LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **VISHAL MALLEABLES LTD (VML)**.If you require any clarifications about the action to be taken; you should consult your stockbroker or investment consultant or Manager / Registrar to the Offer. In case you have sold your shares of VML, please hand over this Letter of Offer, the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

CASH OFFER AT Rs.41.85/- (Rupees Forty One and Paise Eighty Five Only) (Including Interest of Rs. 9.10) PER FULLY PAID-UP EQUITY SHARE OF Rs.10 (RUPEES TEN ONLY) EACH

Pursuant to Regulation 10 of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

TO ACQUIRE

Up to 3,90,000 fully paid-up Equity Shares of face value of Rs.10/- each, (representing an aggregate of 20% of the issued and fully diluted voting equity share capital) ("Offer")

OF

Vishal Malleables Ltd (VML or Target Company)
Having its Registered Office at 85/,2 GIDC Estate, Ankleshwar-393 002, Dist.Bharuch, Gujarat
Tel.No.+91+02646-222166,222267, Fax No.+91-2646-251924

BY

SHRI OM PRAKASH KHETAN (OPK)
Having his address at 11, Kanta Apartment, Ghatkopar (E), Mumbai-400075 Tel: +(91-44-28404267)

ALONGWITH THE FOLLOWING PERSONS ACTING IN CONCERTS (PACs)
Smt. Urmiladevi Khetan, 11, Kanta Apartment, Ghatkopar (E), Mumbai-400075 Tel: +(91-22-28404267)
Shri Sitaramji Khetan, 11, Kanta Apartment, Ghatkopar (E), Mumbai-400075 Tel: +(91-22-28404267)
Shri Kailashchand Khetan, 11, Kanta Apartment, Ghatkopar (E), Mumbai-400075 Tel: +(91-22-28404267)
Smt. Saritadevi Khetan, 11, Kanta Apartment, Ghatkopar (E), Mumbai-400075 Tel: +(91-22-28404267)
Smt. Veenadevi Khetan, 11, Kanta Apartment, Ghatkopar (E), Mumbai-400075 Tel: +(91-22-28404267)
Smt. Rekhadevi Khetan, 11, Kanta Apartment, Ghatkopar (E), Mumbai-400075 Tel: +(91-22-28404267)
Shri Manoj Khetan, 87, Pritam Society No.1, Bharuch Tel: +(91-2642-229445)
Shri Ashok Khetan, 11, Kanta Apartment, Ghatkopar (E), Mumbai-400075 Tel: +(91-22-28404267)
Shri Arvind Khetan, 11, Kanta Apartment, Ghatkopar (E), Mumbai-400075 Tel: +(91-22-28404267)
Smt. Asha Khetan, 87, Pritam Society No.1, Bharuch,Tel: +(91-2642-229445)

ATTENTION:

a) No statutory approval is required to acquire the shares that may be tendered in acceptance of the Offer except for the approval of RBI under the Foreign Exchange Management Act, 1999 (FEMA) for acquiring shares from the non-resident shareholders.

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

c) If there is any upward revision in the Offer Price by Acquirer(s) prior to or on the last date for revising the Offer Price viz.9th April, 2007, you would be informed by way of another Public Announcement in the same newspapers where the first Public Announcement for this Offer had appeared. Acquirer(s) would pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.

d) Shareholders who have accepted the Offer by tendering the requisite documents in terms of this Letter of Offer shall have the option to withdraw their acceptance up to13th April, 2007 i.e. 3 (three) working days prior to the date of closure of the Offer viz. 18th April, 2007.

e) There was no competitive bid.

f) Form of Acceptance and Form of Withdrawal are enclosed with this Letter of Offer.

g) The Public Announcement and this Letter of Offer, Form of Acceptance and Form of Withdrawal would also be available on SEBI's Website (www.sebi.gov.in) from the Offer opening date viz. 30th March, .2007.

MANAGER TO THE OFFER

BOB Capital Markets Limited
(Wholly owned Subsidiary of Bank of Baroda)
Meher Chambers, Dr. Sundarlal Behl Marg,
Ballard Estate, Mumbai- 400038.
Tel. :91-22-66372301/03;Fax : 91-22-66372312
Email: vml@bobcapitalmarkets.com
Website:www.bobcapitalmarkets.com
Contact Person: Mr. Sandeep Mankad

REGISTRAR TO THE OFFER

Sharex Dynamic (India) Private Limited
17/B Dena Bank Building,
2nd Floor, Horniman Circle,
Fort Mumbai , 400 001
Tel No:- 022-22702485/022-22641376;
Fax: 022-22641349
E-mail:- sharexindia@vsnl.com
Contact Person: Mr. B.S. Baliga

OFER OPENS ON: 30th March, 2007 | **OFFER CLOSES ON: 18th April , 2007**

Schedule Of Some Of The Major Activities Relating To The Offer Is Given Below:

Activities	Original Schedule	Revised Schedule
Public Announcement (PA) Date	14.11.2006	14.11.2006
Specified date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be posted)	04.12.2006	04.12.2006
Last date for a Competitive Bid	N.A.	N.A
Date by which Letter of Offer will be dispatched to the Shareholders	23.12.2006	26.03.2007
Date of opening of the Offer	03.01.2007	30.03.2007
Last date for revising the offer price	10.01.2007	09.04.2007
Last date for withdrawing acceptance from the Offer	19.01.2007	13.04.2007
Last date of closure of the Offer	22.01.2007	18.04.2007
Last date for communicating rejection/acceptance and payment of consideration of accepted shares/dispatch of the share certificate in case of rejection.	05.02.2007	02.05.2007

RISK FACTORS

Given below are the risks related to Acquirers, Target Company and the Offer:

(a) The Acquirers cannot give any assurance regarding any improvement in the financial performance of the Company consequent to acquisition of shares.

(b) The company has presently following contingent liabilities:.

   (i) Claims of ex-employees of the company for reinstatement in service with back-wages. The amount in respect of which is unascertainable.

   (ii) Disputed Demand of Rs.9.59 lacs of Gujarat Electricity Board in respect of Wind Farm Project (Time of Use Unit Charges), against which the Company had preferred a Special Civil Application in the High Court of Gujarat, Ahmedabad.

   (iii) Guarantees/Letter of Credit given by bank on behalf of the Company to Railways, Govt. Undertakings and other parties for Rs.87.55 lacs (Previous year Rs.107.55 lacs).

(c) In the event of regulatory approvals not being received in a timely manner or litigation leading to stay on the Offer, or SEBI instructing that the Offer should not be proceeded with, the Offer process may be delayed beyond the Schedule of the Major Activities of the Offer indicated in this Letter of Offer.

(d) Acquirer(s) makes no assurance with respect to the market price of the shares during/after the Offer

(e) The tendered Shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the Share of VML.

(f) In the event of over subscription in the Offer, the acceptance will be on a proportionate basis and will be contingent on the level of over subscription.

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

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DEFINITIONS

Acquirer(s)	Mr. O. P.Khetan and Persons acting in Concert
ADRs	American Depository Receipts
BSE	Bombay Stock Exchange Ltd
BCML	BOB Capital Markets Ltd
CDSL	Central Depository services (India) Ltd
Eligible Person(s) for the Offer	All owners (registered or unregistered) of Shares of Vishal Malleables Ltd anytime before the Closure of the Offer.
FCDs	Fully Convertible Debentures
FEMA	Foreign Exchange Management Act, 1999 and subsequent amendments thereto
Form of Acceptance	Form of Acceptance cum Acknowledgement
GDRs	Global Depository Receipts
INR or Rs.	Indian Rupees
Letter of Offer	Offer document
Manager/Manager to the Offer	BOB Capital Markets Ltd
NRI(s)	Non-Resident Indian(s)
NSDL	National Securities Depository Ltd
OCB	Overseas Corporate Bodies
Offer Price	Rs.41.85/- (Rupees Forty One & Paise Eighty Five only) (Including Interest of Rs. 9.10) per fully paid-up equity share of Rs.10/- each.
PCDs	Partially Convertible Debentures
Public Announcement	Announcement of the Offer made by Mr. Om Prakash Khetan and PAC on 14.11.2006
RBI	Reserve Bank of India
RBI Approval	The approval of RBI required under FEMA in connection with the Offer for acquisition of shares from NRI(s)
Registrar/Registrar to Offer	Sharex Dynamic (India) Private Ltd
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI (SAST) Regulations/ Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.
Share(s)	Fully paid-up equity shares of face value of Rs.10 each of VML
SG	Spheroidical Graphite (Iron)
Specified date	04.12. 2006
VML	Vishal Malleables Ltd
VSE	Vadodara Stock Exchange Ltd

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR THE LIMITED PURPOSE OF OVERSEEING WHETHER THE DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS 1997. THIS REQUIREMENT IS TO FACILITATE SHAREHOLDERS OF VISHAL MALLEABLES LTD TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S), OR OF VML, THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER(S) ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER(S) DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER BOB CAPITAL MARKETS LTD HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 24th NOVEMBER 2006, TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS 1997. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1. Background

2.1.1 This offer is being made by the acquirer(s), Mr. Om Prakash Khetan (Managing Director of the Company) and persons acting in concert with him (family members of Mr. Om Prakash Khetan) to the equity shareholders of the Company, having its Registered Office and Factory at 85/2 GIDC Industrial Area, Ankleshwar, Distt Bharuch, Gujarat-393002.

