PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF SUMERU INDUSTRIES LIMITED

Regd. Office: 10th floor, Sumeru Centre, Near Parimal Crossing, C. G. Road, Paldi, Ahmedabad – 380 007

This Public Announcement is being issued by Keynote Corporate Services Limited (hereinafter referred to as the **"Manager to the Offer"**), on behalf of Mr. Vipul H Raja, Ms. Sonal V Raja and Mr. Nandit V Raja (hereinafter referred to as the **"Acquirers"**) pursuant to Regulation 11 (1) 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

Sumeru Industries Ltd. (hereinafter referred to as **"SIL"** or **"Target Company"**) was incorporated as Sumeru Leasing and Finance Limited on 03/03/1994 under Companies Act 1956 and has its Registered Office at – 10th floor, Sumeru Centre, Near Parimal Crossing, C. G. Road, Paldi, Ahmedabad – 380 007. The promoter & promoters group of SIL holds 1,46,57,950 equity shares of Re. 1/- each forming 20.36% of the paid-up capital of SIL. Out of the above said holding Mr. Vipul H Raja, Ms. Sonal V Raja and Mr. Nandit V Raja all belonging to the promoters group & residing at 34, Springvally Society, Behind Karnavati Club, S.G. Highway Ahmedabad (hereinafter referred to as **"Acquirers"**) together hold 52,78,000 equity shares of Re. 1/- each representing 7.34% of the total paid up equity share capital of Sumeru Industries Ltd. The acquirers together propose to consolidate their holding.

II. The Offer

a) This Open Offer is being made by Mr. Vipul H Raja along with Ms. Sonal V Raja and Mr. Nandit V Raja, to the remaining shareholders of SIL pursuant to Regulation 11(1) of the Regulations. The Acquirers hereby announce an offer under the Regulations, to acquire by tender upto 2,88,00,000 fully paid-up equity shares of Re.1/- each of SIL representing 40% of the paid up equity share capital, from the remaining shareholders of SIL (other than persons in the promoter group") on the terms and subject to the conditions set out below, at a price of Re.1.18 (Rupee One and paisa Eighteen Only) per equity share (**the "Offer Price"**) payable in cash (**the "Offer"**). The Acquirers i.e; Mr Vipul H Raja, Ms. Sonal V Raja and Mr. Nandit V Raja have agreed that they would acquire upto 1,44,00,000, 72,00,000 and 72,00,000 fully paid-up equity shares respectively of SIL representing 20%, 10% and 10% respectively of the valid equity shares received under the Open Offer of the total equity share capital of the company, presuming full acceptance of the offer to fullest extent. In case of partial response to the Open Offer the Acquirers have agreed to acquire the valid equity shares received under the Open Offer in the ratio of 2:1:1.

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

c) The equity shares of SIL are listed on The Bombay Stock Exchange Ltd. (BSE), Ahmedabad Stock Exchange (ASE) and The Saurashtra Kutch Stock Exchange (SKSE). The equity shares of SIL are infrequently traded on BSE in terms of explanation (i) to Regulation 20(5) of the Regulations. There has been no trading in the equity shares of SIL on ASE and SKSE. The offer price of Re.1.18 per equity share, has been determined as per provisions of Regulation 20(5) of the Regulations taking inter-alia into account the following factors:

a.	Negotiated price under the agreement	:	Not Applicable	
b.	Highest price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or proposed preferential 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 31/03/2006	Based on provisional figures for nine months ended 31/12/2006
	Return on Networth (%)	:	0.12	0.17
	Book Value (Rs.)	:	1.15	1.16
	Earning Per Share (EPS)(Rs.)	:	0.001	0.002

d) The offer price of Re 1.18 per share is more than the book value of the equity shares as on 31/12/2006 based on the parameters above. As per the audited financial results for the year ended 31/03/2006 SIL has reported a profit of Rs. 0.998 lacs on a total income of Rs. 91.83 lacs. SIL has an EPS of Rs. 0.001, Return on Networth of 0.12% and a Book Value per share of Rs. 1.15 as on 31/03/2006. As per the unaudited financial results for the nine months period ending on 31/12/2006, SIL has made a profit of Rs. 1.48 lacs on the total income of Rs. 12.52 lacs. SIL has an EPS of Rs. 0.002, Return on Networth of 0.17% and a Book Value per share of Rs. 1.16.

