LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as shareholder(s) of **Sunil Healthcare Limited (SHL)**, If you require any clarification about the action to be taken, you may please consult your stockbroker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in Sunil Healthcare Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER BY

Mr. Anil Kumar Khaitan (Acquirer)
R/O of A-3, Maharani Bagh, New Delhi-110065, Phone No. (011) 26313546/47/48, Fax No. (011) 26221440
Magnum Computers (P) Ltd (Acquirer)
Registered Office at 73-74 First Floor, Sheetla House,
Nehru Place, New Delhi-110019, Phone No. (011) 26447086

Alongwith Persons Acting in Concert

Mr. Sunil Kumar Khaitan, Mr. Sudhir Kumar Khaitan, Mr. Umaesh Kumar Khaitan, Mrs. Sunita Khaitan, Mrs. Sarita Khaitan, Mrs. Kavita Khaitan, Mrs. Rashmi Khaitan, Mrs. Renu Modi, Mrs. Sita Devi Khaitan, M/s Shalimar Wire Industries Ltd and M/s Shalimar Industries Ltd (hereinafter referred to as the "Persons Acting in Concert"/ PACs")

To

Acquire upto 9,32,250 equity shares of Rs. 10/- each representing 20% of the total equity/voting share capital of Target Company at a price of Rs. 30.50 (Rupees Thirty and Paise Fifty Only) per fully paid equity share payable in Cash.

Of

SUNIL HEALTHCARE LIMITED

Registered Office: 17/18, Old Industrial Area, Alwar-301001, Rajasthan.
Tel No. 0144-2373829/30/31/32; Fax No. 0144-2373826.

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

ATTENTION:

1. The Offer is not a Conditional Offer.
2. Approval for transfer of shares of a Company registered in India by a Non Resident to a person resident in India is required. The Acquirers shall apply for approval (if any) to RBI as and when required for transfer of shares in their name in due course after successful completion of this Offer.
3. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the offer i.e. upto **Wednesday, 7th May, 2008.**
4. If there is any upward revision in the Offer Price by the Acquirers Upto seven working days prior to the date of closure i.e. upto **Tuesday, 29th April, 2008** the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revision in the Offer Price would be payable for all the equity shares tendered anytime during the Offer Period.
5. **If there is a Competitive Bid:**
   - **5.1 The Public Offers under all the subsisting bids shall close on the same date.**
   - **5.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**
6. **A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's web-site: www.sebi.gov.in**

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 10 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 24 TO 27)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL ARE 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	REGISTRAR TO THE OFFER
CHARTERED CAPITAL AND INVESTMENT LIMITED 13, Community Centre, East of Kailash, New Delhi-110065. Tel no.. : 011-26472557/26218274 Fax no. : 011-26219491 Email : charteredcapital@gmail.com delhi@charteredcapital.net Contact Person: ***Mr. Priyaranjan***	**MCS LIMITED** Sri Venkatesh Bhavan, W-40 Okhla Industrial Area, Phase II, New Delhi-110020., Tel No.:(011)41406149/50/51 Fax No.(011)41709881 Email: admin@mcsdel.com Contact Person: ***Mr. Amarjeet***

OFFER OPENS ON :	OFFER CLOSES ON :
23rd April, 2008 (Wednesday)	12th May, 2008 (Monday)

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Activity	Schedule (Date & Day)
Date of Public Announcement (PA)	**March 04,2008, Tuesday**
Specified Date	March 28,2008, Friday
Last Date for a Competitive Bid(s)	**March 25, 2008, Tuesday**
Date by which Letter of Offer will be dispatched to the Shareholders	April 15, 2008, Tuesday
Offer Opening Date	**April 23, 2008, Wednesday**
Last Date for the Revision of the Offer Price / Number of Equity Shares.	**April 29, 2008, Tuesday**
Last date to withdraw acceptance tendered by shareholders	**May 07, 2008, Wednesday**
Offer Closing Date	**May 12, 2008, Monday**
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired equity shares and / or the unaccepted equity shares / share certificates will be dispatched.	May 27, 2008, Tuesday

RISK FACTORS

i. In the event that either (a) the Regulatory Approvals are not received in 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 Letter of Offer. Consequently, the payment of consideration to the public shareholders of SHL, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirers, may be delayed.

ii. The shares tendered in the offer will lie to the credit of a designated escrow account/ held in trust by the Registrar, till the completion of the offer formalities. Accordingly, the Acquirers makes no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.

iii. In the event of Over-Subscription to the offer, the acceptance will be on a proportionate basis.

iv. Association of the Company with the Acquirers does not warrant any assurance with respect to the future financial performance of the Company.

v. The Acquirers and PACs make no assurance of market price of shares of the Target Company during or after 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 SHL 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 SHL are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in the offer.

TABLE OF CONTENTS

1. DEFINITIONS

1.	Acquirers or The Acquirers	Mr. Anil Kumar Khaitan and Magnum Computers (P) Ltd.
2.	DSE	Delhi Stock Exchange Association Limited
3.	Book Value per share	Net worth / Number of equity shares issued
4.	CSE	Calcutta Stock Exchange Association Limited

5.	EPS	Profit after tax / Number of equity shares issued
6.	Form of Acceptance	Form of Acceptance cum Acknowledgement
7.	Form of Withdrawal	Form of Withdrawal cum Acknowledgement
8.	LOO or Letter of Offer	Offer Document
9.	Manager to the Offer or, Merchant Banker	Chartered Capital And Investment Limited
10.	JSE	Jaipur Stock Exchange Limited
11.	MCPL	Magnum Computers (P) Ltd
12.	N.A.	Not Available
13.	Offer or The Offer	Open Offer for acquisition of 9,32,250 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs. 30.50 (Rupees Thirty and Paise Fifty Only) per fully paid equity share, payable in Cash.
14.	Offer Price	Rs.30.50 (Rupees Thirty and Paise Fifty Only) per share for fully paid equity shares of Rs. 10/- each, payable in Cash.
15.	Persons eligible to participate in the Offer	Registered shareholders of Sunil Healthcare Limited, and unregistered shareholders who own the equity shares of Sunil Healthcare Limited any time prior to the Offer closure other than the Acquirers and persons belonging to the Promoter Group.
16.	PACs	Mr. Sunil Kumar Khaitan, Mr. Sudhir Khaitan, Shalimar Industries Limited, Shalimar Wires Industries Limited, Mrs. Renu Modi, Mrs. Sita Devi Khaitan, Mrs. Kavita Khaitan, Mr. Umaesh Kumar Khaitan, Mrs. Rashmi Khaitan, Mrs. Sunita Khaitan and Mrs. Sarita Khaitan
17.	Post Preferential share/paid up share capital/ paid up equity share capital/ voting capital or Expanded Capital Base	46,61,250 fully paid equity shares of Rs. 10/- each of the Target Company
18.	Preferential Issue	Allotment of 16,44,750 fully paid up equity shares of face value of Rs. 10/- each representing 35.28% of post preferential share/ voting capital of Target Company at a price of Rs. 30.50/- per equity share to the Acquirers in accordance with the applicable provisions of SEBI (DIP) Guidelines.
19.	Public Announcement or **"PA"**	Announcement of the Open Offer by The Acquirers, which appeared in the newspapers on March 04, 2008.
20.	RBI	Reserve Bank of India
21.	Registrar or Registrar to the Offer	MCS Limited
22.	Return on Net Worth	(Profit After Tax/Net Worth) *100
23.	SEBI	Securities and Exchange Board of India
24.	SEBI (SAST) Regulations, 1997 or Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
25.	SEBI DIP Guidelines	SEBI (Disclosure & Investor Protection) Guidelines, 2000 and subsequent amendments thereto
26	SEBI Act	Securities and Exchange Board of India Act, 1992
27	Target Company or SHL	Sunil Healthcare Limited

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SUNIL HEALTHCARE LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE PACS, OR THE COMPANY WHOSE SHARES ARE 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 ACQUIRERS ARE 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 ACQUIRERS DULY DISCHARGE ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 15.03.2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS 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

3.1.1 The Offer to the shareholder of SHL is being made in accordance with and as required under Regulations 11(2) of the SEBI (SAST) Regulations, 1997 i.e. for Consolidation of holding by the Promoters in SHL.

3.1.2 Mr. Anil Kumar Khaitan and Magnum Computers (P) Ltd are the Acquirers for this Open Offer and Mr Sunil Kumar Khaitan, Mr Sudhir Khaitan, Mr Umaesh Kumar Khaitan, Mrs Sunita Khaitan, Mrs Sarita Khaitan, Mrs Kavita Khaitan, Mrs Rashmi Khaitan, Mrs Renu Modi, Mrs Sita Devi Khaitan, M/s Shalimar Wire Industries Ltd and M/s Shalimar Industries Ltd are person acting in concert with Acquirers in respect of this Offer.

3.1.3 On 27th February, 2008 the Board of Directors of **SUNIL HEALTHCARE LIMITED ("Target Company" or "SHL")**, having its Registered office at 17/18, Old Industrial Area, Alwar - 301 001, Rajasthan issued and allotted, on preferential basis 16,44,750 fully paid up equity shares of face value of Rs 10/- each to Mr. Anil Kumar Khaitan, M/s Magnum Computers (P) Ltd and M/s Kundan Financial Services (P) Ltd representing 35.28% of post-preferential share/voting capital of "SHL"(as mentioned in para 3.2 below) for cash at a price of Rs. 30.50/- which includes a premium of Rs. 20.50/- per equity share payable in cash aggregating to Rs. 501.65 lacs **("Preferential Issue")** pursuant to conversion of loan amount of Rs 501.65 lacs in to equity shares in accordance with the Guidelines for preferential issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto **("SEBI DIP Guidelines")**. Out of allottees to the preferential allotment Mr Anil Kumar Khaitan and M/s Magnum Computers (P) Ltd belongs to part of Promoter Group of Target Company and M/s Kundan Financial Services (P) Ltd belongs to Non Promoter Group of Target Company.

By the above acquisition, the Acquirers in aggregate holds 16,38,425 number of equity shares representing 35.15 % of the Post preferential paid-up equity share capital of the SHL, and the aggregate holding of the Promoter group increased from 1790025 shares representing 59.34% (Pre Preferential Issue) to 31,93,793 representing 68.52% (Post Preferential Issue) of the paid-up share capital of SHL which resulted in triggering of SEBI (SAST) Regulations, 1997.

The Preferential Issue was duly authorised by a Resolution passed by the Board of Directors of the Target Company at its meeting held on 4th December, 2007 and by way of Special Resolution passed under section 81(1A) of the Companies Act, 1956 and other applicable provisions, passed by the shareholders of the Target Company at the Extra Ordinary General Meeting held on December 29, 2007 authorizing the Board of Directors (which include any committee of the Board) of the Target Company to issue and allot the above mentioned equity shares to the Allottees under above said preferential issue.

On receipt of in-principle listing approvals from The Calcutta Stock Exchange Association Limited ("CSE"), The Jaipur Stock Exchange Limited (JSE) and The Delhi Stock Exchange Association Limited (DSE) vide their letter no. CSEA/LD/77/2008 dated 14th February, 2008, JSEL/2007/2035 dated 12th December,2007 and DSE/LIST/3526/NR/1742 dated 7th February, 2008 respectively, the Board of Directors of the Target Company allotted 16,44,750 fully paid-up equity shares to the allottees on 27th February, 2008. The said equity shares and the pre Preferential Issue holding of the Allottees will be subject to "lock-in" as per the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

3.1.4 Apart from 16, 38,425 shares as per the details given in para 3.1.3 above, the Acquirers does not hold any equity shares in the paid-up share capital of the Target Company.

3.1.5 Neither the Acquirers, PACs nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of directions under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act 1992.

