks involved in associating with the Acquirer:

In relation to the proposed transaction:
The Share Purchase Agreement contains a clause that it is subject to the provisions of SEBI (SAST) Regulations, 1997 and in case of non-compliance with any of the provisions of the Regulations; the agreement for such sale shall not be acted upon by the Sellers or the Acquirer.

In relation to the Proposed Offer:
In case the shares tendered in the open offer are more than the shares agreed to be acquired by the Acquirer, the Acquirer shall accept all valid applications received from the shareholders of the company on a proportionate basis ensuring that it does not result in odd lots.

In associating with the Acquirer and Perception:
The Shares tendered in the Offer in demat form will lie to the credit of a designated escrow account and the shares tendered in physical form will lie with the Registrar to the Offer, till the completion of the Offer formalities. The Acquirer makes no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of SHCL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of SHCL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer.

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ABBREVIATIONS / DEFINITIONS

Acquirer	Mr. Medasani Munisekhar
BSE	Bombay Stock Exchange Limited, Mumbai
Eligible Persons for the Offer	All owners of shares registered or unregistered of SHCL (who own shares at any time prior to the Closure of the Offer) except Acquirer and the Sellers
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance	Form of Acceptance cum Acknowledgement
Form of Withdrawal	Form of Withdrawal cum Acknowledgement
HSE	The Hyderabad Stock Exchange Limited, Hyderabad
LOO or Letter of Offer	Offer Document
Manager to the Offer	Ashika Capital Limited
Negotiated Price	Re. 1/- (Rupee one only) per fully paid-up equity share of face value of Rs.10/- each
Offer	Cash Offer being made by the Acquirer to acquire 7,12,000 Equity Shares of Rs.10/- each representing 20% of Equity Share Capital of SHCL
Offer Price	Rs. 4.50 per fully paid-up share and Rs. 2.00 per partly paid-up share
PA / Public Announcement	Announcement of the Offer made by Acquirer on March 22, 2006 and May 4, 2006
RBI	Reserve Bank of India
Registrar to the Offer / Registrar	Aarthi Consultants Pvt. Ltd.
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations or "The Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof
Sellers	Mr. G. Vasudeva Reddy, Mr. B. Daniel Solomon and Group of Shareholders
Specified Date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of SHCL, to whom the Letter of Offer should be sent, i.e. March 24, 2006
Target Company /SHCL	Secunderabad Health Care Limited

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "Rs." are to Indian Rupees. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF SECUNDERABAD HEALTH CARE LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES AND 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 ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MARCH 31, 2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THIS 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.

3. DETAILS OF THE OFFER

3.1. Background of the Offer

(a) This Offer is being made by **Mr. Medasani Munisekhar** (Acquirer) in compliance with Regulation 10 & 12 of the SEBI (SAST) Regulations, 1997.

(b) The Acquirer has decided to acquire 8,43,500 fully paid up equity Shares of Rs. 10/- each aggregating to 23.70% of subscribed capital and 26.16% of voting capital of the Target Company at a price of Re. 1.00 per share and accordingly entered into a Share Purchase Agreement on March 18, 2006 with Mr. G. Vasudeva Reddy (24,150 shares)-Promoter, Mr. B. Daniel Solomon (24,925 shares)-Promoter and Group of Shareholders, duly represented by Mr. G. Vasudeva Reddy (7,94,425 shares)-Promoter Group (hereinafter collectively referred to as "Sellers").

(c) Some of the main features of the Agreement is mentioned below:

i. The Sellers have agreed to sell, transfer and assign 8,43,500 fully paid-up Equity Shares of Rs.10/- each of SHCL to the Acquirer and the Acquirer had agreed to purchase the said shares from the Sellers [8,43,500 fully paid-up Equity Shares of Rs.10/- each at a Price of Re. 1/- per share] for a total consideration amount of Rs. 8,43,500/- (Rupees Eight Lakhs Forty Three Thousand Four Hundred and Fifty only).

ii. The Acquirer had paid a sum of Rs. 8,43,500/- (Rupees Eight Lakhs Forty Three Thousand Four Hundred and Fifty only) as earnest money or deposit to the Sellers on the execution of the Agreement.

iii. The Sellers hereby indemnify the Acquirer for all the liabilities and litigation relating to the Target Company/SHCL up to 15.02.2006 and such liabilities arise out of an act of commission or omission of the Sellers or the SHCL prior to the Transfer date, the Sellers shall indemnify and shall save keep harmless and indemnified the SHCL.

iv. The Sellers have absolute right and complete authority to enter into the present transaction and the Sellers are not in any way prevented.

v. In case of non compliance with any of the provisions of the SEBI (SAST) Regulations by the Target Company, this Agreement for sale of shares shall not be acted upon by either Sellers or the Acquirer.

vi. The Acquirer / Sellers undertake that if the public shareholding in the Company fall below the limit specified in Listing Agreement with Stock Exchange for the purpose of listing on continuous basis, pursuant to the Agreements and Open Offer, the Acquirer will acquire only such number of shares under the Agreement so as to maintain the minimum specified public shareholding in the Company.

(d) The proposed change in control is consequent to the Agreement whose salient features are described in 3.1 (c) above.

(e) The Acquirer, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

(f) The Acquirer does not hold any Equity Shares of SHCL as on the date of Public Announcement. The Acquirer has not acquired either directly or through any other person any Shares of SHCL during the 12 months preceding the date of Public Announcement.

(g) After completion of all formalities relating to the acquisition and after complying with formalities required by the Regulations, the Board of Directors might be reconstituted to include nominee(s) of Acquirer.

(h) The Acquirer has undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement with the Sellers.

