

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This LoF is sent to you as a shareholder(s) of Sangam Health Care Products 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 LoF and the accompanying Form of Acceptance cum acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected."

OPEN OFFER BY

Mr. ADDEPALLI BALA GOPAL, R/o H.No.6-3-596/46, Sunder Sai Plaza Anand Nagar, Khairatabad, Hyderabad, Tel. No. 09441424242 ("Acquirer 1"), **Mr. DEVARAKONDA VENKATA SUBRAMANYA SHARMA** R/o H.No. 17/333, Mahendra Street, Guntakal, Ananthapur District, Hyderabad, Tel. No. 09246900530 ("Acquirer 2"), **Mrs. GHANAKOTA PADMA** R/o H.No.6-3-596/46, Sunder Sai Plaza Anand Nagar, Khairatabad, Hyderabad Tel. No. 09441424242 ("Acquirer 3") AND **Mrs. GHANAKOTA RAMANA** R/o H.No. 17/333, Mahendra Street, Guntakal, Ananthapur District, Hyderabad, Tel. No. 09885544468 ("Acquirer 4")
(Hereinafter collectively referred to as "Acquirers")

To

Acquire upto 3,863,782 (Thirty Eight Lakhs Sixty Three Thousand Seven Hundred and Eighty Two) Equity Shares of face value of Rs. 10/- each representing 26% of the present issued, subscribed and paid up capital
Of

SANGAM HEALTH CARE PRODUCTS LIMITED

Registered Office: 205 & 206, Amarchand Sharma Complex, S.P Road, Secunderabad-500002, Telangana; Tel No.: 040-27719551, 27718252; Fax No.: 040-27718252; Email Id: sangamlisting@gmail.com

At a price of Rs.0.50/- (Fifty Paise Only) per fully paid up equity share payable in cash.

Pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI (SAST) Regulations, 2011) and subsequent amendments thereof.

1. This offer is being made by the Acquirers pursuant to regulation 3(1) and 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (SEBI (SAST) Regulations, 2011) for substantial acquisition of shares and voting rights accompanied with change in control and management.
2. The Offer is not subject to any minimum level of acceptance.
3. This Offer is not a Competing Offer.
4. If there is any upward revision in the Offer Price by the Acquirers upto three working days prior to the commencement of the tendering period i.e. upto Aug 20, 2014, Wednesday or in the case of withdrawal of offer, the same would be informed by way of the Issue Opening Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the acquirers for all the shares validly tendered anytime during the offer.
5. **If there is competing offer:**
The public offers under all the subsisting bids shall open and close on the same date.
6. A copy of Public Announcement, Detailed Public Statement, Letter of Offer (including Form of Acceptance cum Acknowledgement) is also available on SEBI's web-site: www.sebi.gov.in.

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 8 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NO. 21 to 23). FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT IS ENCLOSED WITH THIS LETTER OF OFFER.

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:

MANAGER TO THE OFFER



CORPORATE PROFESSIONALS CAPITAL PRIVATE LIMITED

CIN: U74899DL2000PTC104508

D-28, South Extn., Part-I, New Delhi – 110049

Contact Person: Ms. Ruchi Hans

Ph.: 91-11-40622251 Fax: 91-11-40622201

Email: ruchi@indiacp.com

SEBI Regn. No: INM000011435

REGISTRAR TO THE OFFER



BEETAL Financial & Computer Services Pvt Limited

CIN: U67120DL1993PTC052486

BEETAL House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062.

Contact Person: Mr. Punit Mittal

Ph.: 011-29961281/82/83

Fax: 011-29961284

Email: beetalrta@gmail.com

SEBI Regn. No.: INR 000000262

Offer Opens On: August 26, 2014, Tuesday

Offer Closes On: September 09, 2014, Tuesday

SCHEDULE OF ACTIVITIES OF THE OFFER

ACTIVITY	DATE AND DAY
Public Announcement (PA) Date	June 27, 2014, Friday
Detailed Public Statement (DPS) Date	July 4, 2014, Friday
Last date for a competing offer	July 25, 2014, Friday
Identified Date*	August 8, 2014, Friday
Comments on the Offer by a Committee of Independent Directors constituted by the BODs of the Target Company	August 21, 2014, Thursday
Date by which LoF will be despatched to the shareholders	August 21, 2014, Thursday
Issue Opening PA Date	August 25, 2014, Monday
Date of commencement of tendering period (Offer opening Date)	August 26, 2014, Tuesday
Date of expiry of tendering period (Offer closing Date)	September 9 2014, Tuesday
Date by which all requirements including payment of consideration would be completed	September 23, 2014, Tuesday

** Identified Date is only for the purpose of determining the names of the shareholders of the Target Company to whom the Letter of Offer would be sent.*

RISK FACTORS

Given below are the risks related to the transaction, proposed Offer and those associated with the Acquirer:

(A) Relating to transaction

The Offer is subject to the compliance of terms and conditions as mentioned in the Share Purchase Agreement (SPA) dated June 27, 2014. In terms of Regulation 23 (1) of SEBI (SAST) Regulations, 2011, if such Conditions are not satisfactorily complied with, the Offer would stand withdrawn.

The Acquirers make 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 any Shareholder on whether to participate or not to participate in the Offer.

(B) Relating to the Offer

- 1) In the event that either (a) the regulatory approvals are not received in a timely manner (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirers not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this draft Letter of Offer. Consequently, the payment of consideration to the public shareholders of SHCPL, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirers, may be delayed. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to Acquirers for payment of consideration to the public shareholders of the

Target Company who have accepted the Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.

- 2) In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis.
- 3) The tendered shares and the documents would be held in trust by the Registrar to the Offer until the completion of Offer formalities. Accordingly, the acquirers make no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.
- 4) The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the draft Letter of Offer (LOF)/ Detailed Public Statement (DPS)/Public Announcement(PA) and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his / her / its own risk.
- 5) Shareholders should note that those who have tendered shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the tendering period.

(C) Relating to Acquirers

- 1) The Acquirers make no assurance with respect to the financial performance of the Target Company and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
- 2) The Acquirers make no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.

