LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **Diamant Investment and Finance Limited**. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and 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.

OPEN OFFER
By
Vision Sales Private Limited (VSPL)
B-23, Satyam Shopping Centre, M.G. Road, Ghatkopar (East), Mumbai-400 077, Tel. No.: 022-25162330
and
Saboo Capital and Securities Private Limited (SCSPL)
Saboo Kunj, Walker Road, Mahal, Nagpur-440 002, Tel. No: 0712-2729613

To the shareholders of
DIAMANT INVESTMENT AND FINANCE LIMITED (DIFL)
(Formerly Diamant Carbon & Graphite Products Ltd.)
Sidhwa House, 1st Floor, N. A. Sawant Marg, Near Colaba Fire Brigade, Colaba, Mumbai-400 005.
Tel. No: 022-22661615/22661720, Fax:022-22660856

for the purchase of 2,41,050 Equity Shares comprising of 2,40,000 Fully Paid-up Equity Shares of Rs. 10/- each at a price of Rs. 23.50/- per share and 1,050 partly paid-up (paid upto Rs. 5/- per share) Equity Shares at a price of Rs. 18.50/- per share representing 20.09% of its Subscribed Capital and 20.02% of its Voting Capital. These shares will be acquired in cash, in accordance with Regulation 20 (2)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof, from the equity shareholders of DIFL.

This Offer is being made in compliance with Regulation 10 & 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereof (hereinafter referred to as “the Regulations”).

The Offer along with any obligation relating to payment for, and purchase of, the shares tendered is subject to the receipt of necessary approval(s), if any, from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 ("FEMA") and subsequent amendments there to. There are no other statutory approvals required to acquire shares that are tendered pursuant to this Offer.

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the date of Closure of the Offer i.e. on or before December 14, 2005.

The Acquirers has the option to revise the Offer Price upward any time up to seven working days prior to the date of Closure of the Offer i.e. on or before December 8, 2005.

The upward revision/ withdrawal if any, of the Offer would be informed by way of Public Announcement in respect of such changes in all the newspapers in which the original Public Announcement was made. Such revised Offer Price would be payable by the Acquirers for all the shares tendered any time during the Offer.

The Offer is not conditional and not subject to any minimum level of acceptance from Shareholders.

If there is a Competitive Bid:

- **The Public Offers under all the subsisting bids shall close on the same date.**
- **As the Offer Price cannot be revised during 7 working days prior to the Closing date of the Offers/ Bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**

The Public Announcement, Corrigendum to Public Announcement and this Letter of Offer including the Form of Acceptance cum Acknowledgement and Form of Withdrawal would also be available on SEBI’s website at www.sebi.gov.in.

MANAGER TO THE OFFER:	REGISTRAR TO THE OFFER:
Ashika Capital Limited 7-1-613/14A, Nestcon Lakshmisri, Suite No: 6, 2nd Floor, Ameerpet, Hyderabad-500 016. Tel: 040-55617802 / 23750498; Fax: 040-55617801 E-Mail: ashika_hyderabad@rediffmail.com Contact Person: Mr. Rajendra Kanoongo Your Trust is Our Strength	**Intime Spectrum Registry Limited** C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai-400 078 Tel : 022-55555491; Fax: 022-55555499. E-mail: diamant@intimespectrum.com Contact Person: Mr. Vishwas Attavar

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activities	Original Date & Day	Revised Date & Day
Public Announcement	September 9, 2005 (Friday)	September 9, 2005 (Friday)
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	September 12, 2005 (Monday)	September 12, 2005 (Monday)
Last Date for a Competitive Bid, if any	September 30, 2005 (Monday)	September 30, 2005 (Monday)
Corrigendum to the Public Announcement	November 22, 2005 (Tuesday)	November 22, 2005 (Tuesday)
Date by which the Letter Of Offer to be Despatched to shareholders	October 20, 2005 (Thursday)	November 25, 2005 (Friday)
Date of Opening of the Offer	October 26, 2005 (Wednesday)	November 30, 2005 (Wednesday)
Last date for revising the Offer Price/ Number of Shares	November 2, 2005 (Wednesday)	December 8, 2005 (Thursday)
Last date for Withdrawal of Acceptance by Shareholders	November 9, 2005 (Wednesday)	December 14, 2005 (Wednesday)
Date of Closing of the Offer	November 14, 2005 (Monday)	December 19, 2005 (Monday)
Date by which communicating rejection/acceptance and despatch of Cheques/Demand Drafts towards payment of consideration to be completed	November 28, 2005 (Monday)	December 31, 2005 (Saturday)

RISK FACTORS:

Risk Factors relating to the transaction, the proposed Offer and probable risks involved in associating with the acquirers:

1. **DIFL has not complied with Chapter II of SEBI (SAST) Regulations, 1997. SEBI may initiate action against DIFL, which may lead to payment of penalty by the Company.**
2. **The Acquirer makes no assurance with respect to the market price of the shares during/ after the Offer.**
3. **DIFL is yet to receive the trading permission from BSE & ASE for 2,50,000 Equity Shares, which were allotted in the past.**

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ABBREVIATIONS / DEFINITIONS

Acquirers	Vision Sales Private Limited (VSPL) and Saboo Capital and Securities Private Limited (SCSPL)
ASE	The Stock Exchange, Ahmedabad
BSE	Bombay Stock Exchange Limited, Mumbai
Eligible Persons for the Offer	All owners of shares registered or unregistered of DIFL who own shares at any time prior to the Closure of the Offer (except Acquirers and the Sellers
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance	Form of Acceptance cum Acknowledgement
Form of Withdrawal	Form of Withdrawal cum Acknowledgement
LOO or Letter of Offer	Offer Document
Manager to the Offer	Ashika Capital Limited
NSE	National Stock Exchange of India Limited, Mumbai
Negotiated Price	Rs. 23.50/- (Rupees Twenty Three Rupees Fifty Paise only) per fully paid-up equity share of face value of Rs.10/- each
Offer	Cash Offer being made by the Acquirers to acquire 2,41,050 Equity Shares comprising of 2,40,000 Fully Paid-up Equity Shares and 1,050 partly paid-up (paid upto Rs. 5/- per share) Equity Shares representing 20.09% of Subscribed Capital and 20.02% of Voting Capital of DIFL
Offer Price	Rs. 23.50/- per fully paid-up Equity Share & Rs. 18.50/- per partly paid-up Equity Share
PA / Public Announcement	Announcement of the Offer made by Acquirers on September 9, 2005 and November 22, 2005
Diamant / DIFL/Target Company	Diamant Investment and Finance Limited
RBI	Reserve Bank of India
Registrar to the Offer / Registrar	Intime Spectrum Registry Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations or "The Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof
Sellers	Sanat M Shah, Monica U Dalal , Sanjay S Shah , Pradeep S Shah , Sudha S Shah , Ameeta S Shah and Suvarna J Dalal
Specified Date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of DIFL, to whom the Letter of Offer should be sent, i.e. September 12, 2005

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "Rs." are to Indian Rupees. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF DIAMANT INVESTMENT AND FINANCE LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 21, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. Background of the Offer

(a) This Offer is being made by **Vision Sales Private Limited** and **Saboo Capital and Securities Private Limited** (Acquirers) in compliance with Regulation 10 & 12 of the SEBI (SAST) Regulations, 1997.