2.1.2 The Company has been availing various credit facilities from Bank of Baroda, Industrial Estate Branch, Ankleshwar. In its normal course of business, During 2003-04, the company was under severe financial strains and working results became negative because of lack of finances for funding working capital. The company's external liabilities also showed Short Term Loans/Sundry Creditors to the tune of Rs.769.77 lacs. The company applied for review/renewal/enhancement of fund/nonfund based working capital facilities to Bank of Baroda Industrial Estate Branch, Ankleshwar. The bank vide its letter dated November 17, 2003 advised the company to explore possibility of conversion of at least some portion of short term liabilities and sundry creditors into equity to improve the debit-equity ratio.

The company was facing shortage of funds for procuring raw materials and suffered losses of Rs. 64.70 lacs during the year. Mr. Omprakash Khetan (One of the acquirers and Managing Director of the Company considering the expediency of the matter, consented to convert part of the short term deposits/loans to the company from himself and his family members. Accordingly the matter was placed before the Board of Directors of the company in the meeting held on January 31, 2004 to consider the matter and the Board of Directors decided to convene an Extra-Ordinary General Meeting of shareholders on 28th February, 2004. A special resolution was approved in the EGM by the shareholders for allotment of 450000 equity shares of Rs. 45,00,000/- to the acquirers and other shareholder. Allotment of shares was made in the Board meeting held on 24th March, 2004.

However, in the above conversion of funds and allotment of equity, the requirements of regulation 10 of SEBI (SAST) Regulations 1997 and subsequent amendments thereto, according to which the acquirers were required to make a public announcement to acquire shares of the company were not complied with. The acquirers, in order to comply with the regulation, entered into a share purchase agreement to enable making a public announcement and the public announcement was made on November 14, 2006.

2.1.3 The allotment/acquisition of shares has not resulted from any intention on the part of the allottees nor can it be attributed to any initiative or action of Mr. Om Prakash Khetan and Persons Acting in Concert (PACs) to acquire shares of the company. The allotment of shares have taken place solely at the initiative of the company and the purpose was to comply with the stipulation of the Bankers to the company regarding conversion of short term loans/sundry creditors into equity and to enable the company to carry on its business by availing credit facilities from the Bank.

Accordingly an Extra-Ordinary General Meeting of the shareholders was convened on 28th February 2004 and the shareholders, through a special resolution, approved the allotment of 430000 equity shares of Rs. 10 each for cash at par to the following 11 (Eleven) shareholders (Acquirers) and 20000 shares to the another shareholder who is not a part of the Acquirers – M/s Shree Sainath Investments & Trade Private Limited.

Position of shareholding of the Acquirers before and after the allotment of shares through preferential issue on 24.03.2004

Sr.No.	Name	Shareholding before allotment (a)	% to paid-up capital	No. of shares Alloted on 24.03.04 (b)	Post Allotment Shareholding (a)+(b)	% to paid-up capital
1	Om Prakash Sitaramji Khetan	33596	2.23	75000	108596	5.56
2	Urmila Devi Khetan	15133	1.00	65000	80133	4.10
3	Sitaramji Khetan	172521.15	50000	67252	3.44	
4	Khailashchand Khetan	15637	1.04	50000	65637	3.36
5	Saritadevi Khetan	68804	4.58	50000	118804	6.09
6	Manoj Khetan	2018	0.13	35000	37018	1.89
7	Asha Khetan	4035	0.26	35000	39035	2.00
8	Arvind Khetan	2017	0.13	25000	27017	1.38
9	Ashok Khetan	2017	0.13	25000	27017	1.38
10	Veena Khetan	6053	0.40	10000	16053	0.82
11	Rekha Khetan	6053	0.40	10000	16053	0.82
	Total	**172615**	**11.50**	**430000**	**602615**	**30.90**

Consequent to the preferential allotment of 430000 equity shares as above, the holding of the acquirers increased from 11.50% pre-allotment to 30.90% post allotment on 24.03.2004. Therefore the provisions of Regulation 10 of SEBI(SAST) Regulations 1997 became applicable and the Acquirers were obliged to make an Open Offer to the other share holders of the company in accordance with the said Regulation 10 of SEBI (SAST) Regulations 1997.

There are three groups of promoters in the company namely

1) Mr. O.P. Khetan & Persons Acting in concert with him

2) Mr. L.R. Mewani & Persons Acting in concert with him

3) Mr. G.D. Singi & Persons Acting in concert with him

Before the preferential allotment of Equity Shares on 24th March, 2004 the above Promoters were together holding 40.75% of the total paid-up capital of Rs. 1,50,00,000

After the preferential allotment, the total promoters' holding increased to 53.39% (as on 24.03.04). As on the date of public announcement (14.11.2006) the total holding was 45.87%.

In case, through the proposed open offer Mr. O.P Khetan & PACs (Acquirers) receive 20% of the holding of the shareholders other than the promoters, holding of Mr. O.P. Khetan & PACs will increase from 29.53% to 49.53% and the total promoters' holding will be 65.87% post acquisition.

The Promoter groups have been in the joint control of the company before and after the preferential allotment of shares to Mr. O.P. Khetan & PACs on 24.03.2004.

The promoter groups other than the Acquirers have declared that they will not be participating in the open offer made by the Acquirers. .

Therefore, the Joint control over the company by the three promoters groups will continue unchanged after the acquisition of shares by Mr. O.P. Khetan & PACs through the present open offer.

2.1.4 The Acquirers are accordingly making an offer to the shareholders of the Target Company to acquire 390000 fully paid up equity shares of Rs 10/- each representing 20% of the paid up equity share capital /Voting Right of the company at a price of Rs 41.85/- (Rupees Forty One & Paise Eighty Five Only) (Including interest of Rs.9.10 per share) for each fully paid up equity share ("Offer Price ") payable in cash subject to the terms and conditions mentioned hereinafter. The Acquirers have not acquired any shares of the company at a price above the offer price of Rs 41.85 per share, including by way of allotment in public or rights issue or by way of preferential allotment during the 26-Week Period prior to the date of this public Announcement.

2.2. The Details of the offer:

a) The Public Announcement on 14th November, 2006, and corrigendum on 16th November 2006 and 22nd March, 2007 was made in the following newspapers, in accordance with Regulation 15(1) of the SEBI (SAST) Regulations.

Publication	Language	Editions
Business Standard	English	All Editions
Jansatta Loksatta	Gujarati	Ahmedabad Edition
Pratahkal	Hindi	All Editions

(The Public Announcement is also available at the SEBI website: www.sebi.gov.in)

b) Acquirer(s) is making an offer to the public shareholders of VML to acquire up to 390000 shares, representing 20% (Twenty Percent) of the issued and fully paid up voting equity share capital of VML, at the Offer price, payable in cash and subject to the terms and conditions mentioned hereinafter. The acquisition of 20% of the paid up capital of the company will increase the voting power of the Acquirers in the company to 49.53% from the present level of 29.53% There is no change in control over the Target Company post-offer

c) No other person (other than the family members) is acting in concert with Acquirer(s) for the purpose of this offer.

d) Acquirer(s) and family will acquire all the shares tendered in acceptance of the offer, subject to certain conditions and other terms and conditions as have been set out in the Public Announcement and set out in this Letter of Offer to be sent to the shareholder of VML.

e) The offer is not conditional on any minimum level of acceptance by the shareholders of VML.

f) If there is any upward revision in the Offer Price by Acquirer(s) till the last date of revision viz. 9th April, 2007 or withdrawal of the Offer, the same will be informed by way of Public Announcement in the same newspapers in which the original Public Announcement had appeared. Acquirer(s) would pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.

g) This is not a Competitive Bid.

h) As on the date of the Public Announcement, the Manager to the Offer does not hold any shares of VML.

i) Details of Promoters and their holdings as on 14/11/2006 (Date of Public Announcement)