3.2. DETAILS OF THE PROPOSED OFFER

(a) The Acquirer made a Public Announcement of the Offer, which was published in all Editions of the **Business Line** (English) & **Hindi Milap** (Hindi) and Hyderabad Edition of **Andhra Prabha** (Telugu) on March 22, 2006, in compliance with Regulation 15 (1) of Regulations. A Corrigendum to PA was also published in the said Newspapers on May 4, 2006. The Public Announcement s well as Corrigendum to PA is also available on SEBI's website at www.sebi.gov.in.

(b) The Acquirer proposes to acquire 7,12,000 Equity Shares of Rs. 10/- each, from the existing shareholders of SHCL (other than parties to the Agreement), at a price of Rs. 4.50 per fully paid-up share and Rs. 2.00 per partly paid-up share ("Offer Price") representing 20% of its Equity Share Capital, payable in Cash.

(c) The Offer is not subject to any minimum level of acceptances. The Acquirer will acquire all Equity Shares of SHCL that are tendered in terms of this Offer up to a maximum of 7,12,000 Equity Shares.

(d) The Acquirer has not acquired any shares after the date of Public Announcement and up to the date of this Letter of Offer.

3.3.OBJECT OF THE OFFER

(a) The Acquirer had entered into a Share Purchase Agreement with the objective of Substantial Acquisition of Shares and Voting Rights accompanied with change in Control/ Management of the Company and is making this Open Offer pursuant to the Regulation 10 & 12 of the Regulations.

(b) The Acquirer is having experience in the areas of health care products and through this acquisition, the Acquirer intends to expand his present activities and also derive benefits of a Listed Company.

(c) The Acquirer does not have any plans to sell, dispose off or otherwise encumber any assets of SHCL in the next two years, except in the ordinary course of business. The Acquirer will not dispose off, sell or otherwise encumber any substantial Assets of SHCL except with the prior approval of the Shareholders.

(d) To augment the resources in future, the Acquirer intend to participate in any Equity/Debt/Quasi Debt offering from SHCL, be it subscription to the Rights Issue/Public Issue, Preferential allotment etc. Reorganisation and/or streamlining of the business, including diversification, will be considered in the larger interest of SHCL by its Board of Directors in accordance with the applicable rules and laws.

4. BACKGROUND OF THE ACQUIRER

4.1. INFORMATION ABOUT ACQUIRER

a. **Mr. Medasani Munisekhar,** S/o. Sri M. Venkatamuni Naidu, aged about 42 years is a resident of Flat No. 304, Vasantha Emerald Gardens, Madhapur, Hyderabad-500 081. He completed his Master of Business Administration (Business Administration) from The University of Hull, United Kingdom in the year 2003.

b. He has 17 years of experience in the areas of Finance, Administration, Marketing, Legal and Procurements.

c. His Networth as on 10.03.2006 is Rs. 214.80 Lakhs as certified by Mr. P. Murali Mohana Rao (Membership No. 23412), Partner of M/s. P. Murali & Co., Chartered Accountants, having Office at 6-3-655/2/3, Somajiguda, Hyderabad- 500 082. Tel. No. (040) 23326666/23312554 Fax No: (040) 23392474 vide certificate dated 10.03.2006.

4.2. The Acquirer does not hold any position on the Board of Directors of any listed company.

4.3. The compliances under Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirer since he does not hold any shares of SHCL except those agreed to be acquired in terms of Share Purchase Agreement.

4.4. For the purpose of this Offer, there is no Person Acting in Concert as per the provisions of the Regulation 2(1)(e) of the Regulations.

4.5. The Acquirer promoted **Astrel Genome Limited**, a Company incorporated under the Companies Act, 1956 on 09.02.2005 with the object of manufacturing and marketing of medicines, pharmaceuticals and health care and other allied activities. He is the Director of the Company. The Company has acquired about 12 pharmaceutical brands from SMS Pharmaceuticals Limited in February 2006 and making necessary arrangements to launch the same in the market in April 2006. The company has not yet generated any revenue and the accounts of the company are yet to be drawn.

Brief audited financials for the last year and certified results for the period ended 31.12.2005 are as follows:

(Rs. in Lakhs)

Particulars	31.12.2005	31.03.2005
Equity Share Capital	5.00	5.00
Share Application Money	128.55	--
Reserves (Excluding Revaluation Reserve)	0.17	--
Total Income*	2.16	--
Profit / (Loss) after Tax	0.17	--
Earning Per Share (EPS)	0.48	--
Net Asset Value (NAV) Per Share [Face Value-Rs. 10/- each]	10.34	10.00

**(Other Income)*
(Networth=Paid up Share Capital + Share Premium + Reserves & Surplus)

4.6. Disclosures in terms of regulation 16(ix) of the Regulations:

The Acquirer does not have any plans to sell, dispose off or otherwise encumber any assets of SHCL in the next two years, except in the ordinary course of business. The Acquirer will not dispose off, sell or otherwise encumber any substantial Assets of SHCL except with the prior approval of the Shareholders.

4.7. Future Plans/ Strategies of the Acquirer:

The Acquirer had entered into a Share Purchase Agreement with the objective of Substantial Acquisition of Shares and Voting Rights accompanied with change in Control/ Management of the Company.

The Acquirer is having experience in the areas of health care products and through this acquisition; the Acquirer intends to expand his health care related business.