(b) On September 5, 2005, the Acquirers had entered into a Share Purchase Agreement (“Agreement”) to acquire in aggregate 6,15,723 fully paid-up Equity Shares of Rs.10/- each representing 51.31% of Paid-up Equity Share Capital and 51.35% of Voting Capital of DIFL at a price of Rs. 23.50/- (Rupees Twenty Three and Fifty Paise only) per share ("Negotiated Price") payable in Cash (“The Acquisition”) from existing shareholders of the Promoters Group (hereinafter referred to as "Sellers"). The details of the proposed acquisition is as under:

Name of the Seller	No. of Shares	Negotiated Price (Rs.)	% of Paid-up Equity Share Capital of DIFL	% of Voting Capital of DIFL
Sanat M Shah	11,114*	Rs. 23.50/-	0.93%	0.93%
Sanat M Shah	1,10,928**		9.24%	9.25%
Monica U Dalal	93,720**		7.81%	7.82%
Sanjay S Shah+	78,915*		6.58%	6.58%
Pradeep S Shah+	78,915*		6.58%	6.58%
Sudha S Shah+	90,800*		7.56%	7.57%
Ameeta S Shah+	40,403*		3.37%	3.37%
Suvarna J Dalal	1,10,928*		9.24%	9.25%
TOTAL	**6,15,723**		**51.31%**	**51.35%**

+Signed by Constituted Power of Attorney holder Mr. Sanat M Shah.

* Proposed to be acquired by Vision Sales Private Limited totaling to 4,11,075 Equity Shares.

** Proposed to be acquired by Saboo Capital and Securities Private Limited totaling to 2,04,648 Equity Shares.

(c) Some of the main features of the Agreement is mentioned below:

i. The Sellers have agreed to sell 4,11,075 fully paid-up Equity Shares of Rs.10/- each of DIFL to VSPL (Acquirer) and 2,04,648 fully paid-up Equity Shares of Rs.10/- each of DIFL to SCSPL (Acquirer) at a Price of Rs. 23.50/- per share, for a total consideration amount of Rs. 1,44,69,490.50 (Rupees One Crore Forty Four Lakhs Sixty Nine Thousand Four Hundred Ninety and Paise Fifty only).

ii. The Acquirers shall pay the amount towards purchase of shares to each seller simultaneously with the execution of the Agreement.

iii. The Sellers shall in consideration of the payment of the purchase price, sell, transfer, convey and deliver to the Acquirers and the Acquirers shall purchase, acquire and accept from sellers, free from all Encumbrances, all rights, title and interest of the sellers in and to the shares, together with all accrued benefits and rights attaching thereto.

iv. The Acquirers shall, at its cost and expense, comply with the provisions of the Regulations and incase of non-compliance of any of the provisions of the Regulations, the Acquirers alone shall be responsible for the consequences thereof.

v. The Acquirers / Sellers undertake that if the public shareholding in the Company fall below the limit specified in Listing Agreement with Stock Exchange for the purpose of listing on continuous basis, pursuant to the Agreements and Open Offer, the Acquirers will acquire only such number of shares under the Agreement so as to maintain the minimum specified public shareholding in the Company.

(d) The proposed change in control is consequent to the Agreement whose salient features are described in 3.1 (c) above.

(e) The Acquirers, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

(f) The Acquirers does not hold any Equity Shares of DIFL as on date of Public Announcement. The Acquirers has not acquired either directly or through any other person any Shares of DIFL during the 12 months preceding the date of Public Announcement.

(g) For the purpose of this Offer, there is no Person Acting in Concert as per the provisions of the Regulation 2(1)(e) of the Regulations.

(h) The Acquirers has undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement with the Sellers. The Acquirers has also undertaken that they would acquire only such number of shares under the Agreement so as to maintain the minimum specified public shareholding in the Company.

3.2. DETAILS OF THE PROPOSED OFFER

(a) The Acquirers made a Public Announcement of the Offer, which was published in all Editions of the **The Financial Express** (English), **Jansatta** (Hindi) and Mumbai Edition of **Punya Nagari** (Marathi) on September 9, 2005 in compliance with Regulation 15 (1) of "the Regulations". A Corrigendum to PA was also published in the above Newspapers on November 22, 2005. The Public Announcement as well as Corrigendum to PA are also available on SEBI's website at www.sebi.gov.in.

(b) The Acquirers propose to acquire 2,41,050 Equity Shares comprising of 2,40,000 Fully Paid-up Equity Shares of Rs. 10/- each at a price of Rs. 23.50/- per share and 1,050 partly paid-up (paid upto Rs. 5/- per share) Equity Shares at a price of Rs. 18.50/- per share representing 20.09% of its Subscribed Capital and 20.02% of its Voting Capital from the existing shareholders of DIFL (other than parties to the Agreement), payable in Cash.

(c) The Offer is not subject to any minimum level of acceptances. The Acquirers will acquire all Equity Shares of DIFL that are tendered in terms of this Offer upto a maximum of 2,41,050 Equity Shares comprising of 2,40,000 Fully paid-up Equity Shares and 1,050 partly paid-up (paid upto Rs. 5/- per share) Equity Shares.

(d) The Acquirers have not acquired any shares after the date of Public Announcement and up to the date of Letter of Offer.

3.3. OBJECT OF THE OFFER

(a) The prime object of the Offer is to acquire Substantial Acquisition of Shares/ Voting Rights accompanied with change in control and management of DIFL.

(b) The Acquirers are engaged in the business of Finance & Investments. Acquirers propose to expand the operations of DIFL into these areas as well as to diversify into Shares and Stock Broking activities by obtaining Membership of BSE/NSE. To augment the resources in the future, the Acquirers intend to participate in any Equity/Debt/Quasi Debt offering from DIFL, be it subscription to the Rights Issue/Public Issue, Preferential Allotment etc. Reorganisation and/or streamlining of the business, including diversification, will be considered in the larger interest of DIFL by its Board of Directors in accordance with the applicable Rules and Laws.

(c) Through this acquisition, the Acquirers intends to expand their business as well as to diversify into Shares and Stock Broking activities and also derive benefits of a Listed Company.

(d) The Acquirers do not have any plans to sell, dispose of or otherwise encumber any significant assets of DIFL in the next two years, except in the ordinary course of business of DIFL. DIFL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of DIFL, if so required.

4. BACKGROUND OF THE ACQUIRERS

4.1. INFORMATION ABOUT ACQUIRERS

a. **Vision Sales Private Limited (VSPL),** was incorporated on 16.10.1997 under the Companies Act, 1956 and is having its Registered Office at B-23, Satyam Shopping Centre, M.G. Road, Ghatkopar (East), Mumbai-400 077. VSPL is presently engaged in the business of Finance & Investments. The shares of VSPL are not listed on any Stock Exchange.