3.1.6 The Acquirers does not intend to make any changes in the Board of Directors of the Target Company.

3.1.7 The Identity of allottee along with number of shares allotted is given below.

Sr No.	Name/Identity of the allottee	Pre Preferential holding of allottees and % to the total pre preferential paid up capital i.e (Rs 30165000)	Number of shares allotted	Post preferential holding of allottees and % to the total Post preferential paid up capital i.e (Rs 46612500)	Amount of Unsecured Loan Adjusted (in Rs.)
1.	Mr. Anil Kumar Khaitan (Promoter)	2,34,657 (7.78%)	8,00,490	10,35,147 (22.21%)	2,44,14,945.00
2.	Magnum Computers (P) Ltd. (Promoter)	NIL	6,03,278	6,03,278 (12.94%)	1,83,99,979.00
3.	Kundan Financial Services (P) Ltd. (Non Promoter)	750 (0.03%)	2,40,982	2,41,732 (5.18%)	73,49,951.00
		Total	1644750		5,01,64,875.00

3.1.8 The holding of Promoters Group of target company as on date of PA are given as under:

Sr. No.	Name of Shareholder	No. of Shares held	% to paid up Capital
1	Mr. Sunil Kumar Khaitan	196706	4.22
2	Mr. Sudhir Kumar Khaitan	188156	4.037
3	Mr. Umaesh Kumar Khaitan	188156	4.037
4	Mr. Anil Kumar Khaitan	1035147	22.21
5	Mrs. Sunita Khaitan	165150	3.54
6	Mrs. Sarita Khaitan	165150	3.54
7	Mrs. Kavita Khaitan	165000	3.54
8	Mrs. Rashmi Khaitan	165000	3.54
9	Mrs. Renu Modi	123000	2.64
10	Mrs. Sita Devi Khaitan	30000	0.64
11	M/s Shalimar Wires Industries Ltd.	168900	3.62
12	M/s Shalimar Industries Ltd.	150	0.003
13	M/s Magnum Computers (P) Ltd	603278	12.94
	TOTAL	**3193793**	**68.52**

3.2 The Offer

3.2.1 The Acquirers have made a Public Announcement, which was published on March 04, 2008 in the following newspapers in accordance with the Regulation 15 and pursuant to Regulation 11(2) of SEBI (SAST) Regulations, 1997.

Publication	Editions
Financial Express (English)	All Editions
Jansatta (Hindi)	All Editions
Pratha Kaal	Jaipur

This Public Announcement is also available on the SEBI website at www.sebi.gov.in

3.2.2. The Acquirers along with PACs are making this Open Offer under the SEBI (SAST) Regulations, 1997 to acquire 9,32,250 equity shares of Rs. 10/- each representing 20% of the total post preferential share capital/ voting rights or Expanded Capital Base of SHL at a price of Rs. 30.50 (Rupees Thirty and Paise Fifty Only) per fully paid-up equity share ("Offer Price"} payable in cash subject to terms and conditions mentioned hereinafter.

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

3.2.4 The Offer is not a competitive bid.

3.2.5 **The Offer is not subject to any minimum level of acceptances from the shareholders i.e. it is not a conditional offer.** The Acquirers will accept the equity shares of SHL those are tendered in valid form in terms of this offer up to maximum of 9,32,250 equity shares.

3.2.6 Acquirers have not acquired any shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

3.3 Objects of the Offer

3.3.1 This offer is being made pursuant to Regulation 11(2) of the SEBI (SAST) Regulations 1997, consequent to the preferential allotment of equity shares by SHL to the Acquirers as explained in para 3.1.3 above resulting in consolidation of holding of the Acquirers in SHL. The Board of Directors of SHL invited the Acquirers to convert their unsecured loans due to the SHL through allotment of fresh equity share capital by way of preferential allotment under section 81(1A) of the Companies Act, 1956 according to and subject to the SEBI (DIP) Guidelines. As a result of the Preferential Issue of equity shares to the Acquirers the aggregate holding of the promoter group also stand increased. Thus consolidation of holding in the Target Company is the reason and rationale for the acquisition/offer.

3.3.2 This Offer is being made to the shareholders of SHL for the purpose of acquiring 20% of the post preferential equity/voting capital of SHL in accordance with Regulation 11(2) of the SEBI (SAST) Regulations 1997.

4 BACKGROUND OF THE ACQUIRERS

4.1 Mr. Anil Kumar Khaitan

4.1.1 Mr. Anil Kumar Khaitan S/o Late Mr. Satya Narayan Khaitan, aged 51 years, is an Indian Citizen residing at A-3 Maharani Bagh, New Delhi-110065, Phone No. 011-26313546/47/48 ; Fax No. 011-26221440. He is a Master in Business Administration from IMI, Geneva and having a vast experience of 31 years in strategic business planning, Financial Management and effective development of Human resources in various industries like Paper, Automobile, Pharmaceutical, Jute Mills and Copper.

4.1.3 Mr. Anil Lekhi, Chartered Accountant partner of Agrawal S. Lal & Co. Chartered Accountants, (Membership No. 73152) having office at A-110, Ganpati Plaza, Bhiwadi (Alwar) Mob. No. 09314012523 has certified vide his Certificate dated 18.01.2008 that the Net Worth of Mr. Anil Kumar Khaitan as on 31.10.2007 is Rs. 1,55,17,617 (Rupees One Crore Fifty Five Lacs Seventeen Thousand Six Hundred Seventeen Only) and also Certified that Mr. Anil Kumar Khaitan has sufficient means to fulfill his part of obligations under this Offer.

4.1.4 The Compliances under Chapter II of the Regulations are applicable to the acquirer and he has made timely disclosures to the stock exchange as well as to the target company.

4.1.5 Mr. Anil Kumar Khaitan is Chairman cum Managing Director of Sunil Healthcare Limited and Shalimar Industries Limited. Sunil Healthcare Limited is listed on DSE, CSE and JSE and Shalimar Industries Limited is not listed on any Stock Exchange.

4.1.6 Mr. Anil Kumar Khaitan holds 1035147 Equity Shares representing of Target Company as on the date of public announcement. He has not made any acquisition earlier in the target Company including acquisition through Open Offer(s). However he has acquired 52500 equity shares on 30.11.2007 by way of inter se transfer between promoters and 432 equity shares by way on transfer on 12.09.2007.

4.2 Magnum Computers (P) Ltd.

4.2.1 Magnum Computers (P) Limited is a private limited Company incorporated with the Registrar of Companies, Delhi and Haryana vide its certificate of incorporation dated July 05, 1985 under the Companies Act, 1956 to carry on the business of manufacturing, processing, sell, import, export and deal in software and hardware consisting of components and full systems and to develop, acquire, promote the programming. At present the Registered Office and Corporate Office of the Company is situated at 73-74, First Floor, Sheetla House, Nehru Place, Delhi-110019. Phone No. 011-26447086.

4.2.2 The present promoters of Magnum Computers (P) Ltd are Esquire Engineering Limited, Shalimar Holding Limited, Late Shri S. N. Khaitan, Mr. Sushil Khaitan and Mrs. Sarita Khaitan. The Board of Directors of Acquirer comprises of Mr. C M. Mishra and Mr. V. K. Punyani.

4.2.3 The Acquirer is not registered with the Reserve Bank of India (RBI) as Non Banking Financial Institution (NBFC).

4.2.4 The Compliances under chapter II of SEBI (SAST) Regulations, 1997 are applicable to the Acquirer in respect of acquisition of shares under preferential allotment and it has made timely disclosures to the Target Company and also informed the Stock Exchanges.

4.2.5 The Authorised share capital of Magnum Computers Private Ltd. as on the date of PA consists of Rs 100 lacs divided in to 10,00,000 equity shares of Rs 10/- each. The Issued, Subscribed and Paid up share capital of the MCPL constitutes of 8,07,400 fully paid up equity shares of Rs. 10/- each aggregating Rs. 80,70,400.

4.2.6 The shareholding pattern of Magnum Computers Private Limited as on the date of public announcement are as under:

Sl. No.	Shareholder's Category	No. & %age of shares held
1.	Promoters	8,07,400 (100%)
2.	Mutual Funds/FIIs/FIs/ banks	NIL
3.	Others	NIL
	TOTAL	**8, 07,400 (100%)**

4.2.7 The Board of Directors of MCPL as on P.A. date consists of following members:-

Name of the Director	Designation	Qualification and Experience in Field/ No. of years	Residential Address	Date of Appointment
Mr. C. M. Mishra	Director	M.A. (Geography), More than 10 years of experience in Administration and Finance	A-2/101, Mahakali Mandir, Aya Nagar Colony, Phase V New Delhi-110047	20.10.2007
Mr. V. K. Punyani	Director	M. Com More than 10 years experience in Finance	B-78 New Gupta Colony, Delhi-110019.	20.10.2007

None of the above Directors are on the Board of the Target Company.

4.2.8 The Shares of the MCPL are not listed on any stock exchange.

4.2.9 The Brief Audited and Certified Financials of MCPL are as under:-

(Rs. In Lacs)

Profit & Loss Statement	**Year Ended 31.3. 2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**	**Period Ended 30.09.2007 (Certified)**
Income from Operations	NIL	Nil	NIL	Nil
Other Income	0.01	0.01	Nil	15.35
Total Income	**0.01**	**0.01**	**NIL**	**15.35**
Total Expenditure	0.26	1.36	0.95	0.01
Profit before Depreciation, Interest and Tax	**(0.25)**	**(1.35)**	**(0.95)**	**15.34**
Depreciation	Nil	Nil	Nil	Nil
Interest	Nil	Nil	Nil	Nil
Profit before Tax	(0.25)	(1.35)	(0.95)	15.34
Provision for Tax	Nil	NIL	Nil	Nil
Profit after Tax	(0.25)	(1.35)	(0.95)	15.34

Balance Sheet as Statement	**Year Ended 31.3. 2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**	**Period Ended 30.09.2007 (Certified)**
Sources of Funds				
Paid up Share Capital	78.69	78.69	78.69	80.74
Share Application Money	NIL	1.3	2.05	Nil
Reserves & Surplus (Excluding Revaluation Reserve)	(4.24)	(5.59)	(6.54)	8.81
Revaluation Reserve	NIL	NIL	293.26	293.26
Secured Loan	Nil	Nil	Nil	Nil
Unsecured Loan	2.44	2.44	2.44	2.44
Current Liabilities	2.04	2.13	2.24	68.08
Total	**78.93**	**78.97**	**372.14**	**453.33**
Uses of Funds				
Net Fixed Assets	76.00	76.00	369.26#	431.45
Investments	0.45	0.45	0.45	NIL
Current Assets, Loans and Advances	1.80	1.85	1.77	21.22
Miscellaneous Expenses not written off	0.69	0.67	0.66	0.66
Total	**78.93**	**78.97**	**372.14**	**453.33**

Other Financial Data	**Year Ended 31.3. 2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**	**Period Ended 30.09.2007 (Certified)***
Net Worth (Rs.in Lacs)	73.77	73.73	366.81	382.15
Dividend (%)	Nil	Nil	Nil	Nil
Earning Per Share (Rs.)	Nil	Nil	Nil	Nil
Return on Networth (%)	Nil	Nil	Nil	4.01
Book Value Per Share	10	10	10	10

*As Certified by CA A. K. Khanna (Membership no.50016) , partner of G. P. Agrawal & Co., Chartered Accountants, Statutory Auditor of the Company having their office at 252-A, Vijay Tower, Shahpur Jat, Opp. Panchsheel Complex, New Delhi-49, Telefax (011) 26491374/26496932.

The Value of Net Fixed Assets has been increased from Rs 76 lacs for the year ended 31.03.2006 to Rs 369.26 Lacs for the year ended 31.03.2007 due to Revaluation of Land by Rs 253.44 lacs and Revaluation of Building by Rs 39.82 lacs during the year 2006-07 and revaluation reserve also stands increase due to revaluation of land & building.

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

The MCPL is not a Sick industrial undertaking.

4.2.10 There are no contingent liabilities in the company as per Annual Report 2006-2007.

4.2.11 **Reasons for rise/fall in profit during the relevant years.**

The Company has been operating at very low levels and hence minor changes in the earnings affect the final income and profitability of the Company.

4.2.12 As per the declaration received, there is no litigation pending against the MCPL.

4.2.13 Significant Accounting Policies for the year ended March 31, 2007

1. **General**

   The fundamental Accounting Assumptions (as suggested by the Accounting Standard Board, the Institute of Chartered Accountants of India on " Disclosure of Accounting Policies") are accepted and incorporated while preparing financial statements for the year ended 31st March ,2007.

