# PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF TTK HEALTHCARE LIMITED

**Registered Office: 6, Cathedral Road, Chennai 600 086. (Tel: 044-2811 6108, Fax: 044-2811 4307)**

**CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS OF TTK Healthcare Limited ('Target Company' or 'TTK Healthcare' or 'THL')**

This Public Announcement (PA) is being issued by Inga Advisors Private Limited ('Inga' or the 'Manager to the Offer') for and on behalf of Mr. TT Jagannathan, Mr. TT Raghunathan, Mrs. Latha Jagannathan and Mrs. Bhanu Raghunathan as partners of M/s. TT Krishnamachari & Co. (TTK & Co.) (hereinafter collectively referred to as the 'Acquirers') pursuant to regulation 11(1) and other provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto [the 'SEBI (SAST) Regulations' or 'Regulations'].

1. **Background of the Offer**

1.1 This offer is being made by Mr. TT Jagannathan and Mrs. Latha Jagannathan, residing at 6, Brunton Road Cross, Bangalore 560025, Tel: 080-22217438, Fax: 080-22277446 and Mr. TT Raghunathan and Mrs. Bhanu Raghunathan, residing at 91/1, Santhome High Road, Chennai 600028, Tel: 044-28111779, Fax: 044-28114307 as partners of TT Krishnamachari & Co to the equity shareholders of TTK Healthcare Limited. The Acquirers hold 34,63,380 equity shares of THL representing 52.39% of the fully paid equity share capital as on the date of the PA. The Acquirers form part of the promoters group of THL. The Acquirers together with other promoters (hereinafter collectively referred to as promoter group) holds 35,74,972 equity shares of THL representing 54.08% of the fully paid equity share capital as on the date of the PA.

1.2 The Board of Directors of the Target Company, in its meeting held on July 21, 2006, has agreed to issue and allot 15,00,000 fully paid-up equity shares of Rs. 10/- each on preferential basis representing 18.49% of the post preferential fully paid-up voting equity share capital of the Target Company for cash at a price of Rs. 73/- per share (including premium of Rs. 63/- per share) aggregating to Rs. 10,95,00,000/- (Rs. Ten Crore Ninety Five Lakhs only) ('Preferential Issue') to the Acquirers in accordance with the guidelines for Preferential Issue of SEBI (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto ('Guidelines').

1.3 The Subscription and Allotment of shares under the Preferential Issue as specified in 1.2 above is subject to various conditions precedent being fulfilled, including approval of the shareholders. Consequently, the Board of Directors of the Target Company in its meeting held on July 21, 2006 decided to convene an Extraordinary General Meeting ('EGM') of its shareholders on August 18, 2006, to approve the Preferential Issue way of Special Resolution under section 81(1A) of the Companies Act, 1956 and other applicable provisions.

1.4 Subject to the outcome of the proposed EGM, the Acquirers will acquire 15,00,000 fully paid-up equity shares of Rs. 10/- each of the Target Company representing 18.49% of the post preferential fully paid-up voting equity share capital.

1.5 As a result of the proposed acquisition, the holding of the Acquirers and Promoter group will increase to 49,63,380 and 50,74,972 equity shares representing 61.20% and 62.57% respectively, of the post preferential fully paid-up voting equity share capital of the Target Company.

1.6 The Offer to the shareholders of the Target Company consequent to the proposed Preferential Issue, by the Acquirers, is being made in accordance with regulation 11(1) and other applicable regulations of the SEBI (SAST) Regulations and to consolidate their holding in THL. Any further acquisition of shares / voting rights / control of the Target Company, whether direct or indirect, would be governed by the relevant provisions of SEBI (SAST) Regulations, and amendments thereto.

1.7 The highest and average price at which the Acquirers have acquired shares in the Target Company during the last 12 months are Rs 79.14/- and Rs. 72.09/- respectively. However, the Acquirers have not acquired or sold any shares in the Target Company during the last six months.

2. **The Offer**

2.1 The Acquirers are making an open offer to the equity shareholders of THL to acquire 16,22,083 fully paid up equity shares of Rs.10/- each representing 20.00 % of the fully expanded voting equity capital of the Target Company (assuming full allotment under the proposed Preferential Issue of equity shares) at a price of Rs. 73/- (Rupees Seventy Three only) for each equity share of the Target Company (the 'Offer Price'), payable in cash, in terms of regulation 20 of the Regulations (the 'Offer' or 'Open Offer').

