PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

DHRUV MAKHAN (INDIA) LIMITED

Reg. Office: 278/281, Kamala Nagar House, P.O. Badarkha, Taluka - Dholka, Dist. Ahmedabad, (Gujarat)

This Public Announcement ("P.A.") is being issued by the Manager to the Offer i.e., ***Chartered Capital and Investment Limited,*** *on behalf of the Acquirers, i.e. Mr. Bavchandbhai J. Vaghani, Mr. Govindbhai J. Vaghani, Mrs. Hasumati B. Vaghani and Mrs. Kirtiben G. Vaghani pursuant to Regulations 10 and 12 as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "SEBI (SAST) Regulations, 1997") and subsequent amendments thereto.*

1. THE OFFER:

1.1 Mr. Bavchandbhai J Vaghani, residents of Sector -21, Plot No. 199, Samudra Building, Nerul, Navi- Mumbai - 400 706 and Mr. Govindbhai J Vaghani, residents of C-6/5/2:2, Sector-6, C.B.D, Navi- Mumbai - 400 614, Mrs. Hasumati B Vaghani residents of Sector -21, Plot No. 199, Samudra Building, Nerul, Navi- Mumbai - 400 706 and Mrs. Kirtiben G Vaghani residents of C-6/5/2:2, Sector-6, C.B.D, Navi- Mumbai - 400 614 are the Acquirers in the present offer (hereinafter referred to as "**The Acquirers**") No other entity/person is acting/deemed to be acting in concert with the Acquirers for the purpose of this offer.

1.2 On **June 17, 2005**, the Acquirers have entered into four Share Purchase Agreements [SPA] with some of the existing shareholders of **DHRUV MAKHAN (INDIA) LIMITED** (Target Company/ TC), of whom some are part of the present promoter group of the TC to acquire from them aggregate of 42,30,790 equity shares of Rs.10/- each representing 48.63% of the total paid up equity share capital of TC at the price of Rs. 0.50/- (Paisa Fifty Only) per share, payable in cash (Negotiated Price). The total consideration payable in cash for the shares acquired as mentioned above is Rs. 21,15,395/- (Rupees Twenty One Lacs Fifteen Thousand Three Hundred Ninety Five Only) and acquire control over TC. The proposed acquisition of shares is as follows:

Sr.	Name of Seller	Shares agreed to be acquired by Bavchandbhai J Vaghani SPA-1	Shares agreed to be acquired by Govindbhai J Vaghani SPA-2	Shares agreed to be acquired by Hasumati B Vaghani SPA-3	Shares agreed to be acquired by Kirtiben G Vaghani SPA-4
1	Shailesh R Thakkar	875200	-	-	-
2	Janakkumar Thakkar	95690	-	-	-
3	Jayaben J Daxini	154500	-	-	-
4	Mansukhlal K Patel	96000	-	-	-
5	Raichand C Thakkar	107500	-	-	-
6	Mihir B Shah	-	415300	-	-
7	Lalitchandra H Shah	-	336800	-	-
8	Hasmukh Kariya	-	146500	-	-
9	Mansukh Kariya	-	146500	-	-
10	Nidhi D Jhaveri	-	-	95700	-
11	Ketana Choksi	-	-	146500	-
12	Shehnaz Shaikh	-	-	146500	-
13	Jolly Shah	-	-	146500	-
14	Jamnaben Kariya	-	-	146500	-
15	Shardaben Jobanputra	-	-	146500	-
16	Urvi S Daxini	-	-	-	53500
17	Narendra Thakkar	-	-	-	106500
18	Nitaben Thakkar	-	-	-	146500
19	Dashrathbhai Mistry	-	-	-	146500
20	Vipul Vaghela	-	-	-	146500
21	Gordhanbhai Patel	-	-	-	146500
22	Amrutaben Patel	-	-	-	146500
23	Suresh B Thakkar	-	-	-	69700
24	Kaushalya Jain	-	-	-	66400
	Total shares to be acquired by each Acquirer	**1328890**	**1045100**	**828200**	**1028600**

*Out of the above Sellers Shailesh R Thakkar, Janakkumar Thakkar, Jayaben Daxini, Mansukhlal Patel, Raichand C Thakkar & Urvi S Daxini are part of the present promoter group.

1.3 Acquirers Mr. Bavchandbhai J Vaghani is holding 2,16,000 (2.48%) equity shares and Mr. Govindbhai J Vaghani is holding 2,14,700 (2.47%) equity shares of the Target Company as on date of SPA and PA.

