PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF

VISHAL MALLEABLES LIMITED

(Registered Office : 85/2 GIDC Industrial Area, Ankleshwar 393002
Tel 02646 222166, Fax 02646 251924, email : info@vishalmalleables.com)

This Public Announcement **"PA"** is being issued by BOB CAPITAL MARKETS LIMITED, the Manager to the Offer on behalf of Mr Om Prakash Khetan & Others **(hereinafter collectively referred to as "Acquirers")** to the fully paid Equity Shareholders of **Vishal Malleables Limited** (herein after referred to as **"VML** "or the **"Company**" or the **"Target Company** "pursuant to regulations **10,11(1),11(2) or 12 (as the case may be)** in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto **["SEBI (SAST) Regulations 1997"]**.

Back Ground to the offer

1.1 This offer is being made by the acquirers , 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 share holders of the Company, having its registered office and Factory at 85/2 GIDC Industrial Area, Ankleshwar, Distt Bharuch, Gujarat-393002.

1.2 The Company has been availing various credit facilities from Bank of Baroda, Industrial Estate Branch, Ankleshwar. In its normal course of business, The Company had applied for review/renewal/enhancement of fund/non fund based working capital facilities to Bank of Baroda, Industrial Estate Branch, Ankleshwar during the year 2003-04. 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 was unable to procure the required amount of raw material and had approached banks for enhancement of facilities. The company's external liabilities also showed Short Term Loans/Sundry Creditors to the tune of Rs.769.77 lakhs.

1.3 The Bank vide their letter No. Indank : Adv : 28/782 dated 17th November 2003, conveyed sanction on The Company's application. Keeping in the view the more than acceptable level of Debt:Equity Ratio of the company, the Bank's letter advised to explore possibility of conversion of at least some portion of short term liabilities and sundry creditors into equity.

1.4 One of the promoters Mr. Om Prakash Khetan (Managing Director of the Company) and persons acting in concert with him (family members of Mr. Om Prakash Khetan), considering the expediency of the matter, consented to convert part of their short term loans into equity. Before the allotment of equity, the acquirers held 1,72,615 shares constituting 11.50% of total paid up capital of Rs 150 lacs.

1.5 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 family members 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 and 20,000 shares to the another shareholder who is not a part of the Acquirers – M/s Shree Sainath Investments & Trade Private Limited

Sr No	Name	No. of shares	Status
1	Om Prakash Sitaramji Khetan	75000	Acquirer
2	Urmila Devi Khetan	65000	Persons Acting in Concert
3	Sitramji Khetan	50000	
4	Khailashchand Khetan	50000	
5	Saritadevi Khetan	50000	
6	Manoj Khetan	35000	
7	Asha Khetan	35000	
8	Arvind Khetan	25000	
9	Ashok Khetan	25000	
10	Veena Khetan	10000	
11	Rekha Khetan	10000	
	Total	430000	

1.6 As the holding of the acquirers became more than 15% of the paid up capital consequent to the above allotment, the same triggered obligation of making an open offer to the public share holders of the company pursuant to regulations 10 & 12 of SEBI (SAST) Regulations.

1.7 The Acquirers are making an offer to the public to acquire 390000 equity shares of Rs 10/- each fully paid up representing 20 % of the paid up equity share capital / Voting Right of the company at a price of Rs 30 /- (Rupees Thirty Only) Per 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 30 per share, including by way of allotment in public or rights issue or by way of preferential allotment by Target Company during the 26-Week Period prior to the date of this public Announcement.

1.8 An Agreement was entered into by the acquirers and the target company on 11th November 2006 wherein it was agreed that The Acquirers shall take steps to make the said Open Offer immediately on execution of this Agreement and make a Public Announcement within the time prescribed by SEBI(Substantial Acquisition of Shares & Takeover) Regulations 1997. The Acquirers also agreed to keep the offer open for such period or periods as prescribed by the Regulations, accept at the Acquisition Price all the shares offered by the Eligible Shareholders in response to the Open Offer of the Acquirers not exceeding 20% of the total paid up shares of the Target Company, make arrangement for payment of consideration, for all such shares as are accepted by the Acquirers immediately on such acceptance, to the eligible shareholders who offer their shares for acquisition to the Acquirers, Immediately after Open Offer Closing Date, the Acquirer shall hand over to the Target Company or its authorized representative, the original share certificates along with the duly executed Share Transfer Forms or other document representing the acquired Shares.

