LETTER OF OFFER

Note: This document is important and requires your immediate attention.

This Letter of Offer is being sent to you as an existing shareholder of **Zyden Gentec Limited** ("ZGL"). If you require any clarifications about the action to be taken, you should consult your Stockbroker or your Investment Consultant, or the Registrar to the Offer. In case you have sold your shares in ZGL, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deeds to the Member of the Stock Exchange (as defined) through whom the sale was effected.

Sharda Advisory Services Private Limited, (the Acquirer)

having its registered office at 12-13-577, Soumya Nilayam, Street No.1, Kimtee Colony,
Tarnaka, Secunderabad – 500 017. Tel. No.: 040-55647855; Fax No.: 040-2717 7298.

And

Dr. Raj Kumar Dhar, Dr. Rajendra Nath Dhar and Mrs. Prarina Dhar (Persons Acting in Concert)

residing at 12-13-577, Soumya Nilayam, Street No.1, Kimtee Colony, Tarnaka, Secunderabad – 500 017

MAKES CASH OFFER AT AN OFFER PRICE OF RS. 10.00 ALONGWITH INTEREST OF RS. 1.34 (TOTAL CONSIDERATION OF RS. 11.34) PER FULLY PAID UP EQUITY SHARE

TO ACQUIRE

8,43,480 equity shares of face value of Rs 10/- each representing 20% of the equity capital from existing shareholders

OF

Zyden Gentec Limited (the Target Company)

having its registered office at 143, Deep Shree Building, Kotri Road, Gumanpura, Kota – 324 007,
Rajasthan, India. Tel. No: 0744 – 239 0508; Fax No: 0744 – 239 2196.

The Offer is being made pursuant to the provisions of Regulation 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

The Offer is not conditional offer.

As on date, to the best of knowledge of the Acquirer, there are no specific approvals, statutory or otherwise, required to acquire the shares tendered pursuant to this Offer.

Regulation 26 of SEBI (SAST) Regulations, 1997 provides for an upward revision of the Offer Price / Offer Size at anytime, up to seven working days prior to the date of the closure of the Offer i.e. 16h January 2006. In case of a revision in the Offer Price / Offer size, the Public Announcement for revision will be made in the same newspaper in which the original Public Announcement had appeared. In case of a revision in Offer Price, the same price shall be paid by Acquirer for all the shares tendered anytime during the period the Offer is open and accepted under the Offer.

Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public announcement / Letter of offer, can withdraw the same up to three working days prior to the date of the closure of the offer i.e. 25th January 2006.

"If there is a competitive bid: (i) The public offer under all the subsisting bids shall close on the same date. (ii) As the offer price cannot be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly."

There has been no competitive bid as on the date of this Letter of Offer.

THE PROCEDURE FOR ACCEPTANCE IS SET OUT IN PARAGRAPH 9. A FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT, FORM OF WITHDRAWAL AND TRANSFER DEED(S) ARE ENCLOSED WITH THIS LETTER OF OFFER. A COPY OF PUBLIC ANNOUNCEMENT AND THIS LETTER OF OFFER (INCLUDING FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL) WILL ALSO BE AVAILABLE ON SEBI'S WEB SITE www.sebi.gov.in

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
UTI Securities we make Investing easier **UTI Securities Limited** 1st floor, Dheeraj Arma, Anant Kanekar Marg, Station Road, Bandra East, Mumbai - 400 051. Tel: (022) 55515999; Fax: (022) 55023194 Email: abhijitd@utisel.com Contact Person: Mr. Abhijit Diwan	**Aarthi Consultants Private Limited** 1-2-285,Domalguda,. Hyderabad – 500 029 Tel: (040) 27642217 / 27634445 Fax: (040) 27632184 Email: aarcons@hd2.dot.net.in Contact Person: Mr. G Bhaskar

TIMETABLE

Activity	Date	Day
Date of Public Announcement	30-08-2005	Tuesday
Specified Date	31-08-2005	Wednesday
Last date for a competitive bid, if any	20-09-2005	Tuesday
Date by which Letter of Offer will be posted to shareholders	02-01-2006	Monday
Date of opening of the Offer	06-01-2006	Friday
Last date for Revising the Offer Price / Number of Shares	16-01-2006	Monday
Last date for withdrawing acceptances tendered by shareholders	20-01-2006	Friday
Date of closing of the Offer	25-01-2006	Wednesday
Date of communicating acceptance/ rejection and payment of consideration for accepted shares / dispatch of the share certificate in case of rejection.	09-02-2006	Thursday

Note:*Duly Signed Application and Transfer Deed(s) together with share certificate(s) should be dispatched by Registered Post / Courier or hand delivered to the Registrar to the Offer at above address to arrive not later than 5.00 p.m. on 25th January 2006.*

RISK FACTORS

1. The Offer is subject to receipt of necessary approval(s) by Acquirer / seller from FIPB and/or RBI, under Foreign Exchange Management Act, 1999 (“FEMA”), and rules and regulations there under, if any.
2. In the event of regulatory approvals not being received in time or litigation leading to stay on the Offer, or SEBI instructing that the Offer should not be proceeded with, thus the Offer process may be delayed beyond the Schedule of the Major Activities indicated in this Letter of Offer.
3. The Acquirer makes no assurance with respect to the market price of the shares during/ after the Offer. Further, the tendered shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the shares of ZGL.
4. The Offer to the shareholders of ZGL is for substantial acquisition of shares and it is made in accordance with Regulation 11 (1) of the SEBI (SAST) Regulations. There is no assurance with respect to the continuation of the past trend in the financial performance of ZGL.
5. In case the shares tendered in the Offer by the shareholders, are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be as per the provisions of Regulation 21 (6) of the SEBI (SAST) Regulations on a proportionate basis, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company’s share is 1 (one) share.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of ZGL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of ZGL are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

INDEX

Attached : Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed(s) (for shareholders holding shares in physical form).

DEFINITIONS

The following definitions apply through this document, unless the context requires otherwise:

Term	**Definition**
“Acquirer” or “SASPL”	Sharda Advisory Services Private Limited
“BSE”	The Bombay Stock Exchange Limited
“Company”, “Target Company” or “ZGL”	Zyden Gentec Limited
“JSE”	Jaipur Stock Exchange
“Manager” or “Manager to the Offer”	UTI Securities Limited
“Offer”	The offer being made by SASPL to shareholders of ZGL as set out in this Letter of Offer
“Offer Document”	This Letter of Offer
“Offer Price”	Rs. 10/- (Rupees Ten Only) per fully paid up (Rs.10.00 paid up) equity share of ZGL
“Public Announcement” or “PA”	Announcement of the Offer made on 30th August 2005
Parties eligible to tender	Shareholders of ZGL, except the Acquirer and PACs, whose names appear on the Register of Members of ZGL and the beneficial owners of the shares whose names appear as beneficiaries on the records of the respective share depositories, at the close of business hours on 31st August 2005 (specified date)
“RBI”	The Reserve Bank of India
“SEBI”	Securities & Exchange Board of India
“SEBI (SAST) Regulations”	Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto
“Specified Date”	31st August 2005
“Stock Exchanges”	BSE and JSE.

ATTENTION:

1 If, due to non-receipt of requisite statutory approvals, the Acquirer are unable to make the payment to the shareholders who have accepted the Offer within 15 days of the date of closure of the Offer, then SEBI may, if satisfied that the non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by SEBI from time to time. Further, shareholders should note that after the date of withdrawal i.e. 20th January 2006, the shareholders who have lodged the shares will not be able to withdraw them even if the acceptance of shares under the offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tendered shares and payment of consideration is completed.