The Authorised Share Capital of VSPL is Rs. 25.00 Lakhs consisting of 2,50,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid-up Share Capital of VSPL as on 31.03.2005 is Rs. 20.18 Lakhs consisting of 2,01,800 Equity Shares of Rs.10/- each.

The Names and Addresses of the Board of Directors of VSPL are as follows: -

Sl. No.	Name	Address	Qualification	Experience	Date of Appointment
1.	Mr. Umesh S. Agrawal	Gandhi Ganj, Chindwara, Madhya Pradesh.	M. Com	Over two decades in Soyabean Business	30.08.2002
2.	Mr. Rakesh S. Agrawal	Gandhi Ganj, Chindwara, Madhya Pradesh.	B. Com	Over two decades in Soyabean Business	30.08.2002
3.	Mr. Salil B. Lodha	B-23, Satyam Shopping Centre, M. G. Road, Ghatkopar (East), Mumbai-77.	C. A.	15 years in Taxation, Finance and Company Law	30.08.2002
4.	Mr. Satish S. Agrawal	Anaz Bazar, Itwari, Nagpur-02.	B. Com	Over two decades in Soyabean Business	30.09.2004
5.	Mr. Mukesh Agrawal	14/B, Wholesale Cloth Market, Gadhibag, Nagpur-08	C. A.	15 years in Taxation, Finance and Company Law	15.02.2005

Brief financials of the company for the last 3 Years are as follows:

Profit and Loss Statement

(Rs. in Lakhs)

For the Year ended	31.03.2005 (Audited)	31.03.2004 (Audited)	31.03.2003 (Audited)
Income:			
Paper Distribution Charges	6.62	7.91	6.50
Sale of Shares	25.89	76.96	--
Interest & Other Income	10.96	12.64	12.13
Total Income	**43.47**	**97.51**	**18.63**
Total Expenditure	39.86	94.10	15.06
Profit before Interest, Depreciation & Tax	3.61	3.41	3.57
Depreciation	--	--	--
Interest	--	--	--
Profit/(Loss) before Tax	3.61	3.41	3.57
Provision for Tax	1.33	1.25	1.32
Profit/(Loss) after Tax	2.28	2.16	2.25

Balance Sheet Statement

(Rs. in Lakhs)

As at	31.03.2005 (Audited)	31.03.2004 (Audited)	31.03.2003 (Audited)
Sources of Funds:			
Paid-up Share Capital	20.18	20.18	20.18
Reserves and Surplus (Excluding revaluation reserves)	126.32	124.04	121.88
Networth	**146.50**	**144.22**	**142.06**
Secured Loans	--	---	--
Unsecured Loans	2.35	22.50	100.58
Total	**148.85**	**166.72**	**242.64**
Application of Funds:			
Net Fixed Assets	--	--	--
Investments	--	--	--
Net Current Assets	148.83	166.70	242.61
Total Miscellaneous Expenditure (to the extent not written off)	0.02	0.02	0.03
Total	**148.85**	**166.72**	**242.64**

Other Financial Data

Particulars	31.03.2005 (Audited)	31.03.2004 (Audited)	31.03.2003 (Audited)
Dividend (%)	--	--	--
EPS (Rs.)	1.13	1.07	1.11
Return on Networth (%)	1.56	1.49	1.58
Book Value per Share (Rs.)	72.59	71.46	70.38

b. **Saboo Capital and Securities Private Limited (SCSPL),** was incorporated on 12.06.1995 under the Companies Act, 1956 and is having its Registered Office at Saboo Kunj, Walker Road, Mahal, Nagpur-440 002. SCSPL is presently engaged in the business of Finance & Investments. The shares of SCSPL are not listed on any Stock Exchange.

The Authorised Share Capital of SCSPL is Rs. 50.00 Lakhs consisting of 5,00,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up Share Capital of SCSPL as on 30.09 .2005 is Rs. 40.52 Lakhs consisting of 4,05,200 Equity Shares of Rs.10/- each.

The Names and Addresses of the Board of Directors of SCSPL are as follows: -

Sl. No.	Name	Address	Qualification	Experience	Date of Appointment
1.	Mrs. Madhu Naresh Saboo	Saboo Kunj, Walker Road, Mahal, Nagpur-02	Undergraduate	15 years in shares business	10.05.1995
2.	Mr. Parag Satyanarayana Saboo	Saboo Kunj, Walker Road, Mahal, Nagpur-02	B. Com	18 years in shares/plywood business	10.05.1995
3.	Mrs. Saraswati S. Saboo	Saboo Kunj, Walker Road, Mahal, Nagpur-02	Undergraduate	Nil	10.05.1995

Brief financials of the company for the last 3 years (audited) and for the half-year ended 30.09.2005 (un-audited but certified by the statutory auditor) are as follows:

Profit and Loss Statement

(Rs. in Lakhs)

For the Year ended	30.09.2005 (6 months)	31.03.2005	31.03.2004	31.03.2003
Income from Brokerage	0.09	1.36	1.06	0.13
Interest & Other Income	3.66	9.08	8.16	6.59
Total Income	**3.75**	**10.44**	**9.22**	**6.72**
Total Expenditure	3.18	5.53	4.78	3.93
Profit before Interest, Depreciation & Tax	0.57	4.91	4.44	2.79
Depreciation	--	0.20	0.24	0.25
Interest	--	4.16	3.36	2.25
Profit/(Loss) before Tax	0.57	0.55	0.84	0.29
Provision for Tax	--	0.20	0.30	0.09
Profit/(Loss) after Tax	0.57	0.35	0.54	0.20

Balance Sheet Statement

(Rs. in Lakhs)

As at	30.09.2005	31.03.2005	31.03.2004	31.03.2003
Sources of Funds:				
Paid-up Share Capital	40.52	2.77	2.77	2.77
Reserves and Surplus (Excluding revaluation reserves)	39.80	1.49	1.14	0.60
Networth	**80.32**	**4.26**	**3.91**	**3.37**
Deferred Tax Liability	0.03	0.02	0.03	0.03
Total	**80.35**	**4.28**	**3.94**	**3.40**
Application of Funds:				
Net Fixed Assets	1.01	1.01	1.21	1.46
Investments	--	--	5.00	5.00
Net Current Assets	79.34	3.27	(2.29)	(3.07)
Total Miscellaneous Expenditure (to the extent not written off)	--	--	0.01	0.01
TOTAL	**80.35**	**4.28**	**3.94**	**3.40**

Other Financial Data

Particulars	31.03.2005	31.03.2004	31.03.2003
Dividend (%)	--	--	--
EPS (Rs.)	1.34	1.95	0.72
Return on Networth (%)	8.22	13.85	5.93
Book Value per Share (Rs.)	15.38	14.08	12.13

4.2. VSPL & SCSPL are Business Associates.

4.3. The Acquirers have not entered into any formal agreement with respect to the acquisition through this Offer and acting together under an informal understanding.

4.4. The compliances under Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirers since they do not hold any shares of DIFL except those agreed to be acquired in terms of Share Purchase Agreement.

