PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

DIAMANT INVESTMENT AND FINANCE LIMITED

(Formerly Diamant Carbon & Graphite Products Ltd.)

(Registered Office: Sidhwa House, 1st Floor, N.A. Sawant Marg, Near Colaba Fire Brigade, Colaba, Mumbai - 400 005)

This Public Announcement (PA) is being issued by Ashika Capital Limited (hereinafter referred to as "Manager to the Offer"), for and on behalf of Vision Sales Private Limited, Mumbai and Saboo Capital and Securities Private Limited, Nagpur (hereinafter referred to as "the Acquirers") pursuant to Regulation 10 & 12 in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as "Regulations").

1. The Offer:

a) This Open Offer is being made by Vision Sales Private Limited, Mumbai and Saboo Capital and Securities Private Limited, Nagpur (Acquirers) to the Equity Shareholders of Diamant Investment and Finance Limited (hereinafter referred to as "Target Company" or "Diamant").

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 Diamant 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 Diamant	% of Voting Capital of Diamant
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) Pursuant to Regulation 10 & 12 of the Regulations, the Acquirers are now making this Open Offer ("Offer") to the Shareholders of Diamant (other than the parties to the "Agreement") to acquire up to 2,40,000 Fully Paid-up Equity Shares of Rs. 10/- each at a price of Rs. 23.50/- per share ("Offer Price") representing 20% of its Subscribed Capital and 20.02% of its Voting Capital, payable in cash.

d) The Equity Shares of Diamant are listed at Bombay Stock Exchange Limited, Mumbai [BSE] and The Stock Exchange, Ahmedabad [ASE]. Based on the information available, the shares of Diamant are infrequently traded within the meaning of explanation (i) to Regulation 20(5) of the Regulations, the Offer Price has been determined in accordance with the following parameters:

i. The Negotiated price under the Agreement is Rs. 23.50/- per share.

ii. The Acquirers have not acquired any equity shares of Diamant during the 26 weeks prior to the date of PA including by way of allotment in a public, rights or preferential issue.

iii. 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.

iv. The P/E Multiple of Diamant 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 Diamant operates is 22.90. (Source: Capital Market, Volume XX/13, Dated August 29-September 11, 2005; Industry: Finance & Investments)

The Offer Price of Rs. 23.50/- per Equity Share of Diamant is therefore justified in terms of Regulation 20(11) of the Regulations.

e) 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.

f) The Offer is unconditional and not subject to any minimum level of acceptance from Shareholders.

g) This is not a competitive bid.

h) Acquirers have not entered into any separate non-compete agreements with the Sellers.

i) The Acquirers have 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.

j) The Manager to the Offer does not hold any equity shares in the Target Company, as on date of this PA.

2. Information about the 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, Tel. No.: 022-25162330. 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. As per the Audited Accounts for the year ended 31.03.2005, VSPL earned a Total Income of Rs. 43.47 Lakhs and Profit After Tax of Rs. 22.76 Lakhs. The Networth, Book Value per share, Earnings Per Share and Return on Networth for the year ended 31.03.2005 are Rs. 146.48 Lakhs, Rs. 72.59/-, Rs.1.13/- and 1.55% respectively.

The present Board of Directors of VSPL comprises of Mr. Umesh S. Agrawal, Mr. Rakesh S. Agrawal, Mr. Salil B. Lodha, Mr. Mukesh Agrawal and Mr. Satish S. Agrawal.

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, Tel. No: 0712-2729613. 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 31.03.2005 is Rs. 2.77 Lakhs consisting of 27,700 Equity Shares of Rs.10/- each. As per the Audited Accounts for the year ended 31.03.2005, SCSPL earned a Total Income of Rs. 10.44 Lakhs and a Profit After Tax of Rs. 0.35 Lakhs. The Networth, Book Value per share, Earnings Per Share and Return on Networth for the year ended 31.03.2005 are Rs. 4.25 Lakhs, Rs. 15.36/-, Rs.1.26/- and 8.23% respectively. As per un-audited accounts for the Quarter Ended 30.06.2005, the Networth of the company works out to Rs. 50.25 Lakhs and the same is certified by the Auditor of the company, Mr. Umesh Maheshwari (Membership No. 43532), proprietor of M/s. Umesh Maheshwari & Co., Chartered Accountants, having office at 87, Central Avenue, Nagpur-18, Tel. No. 0712-2733186.