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

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1. DEFINITIONS

1.	Acquirers or The Acquirers	Mr. Addepalli Bala Gopal, Mr. Devarakonda Venkata Subramanya Sharma, Mrs Ghanakota Padma and Mrs Ghanakota Ramana
2.	BSE	The BSE Limited
3.	BgSE	Bangalore Stock Exchange Limited
4.	Board of Directors / Board	The Board of Directors of Sangam Health Care Products Ltd.
5.	Book Value per share	Net worth / Number of equity shares issued
6.	CDSL	Central Depository Services (India) Limited
7.	Companies Act	The Companies Act, 2013, as amended from time to time
8.	Depository Participant or DP	SMC Global Securities Limited
9.	Detailed Public Statement or DPS	Detailed Public Statement which appeared in the newspaper on July 04, 2014
10.	EPS	Profit after tax / Number of equity shares issued
11.	Escrow Agreement	Escrow Agreement dated June 30, 2014 between the Acquirers, Escrow Agent and Manager to the Offer
12.	Escrow Bank/Escrow Agent	DCB Bank Limited (Formerly known as Development Credit Bank Limited) having its branch office at 9-1-125/1 Sidharth Plaza ,44, Sarojini Devi Road, Secunderabad-500003
13.	FEMA	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
14.	Form of Acceptance	Form of Acceptance cum Acknowledgement
15.	LOO or Letter of Offer or LOF	This Letter of Offer
16.	Manager to the Offer or, Merchant Banker	Corporate Professionals Capital Private Limited
17.	N.A.	Not Available/Not Applicable
18.	NRI	Non Resident Indian
19.	NSDL	National Securities Depository Limited
20.	Offer or The Offer or Open Offer	Open Offer for acquisition of upto 3,863,782 Equity Shares of face value of Rs. 10/- each being 26% of the present issued, subscribed and paid up capital of Target Company at a price of Rs. 0.50/- per Equity share payable in cash
21.	Offer Period	Friday, June 27, 2014 to Tuesday, September 23, 2014

22.	Offer Price	Rs. 0.50 (Fifty Paise Only) per fully paid up Equity Share payable in cash
23.	PAT	Profit After Tax
24.	Persons eligible to participate in the Offer	Registered shareholders of Sangam Health Care Products Limited and unregistered shareholders who own the Equity Shares of Sangam Health Care Products Limited any time prior to the closure of Offer, including the beneficial owners of the shares held in dematerialised form, except the parties to Share Purchase Agreement dated June 27, 2014
25.	Public Announcement or PA	Public Announcement submitted to BSE and BgSE as well as to SEBI on June 27, 2014
26.	Registrar or Registrar to the Offer	Beetal Financial & Computer Services Pvt. Limited, an entity registered with SEBI under the SEBI (Registrar to Issue and Share Transfer Agents) Regulations, 1993, as amended or modified from time to time.
27.	RBI	The Reserve Bank of India
28.	Return on Net Worth	(Profit After Tax/Net Worth) *100
29.	INR or Rs.	Indian Rupees
30.	SEBI Act	Securities and Exchange Board of India Act, 1992
31.	SEBI	Securities and Exchange Board of India
32.	SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
33.	SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
34.	Sellers	L.S Patil, Padmaja Patil, S S Patil, Nanda Patil, Shailaja S Patil, Shobha S Patil, Siddiling S Patil, V.S Murthy, Sarojinidevi Patil, S R Patil
35.	Share Purchase Agreement or SPA	Share Purchase Agreement dated June 27, 2014 entered into amongst Acquirers and Sellers.
36.	Tendering Period	Tuesday, August 26, 2014 to Tuesday, September 9, 2014
37.	Target Company or SHCPL	Sangam Health Care Products Limited

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF 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 SANGAM HEALTH CARE PRODUCTS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, PACs 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(S) 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(S) DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER “CORPORATE PROFESSIONALS CAPITAL PRIVATE LIMITED” HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JULY 07, 2014 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

3. DETAILS OF THE OFFER

3.1. Background of the Offer

- 3.1.1. The Offer is being made under Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations, 2011 for substantial acquisition of shares and voting rights accompanied with change in control and management of Target Company.
- 3.1.2. On June 27, 2014, Mr. Addepalli Bala Gopal S/o Late AVK Acharyulu, R/o H.No.6-3-596/46, Sunder Sai Plaza, Anand Nagar, Khairatabad, Hyderabad, Mr. Devarakonda Venkata Subramanya Sharma S/o Mr. Purusotham Devarakonda, R/o H.No. 17/333, Mahendra Street, Guntakal, Ananthapur District, Hyderabad, Mrs. Ghanakota Padma W/o Mr. Addepalli Bala Gopal, R/o H.No.6-3-596/46, Sunder Sai Plaza, Anand Nagar, Khairatabad, Hyderabad, Mrs. Ghanakota Ramana W/o Mr. Devarakonda Venkata Subramanya Sharma, R/o H.No. 17/333, Mahendra Street, Guntakal, Ananthapur District, Hyderabad (**Hereinafter collectively referred to as “Acquirers”**), have entered into a Share Purchase Agreement (“**SPA**”) with the promoters of Sangam Health Care Products Ltd. (**Target Company**) namely L.S Patil,

Padmaja Patil, S S Patil, Nanda Patil, Shailaja S Patil, Shobha S Patil, Siddiling S Patil, V.S Murthy, Sarojinidevi Patil, S R Patil (**“Sellers”**) for the acquisition of 9,755,240 (Ninety Seven Lakh Fifty Five Thousand Two Hundred Forty Only) fully paid-up Equity Shares (**“Sale Shares”**) of face value of Rs.10 (Rupees Ten) each representing 65.64% of the paid up equity share capital of the Target Company at a price of Rs. 0.50/- (Fifty Paise Only) per fully paid-up equity shares aggregating to Rs. 4,877,620 (Rupees Forty Eight Lakhs Seventy Seven Thousand Six Hundred and Twenty Only) to be paid in cash.

The Offer is not as a result of Global Acquisition resulting in indirect acquisition of Target Company. As on the date of draft LoF, the Acquirers does not hold any shares in the Target Company.

3.1.3. The important features of the SPA dated June 27, 2014 are laid down as under:

- SPA dated June 27, 2014 between the Acquirers and Sellers to acquire 9,755,240 (Ninety Seven Lakh Fifty Five Thousand Two Hundred Forty Only) fully paid up Equity Shares representing 65.64% of the paid up equity share capital of the Target Company at a price of Rs 0.50/- (Fifty Paise Only) each.
- The total consideration for the sale shares is Rs. 4,877,620 (Rupees Forty Eight Lakhs Seventy Seven Thousand Six Hundred and Twenty Only).
- The Acquirers agree to take steps to comply with the Regulations and to comply with all laws that may be required to give effect to the sale shares.
- On compliance of the Regulations by the Acquirers, the delivery of the shares would be deemed to have taken effect in pursuance of the SPA and that the payment made/to be made by the Acquirers to the Sellers shall be appropriated by the Sellers towards the sale of Sale Shares.
- In the event of non compliance of any provisions of the Regulations, the SPA for such sale shares shall not be acted upon by the Sellers or Acquirers.
- On the Completion of Takeover Process, the Sellers will allow smooth and timely transfer of control including complete change in Board of Directors in favour of the Acquirers.