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ZYDEN GENTEC LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF SHARDA ADVISORY SERVICES PVT. LIMITED ("THE ACQUIRER") OR OF ZYDEN GENTEC LIMITED ("TARGET COMPANY") WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER 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 ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER – UTI SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 12th SEPTEMBER 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT (S) THERE OF.THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. DETAILS OF THE OFFER

2.1 Background of the Offer

a) This offer of 20% of the Equity capital i.e. 8,43,480 shares of ZGL is made in terms of Regulation 11(1) of SEBI (SAST) Regulations.

b) The Board of Directors of Zyden Gentec Limited ("the Target Company" or "ZGL") had pursuant to a Special Resolution passed u/s. 81(1A) of the Companies Act, 1956 by the members of the Company in their Extra-Ordinary General Meeting held on 09th July 2004 allotted 10,00,000 equity shares (23.71% of post preferential issue paid up share capital) of Rs.10/- each at the price of Rs.10/- per share on a preferential basis including 5,00,000 shares (11.855% of post preferential issue paid up share capital) ("the Acquisition") to Sharda Advisory Services Pvt. Ltd. ("the Acquirer") and balance 5,00,000 to Individuals/Company classified in Public category. The price of Rs. 10/- per share has been arrived at in terms of the SEBI DIP Guidelines for preferential Allotment. The said equity shares are subject to lock-in as per the aforementioned Guidelines. The company has complied with all the relevant provisions of DIP Guidelines with regard to the preferential allotment.

c) The listing of 10,00,000 equity shares allotted on preferential allotment basis has been applied for and would be completed on the completion of offer formalities under the regulations.

d) For the purpose of this offer, Dr. Raj Kumar Dhar, Dr. Rajendra Nath Dhar and Mrs. Prarina Dhar are persons acting in concert (PACs) with the Acquirer. PACs do not intend to acquire any shares in this offer.

e) Sharda Advisory Services Private Limited is an associate concern of Mr. R K Dhar, one of the Promoter Director of ZGL. Dr. Rajendra Nath Dhar and Mrs. Prarina Dhar are Promoters of Sharda Advisory Services Private Limited and are related to Dr. R K Dhar as father and spouse respectively.

f) In view of the above, the Acquirers along with PACs are now making an open offer under Regulation 11(1) of the SEBI SAST Regulations to the public shareholders of ZGL to acquire up to 8,43,480 fully paid-up equity shares ('Shares') of Rs. 10/- each representing 20% of the post preferential issue equity share capital of ZGL, at a price of Rs. 10/- (Rupees Ten only) per Share ("the Offer Price") payable in cash ("the Offer") taking 23rd July 2004 as the reference date for purposes of calculation of the Offer Price, along with interest of Rs. 1.34 calculated in accordance at the rate of 10% p.a. from October 27, 2004 till 09th February 2006 i.e. the scheduled date of dispatch of payment consideration to the shareholders amounting to Rs. 11.34 per share subject to the terms and conditions mentioned hereinafter.

g) The total consideration per share will be Rs. 11.34 (comprising of Offer Price of Rs. 10 and interest of Rs. 1.34). The total consideration of Rs. 11.34 per share shall be subject to deduction of taxes at source as applicable and will be paid accordingly. This amount is subject to change depending upon the actual date of dispatch of payment to the shareholders. All shareholders whose shares are accepted in the offer will be paid consideration as under:

Offer Price	Rs. 10.00
Interest (@ 10% p.a.)	Rs. 01.34
Total Consideration	**Rs. 11.34**

h) Neither acquirer, PACs, nor the target company has been prohibited by SEBI from dealing in securities in terms of direction issued u/s. 11B of SEBI Act or under any other regulation.

i) After the successful completion of the offer, there will not be any change in the composition of the Board of Directors of the Target Company, unless required by business considerations and regulatory requirements.

2.2 Details of the Proposed Offer

a) The Public Announcement dated 30th August 2005 was made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations, 1997.

Publications	**Edition**
Business Standard (English)	All editions
Pratah Kaal (Hindi)	All editions including, Kota, where the Registered office of the Target Company is situated

A copy of this PA will also be available on the SEBI's website at www.sebi.gov.in

b) Pursuant to Regulations 11(1) of the SEBI (SAST) Regulations, Acquirer is making an Offer to the public shareholders of ZGL to acquire 8,43,480 fully paid-up equity shares **('Shares')** of Rs. 10/- each representing 20% of the paid- up equity share capital of ZGL, being existing Public shareholding of the Company, at a price of Rs. 10/- (Rupees Ten only) per Share ("the Offer Price") payable in cash ("the Offer") taking 23rd July 2004 as the reference date for purposes of calculation of the Offer Price, along with interest calculated in accordance at the rate of 10% p.a. from 27th October 2004 (4 days + 3 months) till 09th February 2006 (Rs. 1.34) i.e. the scheduled date of dispatch of payment consideration to the shareholders amounting to Rs. 11.34 per share subject to the terms and conditions mentioned hereinafter.

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

d) The Acquirer or PACs does not hold any equity shares in ZGL as on the date of the Public Announcement except the shares acquired in above referred Preferential Issue. Further, the Acquirer or PACs has not acquired either directly or through any other person, any shares of ZGL during the 12 months period preceding the date of the Public Announcement.

e) The equity shares of ZGL are to be acquired, pursuant to the Offer, free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividend or other distributions hereinafter declared, made or paid.

f) The Offer is not conditional on any minimum level of acceptances.

g) There has been no competitive bid as on date.

h) The Offer is made to all the shareholders of ZGL except the Acquirer and the PACs and promoters in terms of regulation 11(1) of the SEBI (SAST) regulations.

i) UTI Securities Limited does not hold any shares of ZGL as on the date of Public Announcement.

2.3 Objects of the Acquisition /Offer

a) This Offer to acquire 20% of the post preferential issue equity share capital i.e. 8,43,480 shares of ZGL is made in terms of Regulations 11(1) of the SEBI (SAST) Regulations. After the preferential allotment, the promoter holding alongwith the PACs has gone up from 28.12% to 33.31%.

3. BACKGROUND OF THE ACQUIRER AND PERSONS ACTING IN CONCERT

3.1 SHARDA ADVISORY SERVICES PRIVATE LIMITED ('THE ACQUIRER')

a) Sharda Advisory Services Private Limited is the Acquirer in this open offer and Dr. Raj Kumar Dhar, Dr. Rajendra Nath Dhar & Mrs. Prarina Dhar are person acting in concert with it for the purpose of this offer.

b) Sharda Advisory Services Private Limited is a Company incorporated on July 20, 2004 under the Companies Act, 1956. SASPL has its registered office at 12-13-577, Soumya Nilayam, Street No.1, Kimtee Colony, Tarnaka, Secunderabad – 500 017. Tel. No.: 040-5564 7855 Fax No.: 040- 2717 7298

c) The promoters of the Acquirer are Dr. Rajendra Nath Dhar and Mrs. Prarina Dhar.

d) SASPL is engaged in the activities related to financial services such as arranging financial assistance for car loans, housing loans, consumer loans, personal loans and acting as franchisees, agents, direct sales associates and direct marketing associates in this regard.

e) Board of Directors of Sharda Advisory Services Private Limited as the date of PA i.e. 30th August 2005

Name & Qualification	Designation / Experience	Date of Appointment	Residential Address
Dr. Rajendra Nath Dhar – Ph.D. in Pharmaceutical chemistry from London University	Chairman - Overall experience of more than 45 years in Pharmaceutical Industry in Research & Development in Formulations	20-07-2004	12-13-577, Soumya Nilayam, Street No.1, Kimtee Colony, Tarnaka, Secunderabad – 500 017
Mrs. Prarina Dhar	Director - Associated in family business for the past two years	20-07-2004	12-13-577, Soumya Nilayam, Street No.1, Kimtee Colony, Tarnaka, Secunderabad – 500 017

