PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF

LALPHUL INVESTMENTS LIMITED

Regd. Office: 1111-A, Raheja Chambers, 213, Backbay Reclamation Scheme, Nariman Point, Mumbai - 400 021.

This Public Announcement is being issued by Keynote Corporate Services Limited (hereinafter referred to as the **"Manager to the Offer"**), on behalf of Mrs Manisha Khetan (**"Acquirer"**) pursuant to Regulation 10 read with Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 [SEBI (SAST) Regulations, 1997] & subsequent amendments thereto (hereinafter referred to as the **"Regulations"**).

I. Background of the Offer

Mrs Manisha Khetan having her office at 505, Acme Plaza, Andheri Kurla Road, Andheri (East) Mumbai – 400 059 (hereinafter referred to as **"Acquirer"**) has agreed to acquire 50,000 equity shares of Rs. 10/- each representing 25 % of the total paid up equity share capital of Lalphul Investments Ltd. (hereinafter referred to as **'LIL'** or **'Target Company'**) at a price of Rs. 7.50 (Rupee Seven and Fifty Paise Only) per share payable in cash vide agreement dated 28/09/2005 as detailed herein under:

Name and address of Sellers	Number of shares of LIL	% of paid up capital of LIL
Mr. M.P. Manshinghka 83, Ashok Apartments, 68-A Nepeansea Road, Mumbai 400 006	20,000	10.00
Mrs. Kamladevi Mansinghka 91, Ashok Apartments, 68-A Nepeansea Road, Mumbai 400 006	30,000	15.00
Total	**50,000**	**25.00**

The sellers belong to the promoter group of the Company

II. The Offer

a) Pursuant to the aforesaid Agreement provisions of Regulation 10 read with Regulation 12 of the Regulations have been attracted. The Acquirer hereby announces an offer under the Regulations, to acquire by tender upto 40,000 fully paid-up equity shares of Rs.10/- each of LIL representing 20% of its paid up equity share capital from the remaining shareholders of LIL (other than "Sellers") on the terms and subject to the conditions set out below, at a price of Rs.7.50 (Rupee Seven and Fifty paise Only) per equity share **(the "Offer Price")** payable in cash (**the "Offer"**).

b) The offer is not subject to any minimum level of acceptance.

c) The equity shares of LIL are listed on Bombay Stock Exchange Ltd. (BSE). The equity shares of the Company have been suspended from trading on the stock exchange since May 2002. The Company has made an application for revocation of suspension to BSE vide letter dated 04/07/2005. The equity shares of LIL are infrequently traded on BSE in terms of Explanation (i) to Regulation 20(5) of the Regulations.

The offer price of Rs. 7.50 per share, has been determined as per Regulation 20(5) of the Regulations taking into account the following factors:

a.	Negotiated price under the agreement	:	Rs. 7.50
b.	Highest price paid by the Acquirer for acquisitions including by way of allotment in a public or rights issue, if any, during the twenty-six weeks period prior to the date of Public Announcement.	:	Not Applicable
c.	Other Parameters:		*Based on audited accounts ended 31/03/2005*
	Return on Networth (%)	:	(0.83)
	Book Value (Rs.)	:	7.42
	Earning Per Share (EPS) (Rs.)	:	(0.06)
	P/E	:	–

d) The equity shares were last traded on 05/05/2000 on the BSE at a price of Rs.10.70 per share. The offer price of Rs.7.50 per share is close to the book value of the equity shares as on 31/03/2005. Thus the offer price of Rs.7.50 per share determined as per Regulation 20(5) is justified.

e) As on the date of the public announcement the Acquirer does not hold any equity shares of LIL except those agreed to be acquired in terms of the Agreement disclosed under point (I).

f) The Acquirer and LIL are not included in the list of persons / entities debarred from accessing the capital market under Section 11 B of the SEBI Act, 1992.

III. Information on the Acquirer

Mrs Manisha Khetan

a) Mrs. Manisha Khetan, aged 34 years, is having her office at 505, Acme Plaza Andheri – Kurla Road, Andheri (East) Mumbai – 400 059. Mrs Manisha Khetan is having over 5 years experience of dealing in securities & real estate.

b) Mrs Manisha Khetan holds directorships in: Eskay Infrastructure Development Pvt Ltd, Amenity Software Pvt Ltd and Daylight Finvest Pvt Ltd.

c) As per the certificate dated 22/09/2005 issued by Bhageria Naredi & Associates, Chartered Accountants, having their office at 23-B, 2nd Floor, Mehta Estate, 88 Andheri Kurla Road, Chakala, Andheri (East), Mumbai – 400 059 (Membership No. of Mr. Mahesh Bhageria, Partner is 34499 : Telefax - (022) 26849690 : E-mail: mb_naredi@rediffmail.com) has certified that the networth of Mrs Manisha Khetan as on 31/03/2005 is Rs. 200.77 Lacs.

d) Mrs Manisha Khetan presently does not holding any equity shares of LIL.