3.1.4. There is no Person Acting in Concert with the Acquirers.

3.1.5. There is no separate arrangement for the proposed change in control of the Target Company except for the terms as mentioned in SPA.

3.1.6. None of the Acquirers as mentioned above have been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act, 1992.

3.1.7. Subject to the satisfaction of the provisions under the Companies Act, 2013, SEBI (SAST) Regulations, 2011 and/or other Regulation(s), the Acquirers intend to make changes in the management of the Target Company.

3.1.8. The recommendation of the committee of Independent Directors as constituted by the Board of Directors of the Target Company on the Offer will be published at least two working days before the commencement of the tendering period, in the same newspapers where the DPS was published and a copy whereof shall be sent to SEBI, BSE, BgSE and Manager to the Offer and in case of a competing offer/s to the manager/s to the open offer for every competing offer.

3.2. Details of the Proposed offer

3.2.1. In accordance with Regulation 13(1) and 14(3) of SEBI (SAST) Regulations, 2011, the Acquirers have given a PA on June 27, 2014 to BSE, BgSE and SEBI and DPS on July 4, 2014 which was published in the following newspapers.

Publication	Editions
Financial Express(English)	All Editions
Jansatta (Hindi)	All Editions
Mumbai Mitra (Marathi)	Mumbai
Prajasakti-(Telugu)	Secunderabad

The Detailed Public Statement is also available on the SEBI website at www.sebi.gov.in; BSE website at www.bseindia.com and the website of Manager to the Offer www.corporateprofessionals.com.

3.2.2. The Acquirers intend to make an Open Offer in terms of SEBI (SAST) Regulations, 2011 to the shareholders of SHCPL to acquire upto 3,863,782 (Thirty Eight Lakhs Sixty Three Thousand Seven Hundred Eighty Two Only) fully paid up Equity Shares of Rs. 10/- each representing 26% of the present issued, subscribed and paid up capital of the Target Company at a price of Rs. 0.50/- (Fifty Paise only) per fully paid up equity share (**“Offer Price”**), payable in cash subject to the terms and conditions set out in the PA, DPS and this draft Letter of Offer.

3.2.3. There are no partly paid up shares in the Target Company.

3.2.4. This is not a competitive Bid.

3.2.5. The Offer is not subject to any minimum level of acceptance from the shareholders. The Acquirers will accept the equity shares of SHCPL those are tendered in valid form in terms of this offer upto a maximum of 3,863,782 (Thirty Eight Lakhs Sixty Three Thousand Seven Hundred Eighty Two Only) Equity Shares representing 26% of the present issued, subscribed and paid up capital of the Target Company.

3.2.6. The Acquirers have not acquired any shares of Target Company after the date of P.A. i.e. June 27, 2014 and upto the date of this draft LoF.

3.2.7. The Equity Shares of the Target Company will be acquired by the Acquirers free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

- 3.2.8. As on the date of draft LoF, the Acquirers do not hold any shares in the Target Company except the shares proposed to be acquired in terms of SPA dated June 27, 2014.
- 3.2.9. Upon completion of the Offer, assuming full acceptances in the Offer and acquisition of Sale Shares in accordance with the SPA, the Acquirers will hold 13,619,022 (One Crore Thirty Six Lacs Nineteen Thousands and Twenty Two Only) Equity Shares constituting 91.64% of the present issued, subscribed and paid up equity share capital of the Target Company.
- 3.2.10. Pursuant to this Open Offer, if the public shareholding in the Target Company reduces below the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and the Listing Agreement, the Acquirers undertake that they will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Securities Contracts (Regulation) Rules, 1957 as amended, the Listing Agreement and the Regulations 7(4) and 7(5) of the SEBI (SAST) Regulations, 2011 and reduce the non-public shareholding within the time period mentioned therein.
- 3.2.11. The Manager to the Offer, Corporate Professionals Capital Private Limited does not hold any Equity Shares in the Target Company as at the date of DPS and this Draft LoF. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

3.3. Object of the Acquisition/ Offer

- (A) The main object of this acquisition is to acquire substantial shares and control over the Target Company.
- (B) This Open Offer is for acquisition of 26.00% of the present issued, subscribed and paid up equity share capital of the Target Company. After the completion of this Open Offer and pursuant to the acquisition of shares under SPA, the Acquirers shall hold the majority of the Equity Shares by virtue of which they shall be in a position to exercise effective control over the management and affairs of Target Company.
- (C) Subject to satisfaction of the provisions under the Companies Act, 2013 and/or and other Regulation(s), the Acquirers intend to make changes in the management of the Target Company.
- (D) Further, both the Target Company as well as the Acquirers are in the same line of business i.e. manufacturing and marketing of I V Sets. The intention of the acquirers is to increase the production and sales of the existing products of the Target Company as well as to add new products so that all products can be provided in one basket. The proposed acquisition and subsequent expansion plan would increase the employment in the area.

4. BACKGROUND OF THE ACQUIRERS

- 4.1. Mr. Addepalli Bala Gopal** ("Acquirer 1"), S/o Late AVK Acharyulu, R/o H.No.6-3-596/46, Sunder Sai Plaza, Anand Nagar, Khairatabad, Hyderabad is engaged in the business of manufacturing

and marketing of I V Sets having unit at Jeedimetala, Hyderabad. The I V Sets manufactured are also supplied to Government of Andhra Pradesh. Apart from this, he is also engaged in the infrastructure business and presently constructing IIIT building at BASARA, Telangana. The net worth of Mr. Addepalli Bala Gopal as on 30.04.2014 is Rs. 20,348,745 (Rupees Two Crores Three Lakhs Forty Eight Thousand Seven Hundred and Forty Five Only) as certified by Mr. Srinivas Dubakunta, proprietor of D. Srinivas & Co., Chartered Accountants (Membership No. 212315) having office at 1-9-181/2, Ramnagar, Hyderabad - 500048, Mobile: 98496 36620, email: casrinivas@rediffmail.com vide certificate dated June 27, 2014. Mr. Addepalli Bala Gopal is the Partner of M/s Sri Sai Gravure Prints, M/s Sri Sai Health Care Products, M/s Paramount Infra Projects and also holds the position of Director in M/s BRS Paramount Edifice Private Limited and M/s Panch Vaid Healthcare Services Private Limited. He is the Husband of Acquirer 3.

