

PUBLIC ANNOUNCEMENT
Public Announcement to the Shareholders/Beneficial Owners of
Phaarmasia Limited
(Registered Office: 16, Phase III, IDA, Jeedimetla, Hyderabad – 500 055)
(Regd. Office: Level 5, Venkat Plaza, Punjagutta, Hyderabad – 500 082.)

This Public Announcement (PA) is being issued by SOBHAGYA CAPITAL OPTIONS LIMITED on behalf of the Acquirer M/s Maneesh Pharmaceuticals Limited (MPL) and Person Acting in Concert (PAC), M/s Svizera Labs Private Limited (SLPL) who has given its consent to be considered as PAC (though not participating in the offer), pursuant to Regulation 11 and 12 of Chapter III of the Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 (SEBI (SAST) Regulations 1997) and subsequent amendments thereto (hereinafter referred to as "Regulations")

I. The offer

1.1 The Acquirer M/s. Maneesh Pharmaceuticals Limited (MPL) and Person Acting in Concert M/s Svizera Labs Private Limited (SLPL) (though not participating in this open offer), is making this voluntary open offer under the SEBI (SAST) Regulations to the Shareholders of Phaarmasia Limited, (hereinafter referred to as "The Target Company" or "PhL")

1.2 The Acquirer is making this voluntary offer to acquire 25,94,245 Equity Shares of Rs.10/- each (representing 38% of the voting capital of PhL) at a price of Rs. 4/- per share (Rupees four only) for each fully paid up equity share of PhL (hereinafter referred to as the "Offer Price") payable in cash (hereinafter referred to as "Offer" or "Open Offer"). The Offer is not subject to any minimum level of acceptance and is not a conditional offer. The Share capital of PhL does not consist of partly paid up shares. The Offer is not as a result of global acquisition resulting in indirect acquisition of the target company.

1.3 For the purpose of this offer, the PAC as per the provisions of Regulation 2(i) (e) of the Regulations is M/s Svizera Labs Private Limited (though not participating in this Open Offer).

1.4 The Offer is not subject to any minimum level of acceptance.

1.5 The Equity Shares of PhL are listed on The Hyderabad Stock Exchange (HSE), The Mumbai Stock Exchange (BSE) & The Ahmedabad Stock Exchange (ASE). Based on available information, the equity shares of PhL are infrequently traded within the meaning of Regulation 20 of the SEBI (SAST) Regulations on BSE, HSE & ASE because there has been no trading since April, 2006 due to restructuring of the share capital. The Acquirer wants to acquire 25,94,245 (38%) Equity Shares through an open offer to the Shareholders of PhL. Presently, the Acquirer and PAC hold 5,00,000 (7.32%) & 20,00,000 (29.28%) equity shares respectively, of the target company.

1.6 The offer price of Rs. 4/-, is justified in terms of the Regulation 20(5) of SEBI (SAST) Regulations as follows:

a) Acquirer or PAC has not acquired any shares of the Target Company including by way of public/ rights issue or preferential allotment during the twenty-six week period prior to the date of public announcement.

b) Other parameters (as on 31.03.2006)

i) Return on Networth	: Rs. 14.80
ii) Book Value	: Rs. 10/-
iii) Earning per share	: 0.55
iv) P/E multiple	: -

c) Mr. K S Ramakrishna, Partner, M/s. K S Ramakrishna & Co., Chartered Accountants, (Membership No. 207836), vide his certificate dated: 26-03-2007, has given the net assets value (NAV) of the company. Under this method of valuation, from the realizable value of assets, the amount of loan and other liabilities are deducted. The value per share as per NAV is Rs. Nil.

2. Profit Earning Capacity Value (PECV) Method
 Under this method, the averages after tax profits of the past years are capitalized at an appropriate rate to arrive at value of shares. The value per share as per PECV is Rs. 3.40

3. There was no trading of the shares of the target company at BSE, HSE & ASE since April, 2006.

4. The market value method could not be considered since the shares of the company have not been traded for the last six months.

Fair Value per share (as per the method suggested by Supreme Court in HLL case)

Weight to be assigned for NAV	1
Weight to be assigned for PECV	2
Weight to be assigned to Market value	2
Value per share under NAV Method	NIL
Weighted value of share as per NAV Method	NIL
Value per share under PECV Method	3.40
Weighted value of share under PECV Method	6.80
Market value per share	NIL
Fair value per share	6.80/5 =Rs. 1.36

Considering the above parameters the offer price of Rs. 4/-, per equity share is justified in terms of Regulation 20.