Sr. No	NAME OF HOLDER	NO.OF SHARES	Percentage to Paid-up capital
1	O.P.Khetan	99796	5.11
2	Khetan Kailashchand Sitaramji	100804	5.16
3	Khetan Saritadevi Kailashchand	65637	3.36
4	Khetan Sitaram J.	67252	3.44
5	Khetan Urmila Devi	80133	4.10
6	Khetan Veena Devi	16053	0.82
7	Khetan Rekha Devi	16053	0.82
8	Khetan Asha Devi	39035	2.00
9	Khetan Manojkumar	37018	1.89
10	Khetan Ashokkumar	27017	1.38
11	Khetan Arvindkumar	27017	1.38
12	Khetan Ashish K.	2017	0.10
13	Manju S.Khetan & Nidhi Khetan	2000	0.10
14	Khetan Anitakumari	1318	0.06
15	Alwani Sunita Prakash	105727	5.42
16	Alwani Prakash Wadhumal	400	0.02
17	L.R.Mewani	71577	3.67
18	Singi Charu Aditya	49850	2.55
19	Singi Ghanshyamdas Gopaldas	19702	1.01
20	Sitadevi Singi	18000	0.92
21	Aditya Vikran Singi	18000	0.92
22	A.V.Singi (Huf)	15000	0.76
23	G.D.Singi (Huf)	15000	0.76
	Grand Total ==>	**894406**	**45.75**

(j) The Board meeting for authorizing the preferential allotment of shares to the acquirers was called on 31st January, 2004 and subsequently Extra Ordinary General Meeting was called on 28th February, 2004 for approval of allotment of shares to acquirers. Allotment of shares was approved by the Board of Directors in the meeting held on 24th March 2004.

k) In terms of Section 11B of the SEBI ACT, 1992 or under any of the Regulations made under the SEBI Act , M/s Vishal Malleables Ltd (Target Company) and Mr. O.P. Khetan & PACs (Acquirers) neither received any show cause notice nor any action taken, penalized and/or prohibited by SEBI in dealing in securities.

2.3. Object of the Offer

a) Consequent to the preferential allotment of 430000 equity shares, the holding of the acquirers increased from 11.50% pre-allotment to 30.90% post allotment on 24.03.2004. Therefore the provisions of Regulation 10 of SEBI(SAST) Regulations 1997 became applicable and the Acquirers were obliged to make an Open Offer to the other share holders of the company in accordance with the said Regulation 10 of SEBI (SAST) Regulations 1997.

b) The Acquirer has no intention of disposing off or otherwise encumbering any assets of the target company in succeeding two years except in ordinary course of business of the target company.

c) The Acquirer has furnished an undertaking to Manager to offer i.e. BOB CAPITAL MARKETS LIMITED that he shall not sell, dispose off or otherwise encumber any substantial asset of the target company except with the prior approval of the shareholders.

3. BACKGROUND OF THE ACQUIRER AND PERSONS ACTING IN CONCERT

3.1

1)	**Name:**	**Shri. Om Prakash Khetan, Acquirer** S/o. Sitaramji Khetan,
	Address:	11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400072 Tel No 28404267,
	Business/Profession :-	Industrialist
	Relationship with Acquirer:	Self
	Directorship in any listed Company:-	None
	Experience :-	He is an industrialist having more than 43 years of steel business experience. Acquired rich experience working in senior positions in the Birla group companies such as Bharat Commerce & Industries Ltd and Zenith Steel Pipes Ltd. Mr. Khetan is a commerce graduate and inter ICWA. He is the Managing Director of Vishal Malleables Ltd since 16.11.92. The day to day affairs of the company are managed by him.
	PERSONS ACTING IN CONCERT	
2)	**Name:**	**Smt. Urmiladevi Khetan,**
	Address:	11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400072 Tel No 28404267
	Business/Profession:	Housewife
	Relationship with Acquirer:	W/o. Om Prakash Khetan, (Acquirer)
	Directorship in any listed Company:-	None
3)	**Name:-**	**Shri Sitaramji Khetan,**
	Address:	11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400072 Tel No 28404267
	Business/Profession:	Businessman
	Relationship with Acquirer:	Father of Mr. Om Prakash Khetan, (Acquirer)
	Directorship in any listed Company:-	None
	Experience :-	He is a businessmen having more than 50 years of experience in textile business .
4)	**Name:**-	**Shri K.C.Khetan,**
	Address:	11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400072, Tel No 28404267
	Business/Profession:	Industrialist
	Relationship with Acquirer:	Brother of Mr. Om Prakash Khetan, (Acquirer)
	Directorship in any listed Company:-	None
	Experience:-	He is an industrialist & Director in VML. He has 35 years of experience in marketing.

5)	**Name:-**	**Smt. Saritadevi Khetan,**
	Address:-	11, Kanta Apartment, Pant Nagar, Ghatkopar (E),Mumbai-400072 Tel No 28404267 .
	Business/Profession:	Housewife
	Directorship in any listed Company:-	None
	Relationship with Acquirer:	Sister in Law of Mr. Om Prakash Khetan, (Acquirer)
6)	**Name:**	**Smt. Veenadevi Khetan,**
	Address:-	11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400072 Tel No 28404267 .
	Business/Profession:	Housewife
	Relationship with Acquirer:.	Daughter in Law of Mr. Om Prakash Khetan, (Acquirer)
	Directorship in any listed Company:-	None
7)	**Name:**	**Smt. Rekhadevi Khetan,**
	Address:-	11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400072 Tel No 28404267.
	Business/Profession:	Housewife
	Relationship with Acquirer:	Daughter in Law of Mr. Om Prakash Khetan, (Acquirer)
	Directorship in any listed Company:-	None
8)	**Name:-**	**Shri Manojkumar Khetan,**
	Address:-	87, Pritam Nagar Society No.1, Bharuch , Tel No 02642-229445
	Business/Profession:	Industrialist
	Relationship with Acquirer:	Son of Mr. Om Prakash Khetan, (Acquirer)
	Directorship in any listed Company:-	None
	Experience:-	He is Director in Vishal Malleables Ltd. As per the information provided by the Company he is working in this industry since last 20 years in a key position and looking after day to day affairs of the Company
9)	**Name:-**	**Shri Ashok Khetan**
	Address:-	11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400072 Tel No 28404267,
	Business/Profession:	Industrialist
	Relationship with Acquirer:	Son of Mr. Om Prakash Khetan, (Acquirer)
	Directorship in any listed Company:-	None
	Experience:-	He is Vice President in Vishal Malleables Ltd. As per the information provided by the Company he has experience in steel business since last 15 years
10)	**Name:-**	**Shri Arvind Khetan,**
	Address:-	11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400072 Tel No:- 28404267.
	Business/Profession:	Industrialist
	Relationship with Acquirer:	Son of Mr. Om Prakash Khetan, (Acquirer)
	Directorship in any listed Company:-	None
	Experience:-	As per the information provided by the Company he has experience in steel business since last 15 years
11)	**Name:-**	**Smt. Ashadevi Khetan,**
	Address:-	87, Pritam Nagar Society No.1, Bharuch Tel No 02642-229445..
	Business/Profession:	Housewife
	Directorship in any listed Company:-	None
	Relationship with Acquirer:	Daughter in Law of Mr. Om Prakash Khetan, (Acquirer)

No Agreement has been entered into between Mr. O.P. Khetan & Persons Acting in Concert (PACs) with reference to the proposed Open offer.

3.2 Salient Features of Share Purchase Agreement entered between Target Company & Acquirers

Parties to the agreement	**VISHAL MALLEABLES LIMITED,** a company incorporated under the Companies Act, 1956, having its registered office at 85/2, GIDC Estate, Ankleshwar – 393002, Dist. Bharuch, Gujarat (hereinafter referred to as "Target Company") AND **MR. O.P KHETAN**, S/o. Sitaramji Khetan, residing at 11, Kanta Apartment, Ghatkopar, (E), Mumbai – 400072. ON HIS OWN BEHALF AND ON BEHALF OF PERSONS ACTING IN CONCERT WITH HIM (hereinafter referred to as "the Acquirers",)
Date of agreement	11th Day of November, 2006
Share Capital of the Company	Authorised share capital of the Company is Rs. 3,00,00,000 divided into 30,00,000 Equity Shares of Rs. 10 each. Issued, subscribed and fully paid up equity share capital of the Company Rs. 1,95,00,000 consisting of 19,50,000 Equity Shares of Rs. 10 each.
Purpose of agreement	The agreement has been entered into with the company to enable the company and the Board of Directors to consider and approve transfer of the shares that may be acquired by the acquirers and take other appropriate corporate actions
Scope of agreement	Subject to the terms and conditions of this Agreement and fulfilment of the Conditions Precedent mentioned in this Agreement Acquirers agree to make an Open Offer, for purchase of shares to the extent of 20% (Twenty Percent) of the total paid up shares of the Target Company, to the Eligible Shareholders in accordance with the provisions of SEBI (SAST) Regulations 1997; The Target Company shall, convene a meeting of the Board, and shall pass the necessary resolutions: (a) approving the transfer of the Shares acquired from the Eligible Shareholders to the name(s) of Acquirers and (b) entering the name of the Purchaser in the register of members the company. Make necessary entries to the effect that the Acquirers are the legal and beneficial owners of the acquired Shares, free of all Encumbrances, in the register of members of the Company; Make the necessary endorsements on the acquired Share Certificates, indicating the name of the Acquirers as the exclusive legal and beneficial owners of the Shares evidenced there-under; and Return the original Sale Share Certificates, duly endorsed in the name of the Acquirers, to the Acquirers or in case shares in dematerialised form, intimate the Acquirers of the transfer acquired shares in the name)s) of the Acquirers.