4.2. Mr. Devarakonda Venkata Subramanya Sharma ("Acquirer 2"), S/o Mr. Purusotham Devarakonda, R/o H.No. 17/333, Mahendra Street, Guntakal, Ananthapur District, Hyderabad has done his MS (Ophthalmology) and finished Medicine from Gandhi and PG from Kakathiya. He has set up his own practice in Guntakal. The net worth of Mr. Devarakonda Venkata Subramanya Sharma as on 30.04.2014 is Rs. 49,903,353 (Rupees Four Crores Ninety Nine Lakhs Three Thousand Three Hundred and Fifty Three only) as certified by Mr. Srinivas Dubakunta, proprietor of D. Srinivas & Co., Chartered Accountants (Membership No. 212315) having office at 1-9-181/2, Ramnagar, Hyderabad - 500048, Mobile: 98496 36620, email: casrinivas@rediffmail.com vide certificate dated June 27, 2014. He is the Husband of Acquirer 4.

4.3. Mrs. Ghanakota Padma ("Acquirer 3"), W/o Mr. Addepalli Bala Gopal, R/o H.No.6-3-596/46, Sunder Sai Plaza, Anand Nagar, Khairatabad, Hyderabad is a Graduate with 7 years of experience in manufacturing of I V Sets and pouches. The net worth of Mrs. Ghanakota Padma as on 30.04.2014 is Rs. 6,476,176/- (Rupees Sixty Four Lakhs Seventy Six Thousand One Hundred and Seventy Six Only) as certified by Mr. Srinivas Dubakunta, proprietor of D. Srinivas & Co., Chartered Accountants (Membership No. 212315) having office at 1-9-181/2, Ramnagar, Hyderabad - 500048, Mobile: 98496 36620, email: casrinivas@rediffmail.com vide certificate dated June 27, 2014. Mrs. Ghanakota Padma is the Partner M/s Sri Sai Gravure Prints and M/s Sri Sai Health Care Products. She is the wife of Acquirer 1 and sister of Acquirer 4.

4.4. Mrs. Ghanakota Ramana ("Acquirer 4"), W/o Mr. Devarakonda Venkata Subramanya Sharma, R/o H.No. 17/333, Mahendra Street, Guntakal, Ananthapur District, Hyderabad has completed her medicine from Gandhi and PG from Osmania. She has set up her own practice in Guntakal. The net worth of Mrs. Ghanakota Ramana as on 30.04.2014 is Rs.55,468,439/- (Rupees Five Crores Fifty Four Lacs Sixty Eight Thousand Four Hundred Thirty Nine Only) as certified by Mr. Srinivas Dubakunta, proprietor of D. Srinivas & Co., Chartered Accountants (Membership No. 212315) having office at 1-9-181/2, Ramnagar, Hyderabad - 500048, Mobile: 98496 36620, email: casrinivas@rediffmail.com vide certificate dated June 27, 2014. She is the wife of Acquirer 2 and sister of Acquirer 3.

- 4.5.** The Acquirers have duly complied with the provisions of SEBI (SAST) Regulations, 2011 as may be applicable.
- 4.6.** None of the Acquirers as mentioned above have been prohibited by Securities and Exchange Board of India from dealing in securities, in terms of directions issued u/s 11B of the SEBI Act, 1992 or under any of the Regulations made under the SEBI Act, 1992.

5. BACKGROUND OF THE TARGET COMPANY – SANGAM HEALTH CARE PRODUCTS LIMITED

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

- 5.1.** Sangam Health Care Products Ltd. was incorporated on December 13, 1993 under the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh as Sangam Health Care Products Ltd. and obtained its certificate of commencement of business on January 03, 1994. The name of the Target Company has not changed since its incorporation. The registered office of SHCPL is situated at 205 & 206, Amarchand Sharma Complex, S.P Road, Secunderabad–500002, Telangana.
- 5.2.** Share capital structure of the Target Company as on the date of draft LoF is as follows-

Paid up Equity Shares of Target Company	No. of Shares/voting rights*	% of shares/voting rights
Fully paid up equity shares	14,860,700 Equity Shares of Rs. 10 each	100
Partly paid up equity shares	Nil	Nil
Total paid up equity shares	14,860,700 Equity Shares of Rs. 10 each	100
Total voting rights in TC	14,860,700 Equity Shares of Rs. 10 each	100

*Only 8,160,700 Equity Shares are listed on BSE and BgSE out of the abovementioned 14,860,700 Equity Shares.

- 5.3.** The Equity Shares of the Target Company are presently listed on BSE and BgSE. However, the trading in the Equity Shares is suspended at both BSE and BgSE since September 10, 2001 and May 04, 2006 respectively. The Target Company has filed an application for revocation of suspension and the same is in process.
- 5.4.** Further, 6,000,000 Equity Shares allotted on April 30, 1999 and 700,000 Equity Shares allotted on January 31, 2002 are not listed on any Stock Exchange where the equity shares of the Target Company are listed.
- 5.5.** There are currently no outstanding partly paid up shares or any other instruments convertible into Equity Shares of the Target Company at a future date.

5.6. As on the date of draft LoF, the composition of the Board of Directors of SHCPL is as under::

S.No.	Name and Address of Director	Designation	Date of Appointment
1.	Mr. Lingaraj Shantalingappa Patil 8-2-293/82/HH/83&84, Huda Heights, MLA Colony, Road 12, Banjara Hills, Hyderabad- 500034	Director	13/12/1993
2.	Basawaraj Nagabusappa Sajjan H.No2/9, Bahara A, Sahara States, Mansoorabad, L B Nagar, Hyderabad-500068	Director	29/06/2012
3.	Pradyut Waghray 8-2-293/82/A, Flat no. 1258/B Road no. 63, Jubilee Hills, Hyderabad- 500033	Additional Director	04/02/2014
4.	Khushwant Singh 6-3-662/14, Somajiguda, Hyderabad- 500082	Additional Director	04/02/2014

None of the above Directors is representative of Acquirers.