1.7 The Manager to the Offer does not hold any shares in the Target Company.

1.8 This is not a competitive bid.

II. Information about Acquirer and PACs

2.1 The Acquirer, M/s. Maneesh Pharmaceuticals Limited (MPL) was incorporated on 25th July, 1985 and converted into a Limited company on 18th December, 2006, the main objects of the company are to carry on the business of production and sale of pharmaceutical, medical drugs and intermediates. It's registered office is situated at Kalpaluru Court, 2nd Floor, Dr. C G Road, Chembur, Mumbai – 400 074. Phone No.: 022 – 2520 2122 / 23 / 24, Fax No.: 022 – 2520 2121. The Company belongs to "Maneesh" Group of Companies headquartered at Mumbai. The Group is engaged in the manufacturing and marketing of anti TB, Gynaec and Dermatological products and manufactures them in the form of Tablets, Injections, Syrups and Capsules etc. It consists of 6 Indian subsidiaries, 3 foreign subsidiaries and a Joint Venture in Europe. The Maneesh Group was promoted by Mr. Vinay R Sapte, 51 years old, Engineer and Entrepreneur. He started dealing in Pharmaceuticals products two decades ago. Subsequently he started contract manufacturing for reputed companies and then developed a market for his own formulations. MPPL is WHO approved supplier for their anti TB medicine supplies in the world. The current Directors are Mr Maneeesh R Sapte, Mrs Rashmi V. Sapte and Mr. Vinay R Sapte.

2.2 The latest financial data of the Acquirer (MPL) is as given below:

Return on Networth	: 18.60 %
Book value	: 124.00
EPS	: 22.81

2.3 The company has the following Indian subsidiaries

- Meghdoot Chemicals Limited,
- Mantech Counting & Systems Private Limited,
- Shanbag Storage & Services Private Limited,
- Heritage Laboratories Private Limited,
- Pure Health Products Private Limited
- Bombay Biosynlex Chemicals Private Limited, Foreign subsidiaries
- Lasa Industria Farmaceutica, Brazil,
- Laboratoria Sanobiol Ltda, Sao Paulo, Brazil,
- Faromed Handelsgeese ltschaft m.b.H., Gasse Austria,

Joint Ventures:

- Svizera S.A. (PTY) Ltd., Johannesburg, South Africa.
- Svizera Europe BV, Almere, The Netherlands.
- Nostrum Laboratories Inc, Kansas, Masoori, USA.

2.4 The issued, subscribed and paid up capital of M/s. Maneesh Pharmaceuticals Limited as on March 31, 2006 was Rs. 9,21,10,860/- consisting of 91,14,286 equity shares @ Rs.10/- fully paid and 9,68,000 equity shares of Rs 10/- each Rs.1/- called & paid.

2.5 The Acquirer and PAC together are holding 25,00,000 (36.60 %) equity shares of Rs. 10/- each of the Target Company

2.6 Mr. M N Nanday (Membership No: 38132) of M/s. M. Nanday & Co., Chartered Accountants, D-13, Samrudhhi, Baburao Parulekar Marg, Dadar(W), Mumbai – 400 028, Phone: 022 – 2430 7969 / 2432 4308, vide certificate dated 14-12-2006, has confirmed the Networth of the Acquirer as 113.02 Crores.

2.7 The PAC (though not participating in this Open Offer) M/s. Svizera Labs Private Limited was

originally incorporated on 17th April, 1997 as Trident Cleaning & Warehouse Private Limited. The name was changed to Svizera Labs Private Limited on 12th March, 2001, it has its office at Plot No. 56/9, Govandi, Mumbai – 400 043, Ph: 022 – 2761 7448 / 49. The company's main objects are to carry on in India or elsewhere the business of manufacture, produce, process, prepare, disinfect, compound, mix, clean, wash, concentrate, crush, grind, segregate, heat and preserve, buy, sell, import, export, distribute, develop or otherwise to deal in all types, varieties, characteristics, descriptions, tastes and packs of spices, agro products, food products, fruits, vegetables, flowers, herbs and to do all other acts and things necessary for the attainment of foregoing objects.

2.8 The issued, subscribed and paid up capital of M/s. Svizera Labs Private Limited as on March 31, 2006 was Rs.2,80,00,000/- consisting of 28,00,000 equity shares of Rs.10/- each fully paid up. Its Directors are Mr. Vinay R Sapte, Mr. Maneeesh R Sapte and Mrs. Rashmi V. Sapte.