5. BACKGROUND OF THE TARGET COMPANY-SHCL

5.1.Brief History and Main Areas of Operations:

a. SHCL was originally incorporated on 31.10.1991 under the Companies Act, 1956 in the name & style of "Secunderabad Health Care Limited". The Certificate for Commencement of Business was obtained from Registrar of Companies (ROC), Andhra Pradesh on 30.03.1992. The Registered Office of the Company is situated at 22-A/1, Phase-II, APIIC Colony, Jeedimetla, Hyderabad-500 055.

b. As on this Public Announcement, the Authorised Share Capital of the company is Rs. 400.00 Lakhs and the issued share capital is Rs. 355.96 Lakhs. The subscribed Capital of the Company is Rs. 339,20,500/- comprising of 32,24,500 fully paid up Equity Shares of Rs. 10/- each and 3,35,100 partly Paid-up Equity Shares.

c. SHCL is presently carrying on the business of providing Medical & Health Care Services.

d. The Equity Shares of SHCL are listed on BSE and HSE. The equity shares of the company are infrequently traded on BSE and HSE in terms of explanation (i) to regulation 20(5).

e. The company made a public issue of 23,58,000 Equity Shares of Rs. 10/- each for cash at par in April 1994, through prospectus mainly to part finance the cost of setting up a multi specialty hospital and to meet the working capital requirements of the Company.

f. Details of the current Promoters of the Target Company:

a. **Mr. G. Vasudeva Reddy** aged 50 years is a master degree holder in Business Administration and has done his post graduation in Computer Applications. He has worked for thirty years in various organizations. He has gained experience in project financing and finance & control. He is having experience in Medical & Health Care industry.

b. **Mr. Daniel Solomon** aged 45 years is a diploma holder in Bio-Medical Engineering. He has worked for twenty years in the fields of Medical & Health Care industry. He is having experience in Medical & Health Care industry.

5.2.Share Capital Structure of SHCL:

Paid-up Equity Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity shares	32,24,500/32,24,500	100%/ 100%
Partly Paid-up Equity shares	3,35,100/NIL	9.41%/NIL
Total paid-up Equity shares	35,59,600/32,24,500	100%/ 100%

* As per Article 87 of the Articles of Association of the company, no voting rights are exercisable on the shares on which calls or other sums presently payable and have not been paid.

5.3. Current Capital Structure of the Company:

Date of Allotment	No and % of Shares issued		Cumulative Paid-Up Capital (Rs.)	Mode of Allotment	Identity of Allottees	Status of Compliance
	No.	%				
On Incorporation	700	0.02	7,000	Subscribers to Memorandum	Promoters	Complied
10.06.1992	69,600	1.95	7,03,000	Further Issue	Promoters & Associates	Complied
27.07.1992	1,43,670	4.04	21,39,700	Cash	Promoters & Associates	Complied
25.03.1993	1,41,800	3.98	35,57,700	Cash	Promoters & Associates	Complied
20.06.1994	21,62,100	60.78	2,51,78,700	Public Issue	Public	Complied
20.06.1994	10,41,730	29.28	3,55,96,000	Cash	Promoters & Associates/ APIDC	Complied
TOTAL	**35,59,600**	**100.00**	**3,55,96,000**			

5.4. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date.

5.5. As per the information available, the Company has paid up to date Listing Fees to Bombay Stock Exchange Limited, Mumbai (BSE) and The Hyderabad Stock Exchange Limited, Hyderabad (HSE) and no punitive actions were taken against it by the Stock Exchange (s) except those disclosed in this para. The trading in equity shares of the company is presently under suspension on BSE due to delay in compliance of the provisions of the Listing Agreement. The company is pursuing the matter with BSE and awaiting revocation of suspension. The Company has addressed all investor's complaints and as on date there is no pending complaint

5.6. Present Composition of the Board of Directors of SHCL:

As on the date of Public Announcement, the Directors representing the Board of SHCL were:

Sl. No.	Name	Address	Qualification	Experience	Date of Appointment
1.	G. Vasudeva Reddy	23/3RT (L.I.G.H.), Barkatpura, Hyderabad-500027.	M.B.A. P.G.D.C.A	30 years in Project Financing and Finance & Controlling	Since Incorporation
2.	B. Daniel Solomon	1-6-270/1/1, Ram Nagar, Hyderabad-500048.	Diploma in Bio-Medical Engg.	20 years as Business Executive & Manager (Corporate Affairs) in Super Specialty Hospital	Since incorporation
3.	G. Venkata Krishna Prasad	A-14, Journalist Colony, Jubilee Hills, Hyderabad-500 033.	B.E.	15 years in Civil Engineering	18-12-1998
4.	M. T. Sreenivasa Rao	G-5, B Block, Paragon Venkatdri Apartments, 3-4-812, Street No.1, Bharkatapur, Hyderabad-500027.	B.Com, F.C.A	33 years in Finance & Accounts	01-11-2005
5.	V. Sundara Raja Bhattar	D.No.31-10-15/1, Machavaram, Vijayawada-520004.	B.Com, J.D.C	20 years in Banking Sector	01-11-2005

6.	K. Hari Kumar	Flat No.501, Rukmini Enclave, Dharam Karan Road, Ameerpet, Hyderabad-500016.	B.E.	20 years as Engineer and working for last 6 years as President of Delta Pharma. Pvt. Ltd.	23-02-2006
7.	R. Surendra Naidu	Plot No.129, Siddhartha Nagar, Vengalarao Nagar Colony, Hyderabad-5000016.	Technical Engineer-Radar Systems	Worked for 15 years in Indian Air Force and Director of Spyder King Network Mkt.	23-02-2006

5.7. There was no trading in the shares of SHCL on March 22, 2006 i.e. the date of Public Announcement.

5.8. There has been no merger / de-merger or spin off involving SHCL since the Company's listing.

5.9. The Target Company, Promoters/Sellers have complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997.

5.10. Financial Information:

Brief audited financials of the company for the last 3 Years and certified results for the period ended 15.02.2006 are as follows:

Profit & Loss Statement

(Rs. in Lakhs)