e) The offer price of Re. 1.18 per share being higher than all the above parameters is justified in terms of Regulation 20(5) applicable in respect of infrequently traded shares.

f) As on the date of the public announcement the Acquirers together hold 52,78,000 equity shares of SIL which forms 7.34% of the total paid up equity capital of SIL.

g) The Acquirers and SIL are not included in the list of persons / entities debarred from accessing the capital market under Section 11 B of the SEBI Act, 1992 or under any other Regulation.

h) The Acquirers are complying with the applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

III. Information on the Acquirers

Mr. Vipul H Raja

a) Mr Vipul H Raja, aged 54 years is residing at 34, Springvally Society, Behind Karnavati Club, S.G. Highway Ahmedabad. Mr Vipul H Raja is a Commerce graduate from Gujarat University. He is one of the main promoters of Sumeru Industries Limited (SIL). He has an experience of over 30 years in the field of Commodities, Real estate and financial services. He is instrumental in establishing new venture of cement manufacturing under the banner of Gujarat Anjan Cement Limited.

b) Mr. Vipul H Raja is also on the Board of Sumeru Securities Limited, Swastik Cement Sales & Org. Pvt. Ltd. and Gujarat Credit Corporation Limited.

c) As per the certificate dated 02/11/2006 issued by A. P. Sandesara & Co., Chartered Accountants, having their office at 104, Maurya Complex, Nr. C. U. Shah College, Income-Tax, Off Ashram Road, Ahmedabad – 380 014 (Membership No. of Mr. Ajit P. Sandesara, proprietor is 45332 : Tele - 079 30022866) the networth of Mr. Vipul H. Raja as on 02/11/2006 is Rs.1,035.00 lacs and he has immediate access to liquid assets amounting to Rs. 375 lacs.

d) Mr. Vipul H. Raja holds 45,12,000 equity shares of SIL of Re. 1/- each being 6.27% of the paid-up capital of the company.

Ms. Sonal V. Raja

a) Ms Sonal V. Raja, aged 48 years is residing at 34, Springvally Society, Behind Karnavati Club, S.G. Highway Ahmedabad. Ms Sonal V. Raja is a Commerce graduate from Gujarat University. She is an investor and wife of Mr. Vipul H. Raja.

b) As per the certificate dated 02/11/2006 issued by A. P. Sandesara & Co., Chartered Accountants, having their office at 104, Maurya Complex, Nr. C. U. Shah College, Income-Tax, Off Ashram Road, Ahmedabad – 380 014 (Membership No. of Mr. Ajit P. Sandesara, proprietor is 45332 : Tele - 079 30022866) the networth of Ms Sonal V. Raja as on 02/11/2006 is Rs.515.00 lacs and she has immediate access to liquid assets amounting to Rs. 177 lacs.

c) Ms Sonal V. Raja holds 3,91,000 equity shares of SIL of Re. 1/- each being 0.54% of the paid-up capital of the company.

