LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer (LOO) is sent to you as equity shareholder(s) of Lalphul Investments Ltd. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Keynote Corporate Services Ltd. (Manager to the Offer) or Intime Spectrum Registry Limited (Registrar to the Offer). In case you have sold your shares in the Company, please hand over this LOO and the accompanying Form of Acceptance cum acknowledgment and Transfer Deed to the Member of Stock Exchange through whom the said sale was affected.

CASH OFFER AT A PRICE OF RS. 7.50 (RUPEE SEVEN AND PAISE FIFTY ONLY) PER EQUITY SHARE

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

TO ACQUIRE

from existing equity shareholders upto 40,000 equity shares of Rs. 10/- each forming 20% of the paid-up equity share capital of the company at a price of Rs. 7.50 per share of

LALPHUL INVESTMENTS LIMITED

having its registered office at 1111-A, Raheja Chambers, 213, Backbay Reclamation Scheme, Nariman Point, Mumbai - 400021
Tel: (022) 2285 2796/ 97/ 99 Fax: (022) 5632 4848

By

MRS. MANISHA KHETAN

having her office at 505, Acme Plaza, Andheri Kurla Road, Andheri (East) Mumbai – 400 059
Tel: (022) 28262211; Fax: (022) 28315493

As on date no approvals, statutory or otherwise, are required under the Companies Act 1956, Monopolies and Restrictive Trade Practices Act, 1969, the Foreign Exchange Management Act. 1999 and /or any other applicable laws and from any bank and/ or financial institutions for the said acquisition.

The shareholder(s) shall have the option to withdraw acceptance tendered by him/them upto three working days prior to the date of closure of the offer i.e. upto 07/12/2005.

In case of any upward revision/withdrawal of the offer, the Public Announcement for the same would be made in the same newspapers where the original Public Announcement has appeared. The last date for such upward revision, if any, is 01/12/2005. Acquirer will pay the same price for all fully paid-up equity shares tendered during the offer period.

Equity Shareholders may note that if there is a competitive bid,

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

A copy of the Public Announcement and Letter of Offer (including form of acceptance cum acknowledgement and form of withdrawal) is also available at the website of SEBI **www.sebi.gov.in**

Manager to the Offer

KEYNOTE CORPORATE SERVICES LTD

307, Regent Chambers,
Nariman Point, Mumbai-400 021.
Tel: (022) 22025230 Fax: (022) 22835467
e-mail: mbd@keynoteindia.net
SEBI Regn: INM000003606
AMBI Regn No.: AMBI/040
Name of the Contact Person: Ms. Purvi Sheth

Registrar to the Offer

INTIME SPECTRUM REGISTRY LIMITED

C-13, Pannalal Silk mills compound,
L.B.S Marg,
Bhandup (W), Mumbai – 400 078
Tel.: (022) 5555 5454 Fax: (022) 5555 5353
SEBI Regn. No.: INR00003761
Contact Person : Mr. Vishwas Attavar

Activity	Date	Day
Public Announcement	30/09/2005	Friday
Last date for a competitive bid	20/10/2005	Thursday
Specified Date	29/10/2005	Saturday
Date by which the Letter of Offer will be dispatched to shareholders	12/11/2005	Saturday
Date of opening the Offer	23/11/2005	Wednesday
Last date for revising the offer price/ number of shares	01/12/2005	Thursday
Last date for withdrawal of acceptance	07/12/2005	Wednesday
Date of closing the Offer	12/12/2005	Monday
Date of communication of rejection, if any	17/12/2005	Saturday
Date of payment of consideration for applications accepted	26/12/2005	Monday

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DEFINITIONS

Acquirer	:	Mrs. Manisha Khetan
Date of Public Announcement	:	Friday, 30/09/2005
Letter of Offer/LOO	:	This Letter of Offer dated ___________
Persons Eligible to participate in the Offer	:	Equity shareholders of Lalphul Investments Ltd (other than Sellers and Parties to the Agreement) whose names appear on the Register of the Members of Lalphul Investments Limited at the close of business hours on 29/10/20005 (the **"Specified Date"**) and also to those persons who own the shares at any time prior to the closure of the offer, but are not the registered equity shareholders.
SEBI	:	Securities and Exchange Board of India
Specified Date	:	Saturday, 29/10/2005
The Regulations / SEBI (SAST) Regulations 1997	:	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereof.
Target Company or LIL	:	Lalphul Investments Limited
Manager to the Offer/ Merchant Banker	:	Keynote Corporate Services Ltd.