2. **Basis Of Accounting**

   The Accounts of the company are prepared under the historical cost convention and in accordance with applicable accounting standards, except where otherwise stated.

3. **Investments**

   Investment has been shown at cost.

4. **Fixed Assets**

   Fixed Assets have been shown at cost of purchase plus the direct expenses attributed to it.

5. **Revaluation**

   During the year Land & Building was revalued by the registered valuer.The increase in value has been transferred to revaluation reserve account.

6. **Depreciation**

   Depreciation has not been charged on the building as it is still under construction.

7. **Related Parties Disclosure**

   During the year the company has no transaction with related Party.

4.2.14 There is no change in Accounting Policies during last three financial periods.

4.2.15 As per declaration received, Magnum Computers (P) Limited has not promoted any Company since inception.

Disclosure in terms of Regulation 16(ix)

4.2.16 The Acquirers at present have no intention to sell, dispose of or otherwise encumber any significant assets of SHL in the succeeding two years, except in the ordinary course of business of SHL. SHL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of SHL.

4.2.17 The Acquirers does not intend to make any changes in the Board of Directors of the Target Company.

4.2.18 MCPL had not acquired any shares during the past 12 months preceding the date of PA in Sunil Healthcare Limited including any acquisition through Open Offer except the shares acquired in the Preferential Issue.

5. BACKGROUND OF PACs

5.1 **Mr. Sunil Kumar Khaitan**

5.1.1 Mr. Sunil Kumar Khaitan S/o Late Shri Satya Narayan Khaitan, aged 48 years, an Indian Citizen residing at 1, Ashoka Road, Alipore, Kolkata-700027; Tel No.: (033)27496735, Fax No.: (033)22116880.

5.1.2 Mr. Sunil Khaitan is the brother of Mr. Anil Kumar Khaitan who is the Acquirer to the said Open Offer.

5.1.3 He is Bachelor in Commerce and having 27 years of vide experience in Strategic Business Planning, Financial Management and effective development of Human Resources in Industries.

5.1.4 He is having a Networth of Rs. 89.12 Lacs as on 31.10.2007 as certified by Mr. Anil Lekhi, (Membership No. 73152) Chartered Accountant, Partner of Agrawal S Lal & Co., Chartered Accountants having office at A-110, Ganpati Plaza, Bhiwadi (Alwar), Mob. No.:0931412523 and letter also certified that he has sufficient means to fulfill his part of the obligation under the offer.

5.1.5 The Compliances under Chapter II of the Regulations are applicable to the acquirer and he has made timely disclosures to the stock exchange as well as to the target company.

5.1.6 Mr. Sunil Kumar Khaitan is the Managing Director of Shalimar Wires Industries Limited, which is listed at Calcutta Stock Exchange and Mumbai Stock Exchange and He is also a director of Shalimar Industries Limited, Reliance Sheet Works Private Limited and SWIL International (P) Limited. Shalimar Industries Limited, Reliance Sheet Works Private Limited and SWIL International Pte. Limited are not listed on any stock exchange.

5.1.7 Mr. Sunil Kumar Khaitan holds 1, 96,706 Equity Shares of Target Company as on the date of public announcement. He has not made any acquisition earlier in the target Company including acquisition through Open Offer(s).

5.2 Mr. Sudhir Kumar Khaitan

5.2.1 Mr. Sudhir Kumar Khaitan S/o Late Shri S. N. Khaitan, aged 45 years, an Indian citizen residing at Brindavan, 1/17,Civil Lines, Jaipur-302006; Tel No. (0141) 2222116/2224459, Fax No. (0141) 2229710.

5.2.2 Mr. Sudhir Kumar Khaitan is the brother of Mr. Anil Kumar Khaitan who is the acquirer to this Open Offer.

5.2.3 He is a Bachelor in Commerce and having a vast Industrial experience of 25 years in Steel Industry.

5.2.4 He is having a Networth of Rs. 25.84 Lacs as on 31.10.2007 as Certified by Mr. Anil Lekhi, (Membership No.73152) Chartered Accountant , Partner of Agrawal S Lal & Co., Chartered Accountants, having office at A-110, Ganpati Plaza, Bhiwadi (Alwar),Mob No.0931412523 and letter also certified that he has sufficient means to fulfill his part of obligations under the offer.

5.2.5 The Compliances under Chapter II of the Regulations are applicable to the PACs and he has made timely disclosures to the stock exchange as well as to the target company.

5.2.6 Mr. Sudhir Kumar Khaitan is the Chairman cum Managing Director of Anil Special Steel Industries Limited, which is listed at Mumbai, Jaipur and Kolkata Stock Exchanges.

5.2.7 He is not a director on the Board of any other Company except Anil Special Steel Industries Ltd.

5.2.8 He holds 188156 Equity Shares in the Target Company as on the date of Public Announcement. He has not made any acquisition earlier in the Target Company including acquisition through Open Offer(s).

5.3 Shalimar Industries Limited

5.3.1 Shalimar Industries Limited is a Public Limited Company originally incorporated with Registrar of Companies, West Bengal vide its Certificate of Incorporation dated 30 October, 1980 as Shalimar Group (P) Ltd. under the Companies Act, 1956.The name of the Company was further changed to Shalimar Group Limited on September 18, 1989 and later on the name of the Company further changed to its present name Shalimar Industries Limited vide its Certificate of Incorporation dated December 06,1989.At present the registered office of the Company is situated at 1,Swarnamoyee Road, Shalimar, Howrah -711103;Phone No. 033-2668461; Fax No. ; 033-26684643.

5.3.2 The Company is engaged in the business of manufacturing of accessories for Jute and Tobacco.

5.3.3 The present promoters of the Company are Late Shri S. N. Khaitan, Mr. Anil Kumar Khaitan, Mr. Sunil Kumar Khaitan and Mr. Umaesh Kumar Khaitan.

5.3.4 The Compliances under Chapter II of the Regulations are applicable to the PACs and it has made timely disclosures to the stock exchange as well as to the target company.

5.3.5 The Board of Directors of Shalimar Industries Limited as on the PA date consists of the following members:

Name of the Director	Designation	Qualification and Experience in Field/ No. of years	Residential Address	Date of Appointment
Mr. Anil Kumar Khaitan	Chairman & Managing Director	MBA from IMI Geneva, 31 years experience in various industries like paper, automobile, electronic telecommunication, jute mills, etc.	A-3, Maharani Bagh, New Delhi-110065	05.06.1999
Mr. Sunil Kumar Khaitan	Director	B.Com 27 years vast experience in copper, wires, papers, plastic, metal, jute, tobacco and textile industries	1, Ashoka Road, Alipore, Kolkatta-700027	30.10.1980
Mr. Umaesh Kumar Khaitan	Director	BSc. in Electrical Engineering, 19 years experience in	1, Ashoka Road, Alipore, Kolkatta-700027	23.12.1998

		International Trade, Jute & Tobacco and Textile Industries		
Mr. Dipak Dasgupta	Director	B.Com MBA from IIM Calcutta 44 years experience in copper, wires, papers, plastic, metal, jute and tobacco and textile Industries	Flat No.20, 2 Palm Place, Kolkatta-700019	11.11.1995
Mr. Ravindra Nath Prabat	Director	BSc (Cal Univ.) BSc.-Engg(London Univ) MBA in International Management, Geneva 25 years vast experience in industries like copper, aluminium,copper wires, papers, plastic,metal,jute ,tobacco and textile industries.	The Retreat, P-16,Bank Gardens, Raynagar, Bansdroni, Kolkatta, 700070	11.10.2004
Mr. R P Dhanuka	Director	BE (Hons)MIE ,Ch,Engr,37 years experience in various industries like metal, copper,jute,textile and tobacco, wires and paper industries	P-23/B CIT Road, Kolkatta-700014	26.05.2000

Mr. Anil Kumar Khaitan is on the Board of the Target Company and in accordance with Regulation 22(9) of the Regulations, Mr Anil Kumar Khaitan shall recuse himself and not participate in any matter(s) concerning of "relating" to the offer including any preparatory steps leading to the offer.

5.3.6 The Authorised share capital of Shalimar Industries Ltd as on the date of PA consists of Rs 400 lacs divided in to 40,00,000 equity shares of Rs 10/- each. The Issued, Subscribed and Paid up share capital of the SIL constitutes of 36,90,900 fully paid up equity shares of Rs. 10/- each aggregating Rs. 3,69,09,000.

5.3.7 The brief Audited and Certified financials of Shalimar Industries Ltd. are as under:-

(Rs. In Lacs)

Profit & Loss Statement	**Year Ended 31.3. 2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**	**Period Ended 30.09.2007 (Certified)**
Income from Operations	1396.93	1706.56	1297.17	752.75
Other Income	11.05	10.60	4.08	4.33
Total Income	**1407.98**	**1717.16**	**1301.25**	**757.08**
Total Expenditure	1308.82	1559.92	1218.11	684.66
Profit before Depreciation, Interest and Tax	**99.16**	**157.24**	**83.14**	**72.42**
Depreciation	14.31	15.82	15.84	5.82
Interest	78.92	66.79	66.37	35.83
Profit before Tax	5.93	74.63	0.93	30.77
Provision for Tax	0.47	28.34	3.42	1.42
Profit after Tax	5.46	46.29	(2.49)	29.35

Balance Sheet as Statement	**Year Ended 31.3. 2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**	**Period Ended 30.09.2007 (Certified)**
Sources of Funds				
Paid up Share Capital	369.09	369.09	369.09	369.09
Reserves & Surplus (Excluding Revaluation Reserve)	77.77	122.66	114.08	143.42
Secured Loan	549.59	497.50	489.75	458.31
Unsecured Loan	47.52	18.25	34.24	40.74

Current Liabilities	272.45	269.10	263.89	335.84
Deferred Tax Liability	-	-	-	-
Total	**1316.42**	**1276.60**	**1271.05**	**1347.40**
Uses of Funds				
Net Fixed Assets	195.34	191.94	182.38	181.96
Investments	101.68	101.53	101.53	101.53
Current Assets	1008.65	973.10	980.07	1056.84
Deferred Tax Asset	10.75	10.03	7.07	7.07
Miscellaneous Expenses not written off	-	-	-	-
Total	**1316.42**	**1276.60**	**1271.05**	**1347.40**

Other Financial Data	**Year Ended 31.3. 2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**	**Period Ended 30.09.2007 (Certified)***
Net Worth (Rs.in Lacs)	369.75	415.29	407.28	436.62
Dividend (%)	-	-	-	-
Earning Per Share (Rs.)	0.15	1.25	(0.07)	0.79
Return on Networth (%)	1.48	11.15	0	6.72
Book Value Per Share	10	11.25	11.03	11.83

*As Certified by Mr. Pratip Kumar Sanyal (Membership no.52887) , proprietor of Pratip Kalyan & Associates, Chartered Accountants, having their office at 17/1 , Sirdar Sankar Road, Kolkatta-700029, Phone No.(033)24664660.

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

Reason for Increase/decrease in PAT/Total Income

The total income for the year ended 31.03.2006 was increased as compared to Previous Year ended 31.03.2005 due to increase in sales of the company which also affects profitability of the company. The company has incurred losses after tax during the year ended 31.03.2007 as compared to profits for the year ended 31.03.2006 due to reduction in demand for the products of the company in the market, which also reduced its turnover.

The Shalimar Industries Ltd is not a Sick industrial undertaking.

5.3.8 Significant Accounting Policies

1. **Fixed Assets**

   Fixed Assets including goodwill are stated at original cost including other expenses related to acquisition and installation.

2. **Depreciation**

   Depreciation is provided under the written down value method at the rates prescribed by Schedule XIV of the Companies Act,1956

3. **Sales**

   Sales include Excise Duty and are shown net of return. Inter-unit transfers are recorded at respective transfer prices.

4. **Inventories**

   Finished products are valued at lower of cost or net realizable value. Semi -finished Goods are valued at estimated cost. Raw materials, Stores and spare parts are carried at cost. Excise duty in respect of goods manufactured are accounted for on removal of goods

5. **Investments**

   Investments are valued at cost and classified as long term investment.