4.5. As on date of PA, Mr. Naresh Satyanarayana Saboo, nominee of SCSPL, is on the Board of Directors of DIFL, and therefore the Acquirers undertake that he will not participate in any matters concerning or relating to this Offer. After completion of all formalities relating to the acquisition and after complying with formalities required by the Regulations, the Board of Directors may be reconstituted to include nominee(s) of Acquirers.

4.6. Both the Acquirers neither promoted any company nor having any subsidiary company.

5. **OPTION IN TERMS OF REGULATION 21 (3)**

Pursuant to the Agreement and this Offer or otherwise, if the public shareholding in DIFL fall below 36.84% which is required to be maintained for continuous listing, the Acquirers undertakes to acquire only such number of shares under Share Purchase Agreement so as to maintain the minimum specified public shareholding in the Company.

6. **BACKGROUND OF THE TARGET COMPANY-DIFL**

6.1. **Brief History and Main Areas of Operations:**

a. DIFL was originally incorporated on 29th July 1980, as 'DIAMANT CARBON & GRAPHITE PRODUCTS LIMITED. The Object Clause of Memorandum of Association of the Company was amended to include interalia Investment and Financial Services & its allied activities and the name was accordingly changed to 'DIAMANT INVESTMENT AND FINANCE LIMITED. The new Certificate of Incorporation consequent to change of name was obtained from Registrar of Companies (ROC), Maharashtra, Mumbai on 1st February 2005. The Registered Office of the Company is situated at Sidhwa House, 1st Floor, N.A. Sawant Marg, Colaba, Mumbai-400 005.

b. As on the date of this Public Announcement, the Authorised Share Capital of DIFL is Rs 500.00 Lakhs consisting of 35,50,000 Equity Shares of Rs. 10/- each & 15,00,000 15% Cumulative Redeemable Preference Shares of Rs. 10/- each the Issued and Subscribed Share Capital of the Company is Rs. 1,19,94,750 (Rupees One Crore Nineteen Lakh Ninety Four Thousand Seven Hundred and Fifty only) consisting of 11,98,950 fully paid up Equity Shares of Rs. 10/- each and 1,050 partly paid-up Equity Shares of Rs. 10/-each which are paid up to Rs. 5/- per Equity Share.

c. DIFL is presently engaged in the business of Investments.

d. The Equity Shares of DIFL are listed on Bombay Stock Exchange Limited, Mumbai (BSE) and The Stock Exchange, Ahmedabad (ASE). The equity shares are infrequently traded on BSE and ASE in terms of explanation (i) to Regulation 20(5).

e. The company made an Initial Public Offering in September 1982 for issue of 3,50,000 Equity Shares of Rs. 10/- each for cash at par to the Public, through prospectus dated 15th July 1982 to part finance the cost of setting up a plant for manufacturing of 1000 Tons per annum of Silicon Carbide/Graphite Crucibles, its accessories and other carbon and graphite products at Mehsana (Gujarat), an industrially backward area.

6.2. **Share Capital Structure of DIFL:**

Paid-up Equity Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity shares	11,98,950/11,98,950	99.91%/ 100%
Partly Paid-up Equity shares*	1,050/Nil	0.09%/Nil
Total paid-up Equity shares	12,00,000/11,98,950	100%/ 100%

* As per Article 86 of the Articles of Association of the company, no voting rights are exercisable on the shares on which calls or other sums presently payable have not been paid.

6.3. **Current Capital Structure of the Company:**

Date of Allotment	No and % of Shares issued		Cumulative Paid-Up Capital (Rs.)	Mode of Allotment	Identity of Allottees	Status of Compliance
	No.	%				
02.07.1980	1,400	0.12	14,000	Cash	Subscribers to Memorandum	Complied
12.01.1983	5,98,600	49.88	60,00,000	Cash	Promoters	Complied
12.01.1983	3,48,950	29.08	94,89,500	Cash	Public	Complied
12.01.1983	1,050	0.09	94,94,750	Cash (Allotment money @ Rs. 5/- per share un-paid)	Public	Complied
19.03.1993	2,05,083	17.09	1,15,45,580	Conversion of Secured Loan	ICICI, IDBI, IFCI	Complied
04.03.1994	15,514	1.29	1,17,00,720	Conversion of Secured Loan	Bank of Baroda	Complied
13.11.1995	29,403	2.45	1,19,94,750	Conversion of Secured Loan	State Bank of India	Complied
TOTAL	**12,00,000**	**100.00**				

6.4. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date.

6.5. As per the information available, the Company has paid upto date Listing Fees and has been complying with the provisions of the listing agreement entered into with Bombay Stock Exchange Limited, Mumbai (BSE) and The Stock Exchange, Ahmedabad (ASE). There has been no punitive action taken against the company by BSE and ASE and the Company has addressed all investor's complaints as and when received and there is no pending complaint as on date.

The company has obtained in-principle approval from BSE & ASE for listing of 2,50,000 Equity Shares, which were allotted to Financial Institutions and Banks between the years 1993 to 1995. All these shares were subsequently acquired by the Promoters/Promoter Group during the financial year 1995-96 and these shares continued to be held among the Promoters/Promoter Group. The said acquisition was in compliance with Regulation 9(2) read with Regulation 9(4) of SEBI (SAST) Regulations, 1994. The trading permission from BSE & ASE is yet to be received for these shares for want of confirmation letter from NSDL&CDSL about crediting of these shares to the respective beneficiaries account. The company is pursuing the matter of Dematerialisation of its Shares with both the Depositories through their Registrar viz. Intime Spectrum Registry Limited, Mumbai.

6.6. Present Composition of the Board of Directors of DIFL:

As on the date of Public Announcement [September 9, 2005], the Directors representing the Board of DIFL were:

Sl. No.	Name & Designation	Address	Qualification	Experience	Date of Appointment
1.	Mr. Sanat M Shah, Chairman	B/8, Bakhtwar, Opp. Colaba Post Office, Colaba, Mumbai-400005.	B. Com	Over three decades in over all Management	12.02.1987
2.	Mr. Harshad H. Vasa, Vice Chairman	5th Floor, Shiv Tirth, Bhulabhai Desai Road, Mumbai-400 026.	B. A., B. Com.	Over three decades in over all Management	06.05.1996
3.	Mr. Harshad N. Shah Executive Director	B-404, Benhur C.H.S. Ltd., Lokhandwala Complex, Off. New Link Road, Andheri (W), Mumbai-400 053	Diploma in Secretarial Practice and Accountancy	Over three decades in Marketing & Administration	18.10.2000
4.	Mrs. Monica U Dalal Director	7, Mount Eminence, N. Gamadia Cross Road, Mumbai-400 026.	B. Com	20 years in the over all Management	09.11.2000
5.	C. K. Paulson Director	Flat No. B-1/34, Vijay Nagari, Opp. Dalal Eng. Company, Waghbil Naka, Thane (W), Mumbai.	B. Com, LL. M.	15 years in the Legal Matters	30.09.2003
6.	Naresh S. Saboo, Director	Saboo Kunj, Walker Road, Mahal, Nagpur-440 002	C. A.	15 years in the Taxation, Finance and Company Law	30.07.2005

6.7. There was no trading in the shares of DIFL on September 9, 2005, i.e. the date of Public Announcement.

6.8. There has been no merger / de-merger or spin off involving DIFL since the Company's listing.

6.9. The Promoters/Sellers have complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997. However, there was a delay of 3 Days in compliance with Regulation 6(2) & 6(4) and around 6 Years for the year 1998, around 5 Years for the year 1999 and 22 Days for the year 2000 in compliance with Regulation 8(3) by the Target Company. The Target Company has not compiled with Regulation 8(3) for the year 2002. SEBI may initiate appropriate action under SEBI Act for the said non-compliance and delay in compliance for the relevant years.