3.3 Changes in the Promoters shareholding in VML who are Acquirers

Date	Total Paid up Capital (Rs.)	Holdings of Mr. O.P.Khetan& PACs (Acquirers)	Total Holdings Mr. O.P.Khetan & PACs (Acquirers) Cummulative	Percentage to total paid-up capital	Remarks	Status of compliance
03.12.77	9,05,580	100	100	0.11	Purchase	Complied
04.03.78	10,43,030	3500	3600	3.45	Purchase	Complied
25.04.78	13,50,000	6500	10100	7.48	Issue + Purchase	Complied
01.08.78	33,86,500	26400	36500	10.77	issue	Complied
31.12.79	44,86,500	13518	50018	11.15	issue	Complied
30.04.80	44,86,500	27707	77725	17.32	Purchase	Complied
17.10.81	44,86,500	(40000)	37725	8.40	Sale	Complied
28.02.85	49,86,500	10000	47725	9.57	Right issue	Complied
25.02.87	49,86,500	1995	49720	9.97	Purchase	Complied
20.06.87	74,86,500	65600	115320	15.40	Right Issue	Complied
04.08.87	74,86,500	9600	124920	16.68	Purchase	Complied
30.12.87	74,86,500	100	125020	16.69	”	Complied
31.03.89	74,86,500	5000	130020	17.36	”	Complied
27.08.90	74,86,500	8000	138020	18.43	”	Complied
31.08.93	74,86,500	1000	86520	18.56	”	Complied
08.09.94	74,86,500	(52500)	172415	11.55	Sale	Complied
04.01.96	1,50,00,000	85895	172615	11.49	Right Issue	Complied
31.08.97	1,50,00,000	200	602615	11.50	Purchase*	Complied
24.03.04	1,95,00,000	430000	594615	30.90	Prefer. issue	Not Complied
26.11.05	1,95,00,000	(8800)	594615	30.49	Sale	Complied
14.12.05	1,95,00,000	(5000)	589615	30.23	Sale	Complied
15.12.05	1,95,00,000	(3000)	586615	30.08	Sale	Complied
16.12.05	1,95,00,000	(5000)	581615	29.82	Sale	Complied
19.12.05	1,95,00,000	(5000)	576615	29.57	Sale	Complied

* Mr. O.P. Khetan one of the promoter has purchased 100 shares each from Mr. Harikant K. Shah & Mr. Rajiv Manchand (Other than promoter shareholders)

Except for the preferential allotment of shares on 24.03.2004 by the Company to Mr. O.P.Khetan & Persons Acting in Concert, the changes in the shareholding pattern as shown above have been in compliance with relevant regulations as were applicable to them including SEBI (SAST) Regulations 1997.

3.4 Details of net-worth of acquirers as on 31.10.2006

Sr No	Name of the Acquirers	Networth (Rs in lacs)
1	Mr. O.P. Khetan	194.32*
2	Smt. Urmiladevi Khetan	50.72**
3	Mr. Sitaram Khetan	30.87**
4	Mr. Kailashchand Khetan	104.45**
5	Smt. Saritadevi Khetan	37.90**
6	Smt. Veena Khetan	24.09**
7	Smt. Rekha Khetan	36.89**
8	Shri Manojkumar Khetan	48.42**
9	Shri. Ashok Kumar Khetan	49.01**
10	Shri Arvind Kumar Khetan	35.19**
11	Shri. Asha Khetan	15.44**

* Certified by M/s K.S. Surti & Co, Chartered Accountants, B/F, 1-2, Sardar Patel Complex, GIDC, Ankleshwar – 393002. on 3rd November, 2006

** Certified by M/s Bahedia & Associates,Chartered Accountants, B/F-11, Sardar Patel Complex, GIDC, Ankleshwar – 393002. on 9th January, 2007.

3.5 None of the directors of target company/acquirers are holding any directorship in any listed company

3.6 Following are the future plans/strategies of the acquires with the regard to the target company.

Foundry Division:

The present capacity of the company as it remains has been fully exploited and to remain competitive in it's operations, the company is marching ahead towards Value Additions in their present products for the segments of Automobile and Electrical Insulators. For the value addition of the components, the company is taking steps for inhouse Machine Shop as required by the OEMs.

De-bottlenecking Production Operation and Technical Up gradation:

On account of company's equipments getting quite older and the exploitation of their efficiencies at full capacity, Management has decided to install new equipments and phase out the older one. In some section this effort will give add on facility for producing about 10% more than existing capacity. This will definitely increase company's operational efficiencies to a higher level and margin may increase.

The acquirers has experimented many changes in design and development to increase the foundry yield that will definitely give much better efficiency in production, cost saving and edge in this competitive environment.

Porcelain Insulator Division:

The company has started on pilot basis Porcelain Insulators in the year 2004. The company remains enthused with the structural growth that the Indian Power Sector has exhibited and is likely to witness over the next 4-5 years. The acquirer is taking requisite steps for increased production and various components for this division. He has successfully developed various insulators duly tested at Central Power Research Institute (CPRI), Electrical Research and Development Association (ERDA) and various Authorities/Agencies. We foresee a bright future for this division.

Non Ferrous Castings Division:

The production activities of manufacture of aluminium castings had already started earlier in unit No.II. However, this year the manufacturing capacities are being doubled looking to the demand from potential buyers of aluminium castings. There is a good response for aluminium castings requirement in fully machined and anodized, ready to use castings from Insulator Industries and reputed customers. This will enhance avenues for additional revenue to the company.

Exports:

A break through was already made in increasing exports of castings in the previous year. Now exports has gained considerable momentum. The revenue generated through export has increased in value with customers abroad establishing confidence in our cost, quality and delivery. We have been now getting repeat orders from our foreign buyers well in advance.

3.7 The Company has complied with requirements of Chapter-II of the SEBI(SAST) Regulations 1997.

3.8 Earlier acquisition of shares if any of the target company by the Acquirers;

The acquirers have at no point of time in the past have acquired any shares in the target company through open offers.

3.9 As per the provisions of the SEBI (SAST) Regulations 1997, SEBI may initiate adjudication proceedings against the Acquirers for delay in making the offer.

4. **Disclosure in Terms of Regulation 21(3):**

The public shareholding is not expected to fall below the applicable limits of public shareholding under the listing agreement of VML as a consequence of the Offer. Hence the provisions of Regulation 21(3) do not apply.

5. **BACKGROUND OF VML (TARGET COMPANY)**

a) VML was incorporated as a Private Limited Company under the Companies Act, 1956 on 11th November 1974 as VISHAL MALLEABLES PVT.LTD. It was converted into a Public Limited Company vide a special resolution passed on 24th August 1977 and a fresh Certificate issued by Registrar of Companies, Gujarat dated 14th September 1977. M/s Vishal Malleables Ltd initially listed on Bombay Stock Exchange Ltd (BSE) on 26th September, 1978. Commercial production commenced in December 1978.

b) The company has its Registered Office located at 85/2, GIDC Estate, Ankleshwar-393002, Dist. Bharuch, Gujarat

Other Locations and Manufacturing Activities carried out by Target Company

Location	Manufacturing facilities
Plot No.85/2, GIDC Estate, Ankleshwar-393002	Manufacturing of Malleable Iron/ SG Iron castings
Plot No.104/105, GIDC Estate, Ankleshwar-393002	Manufacturing of Non Ferrous Castings
Plot No.100/101, Rajpipla Road, Ankleshwar	Manufacturing of Insulators
Village: Dhank, Ta: Upleta, Dist.Rajkot	2.00 M.W. Wind power project

c) The Company is engaged in the manufacture of Ferrous castings in various materials specifications covering Malleables, S.G. and Graded Grey Iron castings are manufactured as per the customer's Drawings and specifications. However, through years of experience in the field, the company has been able to specify range of products, which can economically and profitably be sold. The company has been selective in choosing the buyers. The company caters to the segments of Industries, like (1) Heavy/Light vehicles, Tractors and cars, earth moving equipments manufacturers (2) Power transmission equipments like, H.T. Insulators, Lightning arrestors, Transformers, Distribution substations, etc. (3) Reputed constructors of overhead electric transmission line (4) Railways for prestressed concrete sleeper inserts (5) Large and varied industrial equipment manufacturers.

d) The shares of VML are listed on the BSE & VSE. The shares are traded infrequently on both BSE & VSE

e) The subscribed and paid up share capital of VML as of the date of the Public Announcement (inclusive of the preferential issue to the Acquirers on 24.03.2004) comprised of 19, 50,000 fully paid-up equity shares of Rs.10 each. There are no partly paid-up equity shares of VML as of the date of the Public Announcement. The details of the paid up capital before and after the preferential allotment on 24.03.2004 are tabulated below:-