1.4 The Acquirers intend to make an Open Offer in terms of the SEBI (SAST) Regulations, 1997 to the shareholders of TC to acquire 17,40,000 equity shares of Rs. 10/- each representing 20% of the total Voting & paid up capital of TC at a price of Rs. 1.50 /- (Rupees one and paisa fifty Only) per equity shares ("Offer Price"), payable in cash subject to the terms and conditions mentioned hereinafter, to those shareholders whose names appear on the register of members on Specified Date i.e. June 23, 2005 There are no partly paid up equity shares in the Target Company.

1.5 The shares of "TC" are at present listed on The Stock Exchange Ahmedabad, and The Stock Exchange, Mumbai.

The shares of the target company are infrequently traded as per the data available with The Stock Exchange, Mumbai (Source: www.bseindia.com) and the Stock Exchange Ahmedabad. The Offer Price Rs. 1.50 /- (Rupees One and Paisa Fifty only) per share is justified in terms of Regulation 20(5) of SEBI (SAST) Regulations, 1997. Since the same has been determined after considering following facts:

Highest Negotiated Price paid by the Acquirers	0.50
Highest price paid by the Acquirers for acquisition including a Public or rights or a preferential issue during the period of 26 weeks prior to PA	NA
Other Financial Parameters:	31/03/2005
Earning per Share (Rs.)	0.01
Return on Networth (%)	0.14
Food Processing Industry PE (Sources: Capital Market June 6- June 19, 2005 edition)	11.9

(Sources: Audited Annual Accounts of TC for the years 2004-05, 2003-04, 2002-03,)

Since the shares of TC are infrequently traded, the fair value of shares has been arrived at by considering the Hon'ble Supreme Court Judgment in the case of Hindustan Lever Employee Union V/s Hindustan Lever Ltd. [(1995) 83 CC 30] and with due regards to the erstwhile CCI formula for valuation of shares. Mr. Rakesh Gupta of M/s Anil G Gupta & Co. Chartered Accountants, Membership No. 046926 having Office at 405, Ashwamegh Complex, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad Phone No. 25623982 Fax No. 25623982 have undertaken a valuation of shares exercise to determine the value of equity shares of TC and furnished a certificate in this regard on dated

June 18, 2005. The relevant extracts of the report are stated as under:

Method	Amount (Rs.) (1)	Weights (2)	Weighted Amount 1 x 2
1. Book Value of shares (as on 31/03/05)	7.43	1	7.43
2. Price Earning Capitalization Method	0.00	2	0.00
3. Market Based Value	0.00	2	0.00
Total		5	7.43
Fair Value of shares			**1.49**

1.6 The Acquirers have not acquired any equity share of **TC** during the past 12 months prior to the date of this Public Announcement except the shares acquired as mentioned in para **1.2** above. The Acquirers have not acquired any share in the paid up equity share capital of **TC** during the last 26 weeks period prior to the date of this PA by way of (a) allotment in public issues or (b) allotment in rights issues or (c) preferential allotment of TC except the shares covered in the SPA as per the details given above.

1.7 There is no non-compete agreement entered into between the acquirers and the sellers and accordingly, no non-compete fee is being paid which should have any bearing on the offer price. Thus, the offer price is also justified under regulation 20(11) of the Regulations.

1.8 The Offer is not as a result of global acquisition resulting in indirect acquisition of the target Company.

1.9 The Offer is not subject to any minimum level of acceptance from the shareholders i.e. it is not a Conditional Offer. The acquirers will accept those equity shares of TC, which are tendered in valid form in terms of this offer upto maximum of **17,40,000** equity shares.

1.10 The manager to the Offer i.e. Chartered Capital And Investment Limited' does not hold any shares in the Target Company as on the date of this PA.