As on date, except Dr. Rajendra Nath Dhar, none of the above person is on the Board of the Target Company. Dr. Rajendra Nath Dhar has given undertaking that he shall recuse himself and shall not participate in any matter(s) concerning or 'relating' to the offer including any preparatory steps leading to the offer.

f) Brief Financials of SASPL

(Rs. in Lacs)

Profit & Loss Statement	**31.03.2005**
Income from operations	—
Other Income	0.105
Total Income	**0.105**
Total Expenditure.	0.06421
Profit Before Depreciation Interest and Tax	0.04079
Depreciation	—
Interest	—
Profit Before Tax	0.04079
Provision for Tax	0.01496
Profit After Tax	0.02583

Balance Sheet Statement	**31.03.2005**
Sources of funds	
Share capital	51.00
Reserves and Surplus (excluding revaluation 'reserves)	0
Less : Total miscellaneous expenditure not written off	0.054
Secured loans	—
Unsecured loans	1.50
Total	**52.525**
Application of funds	
Net fixed assets	—
Investments	50.00
Net current assets	2.472
Total	**52.525**

Net Worth	31.03.2005
Paid up Share capital	1.00
Share Application Money	50.00
Reserves & Surplus	0.02583
Less: Misc Expenditure	(0.054)
Net Worth	**50.97**

Other Financial Data	31.03.2005
Dividend (%)	--
Earning Per Share (Rs.)	0.26
Return on Networth (%)	0.05
Book Value Per Share (Rs.)	509.72

(The Company is incorporated on July 20, 2004. The above compilation is based on audited financial statements for the period ending 31.03.2005)

Reasons for fall/rise in PAT or Total Income during above period:

This being the first year of operation, SASPL has not yet commenced its business activities.

g) Details of Contingent Liabilities not provided as of March 31, 2005:

Serial no.	Particulars	Rs. in Lacs
1.		
2.	——————————NIL——————————————	
3.		

h) The Acquirer has not acquired any shares in the Target Company except 5,00,000 Equity shares allotted on preferential basis.

i) Significant Accounting Policies of the Acquirer:

General:

(i) These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.

(ii) Accounting policies are not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition:

(i) The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

(ii) Revenue is not recognized on the ground of prudence, until realized in respect of liquidated damages, delayed payments as recovery of amounts is not certain.

Investments:

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable.

Depreciation and Amortization:

Preliminary expenses are amortized over the period of 10 years.

Taxation:

The current charge for income tax is calculated in accordance with relevant tax regulations applicable to the company. Deferred tax asset and liability is recognized for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset and liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

Gratuity:

No provision for gratuity has been made as no employee has put in qualifying period of service for entitlement of this benefit.

(i) **Details of Pending major Litigations against the Acquirer**

There are no pending litigations against the Company.

(ii) **Name and other Details of compliance Officer:**

Dr. Rajendra Nath Dhar
12-13-577, Soumya Nilayam, Street No. 1
Kimtee Colony, Tarnaka
Hyderabad – 500 017.
Tel: 040 - 5564 7855
Fax: 040 - 27177298

(iii) There has been no change of name, merger/demerger, spinoff involving the Acquirer during last 3 years. Further the Acquirer is unlisted Company.

(iv) Shareholding pattern of the Acquirer as on the date of PA is as under:

1) Dr. R.N. Dhar	5,000 shares @ Rs. 10 per share
2) Mrs. Prarina Dhar	5,000 shares @ Rs. 10 per share
3) Origin Management Private Limited	5,00,000 Shares @ Rs. 10 per share(in the form of share application money, yet to be allotted)

3.2 INFORMATION ON DR. RAJ KUMAR DHAR, DR. RAJENDRA NATH DHAR & MRS. PRARINA DHAR ("PERSONS ACTING IN CONCERT")

DR. RAJ KUMAR DHAR

a. Dr. Raj Kumar Dhar is residing at 12-13-577, Soumya Nilayam, Street No.1, Kimtee Colony, Tarnaka, Secunderabad – 500 017. Tel. No. 040-5564 7855 Fax No. 040-2717 7298

b. Dr. Rajendra Nath Dhar and Mrs. Prarina Dhar are related to Dr. Raj Kumar Dhar as father and spouse respectively.

c. He is Ph. D. in Organic Chemistry from Germany and has more than 3 decades experience in Pharmaceutical industry. He is presently CEO and Director of the Target Company and is overall in charge of Hyderabad office and factory.

d. The Net Worth of Dr. Raj Kumar Dhar as on 31st March 2005 is Rs. 2,00,300 (Rupees two lacs three hundred only), The same is certified by M/s. P Murali & Co. (M.N. 23412), Chartered Accountants, Address: 6-3-655/2/3, Somajguda, Hyderabad. Tel No.(040) 2332 6666 Fax no: (040) 2339 2474, vide their certificate dated 20th August 2005.

e. Dr. Raj Kumar Dhar is a Director of Zyden Gentec Limited from 18th March 2005. Apart from this he does not hold any positions on the Board of any listed Company. Further he is not full time director with any Company.

f. Dr. Raj Kumar Dhar has not acquired any shares of ZGL in the past hence SEBI SAST Regulation is not applicable to him.

DR. RAJENDRA NATH DHAR

a. Dr. Rajendra Nath Dhar is residing at 12-13-577, Soumya Nilayam, Street No.1, Kimtee Colony, Tarnaka, Secunderabad – 500 017. Tel. No. 040-5564 7855 Fax No. 040-2717 7298.

b. He has done Ph. D. (Pharm. Chemistry) from London University (Faculty Medicine). He has an overall experience of more than 45 years in Pharma industry, mainly in Research and Development of Formulations. He has worked with Indian Drugs & Pharmaceuticals Ltd., Hyderabad as well as Gurgaon in Formulations Division for more than 20 years.

c. The Net Worth of Dr. Rajendra Nath Dhar as on 31st March 2005 is Rs. 24,47,250 (Rupees twenty eighth lacs forty seven thousand two hundred fifty only), The same is certified by M/s. P Murali & Co. (M.N.23412, Chartered Accountants, Address: 6-3-655/2/3, Somajguda, Hyderabad. Tel No.(040) 2332 6666 Fax no: (040) 2339 2474, vide their certificate dated 25th June 2005.

d. Dr. Rajendra Nath Dhar is a Director of Sharda Advisory Services Private Limited. Apart from this he does not hold any positions on the Board of any listed Company, except that as an independent director on the Board of Vivimed Labs Limited and is appointed as a director of ZGL w.e.f. 27th January 2005.

e. Dr. Rajendra Nath Dhar has not acquired any shares of ZGL in the past hence SEBI SAST Regulation is not applicable to him.

MRS. PRARINA DHAR

a. Mrs. Prarina Dhar is residing at 12-13-577, Soumya Nilayam, Street No.1, Kimtee Colony, Tarnaka, Secunderabad – 500 017. Tel. No. 040-55647855 Fax No 040-271707298.

b. She is associated with the business of Dr. Rajendra Nath Dhar and Dr. Raj Kumar Dhar for the past two years and looks after the general administrative function.

c. The Net Worth of Mrs. Prarina Dhar as on 31st March 2005 is Rs. 21,21,475 (Rupees twenty one lacs twenty one thousand four hundred only), The same is certified by M/s. P Murali & Co. (M.N.23412), Chartered Accountants, Address: 6-3-655/2/3, Somajguda, Hyderabad. Tel No. (040) 2332 6666 Fax no: (040) 2339 2474, vide their certificate dated 25th June 2005.

d. Mrs. Prarina Dhar is a full time Director of Sharda Advisory Services Private Limited. Apart from this she does not hold any positions on the Board of any listed Company. She is a full time director of Sharda Advisory Services Private Limited.

e. Mrs. Prarina Dhar has not acquired any shares of ZGL in the past hence SEBI SAST Regulation is not applicable to her.