For the Year ended	15.02.2006	31.03.2005	31.03.2004	31.03.2003
Income:				
Collections	15.74	195.27	327.68	361.06
Total Income	**15.74**	**195.27**	**327.68**	**361.06**
Total Expenditure	38.21	211.84	333.98	360.45
Profit/(Loss) before Interest, Depreciation & Tax	(22.47)	(16.57)	(6.30)	0.61
Depreciation	18.47	23.37	29.69	29.40
Interest & Bank Charges	0.21	1.24	8.37	8.77
Misc. Exp. Written off	--	--	2.25	2.25
Profit/(Loss) before Tax	(41.15)	(41.18)	(46.61)	(39.81)
Provision for Tax	--	--	--	--
Profit/(Loss) after Tax	**(41.15)**	**(41.18)**	**(46.61)**	**(39.81)**
Prior period adjustments	--	(83.22)	--	--
Deferred Tax Assets Provision	3.57	4.80	3.33	13.54
Profit after Adjustments/Deferred Tax	(37.58)	(119.60)	(43.28)	26.27

Balance Sheet Statement

(Rs. in Lakhs)

As at	15.02.2006	31.03.2005	31.03.2004	31.03.2003
Sources of Funds:				
Paid-up Share Capital	339.21	302.96	302.96	302.96
Profit & Loss Account (Debit Balance)	(222.94)	(185.36)	(65.77)	(22.49)
Networth	**116.27**	**117.60**	**237.19**	**280.47**
Secured Loans	20.70	21.30	51.84	62.65
Unsecured Loans	33.03	33.03	24.53	26.99
Creditors for Capital Goods	3.07	3.07	3.07	4.96
Deferred Income Tax Liability	7.56	11.13	15.94	19.27
Total	**180.63**	**186.13**	**332.57**	**394.34**

Application of Funds:				
Net Fixed Assets	106.00	124.47	240.23	269.52
Net Current Assets	74.63	61.66	92.34	122.57
Total Miscellaneous Expenditure (to the extent not written off)	--	--	--	2.25
Total	**180.63**	**186.13**	**332.57**	**394.34**

Other Financial Data

For year/period ended	15.02.2006 (Certified)	31.03.2005 (Audited)	31.03.2004 (Audited)	31.03.2003 (Audited)
Dividend (%)	Nil	Nil	Nil	Nil
EPS (Rs.)	Negative	Negative	Negative	Negative
Return on Networth (%)	Negative	Negative	Negative	Negative
Book Value per share (Rs.)	3.60*	4.70*	7.83	9.18

** calculated on the fully paid-up share and stated on the basis of the certificate dated 17.03.2006 of M/s. P. Murali & Co., Chartered Accountants ,Hyderabad.*

Notes: *EPS = Profit after Tax /No. of equity shares*
Networth=Paid up Share Capital + Reserves & Surplus-P & L Account (Debit Balance)
Return on Net Worth = Profit after Tax /Net Worth
Book Value per Share = Net Worth-Total Misc. Exp. Not Written Off / No. of equivalent fully paid-up equity shares

Reasons for Fall/rise in total income for the financial year 2004-2005 and 2005-2006:
2004-2005:
As compared to 2003-2004, the total income of the company has reduced by 40% due to low level operations of the company. The company incurred losses during the year due to prior period adjustment.

2005-2006:
As compared to 2004-2005, the total income of the company has reduced drastically due to very low level operations of the company.

5.11.

a) Pre and Post-Offer Shareholding Pattern of SIL (Based on Subscribed Capital)

Shareholders' Category	**Shareholding prior to the Agreement/ Acquisition and Offer**		**Shares agreed to be Acquired which triggered off the Regulations**		**Shares to be Acquired in Open Offer (Assuming full acceptances)**		**Shareholding after the Acquisition and Offer**	
	(A)		**(B)**		**(C)**		**(A)+(B)+(C)=(D)**	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
a. Parties to Agreement	8,43,500	23.70	(8,43,500)	(23.70)	Nil	Nil	Nil	Nil
b. Promoters other than (a) above	3,89,700	10.94	Nil	Nil	Nil	Nil	3,89,700*	10.94*
Total (a+b)	**12,33,200**	**34.64**	**(8,43,500)**	**(23.70)**	**Nil**	**Nil**	**3,89,700**	**10.94**
2. Acquirer								
Mr. Medasani Munisekhar	Nil	Nil	8,43,500	23.70	7,12,000	20.00	15,55,500	43.70
Total (a+b+c)	**Nil**	**Nil**	**8,43,500**	**23.70**	**7,12,000**	**20.00**	**15,55,500**	**43.70**
3. Parties to Agreement other than (1) (a) & (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Public (Other than parties to Agreement, Acquirer)								
a. FIs/MFs/FIIs/Banks, SFIs	1,87,500	5.27	Nil	Nil	(7,12,000)	(20.00)	16,14,400	45.36
b. Others	21,38,900	60.09	Nil	Nil				
Total (a+b)	**23,26,400**	**65.36**	**Nil**	**Nil**	**(7,12,000)**	**(20.00)**	**16,14,400**	**45.36**
GRAND TOTAL (1+2+3+4)	**35,59,600**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**35,59,600**	**100.00**

*****The holding of original Promoter Group will be included in public holding after completion of Offer formalities.

b) Pre and Post-Offer Shareholding Pattern of SIL (Based on Voting Capital)

Shareholders' Category	Shareholding & Voting Rights prior to the Agreement/ Acquisition and Offer		Shares / Voting Rights agreed to be Acquired which triggered off the Regulations		Shares/ Voting Rights to be Acquired in Open Offer (Assuming full acceptances)		Shareholding / Voting Rights after the Acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
a. Parties to Agreement	8,43,500	26.16	(8,43,500)	(26.16)	Nil	Nil	Nil	Nil
b. Promoters other than (a) above	3,89,700	12.08	Nil	Nil	Nil	Nil	3,89,700*	12.08*
Total (a+b)	**12,33,200**	**38.24**	**(8,43,500)**	**(26.16)**	**Nil**	**Nil**	**3,89,700**	**12.08**
2. Acquirer								
Mr. Medasani Munisekhar	Nil	Nil	8,43,500	26.16	6,44,900	20.00	14,88,400	46.16
Total (a+b+c)	**Nil**	**Nil**	**8,43,500**	**26.16**	**6,44,900**	**20.00**	**14,88,400**	**46.16**
3. Parties to Agreement other than (1) (a) & (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Public (Other than parties to Agreement, Acquirer)								
a. FIs/MFs/FIIs/Banks, SFIs	1,87,500	5.82	Nil	Nil	(6,44,900)	(20.00)	13,46,400	41.76
b. Others	18,03,800	55.94	Nil	Nil				
Total (a+b)	**19,91,300**	**61.76**	**Nil**	**Nil**	**(6,44,900)**	**(20.00)**	**13,46,400**	**41.76**
GRAND TOTAL (1+2+3+4)	**32,24,500**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**32,24,500**	**100.00**