2.2 There are no partly paid-up shares of THL.

2.3 In terms of regulation 21(5) of the Regulations, for the purpose of computing the percentage referred above, the voting rights as at the expiration of 15 days after the closure of the public offer shall be reckoned.

2.4 This is not a Conditional Offer. The Offer is not subject to any minimum level of acceptance. The Acquirers will acquire all the shares that are validly tendered as per the terms of the Offer, upto a maximum of 16,22,083 shares at the Offer Price.

2.5 Irrespective of the outcome of the Preferential Issue, the Acquirers would complete the Offer formalities under the Regulations.

2.6 The Acquirers and Promoter group hold 34,63,380 and 35,74,972 equity shares of THL representing 52.39% and 54.08% respectively, of the fully paid equity share capital as on the date of PA. Further, as a result of the proposed subscription to the Preferential Issue and assuming full acceptance of the Offer, the holding of the Acquirers and Promoter group will increase to 65,85,463 and 66,97,055 equity shares in the Target Company representing 81.20% and 82.57% respectively, of the post preferential fully paid-up voting equity share capital of the Target Company.

2.7 No separate consideration has been paid or would be paid by the Acquirers, other than as mentioned in Clause 1.2 above.

2.8 Neither the Acquirers nor the Target Company has been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act,1992.

2.9 There is no proposal to change the Board of Directors of the Target Company after the Offer.

2.10 The Offer is subject to the terms and condition set out herein and in the Letter of Offer that would be sent to the shareholders of THL.

2.11 The Manager to the Offer does not hold any equity shares in the Target Company, as on the date of this Public Announcement.

2.12 This is not a Competitive Bid.

3. **The Offer Price**

3.1 The equity shares of TTK Healthcare are currently listed on the Bombay Stock Exchange Limited, Mumbai ('BSE') and Madras Stock Exchange Limited, Chennai ('MSE'). THL has made an application to delist the shares from MSE and the delisting approval from MSE is awaited.

3.2 The annualised trading turnover during the preceding six calendar months ended June 2006 in each of the Stock Exchange where the shares are listed is as follows:

| Name of the Stock Exchange | Total number of Shares traded during January 2006 to June 2006 | Total number of listed shares | Annualized trading turnover (% of total listed shares) |
|---|---|---|---|
| BSE | 11,40,886 | 66,10,414 | 34.52 |
| MSE | Nil | 66,10,414 | -- |

(Source:BSE website)

Based on the above information, the equity shares of the THL are frequently traded on BSE and are infrequently traded on MSE within the meaning of explanation (i) to regulation 20(5) of the Regulations.

3.3 In accordance with regulation 20(4) and 20(5) of the Regulations, the Offer price of Rs.73/- per equity share is higher of the following parameters:-

| | | |
|---|---|---|
| a) | Negotiated price payable under the Investment Agreement | Not Applicable |
| b) | Proposed acquisition price under the Preferential Issue | Rs.73/- per equity share |
| c) | Highest price paid by the Acquirers for acquisition of any equity share of THL during the 6 months period preceding the date of the PA | Not Applicable |
| d) | Average of weekly high and low of the closing prices of the equity shares of THL during the 26 weeks preceding the date of the Board meeting where the Preferential Issue was proposed (On BSE where the shares are most frequently traded). | Rs. 72.55/- |
| e) | Average of daily high and low of the equity shares of THL during the 2 weeks preceding the date of the Board meeting where the Preferential Issue was proposed (On BSE) | Rs.58.99/- |
| f) | Other parameters with reference to the Target Company for | Year ended March 31, 2006 |
| | Return on Net worth (%) | 6.65 |
| | Book Value (Rs.) | 45.54 |
| | Earnings Per Share (Rs.) | 3.03 |
| | Price / Earnings (PE) Ratio based on Offer Price* | 24.09 |

** The Target Company is operating in the Industry category 'Bulk Drug Formulation' with an Industry PE of 28.5 [Source: 'Capital Market' dated July 17, 2006]. The industry PE is not strictly comparable as the Industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to THL and also vary widely in terms of financial parameters with THL.*

Mr. C.N. Srinivasan (Membership No. 18205) of M/s. S. Viswanthan, Chartered Accountants, Chennai, vide report dated July 21, 2006, has stated that based on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, 1995 (83 Com case 30), the value of the equity shares of TTK Healthcare is Rs. 29 per share.