Before the Preferential Allotment:

	No. of Shares /Voting rights Face valueRs.10 each	% Shares
Fully Paid-up Equity Shares (a)	15,00,000	100.00
Partly Paid-up Equity Shares (b)	—	—
Total paid-up equity shares (a+b)	15,00,000	100.00
Total voting rights in VML	15,00,000	100.00

After the Preferential Allotment:

	No. of Shares /Voting rights Face value Rs.10 each	% Shares
Fully Paid-up Equity Shares (a)	19,50,000	100.00
Partly Paid-up Equity Shares (b)	—	—
Total paid-up equity shares (a+b)	19,50,000	100.00
Total voting rights in VML	19,50,000	100.00

Status of Listing of the shares issued under Preferential Allotment on 24.03.2004

M/s Vishal Malleables Ltd (Target Company) has received listing permission on 15th September, 2005 from Vadodara Stock Exchange (VSE) for listing of the 450000 Equity Shares allotted on 24.03.2004. Listing permission from Bombay Stock Exchange is pending for compliance with SEBI (SAST) Regulations 1997.

f. There are no partly paid shares (including calls made, calls in arrears) in VML. Further, there are no outstanding convertible instruments or preference shares triggering voting rights. Further VML has not issued any warrants, FCDs, PCDs, convertible securities, GDRs or ADRs.

g. Corporate Governance Guidelines as per Clause 49 of the listing agreement of BSE are not applicable to the Company since the paid up capital is less than the minimum prescribed.

h. The composition of the Board of Directors of VML as of the date of the Public Announcement was as follows.

Sr. No.	Name & Designation	Residential Address	Qualification & Experience	Date of Joining
1.	L.R.Mewani Chairman	204, Maker Bhawan No.3 New Marine Lines Mumbai-400020	B.S.C. D.B.M. 53 Years Business Exp.	29.06.1977
2.	Om Prakash Khetan Managing Director (Full time Director)	11, Kanta Apartment Pant Nagar Ghatkopar (E), Mumbai – 72	B.Com, ICWA (Inter) 43 Years Indl. & Business Exp.	29.06.1977
3.	G.D.Singi Director	51, Summer Villa Bhulabhai Desai Road Mumbai	B.Com, LL.B President in various Ashok Birla Group Co.	12.08.1989
4.	K.C.Khetan Director (Full time Director)	11, Kanta Apartment Pant Nagar Ghatkokar (E), Mumbai – 72	BSC, Diploma in Mktg. Management	09.03.1991
5.	G.P.Mohapatra Director	Gujarat Energy Dev. Agency Suraj Plaza-II, 2nd floor Sayajigunj, BARODA-390 008	MA, M Phil (DIP), CIC(IT) Nominee of IREDA	15.01.2003
6.	Manoj Khetan Director (Full time Director)	87, Pritam Society No.1 Bharuch	B.Com	27.09.2003
7.	A.C.Patel Director	14-B, Shreyasnath Society Opp. Gunjan Apartments B/h.Dharnidhar Derasar Vasna, AHMEDABAD-380 007	B.Sc (CHEM.) B.E. (METALLURGY) Over Two Decades of Experience	30.07.2005
8.	R.D.Patel Director	7-A, Atul Park Naranpura Char Rasta AHMEDABAD-380009	B Com, LLB	01.12.2005

Details of Director(s) representing the Acquirer on the Board of Directors of VML

Name & Address of Directors	Designation	Date of appointment	PAN No
Shri O.P.Khetan 11,Kanta Apartment Pant Nagar Ghatkopar (E), Mumbai – 72	Managing Director	29.06.1977	AACPK8733G
Shri K.C.Khetan 11,Kanta Apartment Pant Nagar Ghatkopar (E), Mumbai – 72	Director	09.03.1991	AADPK9254H
Shri Manoj Khetan 87, Pritam Society No.1 Bharuch	Director	27.09.2003	AADPK9272F

i. No penal action has been initiated or taken by BSE or VSE where the shares of VML are listed nor have any of the stock exchanges denied listing and till the date of the Public Announcement, trading of the shares has not been suspended on any of the Stock Exchanges. Further VML has duly complied with the various requirements under the Listing Agreement with the Stock Exchanges.

j) The share capital history of VML is as follows

Date of Allotment	No. & % of shares issued		Cumulative paid-up capital in Rs.	Mode of allotment	Identity of allottees (Promoter/. Others)	Status of compliances
11.11.1974	200	0.01	2000	Subscribers to Memorandum	Promoters	Complied
09.01.1975	1000	0.05	12000	Further Issue	Promoters & Non Promoters	-do-
28.03.1975	100	0.01	13000	Further Issue	-do-	-do-
19.09.1975	15000	0.77	163000	Further Issue	-do-	-do-
23.12.1975	21125	1.08	374250	Further Issue	-do-	-do-
20.01.1976	2416	0.12	398410	Further Issue	-do-	-do-
29.02.1976	8800	0.45	486410	Further Issue	-do-	-do-
16.04.1976	20000	1.03	686410	Further Issue	-do-	-do-
24.08.1976	17107	0.89	857480	Further Issue	-do-	-do-
03.10.1976	2985	0.15	887330	Further Issue	-do-	-do-
03.02.1977	725	0.04	894580	Further Issue	-do-	-do-
18.07.1977	1100	0.06	905580	Further Issue	-do-	-do-
31.12.1977	13745	0.70	1043030	Further Issue	-do-	-do-
25.04.1978	30697	1.57	1350000	Further Issue	-do-	-do-
08.06.1978	203650	10.44	3386500	Public Issue	-do-	-do-
31.12.1979	110000	5.64	4486500	Further Issue	-do-	-do-
28.02.1985	50000	2.56	4986500	Further Issue	-do-	-do-
20.06.1987	250000	12.82	7486500	Right Issue	-do-	-do-
29.08.1995	1350	0.07	7500000	Re issue of forfeited shares	-do-	-do-
04.01.1996	750000	38.46	15000000	Right Issue	-do-	-do-
24.03.2004	**450000**	**23.08**	**19500000**	**Pref. Issue**	**-do-**	**Not complied**
TOTAL	**1950000**	**100.00**				

k) VML, its promoters and other major shareholders have duly complied with the provisions of chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto from time to time as applicable except for the preferential allotment made by the company on 24th March 2004 to the Acquirers and the present offer is being made to comply with the provisions of the said Regulations.

l) The audited financial highlights of VML for the last three financial years ended March 31 and for the six months period from April 1, 2006 to September 30, 2006 as certified by M/s.B.A.Pavagadhi & Co., Chartered Accountants Statutary Auditor of the Company are as below:

Balance Sheet **(Rs. in lacs)**

Particulars	As on Sep. 30, 2006	As at 31 March 2006	2005	2004
SOURCES OF FUNDS:				
Paid-Up Share Capital	195.00	195.00	195.00	195.00
Reserves and Surplus	773.81	721.50	667.84	346.31
Net worth	968.81	916.50	862.84	541.31
Secured Loans	999.22	839.71	1030.40	1061.75
Unsecured Loans	275.74	300.95	342.04	29.55
Total	**2243.77**	**2057.16**	**2235.27**	**1902.61**
APPLICATION OF FUNDS:				
Net Fixed Assets	1464.86	1460.68	1508.66	1283.21
Investments	87.90	54.58	52.48	52.48
Net Current Assets	691.01	541.90	674.13	566.75
Misc. Expenditure	0.00	0.00	0.00	0.17
Total	**2243.77**	**2057.16**	**2235.27**	**1902.61**

Profit and Loss Account **(Rs. in lacs)**

Particulars	For the period ended Sep. 30, 2006	For the year ended 31 March 2006	2005	2004
Income				
Income from Operations	3034.63	5751.34	4931.79	3631.87
Other Income	0.71	11.85	6.54	5.58
Total Income	**3035.34**	**5763.18**	**4938.33**	**3637.46**
Total Expenditure	**2840.57**	**5375.96**	**4649.27**	**3411.39**
Profit before Dep. Interest & Tax	194.77	387.23	289.05	226.06
Depreciation	53.52	108.31	106.23	104.90
Interest and other charges	83.94	181.38	156.05	185.86
Profit before tax	57.31	97.53	26.77	-64.69
Provision for Taxable	0.00	8.38	2.10	0.00
Profit after Tax	**57.31**	**89.15**	**24.67**	**-64.69**

The audited financial data before Preferential offer **(Rs.in lakhs)**

Balance Sheet Statement as at	FY 2001	FY 2002	FY 2003
SOURCES OF FUNDS:			
Paid-Up Share Capital	150.00	150.00	150.00
Reserves and Surplus	392.72	407.28	411.01
Net worth	542.72	557.28	561.01
Secured Loans	1199.21	1112.41	1103.22
Unsecured Loans	328.86	307.99	312.51
Total	**2070.79**	**1977.68**	**1976.74**
APPLICATION OF FUNDS:			
Net Fixed Assets	1468.32	1406.06	1325.14
Investments	52.73	52.73	52.73
Net Current Assets	542.88	518.38	598.54
Mis.Expenditure	6.86	0.51	0.33
Total	**2070.79**	**1977.68**	**1976.74**