6. **Employee Retirement Benefits**

   An irrevocable gratuity fund has been created for the benefit of employees of the company from 1st April ,1976. Liability in respect of gratuity payable to employees is fully covered under the policy taken up from LIC under Group Gratuity Cum Life Insurance scheme, except in case of pre-mature Retirement. Leave encashment is accounted for on cash basis.

7. **Recognition of other Income and Expenditure**

These are accounted for on accrual basis except dividend, interest on Government Securities, Employees Welfare Expenses and Insurance claims Which are accounted for on receipt basis .

8. **Contingent Liabilities**

Contingent Liabilities are disclosed in Notes on Accounts and are not Provided for.

9. **Foreign Currency Transaction**

Assets and Liabilities related to foreign transactions remaining unsettled at the year end are transacted at year end rates/settlement rates.

5.3.9 The Shareholding Pattern of the Company as on the date of the PA

Sl. No.	Shareholder's Category	No. of Shares Held	% of Shareholding
1.	Promoters and Persons Acting in Concert	2121178	57.47
2.	Mutual Funds/FIIs/FIs/ banks	Nil	Nil
3.	Other Bodies Corporate	1569722	42.53
	Total	**3690900**	**100.00**

5.3.10 **The Company has not made any earlier acquisition in the target company including acquisition through Open Offer.**

5.4 Shalimar Wires Industries Limited

5.4.1 Shalimar Wires Industries Limited is originally incorporated with the Registrar of Companies, West Bengal vide its certificate of incorporation dated September 30, 1996 under the name Primax Consultancy Services Ltd under the Companies Act, 1956 and further the name has been changed to Shalimar Wires Industries Ltd on 08.09.2000. At present the Registered Office of the Company is situated at 25, Ganesh Chandra Avenue , Kolkata-700013.; Phone No.91-33-22349308/09/10; Fax No.:91-33-22116880.

5.4.2 The company is engaged in the business of manufacturer of Fourdrinier Wire Cloth (both metal and synthetic), Dandy Rolls and EDM Wires.

5.4.3 The present promoters of the Company are Mr. Umaesh Kumar Khaitan, Mr. Sunil Kumar Khaitan, Mr. Sudhir Kumar Khaitan, Mr. Anil Kumar Khaitan, Ms. Sarita Khaitan, Ms. Sunita Khaitan, Ms. Rashmi Khaitan, Ms. Sita Devi Khaitan, Ms. Sashi Prabha Khaitan, Ms. Kavita Khaitan, Sumangla Investment Company Limited, Reliance Sheet Works Pvt. Ltd., Amit Commercial Co. Ltd., Esquire Engineering Ltd., Shalimar Holdings Ltd., Samtul Investments Ltd. and Agro Chemicals and Fertilisers Limited.

5.4.4 The Compliances under Chapter II of the Regulations are applicable to the Company and it has made timely disclosures to the stock exchange as well as to the target company.

5.4.5 The Board of Directors of Shalimar Wires Industries Limited as on the PA date consists of the following members:

Name of the Director	Designation	Qualification and Experience in Field/ No. of years	Residential Address	Date of Appointment
Mr. Sunil Kumar Khaitan	Managing Director	B Com 27 years of experience in Industries	1, Ashoka Road, Alipore, Kolkatta-700027	12.09.2000
Mr. Maroli Chittaranjan Kumar	Nominee Director of IDBI	M. Tech (Textile Engg.) Master of Finance Management More than 25 years experience in Banks/ FIs	A/232 , Twin Tower, Prabhadevi, Mumbai-400025.	03.07.2006
Mr. L R Vaidyanath	Director	B. Sc (Metallurgy) PHD(Industrial Metallurgy) more than 50 years experience in copper industry	8, Sarat Chateerjee, Avenue, kolkatta-700029.	30.07.2001
Mr. Dipak Rudra	Director	M. Sc MBA(London) Retd. IAS more than 30 years experience in Govt. services	C/120, Sector II, Salt Lake City, Kolkatta-700091	21.07.2005
Mr. Probhir Roy	Director	BE (Chem. Engg.) MBA (Leeds University), MSc (Chemistry-JU) Fellow of Indian Institute of Chemical Engineers more than 30 years experience in Industry	10,Sourin Roy RD,Behala,Kolkatta-700034	21.07.2005

Mr. Dipak Dasgupta	Director	B com & MBA-IIM(Kolkatta) more than 30 years experience in HR Personnel Management	Flat 2D, 2 Palm Place, Kolkatta-700019	27.07.2002
Mr. Pradeep Kumar Sarkar	Nominee -SBI	M Sc in Chemistry(JU)BSc (Chem Engg) London & MBA(Leeds Univ.)more than 30 years experience in Banking	Flat No.1H, Tollygardens,4, Moore Avenue, Kolkatta-700040	25.01.2007

None of the directors is on the board of the Target Company.

5.4.6 The brief financials of M/s Shalimar Wires Industries Limited are as under:

(Amount in Rs. Lacs)

Profit & Loss Statement	**Year Ended 31.3. 2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**	**Period Ended 30.09.2007 (Certified)**
Income from Operations	4431.62	5622.68	6798.73	3379.84
Other Income	114.09	3380.11	668.05	37.72
Total Income	**4545.71**	**9002.79**	**7466.78**	**3417.56**
Total Expenditure	11092.58	4462.38	4945.63	2274.49
Profit before Depreciation, Interest and Tax	**(6546.87)**	**4540.40**	**2521.15**	**1143.07**
Depreciation	843.88	840.39	931.87	505.26
Interest	4634.46	3678.45	4127.79	2208.37
Profit before Tax	(12025.21)	21.56	(2538.51)	(1570.56)
Provision for Tax	-	24.35	16.35	10.63
Profit after Tax	(12025.21)	(2.79)	(2554.86)	(1581.19)

Balance Sheet as Statement	**Year Ended 31.3. 2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**	**Period Ended 30.09.2007 (Certified)**
Sources of Funds				
Paid up equity Share Capital	665.51	665.51	665.51	665.51
8% Cumulative Redeemable Preference Share	-	2934.35	3275.69	3275.69
Reserves & Surplus (Excluding Revaluation Reserve)	2460.31	2460.31	2460.31	2460.31
Secured Loan	28632.80	26053.30	28328.67	30362.12
Unsecured Loan	582.57	684.67	699.81	699.81
Current Liabilities	6540.39	6355.95	6359.73	6208.45
Deferred Tax Liability	95.71	95.71	95.71	95.71
Total	**38977.29**	**39249.80**	**41885.43**	**43767.60**
Uses of Funds				
Net Fixed Assets	6824.90	7720.02	7141.67	6642.62
Investments	26.25	27.89	27.89	27.54
Net Current Assets	6052.55	5426.22	6086.04	6886.43
Miscellaneous Expenses not written off	2.48	1.77	1.07	1.07
Profit & Loss A/c (Debit Balance)	26071.11	26073.90	28628.76	30209.94
Total	**38977.29**	**39249.80**	**41885.43**	**43767.60**

Other Financial Data	Year Ended 31.3. 2005 (Audited)	Year Ended 31.03.2006 (Audited)	Year Ended 31.03.2007 (Audited)	Period Ended 30.09.2007 (Certified)*
Net Worth (Rs.in Lacs)	(22852.06)	(22854.14)	(25408.29)	(26989.48)
Dividend (%)	-	-	-	-
Earning Per Share (Rs.)	(180.69)	(0.04)	(38.39)	(23.76)
Return on Networth (%)	-	-	-	-
Book Value Per Share	(343.38)	(343.41)	(381.79)	(405.54)

*As Certified by Mr. Pratip Kumar Sanyal (Membership no.52887) , proprietor of Pratip Kalyan & Associates, Chartered Accountants, having their office at 17/1 , Sirdar Sankar Road, Kolkatta-700029, Phone No.(033)24664660.

Formula:- Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

5.4.7 Significant Accounting Policies

1. Recognition Of Income & Expenditure

Income and Expenditure are recognized on accrual basis.

2. Fixed Assets

Fixed Assets are stated at original cost. Cost includes acquisition price, attributable expenses(including in respect Of assets taken on lease) and pre-operational expenses including finance Charges and issue expenses, wherever applicable. Expenditure (including financing cost related to borrowed funds for Construction or acquisition of fixed assets)incurred on projects under Implementation are being treated as pre-operative expenses pending allocation to the assets and are shown as Capital work in Progress. Impairment Loss is recognized where applicable when the carrying Amount of the Fixed Assets of a cash generating unit exceeds its Market value or value in use, whichever is higher.

3. Depreciation and Amortisation

Depreciation has been charged during the year on all assets at revised Straight line rates prescribed in ScheduleXIV to the Companies Act,1956 vide Notification dated 16th December, 1993 issued by the Central Government. Depreciation has been calculated with reference to The month of Addition/ Sale. Depreciation on additions, due to Realignment of rupee value of Foreign Currency Loan for Fixed assets has been charged proportionately on the prospective life of the assets. Cost of leasehold land and installation and other expenses incurred on Machineries taken on lease are amortised over the period of the respective Lease. Cost of acquisition of Patents are amortised over the period of Patent right.

4. Inventories

Inventories of raw material and general stores , work in process, Finished goods,trading items and scrap materials are stated at Cost or net realizable value,whichever is lower.cost comprise all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. cost formulae used for Weighted average Cost.

5. Investments

Long term investments are carried at cost.

6. Foreign Currency Transaction

a) Transaction in foreign currency are initially recorded at the exchange rates at which the transaction is carried out.

b) Monetary assets and liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rates. The effect of exchange rate fluctuation in respect of Fixed assets is adjusted with the cost of respective asset , whereas in respect of Monetary Assets the same is taken to profit & loss account.

7. Research & Development Expenditure

Revenue expenditure is charged to Profit & Loss Account and Capital Expenditure is added to the cost of fixed assets in the year in which It is incurred.

8. Retirement Benefits

a) Gratuity liability is accounted for as per LIC GroupGratuity Policy on the basis of actuarial valuation carried out as at the Balance sheet Date.

b) Accrued Leave Pay at the year end is provided on the basis of actuarial valuation carried out as at the Balance sheet date.

9. Amortisation of Miscellaneous Expenditure

Miscellaneous Expenditure are being charged off on the following basis;

a) Technical Know-how: over six years, on straight line basis.

b) Preliminary Expenditure: over ten years, on straight line basis.

The unamortized portions of the above are being shown under Miscellaneous Expenditure.

10. Provisions and Contingent Liabilities

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet Date is considered probable. Contingent Liabilities are shown by way of notes To the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet Date is not considered probably, hence not provided for. Contingent Assets are not recognised in the accounts.

11. Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowings are charged to revenue.

12. Taxes on Income

Income tax expense comprises Current tax and Deferred Tax charge or credit. Provision for Current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. The Deferred Tax Asset and deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax Laws, are recognised only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.

13. Impairment of Assets

Impairment losses, if any, are recognised in accordance with the Accounting Standard issued in this regard by the Institute of Chartered Accountants of India.

5.4.8 Shareholding Pattern of the Company as on the date of the PA

Sl. No.	Shareholder's Category	No. of Shares Held	% of Shareholding
1.	Promoters and Persons Acting in Concert	2825223	42.45
2.	Mutual Funds/FIIs/FIs/ banks	1207695	18.15
3.	Other Bodies Corporate	688451	10.34
4.	NRIs/OCBs	1251	0.02
5	Public Shareholders	1932503	29.04
	Total	**6655123**	**100.00**

5.4.9 The Company has complied with the conditions of Corporate Governance as envisaged under clause 49 of the listing agreement, statutory auditors of the Company have certified compliance of conditions of corporate governance; this certificate is attached with annual report of the Target Company for the year ended March 31, 2007.

5.4.10 Mr. Suresh Kejriwal, General Manager (Corporate Affairs) & Company Secretary of the Company is the Compliance Officer of the Company. His correspondence address is 25, Ganesh Chandra Avenue, Kolkata-700013. PhoneNo.033-22349308/09/10; Fax No. 033-22116880.

5.4.11 The Company has not made any earlier acquisition in the target company including acquisition through Open Offer.

5.5 Mrs. Renu Modi

5.5.1 Mrs. Renu Modi D/o Late Shri S. N. Khaitan, aged 50 years, an Indian citizen residing at Modi House,15, Friends Colony (West),New Delhi-110065; Tel No.(011)26326267.