3.4 There is no non-compete agreement between the Acquirers and the Target Company and any other entity as envisaged under regulation 20(8) of the Regulations. No additional payments are being made by the Acquirers as non-compete fees.

3.5 The Offer Price of Rs.73/- per share offered by the Acquirers to the shareholders of THL under the proposed Open Offer is justified in terms of regulations 20(4) and 20(5) of the Regulations. In the opinion of the Manager to the Offer and Acquirers, the Offer Price is justified.

3.6 The Acquirers are permitted to revise the Offer Price upward upto seven working days prior to the date of closure of the Offer. In the event of such revision, an announcement will be made in the same newspapers where the PA has appeared and the revised offer price would be paid for all the equity shares tendered anytime during the Offer. If the Acquirers acquire equity shares of THL after the date of the Public Announcement up to seven 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.

3.7 To the extent of the Offer Size, all equity shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by the Acquirers. The Equity Shares will be acquired by the Acquirers free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

4. **Information about the Acquirer - TT Krishnamachari & Co.**

4.1 TTK & Co. is a partnership firm having its office at 6, Cathedral Road, Chennai 600 086, Tel.: 044-28110957 and Fax. 044-28114307. TTK & Co is the promoter of TTK Healthcare. TTK & Co. is part of TTK Group. The founder of this group was Mr. TT Krishnamachari who had set up a firm under the name TT Krishnamachari & Co. in the year 1928.

4.2 The current partners of TTK & Co. are Mr. TT Jagannathan, Mr. TT Raghunathan, Mrs. Latha Jagannathan and Mrs. Bhanu Raghunathan. Mr. TT Jagannathan and Mr. TT Raghunathan are brothers and Mrs. Latha Jagannathan and Mrs. Bhanu Raghunathan are wives of Mr. TT Jagannathan and Mr. TT Raghunathan respectively. Mr. TT Jagannathan and Mr. TT Raghunathan together, as partners of TTK & Co hold 26,38,057 shares in TTK Healthcare. TTK & Co. is in the business of trading, distribution, warehousing, clearing and forwarding and promotion of business in the field of consumer products, consumer durables, healthcare and pharmaceuticals, rubber contraceptives and services.

4.3 The financial highlights of TTK & Co. are as below:

TTK & Co., as per the provisional financial results (Certified by the Auditors of the firm) for the year ended March 31, 2006, has reported a total income of Rs.1,394.38 lakhs and profit after tax of Rs. 548.32 lakhs. The partners' capital was Rs. 135 lakhs. The Networth of TTK & Co. as on 31 March, 2006 is Rs.5,694.30 lakhs as certified by Mr. N. Sridharan (Membership No.20503) of M/s Aiyar & Co (Chartered Accountants), vide certificate dated July 22, 2006.

4.4 The experience and qualifications of the partners of TTK & Co. is given below:

**Mr. TT Jagannathan**, son of Late Shri TT Narasimhan, aged 58 years, is a partner of TTK & Co. His qualifications are: B.Tech, M.S. (Operations Research) (U.S.A). He has an experience of 28 years in the field of industries promotion and management. He holds 7,30,048 shares in TTK Healthcare in his individual capacity. The networth of Mr TT Jagannathan as on March 31, 2006, as certified by Mr C. Ramasubramanian (Membership No 23376) of M/s S. Chellappa & Co (Chartered Accountants) vide certificate dated July 14, 2006, is Rs. 3,341.56 lakhs. Mr. TT Jagannathan is on the Board of the following listed Companies: TTK Healthcare Limited and TTK Prestige Limited. He is a full time Director in TTK Prestige Limited.

**Mr. TT Raghunathan**, son of Late Shri TT Narasimhan, aged 54 years, is a partner of TTK & Co. He is a commerce graduate and has an experience of 25 years in the field of Industries promotion and management. He holds 9,547 equity shares in TTK Healthcare in his individual capacity. The networth of Mr TT Raghunathan as on March 31, 2006, as certified by Mr C. Ramasubramanian (Membership No 23376) of S. Chellappa & Co (Chartered Accountants) vide certificate dated July 14, 2006, is Rs 2,907.98 lakhs. Mr. TT Raghunathan is on the Board of the following listed Companies: TTK Healthcare Limited and TTK Prestige Limited. Mr. TT Raghunathan is full time Director in TTK Healthcare Limited.