(Rs.in lakhs)

Profit and Loss	**FY 2001**	**FY 2002**	**FY 2003**
<u>Income</u>			
Income from Operations	2685.40	2477.92	2592.20
Other Income	9.59	25.45	32.55
Total Income	2694.99	2503.37	2624.75
Total Expenditure	2490.88	2199.63	2348.13
Profit before Deprn. Interest & Tax	204.11	303.74	276.62
Depreciation	98.90	98.69	98.19
Interest and other charges	187.66	182.60	174.41
Profit /Loss before tax	-82.45	22.45	4.04
Provision for Taxable	0.00	1.71	0.32
Profit /Loss after Tax	-82.45	20.74	3.72

Other Financial Data

Particulars	**For the period ended Sep. 30, 2006**	**For the year ended 31 March**					
		2001	**2002**	**2003**	**2004**	**2005**	**2006**
Dividend (%)	0.00	0.00	0.00	0.00	0.00	6.00	10.00
Earning per Share (Basic) (Rs) (annualized)	2.83	0.00	1.38	0.25	0.00	1.27	4.57
Return on Net Worth (%) (annualized)	7.79	0.00	3.73	0.66	0.00	4.46	14.39
Book Value per share (Rs.)	34.45	35.72	37.12	37.37	27.75	28.34	31.77

Note: 1) EPS and Return on net worth shown zero due to loss for the year
2) RONW and Book value is net of re-valuation reserve

m) Reasons for fall/rise in total income and profit after tax (PAT):

(Rs. In lakhs)

Particulars	**2005-06**	**2004-05**	**2003-04**
Total Income	5715.99	4762.74	3508.35
(Inc/Dec) %	20.01%	35.75%	35.34%
PAT	89.15	24.67	-64.70
(Inc/Dec) %	+261.37	+142.77%	—

Total sales income has been increasing consistently due to increase demand and volume of sales. However, the Company incurred a loss of Rs.64.70 lakhs in the year 2003-04 due to rising and volatile price of major raw material like steel scrap, pig iron, ferro alloys, etc. Further impact of increase in prices of Hydro Carbon fuels such as metallurgical coke SKO, Fossil Fuels, etc was also significant. The company's products are being sold under 6/12 months contract at prices and quantity fixed in advance. Hence, price revisions to take care of the increase in input costs was not possible which consequently resulted in lower margins. Shortage of working capital for procuring the main raw materials in time led to increase in input costs and reduced profit margins substantially.

Overall buyoant economic environment in the country, diversification into manufacturing of H.T. Insulators with reasonably good demand and better margins compared to castings etc have helped the company to achieve better sales income as well as PAT during 2004-05 and 2005-06.

There were following contingent liabilities as on the date of public announcement :

(a) Claims of ex-employees of the company for reinstatement in service with back-wages. The amount in respect of which is unascertainable.

(b) Disputed Demand of Rs.9.59 lacs of Gujarat Electricity Board in respect of Wind Farm Project (Time of Use Unit Charges), against which the Company had preferred a Special Civil Application in the High Court of Gujarat, Ahmedabad.

(c) Guarantees/Letter of Credit given by bank on behalf of the Company to Railways, Govt. Undertakings and other parties for Rs.87.55 lacs (Previous year Rs.107.55 lacs).

n) **Pre and Post Offer shareholding pattern of M/s Vishal Malleables Ltd as follows.**

Shareholders category	**Shareholding & voting rights prior to the agreement/ acquisition and offer**		**Shares/ voting rights acquired which triggered the regulations (Preferential Allotment on 24.03.04)**		**Shareholding after the preferential allotment on 24.03.04**		**Pre-Public Announcement Holding**		**Shares / voting rights to be acquired in the open offer (assuming full acceptances**		**Shareholding/ voting rights Post-Offer**	
	(a)		**(b)**		**(c)**		**(d)**		**(e)**		**(d)+(e)=(f)**	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1) Promoter Group												
a) Parties to agreement, if any (Please refer 2(a))	Nil	0	Nil	0	Nil	0	0	0	Nil	0	Nil	0
b) Promoters other than Acquirers	438591	29.24	—	—	438591	22.49	*318591	16.34	—	—	318591*	16.34
C) Promoters who are Acquirers Mr.O.P.Khetan	33596	2.24	75000	3.85	108596	5.57	99796	5.12	390000	20.00	489796	25.12
Persons Acting in Concert with Mr. O.P. Khetan	139019	9.27	355000	18.20	494019	25.33	476019	24.41	-	-	476019	24.41
Total 1 (a+b+c)	**611206**	**40.75**	**430000**	**22.05**	**1041206**	**53.39**	**894406**	**45.87**	**390000**	**20.00**	**1284406**	**65.87**
2) Public												
a) State Govt. Institutions – GIIC	68000	4.53	—	—	68000	3.49	51100	2.62	—	—	51100	2.62
b) Others	820794	54.72	20000	1.02	840794	43.12	1004494	51.51	-390000	-20.00	614494	31.51
Total 2 (a+b)	**888794**	**59.25**	**20000**	**1.02**	**908794**	**46.61**	**1055594**	**54.13**	**0.00**	**—**	**665594**	**34.13**
Grand Total (1+2)	**1500000**	**100.00**	**450000**	**23.07**	**1950000**	**100.00**	**1950000**	**100.00**	**0.00**	**—**	**1950000**	**100.00**

* Note:1. Shareholding of the promoters other than acquirers came down from 438591 to 318591 due to sale of part of their holding in the market.

No of Public Shareholders in the Target Company as on the Date of Public Announcement i.e.14.11.2006 was 291.

(o) The changes in the Promoters holdings in VML are as follows:

1. Promoters other than Acquirers

Date	Total Paid up Capital (Rs.)	Holdings of Promoters other than Acquirers	Total Holdings of Promoters other than Acquirers Cummulative	Percentage to total paid-up capital	Remarks
18.09.77	9,05,580	1100	1100	1.21	Issue
03.12.77	9,05,580	5001	6101	6.73	Purchase
25.04.78	13,50,000	14022	20123	14.90	Issue
01.08.78	33,86,500	23000	43123	12.73	Issue
31.12.79	44,86,500	41000	84123	18.75	Issue
30.04.80	44,86,500	19100	103223	23.00	Issue
28.03.81	44,86,500	(29500)	73723	16.43	Sale
18.04.81	44,86,500	(1000)	72723	16.20	Sale
06.10.81	44,86,500	(5975)	66748	14.87	Sale
29.03.82	44,86,500	(2500)	64248	14.32	Sale
28.10.82	44,86,500	(5000)	59248	13.20	Sale
28.05.83	44,86,500	(6000)	53248	11.86	Sale
03.09.83	44,86,500	(4000)	49248	10.97	Sale
28.02.85	49,86,500	12500	61748	12.38	Right Issue
26.05.86	49,86,500	(8025)	53723	10.77	Sale
20.06.87	74,86,500	106075	159798	21.34	Issue
04.08.87	74,86,500	3250	163048	21.77	Purchase
28.09.87	74,86,500	(100)	162948	21.76	Sale
30.03.88	74,86,500	(50000)	112948	15.08	Sale
01.08.88	74,86,500	(50000)	62948	8.40	Sale
30.06.89	74,86,500	50000	112948	15.08	Purchase
11.12.89	74,86,500	50000	162948	21.76	Purchase
27.08.90	74,86,500	2000	164948	22.03	Purchase
29.05.91	74,86,500	9750	174698	23.33	Purchase
08.09.94	74,86,500	49850	224548	29.99	Purchase
08.09.94	74,86,500	(5000)	219548	29.32	Sale
04.01.96	1,50,00,000	219543	439091	29.27	Right Issue
03.03.96	1,50,00,000	(500)	438591	29.23	Sale
31.07.96	1,50,00,000	(200)	438391	29.22	Sale
28.10.96	1,50,00,000	100	438491	29.23	Purchase
31.07.97	1,50,00,000	100	438591	29.23	Purchase*
19.12.05	1,95,00,000	(5000)	433591	28.90	Sale
20.12.05	1,95,00,000	(55000)	378591	25.23	Sale
21.12.05	1,95,00,000	(50000)	328591	21.90	Sale
30.12.05	1,95,00,000	(10000)	318591	21.23	Sale

* Mr. LR. Mewani one of the promoter has purchased 100 equity shares from Mr.Ishwar R. Khandwala (Other than promoter shareholder)

Promoters of the Company has complied with the SEBI (Substantial Acquisition & Takeover) Regulations 1997 from time to time except for preferential allotment made on 24.03.04

(p) There are no restructuring, mergers/ de-mergers or spin-offs during the last three years.