5.7. There has been no merger/de-merger, spin off during last 3 years involving the Target Company.

5.8. The financial information of Target Company based on the audited standalone financial statements for the financial year ended March 31 2011, March 31, 2012 and March 31, 2013 and unaudited financial information for the financial year ended March 31, 2014 are as follows:

(Amount Rs. In Lacs)

Profit & Loss Statement	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2012 (Audited)	Year Ended 31.03.2013 (Audited)	Year Ended 31.03.2014 (Unaudited)
Income from operations	4208.71	4842.43	2403.11	2149.7
Other Income	8.72	10.53	5.92	20.01
Increase/ (Decrease) in Stock	74.99	388.77	(1,644.73)	(115.29)
Total Income	4292.42	5241.73	764.3	2054.42
Total Expenditure (Excluding Depreciation and Interest)	3709.35	4621.45	3969.62	2243.71

Profit Before Depreciation Interest and Tax	583.07	620.28	(3,205.32)	(189.29)
Depreciation	166.72	170.14	171.86	171.86
Interest	382.56	401.64	487.25	575.1
Profit/ (Loss) Before Tax	33.79	48.50	(3864.43)	(936.25)
Provision for Tax	0.00	0.00	0.00	0.00
Profit/ (Loss) After Tax	33.79	48.50	(3864.43)	(936.25)

(Amount Rs. In Lacs)

Balance Sheet Statement	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2012 (Audited)	Year Ended 31.03.2013 (Audited)	Year Ended 31.03.2014 (Unaudited)
Sources of funds				
Paid up share capital	1486.07	1486.07	1486.07	1486.07
Reserves and Surplus (excluding revaluation reserves)	(277.27)	(228.77)	(4,093.20)	(5,029.46)
Secured loans	2471.19	943.22	919.04	3240.92
Unsecured loans	965.75	1304.05	1688.72	2091.73
Deferred Tax Liability (Net)	0	0	0	0
Total	4645.74	3504.57	0.63	1789.26
Uses of funds				
Net fixed assets	2157.10	2044.82	1937.30	1773.27
Investments	0	204.42	137.00	0
Net current assets	2488.64	1255.32	(2,073.67)	15.99
Total miscellaneous expenditure not written off	0	0	0	0
Total	4645.74	3504.57	0.63	1789.26

Other Financial Data	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2012 (Audited)	Year Ended 31.03.2013 (Audited)	Year Ended 31.03.2014 (Unaudited)
Dividend (%)	Nil	Nil	Nil	Nil

Earning Per Share (In Rs.)	0.23	0.33	(26.00)	(6.30)
Networth (Rs. In Lacs)	1,208.80	1257.30	(2,607.13)	(3,543.39)
Return on Networth (%)	2.80	3.86	0.00	0.00
Book Value Per Share (Rs.)	8.13	8.46	(17.54)	(23.84)

Source- As certified by Mr. Jayant Palnitkar (Membership No. 20851), Partner of Jayant & Sadashiv, Chartered Accountant having office at 404 & 405, Sanatana Eternal, 3-6-108/1, Liberty Road, Himayatnagar, Hyderabad-500029; Tel.:040-66361177 vide certificate dated June 27, 2014.

5.9. Pre and Post- Offer share holding pattern of the Target Company as on the date of draft LoF is as follows:

Sr. No	Shareholder Category	Shareholding & Voting rights prior to the Agreement/acquisi tion and Offer (A)		Shares/voting rights agreed to be acquired Which triggered off the Regulations (B)		Shares/Voting rights to be acquired in the Open Offer (assuming full acceptance) (C)		Shareholding/voting rights after the acquisition and Offer i.e. (A+B+C)	
		No.	%	No.	%	No.	%	No.	%
1	Promoter Group								
	a. Parties to agreement, if any	9,755,240	65.64	(9,755,240)	(65.64)	Nil	NA	Nil	NA
	b. Promoters other than (a) above (Boin Medica Co Ltd.)	1,240,260	8.35	Nil	NA	Nil	NA	Nil	NA
	Total 1 (a+b)	10,995,500	73.99	(9,755,240)	(65.64)	Nil	NA	Nil	NA
2	Acquirer								
	Addepalli Bala Gopal	Nil	NA	3,000,000	20.19	3,863,782	26	13,619,022	91.64

	Devarakonda Venkata Subramanya Sharma	Nil	NA	2,500,000	16.82				
	Ghanakota Padma	Nil	NA	2,000,000	13.46				
	Ghanakota Ramana	Nil	NA	2,255,240	15.18				
	Total 2	Nil	NA	9,755,240	65.64	3,863,782	26	13,619,022	91.64
3	Parties to the agreement other than 1(a) & 2	NA	NA	NA	NA	NA	NA	NA	NA
4	Public								
a.	FIs / MFs / FIIs / Banks, SFIs (9 Shareholders)	1,353,000	9.10	Nil	NA	(3,863,782)	(26.00)	1,241,678	8.36
b.	Others (635 Shareholders)	2,512,200	16.90	Nil	NA				
	Total (4)(a+b)	3,865,200	26.01	Nil	NA	(3,863,782)	(26.00)	1,241,678	8.36
	Total (1+2+3+4)	14,860,700	100					14,860,700	100

*After the successful completion of open offer, M/s Boin Medica Co Ltd. would be transferred in the public category.

Notes: The data within bracket indicates sale of equity shares.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

- 6.1.1. The Offer is made pursuant to the direct acquisition of shares of the Target Company by the Acquirers. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.
- 6.1.2. The Equity Shares of the Target Company are listed on BSE and BgSE (together referred to as "Stock Exchange"). However, the trading in the equity shares is suspended at both BSE and BgSE since September 10, 2001 and May 4, 2006 respectively.
- 6.1.3. The annualized trading turnover in the Equity Shares of the Target Company based on trading volume during the twelve calendar months prior to the month of PA (June 1, 2013 to May 30, 2014) is as given below:

Stock Exchange	Total No. of equity shares traded during the Twelve calendar months prior to the month of PA	Total No. of Equity Shares	Annualised Trading Turnover (as % of Total Equity Shares)
BSE	Nil	14,860,700	Nil
BgSE	Nil	14,860,700	Nil

(Source: www.bseindia.com)

- 6.1.4. Since the trading in the equity shares of the Target Company is suspended at all the Stock Exchanges where its shares are listed, therefore, the equity shares of the Target Company are infrequently traded within the meaning of definition of “frequently traded shares” under clause (j) of Sub-Regulation (1) of Regulation 2 of the SEBI (SAST) Regulations, 2011).
- 6.1.5. The Offer Price of Rs. 0.50 per Equity Share is justified, in terms of Regulation 8(2) of the SEBI (SAST) Regulations, 2011, being the highest of the following:

(a)	Negotiated Price	Rs. 0.50 per share
(b)	The volume-weighted average price paid or payable for acquisition whether by the Acquirer or by any person acting in concert with him, during 52 weeks immediately preceding the date of PA	Not Applicable
(c)	The highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during 26 weeks immediately preceding the date of the PA	Not Applicable

Other Parameters*	Based on the audited financial data for the period ended March 31, 2013	Based on the unaudited financial data for the period ended March 31, 2014
Return on Net Worth (%)	Nil	Nil
Book Value per share (Rs.)	(17.54)	(23.84)
Earning per share (Rs.)	(26)	(6.31)

Source- As certified by Mr. Jayant Palnitkar (Membership No. 20851), Partner of Jayant & Sadashiv, Chartered Accountant having office at 404 & 405, Sanatana Eternal, 3-6-108/1, Liberty Road, Himayatnagar, Hyderabad-500029; Tel.:040-66361177 vide certificate dated June 27, 2014.