2.9 M/s Svizera Labs Private Limited is a PAC, though it is not participating in this Open Offer.

2.10 Both the companies are Associate companies.

III. Information about the Target Company

3.1 M/s. Phaarmasia Limited, having its Registered Office: 16, Phase III, IDA Jeedimetla, Hyderabad – 500 055, Phone No.: 040 – 2309 5002 / 2309 5690, was incorporated on 6th February, 1981 as M/s. Phaarmasia Private Limited, and the company was converted into a public limited company, Phaarmasia Limited on 15th February, 1992.

3.2 The authorised share capital of the Company is Rs. 10,00,00,000/- comprising of 1,00,00,000 Equity shares of Rs. 10/-, each. The issued, subscribed and paid up capital of the company as on the date of this public Announcement is Rs.6,82,69,600/- divided into 68,26,960 Equity shares of Rs.10/-, each fully paid up. There are no partly paid up shares. The shares are in physical form now but the company is applying for dematerialization of shares.

3.3 The main objective is carrying on the business as manufacturers, buyers, sellers, importers, exporters, distributors, agents and or otherwise deal as wholesalers, or retailers in drugs, medicines, pharmaceuticals, chemicals and other intermediates, dyes pigments, paints, rubber chemicals, phyto chemicals, hormones, agro-chemicals, veterinary and poultry products, food and nutritional products, house-hold remedies, biological and herbal products.

3.4 The company is listed on the Hyderabad Stock Exchange (HSE), The Mumbai Stock Exchange (BSE) & The Ahmedabad Stock Exchange (ASE).

3.5 The company had restructured its Paid up Share Capital account of 91,34,800 Equity Shares of Rs. 10/- each fully paid up as on 31st March 2005 by reducing / debiting the amount of Rs. 730.78 lakhs for setting off the Accumulated Losses of the Company and has further allotted 50,00,000 Equity Shares of Rs. 10/- each to promoters and Associates for Rs. 250 lakhs and balance to Unsecured Creditors as approved in the above Scheme of Arrangement. Thus, the company's paid up Share Capital as on 31-03-2006 is Rs. 6,82,69,600/- divided into 68,26,960 Equity Shares of Rs. 10/- each Fully Paid up. (Previous year 91,34,800 equity shares of Rs. 10/- each fully paid up.)

3.6 The Fixed Assets were revalued by Rs.1367.58 lakhs and from the Revaluation / Capital Reserve, the required amount of Rs. 1097.02 lakhs is used for wiping off the accumulated losses of the Company in accordance with the Scheme of Arrangement.

3.7 The Restructuring of Capital, by Reduction, issue of additional shares and Revaluation of Assets pursuant to the Scheme has been reflected in the Books of Accounts of the Company in the following manner as on effective date.

Particulars	As on 01-04-2003	As on 10-09-2004
Paid up Share Capital		
a) Share value of each share	Rs. 10/-	Rs. 10/-
b) Number of Shares	91,34,800	18,26,960
c) Additional Shares to be issued	-	50,00,000 (Rs. 10/- each)
d) Total Paid up share Capital	Rs. 913.48 Lakhs	Rs. 682.69 Lakhs
e) Net Block of Fixed Assets	Rs. 411.82 Lakhs	Rs. 1651.75 Lakhs
f) Capital Reserve	Rs. 45.67 Lakhs	Rs. 54.50 Lakhs
g) Profit and Loss Account	(-) Rs.1961.88 Lakhs	(After adjusting reduction of share capital & revaluation reserves)

3.8 The Total Income of the company for the 12 months period ended 31-03-2006 was Rs.1127.84 lakhs with a net profit of Rs. 37.64 lakhs. Following are the financial parameters of the Target Company for the immediately preceding financial year (year ending 31.3.2006)

i) Network	: Rs. 801.20 lacs (includes revaluation reserve)
ii) Book value per equity share	: Rs. 10/-
iii) Return on Networth	: 14.80
iv) Earnings per share	: Rs. 0.55

IV. Reasons for the Acquisition and offer and future plan about Target Company, if any:
 The reason for acquiring the shares is to consolidate the share holding accompanied with change in control/ management.

The Acquirer and PACs do not have any intention to dispose-off or otherwise encumber any assets of M/s. Phaarmasia Limited in the next two years from the date of closure of the offer, except in the ordinary course of business and with the prior approval of the shareholders. Further, the Acquirer and PACs undertake that in the next two years they shall not sell off, dispose off or otherwise encumber any substantial asset of the company except with the prior permission of the shareholders of M/s. Phaarmasia Limited.