*****The holding of original Promoter Group will be included in public holding after completion of Offer formalities.

Note : The Post Offer shareholding of the Public will not be less than the minimum shareholding prescribed by the Stock Exchange i.e. 25.00% at the time of listing.

5.12. There are 1557 Equity Shareholders under Public category.

5.13. Details of the change in the shareholding of the promoters of the Target Company:

Details of Shareholding	No. of Shares	Cumulative No. of Shares	Status of Compliance
Upon Initial Listing	12,10,000	12,10,000	----
Shares acquired on 02/09/1996	20,000	12,30,000	Not Applicable
Shares acquired on 21/11/1998	1,500	12,31,500	Not Applicable
Shares acquired on 02/06/2000	1,700	12,33,200	Not Applicable

5.14. The Company is complying with Clause 49 of the Listing Agreement on Corporate Governance.

5.15. **Name and Contact details of the Compliance Officer:**
Mr. G. Venkata Krishna Prasad, Director,
22-A/1, Phase-II, APIIC Colony, Jeedimetla, Hyderabad-500 055.

5.16. Presently, there are no pending litigations against the company.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price:

1. The shares of SHCL are listed on Bombay Stock Exchange Limited, Mumbai (BSE) and The Hyderabad Stock Exchange Limited, Hyderabad (HSE). The shares of the company are not traded on any Stock Exchange under Permitted Category.

2. The annualized trading turnover during the preceding 6 calendar months prior to the month in which the P.A. is made i.e. September 2005 to February 2006 (both Inclusive) at HSE & BSE is as under: -

Name of Stock Exchange	Total No. of Shares traded during the 6 calendar months prior to the month in which PA was made.	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	Nil	Nil	Nil
HSE	Nil	Nil	Nil

The shares of the company at BSE were last traded in the year 2001.
(Source: BSE Website www.bseindia.com)

3. As per explanation (i) to Regulation 20(5), the shares are deemed to be infrequently traded. Hence, in terms of Regulation 20(5) of the Regulations, the Offer Price is determined taking into account the following factors:

S. No.	Particulars			
a)	Negotiated Price under the Agreement	:	Re. 1.00/- per fully paid-up share	
b)	Highest Price paid by the Acquirer for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of Public Announcement	:	Nil	
c)	Other parameters		Based on audited Accounts for the year-ended 31.03.05	Based on certified Accounts for the period ended 15.02.2006
	Return on Networth	:	Negative	Negative
	Book Value	:	4.70	3.60
	Earning per Share	:	Negative	Negative
	Price Earning	-	--	--

4. The Offer Price of Rs. 4.50 per fully paid-up equity share and Rs. 2.00 per partly paid-up equity share of SHCL is therefore justified in terms of Regulation 20(11) of the Regulations.

5. If the Acquirer acquire Shares after the Original PA and upto seven working days prior to closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisitions shall be payable for all acceptances received under this Offer as per Regulation 20(4) of the SEBI (SAST) Regulations, 1997. Any revision in the Offer Price shall be notified by advertisement in the same newspapers in which the original Public Announcement appeared.

6. There is no non-compete agreement.

6.2. Financial Arrangements:

1. Assuming full acceptance, the total Financing Resources required to fulfill the Offer is Rs. 32,04,000/- (Rupees Thirty Two Lakhs Four Thousand only).

2. The Acquirer, in terms of Regulation 28 (2) has created an Escrow Account by way of deposit of cash in **HDFC Bank Limited** and the details are given below:-

1.	Name of the Bank	**HDFC Bank Limited**
2.	Address	6-1-73, Ground & Third Floor, Sayeed Plaza, Lakdikapul, Hyderabad-04. Tel No.: 040-23211586; Fax: 040-23230349.
3.	Amount	Rs. 8,05,000/-
4.	Account Number	**0210350001042**

3. The Manager to the Offer i.e. Ashika Capital Limited has been solely authorised by the Acquirer to operate and realise the value of Escrow Account in terms of the Regulations, and accordingly HDFC Bank Limited have issued a Letter dated March 21, 2006 in favour of Manager to the Offer confirming the same.

4. In accordance with Regulation 22(11) of the Regulations, the Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of his own sources/Networth and no borrowings from any Bank and/or Financial Institutions is envisaged. Mr. P. Murali Mohana Rao (Membership No. 23412) Partner of M/s. P. Murali & Co., Chartered Accountants, having Office at 6-3-655/2/3, Somajiguda, Hyderabad-500 082. Tel. No. (040) 23326666/23312554 Fax No: (040) 23392474 has certified vide letter dated 18.03.2006 that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full.

5. The Manager to the Offer, Ashika Capital Limited confirms that the firm arrangements for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER

1. The Letter of Offer along with Form of Acceptance cum Acknowledgement shall be mailed to all those shareholders of SHCL (except Acquirer and parties to the Agreement) whose name appear on the Register of Members of SHCL and to those beneficial owners of the equity shares of SHCL, whose names appear as beneficiaries on the records of the respective Depository Participants, at the close of business hours on March 24, 2006 (the "Specified Date").