**Mrs. Latha Jagannathan,** wife of Mr. TT Jagannathan, aged 56 years. She is a partner of TTK & Co. She is a Doctor (MBBS). She has an experience of 15 years in the field of healthcare. She holds 29,728 equity shares in TTK Healthcare in her individual capacity. The networth of Mrs. Latha Jagannathan as on March 31, 2006, duly certified by Mr C. Ramasubramanian (Membership No 23376) of S. Chellappa & Co (Chartered Accountants) as per certificate dated July 14, 2006, is Rs 241.63 lakhs. Mrs. Latha Jagannathan is on the Board of the TTK Prestige Limited.

**Mrs. Bhanu Raghunathan,** wife of Mr. TT Raghunathan, aged 50 years. She is a partner of TTK & Co. She is an MA in Sociology. She has an experience of 10 years in the field of healthcare. She holds 56,000 equity shares in TTK Healthcare in her individual capacity. The networth of Mrs. Bhanu Raghunathan as on March 31, 2006, certified by Mr C. Ramasubramanian (Membership No 23376) of S. Chellappa & Co (Chartered Accountants) as per certificate dated July 14, 2006, is Rs 209.75 lakhs.

5. **Information about the Target Company - TTK Healthcare Limited**

5.1 TTK Healthcare was incorporated on May 21, 1958 under the name and style of Orient Pharma (P) Ltd having its Registered office at 6, Cathedral Road, Chennai 600086, Tel.: 044-28116108 and Fax. 044-28114307. The name was changed to TTK Pharma (P) Limited on February 20, 1982 and then further changed from TTK Pharma (P) Ltd to TTK Pharma Limited on September 28, 1985 and then to TTK Healthcare Limited on October 26, 1999. TTK Healthcare belongs to TTK Group. TTK Healthcare is in the business of manufacturing and marketing pharmaceuticals, consumer products, medical devices, publishing of maps, etc. THL is in the process of restructuring its operations. Pursuant to the consent of members accorded by a ordinary resolution passed through postal ballot on November 20, 2004 to sell, lease or otherwise dispose off the whole or substantially the whole of the Undertaking (Biomed Division) of THL at Chikalthana, Aurangabad, engaged in the manufacturing and marketing of Latex Gloves, the Board of Directors of TTK Healthcare is in the process of hiving off its glove manufacturing facility at Chikalthana, Aurangabad. Also in November 2004, a Strategic Partner was inducted in M/s TTK Healthcare Services Private Limited (subsidiary of THL) to infuse further capital. Consequent to allotment of shares to the said Strategic Partners by TTK Healthcare Services Private Limited, the shareholding of THL was reduced from 56.33% to 35.06% during that year and as a result TTK Healthcare Services Private Limited ceased to be a subsidiary of THL. Subsequently, THL has divested its stake further and presently holds 5000 shares in M/s TTK Healthcare Services Private Limited. Further as a part of the restructuring exercise, the Printing Division's operations have been fully rationalized and consequently, THL is examining disposal of the machineries and land admeasuring around 60,000 sq.ft. alongwith the building at Chormepet, Chennai 600 044. It has its manufacturing facilities at the following location:

- No.5, Old Trunk Road, Pallavaram, Chennai 600043
- 328, GST Road, Chromepet, Chennai 600 044
- 3, Tiruneermalai Main Road, Chromepet, Chennai 600 044
- 2-B, Hosakote Industrial Area, 8th Kilometre Hosakote Chinthamani Road, Hosakote Taluk, Bangalore 562 114
- 1/B-2, MIDC Industrial Area, Chikalthana, Aurangabad 431 210
- H-12/13, MIDC Area, Waluj, Aurangabad 431 136.

5.2 The Voting Capital has been calculated as under:

| Paid up Equity Shares of Target Company | No. of Equity Shares / Voting Rights | % of Equity Shares / Voting Rights |
|---|---|---|
| Fully paid up equity capital | 66,10,414 | 100% |
| Partly paid up equity capital | Nil | - |
| Total issued and paid up equity capital | 66,10,414 | 100% |
| Total voting rights | 66,10,414 | 100% |

5.3 The equity shares of TTK Healthcare are currently listed on Bombay Stock Exchange Limited, Mumbai ('BSE') and Madras Stock Exchange Limited, Chennai ('MSE'). The Company has made an application to delist the shares from MSE. The delisting approval is still awaited from MSE. (Source: Annual Reports). Trading in electronic mode (through NSDL & CDSL) is mandatory. The last traded price and volume as on the date of Board Meeting to consider Preferential issue (July 21, 2006) on BSE was Rs. 64.70/- and 3,443 equity shares respectively.