4. DISCLOSURE IN TERMS OF REGULATION 16(IX) OF THE REGULATIONS

a) The Acquirer or PACs does not have any plan to dispose of or otherwise encumber any assets of ZGL within two years from the date of closure of the Offer except in the ordinary course of business of ZGL.

b) Further, Acquirer and PACs undertakes that in the next two years they shall not sell, dispose of or otherwise encumber any substantial asset of ZGL except with the prior approval of the ZGL's shareholders.

5. FUTURE PLANS/STRATEGIES OF THE ACQUIRER WITH REGARD TO THE TARGET COMPANY.

The Company sees great potential in the business prospects of biotechnology and drug discovery and given the experience of the board of directors (includingPACs) have in this particular field of business, foresee good growth prospects for ZGL.

6. BACKGROUND OF ZYDEN GENTEC LIMITED (ZGL) ("THE TARGET COMPANY")

a) Zyden Gentec Limited is an existing public limited Company incorporated on April 26, 1994 under the Companies Act, 1956 as Overseas Capital Private Limited. The name of the Company was changed to Overseas Capital Limited on conversion in to public limited Company on November 11, 1994 and to Zyden Gentec Limited on July 16, 2004. ZGL has its registered office at 143, Deep Shree Building, Kotri Road, Gumanpura, Kota – 324 007, Rajasthan., India. Tel. No. 0744-2390508 Fax No. 0744 – 239 2196.

b) ZGL was earlier engaged in providing financial services like financing, hire-purchase and lease since 1994. The Company is presently engaged in manufacturing of Pharma and Fine Chemicals.

c) The Company has its Corporate Office & Works at B-2-268/1/D/A, Arora Colony, Banjara Hills, Hyderabad – 500 034, Tel. No. 040-3097 5578 and at and Plot No. 181, IDA Mallapur, Nacharam, Hyderabad – 500 076 respectively.

d) The shares of ZGL are listed on Bombay Stock Exchange Limited (BSE) and Jaipur Stock Exchange Limited (JSE).

e) Mr. Vinod Gupta is the promoter of ZGL.

Mr. Vinod Gupta promoted the company in the year 1994, which went public year 1995. At the time of incorporation, the Company was engaged in providing financial & other related services i.e. the Company was Non Banking Financial Company (NBFC). Presently, the Company is engaged in manufacturing of Biotechnology/Pharmaceuticals and fine Chemicals.

Mr. Vinod Gupta is a qualified Chartered Accountant having more than 22 years of post-qualification experience in various areas of finance & accounts. He is presently the Chairman of the Company. He looks after the day-to-day affairs of the Company and heads the Corporate Finance and Accounts functions.

f) **Share Capital structure of ZGL**

Particulars	**No. of Shares / Voting Rights (VR)****	**% of Shares / VR**
Fully Paid up Equity Shares	42,17,400	100.00
Partly Paid up Equity Shares	Nil	—
Total Paid up Capital	42,17,400	**100.00**
Total Voting Rights	42,17,400	**100.00**

** Out of this, 10,00,000 equity shares issued by way of Preferential allotment on 23rd July 2004 is not listed with Stock Exchanges pending compliance with SEBI SAST Regulations.

g) The total issued, subscribed and paid-up capital of ZGL comprising of 42,17,400 fully paid-up equity shares of Rs.10/- each aggregate to Rs. 421.74 lacs. There are no partly paid-up shares. Further There are no outstanding Convertible instruments (warrants/FCDs/PCDs) etc. The Current capital structure and its build up since inception is as under:

Date of allotment	No of shares issued	Cumulative paid up capital (No. of shares)	Mode of allotment	Identity of allottees (promoters/ ex-promoters/ others)	Status of compliance
26.04.1997	200	200	Subscription to MOA	Promoter	N.A.
27.10.1994	1,51,000	1,51,200	Further Issue of shares	Promoter & Associates	N.A.
31.01.1995	8,37,500	9,88,700	Further Issue of shares	Promoter & Associates	
13.02.1995	1,21,300	11,10,000	Further Issue of shares	Promoter & Associates	N.A.
27.04.1995	21,07,400	32,17,400	Public Issue	Public	N.A.
23.07.2004	10,00,000	42,17,400	Preferential allotment	Directors' Associate (SASPL) & Public	@

@ The company has complied with all the relevant provisions of DIP Guidelines with regard to the preferential allotment. Further the listing formalities would be completed on compliance of the regulations.

h) The target Company as well as the Promoters and major shareholders have complied with all the applicable provision of Chapter II of the Regulations

i) There has been no suspension of trading in the shares of ZGL on any of the stock exchanges. Further, the Company has complied with all the applicable provisions of the listing requirements and there has been no penal action taken by any of the stock exchanges against ZGL.

j) **Board of Directors of ZGL as on the date of PA i.e. 30th August 2005 :**

Name & Qualification	Designation / Experience	Date of Appointment	Residential Address
Mr. Vinod S Gupta F.C.A.	Chairman 25 years	26.04.1994	H. No. 1, Krishna Enclave, Civil Lines, Near Family Court, Kota, Rajasthan –324 001.
Dr. Raj Kumar Dhar Ph. D. Organic Chemistry	Chief Executive Officer 30 years	18.03.2004	12-13-577, Soumya Nilayam, Street No. 1, Kimtee Colony, Tarnaka, Hyderabad – 500 017
Dr. Arvind Kumar Ph. D. Organic Chemistry	Director 30 years	18.03.2004	75 Jon–Jee Dr. N.W. Licburn, Gorgia – 30047
Mr. Niranjan Kumar Agarwal Graduate	Director 15 years	28.01.2004	B- 25 Janta Colony Jaipur
Mr. Chandra Mohan Sharma L. L. B..	Director More than 30 years	27.01.2003	H. No. 2, Krishna Enclave, Civil Lines, Near Family Court, Kota, Rajasthan –324 001
Mr. Rajesh Sharma B. Com.	Alternate director	27.01.2005 to Dr. Arvind Kumar	G-2, Shangrilla Apartments, Road No 2, Banjara Hills, Hyderabad –500 034.
Dr. Rajendra Nath Dhar Ph. D. Pharmaceutical Chemistry	Director 40 years	27.01.2005	12-13-577, Soumya Nilayam, Street No. 1, Kimtee Colony, Tarnaka, Hyderabad – 500 017
Mr. Frank Yuan Bachelor in Agricultural	Independent Director 15 years	27.06.2005	Changshu Huayi Import & Export Co. Ltd. No. 172 Zhujiang Road Changshu China

As on date, except Dr. Rajendra Nath Dhar and Dr. Raj Kumar Dhar, none of the above person represents the Acquirer. Both the directors have given undertaking that they shall recuse themselves and shall not participate in any matter(s) concerning or 'relating' to the offer including any preparatory steps leading to the offer.

k) There have been no mergers/ de-mergers /spin-offs during the past three years involving ZGL. The details of change of name and listing are as under:

Change of Name	Date of Change
Overseas Capital Private Limited **to** Overseas Capital Limited	11th November 1994
Overseas Capital Limited **to** Zyden Gentec Limited	16th July 2004