6.10. Financial Information:

Brief financials of the company for the last 3 years (audited) and for the quarter ended 30.06.2005 (un-audited but certified by the statutory auditor) are as under:

Profit & Loss Statement

(Rs. in Lakhs)

For the year/period ended	30.06.2005 (3 months)	31.03.2005	31.03.2004	31.03.2003
Income				
Sales	--	--	2.35	705.13
Other Income	14.12	79.93	59.08	0.98
Transfer of Stock of Finished Goods & Work in Progress	--	--	--	65.30
Increase/ (Decrease) in Stocks	--	--	(5.95)	(88.78)
Total Income	**14.12**	**79.93**	**55.48**	**682.63**
Total Expenditure	4.32	31.85	37.65	640.31
Profit/(Loss) Before Depreciation Interest and Tax	9.80	48.08	17.83	42.32
Depreciation	0.15	0.89	1.12	17.41
Interest	--	--	--	46.81
Profit/ (Loss) Before Tax	9.65	47.19	16.71	(21.90)
Net Income from Exceptional Items	--	--	--	106.14
Prior Period Adjustments	(1.01)	--	(0.25)	(30.51)
Provision for Tax				
- Current Tax	--*	16.15	1.32	12.60
- Deferred Tax	--*	0.93	(1.20)	(37.99)
Profit/ (Loss) After Tax	**8.64**	**30.11**	**16.34**	**79.12**

* Provision for Tax will be considered at the year end.

Balance Sheet Statement

(Rs. in Lakhs)

As on	30.06.2005	31.03.2005	31.03.2004	31.03.2003
Sources of Funds:				
Paid up Share Capital	119.95	119.95	119.95	119.95
Reserves & Surplus	156.93*	148.29	131.89	129.29
Net worth	276.88	268.24	251.84	249.24
Deferred Tax	0.06	0.06	(0.86)	0.34
Total	**276.94**	**268.30**	**250.98**	**249.58**
Application of Funds:				
Net Fixed Assets	4.60	4.74	6.10	6.64
Investments	--	222.31	58.07	--
Net Current Assets	272.34	41.25	186.81	242.94
Total	**276.94**	**268.30**	**250.98**	**249.58**

* Reserves & Surplus includes Cash Subsidy Reserve-Rs. 20.00 Lakhs; General Reserve-Rs. (0.85) Lakhs and Profit & Loss Account-Rs.137.78 Lakhs

Other Financial Data

For year ended	30.06.2005 (3 months)	31.03.2005	31.03.2004	31.03.2003
Dividend (%)	--	10%	10%	Nil
EPS (Rs.)	--	2.51	1.34	6.59
Return on Networth	3.12	11.23	6.49	31.74
Book Value per share (Rs.)	23.07	22.36	20.99	20.77

Note: *EPS = Profit after Tax /No. of equity shares*
Networth=Paid up Share Capital + Reserves & Surplus
Return on Net Worth = Profit after Tax /Net Worth
Book Value per Share = Net Worth-Total Misc. Exp. Not Written Off / No. of equity shares

6.11. Pre and Post-Offer Shareholding Pattern of DIFL (Based on Subscribed Capital as on 12.09.2005)

Shareholders' Category	Shareholding prior to the Agreement/ Acquisition and Offer		Shares agreed to be Acquired which triggered off the Regulations		Shares to be Acquired in Open Offer (Assuming full acceptances)		Shareholding after the Acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
a. Parties to Agreement	6,15,723	51.31	(6,15,723)	(51.31)	Nil	Nil	Nil	Nil
b. Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (a+b)	**6,15,723**	**51.31**	**(6,15,723)**	**(51.31)**	**Nil**	**Nil**	**Nil**	**Nil**
2. Acquirers								
a. VSPL	Nil	Nil	4,11,075	34.26	2,41,050*	20.09*	8,56,773	71.40
b. SCSPL	Nil	Nil	2,04,648	17.05				
Total (a+b)	**Nil**	**Nil**	**6,15,723**	**51.31**	**2,41,050**	**20.09**	**8,56,773**	**71.40**
3. Parties to Agreement other than (1) (a) & (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Public (Other than parties to Agreement, Acquirers)								
a. FIs/MFs/FIIs/Banks,	25,750	2.15	Nil	Nil				
SFIs					(2,41,050)	(20.09)	3,43,227	28.60
b. Others	5,58,527	46.54	Nil	Nil				
Total (a+b)	**5,84,277**	**48.69**	**Nil**	**Nil**	**(2,41,050)**	**(20.09)**	**3,43,227**	**28.60**
GRAND TOTAL (1+2+3+4)	**12,00,000**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**12,00,000**	**100.00**

* The Acquirers have not entered into any formal agreement with respect to the acquisition through this Offer and acting together under an informal understanding.

Pre and Post-Offer Shareholding Pattern of DIFL (Based on Voting Capital as on 12.09.2005)

Shareholders' Category	Shareholding prior to the Agreement/ Acquisition and Offer		Shares agreed to be Acquired which triggered off the Regulations		Shares to be Acquired in Open Offer (Assuming full acceptances)		Shareholding after the Acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
a. Parties to Agreement	6,15,723	51.35	(6,15,723)	(51.35)	Nil	Nil	Nil	Nil
b. Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (a+b)	**6,15,723**	**51.35**	**(6,15,723)**	**(51.35)**	**Nil**	**Nil**	**Nil**	**Nil**
2. Acquirers								
a. VSPL	Nil	Nil	4,11,075	34.28	2,40,000*	20.02*	8,55,723	71.37
b. SCSPL	Nil	Nil	2,04,648	17.07				
Total (a+b)	**Nil**	**Nil**	**6,15,723**	**51.35**	**2,40,000**	**20.02**	**8,55,723**	**71.37**
3. Parties to Agreement other than (1) (a) & (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Public (Other than parties to Agreement, Acquirers)								
a. FIs/MFs/FIIs/Banks,	25,750	2.15	Nil	Nil				
SFIs					(2,40,000)	(20.02)	3,43,227	28.63
b. Others	5,57,477	46.50	Nil	Nil				
Total (a+b)	**5,83,227**	**48.65**	**Nil**	**Nil**	**(2,40,000)**	**(20.02)**	**3,43,227**	**28.63**
GRAND TOTAL (1+2+3+4)	**11,98,950**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**11,98,950**	**100.00**

* The Acquirers have not entered into any formal agreement with respect to the acquisition through this Offer and acting together under an informal understanding.