RISK FACTORS

Relating to the Proposed Offer

If the aggregate of the valid responses to the offer exceeds offer size, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the Regulations. In such an event all the equity shares tendered by the applicant may not be accepted.

1. DISALAIMER 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 DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE EQUITY SHAREHOLDERS OF LALPHUL INVESTMENTS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES/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 THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURES OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES HER RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER KEYNOTE CORPORATE SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 13/10/2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1 Background of the offer

a) Mrs Manisha Khetan having her office at 505, Acme Plaza, Andheri Kurla Road, Andheri (East) Mumbai – 400 059 (hereinafter referred to as "Acquirer") has agreed to acquire 50,000 equity shares of Rs. 10/- each representing 25 % of the total paid up equity share capital of Lalphul Investments Ltd. (hereinafter referred to as 'LIL' or 'Target Company') at a price of Rs. 7.50 (Rupee Seven and Fifty Paise Only) per share payable in cash vide agreement dated 28/09/2005 as detailed herein under:

Name and address of Sellers	Number of EQUITY shares of LIL	% of paid up capital of LIL
Mr. M.P. Mansinghka 83, Ashok Apartments, 68-A Nepeansea Road, Mumbai 400 006	20,000	10.00
Mrs. Kamla Devi Mansinghka 83, Ashok Apartments, 68-A Nepeansea Road, Mumbai 400 006	30,000	15.00
Total	**50,000**	**25.00**

The sellers belong to the promoter group of the Company

b) Pursuant to the aforesaid Agreement provisions of Regulation 10 read with Regulation 12 of the Regulations have been attracted. The Acquirer announced an offer under the Regulations, to acquire by tender upto 40,000 fully paid-up equity shares of Rs.10/- each of LIL representing 20% of its paid up equity share capital from the remaining shareholders of LIL (other than "Sellers and Parties to the Agreement") on the terms and subject to the conditions set out in this Letter of Offer, at a price of Rs.7.50 (Rupees Seven and Fifty paise Only) per equity share (the "Offer Price") payable in cash (the "Offer").

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

d) The Acquirer/Sellers/LIL and persons in control of LIL are not debarred from accessing the capital market under Section 11 B or under any other Regulations of the SEBI Act, 1992.

2.2 Details of The Proposed Offer

a) The Acquirer has made a Public Announcement for the Offer to the existing equity shareholders of LIL which was published on Friday, 30/09/2005 in compliance with Regulation 15 of the Regulations in all editions of 'Financial Express' being English National Daily, 'Jansatta' being Hindi National Daily, and 'Nav Sakti' (Marathi) being regional daily at the place where the registered office of the Company is located and also being the place of the stock exchange where the equity shares of the company are listed. A copy of the Public Announcement is also available on the SEBI website at www.sebi.gov.in.

b) The Acquirer has announced an open offer under Regulation 10 read with Regulation 12 of the Regulations, to acquire by tender offer upto 40,000 fully paid-up equity shares of Rs.10/- each of LIL representing 20% of the paid-up equity share capital from the equity shareholders of LIL (other than the 'Sellers and Parties to the Agreement') on the terms and subject to the conditions set out in this Letter of Offer, at a price of Rs. 7.50 (Rupee Seven and Paise Fifty Only) per fully paid-up equity share payable in cash.

c) The equity shares of LIL are listed on Bombay Stock Exchange Limited (BSE). The equity shares of the company have been suspended from trading on the stock exchange since May 2002 for non-submission of quarterly results. The company has made an application for revocation of suspension to BSE vide letter dated 04/07/2005. The equity shares of LIL are infrequently traded in terms of explanation (i) to Regulation 20(5) of the Regulations

d) The equity shares of LIL to be acquired, pursuant to the Offer, shall be free from all lien, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid.

e) As on date Acquirer does not hold any equity shares of LIL other than those proposed to be acquired under the Agreement dated 28/09/2005.

3. RATIONALE FOR THE OFFER

a) The Acquirer is in the business of dealing in shares and securities. Through this acquisition the acquirer plans to expand her scope of activity. This will in turn help LIL in strengthening its market presence within the existing line of business.

b) The Acquirer has agreed to acquire 50,000 equity shares of Rs.10/- each of LIL representing 25% of the paid up equity share capital of the Company pursuant to agreement dated 28/09/2005 entered into with the promoters of the Target Company (Sellers). As a result of this acquisition, provisions of Regulation 10 read with Regulation 12 of the SEBI (SAST) Regulations, 1997 have been attracted. The present offer to the shareholders is pursuant to the Regulations.

c) Acquirer does not have any plan to dispose off or otherwise encumber any of the assets of LIL in the succeeding two years from the date of closure of the offer, except in the ordinary course of business of LIL. Acquirer will not dispose off, sell or otherwise encumber any substantial assets of LIL except with the prior approval of the shareholders.