5.5.2. Mrs. Renu Modi is the sister of Mr. Anil Kumar Khaitan, who is an Acquirers of the Target Company.

5.5.3 Mrs. Renu Modi is a Bachelor in Arts and is a Housewife.

5.5.4 She is having a networth of Rs. 237.24 lacs as on 31.10.2007 as certified by CA Anil Agarwal (Membership No.930640, Partner of Dadoo & assoc. Chartered Accountants, having office at D-65, Preet Vihar, Delhi-110092,Mob. No. 9810338005 and letter also certified that she has sufficient means to fufill her part of the obligation under this offer.

5.5.5 The Compliances under Chapter II of the Regulations are applicable to her and she has made timely disclosures to stock exchanges as well as to target company.

5.5.6 She is not a director in any Company.

5.5.7 Mrs. Renu Modi holds 123000 equity shares of Target Company as on the date of Public Announcement. She has not made any acquisition earlier in the target company including acquisition through Open Offer(s).

5.6 Mrs. Sita Devi Khaitan

5.6.1 Mrs. Sita Devi Khaitan W/o Late Shri S N Khaitan, aged 80 years, an Indian Citizen residing at 1,Ashoka Road, Alipore, Kolkatta-700027,Tel No. (033) 27496735.

5.6.2 Mrs. Sita Devi Khaitan is the mother of Mr. Anil Kumar Khaitan who is an Acquirers of the Target Company.

5.6.3 Mrs. Sita Devi Khaitan is a housewife.

5.6.4 She is having a networth of Rs. 250.67 lacs as on 31.10.2007 as certified by Mr. Anil Lekhi (Partner of Agrawal S Lal & Co., Chartered Accountants) Membership No.73152 having office at A -110 Ganpati Plaza, Bhiwadi (Alwar), Mob No.09314012523 and letter also confirm that she has sufficient means to fulfill her part of the obligations under the offer.

5.6.5 The Compliances under Chapter II of the Regulations are applicable to her and she has made timely disclosures to stock exchanges as well as to target company.

5.6.6 She is not a director in any company.

5.6.7 Mrs. Sita Devi Khaitan holds 30000 Equity shares of Target Company as on the date of Public Announcement. She has not made any acquisition earlier in the target Company including acquisition through Open Offer(s).

5.7 Mrs. Kavita Khaitan

5.7.1 Mrs. Kavita Khaitan W/o Shri Umaesh Kumar Khaitan, aged 38 years, an Indian Citizen residing at 1, Ashoka Road, Alipore, Kolkata-700027, Tel No: (033) 27496735.

5.7.2 Mrs. Kavita Khaitan is wife of the brother of Mr. Anil Kumar Khaitan who is an Acquirer of the Target Company.

5.7.3 She is a housewife.

5.7.4 She is having a networth of Rs. 159.90 Lacs as on 31.10.2007 as certified by Mr. Anil Lekhi (Partner. of Agarwal S. Lal & Co. , Chartered Accountants, (Membership No. 73152) having office at A-110, Ganpati Plaza, Bhiwadi (Alwar), Mob. No. 9314012523 and letter also certified that she has sufficient means to fulfill her part of obligations under this Offer.

5.7.5 The Compliances under Chapter II of the Regulations are applicable to her and she has made timely disclosures to stock exchanges as well as to target company.

5.7.6 She is not a director in any other Company.

5.7.7 Mrs. Kavita Khaitan holds 165000 Equity shares of the Target Company as on the date of Public Announcement. She has not made any acquisition earlier in the Target Company including acquisition through Open Offer(s).

5.8 Mr. Umaesh Kumar Khaitan

5.8.1 Mr. Umaesh Kumar Khaitan S/o Late Shri S N Khaitan , aged 41years, an Indian citizen residing at 1 Ashoka Road, Alipore, Kolkatta-700027, Phone No. (033) 27496735.

5.8.2 He is the brother of Mr. Anil Kumar Khaitan who is an Acquirers of the Target Company.

5.8.3 He is Bachelor of Science in electrical engineering from Syracuse University, New York and having of 20 years of experience in Business development, Strategic Planning, Customer Relationship Management in various Industries like Copper, wires, papers, plastic, metal, jute, tobacco and Textile industries.

5.8.4 He is having a networth of Rs. 32.12.lacs as on 31.10.2007 as certified By Mr. Anil Lekhi Partner. of Agarwal S. Lal & Co. , Chartered Accountants, (Membershi No. 73152) having office at A-110, Ganpati Plaza, Bhiwadi (Alwar), Mob. No. 09314012523 and letter also Certified that he has sufficient means to fulfill his part of obligations under this Offer.

5.8.5 The Compliances under Chapter II of the Regulations are applicable to him and he has made timely disclosures to stock exchanges as well as to target company.

5.8.6 He is a director of Shalimar Industries Limited, which is not listed at any stock exchange.

5.8.7 Mr. Umaesh Kumar Khaitan holds 188156 Equity shares of Target Company as on the date of

Public Announcement. He has not made any acquisition earlier in the target Company including acquisition through Open Offer(s)

5.9 Mrs. Rashmi Khaitan

5.9.1 Mrs. Rashmi Khaitan W/o Shri Sudhir Khaitan, aged 43 years, an Indian Citizen residing at Brindavan,1/17, Civil Lines , Jaipur-302006, Phone No.(0141)2222116/2224459;Fax No. (0141)2229710.

5.9.2 Mrs. Rashmi Khaitan is wife of the brother of Mr. Anil Kumar Khaitan Who is an Acquirers of the Target Company.

5.9.3 She is a Bachelor in Arts and having 10 years of experience in Inventory Management.

5.9.4 She is having a networth of Rs.(11.24) lacs as on 31.10.2007 as certified by Mr. Anil Lekhi Partner of Agrawal S Lal & co. Chartered Accountants, Membership No.73152) having office at A-110 Ganpati Plaza , Bhiwadi (Alwar), Mob. No. 09314012523.

5.9.5 The Compliances under Chapter II of the Regulations are applicable to her and she has made timely disclosures to stock exchanges as well as to target company.

5.9.6 She is not a director in any Company.

5.9.7 Mrs. Rashmi Khaitan holds 165000 Equity shares of the Target Company as on the date of Public Announcement. She has not made any acquisition earlier in the target company including acquisition through open Offer.

5.10 Mrs. Sunita Khaitan

5.10.1 Mrs. Sunita Khaitan W/o Shri Sunil Khaitan, aged 45 years, an Indian Citizen residing at 1,Ashoka Road, Alipore, Kolkatta-700027, Phone No.(033) 27496735

5.10.2 Mrs. Sunita Khaitan is wife of the brother of Mr. Anil Kumar Khaitan who is an Acquirers of the Target Company.

5.10.3 She is a housewife.

5.10.4 She is having a networth of Rs.(44.32) lacs as on 31.10.2007 as certified by Mr. Anil Lekhi Partner of Agrawal S Lal & co. Chartered Accountants, Membership No.73152) having office at A-110 Ganpati Plaza , Bhiwadi (Alwar), Mob. No. 09314012523.

5.10.5 The Compliances under Chapter II of the Regulations are applicable to her and she has made timely disclosures to stock exchanges as well as to target company.

5.10.6 She is not a director in any Company.

5.10.7 Mrs. Sunita Khaitan holds 165150 Equity Shares of the Target Company as on the date of public announcement. She has not made any acquisition earlier in the target Company including acquisition through open offer.

5.11 Mrs. Sarita Khaitan

5.11.1 Mrs. Sarita Khaitan W/o Shri Anil Kumar Khaitan, aged 51 years, an Indian Citizen residing at Satya Narain Niwas, A-3 Maharani Bagh, New Delhi-110065, Phone No.(011)26313546;Fax No. (011)26221440.

5.11.2 Mrs. Sarita Khaitan is wife of Mr. Anil Kumar Khaitan who is an Acquirers of the Target Company.

5.11.3 She is a Bachelor in Arts and is a housewife.

5.11.4 She is having a networth of Rs.68.22 lacs as on 31.10.2007 as certified by Mr. Anil Lekhi Partner of Agrawal S Lal & co. Chartered Accountants, Membership No.73152) having office at A-110 Ganpati Plaza, Bhiwadi (Alwar), Mob. No. 09314012523.

5.11.5 The Compliances under Chapter II of the Regulations are applicable to her and she has made timely disclosures to stock exchanges as well as to target company.

5.11.6 She is not a director in any Company.

5.11.7 Mrs. Sarita Khaitan holds 165150 Equity shares of the Target Company as on the date of Public Announcement. She has not made any acquisition earlier in the Target Company including acquisition through open offer.

5.12 All the Shares to be acquired under the Offer will only be acquired by acquirer Mr Anil Kumar Khaitan and other acquirer M/s Magnum Computer (P) Ltd and all Persons Acting in Concert (PACs) will not acquire any shares to be offered under the Offer by the shareholders.

5.13 The Acquirers at present have no intention to Delist the Target Company in the next 3 years.

6. DELISTING OPTION IN TERMS OF REGULATION 21(2)

The Offer (assuming full acceptance) would result in public shareholding in the Target Company being reduced below the minimum level required as per the Listing Agreement with the Stock Exchanges for the purpose of listing on continuous basis. The Acquirers in terms of the provisions of Regulation 21(2) of the SEBI (SAST) Regulations, 1997 will facilitate the target company to increase the Public shareholding to the minimum level as prescribed under Clause 40A of the Listing Agreement within the time limit prescribed by the Stock Exchanges so as to maintain percentage of public shareholding in the target company required for Continuous Listing.

7. BACKGROUND OF THE TARGET COMPANY SUNIL HEALTHCARE LIMITED (SHL)

7.1 The Target Company i.e. SUNIL HEALTHCARE LIMITED; "SHL" was originally incorporated with the Registrar of Companies Rajasthan, Jaipur vide its certificate of incorporation dated February 5, 1973 as Public Limited company under the name Sunil Synchem Limited. Later on, the name of the company was changed to Sunil Healthcare Limited vide certificate of incorporation dated October 7, 2005. At present the Company has its Registered Office at 17-18, Old Industrial Area, Alwar-301001, Rajasthan, India. Phone No. 0144-2373829/30/31/32; Fax No.0144-2373826.

7.2 SHL has been engaged in the business of manufacturing Empty Hard Gelatin Capsules with brand name of "Sunloc". The Target Company has its plant at 17-18, Old Industrial Area, Alwar-301001, Rajasthan.

7.3 As on the date of PA, SHL has an authorized share capital of Rs. 1000 lacs, comprising of 98, 00, 000 equity shares of Rs 10/- each and 20000, 11% Redeemable Cumulative Preference Share of Rs 100 each . It has an issued, subscribed and paid-up equity share capital of Rs. 466.12 lacs, consisting of 4661250 fully paid equity shares of Rs. 10/- each **(the "Expanded Capital Base"/ "post preferential share/voting capital").**

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

7.5 As on the date of PA, the Share Capital Structure of the target company is as given under:

Paid up Equity Shares of SHL	No. of Equity shares / voting rights	% of Shares / voting rights
Fully paid-up equity shares	46,61,250	100.00
Total paid-up equity shares	46,61,250	100.00
Total voting rights in the Target Company	46,61,250	100.00

7.6 The current capital structure of the Target Company has been build up since inception as under:

Date of allotment	No of shares issued	% of shares issued	Cumulative paid up capital in Rs.	Mode of allotment	Identity of allottees (promoters/ ex-promoters/ others)	Status of compliance
Subscriber to M&A	106		1060	Cash	Subscribers to Memorandum	No Compliance Pending
17.04.1974	5000		51060	Cash	Promoters (Private Placement)	-do-
01.07.1974	400		55060	Cash	Promoters (Private Placement)	-do-
02.07.1974	450		59560	Cash	Promoters (Private Placement)	-do-
05.08.1974	4044		100000	Cash	Promoters (Private Placement)	-do-
07.08.1974	20000		300000	Cash	Promoters (Private Placement)	-do-
06.09.1974	30050		600500	Cash	Promoters (Private Placement)	-do-
05.10.1974	9900		699500	Cash	Promoters (Private Placement)	-do-
26.10.1974	40050		1100000	Cash	Promoters (Private Placement)	-do-
18.01.1975	10000		1200000	Cash	Promoters (Private Placement)	-do-
21.11.1975	180000		3000000	Cash	Public Issue	-do-

30.05.1980	288935		5889350	Cash	Right Issue	-do-
04.08.1980	4650		5935850	Cash	Issue of Unsubscribed portion of Right Issue	-do-
30.10.1980	150		5937350	Cash	-do-	-do-
23.01.1981	1750		5954850	Cash	-do-	-do-
05.03.1981	500		5959850	Cash	-do-	-do-
27.04.1981	700		5966850	Cash	-do-	-do-
27.05.1981	500		5971850	Cash	-do-	-do-
27.06.1981	2815		6000000	Cash	-do-	-do-
28.09.1981	200000		8000000	Cash	Public Issue	-do-
27.05.1994	1211000		20110000	Conversion of Loan	Pursuant to order of AAIFR	-do-
30.07.2005	1005500		30165000	Bonus Issue		-do-
27.02.2008	1644750		46612500	Conversion of Loan	Preferential Allotment	-do-

7.7 There are no outstanding convertible warrants/Debentures.

7.8 There are no partly paid up shares in the target company.

7.9 The equity shares of "SHL" are at present listed at the Jaipur Stock Exchange Limited (JSE), the Delhi Stock Exchange Association Limited (DSE), and the Calcutta Stock Exchange Association Limited (CSE). As per the declaration received, the shares of the Target Company have not been suspended by any stock exchange.