6.12. There are 2108 Equity Shareholders under Public category.

6.13. Clause 49 of the Listing Agreement on Corporate Governance is not applicable to the Company.

6.14. **Name and Contact details of the Compliance Officer:**
Mr. Harshad N. Shah, Executive Director, Sidhwa House, 1st Floor,
N. A. Sawant Marg, Near Colaba Fire Brigade, Colaba, Mumbai-400 005.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1. Justification of Offer Price:

1. The shares of DIFL are listed on the Bombay Stock Exchanges Limited, Mumbai (BSE) and The Stock Exchange, Ahmedabad (ASE). The shares of the company are not traded on any Stock Exchange under Permitted Category.

2. The details of annualized trading turnover during the preceding 6 calendar months prior to the month in which the P.A. is made i.e. March 2005 to August 2005 (both Inclusive) are as under: -

Name of Stock Exchange	Total No. of Shares traded during the 6 calendar months prior to the month in which PA was made.	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	5,550	12,00,000	0.925%
ASE	Nil	12,00,000	Nil

(Source: BSE Website www.bseindia.com)

3. As per explanation (i) to Regulation 20(5), the shares are deemed to be infrequently traded. Hence, in terms of Regulation 20(5) of the Regulations, the Offer Price is determined taking into account the following factors:
   a. The Negotiated price under the Agreement is Rs. 23.50/- per share.
   b. The Acquirers have not acquired any equity shares of DIFL during the 26 weeks prior to the date of PA including by way of allotment in a public, rights or preferential issue.
   c. Other parameters as on 31.03.2005 such as Book Value, Earning per share and Return on Networth are Rs. 22.36/-, Rs. 2.51/- and 11.23% respectively.
   d. The P/E Multiple of the DIFL considering the Offer Price of Rs. 23.50/- per share works out to 9.36. The average industry P/E for the sector in which DIFL operates is 22.90.

   (Source: Capital Market, Volume XX-13, Dated August 29-September 11, 2005; Industry: Finance & Investments)

4. The Offer Price of Rs. 23.50 per fully paid-up Equity Share and Rs. 18.50 per partly paid-up Equity Share of DIFL is therefore justified in terms of Regulation 20(11) of the Regulations.

5. If the Acquirers acquire Shares after the Original PA and upto seven working days prior to closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisitions shall be payable for all acceptances received under this Offer as per Regulation 20(4) of the SEBI (SAST) Regulations, 1997. Any revision in the Offer Price shall be notified by advertisement in the same newspapers in which the original Public Announcement appeared.

6. There is no non-compete agreement.

7.2. Financial Arrangements:

1. The total Financing Resources required to fulfill the Offer is Rs. 56,59,425/- (Rupees Fifty Six Lakhs Fifty Nine Thousand Four Hundred and Twenty Five only) computed as follows:

S. No.	Particulars	
i.	The total number of issued Shares	12,00,000
ii.	Less: No. of Shares partly paid-up (Rs. 5/- paid up per share)	1,050
iii.	**Total number of shares fully paid (Rs 10/- per share)**	**11,98,950**
iv.	Less: No of shares fully paid for which an agreement has been entered into by Acquirers	6,15,723
v.	Total number of fully paid shares available outside	5,83,227
vi.	Total shares that may be received and accepted in this Offer (20.02% of the voting capital/20.09% of subscribed capital)	2,41,050
vii.	Consideration payable for fully paid shares @ Rs. 23.50/- per share (2,40,000*23.50/-)	56,40,000
viii.	Consideration payable for partly paid shares @ Rs.18.50 per share (1,050*18.50/-)	19,425
ix.	**Maximum total consideration payable**	**56,59,425**

2. The Acquirers, in terms of Regulation 28 (2) has created an Escrow Account by way of deposit of cash in **ICICI Bank Limited,** and the details are given below.

1.	Name of the Bank	ICICI Bank Limited
2.	Address	Capital Market Division, Fort, Mumbai (operating under Nariman Point Branch, Mumbai)
3.	Amount	Rs. 14,50,000/-
4.	Account Number	**000405029094**

3. The Manager to the Offer, Ashika Capital Limited has been empowered by the Acquirers to Operate the said Escrow Account solely and accordingly ICICI Bank Limited have issued a Letter dated September 8, 2005 in favour of Manager to the Offer confirming the same.
4. In accordance with Regulation 22(11) of the Regulations, the Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of its own sources/Networth and no borrowings from any Bank and/or Financial Institutions is envisaged. Mr. Umesh Maheshwari (Membership No. 43532), proprietor of M/s. Umesh Maheshwari & Co., Chartered Accountants, having office at 87, Central Avenue, Nagpur-18 has certified vide its letter dated 05.09.2005 that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.
5. The Manager to the Offer, Ashika Capital Limited confirms that the firm arrangements for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

8. TERMS AND CONDITIONS OF THE OFFER

1. The Letter of Offer alongwith Form of Acceptance cum Acknowledgement will be mailed to the shareholders of DIFL [except the Acquirers and the Sellers], whose name appear on the Register of Members of DIFL at the close of business on September 12, 2005 (the "Specified Date").
2. None of the shares of DIFL are under lock-in.
3. Shareholders who wish to tender their shares will be required to send the Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and Transfer Deed(s) duly signed to the Registrar to the Offer or Manager to the Offer, either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closure of the Offer, i.e. December 19, 2005, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.
4. All owners of shares, registered or unregistered (who own the shares at any time prior to the closure of the Offer) are eligible to participate in the Offer except Acquirers and the Sellers. Unregistered owners can send their application in writing to the Registrar to the Offer or Manager to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deeds and the original contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.
5. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer or Manager to the Offer, on a plain paper stating the name, address, number of shares held, distinctive number, folio number and number of shares offered, along with documents as mentioned in point "4" above, so as to reach the Registrar to the Offer or Manager to the Offer on or before the Closure of the Offer, i.e. December 19, 2005.
6. The Registrar to the Offer, will hold in trust the Share Certificates, Form of Acceptance cum Acknowledgement, if any, and the transfer form/s on behalf of the shareholders of DIFL who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.
7. Share Certificates, Transfer Forms and other documents in respect of shares not accepted under the Offer, if any, will be returned by registered post at the first/sole shareholders or 'unregistered owners' sole risk.
8. The Equity Shares of DIFL are being traded in physical mode only. In case the number of shares validly tendered in the Offer by the shareholders of DIFL are more than the shares to be acquired in this Offer, i.e. 2,41,050 Equity Shares comprising of 2,40,000 fully paid-up Equity Shares and 1,050 partly paid-up Equity Shares, the acquisition of Shares will be on a proportionate basis subject to a

minimum of 50 equity shares, or the entire holding if less than 50 equity shares from each shareholder accepting this offer, as per the provision of Regulation 21(6) of the Regulations. The rejected applications/ documents will be sent by Registered Post.