5.4 There are no partly paid-up equity shares of the Target Company as at the date of the Public Announcement. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date. There are no shares under lock-in period except for the pre Preferential Issue holding of TTK & Co. through its partners Mr. TT Jagannathan and Mr. TT Raghunathan which are locked in from July 19, 2006 (relevant date) upto six months from the date of preferential allotment in terms of clause 13.3.1.g of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines issued by Securities and Exchange Board of India.

5.5 The audited financial highlights of the Target Company are given below:

Rs. lakhs

| For the year ended | March 31, 2006 | March 31, 2005 |
|---|---|---|
| **Income Statement** | | |
| Income from operations | 18,657.28 | 15,299.90 |
| Other income | 205.05 | 373.18 |
| Total income | 18,862.33 | 15,673.08 |
| Total expenditure | 17,894.27 | 15,377.43 |
| PBDIT | 968.06 | 295.65 |
| Depreciation | 273.09 | 258.79 |
| Interest | 162.14 | 249.20 |
| Profit before tax | 532.83 | (212.34) |
| Extraordinary items | (34.52) | (25.30) |
| Provision for tax | (297.98) | 30.61 |
| Profit / (Loss) after tax | 200.33 | (207.03) |
| **Balance Sheet as at** | **March 31, 2006** | **March 31, 2005** |
| **Particulars** | | |
| **Sources of funds** | | |
| Paid up equity share capital | 661.04 | 661.04 |
| Reserves & Surplus (excl. Revaluation Reserves) | 2,497.61 | 2,448.03 |
| Revaluation Reserve | 491.65 | 497.68 |
| **Sub Total** | **3,650.30** | **3,606.75** |
| Secured loans | 1,249.00 | 1,879.60 |
| Unsecured loans | 106.60 | 160.64 |
| **Sub Total** | **1,355.60** | **2,040.24** |
| **Total** | **5,005.90** | **5,646.99** |
| **Uses of funds** | | |
| Net fixed assets | 3,123.22 | 3,176.08 |
| Investments | 13.87 | 163.22 |
| Net current assets | 829.13 | 1,166.71 |
| Deferred tax (Net) | 891.34 | 1,050.33 |
| Miscellaneous expenditure not written off | 148.34 | 90.65 |
| **Total** | **5,005.90** | **5,646.99** |
| **Other Financial Data** | | |
| Dividend (%) | 20% | Nil |
| Networth (Rs. lakhs) | 3,010.31 | 3,018.57 |
| Earning per share (Rs.) | 3.03 | (3.13) |
| Return on networth (%) | 6.65 | Nil |
| Book Value per share (Rs.) | 45.54 | 45.66 |
| Face Value per share (Rs.) | 10 | 10 |
| No of outstanding shares | 66,10,414 | 66,10,414 |

Source: Annual Reports of TTK Healthcare for the years 2005-2006, 2004-2005.

6. **Reason for the Acquisition and Future Plans**

6.1 Presently the Acquirers are in the management control of THL and this Offer to the shareholders of THL is being made pursuant to regulation 11 (1) of the Regulations consequent to Preferential Issue of Equity Shares to the Acquirers as explained in 1.5 above resulting in consolidation of holding in THL. THL operate in a highly competitive environment. THL is in the process of restructuring its operations. Pursuant to the consent of members accorded by a ordinary resolution passed through postal ballot on November 20, 2004 to sell, lease or otherwise dispose off the whole or substantially the whole of the Undertaking (Biomed Division) of THL at Chikalthana, Aurangabad, engaged in the manufacturing and marketing of Latex Gloves, the Board of Directors of TTK Healthcare is in the process of hiving off its glove manufacturing facility at Chikalthana, Aurangabad. Also as a part of restructuring exercise, the Printing Division's operations have been fully rationalized and consequently, THL is examining disposal of the machineries and land admeasuring around 60,000 sq.ft. alongwith the building at Chormept, Chennai 600 044. Further, THL plans to consolidate its business in pharmaceuticals, consumer products, medical devices etc.