2. INFORMATION ABOUT THE ACQUIRERS AND THE PERSON ACTING IN CONCERT

2.1 The Open Offer is being made by Mr. Bavchandbhai Vaghani Son of Mr. Jivrajbhai Vaghani, Aged 58 years, an Indian Resident, residing at Sector -21, Plot No. 199, Samudra Building, Nerul, Navi- Mumbai - 400 706 Tel No: 022-27891905, Mr. Govindbhai Vaghani Son of Mr. Jivrajbhai Vaghani, Aged at 43 years, an Indian Resident, residing at C-6/5/2:2, Sector-6, C.B.D, Navi- Mumbai - 400614. Tel No: 022-27891905, Mrs. Hasumati Vaghani wife of Mr. Bavchandbhai Vaghani, Aged 58 years, an Indian Resident, residing at Sector -21, Plot No. 199, Samudra Building, Nerul, Navi- Mumbai - 400 706. Tel No: 022-27891905, and Mrs. Kirtiben Vaghani wife of Mr. Govindbhai Vaghani, Aged 43 years, an Indian Resident, residing at C-6/5/2:2, Sector-6, C.B.D, Navi- Mumbai - 400 614. Tel No: 022-27891905.

2.2 Mr. Bhavchandbhai J Vaghani & Mr. Govindbhai J Vaghani are the brother and Mrs. Hasumati Vaghani is the wife of Bavchandbhai J Vaghani and Mrs. Kirtiben Vaghani is the wife of Mr. Govindbhai J Vaghani are the Acquirers in the Present offer. All acquirers are the family members. There is no person(s) acting in concert with them. There is no formal agreement entered between the Acquirers.

2.3 Mr. Rajendra Trivedi, Chartered Accountants, having Office at 306, Central Facility Building., A.P.M.C. II, Phase II, Sector 19, Vashi, Navi Mumbai - 400 705. Phone No: 022-27659772 (Membership No. 35310) has certified vide certificates dated June 3, 2005 that as on 31st March, 2005 the Net worth of Mr. Bavchandbhai Vaghani, Mr. Govindbhai Vaghani, Mrs. Hasumati Vaghani and Mrs. Kirtiben Vaghani is Rs. 59.92 lacs, Rs. 34.59 lacs and Rs. 45.95 lacs and Rs. 43.13 lacs respectively.

2.4 Mr. Bavchandbhai J Vaghani and Mr. Govindbhai J Vaghani are the Directors on the Board of the Target Company from 07/06/2004 and 05/06/2004 respectively.

2.5 Mr. Bavchandbhai J Vaghani is a B.E. (Civil) and having experience of 33 years in the field of construction. Mr. Govindbhai J Vaghani is a Diploma in Civil Engineering and having experience of 23 years in the field of construction. Mrs. Hasumati B Vaghani is a B.Sc. and having experience of 5 years in the field of construction. Mrs. Kirtiben G Vaghani is B.A. and having experience of 5 years in the field of construction.

3. INFORMATION ABOUT THE TARGET COMPANY

3.1 The Target Company i.e. **DHRUV MAKHAN (INDIA) LIMITED,** was incorporated on 6th October, 1994 with the Registrar of Companies, Gujarat, as a Public Limited Company and got Commencement of Business Certificate on 19th April, 1995 from the Registrar of Companies, Gujarat. The Company has its Registered Office at 278/281, Kamala Nagar House, P.O. Badarkha, Taluka -Dholka, Dist. Ahmedabad, (Gujarat) INDIA Ph. 079-55310091 Fax: 079-26578006.

3.2 As on the date of this PA, TC has an authorized share capital of Rs. 1000.00 lacs, comprising of 1,00,00,000 equity shares of Rs 10/- (Rupees Ten Only) each and paid up capital of Rs. 870.00 lacs, comprising of 87,00,000 equity shares of Rs 10/- each. There are no partly paid up shares in the Target Company.

3.3 TC has been engaged in the business of manufacturers, producers, exporters, importers, refiner, packer, agent, distributor, trader, dealer in milk, condensed milk, evaporated milk, powered milk, butter, cheese, cream and all types of milk products, including dairy whitener, no dairy whitener, infant milk formulas, whey powder and chocolate and other milk preparations and having manufacturing facilities at 278/281, Kamala Nagar House, P.O. Badarkha, Taluka -Dholka, Dist. Ahmedabad, (Gujarat) INDIA.

3.4 The shares of Target Company are presently listed with The Stock Exchange Ahmedabad (ASE) and The Stock Exchange, Mumbai (BSE). Due to some non-compliances of listing agreement shares of the TC have been suspended for trading with BSE and ASE. Earlier name of the TC was in the list of Vanishing Company and same has been deleted by DCA(from the list of Vanishing Company after compliances and submission made by the target company.

(Sources:http://dca.nic.in/deleted_vanishing_companies.htm#WESTERN)

3.5 Shares of the Target Company has not yet demated, the shares of the company are in Physical form. Market lot of TC is 100 shares.