V. Statutory Approvals/other approvals required for the offer

5.1 The Offer is subject to the acquirers obtaining the approval (s) from the Reserve Bank of India (RBI), wherever applicable, under the Foreign Exchange Management Act, 1999.

5.2 No approval is required from any bank or financial institutions, for the purpose of this Offer, to the best of the knowledge of the Acquirer.

5.3 As on the date of Public Announcement, to the best of the Acquirer's knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

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

5.5 In case of delay in receipt of statutory approval, SEBI has power to grant extension of time to Acquirer for payment of consideration to shareholders, subject to Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by Acquirer in obtaining the requisite approval, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.

VI. Option to the Acquirers in terms of Regulation 21(2):

The acquisition made in pursuance of this public offer will not result in the public shareholding in Target Company, being reduced below the minimum level required as per the Listing Agreement, as the Acquirer is acquiring only 38 % of the voting capital which along with its existing shareholding of 36.60 % will not exceed 75% of share capital.

VII. Financial Arrangements

7.1 The Acquirer has adequate and firm financial resources to fulfill the obligations under the open offer. The acquisition will be financed through internal/domestic resources of the Acquirer and no borrowings from banks / FIs etc. is being made.

7.2 The maximum purchase consideration payable by the Acquirer in the case of full acceptance of the offer i.e., 25,94,245 equity shares is Rs. 1,03,76,980/- (Rupees Ninety Lakhs Eighty Thousand Only).

7.3 In accordance with the Regulation 28 of The SEBI (SAST) Regulations, the Acquirer has given a bank guarantee to the Merchant Banker for Rs. 25,94,245/- as per Regulation 28 (4)(b) valid till all the formalities are complied with under the Regulations or upto 18th October 2007, whichever is later. Also opened an Escrow Account with HDFC Bank Limited, Lakdi-ka-pul branch, Saeed Plaza, Lakdi-ka-pool, Hyderabad – 500 004, in favour of the Manager to the offer. **SOBHAGYA CAPITAL OPTIONS LIMITED** for an amount of Rs. 1,04,000/- (Rupees One Lakh Four Thousand Only) was deposited on ___ April, 2007, being in excess of 1% of the maximum consideration payable under the offer as per Regulation 28 (10) and the same has been deposited in the said account.

7.4 The Manager to the offer **SOBHAGYA CAPITAL OPTIONS LIMITED** has been duly authorised by the acquirer to operate and realise the value of the Escrow Account in terms of the Regulations.

7.5 The Manager to the offer confirms that the firm arrangements for funds and money for payment through verifiable means are in place to fulfill offer obligations.

VIII. Other terms of the offer

8.1 The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of Phaarmasia Limited (except the Acquirer and PAC) whose names appear on the Register of Members at the close of the business hours on Friday, 25.05.2007 (the Specified Date).

8.2 Shareholders, holding shares in physical form, who wish to tender the shares will be required to send the Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and Transfer Deed(s) duly signed to the Registrar to the target company at the address mentioned herein below, either by hand delivery during normal business hours from Monday to Friday i.e., 10.00 am to 5.00 pm (excluding Bank Holidays) or by Registered Post on or before the close of the offer i.e., Monday, 09.07.2007, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgement.

8.3 The Company's shares are being dematerialised.

Beneficial owners (holders of Shares in dematerialised form), who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with photocopy of the delivery instructions in "Off Market" mode or counterfoil of the delivery instructions in "Off Market" mode, duly acknowledged by the Depository Participant ("DP") in favour of Depository Participant (Name and address will be furnished in the Letter of Offer) either by hand delivery on week days during the normal business hours or by Registered Post/Courier on or before the close of the Open Offer, i.e., Monday, 09.07.2007, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. The credit for the delivered Shares should be received in the Special Depository Account on or before close of the Open Offer, i.e., not later than Monday, 09.07.2007.

8.4 All owners of shares, registered or unregistered (except the Acquirer), who own the shares at any time prior to the closure of the offer, are eligible to participate in the offer. Unregistered owners can send their 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, Distinctive Numbers, Folio No., together with the Original Share Certificate(s), valid transfer deed(s) and a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

8.5 In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance to the target company at the address mentioned herein below, on a plain paper stating the Name, Address, No. of shares held, Distinctive Nos., Folio No., No. of shares offered, along with documents as mentioned above, so as to reach on or before the close of the Offer, i.e., Monday, 09.07.2007 or in case of Beneficial Owners, they may send the application in writing on a plain paper stating the name, address, Number of shares held, number of shares offered, on or before the closure of the offer i.e., Monday, 09.07.2007.