The present Board of Directors of SCSPL comprises of Mrs. Madhu Naresh Saboo, Mr. Parag Satyanarayana Saboo and Mrs. Saraswati S. Saboo.

c) The Acquirers does not hold any Equity Shares of Diamant as on the date of this Public Announcement other than the shares acquired through Agreement. The Acquirers has not acquired either directly or through any other person any Shares of Diamant during the 12 months preceding the date of Public Announcement.

d) VSPL & SCSPL are Business Associates.

e) As on date of PA, Mr. Naresh Satyanarayana Saboo, nominee of SCSPL, is on the Board of Directors of Diamant.

3. Information about the Target Company:

a) Diamant was originally incorporated on 29th July 1980, as 'DIAMANT CARBON & GRAPHITE PRODUCTS LIMITED' and the name was subsequently 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 Issued and Subscribed Share Capital of the Company is Rs. 1,19,94,750 (Rupees One Crore Nineteen Lakhs 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 Equity Shares of Rs. 10/-each which are partly paid up to Rs. 5/- per Equity Share.

c) Diamant is presently engaged in the business of Investments.

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

e) As per the Audited Accounts for the year-ended 31.03.2005, Diamant earned a Total Income of Rs. 79.93 Lakhs and a Net Profit of Rs. 30.11 Lakhs. The Networth, Book Value per share, Earnings per Share and Return on Networth for the year ended 31.03.2005 are Rs. 268.24 Lakhs, Rs. 22.36/-, Rs. 2.51/- and 11.23% respectively.

4. Reasons for the Acquisition and the Offer:

a) The Offer to the shareholders of Diamant is made in accordance with Regulation 10 & 12 of the Regulations.

b) The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with change in control and management of Diamant.

c) The Acquirers are engaged in the business of Finance & Investments. Acquirers propose to expand the operations of Diamant into these areas as well as to diversify into Shares and Stock Broking activities by obtaining Membership of BSE/NSE (National Stock Exchange of India Limited, Mumbai). To augment the resources in the future, the Acquirers intend to participate in any Equity/Debt/Quasi Debt offering from Diamant, 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 Diamant by its Board of Directors in accordance with the applicable Rules and Laws.

d) 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.

e) The Acquirers do not have any plans to sell, dispose of or otherwise encumber any significant assets of Diamant in the next two years, except in the ordinary course of business of Diamant. Diamant'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 Diamant, if so required.

5. Statutory Approvals & Conditions to the Offer:

a) The Offer is subject to receiving necessary approval(s), if any, from Reserve Bank of India under Foreign Exchange Management Act, 1999 and subsequent amendments there to for acquiring equity shares tendered by Non Resident Shareholders, if any.

b) As on date of this PA, to the best of the knowledge of the Acquirers, there are no other statutory Approvals/or consents required. However, If any statutory approvals become applicable at a later date, the Offer would be subject to such statutory approvals. In case the statutory approvals are not obtained, the Acquirers will not proceed with the Offer.

c) 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 for the delayed period 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.

6. Option to the Acquirers in terms of Regulation 21:

Pursuant to the Agreement and this Offer, 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, the Acquirers undertake to acquire only such number of shares under Share Purchase Agreement so as to maintain the minimum specified public shareholding in the Company.

7. Financial Arrangements:

a) 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.

b) The Acquirers has opened an Escrow Account with ICICI Bank Limited, Capital Market Division, Fort, Mumbai (operating under Nariman Point Branch, Mumbai) and made a Cash deposit of Rs. 14,50,000/- (Rupees Fourteen Lakhs Twenty Five Thousand only) in the account being more than 25% of the total consideration payable of Rs. 56,40,000/- in accordance with the "Regulations".

c) The Manager to the Offer i.e. Ashika Capital Limited has been solely authorised by the Acquirers to operate and realise the value of Escrow Account in terms of the Regulations.

d) The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

8. Other Terms of the Offer:

a) The Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of Diamant (other than Parties to the Agreement) whose name appear on the Register of Members of Diamant at the close of business hours on September 12, 2005 (the "Specified Date").