In view of the parameters considered and presented in table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 0.50/- (Fifty Paise Only) per share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.

- 6.1.6. There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.
- 6.1.7. In the event of further acquisition of Equity Shares of the Target Company by the Acquirers during the offer period, whether by subscription or purchase, at a price higher than the Offer

Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations, 2011. However, it shall not be acquiring any equity shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.

- 6.1.8. If the Acquirers acquire equity shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an open offer under the SEBI (SAST) Regulations, 2011, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.
- 6.1.9. As on date there is no revision in Open Offer Price or Open Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirers shall comply with Regulation 18 of SEBI (SAST) Regulations, 2011 and all the provisions of SEBI (SAST) Regulations, 2011 which are required to be fulfilled for the said revision in the Open Offer Price or Open Offer Size.
- 6.1.10. The Acquirers are permitted to revise the Offer Price upward at any time up to 3 working days prior to the commencement of the tendering period. If there is any such upward revision in the Offer Price by the Acquirers or in the case of withdrawal of offer, the same would be informed by way of the Issue Opening Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the acquirers for all the shares validly tendered anytime during the Offer.
- 6.1.11. If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to three (3) working days before the date of commencement of the tendering period and would be notified to the shareholders.

6.2. Financial Arrangement

- 6.2.1. The total fund requirement for the Offer (assuming full acceptances) i.e. for the acquisition upto 3,863,782 Equity Shares from the public shareholders of the Target Company at an Offer Price of Rs. 0.50 (Fifty Paise only) per fully paid up equity share is Rs.19,31,891 (Rupees Nineteen Lakhs Thirty One Thousand Eight Hundred Ninety One Only) (the “**Maximum Consideration**”).
- 6.2.2. The Acquirers have adequate resources and has made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer, in terms of Regulation 25(1) of

the SEBI (SAST) Regulations, 2011. The acquisition will be financed through internal resources.

- 6.2.3. The Acquirers, the Manager to the Offer and DCB Bank Limited (Formerly known as Development Credit Bank Limited), a banking corporation incorporated under the Companies Act, 1956, and having one of its branch offices at 9-1-125/1 Sidharth Plaza ,44, Sarojini Devi Road, Secunderabad-500003 have entered into an escrow agreement dated June 30, 2014 for the purpose of the Offer in accordance with Regulation 17 of the SEBI (SAST) Regulations, 2011. In terms of the Agreement, the acquirer has opened an Escrow Account bearing name and style as **“CPCPL –SHCPL - OPEN OFFER ESCROW ACCOUNT”**, (the “Escrow Account”) and deposited cash of Rs. 485,000 (Rupees Four Lakhs Eighty Five Thousand Only) being in excess of 25% of the Maximum Consideration.
- 6.2.4. The Acquirers have authorized the Manager to the Offer to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 2011.
- 6.2.5. Mr. Srinivas Dubakunta, Proprietor of D. Srinivas & Co., Chartered Accountants (Membership No. 212315) having office at 1-9-181/2, Ramnagar, Hyderabad - 500048, Mobile: 98496 36620, email: casrinivas@rediffmail.com has vide certificate dated June 27, 2014 certified that the Acquirers have sufficient resources to meet the fund requirement for the takeover of Target Company.
- 6.2.6. Based on the above and in the light of the escrow arrangement, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to fulfill the Acquirer's obligations through verifiable means in relation to the Offer in accordance with the Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. Operational terms and conditions

- 7.1.1. The Offer is not subject to any minimum level of acceptances from shareholders.
- 7.1.2. LoF will be dispatched to all the equity shareholders of SHCPL, whose names appear in its Register of Members on August 8, 2014, Friday, the Identified Date.
- 7.1.3. The Offer is subject to the terms and conditions set out in this Letter of Offer, the Form of Acceptance, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.
- 7.1.4. The LoF alongwith the Form of Acceptance cum acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the website.
- 7.1.5. This Offer is subject to the receipt of the statutory and other approvals as mentioned in paragraph 7.4. of this draft LOF. In terms of Regulation 23(1) of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

- 7.1.6. Accidental omission to dispatch this Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.1.7. The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).
- 7.1.8. Any equity shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/ restriction from other statutory authorities wherein the shareholder may be precluded from transferring the equity shares during pendency of the said litigation are liable to be rejected if directions/orders regarding these equity shares are not received together with the equity shares tendered under the Offer.

7.2. Locked in shares: There are no locked in shares in the Target Company.

7.3. Persons eligible to participate in the Offer

Registered shareholders of SHCPL and unregistered shareholders who own the Equity Shares of SHCPL any time prior to the Closure of Offer, including the beneficial owners of the shares held in dematerialised form, except the parties to Share Purchase Agreement dated June 27, 2014.

7.4. Statutory and other Approvals:

- 7.4.1. Shareholder of the Target Company who are either Non-Resident Indians ("NRIs") or Overseas Corporate Bodies (OCBs) and wish to tender their Equity Shares in this Open Offer shall be required to submit all the applicable approvals (specific and general) from the Reserve Bank of India (RBI) that they have obtained at the time of their acquisition of the Equity Shares of the Target Company. In the event such approvals from the RBI are not submitted, the Acquirers reserve the sole right to reject the Equity Shares tendered by such shareholders in the Open Offer. This Open Offer is subject to receipt of the requisite RBI approvals, if any, for acquisition of Equity Shares by the Acquirers from NRIs and OCBs.
- 7.4.2. As of the date of this Offer, there are no other statutory approvals required to acquire the equity shares tendered pursuant to this Open Offer. If any other statutory approvals required or become applicable, the Open Offer would be subject to the receipt of such other statutory approvals. The Acquirers will not proceed with the Open Offer in the event such statutory approvals that are required are refused in terms of Regulation 23 of SEBI (SAST) Regulations, 2011. This Open Offer is subject to all other statutory approvals that may become applicable at a later date before the completion of the Open Offer.
- 7.4.3. No approval from any bank or financial institutions is required for the purpose of this Offer.
- 7.4.4. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers agreeing to

pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.