6. OFFER PRICE AND FINANCIAL ARRANGEMENT

(A) Justification of Offer Price.

a) As on 31-01.2004(Date of Board Meeting for authorising Preferential Allotment) the Equity Shares of VMLwere listed on BSE & VSE .

b) The annualized trading turnover in the shares of VML in each of the above mentioned Stock Exchanges based on trading volume during July 2003 to December 2003 is as given below.

Stock Exchange	Total no. of shares traded during the period (From July 2003 to December 2003)	Total no. of listed shares	Annualized turnover of total no. of shares traded during the period from July 2003 to December 2003 (% of total no. of listed shares)
BSE	0	1500000	0%
VSE	0	1500000	0%

(Source: BSE & VSE)

The equity shares of VML are infrequently traded on BSE and VSE within the meaning of explanation (i) to regulation 20(5) o the SEBI (SAST) Regulations.

In accordance with regulations 20(4) and 20(5) of the Regulations, the Offer Price is arrived at Rs.41.85 per share including interest amounting to Rs. 9.10 per share. M/s Bahedia & Associates Chartered Accountants, having their office at B/F -11,Sardar Patel Complex, GIDC, Ankleshwar 393002 have arrived at the Offer Price for the shares as follows:

A)	Profit after Tax	Negative
B)	Return on Networth	Negative
C)	Book Value/Share	Rs. 32.75
D)	Interest on Book Value/Share @10% for the period from 21.07.2004 to 02.05.2007	Rs. 9.10
	Total Value/Share (C+D)	Rs. 41.85

The above valuation has been done based on the financial statements of 30.09.2003 audited by M/s.B.A. Pavagadhi & Co., Chartered Accountants - Statutory Auditors of the Company.

Financial Arrangements

a Acquirers have adequate and firm financial arrangements in terms of Regulation 16(xiv) out of their business income, investments, personal savings and other assets to fulfill the obligations under the open offer. No borrowings from Bank/ Financial Institution are being made for the purpose. The funds to be utilized shall be domestic and not any foreign funds.

b. The maximum purchase consideration payable by Acquirers in case of full acceptance of offer i.e. 390000 fully equity shares is Rs. 10/- at a price of Rs.41.85/- per equity share aggregating to Rs.1,63,21,500/- (the “Offer Price”) payable in cash subject to the terms and conditions mentioned hereinafter.

c. The Acquirer(s) have provided Fixed Deposit (No 8470585, maturity date 08.07.2007) with ABN Amro Bank, Sakhar Bhavan, Nariman Point Mumbai 21 of Rs. 30,50,349.21 (Rupees Thirty Lacs Fifty Thousand Three Hundred fortynine and paise Twenty-one only) and additional Fixed Deposits (No 211535 & 211536, maturity date 03.06.07 & 19.06.07) with Bank of Baroda, 129/131, Khand Bazar, Branch, Mumbai- 400003 of Rs.8,02,500 (Rupees Eight Lacs Two thousand five hundred only) and Rs. 2,82,750 (Rs. Two Lacs Eighty Two Thousand Seven Fifty) with lien duly marked in favor of BOB Capital Markets Ltd. The Manager to the Offer has been duly authorized by the Acquirer vide his letter dated 10th November, 2006 and 3rd February, 2007, 19th February. 2007 to realize the value of fixed deposit in terms of the Regulation. The total deposits as above is more than 25% of the total amount payable by the Acquirers as shown in point b. above

d. M/s Bahedia & Associates, Chartered Accountants (Membership No. 048066) having their office at B/F -11,Sardar Patel Complex, GIDC, Ankleshwar 393002 have certified vide their certificate dated 12th February, 2007 that sufficient resources are available with the Acquirers to fulfill their obligations under the Offer.

e. Manager to the Offer is satisfied that firm arrangement through verifiable means is in place and the Acquirers have adequate financial resources to meet their obligations under the offer. In addition to certificate given as above, Networth of Mr. OP Khetan has been certified to be Rs 1,94,32,336 of which Rs 1,54,70,854 is in liquid or near liquid assets. Networth Certificate dated 03rd November 2006 was issued by K S Surti & Co (Membership No 034906) having their office at B/F,1-2, Sardar Patel Complex, GIDC, Ankleshwar 393 002 (Tel) 02646 250292, (fax)02646 250 265.

7. TERMS AND CONDITIONS OF THE OFFER

a) The Letter of Offer together with the Form of Acceptance cum Acknowledgement shall be mailed to the shareholders of the Company (other than the Acquirers) whose names appear on the Register of Members of the Company and to the beneficial owners of the shares of the Company whose name appear on the beneficial records of the respective depository at the close of the business on 4th December, 2006 **("Specified Date").**

b) Consideration for Equity shares accepted will be paid by Crossed Account Payee Cheque drawn at Mumbai and sent by registered post / under certificate of posting or by credit to the account of the shareholders through the electronic mode.

c) Shareholders having their depository account in CDSL only can participate in these offer as company has not established connectivity with NSDL so far.

d) 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. Shareholders whose shares are held in dematerialized form to the extent not accepted will be intimated by post regarding such non-acceptance.

e) Shares, if any, that are subject matter of any litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected unless appropriate directions/ orders regarding the transferability of 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. Shareholders who have sent their shares for demat need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Escrow Account should be received on or before the date of closure of the Offer i.e. 18th April, 2007, or else the application would be rejected.

f) Shares under lock-in, if any, tendered shall be accepted by the Acquirer subject to the condition that Lock-in period shall continue in the hands of the Acquirer. There shall be no discrimination in the acceptance of the shares which are subject to lock-in and other shares.

g) In case the shares tendered in the open offer are more than the shares agreed to be acquired by the Acquirers, the Acquirers shall accept all valid applications received from the shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots.

h) Acquirers is confident of completing all the formalities pertaining to the acquisition of the said shares, within 15 days from the date of closure of this Offer including payment of consideration to the shareholders who have accepted the Offer and for the purpose the Acquirers shall open a Special account as provided under Regulation 29.

i) Provided that where the Acquirers are unable to make payment to the shareholders who have accepted the offer before the said period of 15 days due to non-receipt of requisite statutory approval, if any, the SEBI may, if satisfied that non-receipt of requisites statutory approval was not due to any willful default or neglect of the Acquirers or the failure of the Acquirers to diligently pursue the application for such approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days, as may be specified by the SEBI from time to time.

j) The Offer is NOT subject to any minimum level of acceptance. The Acquirer will accept all the valid tenders subject to the condition that the total number of shares accepted shall not exceed 20% of the total paid up equity shares of the Target Company. In case the Shares tendered in the Offer by the Shareholders of the Target Company are more than the Shares to be acquired under the Offer, the acquisition of Shares from each Shareholder will be as per provisions of Regulation 21(6) of the SEBI (SAST) Regulations on a proportional basis, irrespective of whether the Shares are held in physical or dematerialized form. The Equity Shares of the Target Company are in physical & dematerialized form and the minimum marketable lot is 50(Fifty) Equity Shares.

k) The Offer will open on 30th March .2007 and will close on 18th April, 2007.

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

m) The shareholders of VML who accept the offer by tendering the requisite form in terms of the Public Announcement / Letter of Offer can withdraw the same up to 3 working days prior to the date of closure of the Offer, i.e.13th April,.2007.

n) Shares and other relevant documents surrendered as per this offer shall in no case be sent to the Acquirers /Target Company.

8. STATUTORY APPROVALS FOR THE OFFER

No statutory approval is required to acquire the shares that may be tendered in acceptance of the Offer except for the approval of RBI under the Foreign Exchange Management Act, 1999 (FEMA) for acquiring shares from the non-resident shareholders.