7.10 As per the declaration received, SHL is complying with the provisions of the listing agreement entered with the stock exchanges namely Jaipur Stock Exchange Limited, Delhi Stock Exchange Association Limited and the shares of the company are listed. Further no punitive action has been taken against the SHL by the stock exchanges.

7.11 Promoters, major shareholders of SHL and the target company have timely complied with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

7.12 The composition of the Board of Directors of SHL as on date of Public Announcement is as follows:-

Name of the Director	**Designation**	**Qualification and Experience in Field/ No. of years**	**Residential Address**	**Date of Appointment**
Mr. Anil Kumar Khaitan	Chairman Cum Managing Director	IMI from Geneva	A-3,Maharani Bagh, New Delhi-110065	31.10.1984
Mr. Sanjay Kumar Kaushik	Director	B. Com	S/o Deo Raj Kaushik Bhawan,Near Poddar Well, Bhargv Chowk,W. N.26 Ratnagarh-331022	03.06.2003
Mr. Joginder Singh IPS (Retd.)	Director	M.A. from Punjab University	S/o Kartar Singh,Flat No.124 (Housing Society) Plot No. 4, Sector - 22,Dwarka Phase I, New Delhi-110045	29.01.2000
Mr. S.N. Balasubramnian	Director	B.Com & FICWA	S/o P N S I Natraj Iyer,H-301,Green Valley Apartments, Plot No.18, Sector 22, Dwarka, New Delhi-110075.	29.09.2006
Mr. Rajat Kumar Niyogi IPS (Retd.)	Director	M. A. in History	C-9/9378, Vasant Kunj, New Delhi-110070	26.10.2007

Out of the above Directors, Mr Anil Kumar Khaitan is acquirer to the instant Offer and in accordance with Regulation 22(9) of the Regulations, Mr Anil Kumar Khaitan shall recuse himself and not participate in any matter(s) concerning of "relating" to the offer including any preparatory steps leading to the offer.

7.13 There has been no merger / de-merger, spin-off during the past three years in SHL.

7.14 The brief audited financials of SHL are as under:-

(Rs. In Lacs)

Profit & Loss Statement	**Year Ended 31.3. 2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**	**Period Ended 30.09.2007 (Certified)**
Income from Operations	1797.10	2145.71	2768.57	1277.87
Other Income	8.36	38.81	32.03	11.36
Total Income	**1805.46**	**2184.52**	**2800.60**	**1289.23**
Total Expenditure	1465.94	1805.36	2151.85	987.53
Profit before Depreciation, Interest and Tax	**339.52**	**379.16**	**648.75**	**301.70**
Depreciation	82.46	171.29	193.70	104.64
Interest	43.41	173.74	196.65	108.19
Profit before Tax	213.65	34.13	258.40	88.87
Provision for Tax	107.68	31.92	73.54	43.65
Profit after Tax	105.97	2.21	184.86	45.22

Balance Sheet as Statement	**Year Ended 31.3. 2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**	**Period Ended 30.09.2007***
Sources of Funds				
Paid up Share Capital	201.10	301.65	301.65	301.65
Reserves & Surplus (Exculding Revaluation Reserve)	528.81	401.81	569.00	657.56
Secured Loan	1189.47	1552.61	1447.99	1336.72
Unsecured Loan	510.37	443.42	402.88	492.90
Current Liabilities	505.01	651.05	685.84	699.75
Deferred Tax Liability	157.74	177.66	180.66	190.71
Total	**3092.50**	**3528.20**	**3588.02**	**3679.29**
Uses of Funds				
Net Fixed Assets	1897.89	2059.32	1953.23	1981.85
Investments	27.60	0.10	89.16	30.95
Current Assets	1167.01	1468.78	1545.63	1666.49
Miscellaneous Expenses not written off	0.00	0.00	0.00	0.00
Total	**3092.50**	**3528.20**	**3588.02**	**3679.29**

Other Financial Data	**Year Ended 31.3. 2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**	**Period Ended 30.09.2007***
Net Worth (Rs.in Lacs)	729.91	703.46	870.65	959.21
Dividend (%)	10%	5%	5%	-
Earning Per Share (Rs.)	5.27	0.07	6.13	1.50
Return on Networth (%)	14.52	0.31	21.23	4.71
Book Value Per Share(Rs.)	36.30	23.32	28.86	31.80

* As Certified by B.K. Sipani, Chartered Accountant (Membership No. 088926) partner of Singhi & Co, Statutory Auditor of the Company having its Office at 402, Pragati House, 47-48, Nehru Place, New Delhi-110019, Phone No. 011-30820179-80.

Formula: - Return on Net Worth= (profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

The Target Company is a not a Sick Industrial Company.

7.15 **Reasons for Fall & Rise in Income & PAT in relevant Years:**

During Year 2005-06

There was decline in net profit/total income for the year as compared to the previous year because the profitability of the company is dependent upon performance of Pharma Companies as a whole. The business of Pharma Companies during the year hit due to MRP based excise duty and introduction of VAT in most part of country and which also affects profitability of the Company.

During Year 2006-07.

The Profit of the company has been increased for the year as compared to the previous year because the company achieved a record production of 5030 million Capsules and record sales of Rs 3044 lacs which also affects its profitability.

7.16 Pre and Post-Offer shareholding pattern of the Target Company is as per the following table:

Sr. No	**Shareholder category**	Shareholding & voting rights prior to the Preferential allotment and Offer (A)		Shares/voting rights 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 preferential allotment and Offer i.e. (A+B+C)	
		No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
1.	**Promoter Group**								
	(a.) Other than Acquirers	1555368	51.56	Nil	Nil	Nil	Nil	1555368	33.37
2.	**Acquirer**								
	Anil Kumar Khaitan	234657	7.78	800490	17.17	932250	20.00	1967397	42.21
	Magnum Computers Pvt. Ltd	Nil	N.A	603278	12.94	Nil	Nil	603278	12.94
	Total (1(a) & 2)	**1790025**	**59.34**	**1403768**	**30.11**	**932250**	**20.00**	**4126043**	**88.52**
3.	**Parties to agreement other than 1(a) & 2**	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4.	**Public (Other than 1 to 3)**								
	a. FIs/MFs/FIIs/ Banks/SFIs	54525	1.82	Nil	Nil				
	b. Private Corporate Bodies	501189	16.61	240982*	5.18				
	c. Indian Public	670761	22.24	Nil	Nil	(932250)	(20.00)	535207	11.48
	d. NRI/OCB	Nil	Nil	Nil	Nil				
	e. Any other	Nil	Nil	Nil	Nil				
	Total 4	**1226475**	**40.66**	**240982**	**5.18**				
	Grand Total (1 to 4)	**3016500&**	**100.00**	**1644750**	**35.29**	**Nil**	**Nil**	**4661250^**	**100.00**

Note : * These shares were allotted to Kundan Financial Services (P) Ltd.

^ Post Preferential Capital

& Pre Preferential Capital

7.17 The approximate number of shareholders in SHL in public category is 5771 (approx) as on PA date.

7.18 The Company has complied with the conditions of Corporate Governance as envisaged under clause 49 of the listing agreement, statutory auditors of the Company have certified compliance of conditions of corporate governance; this certificate is attached with annual report of the Target Company for the year ended March 31, 2007.

7.19 The changes in the shareholding of the promoters of the company are as per the details mentioned below.

Date	No. of shares held Promoters & PACs	Paid up equity capital of the company	% of by total capital	% change in shareholding of Promoters & PACs	Status of Compliance
20.02.1997	14,68,900	20,11,000	73.043	-	
31.03.1997	14,68,900	20,11,000	73.043	-	
05.09.1997	14,48,900	20,11,000	72.049	(0.99%)	
31.03.1998	14,48,900	20,11,000	72.049		
31.03.1999	14,48,900	20,11,000	72.049		
28.07.1999	14,48,800	20,11,000	72.044	(0.005%)	
31.03.2000	14,48,800	20,11,000	72.044		
31.03.2001	14,48,800	20,11,000	72.044		
16.09.2001	12,23,900	20,11,000	60.86	(11.18%)	Disclosure filed under Regulation 7
31.03.2002	12,23,900	20,11,000	60.86		
31.03.2003	12,23,900	20,11,000	60.86		
31.03.2004	12,24,000	20,11,000	60.865		
31.03.2005	12,24,000	20,11,000	60.865		
31.03.2006	18,36,000	30,16,500	60.865		
31.03.2007	18,36,000	30,16,500	60.865		

7.20 As per the information received from the target company, the following litigation matters are pending against the Company:

1. Octroi Case:

1. The Company is purchasing Hard Shell Gelatin-I.P from various sources, which is the primary raw material for manufacture of empty hard gelatin capsules. As per the notification dated 18.11.1976 of the Alwar Municipal Corporation, the rate octroi on drugs was 0.5% and chemicals was 1.3%. The Company made a request to the Municipal Council, Alwar that the raw material is a pharmaceutical product and the capsules were manufactured under the conditions of Indian Pharmacopia. The Commissioner Municipal Corporation, Alwar conceded to the request of the Company vide his order-dated 26.04.1993. Subsequently, the said order was withdrawn by it vide letter dated 01.05.1993. The Company filed an appeal before the District Collector; Alwar against the said order and the same was rejected on 04.05.1994. Against the said order dated 04.05.1994, the Company filed an appeal before the Court of additional Divisional Commissioner, Jaipur on 28.05.1995. The additional Divisional Commissioner vide his order dated 20.05.1996 rejected the order of District Collector, Alwar dated 04.05.1994 and order of Municipal Corporation, Alwar dated 01.05.1993. Against the said order the Municipal Council has filed an appeal with the Rajasthan High Court and the said appeal is pending for disposal.
2. The Company has filed a declaratory suit against the Municipal Council, Alwar before the ADJ-I, Alwar that the hard shell gelatin is a drug. The case is at argument stage.
3. The Additional District Judge, Alwar on an application for injunction by the Company against the Municipal Corporation, Alwar, passed an order on 23/12/1994 directing the Company to deposit an amount at the rate of Rs.0.50 per kilogram of Octroi in Cash and Rs. 0.80 per kilogram of Octroi by way of Bank Guarantee, against which the Municipal Corporation went in an appeal before the District Judge, Alwar, who vide its order dated 14/11/1995 allowed the Appeal setting aside the aforesaid order dated 23.12.94. On 04/01/1996, the Municipal Corporation moved an application before the Additional District Judge praying that a direction to be made to the Bank to release the payment of Rs. 1,60,000/- against the Bank Guarantee furnished by the Company. The case is pending before Additional District Judge for the hearing.