Mr Nandit V. Raja

a) Mr Nandit V. Raja aged 27 years is residing at 34, Springvally Society, Behind Karnavati Club, S.G. Highway Ahmedabad. Mr Nandit V. Raja is a BA (Hons.) and has completed his management from Leeds University (U.K). He has more than seven years of experience in corporate management and has been managing business and affairs of the company for last five years as Executive Director of the company.

b) Mr. Nandit V Raja is also on the Board of Sumeru Industries Limited, and GCCL Infrastructure and Projects Ltd.

c) As per the certificate dated 02/11/2006 issued by A. P. Sandesara & Co., Chartered Accountants, having their office at 104, Maurya Complex, Nr. C. U. Shah College, Income-Tax, Off Ashram Road, Ahmedabad – 380 014 (Membership No. of Mr. Ajit P. Sandesara, proprietor is 45332 : Tele - 079 30022866) the networth of Mr. Nandit V. Raja as on 02/11/2006 is Rs. 535 lacs and he has immediate access to liquid assets amounting to Rs. 230 lacs.

d) Mr. Nandit V Raja holds 3,75,000 equity shares of SIL of Re. 1/- each being 0.53% of the paid-up capital of the company

IV. Information on Target Company

Sumeru Industries Ltd. (SIL)

a) SIL was incorporated as Sumeru Leasing and Finance Limited on 03/03/1994 under Companies Act 1956. The name of the Company was changed to Sumeru Industries Limited on 25/07/2005 and fresh certificate of incorporation was obtained from the Registrar of Companies Gujarat (Dadra & Nagar Haveli) Ahmedabad. The Registered Office of the company is situated at – 10th floor, Sumeru Centre, Near Parimal Crossing, C. G. Road, Paldi, Ahmedabad – 380007. The Company made its first issue of equity shares of face value of Rs. 10/- each at par in April 1995.

b) SIL was promoted by Mr. Vipul H. Raja. The Board of Directors of the Company includes Mr. Supreme P. Shah (Chairman), Mr. Vipul H. Raja, Mr.A.C.Patel, Mr. Bhavin D. Mashruwalal, Mr. Nandit V. Raja (Executive Director). The Company is engaged in the business of Assets rental and also engaged into trading & investment activities.

c) The issued & paid up equity share capital of the company is Rs.720.00 lacs comprising of 7,20,00,000 equity shares of Re.1/- each. There are no partly paid up shares in the Company. The equity shares of SIL are listed on Bombay Stock Exchange Ltd (BSE) Mumbai, Ahmedabad Stock Exchange(ASE) Ahmedabad and The Saurashtra Kutch Stock Exchange (SKSE) Rajkot. The equity shares of SIL are infrequently traded on BSE in terms of explanation (i) to Regulation 20(5) of the Regulations. There has been no trading in the equity shares of SIL on ASE and SKSE.

d) As per the audited financial results for the year ended 31/03/2006 SIL has reported a profit of Rs. 0.998 lacs on a total income of Rs.91.83 lacs. SIL has an EPS of Rs. 0.001, Return on Networth of 0.12% and a Book Value per share of Rs. 1.15 as on 31/03/2006. As per the unaudited financial results for the nine months period ending on 31/12/2006, SIL has made a profit of Rs.1.48 lacs on the total income of Rs.12.42 lacs. SIL has an EPS of Rs. 0.002, Return on Networth of 0.17% and a Book Value per share of Rs. 1.16 for the nine months period ending on 31/12/2006.

e) As on date 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) SIL has been regular in complying with the provisions of the listing agreement entered into with the stock exchanges. SIL has not been regular in complying with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997. There has been an average delay of 1312 days in complying with various provisions of the Regulations 6(2), 6(4) & 8(3). In view of such non-compliance/delayed compliance SEBI may initiate appropriate action against the Target Company.