3.6 Based on the latest available audited accounts for the year ending 31st March, 2005, the Company has made Total Income including other income Rs. 151.80 lacs, and Net Profit of Rs. 0.91 lacs. As at 31.03.2005, the paid up share capital was Rs. 870 lacs and the earning per share (EPS) was Rs 0.01 and due to suspension of trading stock price with stock exchanges are not available therefore P/E ratio is not ascertainable.

4. REASON FOR THE ACQUISITION/OFFER

4.1 This offer has been made pursuant to Regulation 10, 12 and other provisions of Chapter III and in compliance with the SEBI (SAST) Regulations 1997.

4.2 The Offer to the Public shareholders of TC is for the purpose of acquiring 20% of the equity shares of TC. After the proposed offer and implementation of the agreement for purchase of shares, the Acquirers will achieve substantial acquisition of shares to the extent of 64,01,490 equity shares constitute 73.58% of total paid up capital accompanied with effective management control over the Target Company. Thus substantial acquisition of shares accompanied with change in control and management is the reason for the acquisition.

4.3 The Acquirers are experienced in the business of construction and have no experience in the field of Milk related business. After the acquisition the acquirers intend to improve the operational performance of the company. However, depending on the requirements and expediency of the business situation and subject to the provisions of the Companies Act, 1956, Articles of Association of TC and all applicable laws, rules and regulations, the Board of Directors of TC will take appropriate business decisions from time to time in order to improve the performance of the Target Company.

4.4 The Acquirers may make changes in the management and Board of Directors of the Target Company. The Acquirers may also change the name of the Target Company after completion of the Offer.

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

5. STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

5.1 Approval for transfer of shares of a Company registered in India by a Non Resident to a person resident in India is required. The Acquirers shall apply for approval from RBI for transfer of shares in their name in due course after successful completion of this Offer.

5.2 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.

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

6. DELISTING OPTION TO THE ACQUIRERS

Assuming full acceptances, the offer would not reduce the public shareholding below the minimum limit prescribed by SEBI. After this offer, public shareholding will be 26.42% of paid up capital of the Target Company. Hence, pursuant to this offer, the acquirers will not exercise the delisting option.

7. FINANCIAL ARRANGEMENTS

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

7.2 Assuming full acceptance, the total requirement of funds for the Offer would be Rs. 26,10,000 /- (Rs. Twenty six lacs ten thousand Only). The Acquirers have already made firm arrangements for the financial resources required to implement the Offer in full. As per Regulation 28, Acquirers have opened an Escrow Account with HDFC Bank Ltd, Navrangpura Branch Ahmedabad, and have deposited Rs 26,10,000 /- (Rs. Twenty six lacs ten thousand Only), being 100 % of the amount required for the Open Offer.

7.3 The Acquirers have duly empowered M/s Chartered Capital and Investment Limited, Manager to the Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 1997.

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

8. OTHER TERMS OF THE OFFER

8.1 The Offer is not subject to any minimum level of acceptances from shareholders.

8.2 Letters of Offer (hereinafter referred to as "**LOO**") will be dispatched to all the equity shareholders of TC, whose names appear in its Register of Members on **June 23, 2005** being the Specified Date, except the Parties to the **SPA** i.e. Acquirers and Sellers.

8.3 All shareholders of the Target Company, except for the Parties to the **SPA** i.e. Acquirers and Sellers, who own the shares any time before the Closure of the Open Offer, are eligible to participate in the Offer.

8.4 Shareholders who wish to tender their equity shares will be required to send their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and duly signed Share Transfer Form(s) to the Manager to the Offer Chartered Capital And Investment Limited 711, Mahakant, Opp. V S Hospital, Ellisbridge, Ahmedabad - 380 006. Ph. 079 - 26575337, 26577571 Fax: (079) 26575731 Email: info@charteredcapital.net and Contact Person is Mr. Manoj Kumar Jain, either by registered post, Courier or Hand Delivery (between 10.30 AM to 5.30 PM on all working days), or as the case may be, on or before the date of closure of the offer i.e. **September 5, 2005** in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

8.5. In case of (a) shareholders who have not received the LOO, (b) unregistered shareholders and (c) owner of the shares who have sent the shares to the Company for transfer, may send their consent to the Manager to the Offer on plain paper, stating the name, addresses, number of shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid share transfer deeds (one per folio), duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with TC), and witnessed (if possible) by the Notary Public or a Bank Manager or the Member of the stock exchange with membership number, as the case may be, so as to reach the Manager to the Offer on or before 5.30 PM upto the date of Closure of the Offer i.e. **September 5, 2005.** Such shareholders can also obtain the LOO from the Manager to the Offer by giving an application in writing.