6.2 Further, THL proposes to make strategic investments, which would help exploit short to medium term business opportunities. Hence, in order to have a better focus on the core businesses of the Target Company, the Acquirers have decided to make this offer to consolidate their holdings in THL.

6.3 The Acquirers, currently, do not intend to dispose off or otherwise encumber any assets of the Target Company in the succeeding two years, except such disposals or encumbrances in the ordinary course of business of the Target Company and / or for the purposes of restructuring, rationalizing and/or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Further, the Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company and in accordance with and subject to the applicable laws, permissions and consents, if any.

7. **Statutory Approvals and other Approvals for the Offer**

7.1 The Offer is subject to the receipt of approval from Reserve Bank of India (RBI) under the Foreign Exchange Management Act, 1999 (FEMA) for the acquisition of equity shares by the Acquirers from non-resident persons under the Offer.

7.2 To the best of knowledge and belief of the Acquirers, as of the date of this PA, there are no other statutory approvals or approval from lenders required for the acquisition of equity shares tendered pursuant to this Offer. The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of Offer.

7.3 In case of non receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 22(12) of SEBI (SAST) Regulations, 1997. Further, if any delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 22(13) of the Regulations will also become applicable.

8. **Disclosure in terms of regulation 21 (2) of the Regulations**

8.1 As this Offer (assuming full acceptance) would result in the public shareholding falling below 25 % of the voting capital of the Target Company, the Acquirers, in terms of the provisions of regulation 21(2) of the Regulations, undertake to comply with the provisions of clause of 40A (vi) and (vii) of the listing agreement.

9. **Financial Arrangement for the Offer**

9.1 The total fund requirement or the maximum consideration for the Offer assuming full acceptance of the Offer would be Rs. 11,84,12,059 (Rupees Eleven Crores Eighty Four Lakhs Twelve Thousand and Fifty Nine only) i.e. consideration payable for acquisition of 16,22,083 fully paid up equity shares of THL at Offer Price of Rs. 73/- per equity share.

9.2 In accordance with the provisions of Regulation 28 of the SEBI (SAST) Regulations, the Acquirers, through TTK & Co., have created an escrow account and deposited therein cash of Rs.3,00,00,000/- (Rupees Three Crores only) being more than 25% of the maximum consideration payable under the offer with Corporation Bank, George Town Branch, Chennai with authority given to the Manager to the Offer to operate in accordance with the SEBI (SAST) Regulations.

9.3 Mr. N. Sridharan (Membership no. 20503) of M/s. Aiyar & Co., Chartered Accountants, New No 2 (Old No 184), Rangarajapuram Main Road, (First Floor), Kodambakkam, Chennai - 600024, Tel.No:044 24816866 , has certified vide certificate dated July 22, 2006 that TTK & Co has adequate resources to meet the financial requirements of the Open Offer.

9.4 The Manager to the Offer, on the basis of the above certificate, has satisfied itself that the Acquirers have the ability to implement the Offer in accordance with the Regulations as firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

10. **OTHER TERMS OF THE OFFER**

10.1 The Letter of Offer, specifying the detailed terms and conditions, together with the Form of Acceptance cum Acknowledgement ('Form of Acceptance'), Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form) will be mailed to the shareholders of THL whose names appear on the register of members of THL and to the Beneficial Owners of the equity shares of THL whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on July 31, 2006 (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. A copy of the Letter of Offer (including Form of Acceptance) will be available on SEBI's website (http:// www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site.

10.2 All owners of equity shares, registered or unregistered, are eligible to participate in the Offer anytime before closure of the Offer.