V. Rationale for the Acquisition and Offer

a) The Acquirers hold 52,78,000 equity shares of Re.1/- each of SIL representing 7.34% of the paid up equity share capital of SIL. The Acquirers propose to consolidate their holdings in SIL. As a result of the provisions of Regulation 11(1) of the SEBI (SAST) Regulations, 1997 have been attracted. The Acquirers are making an offer to acquire upto 2,88,00,000 equity shares being 40% of the paid up equity share capital of SIL.

b) The Acquirers belong to the Promoter Group of SIL and wish to consolidate their holding in SIL. Acquirers do not have any plan to dispose off or otherwise encumber any of the assets of SIL in the succeeding two years from the date of closure of the offer, except in the ordinary course of business of SIL. Acquirers will not dispose off, sell or otherwise encumber any substantial assets of SIL 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 SIL

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

VIII. Financial Arrangements

a) Assuming full acceptance, the total monetary value of the offer would be Rs. 339.84 lacs. The Acquirers have opened an Escrow Account in the form of a Fixed Deposit Account with UTI Bank Ltd. Nariman Point, Mumbai, in favour of the Manager to the Offer and deposited an amount of Rs. 85.00 lacs, which is more than 25% of the total monetary value of the offer. Acquirers have empowered the Manager to the Offer to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(5).

b) The Acquirers have adequate and firm financial resources to fulfill the obligations under the open offer. The financial obligation under the offer is being fulfilled through internal resources of the Acquirers and not through any bank/financial institution/or from any foreign/NRI Funds. M/s A.P. Sandesara & Co., Chartered Accountants and Statutory Auditors of the Acquirers, having their offices at 104, Maurya Complex, Nr. C. U. Shah College, Income-Tax, Off Ashram Road, Ahmedabad – 380 014. (Membership No. of Mr Ajit P. Sandesara, Proprietor is 45332) have certified vide their certificate dated 02/11/2006 that the Acquirers have an immediate access to liquid assets which can be used for the acquisition of shares of M/s Sumeru Industries Limited.

c) In view of this, the Manager to the Offer is satisfied about the ability of the Acquirers 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 SIL (other than persons in the promoter group of the Target Company) whose names appear on the Register of Members of SIL, at the close of business hours on 12/05/2007 (hereinafter referred to as "the Specified Date".)

b) **Shareholders holding equity shares in Physical form**

Shareholders who wish to tender their equity 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, Sharepro Services India Pvt. Ltd. (the **"Registrar to the Offer"**) on or before the date of Closure of the Offer, i.e. 12/05/2007 , in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement at the address mentioned below:

SHAREPRO SERVICES INDIA PVT. LTD.

Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099. Tel.: (022) 2821 5168/2821 5991/ 2832 9828/2834 7719; Fax: (022) 2837 5646; E-mail : sharepro@vsnl.com SEBI Regn. No.: INR000001478; Contact person: Mr. Ganesh Rane

The documents can be sent either by registered post or hand delivery to the Registrar to the Offer at the address mentioned, 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 12/05/2007.

c) **Shareholders holding equity shares in Dematerialised form**

The Registrar to the Offer has opened a escrow Depository Account in the name and style of "Sharepro Services Sumeru Industries Open Offer Escrow A/C (Corporate Body - Domestic)." with Stock Holding Corporation of India Ltd. Depository Participant in National Security Depository Services (India) Limited ("NSDL"). Beneficial owners & shareholders holding equity shares in Dematerialised form will be required to send their form of acceptance alongwith a photocopy of the delivery instruction slip in "Off - Market" mode or counterfoil of the delivery instruction slip in "Off – Market" mode duly acknowledged by the Depository Participant ("DP") to the Registrar to the Offer at the address mentioned at (b) on or before 12/05/2007.

Details of the Escrow Depository Account opened for this purpose are as under:

DP Name	Stock Holding Corporation of India Ltd.
DP ID Number	IN301330
Beneficiary ID	19996458
Name & Style of Account	Sharepro Services Sumeru Industries Open Offer Escrow A/C (Corporate Body - Domestic)

Shareholders having their beneficiary account in Central Depository Services Limited (CDSL) have to use inter depository delivery instruction for the purpose of crediting their equity shares in favour of Escrow Depository Account with NSDL. The ISIN number allotted to equity shares of SIL is INE764B01029

Shareholders who have sent their physical equity shares for dematerialisation need to ensure that the process of getting equity shares dematerialised is completed well in time so that the credit in the Depository Account is received on or before closure of Offer.