The target company agreed to convene a meeting of the board to pass resolutions such as approving the transfer of the Shares constituting the acquired Shares from the Eligible Shareholders to the name(s) of Acquirers, approving the Purchaser as a member of the Company and entering the name of the Purchaser in the register of members, 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 dematerialized form, intimate the Acquirers of the transfer acquired shares in the name(s) of the Acquirers.

The Company agreed and acknowledged that upon transfer of the acquired Shares in accordance with this Agreement, the Eligible Shareholders whose shares are so acquired shall, in respect of the acquired shares, have no rights whatsoever (including the right to receive dividends, voting rights, right to transfer the Shares, right to pledge the Shares or create any Encumbrance etc.).

1.9 Shareholding of Acquirers as on date of the Public Announcement is as follows.

Sr No	Name of Acquirer	No of Shares held	Shares as a % of Total Paid up Capital
1	Om Prakash Sitaramji Khetan	99796	5.11
2	Urmila Devi Khetan	80133	4.10
3	Sitramji Khetan	67252	3.44
4	Khailashchand Khetan	100804	5.16
5	Saritadevi Khetan	65637	3.36
6	Manoj Khetan	37018	1.90
7	Asha Khetan	39035	2.00
8	Arvind Khetan	27017	1.35
9	Ashok Khetan	27017	1.35
10	Veena Khetan	16053	0.82
11	Rekha Khetan	16053	0.82
	Total	575815	29.41

1.10 Brief Financials (Half Year ended 30.09.06) of the Target Company, certified to be true by Company's Auditors are as follows :

Sr No	Particulars	Rs (Lacs)
1	Net/Sales Income from Operations	3098.08
2	Other Income	0.71
3	Total Expenditure	2904.02
4	Interest	83.94
5	Depreciation	53.52
6	Profit Before Tax	57.31
7	Provision for Tax	0.00
8	Profit After Tax	57.31
9	Basic & Diluted EPS	2.94

Information about Acquirer(s) and Person acting in concert with him (Back Ground of Acquirer(s)

1. **Shri. O.P.Khetan**, S/o. Sitaramji Khetan, aged about 64 years, resident of 11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400075, is an industrialist having more than 43 years of industrial and business experience. Apart from rich experience at Chief Post in the group of Companies of Birla's, he is a commerce graduate and inter ICWA. He is the Managing Director of Vishal Malleables Ltd since 16.11.1992. The day to day affairs of the company are managed by him.
2. **Smt. Urmiladevi Khetan**, W/o. O.P.Khetan, aged about 61 years, Resident of 11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400075, Mrs U Khetan is a house wife.
3. **Shri Sitaramji Khetan**, aged about 85 years, Resident of 11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400075, is an industrialist. He is the father of Shri O.P.Khetan.
4. **Shri K.C.Khetan**, S/o.Sitaramji Khetan, aged about 60 years, Resident of 11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400075, is an industrialist & Director in Vishal Malleables Ltd. He has a very good experience of marketing. He is the brother of Shri O.P.Khetan.
5. **Smt. Saritadevi Khetan**, W/o. K.C.Khetan, aged about 57 years, Resident of 11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400075, is a house wife.
6. **Smt. Veenadevi Khetan**, W/o. Arvind Khetan, aged about 39 years, Resident of 11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400075, is a house wife.
7. **Smt. Rekhadevi Khetan**, W/o.Ashok Khetan, aged about 41 years, Resident of 11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400075, is a house wife.
8. **Shri Manojkumar Khetan**, S/o. O.P.Khetan, aged about 41 years, Resident of 87, Pritam Nagar Society No.1, Bharuch, is Director in Vishal Malleables Ltd.
9. **Smt. Ashadevi Khetan**, W/o. Manoj Khetan, aged about 39 years, Resident of 87, Pritam Nagar Society No.1, Bharuch, is a house wife.
10. **Shri Arvind Khetan**, S/o.O.P.Khetan, aged about 43 years, Resident of 11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400075.
11. **Shri Ashok Khetan**, S/o.O.P.Khetan, aged about 43 years, Resident of 11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400075, is Vice President in Vishal Malleables Ltd.