2. Income Tax

The income tax demand for the Assessment Year 1994-95, 1995-96, 2000-01, 2002-03, 2003-04 & 2004-05 totaling Rs. 7913474/- are under appeal at various stages. The company has already paid 7885779/- against these demands and this payment has been shown under current assets.

7.21 Mr. Virendra Kumar Garg, Company Secretary of SHL is the Compliance Officer of the Target Company. His correspondence address is M/s Sunil Healthcare Limited, 17/18 Old Industrial Area,Alwar-301001,Rajasthan.PhoneNo.0144-2373829/30/31/32; Fax No. 0144-2373826.

8. OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 Justification of Offer Price

8.1.1 The equity shares of "SHL" are at present listed at the Jaipur Stock Exchange Limited, (JSE), the Calcutta Stock Exchange Association Limited (CSE), and the Delhi Stock Exchange Association Limited (DSE).

8.1.2 The annualized trading turnover during the preceding six calendar months ended November 2007 i.e preceeding the month of Board Meeting in which preferential issue was first discussed in each of the Stock Exchange where the shares are listed and in accordance with JSE, CSE and DSE vide their letter no. JSEL/2007/2069 dated 17-12-2007, CSCA/LD/678/2007 date 18-12-2007 and DSE/LIST/3526/NR/914 dated 26-12-2007 respectively are as follows:

Name of the Stock Exchange	Total number of shares traded during June 2007 to November 2007	Total number of listed shares	Annualised trading turnover(% of the total listed shares)
JSE	Nil	3016500	Not Applicable
CSE	Nil	3016500	Not Applicable
DSE	Nil	3016500	Not Applicable

8.1.3 Based on the above information, the shares of the target company are not traded/infrequently traded within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997. In accordance with Regulation 20(5) 0f SEBI (SAST) Regulations, 1997, the Offer price of Rs 30.50 (Rupees Thirty & fifty Paise only) per fully paid up equity shares is worked out on the following parameters.

Negotiated Price	Not Applicable
Price paid by the Acquirers by way of allotment in a public or rights or preferential issue during the 26 week period prior to the date of PA.	Rs. 30.50/-

Other Financial Parameters	Based on the Audited financial data for the year ended March 31, 2007	Based on the Certified financial data for the period ended September 30, 2007*
Return on Net Worth (%)	21.23	4.71
Book Value per share (Rs.)	28.86	31.80
Earning per share (Rs.)	6.13	1.50
Price Earning Multiple with reference to Offer price of Rs 30.50 per share	4.97	20.33

* As Certified by Mr. B K Sipani, (Membership No. 88926), Partner of Singhi & Co., Chartered Accountants, having their office at 402, Pragati House, 47-48, Nehru Place, New Delhi-110019, Phone No. (011) 30820179/180, Fax No. (011) 30820183.

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued

In view of the above the offer price of Rs. 30.50 is justified in terms of Regulations 20(5) of the SEBI (SAST) Regulations, 1997.

8.1.4 There is no non-compete agreement.

8.1.5 If the Acquirers acquire equity shares after the date of Public Announcement upto 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

8.2 Financial Arrangements

8.2.1 Assuming full acceptance, the total requirement of funds for the Offer would be Rs. 2, 84, 33,625/-(Rs Two Crore Eighty Four Lacs Thirty Three Thousand Six Hundred and Twenty Five Only). As per Regulation 28, **Acquirers have deposited Cash of Rs. 72,00,000/- (Rupees Seventy Two Lacs Only) in Bank Escrow Account opened with HSBC Bank, Chennai, being more than 25% of the amount required for the offer.**

8.2.2 The Acquirers and PACs have adequate resources to meet the financial requirements of the Offer. The Acquirers have made firm arrangement for the financial resources required to complete the Offer in full in accordance with the SEBI (SAST) Regulations, 1997. The acquisition will be financed through internal resources of the Acquirers.

8.2.3 Mr. Anil Lekhi, Chartered Accountant, Partner of Agrawal S. Lal & Co., Chartered Accountants, (Membership No. 73152) having office at A-110, Ganpati Plaza, Bhiwadi (Alwar), Mob. No.09314012523 has certified vide their letter the net worth of the Acquirers and PACs as on 31.10.2007. The letter also confirms that the Acquirers have adequate resources to fulfil their part of obligations under the Offer.

8.2.4 The Acquirers have duly empowered M/s Chartered Capital And Investment Limited, Manager to the Offer, to realise the value of the cash with HSBC Bank, in terms of the SEBI (SAST) Regulations, 1997.

8.2.5 The Manager to the Offer, M/s Chartered Capital And Investment Limited, hereby confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

9. TERMS AND CONDITIONS OF THE OFFER

9.1 Persons eligible to participate in the Offer

9.1.1 Registered shareholders of Sunil Healthcare Limited (Other than Acquirers, PACs and Promoters Group) and unregistered shareholders who own the equity shares of Sunil Healthcare Limited any time prior to the date of Closure of the Offer.

9.1.2 Except 16,44,750 equity shares allotted under preferential allotment dated 27.02.2008 and Pre preferential holding of Allottees to the said preferential issue which are under lock in as per the SEBI DIP Guidelines, at present no shares of SHL are under locked in.

9.2 STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

9.2.1 The Offer is subject to the approval of Reserve Bank of India (RBI) if any, under the Foreign Exchange Management Act, 1999 for transfer of shares of a Company registered in India by a Non Resident to a person resident in India.

9.2.2 To the best of knowledge of the Acquirers, no approvals from Banks/Financial Institutions are required to make this Offer.

9.2.3 As on the date of Public Announcement, to the best of the Acquirers' Knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

9.2.4 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997, will be adhered to, i.e. SEBI has power to grant extension of time to the Acquirers for payment of consideration to the shareholders subject to Acquirers agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of wilful default by the Acquirers in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also becomeapplicable.

9.2.5 The offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of offer.

9.3 Others

9.3.1 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.

9.3.2 This Letter of Offer has been mailed to all the shareholders of SHL (Other than Acquirers and Promoters Group), whose names appeared on the Register of Members of SHL as on Friday, March 28, 2008 being the specified date.

9.3.3 Unaccepted Share/ Shares Certificates, Share Transfer Forms and other documents, if any, will be credited back to respectively depository account or returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

9.3.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

10.1 The Offer is not subject to any minimum level of acceptances from shareholders and in case of the shares received under the Offer exceeding the Offer size, the Acquirers will accept shares on proportionate basis.

10.2 A Letter of Offer specifying the detailed terms and conditions of the Offer together with a Form of Acceptance cum Acknowledgement and Transfer Deed (for shareholders holding shares in physical forms) will be mailed to the shareholders of SHL (other than Acquirers and persons belonging to promoter group) whose names appear on the Register of Members of SHL and to the beneficial owners of the equity shares of SHL whose names appear as beneficiaries on the records of the respective Depositories, at the close of business hours on **March 28, 2008, (the "Specified Date").** Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

10.3 All shareholders of the Target Company, (other than the Acquirers, PACs and the persons belonging to the Promoter group), who own equity shares any time before the Closure of the Open Offer, are eligible to participate in the Offer.

10.4 The shareholders of SHL (Other than Acquirers, PACs and Persons belonging to Promoter group) are eligible to participate in the Offer anytime before the closure of the offer by sending their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and Transfer Deed(s) duly signed, to the Registrar to the Offer viz. MCS Ltd., having its office at Sri Venkatesh Bhavan W-40 Okhla Industrial Area, Phase II, New Delhi 110020 either by Registered Post, Courier or Hand Delivery (Between 10.00 a.m to 5.00 p.m on all working days), on or before the date of closure of the offer **i.e May 12, 2008** in accordance with the instructions specified in the Letter of Offer & Application Form.

10.5 Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance cum Acknowledgement, which will be available on SEBI's websites at http:/www.sebi.gov.in and can apply for the Offer in such downloaded form.

10.6 Beneficial owners and shareholders holding shares in physical form, who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by registered post or courier as the case may be, on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, **i.e. May 12, 2008.**

- Form of Acceptance, duly completed in all respects and signed by all the joint shareholders in the same order and as per the specimen signature(s) registered with SHL.
- Relevant Original Share Certificate(s).
- Valid Share Transfer Deed(s), duly signed (in case the equity shares are held in joint names, by all the shareholders and in the same order as appearing in the Register of Members of SHL or on the Share Certificate issued by SHL) as per the specimen signature(s) lodged with SHL and witnessed by an independent witness (if possible, by a Notary Public, Bank Manager or a Member of a recognised stock exchange with membership number). Please do not fill in any other details in the Share Transfer Deed. In the event that a shareholder needs additional Share Transfer Deed(s), the same can be obtained from the Registrar to the Offer as mentioned hereafter.
- Where the Transfer Deed(s) are executed by Constituted Attorney, attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer.

10.7 The Registrar to the Offer, **MCS Ltd.** has opened a special depository account with Central Depository Services Limited ("CDSL") for receiving equity shares during the offer from eligible shareholders who hold equity shares in demat form.

10.8 Beneficial owners and **shareholders holding shares in the dematerialised form**, will be required to send their Form of Acceptance cum Acknowledgement and other documents to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e., **12th May, 2008,** 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 **"MCS Limited-SHL- Open Offer Escrow A/c" ("Depository Escrow Account")** filled in as per the instructions given below:

DP Name : Union Bank of India
DP ID : 13025900
Client ID : 1302590001309746
Depository : Central Depository Services Limited ("CDSL")

Shareholders having their beneficiary account in National Securities Depository Limited ("NSDL") have to use inter-depository delivery instructions slip for the purpose of crediting their equity shares in favour of the special depository account with CDSL.

10.9 In case of (a) shareholders who have not received the LOO, (b) unregistered shareholders and (c) owner of the equity shares who have sent the equity shares to the Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of equity shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such equity shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid equity share transfer deeds (one per folio), duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with SHL), 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, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer **i.e. 12th May, 2008.** Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

10.10 In case the equity shares are held by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed.

10.11 In case the equity shares stand in the name of a sole shareholder, who is deceased, the Notarised copy of the legal representation obtained from a Competent Court.

10.12 Shareholders who have sent their equity shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Depository Escrow Account should be received on or before 5.00 PM upto the date of Closure of the Offer, **i.e. 12th May, 2008,** else the application would be rejected.

10.13 In case of shareholders who have not received the LOO and holding equity shares in the dematerialised 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 **8.6** above, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer **i.e. 12th May, 2008.** Such equity shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing..

10.14 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 dematerialised form.

Address of the Collection Centre	Contact Person	Phone/ Fax / Email
MCS Ltd. Sri Venkatesh Bhavan, W-40 Okhla Industrial Area, Phase II, New Delhi 110020	Mr. Amarjeet	Phone: 011 41406149/50/51, Fax: 011 41709881 Email: admin@mcsdel.com

Holidays: Sundays and Bank Holidays

10.15 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 SHL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

10.16 In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer upto three working days prior to the date of Closure of the Offer, **i.e. 7th May, 2008.** The withdrawal can also be exercised by submitting an application on a plain paper, alongwith the details such as name, address, distinctive nos., folio no., number of equity shares tendered, etc.

10.17 The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance-cum-Acknowledgement / Plain paper application submitted and the Acknowledgement slip. 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: -

10.17.1 In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares.

10.17.2 In case of dematerialized shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP, in favour of the **"MCS Limited-SHL-Open Offer Escrow A/c"** ("Depository Escrow Account").

10.18 The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account. Physical shares withdrawn by shareholders would be returned to the shareholders by Registered post.

10.19 Acquirers will acquire up to 9,32,250 fully paid-up equity shares tendered in the Offer with valid applications.

10.20 As per the provisions of section 196D(2) of the Income Tax Act, 1961, and as amended (the "Income Tax Act"), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115D of the Income Tax Act. However, while tendering their equity shares under the Offer, Non Residents Individuals, Overseas Corporate Bodies and other non resident shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rate from Income

Tax Authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rates is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders. Non Resident Shareholders should also submit copy of the permission received from the Reserve Bank of India for acquisition of the shares of Target Company. In case of its non submission the Acquirers reserves its right to reject the shares tendered in the Offer.