Listing on	Date of Listing
Bombay Stock Exchange Limited (BSE)	May 10th 1995
Jaipur Stock Exchange Limited (JSE)	May 8th 1995

l) **Brief Financials of ZGL** **(Rs. in lacs)**

Profit & Loss Statement	31.03.2003	31.03.2004	31.03.2005	30.09.2005
Total Income	19.75	131.42	42.93	88.61
Total Expenditure.	6.78	74.09	17.97	70.60
Profit Before Depreciation Interest and Tax	12.97	57.33	24.96	18.01
Depreciation	2.52	2.31	1.05	0.80
Interest	0.05	0.04	0.21	—-
Profit (Loss) Before Tax	10.40	54.98	23.70	17.21
Provision for Tax	2.32	20.27	10.54	0.48
Profit (Loss) After Tax	8.08	34.71	13.16	16.73

Balance Sheet Statement	31.03.2003	31.03.2004	31.03.2005	30.09.2005
Sources of funds				
Paid up share capital	321.74	321.74	421.74	421.74
Reserves and Surplus (excluding revaluation reserves)	—	—	—	—-
Less : Profit & Loss A/c (Dr. Balance)	67.77	33.06	19.90	3.16
Less : Miscellaneous expenditure not written off	2.15	0.31	—	4.96
Net Worth	251.82	288.37	401.84	413.62
Secured loans	—	—	6.18	4.56
Unsecured loans	0.75	—	—	—-
Total	**252.57**	**288.37**	**408.02**	**418.18**
Uses of funds				
Net fixed assets	4.14	0.48	69.79	78.26
Investments	53.82	38.00	38.00	111.72
Net current assets	144.62	220.16	281.05	209.01
Net Deferred Tax Assets	49.99	29.73	19.18	19.19
Total	**252.57**	**288.37**	**408.02**	**418.18**

Other Financial Data	31.03.2003	31.03.2004	31.03.2005	30.09.2005
Dividend (%)	—	—	—	—
Earning Per Share (Rs.)	0.25	1.08	0.31	0.40
Return on Net Worth (%)	3.21%	12.04%	3.27%	4.04%
Book Value Per Share (Rs.)	7.83	8.96	9.53	9.81

Reasons for fall/rise in PAT or Total Income during above period:

There was good rise in PAT during 2002-03 due to good business. Further, during 2003-04, due to strategic shift of focus of the company from financing, leasing and hire purchase business to biotechnology and drug discovery; the company registered overall growth in total income as well as PAT. However, during 2004-05, the sales have decreased considerably owing to the fact that the company is focusing all its synergies on establishing the R&D segment and a sound footing in this industry.

m) Pre and Post offer Shareholding Pattern of ZGL:

Shareholders' category	Shareholding & voting rights prior to the Preferential Issue of Equity shares.		Shares /voting rights agreed acquired through Preferential Issue of Equity shares.		Shareholding & voting rights post Preferential Issue of Equity shares but prior to the Open offer.		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer. i.e.	
	(A)		(B)		(C)		(D)		(A)+(B)+(D)=(E)	
	No	%	No.	%	No.	%	No.	%	No.	%
(1) Promoter group										
a. Parties to , agreement if any	—	—	—	—	—	—	—	—	—	—
b. Promoters other than (a) above	—	—	—	—	—	—	—	—	—	—
a. Promoters	583900	18.15	—	—	583900	13.85	—	—	583900	13.85
b. PACs	320900	9.97	—	—	320900	7.61	—	—	320900	7.61
Promoter group holding	904800	28.12	—	—	904800	21.46	—	—	904800	21.46
Total 1(a+b)	904800	28.12	—	—	904800	21.46	—	—	904800	21.46
(2) Acquirers										
a. Main Acquirer	—	—	500000	11.86	500000	11.86	843480	20	1343480	31.86
b. PACs	—	—	—	—	—	—	—	—	—	—
Total 2(a+b)	—	—	500000	11.86	500000	11.86	843480	20	1343480	31.86
(3) Parties to agreement other than (1) (a) & (2)	—	—	—	—	—	—	—	—	—	—
(4) Public (other than parties to agreement, acquirers & PACs)										
a. FIs/MFs/FIIs/ Banks, SFIs (indicate names)	—	—	—	—	—	—	—	—	—	—
b. Others	2312600	71.88	500000	11.86	2812600	66.68	(-) 843480	(-) 20	1969120	46.68
(Indicate the total number of shareholders in "Public category)	1346		8						1354	
Total (4)(a+b)	2312600	71.88	500000	11.86	2812600	66.68	(-) 843480	(-) 20	1969120	46.68
GRAND TOTAL (1+2+3+4)	3217400	100.00	1000000	23.72	4217400	100.00	—	—	4217400	100

Changes in Shareholding pattern of Promoter group and compliance with Regulations:

n) There was an inter-se transfer of 4,97,100 shares at the time of initial listing amongst promoters under Regulation 3(1)(e) of SEBI (SAST) Regulations. The same was taken on record by SEBI vide its letter no. CFD/DCR/TO/AK/7120/04 dated April 12, 2004.

o) The shares of the Acquirer Company are listed on BSE and JSE.

1. **Status of Corporate Governance compliances by ZGL:**

   Provision of Clause 49 of the Listing Agreement with the Stock Exchange dealing with Corporate Governance has been complied with. Certificate of Compliance on Corporate Governance received from the Statutory Auditors had been published in the Annual Report for the year ended 31st March, 2005 and compliance certificates on quarterly basis have been filed with the Stock Exchanges within the stipulated times.

2. There are no Pending Litigations against ZGL.

3. Name and other Details of compliance Officer:

   Mr. Hemant Sharma
   Company Secretary
   143, Deep Shree Building,
   Kotri Road, Gumanpura,
   Kota – 324 007.
   Tel. No: 0744 – 3091705
   Fax No: 0744 – 2392196
   Email: zyden@datainfosys.net

   (**Source:** All the data about Target Company is provided by Zyden Gentec Limited)

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

Offer Price	Rs. 10.00
Interest (@ 10% p.a.)	Rs. 01.34
Total Consideration	**Rs. 11.34**

7.1 Justification of Offer Price

a) The equity shares of ZGL are listed on Bombay Stock Exchange Limited (BSE) and Jaipur Stock Exchange (JSE).

b) The annualized trading turnover in the shares of ZGL on each of he above mentioned stock exchanges based on the trading volume during January 2004 to June 2004 (6 calendar months preceding the months of reference date) is as under:

Name of Stock Exchange(s)	Total no. of shares traded during the 6 calendar months prior to the month of reference date	Total No. of listed Shares	Annualized Trading turnover (as a % to total listed shares)
BSE	1,29,554	32,17,400	8.05%
JSE	—	32,17,400	NA

The Equity shares of ZGL are frequently traded on BSE and infrequently traded on JSE within the meaning of explanation (i) to Regulation 20 (5) of the SEBI (SAST) Regulations.

c) The Offer Price of Rs. 10/- (Rupees Ten Only) per Share is justified in terms of Regulations 20 (4) and 20 (5) of the SEBI (SAST) Regulations in view of the following:-

a.	The Negotiated Price	Not Applicable
b.	Highest Price paid by Acquirer for acquisition, if any, including by way of allotment in a public or rights issue or Preferential issue during the 26 weeks prior to the reference date i.e. 23rd July 2004	Rs. 10/- per share
c.	The average of the weekly High and Low of the closing prices of the shares of ZGL on during 26 weeks period preceding the reference date i.e. 23rd July 2004	Rs.5.72 per share
d.	The average of the daily High and Low of the prices of the shares of ZGL during 2 weeks period preceding the reference date i.e. 23rd July 2004	Rs.8.29 per share

The weekly high and low of the closing prices of the equity shares of ZGL on BSE during the 26-week period preceding the reference date are given below:

Sr. No.	Week Ending	High (Rs)	Low (Rs)	Average (Rs)	Volume
1	Friday, July 23, 2004	10.41	8.00	9.21	5893
2	Friday, July 16, 2004	8.00	7.57	7.79	315
3	Friday, July 09, 2004	7.20	6.00	6.60	3500
4	Friday, July 02, 2004	7.80	6.70	7.25	50
5	Thursday, June 24, 2004	6.72	5.71	6.22	700
6	Friday, June 18, 2004	6.40	5.18	5.79	3825
7	Friday, June 11, 2004	4.32	4.32	4.32	600
8	Thursday, June 03, 2004	4.40	3.06	3.73	600
9	Friday, May 28, 2004	6.98	3.70	5.34	500
10	Wednesday, May 19, 2004	6.32	5.30	5.81	20
11	Monday, May 10, 2004	4.50	4.50	4.50	785
12	Friday, May 07, 2004	5.30	4.25	4.78	15
13	Thursday, April 29, 2004	5.70	4.91	5.31	160
14	Friday, April 23, 2004	6.65	4.75	5.70	3000
15	Friday, April 16, 2004	5.84	4.68	5.26	2000
16	Thursday, April 08, 2004	4.87	4.06	4.47	900
17	Friday, April 02, 2004	4.60	4.50	4.55	450
18	Friday, March 26, 2004	4.70	4.23	4.47	300
19	Friday, March 19, 2004	5.49	4.52	5.01	700
20	Thursday, March 11, 2004	5.75	5.50	5.63	200
21	Thursday, March 04, 2004	6.32	5.85	6.09	1300
22	Friday, February 27, 2004	6.25	5.20	5.73	8900
23	Friday, February 20, 2004	5.80	5.35	5.58	800
24	Friday, February 13, 2004	6.75	5.36	6.06	520
25	Friday, February 06, 2004	6.76	5.50	6.13	1000
26	Friday, January 30, 2004	7.70	7.15	7.43	500
	Average of 26 week prices			**5.72**	**128132**

The daily high and low prices of equity shares of ZGL on BSE during the 2-week period preceding the reference date are given below:

Day	High	Low	Average	Volume
23-July-2004	10.68	9.50	10.09	61410
22-July-2004	9.90	8.31	9.11	38170
21-July-2004	9.59	7.90	8.75	63767
19-July-2004	8.25	8.00	8.13	20802
16-July-2004	7.95	7.05	7.50	2365
15-July-2004	8.00	7.30	7.65	30958
14-July-2004	8.00	8.00	8.00	48000
15-July-2004	8.00	7.41	7.71	32399
12-July-2004	8.25	7.10	7.68	17157
Average of 2 weeks			**8.29**	**203261**

Further as the shares of ZGL are infrequently traded on JSE, the offer price is justified as follows:

e.	**Other Financial Parameters**	**31-03-2005**
	Return on Net Worth (%)	3.27
	Book Value per share (Rs.)	9.53
	Earning per share (Rs.)	0.31
	Price Earning multiple (with reference to Offer price of Rs. 10/- per share)	32.26
	Industry (Pharma- Indian- Bulk Drugs) Average Price Earning Multiple **	22.6

** (Source*: Capital Market Vol. XX/21, –December 19, 2005 – January 01, 2006*)

M/s. P Murali & Co., Chartered Accountants (Membership No. 23412), Address: 6-3-655/2/3, Somajiguda, Hyderabad – 500 082. Tel No: (040) 2332 6666 Fax No: (040) 2339 2474, have vide their report dated 20th August 2005 certified that the Fair Value per share of ZGL, based on the valuation methodology as laid down by the Honourable Supreme Court of India in the case of Hindustan Lever Employees Union v/s Hindustan Lever Limited, 1995 (83 com case 30), would be Rs. 5.31 (Rupees five and paisa thirty one only).

d) There is no non-compete agreement.

e) Based on the aforementioned information, in the opinion of the Manager to the offer and Acquirer, the offer price of Rs.10/- (Rupees Ten Only) per fully paid up Equity share is justified in terms of Regulation 20(4) & 20(5).

Offer Price	Rs. 10.00
Interest (@ 10% p.a.)	Rs. 01.34
Total Consideration	**Rs. 11.34**

e) If SASPL or PACs acquires 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 shares tendered in the offer and accepted under the offer.

7.2 Financial Arrangements

a. The total fund requirement for the acquisition of 8,43,480 equity shares, being 20% of the post preferential issue paid up equity capital of ZGL, at Rs 11.34 per share is Rs. 95,65,063.20 (Rupees ninety five lacs sixty five thousand sixty three and paise twenty only).

b. In accordance with Regulation 28 of the SEBI (SAST) Regulations, Acquirer has created and deposited into an Escrow Account (A/c No. 3039) a sum of Rs. 26,00,000/- (Rupees twenty six lacs only) being in excess of 25% of the total consideration, with Indian Overseas Bank, Rashtrapathi Road Branch, 1st Floor, Kasuva Complex, R.P. Road, Secunderabad – 500 003; Tel No: (040) 2771 1225; Fax No: (040) 2771 4851; Email: rproadbr@hyddrc01.iobnet.in. A certificate no. IOB/RPR/3152005-06 dated 04th July 2005 to that effect has been issued by Indian Overseas Bank. Another certificate dated 26th August 2005 issued by Indian Overseas bank confirms lien on the amount deposited in the said account favoring UTI Securities Limited.

c. In case of a revision in the Offer price, the Acquirer would raise the amount in the escrow account to ensure compliance with Regulation 28 of SEBI (SAST) Regulations.

d. The Acquirer & PACs have adequate resources to meet the financial requirements of the Offer. The same is certified by the auditors of the acquirers, M/s. P Murali & Co., Chartered Accountants (Membership No. 23412), Address: 6-3-655/2/3, Somajiguda, Hyderabad – 500 082. Tel No: (040) 2332 6666 Fax No: (040) 2339 2474, vide their certificate dated 23rd August 2005.

e. On the basis of the above, the Manager to the Offer is satisfied about the ability of Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations. The Offer will be implemented by Internal Accruals and/or borrowings by the Acquirer.

8. TERMS AND CONDITIONS OF OFFER

8.1 Statutory Approvals

a. Non-resident shareholders will be required to submit all the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of Target Company. **In case of previous RBI Approvals not being submitted, the Acquirer reserves the right to reject the shares tendered in the offer.**

b. The Acquirer will make the requisite application to RBI to obtain permission under FEMA for the acquisition of shares under this Offer.

c. There are no other statutory approvals required to acquire the shares tendered pursuant to this Offer. However, the Offer would be subject to all statutory approvals that may become applicable prior to completion of the Offer.

d. The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the date of closing of the offer.

e. The Acquirer reserves the right to withdraw the Offer, in terms of Regulation 27 of the SEBI (SAST) Regulations, in the event the requisite statutory approvals are refused. In the event of withdrawal, a Public Announcement will be made in the same newspapers in which this original PA is being made.

f. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of the approvals was not due to willful default or negligence, grant an extension for the purpose of completion of the offer provided the Acquirer agrees to pay interest to the shareholders for delay beyond 15 days from the date of closing of the offer.

g. If the Acquirer fails to obtain the requisite approvals in time due to willful default or neglect or inaction or non-action on his part, the amount lying in the escrow account shall be forfeited in the manner provided in Regulation 28(12)(e) of SEBI (SAST) Regulations.