The Networth of Mr O P Khetan has been duly certified to be Rs 1,94,21,354 (Rs One Crore Ninety Four Lacs Twenty One Thousand Three Hundred Fifty Four only) as on 31st October 2006, by M/S K S Surti & Company (Membership No 034906), Chartered Accountants, having their registered office at B/F, 1-2, Sardar Patel Complex, GIDC, Ankleshwar 393 002.

Mr O P Khetan has a consolidated experience of nearly three decades in the same line of business as the company.

Information about the Target Company (VISHAL MALLABLES LTD)

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 as evidenced by Certificate of Registrar of Company, Gujarat dated 14th September 1977. Commercial production commenced in December 1978.

b) It has its registered office located at 85/2, GIDC Estate, Ankleshwar-393002, Dist. Bharuch, Gujarat. 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, Lighting arrestors, Transformers, Distribution substation, etc. (3) Reputed constructors or overhead electric transaction line (4) Railways for prestressed concrete sleepers inserts (5) Large and varied industrial equipment manufacturers.

c) The shares of VML are listed on the Bombay Stock Exchange Ltd (BSE) & Vadodara Stock Exchange (VSE). The shares are infrequently traded on both BSE & VSE

d) The subscribed and paid up share capital of VML as of the date of the Public Announcement post and Preferential issue 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.

Pre-preferential Issue:

	No. of Shares /Voting rights Face value (Rs.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

Post-preferential Issue:

	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

e) There are no partly paid up 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 and ADRs.

f) Corporate Governance Guidelines as per Clause 49 of the listing agreement of BSE is not applicable to the Company.

Reasons for the Acquisition

a. The reason for acquisition is consolidation of holdings.

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 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.

Statutory Approvals/ other approvals required for the offer

a. No approval from any Bank/ Financial Institution is required for the purpose of this Offer, to the best of the knowledge of the Acquirers.

b. No statutory approvals are required to the best of the knowledge of the Acquirers to acquire the shares that may be tendered pursuant to the Offer.

c. If any other statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals.

d. Subject to the receipt of statutory approval, the Acquirers shall complete all procedure relating to the Offer including payment of consideration within a period of 15 days from the Offer Closing Date to those shareholders whose share certificates and / or other documents are found valid and in order and are approved for acquisition by the Acquirers. In case of delay in receipt of any statutory approval, if any, SEBI has power to grant extension of time to the Acquirers for the payment of the consideration to the shareholders subject to the Acquirers agreeing to pay interest as directed by SEBI under Regulation 22(12). If the delay occurs due to willful default of the Acquirers in obtaining the requisites approval, if any, Regulation 22(13) will become applicable.

Option to the acquirer in terms of Regulation 21(3)

The Public Shareholding shall not reduce to a level below the limit specified in the Listing Agreement with the stock exchanges for the purpose of listing on continuous basis as a consequence of the Offer. Hence the provisions of Regulation No. 21(3) do not apply.

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.10/- per equity share (the "Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter.

c. The Acquirers have created an Escrow Account with UTI Bank,,Fort, Mumbai, 400001 and have marked a lien against Fixed Deposit for Rs.30,00,000/- (being more than the stipulated 25 % of the consideration payable) in favor of BOB Capital Markets Limited, The Manager to the Offer has been duly authorized by the Acquirer vide his letter dated 08th November, 2006 to realize the value of escrow account in terms of the Regulation.