10.3 Shareholders who hold equity shares of THL in physical form and wish to tender their equity shares pursuant to the Offer will be required to submit the Form of Acceptance, original Share Certificate(s) and transfer deed(s) duly signed to the Registrars to the Offer at the following address, so as to reach on or before the closure of the Offer, i.e. October 7, 2006 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance. In case of non-receipt of the Letter of Offer, shareholder(s) may download the same from the SEBI website or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer on providing suitable documentary evidence of acquisition of the said shares.

| Name & Address of Collection Centers | Contact Person | Mode of Delivery | Telephone No. | Fax No. |
|---|---|---|---|---|
| Data Software Research Company Private Ltd.'Sree Soverign Complex', 22, 4th Cross Street, Trustpuram, Kodambakkam, Chennai 600 024 Email : dsrcmd@vsnl.com | Mr. H. Krishnamoorthy | Postal / Hand Delivery | 044 24833738 24834487 / 24801664 | 044 24834636 |

**All registered owners can send the Form of Acceptance duly completed and signed in accordance with the instructions contained therein to the Registrars to the Offer at the collection center mentioned above, on or before the closure of the Offer, i.e. October 7, 2006. The documents can be tendered at the above centre between Monday to Friday from 10.30 am to 12.30 pm and 1.30 p.m. to 4.30 p.m. and on Saturdays from 10.00 am to 1.00 pm. The centres will be closed on Sundays and any other Public holidays.**

10.4 The Registrars to the Offer, Data Software Research Company Private Ltd., has opened a special depository account with Stock Holding Corporation of India Limited in National Securities Depository Limited ('NSDL'). Beneficial Owners and shareholders holding equity shares of THL in the dematerialised form, will be required to send their Form of Acceptance to the Registrars to the Offer, at the collection centres mentioned above in paragraph 10.3, on or before the closure of the Offer, along with a photocopy or counterfoil of the delivery instructions in 'Off-market' mode, duly acknowledged by the Depository Participant ('DP'), in favour of 'DSRC - TTK Healthcare Ltd. - Escrow Account - Open Offer' and filled in with the details given below:

| | |
|---|---|
| DP Name: | Stock Holding Corporation of India Limited |
| DP ID Number: | IN301080 |
| Client ID Number: | 22644124 |
| ISIN | INE910C01018 |
| Market | 'Off-market' |
| Depository: | National Securities Depository Ltd. |

Forms of Acceptance of dematerialized equity shares not credited to the above special depository account on or before the closure of Offer are liable to be rejected. Beneficial owners are therefore requested to tender the delivery instructions at least two working days prior to the date of closing of the Offer. Shareholders having their beneficiary account in Central Depository Services Limited ('CDSL') have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favor of the special depository account with NSDL.

10.5 Unregistered owners or shareholders who have not received the Letter of Offer, may send their consent, to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, or in the case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in 'off-market' mode or counterfoil of the delivery instruction in the 'off-market' mode, duly acknowledged by the DP, in favour of the aforesaid special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer. No Indemnity is required from the unregistered owners.

10.6 Shareholders of THL who have sent their equity shares for transfer should submit Form of Acceptance duly completed and signed, copy of the letter sent to THL (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders who have sent their physical shares for dematerialisation should submit their form of acceptance as applicable along with the copy of the demat request form (DRF) duly acknowledged by their DP. However, they have to ensure that the corresponding credit of the dematerialized shares is received in the escrow depository account on or before closure of the Offer.

10.7 In case the number of shares tendered for sale by the shareholders are more than the shares agreed to be acquired under the Offer, the Acquirers shall accept the offers received from the shareholders on a proportionate basis as per regulation 21(6) of the Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

10.8 The Registrars to the Offer will hold in trust the equity shares and Share Certificate(s), equity shares lying in credit of the special depository account, Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of THL who have accepted the Offer, until the cheques/drafts for the consideration and/or the unaccepted equity shares / share certificates are dispatched/ returned.

10.9 Equity shares tendered in the Offer by the shareholders of THL shall be free from lien, charges and encumbrances of any kind whatsoever.

10.10 Non-Resident shareholders should submit copy of the permission received from Reserve Bank of India for acquisition of the shares of THL. In case of its non-submission, Acquirers reserve their right to reject the shares tendered in the Offer.

10.11 The consideration to those shareholders whose Shares or share certificates and /or other documents are found complete, valid and in order, will be paid by crossed account payee cheques/demand drafts. Such considerations in excess of Rs. 1500/- or unaccepted Share Certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post/speed post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder/unregistered owner. Equity shares held in dematerialised form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. The Acquirers are required to deduct tax on source, as may be applicable. All dispatches involving payment of a value upto Rs.1,500/- will be made under certificate of posting at the shareholders sole risk.