8.6 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Manager to the Offer upto three working days prior to the date of Closure of the Offer, i.e. **August 31, 2005.** The withdrawal can also be exercised by submitting an application on a plain paper, alongwith the details such as name, address, distinctive nos., folio no., number of equity shares tendered, etc.

8.7 The Letter of Offer alongwith the Form of Acceptance cum acknowledgement/ withdrawal would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the website.

8.8 No indemnity is required from unregistered shareholders.

8.9 Applications in respect of shares that are the 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.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Shareholders who have offered their shares would be informed about acceptance or rejecting of the Offer within 15 days from the date of Closure of the Offer. The payment to the shareholders whose shares have been accepted, and will be paid by cheque / demand draft / pay order crossed 'Account Payee' only in favour of the first holder of equity shares (and sent by registered post) within 15 days from the date of Closure of the Offer.

9.2 The Manager 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 TC who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned by registered post.

9.3 If the number of shares offered by the shareholders are more than offer size i.e. **17,40,000** equity shares, then in terms of Reg. 21(6) of SEBI (SAST) Regulations, 1997 the Acquirers will accept shares on proportional basis.

10. SCHEDULE OF THE ACTIVITIES PERTAINING TO THE OFFER:

ACTIVITY	DATE AND DAY
Specified Date (For the purpose of determining the names of shareholders to whom letter of offer would send)	June 23, 2005 (Thursday)
Last Date for a Competitive Bid	July 14, 2005 (Thursday)
Date by which Letter of Offer will be dispatched to the Shareholders	August 6, 2005 (Saturday)
Offer Opening Date	**August 17, 2005 (Wednesday)**
Last date for revising the offer price/number of shares	August 25, 2005 (Thursday)
Last date for withdrawal by Shareholders	August 31, 2005 (Wednesday)
Offer Closing Date	**September 5, 2005 (Monday)**
Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be dispatched	September 20, 2005 (Tuesday)

11. GENERAL CONDITIONS

11.1 **"Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of the closure of the offer i.e. August 31, 2005.**

11.2 The intimation of returned shares to the Shareholders will be sent at the address as per the records of TC as the case may be.

11.3 If there is any upward revision in the Offer Price (in terms of Regulation 26) by the Acquirers till the last day of revision, viz., at any time upto seven working days prior to the date of Closure of the Offer i.e. August 25, 2005, the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised offer price would be payable to all the shareholders who tender their shares in the Offer.

11.4 "If there is competitive bid:

11.4.1 The public offers under all the subsisting bids shall close on the same date.

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

11.5 Based on the information available from the Acquirers, Sellers and the Target Company that they have not been prohibited by SEBI from dealing in securities, in terms of direction issued U/s 11B of SEBI Act, 1992 or under any other Regulation under the SEBI Act, 1992.

11.6 Pursuant to the Regulation 13 of SEBI (SAST) Regulations, 1997, the Acquirers have appointed M/s Chartered Capital and Investment Limited as Manager to the Offer.

11.7 The Public Announcement would also be available at SEBI's website, www.sebi.gov.in.

11.8 This Public Announcement is being issued on behalf of the Acquirers by the Manager to the Offer, M/s Chartered Capital and Investment Limited.

11.9 The Acquirers, Mr. Bavchandbhai J Vaghani, Mr. Govindbhai J Vaghani, Mrs. Hasumati B Vaghani and Mrs. Kirtiben G Vaghani accept full responsibility for the information contained in this Public Announcement (except for the information regarding the Target Company which has been compiled from the publicly available information) and also for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.

Issued by Manager to the Offer:
CHARTERED CAPITAL AND INVESTMENT LIMITED
Contact Person: **Mr. Manoj Kumar Jain**
711, Mahakant, Opp. V.S. Hospital, Ellisbridge, Ahmedabad-380006
Tel.: 079-2657 5337 / 2657 7571 • **Fax:** 079- 2657 5731
Email: info@charteredcapital.net • **Website:** www.charteredcapital.net

Place: Ahmedabad **Date: June 22, 2005**