IV. Information on Lalphul Investments Ltd. (LIL) / Target Company

a) LIL was incorporated as a Private Ltd Company on 24/10/1980 under Companies Act and obtained the certificate of commencement of business on 25/11/1980. It subsequently became public company on 14/10/1981. The Registered Office of the company is situated at - 1111-A, Raheja Chambers, 213, Backbay Reclamation Scheme, Nariman Point, Mumbai - 400 021.

b) LIL has been promoted by Mr. M.P. Mansinghka and associates and is engaged in the business of Investment and Financing. The company derives its income from interest out of loans and advances given.

c) The issued & paid up equity share capital of the company is Rs.20.00 lacs comprising of 2,00,000 equity shares of Rs.10/- each. There are no partly paid up shares in the Company. The equity shares of LIL are listed on Bombay Stock Exchange Ltd (BSE). The equity shares of the company have been suspended by the Stock Exchange, Mumbai since May, 2002. The equity shares were last traded on 05/05/2000 on the BSE at a price of Rs.10.70 per share

d) As per the audited financials for the year ended 31/03/2005,LIL has reported a net loss of Rs.0.12 lacs on a turnover of Rs.0.31 Lacs. The company has accumulated losses amounting to Rs.5.14 lacs. The company has a networth of Rs.14.86 Lacs and Book Value of Rs.7.42 as on 31/03/2005.

e) There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date. There are no shares under lock-in period. There has been no merger / de-merger or spin off in the Company during the past three years.

f) The Company is not regular in complying with the provisions of the listing agreement entered into with the Stock Exchange. The company has not been regular in complying with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997 and there has been a delay in complying with the Regulations from the years 1997 to 2002 and in the year 2004. Thereafter, the company has been regular in complying with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997. The promoters of the Company and the Seller are also not regular in complying with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997 and there has been a delay in complying with the Regulations upto the year 2004. Thereafter, the promoters have been regular in complying with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

V. Rationale for the Acquisition and Offer

a) The Acquirer has agreed to acquire 50,000 equity shares of Rs.10/- each of LIL representing 25% of the paid up equity share capital of LIL. As a result of this acquisition, provisions of Regulation 10 read with Regulation 12 of the SEBI (SAST) Regulations, 1997 have been attracted. The present offer to the shareholders of LIL is persuant to the Regulations.

b) The Acquirer is in the business of dealing in shares and securities. Through this acquisition the acquirer plans to expand her scope of activity. Acquirer does not have any plan to dispose off or otherwise encumber any of the assets of LIL in the succeeding two years from the date of closure of the offer, except in the ordinary course of business of LIL. Acquirer will not dispose off, sell or otherwise encumber any substantial assets of LIL except with the prior approval of the shareholders.

VI. Statutory Approvals and Conditions of the Acquisition and the Offer

There are no approvals, statutory or otherwise, required under the Companies Act 1956, Monopolies and Restrictive Trade Practices Act, 1969, the Foreign Exchange Management Act. 1999 and /or any other applicable law and from any bank(s) and/ or financial institution(s) for the said acquisition.

VII. Delisting option to LIL

Pursuant to this offer the provisions of Regulation 21(3) of the SEBI (SAST) Regulations 1997 are not attracted.

VIII. Financial Arrangements

Assuming full acceptance, the total monetary value of the offer would be Rs.3.00 lacs. The Acquirer has opened an Escrow Account in the form of current Account/ fixed deposit with State Bank of India, Nariman Point, Mumbai, in favor of the Manager to the Offer for an amount of Rs. 3.00 lacs being 100% of the total monetary value of the offer. Acquirer has empowered the Manager to the Offer to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(7).The financial obligation under the offer is being fulfilled through internal resources of the Acquirer and will not be through any bank/financial institution. In view of this, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the offer as firm financial arrangement through verifiable means are in place to fulfill the offer obligation.

IX. Other Terms of the Offer

a) The Letter of Offer specifying the detailed terms and conditions of this offer together with Form of Acceptance cum Acknowledgement and Form of Withdrawal will be mailed to the equity shareholders of LIL (other than Sellers) whose names appear on the Register of Members of LIL, at the close of business hours on 29/10/05 (hereinafter referred to as "the Specified Date".)

b) **Shareholders holding equity shares as on the specified date**

Shareholders who wish to tender their 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 Offer, Intime Spectrum Registry Limited (the **"Registrar to the Offer"**) on or before the date of Closure of the Offer, i.e. 12/12/05, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement at the address mentioned below:

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-78.