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 March, 2005 that sufficient resources are available with the Acquirers to fulfill its obligations under the Offer

e. Manager to the Offer is satisfied that firm arrangement through verifiable means are in place and the Acquirers have adequate financial resources to meet the obligation under the offer. In addition to certificate given as above, Networth certificate 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 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 as per certificate dated 03rd November 2006.

Other terms 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 (except to 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 04th December 2006 ("Specified Date") (Subject to consent of BSE).

The Offer is NOT subject to any minimum level of acceptance. The Acquirer will accept all the valid tenders. 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 for physical shares.

b. 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 will be opening 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. Relevant details viz, DP ID, Client ID, etc. will be disclosed in the Letter of Offer to be mailed to the shareholders of the Company.

c. 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, M/s Sharex Dynamic (India) Private Limited, having its office at 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001, (Tel Nos (022)22702485 / 22641376, Fax :02222647349,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. Monday, 22nd January 2006 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 favour of "VML-Open Offer Escrow A/c"

d. 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.

e. Shareholders having their depository account in NSDL have to use inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account with CDSL.

f. 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. Monday 22nd Jan, 2007 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgement in an envelope subscribing the same with "V M L - Offer For Acquisition Of Shares". In case Share Certifcate(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.

g. 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 Monday 22nd Jan, 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.

h. 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. Monday 22nd Jan, 2007.

i. 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.

j. 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 in plain paper and they shall furnish the details listed above.

k. 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.

l. 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 for the non acceptance.

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

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. Monday 22nd Jan, 2007,else the application would be rejected.

o. 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 application received from the shareholders on a proportional 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.

p 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 open a Special account as provided under Regulation 29.

Provided that where the Acquirers is 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 30 days, as may be specified by the SEBI from time to time.

q. 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 upto 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 acknowledgement received from the Registrar to the Offer while tendering the acceptance together with following details

- In case of physical share: name, address, distinctive no. folio no., no. of shares tendered / withdrawn
- 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 favour 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.

8.0 Justification of Offer Price

a. The equity shares of the Company are listed on The Stock Exchange, Mumbai ("BSE") and The Stock Exchange, Vadodara ("VSE").

b. The Annualized Trading Turnover of the equity shares of the Company on BSE during the preceding six months i.e. From 1st May 2006 to 31st October 2006, prior to the month in which this PA is required to be made is 37600 equity shares (Based on the web site of BSE), being less than 5% of the total listed equity shares of the Company.

c. Based on above information, the equity shares of the Company are deemed to be infrequently traded in terms of explanation (i) to Regulation 20(5) of the Regulations and hence the Offer Price is determined in accordance with the requirement of Regulation 20(5) of the Regulations.

d. Share Price of Rs.30/- per fully paid up equity share of VML is justified in terms of Regulation 20 (5) of the Takeover Regulations since the same has been determined after considering following facts:

1. Negotiated price	-
2. Highest price paid by the Acquirers for acquisition including a public or right or a preferential issue during the period of 26 weeks prior to PA	-
3. Other parameters	
Year ended	31st March, 2004
(a) Return on Net Worth	Negative
(b) Earning Per Share (Rs.)	Negative

e. Since the shares of the company were infrequently traded on the above mentioned Stock Exchanges and since EPS was negative, the fair value of shares has been arrived at by the following methodology

(A) Based on PE Multiple

Year Ended	EPS	AVG. EPS*	Industry P/E**
31/03/04	Negative	1.95	7.95
31/03/05	1.27		
31/03/06	4.57		

* EPS worked in basis of Audited Financials.
** Source capital line Database.
Fair Value/Share : Rs.15.50

(B) Based on Book Value (BV)

Year Ended	B.V. Rs.*	Average BV Rs.
31/03/04	27.75	29.29
31/03/05	28.34	
31/03/06	31.77	
* Based on Audited Financials		
Fair Value/Share Rs.29.29		

The Highest of A & B : Rs.29.29 say Rs.30/- per equity share (face value of Rs.10/-)

This value has been certified by M/s Bahedia & Associates, Chartered Accountants (Membership No. 048066) having their office at B/F -11, Sardar Patel Complex, GIDC, Ankleshwar 393002 vide their certificate dated 04/11/2006.

f. Based on the above information, in the opinion of the Manager to the Offer, the Offer Price Rs. 10/- per share is being justified in terms of Regulation 20 (5) of the Takeover Regulations.