11. Method of Settlement

11.1 At present, the marketable lot of SHL is 1 {One} equity shares.

11.2 The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents or/ and shares lying in the special depository account, tendered by the shareholders of SHL under this Offer, shall be accepted from such shareholders in terms of the Letter of Offer, but will become a fully valid and binding contract between such shareholder(s) and the Acquirers only upon the fulfillment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance.

11.3 On fulfillment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirers will pay the Offer Price by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder or first named shareholder in case of joint holding. The payment consideration will be sent by Registered Post to the sole / first named shareholder of SHL whose equity shares are accepted by the Acquirers at his address registered with SHL. **It is desirable that shareholders holding Shares in physical mode provide bank details of the first/ sole shareholder in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque/demand draft. In case of shareholders holding Shares in electronic mode, bank particulars recorded with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.**

11.4 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders'/ unregistered owners' sole risk to the sole / first shareholder.

11.5 The Acquirers shall endeavour to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer **(i.e. 27th May, 2008 (Tuesday)**, including payment of consideration to the shareholders of SHL whose equity shares are accepted for purchase by the Acquirers.

11.6 In case of non-receipt of any of statutory approvals required, as per regulation 22(12), SEBI may grant extension of time for the purpose of making payments to the shareholders who have successfully tendered their equity shares pursuant to this Offer and in such an event, the Acquirers will pay interest for the delayed payment beyond fifteen days of the closure of the Offer, at such rate as may be prescribed by SEBI.

12. General

12.1 The Form of Acceptance and instructions contained therein are integral part of this Letter of Offer.

12.2 Neither the Acquirers nor the Manager nor the Registrar nor the Target Company will be responsible for any loss in transit or delay in receipt of the completed Form of Acceptance, Share certificate(s), Share transfer deed(s), copy of delivery instructions or other documents.

12.3 The Offer Price is denominated and payable in Indian Rupees only.

12.4 All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of equity shares tendered, date of lodgement of the Form of Acceptance and other relevant particulars.

12.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirers till the last day of revision, viz., at any time upto sevenworking days prior to the date of closure of the Open Offer or withdrawal of the Offer i.e. 7th May, 2008, (Wednesday) the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the shares tendered anytime during the Offer.

12.6 **"If there is competitive bid:**

12.6.1 **The Public offers under all the subsisting bids shall close on the same date.**

12.6.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly"

12.7 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the

Offer on or before 5.00 PM upto three working days prior to the date of Closure of the Offer, i.e. (Wednesday) 7th May, 2008, as mentioned in para 10.18.

12.8 Alternatively, a copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal cum Acknowledgement can be obtained from SEBI's official **web-site: www.sebi.gov.in.**

12.9 The Manager to the Offer i.e. Chartered Capital And Investment Limited does not hold any shares in SHL as on the date of PA.

12.10 Applications which are complete in all respect and which reach the Registrar to the Offer on or before the date of closure of offer **i.e. 12th May, 2008, (Monday)** would be approved and the shares so offered would be accepted by the Acquirers free from all lien, charges, encumbrances along with all the rights attached to the shares like the right to all dividends, bonus and right shares and all other rights as are attached to such acquired shares.

13. 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 13, Community Centre, East of Kailash, New Delhi - 110065 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.

13.1 Certificate of Incorporation, Memorandum & Articles of Association of MCPL, Shalimar Industries Ltd, Shalimar Wire Industries Ltd and Target Company.

13.2 Net Worth certificate issued by Mr. Anil Lekhi partner of Agarwal S Lal & Co., Chartered Accountants, certifying the net worth of Acquirers and PACs and confirming firm arrangement of funds for fulfilment of offer obligations.

13.3 Audited Annual Reports of SHL, Shalimar Industries Ltd, Shalimar Wire Industries Ltd and MCPL for the years ended on March 31, 2005, 2006 and 2007 and Certified Figure for period ended 30.09.2007.

13.4 Letter from HSBC Bank, Chennai confirming amount deposited in escrow account.

13.5 Notice of EGM dated 29.12.2007 and CSE, JSE, and DSE in -principal approval letter dated 14.02.2008, 12.12.2007 and 07.02.2008 respectively for preferential allotment.

13.6 Published copy of the Public Announcement, which appeared in the newspapers on March 04, 2008.

13.7 Copy of agreement entered with DP for opening special depository account for the purpose of the offer.

13.8 Copy of approval letter of SEBI in terms of proviso to Regulation 18(2) of the Regulations.

14. DECLARATION BY THE ACQUIRERS & PACs

The Directors of Acquirer Magnum Computers Private Limited having its registered office at 73-74, I Floor, Sheetla House, Nehru Place, New Delhi-110019 and Mr. Anil Kumar Khaitan residing at A-3, Maharani Bagh, New Delhi-110065 and all PACs accepts full responsibility for the information contained in this Letter of Offer and also for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.

All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

Sd/-

(Anil Kumar Khaitan)

For and on behalf of **Board of Directors of**
Magnum Computers Private Limited

Sd/-

(Director)

Place: New Delhi

Date: 12th April, 2008

15. ENCLOSURES

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal cum Acknowledgement
3. 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	**:**	**Wednesday, April 23, 2008**
OFFER CLOSES ON	**:**	**Monday, May 12, 2008**
Please read the Instructions overleaf before filling-in this Form of Acceptance		

From:

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.

Tel. No.: Fax No.: E-mail:

To,

Mr. Anil Kumar Khaitan
C/o MCS Limited
Sri Venkatesh Bhavan
W-40, Okhla Industrial Area, Phase-II
New Delhi-110020.

Dear Sirs,

Sub: Open Offer to acquire 9,32,250 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital and resultant voting rights of Target Company at a price of Rs. 30.50/- (Rupees Thirty and Paise Fifty Only) per fully paid equity share payable in cash by Mr.Anil Kumar Khaitan and M/s Magnum Computers Pvt. Ltd. (hereinafter referred to as the "Acquirerss") alongwith PACs

I / We, refer to the Letter of Offer dated 12-04-2008 for acquiring the equity shares held by me / us in **Sunil Healthcare Limited.**

1. 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 **Acquirers** the following equity shares in Sunil Healthcare Limited. (hereinafter referred to as "SHL"), held by me / us, at price of Rs. 30.50/- (Rupees Thirty and Paise Fifty Only) per fully paid equity share.

SHARES HELD IN PHYSICAL FORM

2. 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 SHL		**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				

SHARES HELD IN DEMATERLISED FORM

DP NAME	DP I.D.	CLIENT I D	NO OF SHARES OFFERED	NAME OF BENEFICIARY

3. I/We have done an off market transaction for crediting the equity Shares to the special depository account in CDSL styled **"MCS Limited-SHL-Open Offer Escrow A/c"** ("Depository Escrow Account") details are as under:

   DP Name : Union Bank of India
   DP ID : 13025900
   Client ID : 1302590001309746
   Depository : Central Depository Services Limited ("CDSL")
4. I / We confirm that the equity shares of SHL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
5. I / We authorize the Acquirerss to accept the equity shares so offered or such lesser number of equity shares that the Acquirerss 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 Acquirerss 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 Acquirerss to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
6. 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 Acquirerss, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirerss acquiring these equity shares. I / We agree that the Acquirerss 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.
7. 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 Acquirerss makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are despatched to the shareholders, as the case may be.
8. I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirerss makes payment of purchase consideration as mentioned in the Letter of Offer.
9. 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.
10. I / We irrevocably authorise the Acquirerss 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 SHL / D P :

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

Place: ------------------------ Date: -------------------------- Tel. No(s). : ---------------------- Fax No.: ------------------------

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in physical mode may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. In case of shareholders holding Shares in electronic mode, bank particulars noted with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.

Bank Account No.: -------------------------------- Type of Account: -------------------------------
(Savings / Current / Other (please specify))

Name of the Bank: ---

Name of the Branch and Address: --

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

	1st Shareholder	2nd Shareholder	3rd 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, Marathi, 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 Acquirerss is entirely at the discretion of the equity shareholder of SHL.

II. Shareholders of SHL to whom this Offer is being made, are free to offer his / her / their shareholding in SHL for sale to the Acquirerss, in whole or part, while tendering his / her / their equity shares in the Offer.

5. Business Hours	:	Mondays to Friday	:	1000 hours to 1700 hours
		Saturday	:	1000 to 1330 hours
Holidays	:	Sundays and Bank Holidays		

ACKNOWLEDGEMENT SLIP

Sub: ***Open*** Offer to acquire 9,32,250 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital and resultant voting rights of Target Company at a price of Rs. 30.50/- (Rupees Thirty and Paise Fifty Only) per fully paid equity share payable in cash by Mr..Anil Kumar Khaitan and M/s Magnum Computers Pvt. Ltd. (hereinafter referred to as the "Acquirerss")

Received from Mr. / Ms. / Mrs. …………………………..……..............……………………………………….. Ledger Folio No/ Client ID. ……….........………………………DP ID…………………...............…....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**

MCS Ltd.
Sri Venkatesh Bhavan,
W-40 Okhla Industrial Area,
Phase II
New Delhi 110020
Phone: 011 41406149/50/51,
Fax: 011 41709881
E. mail: admin@mcsdel.com
Contact Person: **Mr. Amarjeet**

FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT

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

OFFER OPENS ON	**:**	**Wednesday, April 23, 2008**
LAST DATE OF WITHDRAWAL	**:**	**Wednesday, May 07, 2008**
OFFER CLOSES ON	**:**	**Monday, May 12,2008**

Please read the Instruction in Letter of Offer and overleaf before filling-in this Form of Withdrawal

From:

FOR OFFICE USE ONLY
Withdrawal Number
Number of equity shares offered
Number of equity shares withdrawn

Tel. No.: Fax No.: E-mail:

To,

Mr. Anil Kumar Khaitan
C/o MCS Limited
Sri Venkatesh Bhavan
W-40, Okhla Industrial Area, Phase-II
New Delhi-110020.

Dear Sirs,

Sub: *Open Offer to acquire 9,32,250 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital and resultant voting rights of Target Company at a price of Rs. 30.50/- (Rupees Thirty and Paise Fifty Only) per fully paid equity share payable in cash by Mr. Anil Kumar Khaitan and M/s Magnum Computers Pvt. Ltd. (hereinafter referred to as the "Acquirerss")alongwith PACs*

I/We refer to the Letter of Offer dated 12-04-2008 for acquiring the equity shares held by me/us in **Sunil Healthcare Limited (SHL).**

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 ___________ alongwith 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')

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

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 will be held in trust for me/us by you and **authorize you not to remit** the consideration as mentioned in the Letter of Offer.

SHARES HELD IN DEMATERLISED FORM

DP NAME	**DP I.D.**	**CLIENT I D**	**NO OF SHARES OFFERED**	**NAME OF BENEFICIARY**

11. I/We have done an off market transaction for crediting the equity Shares to the special depository account in CDSL styled **"MCS Limited-SHL-Open Offer Escrow Account" ("Depository Escrow Account")** details are as under:

DP Name : Union Bank of India
DP ID : 13025900
Client ID : 1302590001309746
Depository : Central Depository Services Limited ("CDSL")

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

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

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

Yours faithfully,

Signed and Delivered:

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

Place:

Date:

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.

---TEAR HERE--

Folio No.\DP ID Client ID:

Serial No.:

(Acknowledgement Slip)

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer

Received from Mr./Ms. ____

Address ____

____

Form of withdrawal in respect of __________ Number of Share Certificates representing _________ number of shares.

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

MCS Ltd.
Sri Venkatesh Bhavan,
W-40 Okhla Industrial Area,
Phase II
New Delhi 110020
Phone: 011 41406149/50/51,
Fax: 011 41709881
E. mail: admin@mcsdel.com
Contact Person: **Mr. Amarjeet**

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 1700 hours upto the last date of withdrawal i.e. Wednesday, May 07, 2008.

2. Shareholders should enclose the following:-

   a. For Equity Shares held in demat form:
   Beneficial owners should enclose

   i. Duly signed and completed Form of Withdrawal.

ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.

iii. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

b. For Equity Shares held in physical form:

Registered Shareholders should enclose:

i. Duly signed and completed Form of Withdrawal.

ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.

iii. 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

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

4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.

5. The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.

6. 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 SHL. The facility of partial withdrawal is available only on to Registered shareholders.

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

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