2. None of the shares of SHCL are under lock-in.

3. Shareholders holding equity shares in physical form who wish tender their shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and duly signed and executed Transfer Deed (s) to the Registrar or Manager to the Offer, either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00

p.m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closing of the Offer, i.e. June 3, 2006 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

4. The Registrar to the Offer has opened a Special Depository Account with UTI Securities Limited (Registered with NSDL), styled "AARTHI-SHCL OPEN OFFER-ESCROW ACCOUNT". The DP ID is IN 300360 and Client ID is 10335674. Shareholders having their beneficiary account in CDSL have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account.

5. Beneficial owners and Shareholders holding shares in the Dematerialised Form who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the Special Depository Account, to the Registrar either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post, on or before the Closing of the Offer, i.e. June 3, 2006 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

6. Shareholders who have sent their shares for dematerialisation need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Special Depository Account should be received on or before the closure of the Offer, else the application would be rejected.

7. All owners of the shares, Registered or Unregistered (except Acquirer and parties to the Agreement) who own the shares any time prior to the closing of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar or Manager to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the original Share Certificate(s), valid Transfer Deeds and the original Contract Note issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owners.

8. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar or Manager to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Distinctive Number, Folio Number and Number of Shares offered, along with documents as mentioned in point '7" above, so as to reach the Registrar or Manager to the Offer on or before the Closing of the Offer, i.e. June 3, 2006 or in case of beneficial owners, they may send the application in writing to the Registrar or Manager to the Offer, on a plain paper stating the name, address, number of shares held, number of shares tendered, DP name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Registrar or Manager to the Offer, on or before the Closing of the Offer, i.e. June 3, 2006.

9. The Registrar to the Offer will hold in trust the Share Certificates, shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form/s on behalf of the shareholders of SHCL who have accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.

10. In case the number of shares validly tendered in the Offer by the shareholders of SHCL are more than the shares to be acquired under the Offer (i.e. 7,12,000 equity shares), then the Acquirer will accept shares on a proportionate basis subject to a minimum of 100 Shares in case of Physical mode, or the entire holding if less than 100 shares from each shareholder accepting this Offer, as per the provisions of the Regulations. Incase, the equity shares of

SHCL are surrendered in dematerialized mode, minimum marketable lot is one (1) equity share only. The rejected applications/ documents will be sent by Registered Post.

11. Share Certificates, Transfer Forms and other documents in respect of shares not accepted under the Offer, if any, will be returned by Registered Post at the shareholders 'unregistered owners' sole risk to the sole/first shareholder. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

12. The payment of acquisition of shares will be made by the Acquirer in Cash through a crossed Demand Draft/Pay Order and the same will be sent by Registered Post, to those shareholders/unregistered owners, whose shares/ share certificates and other documents are found in order and accepted by Acquirer in part or in full whose equity share certificates and other documents are found in order accepted, with in 15 Days from the date of closing of the Offer. The Acquirer undertakes to pay interest pursuant to Regulation 22 (12) to the shareholders for the delay, if any, in payment of consideration.

13. The Offer is subject to receiving necessary approval(s), if any, from Reserve Bank of India under Foreign Exchange Management Act, 1999 and subsequent amendments there to for acquiring equity shares tendered by Non Resident Shareholders, if any.

14. To the best of the knowledge of the Acquirer, there are no other statutory Approvals/or consents required to acquire the shares that are tendered pursuant to the Offer. However, if any statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals.

15. In case of non-receipt of statutory approvals within time, SEBI has a power to grant extension of time to Acquirer for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirer agreeing to pay interest for the delayed period as directed by SEBI under Regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the approvals, Regulation 22(13) of Regulations will become applicable.

16. Accidental omission to despatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

17. Attention of the shareholders is invited to the fact that the Letter of Offer along with the form of Acceptance would also be available on the SEBI web site at www.sebi.gov.in and eligible persons may download the Form of Acceptance cum Acknowledgement from the website for participating in the Offer.

18. The form of Acceptance along with Share Certificate (s) and other documents delivered as per the requirements mentioned above, shall become acceptance on your part, but will become a fully valid and binding contract between you and the Acquirer only upon the fulfillment of all the conditions mentioned herein.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

1. The Shareholder(s) of SHCL who qualify and who wish to avail of this Offer are free to offer their shareholding in full or in part. They should send their shares to the Registrars to the Offer as mentioned in the Form of Acceptance at the following address: -
   Aarthi Consultants Pvt. Ltd.
   1-2-285, Domalguda, Hyderabad-500 029.
   Tel: +91-40-27642217/27638111; Fax: +91-40-27632184

   Acceptances may be sent by Registered Post or by hand so as to reach the Registrars/Manager to the Offer on or before June 3, 2006.

Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday-Friday	10.00 a.m. to 1.00 p.m. and 2.00p.m. to 4.00 p.m.	Hand Delivery
Saturday	10.00 a.m. up to 2.00 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

2. Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other relevant documents are complete in all respects; otherwise the same is liable to be rejected. In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account, before the closure of the Offer. The form of Acceptance cum Acknowledgement of such demat shares not credited in favour of the special depository account, before the closure of the Offer will be rejected.

3. Shareholders should enclose the following::

a) For Equity Shares held in Physical Form:

Registered Shareholders should enclose:

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

Notwithstanding that the signature(s) of the transferor(s) has/have been attested, if the signature(s) of the transferor(s) differs from the Specimen signature(s) recorded with Quantum or are not in the same order, such shares are liable to be rejected under the open offer even if the offer has been accepted by bonafide owner of such shares.