8.6 M/s Venture Capital and Corporate Investments Limited, who has been appointed as The Registrar to the offer, will hold in trust the shares/share certificates, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company, who have accepted the offer, until the cheques/drafts for the consideration and/ or the unaccepted shares/share certificates are despatched/returned.

8.7 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders/unregistered owner's sole risk to the sole first shareholder.

8.8 In case the shares tendered in the offer by the shareholders of Phaarmasia Limited are more than the shares to be acquired under the offer, the acquisition of the shares from each shareholder will be as per the provision of Regulation 21(6) of the Regulations on a proportionate basis irrespective of whether the shares are held in physical or dematerialised form.

8.9 Shares, if any, that are subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/orders regarding these shares are not received together with the shares tendered under the offer. The Letter of Offer in some of these cases wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

8.10 The consideration for the shares accepted by the Acquirer will be paid by crossed account payee cheques/demand drafts. Such payments and documents, in case of unaccepted shares will be returned by registered post/speed post at the shareholders/unregistered owner's sole risk. Communication of acceptance / rejection and the payment of consideration for the accepted shares will be made by the Acquirer in cash through cheque / demand draft to the shareholders of accepted shares within 30 days from the date of the closure of the offer.

8.11 In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered up to three working days prior to the date of closure of the Offer by submitting the documents as specified below, so as to reach the target company. The withdrawal can be exercised by submitting Form of Withdrawal, which was enclosed with Letter of Offer. In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making plain paper application along with the following details:

* Name, address, distinctive numbers, folio numbers, number of shares tendered / withdrawn.

8.12 Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance cum Acknowledgement and form of withdrawal which will be available on SEBI's website at <http://www.sebi.gov.in> from the offer opening Date i.e., Tuesday, 19.06.2007 and apply in the same.

8.13 The shares with drawn by the shareholders, if any would be returned by registered post, in case of physical shares.

8.14 The Acquirer undertakes to pay interest pursuant to Regulation 22(12) to the shareholders for the delay, if any, in payment of consideration.

8.15 Schedule of the major Activities pertaining to the Offer is given below:

ACTIVITY	DAY & DATE
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Friday, 27.05.2007
Last date for a Competitive Bid	Thursday, 17.05.2007
Date by which Letter of Offer to be posted to the shareholders.	Thursday, 07.06.2007
Date of Opening of the Offer	Tuesday, 19.06.2007
Last date for revising the offer price/Number of shares	Thursday, 28.06.2007
Last date for withdrawal of acceptance by shareholders who have accepted the offer	Wednesday, 04.06.2007
Date of Closure of the Offer	Monday, 09.07.2007
Date by which acceptance/rejection under the Offer would be communicated and the corresponding payment for the acquired shares and/or the unaccepted shares/share certificates will be despatched/credited	Tuesday, 24.07.2007

IX. General

9.1 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 Wednesday, 04.07.2007 i.e., three working days prior to the date of the closure of the offer.

9.2 If there is any upward revision in the offer price before the last date of revision (i.e., Thursday, 28.06.2007) or withdrawal of the offer, the same would be informed by way of public announcement in the same newspaper where the original public announcement appeared. Such revised Offer Price would be payable to all the shareholders who have tendered their shares at any time during the offer and which have been accepted under the offer.

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

9.4 The Acquirer and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/r 11B of SEBI Act or under any other regulations made under the SEBI Act.

9.5 The Acquirer accept the responsibility for the information contained in the Public Announcement and also for the obligations of Acquirer laid down in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments made thereof.)

9.6 For further details please refer to the Letter of Offer and the Form of Acceptance. This public announcement is also available on SEBI website (www.sebi.gov.in) issued by the Manager to the Offer on behalf of the Acquirer & PAC:

ISSUED BY:	MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 SOBHAGYA CAPITAL OPTIONS LTD. 7-1-32/4, P-1, Leel Nagar, Begumpet, Hyderabad – 500 016. Phone Nos. : 040 – 6552 8262 Fax No. : 040 – 2374 0419 Email: lavanya@sobhagyacapital.com SEBI Regn. No. INM000008571 Contact person: Ms. Lavanya Chandra	Venture Capital and Corporate Investments Limited, Regd. Off: 6-3-913/914, 3 rd Floor, Progressive Towers, Khairatabad, Hyderabad – 500 004. Phone Nos. : 040 – 2332 2262 / 64 Fax No. : 040 – 2332 8003 Email: info@vccltd.com SEBI Regn. No. INR000001303 Contact Person: Mr. P.V. Srinivas	
	Place: Hyderabad	
	Date: 26 th April, 2007	