10.12 A schedule of some of the key events in respect of the Offer is given below:

| Activity | Date | Day |
|---|---|---|
| Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent) | July 31, 2006 | Monday |
| Last date for a Competitive Bid | August 16, 2006 | Wednesday |
| Last Date by which Letter of Offer will be posted to shareholders | September 04, 2006 | Monday |
| Date of Opening of the Offer | September 18, 2006 | Monday |
| Last date fo revising the Offer Price / Offer size | September 27, 2006 | Wednesday |
| Last date of withdrawal of tendered application by the shareholders of THL | October 03, 2006 | Tuesday |
| Date of Closing of Offer | October 7, 2006 | Saturday |
| Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/or the unaccepted Equity Shares / Share Certificate(s) will be dispatched / credited | October 21, 2006 | Saturday |

11. **General**

In accordance with the regulation 22(5A) of the Regulations, shareholders who have tendered the requisite documents in terms of the Public Announcement and Letter of Offer shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before October 3, 2006.

The withdrawal option can be exercised on submitting the form of withdrawal (which will be sent to Shareholders along with the Letter of Offer) and the copy of the acknowledgement received from the Registrar to the Offer while tendering the acceptance together with:

a) In respect of physical shares: name, address, distinctive numbers, folio number, number of shares tendered and number of shares to be withdrawn.

b) In respect of dematerialized shares: name, address, number of shares tendered, number of shares withdrawn, DP name, DP ID, beneficiary account number, photocopy of the delivery instruction in 'Off Market' mode duly acknowledged by DP.

In case of non-receipt of the form of withdrawal the above application can be made on a plain paper.

11.1 The Acquirers are permitted to revise the Offer Price of Shares / No. of equity shares upwards, such upward revision will be made in accordance with regulation 26 of the Regulations, not later than September 27, 2006, which is 7 (Seven) working days prior to the date of closure of the Offer. If the Offer Price is revised upward, such revised price will be payable to all shareholders who have accepted the Offer and submitted their equity shares at any time during the offer period to the extent that their Shares have been verified and accepted by the Acquirers. The same would be informed by way of Public Announcement in the same newspapers where this Public Announcement appears.

11.2 **If there is a competitive bid:**

**a. The public offer under all the subsisting bids shall close on the same date.**

**b. As the Offer Price cannot be revised during the seven working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of shareholders to wait until the commencement of that period to know the final offer price of each bid and tender their acceptances accordingly.**

11.3 The Acquirers, and THL have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the 'SEBI Act') or any other regulation made under the SEBI Act.

11.4 Pursuant to regulation 13 of the Regulations, the Acquirers have appointed Inga Advisors Private Limited, Mumbai as Manager to the Offer and Data Software Research Company Private Limited, Chennai as Registrars to the Offer.

11.5 Please note that some financial data contained in this Public Announcement have been rounded off to the nearest lakhs except where stated otherwise.

11.6 For further details please refer to the Letter of Offer, the Form of Acceptance and the Form of Withdrawal.

11.7 Acquirers accept full responsibility for the information contained in this Public Announcement (except that which pertains to the Target Company and has been compiled from publicly available sources) and also for the obligations of the Acquirers as laid down in the Regulations.

Eligible persons to the Offer may also download a copy of this Public Announcement from SEBI's website at www.sebi.gov.in.

**Registrar to the Offer:**

**Data Software Research Company Private Limited**
'Sree Soverign Complex', 22, 4th Cross Street, Trustpuram,
Kodambakkam, Chennai 600 024
Tel.: (+91 44) 24833738 / 24834487 / 24801664
Fax.: (+91 44) 24834636, Email. : dsrcmd@vsnl.com
Contact Person : Mr. H. Krishnamoorthy

**PUBLIC ANNOUNCEMENT IS ISSUED ON BEHALF OF THE ACQUIRERS**

**Mr. TT Jagannathan, Mr. TT Raghunathan, Mrs. Latha Jagannathan, Mrs. Bhanu Raghunathan** as partners of TTK & Co.

**ISSUED BY**

Inga

**Inga Advisors Private Limited**
A-404, Neelam Centre, 4th Floor, Hind Cycle Road,
Worli, Mumbai - 400 030. Tel.: (+91 22) 2498 2919/ 2498 2927
Fax.: (+91 22) 2498 2956, Email: ttkcare.offer@ingaadvisors.com
Contact Person: Mr. Ashwani Deedwania

Place : Mumbai Date: July 26, 2006

CONCEPT

Size: 50 x 32.9sq. cm