Unregistered Shareholders should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, or application on plain paper.
- **Original Share Certificate(s)**
- **Original Broker Contract Note.**
- **Valid Share Transfer form(s)** as received from the market**.**

No indemnity is required from unregistered shareholders. **Unregistered shareholders should not sign the transfer deed.** The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as the Acquirer upon verification of the Form of Acceptance and the same being will fill buyer found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

b) For Equity shares held in Demat form: -

The Registrar to the Offer, "**Aarthi Consultants Limited**", has opened a Special Depository Account with UTI Securities Limited (Registered with NSDL), styled "AARTHI-SHCL OPEN OFFER-ESCROW ACCOUNT". The above said account details are as under: -

DP Name	UTI Securities Limited
DP ID	IN 300360
Beneficiary ID	10335674

Shareholders having their beneficiary account with CDSL have to use inter-depository slip for purpose of crediting their shares in favour of the special depository account.

Beneficial Owners should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, as per the records of the respective depository.
- **Photocopy of the delivery instruction** in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. All beneficial owners maintaining account with CDSL are required to fill in an additional inter depository slip, maintained with the DP while giving instructions to their respective DPs.

4. 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:
   i. Duly attested death certificate and succession certificate (in case of single shareholders) if the original shareholder is deceased, in case succession certificate has not been obtained, the legal heir may approach the registrar.
   ii. Duly attested power of attorney if any person apart from the shareholder has signed the application form and / or transfer deed(s).
   iii. In case of Companies, the necessary corporate authorization (including Board Resolution) and specimen signatures of authorized signatories.

5. The share certificate(s), share transfer form(s) and the Form of Acceptance along with the relevant documents should be sent to the Registrar to the Offer/Manager to the Offer and not to the Acquirer or SHCL.

6. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar or Manager to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Distinctive Number, Folio Number and Number of Shares offered, along with other relevant documents as mentioned above, so as to reach the Registrar or Manager to the Offer on or before the Closing of the Offer, i.e. June 3, 2006. In case of beneficial owners, they may send the application in writing to the Registrar or Manager to the Offer, on a plain paper stating the name, address, number of shares held, number of shares tendered, DP name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Registrar or Manager to the Offer, on or before the Closing of the Offer, i.e. June 3, 2006 (Saturday).

   The eligible persons can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer or Manager to the Offer, on or before the Closure of the Offer i.e. June 3, 2006 (Saturday).

   Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.

   Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI’s website www.sebi.gov.in from the date of opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI’s website and apply in the same.

7. The equity shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of the Closure of the Offer i.e. on or before May 25, 2006 (Thursday). The withdrawal option can be exercised by submitting the ‘Form of Withdrawal’ (separately enclosed with Letter of Offer) to the Registrar to the Offer, so as to reach them on or before May 25, 2006 (Thursday). In case of non-receipt of ‘Form of

Withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the following details:

a) **In case of Physical Shares:** Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn, and
b) **In case of Dematerialised Shares:** Name, Address, number of shares tendered/withdrawn, DP name, DP ID, Beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP in favour of the Special Depository Account.

Shares [Physical /Dematerialised form] withdrawn by the shareholders would be returned by the Registered post.

The form of Withdrawal can also be downloaded from SEBI's website www.sebi.gov.in or obtained from the Manager/ Registrar to the Offer.

8. Unaccepted Share Certificate(s), 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. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

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

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Manager to the Offer, **Ashika Capital Limited**, 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021, on any working day between 10.00a.m to 2.00p.m during the period from May 15, 2006 to June 3, 2006:

i) Copy of the Share Purchase Agreement between Acquirers & Sellers dated March 18, 2006, which triggered off the Offer.
ii) Memorandum & Articles of Association of SHCL along with Certificate of Incorporation.
iii) Audited Annual Reports of SHCL for the Financial Years ended 31.03.2003, 31.03.2004 and 31.03.2005 and certified results for the period ended 15.02.2006.
iv) Copy of Prospectus dated 23.02.1994.
v) Memorandum & Articles of Association of Astrel Genome Limited along with Certificate of Incorporation.
vi) Chartered Accountant's Certificate dated 10.03.2006 certifying the Net worth of the Acquirer.
vii) Chartered Accountant's Certificate dated 18.03.2006 certifying the adequacy of financial resources with Acquirers to fulfill the Open Offer obligations.
viii) A Letter from HDFC Bank dated 21.03.2006 and 02.05.2006 for the amount kept in the Escrow Account and empowering solely the Manager to the Offer to operate it.
ix) Published copies of the Public Announcement made on March 22, 2006 and Corrigendum to Public Announcement made on May 4, 2006.
x) Copy of the Letter No. CFD/DCR/TO/HB/65301/06 dated April 21, 2006 from SEBI in terms of Provisions of Regulation 18(2).
xi) Letter No. HSE:LIST:2006:490 dated March 24, 2006 received from HSE on Minimum Public Shareholding prescribed for Target Company at the time of listing.
xii) Other relevant documents such as:
    a. Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer dated March 18, 2006.
    b. Copy of Letter dated March 18, 2006 appointing Aarthi Consultants Pvt. Ltd. as Registrar to the Offer & Consent Letter dated March 20, 2003 from Aarthi Consultants Pvt. Ltd. to act as the Registrar to the Offer.
    c. Copy of undertakings from Target Company.

10. DECLARATION BY THE ACQUIRER

The Acquirer accepts full responsibility for the information contained in the Public Announcement made in this regard, Letter of Offer and for ensuring compliance with the Takeover Regulations.

The Manager to the Offer hereby states that the person signing this Letter of Offer is the Acquirer.

Place: Hyderabad **Sd/-**
Date: May 6, 2006. **Medasani Munisekhar**

Attached: Form of Acceptance cum Acknowledgement and Withdrawal

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

Date:

From:

Tel No. Fax No.: E-mail:

To,
Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda, Hyderabad-500 029.
Tel: +91-40-27642217/27638111; Fax: +91-40-27632184

Dear Sir,

Sub: Open Offer to acquire 7,12,000 Equity Shares of Rs. 10/- each representing 20.00% of equity share capital, at a price of Rs. 4.50 per fully paid-up share and Rs. 2.00 per partly paid-up share of SHCL by Mr. Medasani Munisekhar [Acquirer]

I/We, refer to the Letter of Offer dated May 6, 2006 for acquiring the Equity Share(s) held by me/us in **Secunderabad Health Care Limited**.