9. The payment of acquisition of shares will be made by the Acquirers in Cash through a crossed Demand Draft/Pay Order and the same will be sent by Registered Post, to those shareholders/unregistered owners, whose shares/ share certificates and other documents are found in order and accepted by Acquirers in part or in full, within two weeks from the date of Closure of the Offer i.e. December 31, 2005. The Acquirers undertakes to pay interest pursuant to Regulation 22 (12) to the shareholders for the delay, if any, in payment of consideration.
10. The Offer is subject to receiving necessary approval(s), if any, from Reserve Bank of India (RBI) under Foreign Exchange Management Act, 1999 (FEMA) and subsequent amendments thereto for acquiring equity shares tendered by Non Resident Shareholders, if any.
11. To the best of the knowledge of the Acquirers, no other statutory approvals are required to acquire the shares that are tendered pursuant to the Offer.
12. In case of non-receipt of statutory approvals within time, SEBI has a power to grant extension of time to Acquirers for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirers agreeing to pay interest as directed by SEBI under Regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirers in obtaining the approvals, Regulation 22(13) of Regulations will become applicable.
13. Accidental omission to despatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.
14. Attention of the shareholders is invited to the fact that the Letter of Offer along with the form of Acceptance would also be available on the SEBI web site at www.sebi.gov.in and eligible persons may download the Form of Acceptance cum Acknowledgement from the website for participating in the Offer.
15. The form of Acceptance along with Share Certificate (s) and other documents delivered as per the requirements mentioned above, shall become acceptance on your part, but will become a fully valid and binding contract between you and the Acquirers only upon the fulfillment of all the conditions mentioned herein.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

1. The Shareholder(s) of DIFL who qualify and who wish to avail of this Offer are free to offer their shareholding in full or in part. They should send their shares to the Registrars to the Offer as mentioned in the Form of Acceptance at the following address: -

   Intime Spectrum Registry Limited
   C-13, Pannalal Silk Mills Compound,
   LBS Marg, Bhandup (W), Mumbai-400 078,
   Tel : 022-55555491, Fax: 022-55555499

   Acceptances may be sent by Registered Post or by hand so as to reach the Registrars/Manager to the Offer on or before December 19, 2005.

   Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday-Friday	10.00 a.m. to 1.00 p.m. and 2.00p.m. to 4.00 p.m.	Hand Delivery
Saturday	10.00 a.m. up to 2.00 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

2. Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other relevant documents are complete in all respects; otherwise the same is liable to be rejected.

3. Shareholders should enclose the following:

Registered Shareholders should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificates.
- **Original Share Certificate(s)**
- **Valid Share Transfer form(s)** duly signed as Sellers by all the registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with DIFL and duly witnessed at the appropriate place. A blank Share Transfer Form is enclosed along with this Letter of Offer.

Notwithstanding that the signature(s) of the transferor(s) has/have been attested, if the signature(s) of the transferor(s) differs from the Specimen signature(s) recorded with DIFL or are not in the same order, such shares are liable to be rejected under the Open Offer even if the Offer has been accepted by bonafide owner of such shares.

Unregistered Shareholders should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, or application on plain paper.
- **Original Share Certificate(s)**
- **Original Broker Contract Note.**
- **Valid Share Transfer form(s)** as received from the market**.**

No indemnity is required from unregistered shareholders. **Unregistered shareholders should not sign the transfer deed.** The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirers as the Acquirers upon verification of the Form of Acceptance and the same being will fill buyer found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

4. The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent. Such documents may include but are not limited to:
   i. Duly attested death certificate and succession certificate (in case of single shareholders) if the original shareholder is deceased, in case succession certificate has not been obtained, the legal heir may approach the registrar.
   ii. Duly attested power of attorney if any person apart from the shareholder has signed the application form and / or transfer deed(s).
   iii. In case of Companies, the necessary corporate authorization (including Board Resolution) and specimen signatures of authorized signatories.

5. The share certificate(s), share transfer form(s) and the Form of Acceptance along with the relevant documents should be sent to the Registrar to the Offer/Manager to the Offer and not to the Acquirers or DIFL.

6. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent, to the Registrar to the Offer or Manager to the Offer, on a plain paper stating their Name, Address, No. of equity shares held, No. of equity shares offered, Distinctive Nos., Folio No., along with documents as mentioned above, so as to reach the Registrar to the Offer or Manager to the Offer on or before the Closure of the Offer, i.e. December 19, 2005.

The eligible persons can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer or Manager to the Offer, on or before the Closure of the Offer i.e. December 19, 2005.

Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.

Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI's website www.sebi.gov.in from the date of opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI's website and apply in the same.

7. The equity shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of the Closure of the Offer i.e. on or before December 14, 2005 (Wednesday). The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, so as to reach them on or before December 14, 2005. In case of non-receipt of 'Form of Withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the details like Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn. Shares withdrawn by the shareholders would be returned by the Registered post.

   The form of Withdrawal can also be downloaded from SEBI's website www.sebi.gov.in or obtained from the Manager/ Registrar to the Offer.

8. Unaccepted Share Certificate(s), 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.

9. The Registrar to the Offer will hold in trust the Shares / Share Certificates, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are despatched / returned.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Manager to the Offer, **Ashika Capital Limited**, D. No: 7-1-613/14A, Suite No. 6, 2nd Floor, Nestcon Lakshmisri, Ameerpet, Hyderabad-500 016, on any working day between 10.00a.m to 2.00p.m during the period the Offer is open i.e., from November 30, 2005 to December 19, 2005:

i) Copy of the Share Purchase Agreement between Acquirers & Sellers dated September 5, 2005, which triggered off the Offer.
ii) Memorandum & Articles of Association of DIFL along with Certificate of Incorporation.
iii) Audited Annual Reports of DIFL for the Financial Years ended 31.03.2003, 31.03.2004 and 31.03.2005.
iv) Copy of Prospectus dated 15th July 1982.
v) Memorandum & Articles of Association along with Certificate of Incorporation of VSPL and audited Annual Reports for the Financial Years ended 31.03.2003, 31.03.2004 and 31.03.2005
vi) Memorandum & Articles of Association along with Certificate of Incorporation of SCSPL and audited Annual Reports for the Financial Years ended 31.03.2003, 31.03.2004 and 31.03.2005 and un audited but certified results for the period ended 30.06.2005.
vii) Chartered Accountant's Certificate dated 05.09.2005 certifying the adequacy of financial resources with Acquirers to fulfill the Open Offer obligations.
viii) A Letter from ICICI Bank Limited dated September 8, 2005 for the amount kept in the Escrow Account and empowering solely the Manager to the Offer to operate it.
ix) Published copies of the Public Announcement made on September 9, 2005 and Corrigendum to Public Announcement made on November 22, 2005.
x) Letter No. CRD/GEN/2005/676 dated September 22, 2005 received from BSE on continuous listing requirement
xi) Copy of the Letter No. CFD/DCR/TO/AT/53861/05 dated November 14, 2005 received from SEBI in terms of Provisions of Regulation 18(2).
xii) Other relevant documents such as:
   a. Memorandum of Understanding between Acquirers & Manager to the Offer dated September 5, 2005.
   b. Letter appointing Intime Spectrum Registry Limited as Registrar to the Offer.
   c. Copy of undertakings from Target Company.