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

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

a) Sharex Dynamic (India) Private Limited having their office at 17/B Dena bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001 is acting as the Registrar to the Offer ("Registrar") and they have opened a Special Depositary Account under the name and style of "VML-Open Offer Escrow A/c" with UTI Bank, Fort, Mumbai 400 021 who is acting as Depository Participant and registered with CDSL/NSDL. The Account DP ID is 13027500 and the Client ID is 00008728.

b) Collection Centre: Beneficial Owners and shareholders holding shares in dematerialized form, will be required to send their Form of Acceptance Cum Acknowledgement to the Registrar to the Offer at the following address-

M/s Sharex Dynamic (India) Private Limited
17/B, Dena Bank Building, 2nd Floor,
Horniman Circle, Fort, Mumbai 400 001,
(Tel: 022-22702485/22641376, Fax: 022-22647349
email:sharexindia@vsnl.com Contact Person: Mr. B S Baliga

either by hand delivery during normal business hours or by registered post on or before the close of the Offer i.e. Wednesday, 18th April, 2007 along with photocopy of the delivery instructions in "Off Market" mode or counter foil of the delivery instruction in "Off Market" mode, duly acknowledged by the Depository Participant ("DP") in favor of "VML-Open Offer Escrow A/c".

c) Shareholders holding their shares in physical form and who wish to tender their fully paid 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 at the address given above, either by hand delivery during normal business hours Monday to Friday 11.00 a.m. to 4.00 p.m. (excluding Saturday, Sunday and Bank Holidays) or by Registered Post on or before the close of the offer i.e. Wednesday 18th April, 2007 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgement in an envelope super scribing the same with "V M L – Offer For Acquisition Of Shares". In case Share Certificate(s) and Transfer deeds are lodged with VML/its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with or receipt issued by VML/its share transfer agent for the share certificate(s) so lodged. Where the transfer deeds are signed by a constituted Attorney, a certified copy of the poser of attorney shall also be lodged. In the case of body corporate/limited companies, certified copy of the Memorandum & Articles of Association and copy of the Board Resolution authorizing the signatory shall also be sent along with.

d) All owners of fully paid-up equity shares, registered or unregistered and the beneficial owners of the shares (except the Acquirers) who own the shares at any time prior to the closure of the offer are eligible to participate in the offer. Unregistered owners/ shareholders who have not received Letter of Offer can send their application in writing, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered to, Distinctive Numbers, Folio No., together with documents stated above so as to reach the Registrar to the Offer on or before Wenesday, 18th April, 2007. In case of unregistered owners, the same should be accompanied by a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered shareholders.

e) Accidental omission or non-receipt of Letter Of Offer to any person will not invalidate the Offer in any way. Eligible persons holding equity shares of VML in physical form may send their acceptance to the Registrar to the Offer on a plain paper stating the name, address, no. Shares held, certificate no, distinctive no., folio no., no. of shares offered, along with the share certificates, duly signed transfer forms and other required documents so as to reach to the Registrar to the Offer at the above address on or before the close of the Offer i.e Wenesday, 18th April, 2007

f) In case on non-receipt of Letter of offer by persons holding shares in dematerialized form, may send their applications in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP Name, DP ID, Beneficiary account number and photocopy of the delivery instruction in Off Market or counterfoil of the delivery instruction in off market mode, duly acknowledged by the DP in favor of the special depository account, so as to reach the registrar on or before the closure of the offer. Such shareholders may also down load the Form of Acceptance Cum Acknowledgement from the website of SEBI i.e. http://www.sebi.gov.in/ which will be made available from the opening of the Offer.

g) The Registrar to the Offer will hold in trust the shares, 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 dispatched/ returned.

h) Persons who hold equity shares of VML on the specified date but who are not registered as shareholders/beneficial owners, on the specified date are also eligible to participate in the offer. All such persons should send their applications in writing to the Registrar along with necessary proof of ownership and other documents as specified above. All eligible shareholders including unregistered shareholders have the option of applying on plain paper and they shall furnish the details listed above.

i) In accordance with Regulation 22(5)(A) of the Regulations, shareholders who have tendered requisite documents in terms of Public Announcement and Letter of Offer shall have option to withdraw acceptance tendered up-to 3 working days prior to the offer closing date. The withdrawal option can be exercised by submitting the form of withdrawal (separately enclosed with the Letter of Offer) and the copy of acknowledgment received from the Registrar to the Offer while tendering the acceptance together with following details :-

(a) In case of physical share: Name, address, distinctive no. folio no., no. of shares tendered / withdrawn

(b) In case of dematerialized shares: Name, address, no. shares tendered / withdrawn, DP name, DP ID, Beneficiary Account No., photo copy for delivery instruction in “Off Market” mode or counter foil of the delivery instruction in “Off Market” mode, duly acknowledged by the DP in favor of the depository escrow account.

In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making an application on the plain paper along with the details mentioned above.

Schedule of the activities pertaining to the offer is given below.

Activity	Original Schedule	Revised Schedule
Public Announcement date	14.11.2006	14.11.2006
*Specified date (for the purpose of determining the names of shareholders to whom the letter of offer will be posted)	04.12.2006*	04.12.2006
Last date for the competitive bid	N.A.	N.A
Date by which letter of offer will be dispatched to shareholders	23.12.2006	26.03.2007
Date of opening the offer	03.01.2007	30..03.2007
Last date for revising the offer price	10.01.2007	09.04.2007
Last date for withdrawing acceptance from the offer	19.01.2007	13.04..2007
Last date of closure of the offer	22.01.2007	18.04..2007

* Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent and all owners (registered or unregistered) of the shares are eligible to participate in the offer anytime before the closure of the offer.

10. Documents for Inspection

The following documents will be available for inspection to the shareholders of VML at the office of the Manager to the Offer BOB CAPITAL MARKETS LTD, Meher Chambers, Dr. Sundarlal .Behl Marg, Off R. Kamani Marg, Ballard Estate, Mumbai-400038 on all working days, from the date of opening of the offer till the closing of the offer, between 10.00 am to 1.00 pm except Saturdays, Sundays and holidays.

a) Certificate dated 3rd November 2006 certifying the Networth of Mr. Om Prakash Khetan issued by K.S. Surti & Company, Chartered Accountants and Certificate dated 09.01.07 certifying the networth of Persons Acting in Concerts with Mr.O.P. Khetan issued by M/s Bahedia & Associates, Chartered Accountants, Ankleshwar

b) Certificate dated 12th February, 2007, certifying the adequacy of financial resources with acquirers to fulfill the open offer obligations issued by M/s Bahedia & Associates, Chartered Accountants

c) Certificate dated 12th February 2007, for Offer Price issued by M/s Bahedia & Associates, Chartered Accountants, Ankleshwar

d) Audited Annual Reports of VML for the year ended 31.03. 2004, 31.03.2005 and 31.03. 2006

e) A Copy of Agreement dated 11th November, 2006 executed between Vishal Malleables Limited (Target Company) and Om Prakash Khetan & Others (Acquirers).

f) Letter dated November 10th, 2006 from Mr. Om Prakash Khetan authorizing BOB Capital Markets Ltd to en-cash the deposit of Rs. 30,00,000 (Rupees Thirty Lacs only)

g) Letter dated February 3rd, 2007 from Mr. Om Prakash Khetan authorizing BOB Capital Markets Ltd to en-cash the deposit of Rs. 8,02,500 (Rupees Eight Lacs Two Thousand Five Hundred only)

h) Letter dated February 19, 2007 from Mr. Om Prakash Khetan authorizing BOB Capital Markets Ltd to en-cash the deposit of Rs. 2,82,750 (Rupees Two Lacs Eighty Two Thousand Seven Hundred Fifty only)

i) Letter dated 14th November 2006 from ABN Amro Bank NV, Sakhar Bhavan, Nariman Point, Mumbai 400 021, intimating BOB Capital Markets Limited that lien has been marked on the deposit of Rs. 30,00,000 (Rupees Thirty Lacs only) of Mr. OmPrakash Khetan in favor of BOB Capital Markets Limited

j) Letter dated 3rd February, 2007 from Bank of Baroda, Khand Bazar Branch, Mumbai 400 003, intimating BOB Capital Markets Limited that lien has been marked on the deposit of Rs. 8,02,500 (Rupees Eight Lacs Two Thousand Five Hundred only) of Mr. Om Prakash Khetan in favor of BOB Capital Markets Limited

k) Letter dated 19th February, 2007 from Bank of Baroda, Khand Bazar Branch, Mumbai 400 003, intimating BOB Capital Markets Limited that lien has been marked on the deposit of Rs. 2,82,750 (Rupees Two Lacs Eighty Two Thousand Seven Fifty Only) of Mr. Om Prakash Khetan in favor of BOB Capital Markets Limited

l) Copy of observation letter from SEBI, dated 12th March, 2007 in terms of proviso to regulation 18(2) of the Regulations.

m) A published copy of Public Announcement issued on 14th November, 2006 and corrigendum issued on 16th November 2006 and 22nd March, 2007.

11. Declaration by Acquirer(s) Shri Om Prakash Khetan and Persons Acting in Concert

Acquirer(s) severally and jointly accept full responsibility for the information contained in this Letter of Offer, Form of Acceptance, Form of Withdrawal and also for ensuring compliance with the Regulations. All information contained in the documents is as on the date of the Public Announcement, unless stated otherwise.

Sd/-
Shri Om Prakash Khetan

Sd/-
Smt. Urmiladevi Khetan

Sd/-
Shri Sitaramji Khetan

Sd/-
Shri Kailashchand Ketan

Sd/-
Smt. Saritadevi Khetan

Sd/-
Shri Manoj Khetan

Sd/-
Shri Ashok Khetan

Sd/-
Shri Arvind Khetan

Sd/-
Smt. Asha Khetan

Sd/-
Smt. Rekha Khetan

Sd/-
Smt. Veena Khetan

Sd/-
Place: Ankleshwar

Date: 23.03.2007

Enclosed:

1. Form of Acceptance cum Acknowledgement

2. Form of Withdrawal

3. Transfer deed for shareholders holding shares in physical form