I/We, the undersigned have read the Letter of Offer and understood the contents including the terms and conditions as mentioned therein.

For Shares held in Physical Form:
I/We, hereby irrevocably & 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:

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
Total No. of Shares					

(In case the space provided is inadequate, please attach a separate sheet with the details)

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

For Shares held in Demat Form:
I/We, holding shares in dematerialised form and accept the Offer and enclose photocopy of the Delivery Instruction Slip in 'Off-Market ' mode, duly acknowledgement by Depository Participant ('DP') in respect of my / our equity shares as detailed below:

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

I/We have done an Off-Market transaction for crediting the shares to the Special Depository Account named "AARTHI-SHCL OPEN OFFER-ESCROW ACCOUNT" with the following particulars:

DP Name	UTI Securities Limited
DP ID	IN 300360
Beneficiary ID	10335674

Shareholders having their beneficiary account with CDSL have to use inter-depository slip for purpose of crediting their shares in favour of the Special Depository Account.

I/We note and understand that the shares would lie in the Special Depository Account until the time the Acquirer make payment of purchase consideration as mentioned in the Letter of Offer.

I/We confirm that the shares of **Secunderabad Health Care Limited** which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

Non resident shareholders should enclose No objection Certificate / Tax Clearance Certificate from the income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirers before remitting the consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of shareholder on the consideration payable by the Acquirer.

I/We authorise the Acquirers 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 authorise the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the Draft/Cheque, in full and final settlement of the amount due to me/us, to return to me/us, share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and delivered:

	FULL NAME (S)	**SIGNATURE (S)**
First/sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder:____
____

Place:__________________ Date:____________________

Note: In case of joint holding all must sign. A Company must affix the common seal and furnish its corporate authorizations.

So as to avoid fraudulent encashment in transit, the shareholder(s) 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)____________

---TEAR HERE---

S. No. **AARTHI CONSULTANTS PVT. LTD.** **(Acknowledgement Slip)**

1-2-285, Domalguda, Hyderabad-500 029. Tel: +91-40-27642217/27638111;
Fax: +91-40-27632184. E-mail: aarcons@hd2.dot.net.in

Received from Mr./Ms/Mrs.:__________________________________

Address :____

Folio Number__________ DP ID ___________Client ID_________
Number of Share Certificates Enclosed _____________
Certificate Numbers _________
Total Number of Shares Enclosed: ______

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the address mentioned above.

Signature of the Official & Date of receipt	**Stamp of Registrar or Manager to the Offer**

PLEASE USE THIS FORM ONLY IF YOU HAVE TENDERED THE SHARES AND WISH TO WITHDRAW YOUR APPLICATION

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to the Offer any time upto three working days prior to the date of closure of Offer i.e. on or before May 31, 2006 (Wednesday). In case you wish to withdraw your acceptance please use this form.	**OFFER SCHEDULE** **Offer Opens on : May 15, 2006 (Monday)** **Last Date of Withdrawal : May 31, 2006 (Wednesday)** **Offer Closes on : June 3, 2006 (Saturday)**

Please read the Instructions in Letter of Offer before filling-in this Form of Withdrawal

From:

Tel No. Fax No.: E-mail:

To
Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda, Hyderabad-500 029.
Tel: +91-40-27642217/27638111; Fax: +91-40-27632184

Dear Sir,

Sub: Open Offer to acquire 7,12,000 Equity Shares of Rs. 10/- each representing 20.00% of equity share capital, at a price of Rs. 4.50 per fully paid-up share and Rs. 2.00 per partly paid-up of SHCL by Mr. Medasani Munisekhar [Acquirer]

I/We refer to the Letter of Offer dated May 6, 2006 for acquiring the equity shares held by me/us in **Secunderabad Health Care Limited**.

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I/We wish to withdraw our acceptance tendered in response to the said Offer. We had deposited/sent our 'Form of Acceptance' to you on _________ 2006 along with original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below: (Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

For Shares held in Physical Form:

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
Total No. of Shares					

(In case the space provided is inadequate, please attach a separate sheet with the details)

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed and authorize you not to remit the consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer to reject the shares so offered which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer.

For Shares held in Demat Form:

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

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.

In case of dematerialised Shares, I/We confirm that the DP as per the records maintained at their end has verified the signatures of the beneficiary holders and they have also duly attested the same under their seal.

I/We confirm that the particulars given above are true and correct.
Yours faithfully,
Signed and Delivered:

	FULL NAME (S)	SIGNATURE (S)
First/sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder:____

____

Note: In case of joint holding all must sign. A Company must affix the common seal and furnish its corporate authorizations.

Place:__________________ Date:____________________

INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 17.00 hours upto the last date of withdrawal i.e. May 25, 2006 (Thursday).
2. Shareholders should enclose the following:-

   Registered Shareholders 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.
   - In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

   Unregistered 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
   - The withdrawal of Shares will be available only for the Share certificates that have been received by the Registrar to the Offer/ Manager to the Offer.
   - The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company.
   - The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
   - In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from SHCL. The facility of partial withdrawal is available only on to Registered shareholders.

---TEAR HERE---

ACKNOWLEDGEMENT SLIP

Sr. No.

AARTHI CONSULTANTS PVT. LTD.
1-2-285, Domalguda, Hyderabad-500 029. Tel: +91-40-27642217/27638111;
Fax: +91-40-27632184. E-mail: aarcons@hd2.dot.net.in

Received Form of Withdrawal from Mr./ Ms/ Mrs..: ____________________________________
Address:____
____
Folio Number__________ DP ID ____________Client ID__________
Number of Shares tendered ____________
Number of Shares withdrawn ____________________

Signature of the Official Date of receipt	Stamp of Registrar to the Offer