b) Shareholders who wish to accept the Offer and tender their shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and duly signed and executed Transfer Deed (s) 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 Closing of the Offer, i.e. November 14, 2005, in accordance with the instructions specified in the Letter of Offer and Form of Acceptance cum Acknowledgement.

c) All owners of the shares, Registered or Unregistered (other than the Parties to the Agreement) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer. 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 of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the Original Share Certificate(s), valid Share Transfer Deeds and the original Contract Note(s) issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owners.

d) 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 'c' above, so as to reach the Registrar to the Offer or Manager to the Offer on or before the Closing of the Offer, i.e. November 14, 2005.

e) 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 Diamant who have accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.

f) 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 Shareholders/Unregistered Owners sole risk to the sole/first shareholder.

g) In case the shares tendered in the Offer by the shareholders of Diamant are more than the shares to be acquired under the Offer, the acquisition of the shares from each shareholder will be as per the provision of Regulation 21(6) of the Regulations on a proportionate basis. The rejected Applications / Documents will be sent by Registered Post.

h) The payment of acquisition of shares will be made by the Acquirers in Cash through a crossed Demand Draft/Pay Order to the equity Share holders of Diamant whose equity share certificates and other documents are found in order and accepted, with in 15 Days from the date of closing of the Offer.

i) In terms of Regulation 22(5A) of the Regulations, shareholders shall have the option to withdraw acceptance tendered up to three working days prior to the date of Closing of the Offer by submitting the required documents, to the Registrar to the Offer. The withdrawal option can be exercised by submitting the Form of Withdrawal enclosed with Letter of Offer. Incase of non-receipt of Form of Withdrawal, the withdrawal can be exercised by making it on plain paper along with the details as mentioned in the point 'c' above.

j) The shares withdrawn by the Shareholders, if any, would be returned by Registered Post.

k) The schedule of the activities pertaining to the Offer are given below:-

Activities	Date	Day
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	September 12, 2005	Monday
Last Date for a Competitive Bid, if any	September 30, 2005	Monday
Date by which the Letter Of Offer to be Despatched to shareholders	October 20, 2005	Thursday
Date of Opening of the Offer	October 26, 2005	Wednesday
Last date for revising the Offer Price/ Number of Shares	November 2, 2005	Wednesday
Last date for Withdrawal of Acceptance by Shareholders	November 9, 2005	Wednesday
Date of Closing of the Offer	November 14, 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

9. General:

a) 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 Closing of the Offer i.e. on or before November 9, 2005.

b) If there is any upward revision in the Offer Price up to seven working days prior to the date of Closing of the Offer i.e. on or before November 2, 2005 or Withdrawal of the Offer, the same would be informed by way of Public Announcement in the same Newspapers where this original Public Announcement appeared and such revised Offer Price would be payable to all the shareholders who have tendered their shares any time during the Offer and accepted under the Offer.

c) **If there is a Competitive Bid:**

i) The Public Offers under all the subsisting bids shall close on the same date.

ii) 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.

d) The Acquirers, the Sellers and Diamant have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any other Regulations made under the SEBI Act.

e) Pursuant to Regulation 13 of the Regulations, the Acquirers has appointed **Ashika Capital Limited, Hyderabad,** as Manager to the Offer.

f) **Intime Spectrum Registry Pvt. Ltd.** having office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai-400 078, Tel : 022-55555491, Fax: 022-55555499, E-mail: diamant@intimespectrum.com has been appointed as the Registrar to the Offer. The name of the Contact Person is Mr. Vishwas Attavar.

g) 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.

h) For further details, please refer to the Letter of Offer and Form of Acceptance cum Acknowledgement.

i) This Public Announcement would also be made available on the SEBI's website www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Letter of Offer along with Form of Acceptance cum Acknowledgement and Form of Withdrawal, which will also be available on SEBI's website from the Offer opening date i.e. October 26, 2005 and apply in the same.

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

Your Trust is Our Strength

ASHIKA CAPITAL LIMITED
7-1-613/14A, Suite No: 6,
2nd Floor, Nestcon Lakshmisri,
Ameerpet, Hyderabad-500 016.
Tel: +91-40-55617802/23750498
Fax: +91-40-55617801
E-Mail: ashika_hyderabad@rediffmail.com
Contact Person: Mr. Rajendra Kanoongo

Place: Hyderabad
Date: Septemebr 9, 2005

Size: 16 x 47 cms