- 7.4.5. The Acquirers shall complete all procedures relating to the Open Offer including payment of consideration to the shareholders whose shares are accepted in the open offer within 10 working days from the last date of the tendering period.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1. The following collection centre would be accepting the documents by Hand Delivery /Regd. Post/Courier as specified above, both in case of shares in physical and dematerialized form:

Name and Address of the Collection Centre	Working days and timings	Mode of delivery
M/s Beetal Financial & Computer Services Pvt. Ltd. BEETAL House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062, Contact Person: Mr. Punit Mittal Ph.: 011-29961281/82/83 Fax: 011-29961284 Email: beetalrta@gmail.com	During the Business Hours from Monday to Saturday	Regd. Post/ Courier/ Hand Delivery/

- 8.2. Shareholders who hold equity shares of the Target Company in physical form and wish to tender their equity share pursuant to the Offer will be required to submit the duly completed Form of Acceptance cum acknowledgement, original Share Certificate(s), valid Transfer Deed(s) duly signed and witnessed and other documents as may be specified in the LoF, to the Registrar to the Offer either by Registered Post/Courier, at their own risk or by hand delivery so as to reach on or before the date of closing of the business hours on the date of closure of the Offer i.e. September 9, 2014, Tuesday.
- 8.3. The Registrar to the Offer, M/s Beetal Financial & Computer Services Pvt. Ltd. has opened a special depository account with Central Depository Services (India) Limited ("CDSL") for receiving equity shares during the offer from eligible shareholders who hold equity shares in demat form.
- 8.4. For shareholders holding equity shares in dematerialized form will be required to send their Form of Acceptance cum Acknowledgement and other documents as may be specified in the LoF to the Registrar to the Offer either by Registered Post/Courier or by hand delivery so as to reach on or before the date of closing of the business hours on the date of closure of the Offer i.e. September 9, 2014, Tuesday along with a 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 "SANGAM HEALTH CARE PRODUCTS LIMITED- OPEN OFFER ESCROW A/C" ("Depository Escrow Account") filled in as per the instructions given below:

DP Name :	SMC Global Securities Limited
DP ID :	12019101
Client ID :	02239164
Depository:	Central Depository Services (India) Limited ("CDSL")

Shareholders having their beneficiary account in **National Securities Depository Limited ("NSDL")** shall use the inter-depository delivery instruction slip for the purpose of crediting their shares in favor of the Special Depository Account with CDSL.

8.5. The shares and other relevant documents should not be sent to the Acquirers/ Target Company.

8.6. In case of (a) shareholders who have not received the LoF, (b) unregistered shareholders, (c) owner of the shares who have sent the shares to the Target Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid share transfer deeds (one per folio), duly signed by such shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with SHCPL), and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be, shall need to be provided so as to reach the Registrar to the Offer on or before the date of closing of the business hours on the date of closure of the Offer i.e September 09, 2014, Tuesday . Such shareholders can also obtain the LoF from the Registrar to the Open Offer by giving an application in writing to that effect.

8.7. In case of shareholders who have not received the LoF and holding equity shares in the dematerialized form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of equity shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant as specified in Para 8.4. above, so as to reach the Registrar to the Offer on or before the date of closing of the business hours on the date of closure of the Offer i.e. September 09, 2014, Tuesday. Such equity shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

8.8. Shareholders who have sent their equity shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Depository Escrow Account should be received on or before the date of closing of the business hours on the date of closure of the Offer i.e. September 09, 2014, Tuesday, else the application would be rejected.

8.9. No indemnity is needed from unregistered shareholders.

- 8.10.** Where the number of equity shares offered for sale by the shareholders are more than the equity shares agreed to be acquired by Acquirers, the Acquirers will accept the offers received from the shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of SHCPL is 100 {Hundred} Equity Shares.
- 8.11.** In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.
- 8.12.** The consideration to the shareholders whose shares have been accepted will be paid by crossed account payee cheques/ demand drafts/Electronic Clearance Service (ECS) where applicable. Such payments through account payee cheques/demand drafts will be returned by registered post, at the shareholders' registered / unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner.
- 8.13.** Unaccepted share certificate(s) , transfer deed(s) and other documents, if any, will be returned by registered post, at the shareholders' registered / unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner. Equity shares held in dematerialized 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 or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective DPs when transferred by the Registrar to the Offer.
- 8.14.** The Registrars to the Offer will hold in trust the equity shares and share certificate(s), equity shares lying in credit of the Special Depository Account, Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of Target Company who have accepted the Offer, until the cheques/ drafts for the consideration and/ or the unaccepted equity shares/ share certificates are dispatched/ returned.

9. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at D-28, South Extn. Part-I, New Delhi-110049 from 10.30 A.M. to 1.00 P.M. on any working day, except Saturdays, Sundays and Holidays until the Closure of the Offer:

- 9.1.** Certificate of Incorporation, Memorandum & Articles of Association of SHCPL.

- 9.2. Certificate dated June 27, 2014 issued by Mr. Srinivas Dubakunta, proprietor of D. Srinivas & Co., Chartered Accountants (Membership No. 212315) having office at 1-9-181/2, Ramnagar, Hyderabad - 500048, Mobile: 98496 36620, email: casrinivas@rediffmail.com certifying the adequacy of financial resources with the Acquirers to fulfill their part of open Offer obligations.
- 9.3. Audited Annual Reports of SHCPL for the years ended March 31, 2011, 2012 and 2013.
- 9.4. Copy of Escrow Agreement between the Acquirer, DCB Bank Limited (Formerly known as Development Credit Bank Limited) and Manager to the Offer.
- 9.5. Certificate from DCB Bank Limited (Formerly known as Development Credit Bank Limited) confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation 2011.
- 9.6. Copy of the Share Purchase Agreement dated June 27, 2014.
- 9.7. Copy of Public Announcement, Published copy of the Detailed Public Statement which appeared in the Newspapers on July 04, 2014, Issue Opening PA and any corrigendum to these.
- 9.8. A copy of the recommendation made by the Board of SHCPL.
- 9.9. A copy of the observation letter from SEBI.
- 9.10. Copy of agreement between the Acquirers and the Registrar to the offer.

10. DECLARATION BY THE ACQUIRER

The Acquirers accepts full responsibility for the information contained in this draft LoF and also for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations, 2011 and subsequent amendments made thereof. The Acquirers would be responsible for ensuring compliance with the concerned Regulations.

Sd/-	Sd/-	Sd/-	Sd/-
(Addepalli Bala Gopal)	(Devarakonda Venkata Subramanya Sharma)	(Ghanakota Padma)	(Ghanakota Ramana)

Place: New Delhi

Date: July 09, 2014

11. ENCLOSURES

- 11.1. Form of Acceptance cum Acknowledgement
- 11.2. Blank Share Transfer Deed(s)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION (Please send this Form of Acceptance with enclosures to the Registrar to the Offer)		
OFFER OPENS ON	:	AUGUST 26, 2014, TUESDAY
OFFER CLOSSES ON	:	SEPTEMBER 09, 2014, TUESDAY
Please read the Instructions overleaf before filling-in this Form of Acceptance		

FOR OFFICE USE ONLY	
Acceptance Number	
Number of equity shares Offered	
Number of equity shares accepted	
Purchase consideration (Rs.)	
Cheque/Demand Draft/Pay Order No.	