ACTIVITY	DAY & DATE
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	(Subject to consent of BSE) Monday, 4th December 2006
Date by which Letter of Offer to be posted to the shareholders.	Saturday, 23rd December 2006
Date of Opening of the Offer	Wednesday, 03rd January 2007
Last date for revising the offer price / Number of shares	Wednesday, 10th January 2007
Last date up to which shareholders may withdraw	Friday, 19th January 2007
Date of Closure of the Offer	Monday, 22nd January 2007
Date by which acceptance/ rejection would be communicated and the corresponding payment for the acquired shares and/ or the unaccepted shares/ share certificates will be dispatched/ credited.	Monday, 05th February 2007

General

9.0 General Conditions

- Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of the closure of the offer i.e. by filling the withdrawal form attached herewith. The withdrawal form is also available in the SEBI website (http://www.sebi.gov.in/)
- The Acquirers can revise the price upwards upto 7 working days prior to the date of closure of the offer i.e. Monday 22nd Jan, 2007 *and* revision, if any, in the offer price would appear in the Business Standard (English) – All Edition, Jansatta Loksatta (Gujarat)- in Ahmedabad Edition and Pratahkal (Hindi)-in all edition and same price would be paid to all shareholders who tender their shares in the offer.
- The Acquires/sellers or the target company has not been prohibited by SEBi from dealing in securities in terms of directions issue under Section 11B of SEBI Act,
- Pursuant to Regulation 13 of the Regulations, The Acquirers have appointed BOB CAPITAL MARKETS LIMITED as Manager to the Offer and the Manager to the offer issues this Public Announcement on behalf of the Acquirers. The contact person at the office of the Manger to the Offer is Shri A Daniel (Tel Nos 022-66372301/02 Fax : 022-66372311, email : vml@bobcapitalmarkets.com)
- The Acquirers and the Company are not prohibited by SEBI from dealing in securities in terms of directions issued under Section 11B of SEBI Act.
- The Acquirers accepts full responsibility for the information contained in this Announcement and also for the obligations of the Acquirers as laid down in SEBI Takeover Regulations and subsequent amendments made thereto.
- The Public Announcement is issued on behalf of acquirer(s) by the manager to the offer. Manager to the offer does not hold any equity share in the Taget Company they declare and undertake that shall not deal in the shares of target Company during the period commencing from the date of their appointment as manger to the offer till the expiry of 15 days from the date of closure of the offer.

For further details please refer to the Letter of Offer and the Form of Acceptance cum Acknowledgement. This Public Announcement and the Letter of Offer together with Form of Acceptance cum Acknowledgement would also available on SEBI's website at http://www.sebi.gov.in// Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance cum Acknowledgement from the said website from the offer opening Date i.e. Wednesday 3rd January, 2007 and apply in the same.

The Acquirer OP Khetan, resident of 11, Kanta Apartment, Pant Nagar, Ghatkopar (E), Mumbai-400072 and PAC with him accept the responsibility for the information contained in the Public Announcememtn and also for the obligations of acquirers laid down in the SEBI (SAST) Regulations,1997 and subsequent amendments made thereof.

Issued by: Manager To The Offer	Registrar to the Offer
BOB Capital Markets Ltd. Gr. Flr.,Meher Chambers Dr S B Path, Ballard Estate, Mumbai 400 038 Tel Nos (022) 66372301/2/3 Fax (022) 66372311 Contact person : Mr. A Daniel	**Sharex Dynamic (India) Private Limited** 17/B Dena bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001 Tel Nos (022) 22702485/22641376, Fax :022-22647349, email:sharexindia@vsnl.com (Contact Person : Mr. B S Baliga)

(OP Khetan) For and On behalf of the Acquirers
Place :- Ankleshwar
Date :- 14.11.06