11. DECLARATION BY THE ACQUIRERS

The Acquirers and their respective Directors accepts full responsibility severally and jointly for the information contained in this Public Announcement and also for the obligations of Acquirers laid down in SEBI (SAST) Regulations 1997 and subsequent amendments thereof.

The Manager to the Offer hereby states that the persons signing this Letter of Offer are Acquirers.

On behalf of the Board of Directors of

For Vision Sales Private Limited

Sd/-
Director

For Saboo Capital and Securities Private Limited

Sd/-
Director

Place: Hyderabad
Date: November 23, 2005.

Attached: Form of Acceptance cum Acknowledgement and Withdrawal

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

Date:

From:

Tel No. Fax No.: E-mail:

To,
Registrar to the Offer
Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W), Mumbai-400 078,
Tel : 022-55555491, Fax: 022-55555499

Dear Sir,

Sub: Open Offer for purchase of 2,41,050 Equity Shares comprising of 2,40,000 Fully Paid-up Equity Shares of Rs. 10/- each at a price of Rs. 23.50/- per share and 1,050 partly paid-up (paid upto Rs. 5/- per share) Equity Shares at a price of Rs. 18.50/- per share of DIFL representing 20.09% of its Subscribed Capital and 20.02% of its Voting Capital by Vision Sales Private Limited and Saboo Capital and Securities Private Limited (Acquirers).

I/We, refer to the Letter of Offer dated November 23, 2005 for acquiring the Equity Share(s) held by me/us in DIAMANT INVESTMENT AND FINANCE LIMITED.

I/We, the undersigned have read the Letter of Offer and understood the contents including the terms and conditions as mentioned therein.

I/We, hereby irrevocably & unconditionally accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our shares as detailed below:

Sl. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers	Number of Shares
Total No. of Shares agreed to be sold				

(Please attach an additional sheet of paper and authenticate the same, if the above space is insufficient)

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

I/We confirm that the shares of DIAMANT INVESTMENT AND FINANCE LIMITED which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

Non resident shareholders should enclose No objection Certificate / Tax Clearance Certificate from the income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirers before remitting the consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of shareholder on the consideration payable by the Acquirers.

I/We authorise the Acquirers to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorise the Acquirers to return to me/us, share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorise the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the Draft/Cheque, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

I / We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and delivered:

FULL NAME (S) OF THE HOLDERS	ADDRESS OF THE SOLE/FIRST HOLDER	SIGNATURE (S)
First/sole Holder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holding all must sign. A Company must affix the common seal and furnish its corporate authorizations.

Place:__________________ Date:____________________

So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly

Name of the Bank and Branch: ____
Account Number: _____________________ Savings/Current/Others(please specify)____________________

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ACKNOWLEDGEMENT SLIP

S. No.

INTIME SPECTRUM REGISTRY LIMITED

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai-400 078,
Tel : 022-55555491, Fax: 022-55555499, E-mail: diamant@intimespectrum.com

Received from Mr./Ms/Mrs. .:____
Address :____
____

Folio Number______________
Number of Share Certificates Enclosed _____________
Certificate Numbers __________________
Total Number of Shares Enclosed___________

Signature of the Official

Date of receipt

Stamp of Registrar/ Manager to the Offer

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the address mentioned above.

PLEASE USE THIS FORM ONLY IF YOU HAVE TENDERED THE SHARES AND WISH TO WITHDRAW YOUR APPLICATION

FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to the Offer any time upto three working days prior to the date of closure of Offer i.e. on or before December 14, 2005 (Wednesday). In case you wish to withdraw your acceptance please use this form.	**OFFER SCHEDULE** **Offer Opens on : November 30, 2005 (Wednesday)** **Last Date of Withdrawal : December 14, 2005 (Wednesday)** **Offer Closes on : December 19, 2005 (Monday)**

Please read the Instructions in Letter of Offer before filling-in this Form of Withdrawal

From: -

Tel No. Fax No.: E-mail:

To: -

Registrar to the Offer

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (W), Mumbai-400 078,

Tel : 022-55555491, Fax: 022-55555499

Dear Sir,

Sub: Open Offer for purchase of 2,41,050 Equity Shares comprising of 2,40,000 Fully Paid-up Equity Shares of Rs. 10/- each at a price of Rs. 23.50/- per share and 1,050 partly paid-up (paid upto Rs. 5/- per share) Equity Shares at a price of Rs. 18.50/- per share of DIFL representing 20.09% of its Subscribed Capital and 20.02% of its Voting Capital by Vision Sales Private Limited and Saboo Capital and Securities Private Limited (Acquirers).

I/We refer to the Letter of Offer dated November 23, 2005 for acquiring the equity shares held by me/us in DIAMANT INVESTMENT AND FINANCE LIMITED.

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I/We wish to withdraw our acceptance tendered in response to the said Offer. We had deposited/sent our 'Form of Acceptance' to you on _________ 2005 alongwith original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

Sl. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers	Number of Equity Shares
Total No. of Shares agreed to be sold				

(In case the space provided is inadequate, please attach a separate sheet with the details)

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share Certificate(s) and valid share transfer deed will be held in trust for me/us by you and authorize you not to remit the consideration as mentioned in the Letter of Offer.

I/We confirm that the particulars given above are true and correct.

Yours faithfully,
Signed and Delivered:

	FULL NAME (S) OF THE HOLDERS	ADDRESS OF THE SOLE/FIRST HOLDER	SIGNATURE (S)
First/sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: In case of joint holding all must sign. A Company must affix the common seal and furnish its corporate authorizations.

Place:__________________ Date:____________________

INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 17.00 hours upto the last date of withdrawal i.e. December 14, 2005 (Wednesday).
2. Shareholders should enclose the following:-

   Registered Shareholders should enclose:
   - Duly signed and completed Form of Withdrawal.
   - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
   - In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

   Unregistered owners should enclose:
   - Duly signed and completed Form of Withdrawal.
   - Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip
   - The withdrawal of Shares will be available only for the Share certificates that have been received by the Registrar to the Offer/ Manager to the Offer.
   - The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company.
   - The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
   - In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from DIFL. The facility of partial withdrawal is available only on to Registered shareholders.

--TEAR HERE--

ACKNOWLEDGEMENT SLIP

Sr. No. Folio No:

INTIME SPECTRUM REGISTRY LIMITED

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai-400 078,
Tel : 022-55555491, Fax: 022-55555499, E-mail: diamant@intimespectrum.com

Received Form of Withdrawal from Mr./ Ms/ Mrs..: ____
Address:____
____

Folio Number________________
Number of Shares tendered _____________
Number of Shares withdrawn __________________

Signature of the Official Date of receipt	Stamp of Registrar to the Offer

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PRINTED MATTER

BOOK POST

To

If undelivered, please return to:

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W), Mumbai-400 078
Tel : 022-55555491; Fax: 022-55555499.
E-mail: diamant@intimespectrum.com
Contact Person: Mr. Vishwas Attavar