From:

Tel. No.:

Fax No.:

E-mail:

To,

The Acquirers

C/o Beetal Financial and Computer Services Pvt. Limited

Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre, New Delhi-110062

Dear Sir/s,

REG.: OPEN OFFER TO THE SHAREHOLDERS OF M/S SANGAM HEALTH CARE PRODUCTS LTD. (SHCPL/TARGET COMPANY) BY MR. ADDEPALLI BALA GOPAL, MR. DEVARAKONDA VENKATA SUBRAMANYA SHARMA, MRS. GHANAKOTA PADMA AND MRS. GHANAKOTA RAMANA (ACQUIRERS) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011.

I / we, refer to the Letter of Offer dated _____ for acquiring the equity shares held by me / us in **M/s Sangam Health Care Products 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, unconditionally Offer to sell to the Acquirers the following equity shares in SHCPL held by me/ us at a price of Rs. 0.50/- (Fifty Paise Only) per fully paid-up equity share.

For shares held in physical form

1. I/We enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my / our equity shares as detailed below (please enclose additional sheet(s), if required).

Ledger Folio No.....Number of share certificates attached.....			
Representing equity shares			
Number of equity shares held in SHCPL		Number of equity shares Offered	
In figures	In words	In figures	In words

Sr. No.	Share Certificate No.	Distinctive Nos.		No. of equity shares
		From	To	
1				
2				
3				
Total No. of Equity Shares				

For shares held in Demat form:

2. I / We, holding equity shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of equity shares

DP Name	: SMC Global Securities Limited-New Delhi
ID	: 12019101
Client ID	: 02239164
Depository	: Central Depository Services (India) Limited ("CDSL")
Depository Escrow Account	: " Sangam Health Care Products Limited-Open Offer Escrow A/c"

3. I / We confirm that the Equity Shares of SHCPL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
4. I / We authorize the Acquirers to accept the Equity Shares so offered or such lesser number of equity shares that the Acquirers may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the Acquirers to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirers to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
5. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirers, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these equity shares. I / We agree that the Acquirers may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.
6. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirers makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be.
7. I/We note and understand that the Shares would held in trust by the Registrar until the time the Acquirers makes payment of purchase consideration as mentioned in the Letter of Offer.
8. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
9. I / We irrevocably authorise the Acquirers to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with SHCPL:

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with SHCPL):

Place: ----- **Date:** -----

Tel. No(s) : ----- **Fax No.:** -----

So as to avoid fraudulent encashment in transit, the shareholder(s) have an option to receive the sale consideration through RTGS/ECS mode and requested to kindly provide following information compulsorily in order to received payment through RTGS/ECS

Bank Account No.: ----- Type of Account: -----

(Savings /Current /Other (please specify))

Name of the Bank: -----

Name of the Branch and Address: -----

MICR Code of Bank-----

IFCS Code of Bank-----

The Permanent Account Number (PAN / GIR No.) allotted under the Income Tax Act, 1961 is as under:

	1 st Shareholder	2 nd Shareholder	3 rd Shareholder
PAN / GIR No.			

Yours faithfully,

Signed and Delivered:

	FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all the holders must sign. In case of body corporate, stamp of the Company should be affixed and necessary Board Resolution should be attached.

INSTRUCTIONS

- 1 Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.
- 2 The Form of Acceptance should be filled-up in English only.
- 3 Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.
- 4 **Mode of tendering the Equity Shares Pursuant to the Offer:**
 - I. The acceptance of the Offer made by the Acquirers is entirely at the discretion of the equity shareholder of SHCPL.
 - II. Shareholders of SHCPL to whom this Offer is being made, are free to Offer his / her / their shareholding in SHCPL for sale to the Acquirers, in whole or part, while tendering his / her / their equity shares in the Offer.

ACKNOWLEDGEMENT SLIP

SHARES IN PHYSICAL FORM

OPEN OFFER TO THE SHAREHOLDERS OF M/S SANGAM HEALTH CARE PRODUCTS LIMITED (SHCPL/ TARGET COMPANY) BY MR. ADDEPALLI BALA GOPAL, MR. DEVARAKONDA VENKATA SUBRAMANYA SHARMA, MRS. GHANAKOTA PADMA AND MRS. GHANAKOTA RAMANA (ACQUIRERS) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011.

Received from Mr. / Ms.....

Ledger Folio No/ -----Number of certificates enclosed..... under the Letter of Offer dated _____, Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

Sr. No.	Share Certificate No.	Distinctive Nos.		No. of equity shares
		From	To	
1.				
2.				
3.				
Total no. of Equity Shares				

Stamp

Authorised Signatory

Date

Note: All future correspondence, if any, should be addressed to **Registrar to the Offer**

Beetal Financial and Computer Services Pvt. Limited

Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062

Contact Person: Mr. Punit Mittal

Ph.: 011-29961281/82/83

Fax: 011-29961284

Email: beetalrta@gmail.com

SEBI Regn. No.: INR 000000262

ACKNOWLEDGEMENT SLIP

SHARES IN DEMATERIALISED FORM

OPEN OFFER TO THE SHAREHOLDERS OF M/S SANGAM HEALTH CARE PRODUCTS LIMITED (SHCPL/ TARGET COMPANY) BY MR. ADDEPALLI BALA GOPAL, MR. DEVARAKONDA VENKATA SUBRAMANYA SHARMA, MRS. GHANAKOTA PADMA AND MRS. GHANAKOTA RAMANA (ACQUIRERS) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011.

Received from Mr. / Ms.

I / We, holding equity shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of equity shares

DP Name	: SMC Global Securities Limited
ID	: 12019101
Client ID	: 02239164
Depository	: Central Depository Services (India) Limited ("CDSL")
Depository Escrow Account	: "SANGAM HEALTH CARE PRODUCTS LIMITED-OPEN OFFER ESCROW A/C"

Stamp

Authorised Signatory

Date:

Note: All future correspondence, if any, should be addressed to **Registrar to the Offer**

Beetal Financial and Computer Services Pvt. Limited

Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062

Contact Person: Mr. Punit Mittal

Ph.: 011-29961281/82/83

Fax: 011-29961284

Email: beetalrta@gmail.com

SEBI Regn. No.: INR 000000262