d) All shareholders other than those mentioned in (b) and (c) above, who own the equity shares of SIL 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.

e) 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 applicable documents as mentioned in point (b) and (c) 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 where same will be made available from the date of opening of the Offer.

f) Subject to the conditions governing this Offer as may be mentioned in the Letter of Offer, the acceptance of this Offer by equity Shareholders of SIL 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.

g) Registered & other equity shareholders who wish to tender their equity shares in response to the said Offer should submit their form of acceptance along with other documents by hand delivery and/or by post to the address of the **Registrars to the Offer i.e; Sharepro Services India Pvt. Ltd.** at the address mentioned at IX (b), between 10.30 am. to 4.30 pm on all working days (i.e. other than Sundays and Public Holidays). For any queries regarding the Offer the shareholders / applicants may contact the Registrar to the Offer of the address mentioned.

h) 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 SIL who have accepted the Offer, till the drafts / pay orders for the consideration and/ or the unaccepted share certificates are despatched/ returned. Equity Shares not accepted under the Offer will be returned to the shareholders/applicants at their own risk by registered post.

i) 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 to the sole / first shareholder at their own risk. Shares held in dematerialised form to the extent not acquired or accepted / withdrawn will be credited back to the respective beneficiary account with their respective DPs as per details furnished by the beneficial owners in the Form of Acceptance cum Acknowledgement.

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

Activity	Date	Day
Public Announcement	27/02/2007	Tuesday
Last date for a competitive bid	20/03/2007	Tuesday
Specified Date	29/03/2007	Thursday
Date by which the Letter of Offer will be dispatched to shareholders	13/04/2007	Friday
Date of opening the Offer	23/04/2007	Monday
Last date for revising the Offer Price/ number of shares	03/05/2007	Thursday
Last date for withdrawal of acceptance	09/05/2007	Wednesday
Date of closing the Offer	12/05/2007	Saturday
Date by which acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate(s)/demat delivery instruction for the rejected Shares will be dispatched/issued.	26/05/2007	Saturday

X. Withdrawal Option

a) 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 09/05/2007 The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, Sharepro Services India Pvt. Ltd.. at the address mentioned at point IX (b) so as to reach them on or before 09/05/2007.

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

c) Registered & other equity shareholders who wish to tender their equity shares in response to the said offer should submit their form of acceptance along with other documents by hand delivery and/or by post to the registrar to the offer Sharepro Services India Pvt. Ltd. on or before 12/05/2007, between 10.30 am to 4.30 pm on all working days (i.e. other than Sunday and Public Holidays).

d) 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.

e) If the aggregate of the valid responses to the offer exceeds offer size, then the acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the Regulations. The equity shares of SIL are traded in compulsory dematerialized form and minimum marketable lot is one equity share.

f) Acquirers 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 26/05/2007 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.

g) Pursuant to the Regulation 13, the Acquirers have appointed Keynote Corporate Services Ltd. as the Manager to the Offer.

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

i) The Acquirers accept full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirers as laid down in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

The Public announcement will become available on SEBI website www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Form of Acceptance cum Acknowledgement, Letter of Offer, Form of Withdrawal which will also be made available on SEBI's website from the offer opening date i.e. 23/04/2007 and apply in the same.

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

KEYNOTE
CORPORATE SERVICES LTD

KEYNOTE CORPORATE SERVICES LTD.
4th Floor, Balmer Lawrie Building, 5, J. N. Heredia Marg, Ballard Estate, Mumbai - 400001. Tel.: (022) 2267 1321 / 2269 4324; Fax : (022) 2269 4323; E-mail : mbd@keynoteindia.net SEBI Regn.: INM000003606
AMBI Regn. No.AMBI/040
Name of the contact person: Janardhan Wagle

Place : Mumbai
Date : 26/02/2007