8.2 Others Terms and Conditions

a. The Letter of Offer together with Form of Acceptance cum Acknowledgement (FOA), the Form of Withdrawal (FOW) and Transfer Deed (TD) (for shareholders holding shares in physical form) will be mailed to all the shareholders of ZGL, except the Acquirer and PACs, whose names appear on the Register of Members of ZGL and the beneficial owners of the shares whose names appear as beneficiaries on the records of the respective share depositories, at the close of business hours on August 31, 2005 (specified date).

b. 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. The Offer is subject to the terms and conditions set out herein and in the Letter of Offer that would be sent to the shareholders of ZGL as on the specified date.

c. All the shareholders, except the Acquirer and PACs, who own the shares of ZGL anytime before the closure of the Offer, are eligible to participate in the Offer anytime before date of closing of the offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

a. The Acquirer has appointed **Aarthi Consultants Private Limited** as Registrar to the Offer. Registrars have set up the following centers to collect the acceptances being tendered in this offer:

Location	**Contact details of the Registrar to the Offer**
Hyderabad	**Mr. G. Bhaskar** **Aarthi Consultants Private Limited** 1-2-285, Domalguda, Hyderabad – 500 029. Tel No. (040) 2764 2217, 276 34445, Fax: (040) 2763 2184 Email: aarcons@hd2.dot.net.in

The documents should be sent either by Hand delivery or by Registered Post, so as to reach before the closure of the offer. The documents can be tendered at the above centre between 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturday. The centre will be closed on Sundays and Public holidays.

b. **Registered Shareholders (holders of shares in physical form) should enclose:**

Form of Acceptance Cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.

Original Share Certificate(s)

Valid Share Transfer deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with ZGL and duly witnessed at the appropriate place(s).

c. **Beneficial owners (holders of shares in dematerialized form) should enclose:**

Form of Acceptance Cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial holders of shares as per the records of the DP.

Photocopy/Counterfoil of Delivery Instruction slip in “off market” mode in favour of the special depository account mentioned above, duly acknowledged by DP

d. In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, it will be deemed that the shareholder has tendered acceptance of the Offer.

e. The Registrar to the Offer has opened a special depository account with UTI Securities Limited (Depository – NSDL) styled “Aarthi – ZGL Open Offer Escrow A/c”. The DP ID is IN300360 and Beneficiary/Client ID is 10251709.

f. **Unregistered Shareholders should enclose:**

Form of Acceptance-cum-Acknowledgement or an application on plain paper duly completed and signed in accordance with the instructions contained therein by the person(s) accepting the Offer. Application on plain paper should be duly signed and stating the name, address, number of shares held, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer

Original Share Certificate(s)

Original Contract Note(s) from the broker through whom the shares were acquired.

Valid Share Transfer deed(s) as received from market. The details of buyer should be left blank failing which, the same will be invalid under this offer. All other requirements for valid transfer will be pre condition for valid acceptance.

No indemnity is required from the unregistered owners.

g. The shareholders tendering shares in demat form should ensure the credit of shares in favour of the special depository account mentioned above, before the closure of the Offer i.e. 25th January 2006. FOA, in respect of dematerialized equity shares not credited to the above special depository account before the date of closing of offer, is liable to be rejected.

h. **Shareholders having their beneficiary account with Central Depository Services Limited (CDSL), have to use inter-depository delivery instruction slip for the purpose of crediting their Equity shares in favour of the above mentioned Special Depository Account with NSDL.**

i. In case of non-receipt of the Letter of Offer/FOA, the eligible persons may download the same from SEBI website or obtain a copy of the same by writing to Registrars to the offer at any of the collection centers clearly marking the envelope “ZGL Open Offer” or make an application on plain paper duly signed and stating their name, address, No. of Shares held, no. of shares offered, DP name, DP ID, Client ID and the counterfoil/photocopy of the delivery instruction in “Off-Market” mode in favour of the special depository account, duly acknowledged by the DP, to the Registrar to the Offer, before the closure of the Offer.

j. In case any person has lodged shares of ZGL for transfer and the transfer has not yet been effected, the concerned person may apply in writing on a plain paper, duly signed and stating the name, address, number of shares held, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer along with the original share certificate(s), valid transfer deed(s) duly signed **(columns meant for transferee / buyer should be kept blank)** and the acknowledgement of the lodgement of shares for transfer. Such person should also instruct ZGL and its Registrars & Transfer Agents to send the transferred share certificate(s) directly to the collection centers of Registrars to the offer as mentioned above before the date of closing of the offer.

k. Shareholders who have sent their physical shares for Dematerialization and the dematerialization has not yet been effected, the concerned person should send the completed FOA together with the photocopy of the dematerialization request form acknowledged by shareholder’s DP. The shareholder should ensure that process of getting shares dematerialized is completed well in time so that the credit in the special depository account should be received before closure of the Offer i.e. 25th January 2006, else the application will be rejected.

l. Equity shares tendered by the shareholders of ZGL in the offer shall be free from lien, charges and encumbrances of any kind whatsoever.

m. Equity shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of ZGL may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such equity shares are received together with the equity shares tendered in the offer prior to the date of closing of the offer.

n. In case the shares tendered in the Offer by the shareholders, are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be as per the provisions of Regulation 21 (6) of the SEBI (SAST) Regulations on a proportionate basis, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company’s share is 1 (one) share.

o. While tendering shares under the Offer, NRIs/OCBs/Foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of Target Company. **In case of previous RBI Approvals not being submitted, the Acquirer reserves the right to reject the shares.** While tendering shares under the Offer, NRI/OCBs/Foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

p. The consideration received by the shareholders for shares accepted in the offer will be subject to the capital gains tax / deduction of tax at source applicable as per the Income Tax Act, 1961. Further the securities transaction tax will not be applicable on shares accepted in this offer.

q. The Registrar to the Offer will hold in Trust the Shares / Share certificates, FOA, if any, and the transfer form/s on behalf of the shareholders of ZGL who have accepted the Offer, till the Acquirer completes the offer obligations in accordance with the Regulations.

r. 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. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the FOA.

10. PROCEDURE FOR WITHDRAWAL OF APPLICATION / ACCEPTANCE

a) In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations 1997, shareholders shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date i.e. up to 20th January 2006.

b) Shareholders who wish to withdraw their shares from the Offer will be required to send the FOW duly completed & signed alongwith the requisite documents.

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

- **In case of physical shares**: by stating Name, Address, Distinctive numbers, Folio number, Number of shares tendered and to be withdrawn.
- **In case of dematerialized shares**: by stating Name, Address, Number of shares tendered and to be withdrawn, DP Name, DP ID, Beneficiary account number, Counterfoil/ Photocopy of the delivery instruction in "Off Market" mode duly acknowledged by the DP in favour of the special depository account.
- **In either case:** a copy of the acknowledgement received from the Manager to the Offer upon tendering of the Shares,

so as to reach the Registrar to the Offer either by hand delivery or by registered post on or before 20th January 2006.

11. MATERIAL DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of UTI Securities Limited, Dheeraj Arma, 1st Floor, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400 051 from 10.00 a.m. to 1.00 p.m. and from 2.30 p.m. to 4.30 p.m. on any working day, except Saturdays, Sundays, and Public/Bank Holidays until the offer closes:

a) Memorandum & Articles of Association and Certificate of Incorporation of Zyden Gentec Limited.

b) Memorandum & Articles of Association and Certificate of Incorporation of Sharda Advisory Services Private Limited.

c) Letter by Sharda Advisory Services Private Limited appointing UTI Securities Limited as Managers to the Offer.

d) Copy of Certificate dated 23rd August 2005 from M/s. P. Murali & Co, Chartered Accountants, certifying about the adequacy of resources of Acquirer in fulfilling the obligations of the offer.

e) Annual Reports of ZGL for FY 2002-03 and 2003-04 and 2004-05.

f) Annual Report of SASPL for FY 2004-05 certified by the statutory Auditors of the Company.

g) Certificate dated 26th August 2005 from Indian Overseas Bank for deposit of more than 25% of total consideration as Escrow money with Lien registered on it in favour of UTI Securities Limited.

h) Copy of Certificate dated 20th August 2005 from M/s. P. Murali & Co., Chartered Accountants, giving the ZGL's share price working as per various parameters laid down by Supreme Court judgement in the case of HLL Employee Union vs. Hindustan Lever Ltd., justifying the offer price of Rs. 10/- per share.

i) Copy of the agreement with Depositary participant for opening of a special depository account for the purpose of the offer.

j) Copy of Public Announcement dated 30th August 2005.

k) SEBI observation letter no. CFD/DCR/TO/HB/56076/05 dated 20th December 2005.