The documents can be sent either by registered post or hand delivery to the Registrar to the offer at the address mentioned above during business hours on all week days (other than Sundays and Public Holidays) so as to reach the Registrar to the offer on or before 12/12/05.

c) All shareholders other than those mentioned in (a) above, who own the equity shares of LIL anytime before 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, No. of Shares held, No. of Shares offered, Distinctive Nos., Folio No., together with the original Share Certificate(s), valid transfer deeds and the original contract note issued by the broker through whom they acquired their Shares. No indemnity is required from the unregistered owners.

d) In case of non-receipt of the Letter of Offer, the eligible persons may send their application to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of Shares held, Distinctive Nos., Folio No., No. of Shares offered, bank account no. along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the Closure of the Offer. Such shareholders may also obtain a copy of the 'Letter of Offer' from the Registrar to the Offer on providing suitable documentary evidence to that effect or download the Form of Acceptance cum Acknowledgement from the website of SEBI at www.sebi.gov.in.

e) Subject to the conditions governing the Offer as mentioned in the Letter of Offer, the acceptance of this Offer by equity Shareholders of LIL must be absolute and unqualified. Any acceptance to this Offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever.

f) The Registrar to the Offer will hold in trust the Share Certificates, Form of Acceptance cum Acknowledgement, if any, and the transfer form/s on behalf of the shareholders of LIL who have accepted the Offer, till the drafts / pay orders for the consideration and/ or the unaccepted share certificates are dispatched/ returned. Equity Shares not accepted under the offer will be sent to the shareholders/applicants at their own risk by registered post.

g) Payment to those shareholders whose share certificates and / or other documents are found valid and in order will be made by way of crossed account payee demand draft/pay order. 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.

h) A tentative schedule of activities in respect of the Offer is given below:

Activity	Date	Day
Public Announcement	30/09/05	Friday
Last date for a competitive bid	20/10/05	Thursday
Specified Date	29/10/05	Saturday
Date by which the Letter of Offer will be dispatched to shareholders	12/11/05	Saturday
Date of opening the Offer	23/11/05	Wednesday
Last date for revising the offer price/ number of shares	01/12/05	Thursday
Last date for withdrawal of acceptance	06/12/05	Tuesday
Date of closing the Offer	12/12/05	Monday
Date of communication of rejection, if any	17/12/05	Saturday
Date of payment of consideration for applications accepted	26/12/05	Monday

X. Withdrawal Option

The equity shareholders who are desirous of withdrawing their acceptances tendered in the offer, can do so upto three working days prior to the date of the closure of the offer i.e. on or before 06/12/05. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, Intime Spectrum Registry Limited, so as to reach them on or before 06/12/05.

In case of non-receipt of 'Form of withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the details such as name, address, distinctive numbers, folio numbers, number of shares tendered, date of tender.

XI. General

a) The Acquirer can revise the price upwards upto seven working days prior to closure of the offer and revision if any in the offer price would appear in the same news papers where the Public Announcement has appeared. The same price would be paid to all shareholders who tender their shares in the offer.

b) 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. Shareholders may note that if there is a competitive bid, the public offers under all the subsisting bids shall close on the same date.

c) For any queries regarding the Offer the shareholders / applicants may contact the Registrar to the Offer at the address mentioned in IX(b) of this Public Announcement.

d) If the aggregate of the valid responses to the offer exceeds offer size, then the acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the Regulations. The equity shares of LIL are being traded in physical mode and the market lot of the shares is 100 (Hundred).

e) Acquirer shall acquire the equity shares from the shareholders of the Company who have validly tendered the equity shares under the Offer (i.e. equity shares and other documents are in order in accordance with the terms of the Offer) and remit the consideration in respect thereof on or before 26/12/05 in cash by Account Payee Pay Order / Demand Draft. Any delay will attract interest in terms of Regulation 22(12) of SEBI (SAST) Regulations 1997. The information as to whether the equity shares tendered by them have been accepted (in full or in part) or rejected and consideration payable would be sent by Registered Post.

f) Pursuant to the Regulation 13, the Acquirer has appointed Keynote Corporate Services Ltd. as the Manager to the Offer and Intime Spectrum Registry Limited as the registrar to the offer.

g) Keynote Corporate Services Limited, the Manager to the Offer, does not hold any equity shares of LIL. Further, they have undertaken not to deal in the equity shares of LIL upto a period of fifteen days after the closure of the offer.

h) The Acquirer accepts full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirer as laid down in the Regulations.

The Public announcement will become available on SEBI website www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal which will also be available on SEBI's website from the offer opening date i.e. 23/11/05 and apply in the same.

Issued by Manager to the Offer on behalf of the Acquirer :

KEYNOTE
CORPORATE SERVICES LIMITED

307, Regent Chambers, Nariman Point, Mumbai - 400 021.
Tel.: (022) 2202 5230 Fax : (022) 2283 5467; E-mail : mbd@keynoteindia.net
SEBI Regn.: INM000003606AMBI Regn. No.AMBI/040
Name of the contact person : Ms. Purvi Sheth

CONCEPT

Place: Mumbai

Date : 29/09/2005

Size: 20x33 sq. cm