12. RESPONSIBILITY STATEMENT

a) The Acquirer accepts full responsibility for the information contained in this Letter of Offer.

b) Further the Acquirer accepts full responsibility, jointly and severally, for ensuring compliance of the SEBI (SAST) Regulations.

Signed on behalf of Acquirer
For and on behalf of Board of
Sharda Advisory Services Private Limited

Sd/-

(Rajendra Nath Dhar)
Director

Date: 28th December 2005

Place: Hyderabad

Encl: FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT, FORM OF WITHDRAWAL, TRANSFER DEED(S)

FORM OF ACCEPTANCE - CUM - ACKNOWLEDGEMENT

(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Aarthi Consultants Private Limited at any of the collection centres as mentioned in the Letter of Offer)

From:

Full Name ____

Full Address: ____

____

____

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

OFFER	
Offer Opens On	**06th January 2006, Friday**
Last Date for Withdrawal of Application	**20th January 2006, Friday**
Offer Closes on	**25th January 2006, Wednesday**

AARTHI CONSULTANTS PRIVATE LIMITED
1-2-285, Domalguda, Hyderabad – 500 029.

Dear Sir,

Sub: Open Offer for acquisition of equity shares of Zyden Gentec Ltd. (“ZGL”) by Sharda Advisory Services Pvt. Limited (“Acquirer”).

I/We refer to the letter of offer dated 28th December 2005 for acquiring the equity shares held by me/us in Zyden Gentec Limited.

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

For Equity Shares held In Physical Form:

I/We, accept the Offer and enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my/our shares as detailed below:

Sr. No	Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
1					
2					
3					
4					
5					
Total No. of Equity Shares					

(In case of insufficient space, please use additional sheet and authenticate the same)

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

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

For Shares held in Demat Form:

I/We hold shares in demat form and accept the Offer and enclose photocopy of the Delivery Instruction duly acknowledged by my/our DP in respect of my/our equity shares as detailed below:

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

I/We have done an off market transaction for crediting the shares to the Escrow Account opened with NSDL named “Aarthi – ZGL Open Offer Escrow Account” (the “Special Depository Escrow Account”) with the following particulars:

DP Name – UTI Securities Limited	**Client ID - 10251709**	**DP ID – IN300360**

Shareholders whose shares are held in beneficiary Account with CDSL have to use an inter–depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Escrow Account with NSDL.

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

I/We confirm that the equity shares of Zyden Gentec Limited which are being tendered herewith by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorise the Acquirer to accept the shares so offered which they may decide to accept in consultation with the merchant banker and in terms of the Letter of Offer and I/We further authorise the Acquirer to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof.

------------------------------ TEAR ALONG THIS LINE ------------------------------

Folio No. : **Sr. No.**

Zyden Gentec Ltd.
143, Deep Shree Building, Kotri Road, Gumanpura, Kota – 324 007, Rajasthan, India. Tel. No: 0744 – 239 0508; Fax No: 0744 – 239 2196.

Acknowledgement Slip for the Acquirer

Signature of Official, & Date of Receipt	Stamp of Collection Center,

Received from Mr./Ms ____

Address ____

Form of Acceptance-cum-Acknowledgement, # __________ Number of Share Certificates for __________ shares

Copy of Delivery instruction to (DP) for ______________ shares
(Delete whatsoever is not applicable)

I/We authorise the Acquirer or their Merchant Banker to send by Registered Post / Courier the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned below.
The Permanent Account Number (PAN/GIR No.) allotted under the Income Tax Act, 1961 is as under

	First/Sole Holder	Joint Holder 1	Joint Holder 2
PAN/GIR No.			

So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of Bank Account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

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

Yours faithfully,

Signed & Delivered by	Full Names (s) & Address	Signature	Verified and Attested (by DP in case of Demat Shares and by Bank in case of Physical Shares)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note : In case of joint holdings all must sign. A Corporation must affix its common seal necessary Board resolution should be attached.

Place :

Date :

-- TEAR ALONG THIS LINE --

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

AARTHI CONSULTANTS PRIVATE LIMITED
1-2-285, Domalguda, Hyderabad – 500 029.
Tel : 040- 2764 2217 / 2763 4445 • Fax : 022- 2763 2184
Email: aarcons@hd2.dot.net.in • Contact Person: Mr. G Bhaskar

FORM OF WITHDRAWAL

From:

Full Name ____

Full Address: ____

____

____

Tel. No.:__________________ Fax:______________ E-mail ______________________________

OFFER	
Offer Opens On	**06th January 2006, Friday**
Last Date for Withdrawal of Application	**20th January 2006, Friday**
Offer Closes on	**25th January 2006, Wednesday**

AARTHI CONSULTANTS PRIVATE LIMITED
1-2-285, Domalguda, Hyderabad – 500 029.

Dear Sir,

Sub: Open Offer for acquisition of equity shares of Zyden Gentec Ltd. ("ZGL") by Sharda Advisory Services Pvt. Limited ("Acquirer").

I/We refer to the letter of offer dated 28th December 2005 for acquiring the equity shares held by me/us in Zyden Gentec Limited.

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/ Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer on or before the last date of withdrawal.

I/We note that the Acquirer/Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay/loss in transit for the equity shares held in physical form and also for the non-receipt of equity shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures etc. and beneficiary position data as available from the Depository from time to time, respectively.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Ledger Folio No. ________________________No. of Share Certificate(s) ________________________No. of Equity Shares______________________________

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

(In case of insufficient space, please use additional sheet and authenticate the same)

I/We hold the following equity shares in dematerialised form and tendered the equity shares in the Offer and had done an off-market transaction for crediting the Shares to the "Aarthi – ZGL Open Offer Escrow Account" (Special Depository Escrow Account) as per the following particulars:

DP Name – UTI Securities Limited **Client ID - 10251709** **DP ID – IN300360**

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

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

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

In case of dematerialised equity 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.

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

Yours faithfully,

Signed & Delivered by	**Full Names (s) & Address**	**Signature**	**Verified and Attested (by DP in case of Demat Shares and by Bank in case of Physical Shares)**
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note : In case of joint holdings all must sign. A Corporation must affix its common seal necessary Board resolution should be attached.

Place : Date :

-- TEAR ALONG THIS LINE --

Acknowledgement Slip

Folio No. **Sr. No.**

Zyden Gentec Ltd.

143, Deep Shree Building, Kotri Road, Gumanpura, Kota – 324 007,
Rajasthan, India. Tel. No: 0744 – 239 0508; Fax No: 0744 – 239 2196.

Signature of Official, & Date of Receipt	Stamp of collection center,

Received from Mr./Ms./M/s. .... Form of Withdrawal #................................. Number of Share Certificates for.........................Equity Shares/ # Copy of the Delivery Instruction to (DP) for....................Equity Shares# Delete whichever is not applicable

--- TEAR ALONG THIS LINE ---

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

AARTHI CONSULTANTS PRIVATE LIMITED
1-2-285, Domalguda, Hyderabad – 500 029.
Tel : 040- 2764 2217 / 2763 4445 • Fax : 022- 2763 2184
Email: aarcons@hd2.dot.net.in • Contact Person: Mr. G Bhaskar

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