4. BACKGROUND OF THE ACQUIRER

Mrs. Manisha Khetan

a) Mrs. Manisha Khetan, aged 34 years is having her office at 505, Acme Plaza Andheri – Kurla Road, Andheri (East) Mumbai – 400 059 and is residing at 78, J. B. Nagar, Khetan Bhawan, Andheri – east, Mumbai – 400 059. Mrs. Manisha Khetan is having over 5 years experience of dealing in securities, real estate.

b) As per the certificate dated 22/09/2005 issued by Bhageria Naredi & Associates, Chartered Accountants, having their office 23-B, 2nd Floor, Mehta Estate, 88 Andheri Kurla Road, Chakala, Andheri (East), Mumbai – 400 059 (Membership No. of Mr. Mahesh Bhageria, Partner is 34499 : Telefax - (022) 26849690 E-mail:mb_naredi@rediffmail.com), the networth of Mrs Manisha Khetan as on 31/03/2005 is Rs.200.77 lacs

c) The acquirer has neither promoted any listed company, nor has any controlling stake in any listed company.

d) The Acquirer is not on the Board of Directors of LIL.

e) Mrs. Manisha Khetan holds directorships in: Eskay Infrastructure Development Pvt Ltd, Amenity Software Pvt Ltd, Daylight Finvest Pvt Ltd. and Mayflower Holdings Pvt. Ltd. Brief details of which are as follows:

I) **Eskay Infrastructure Development Pvt. Ltd.**
Date of Incorporation: 14/12/2000
Names of Directors: Mrs. Manisha Khetan and Mrs. Shanti Khetan
Nature of Business: The company is engaged in capital market operation and services.

Brief financials based on audited accounts for the last three years are given below:
(Rs. In Lacs)

Particulars	31/03/2003	31/03/2004	31/03/2005
Paid up equity capital	39.95	39.95	39.95
Reserves & Surplus	42.83	45.33	50.55
Total Income	51.11	28.06	26.54
Profit After Tax	1.49	2.49	5.22
EPS (Rs.)	0.40	0.63	1.31
Book Value (Face Value of Rs. 10/- per share)	20.66	21.32	22.65

The Company is not a Sick Industrial Company within the meaning of Clause (O) of Sub-Section (1) of Sec. 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

II) **Amenity Software Pvt. Ltd**.
Date of Incorporation: 12/02/2004
Names of Directors: Mrs. Manisha Khetan and Mrs. Shanti Khetan
Nature of Business: The Company is providing IT enabled services.

Brief financials based on audited accounts for the year 2004 is given below:
(Rs. In Lacs)

Particulars	31/03/2004	31/03/2005
Paid up equity capital	1.00	5.00
Share Application Money	20.00	-
Reserves & Surplus	-	98.27
Total Income	-	5.11
Profit After Tax	(0.21)	2.48
EPS (Rs.)	(2.09)	20.90
Book Value* (Face Value of Rs. 10/- per share)	7.31	206.46

* Networth of the Company for the purpose of Book value = Paid-up equity share capital + Reserves and surplus – Miscellaneous expenditure - Profit and loss account (Debit balance)

The Company is not a Sick Industrial Company within the meaning of Clause (O) of Sub-Section (1) of Sec. 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

f) Disclosure in terms of Regulation 16 (ix):

- The Acquirer is having experience of more than five years in dealing in shares and securities. Through this acquisition the acquirer plans to expand her scope of activity. This will inturn help LIL in strengthening its market presence within the existing line of business.

- Acquirer does not have any plans to dispose off or otherwise encumber any of the assets of LIL in the two years from the date of closure of the offer except in the ordinary course of business of LIL. Acquirer has undertaken not to sell, dispose of or otherwise encumber any substantial assets of LIL except with prior approval of the shareholders.

g) Future Plans/strategies of Acquirer with regard to LIL:

The Acquirer is proposing to acquire the equity shares of LIL, to expand her scope of activity and with plans to strengthen the market presence of the LIL within the same line of business.

5. DELISTING OPTION TO LIL

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

6. BACKGROUND OF TARGET COMPANY

Lalphul Investments Limited/LIL

a) LIL was incorporated as a Private Ltd company on 24/10/1980 under Companies Act 1956. The Registered Office of the company is situated at - 1111-A, Raheja Chambers, 213, Backbay Reclamation Scheme, Nariman Point, Mumbai - 400 021 Tel: (022) 2285 2796/ 97/ 99 Fax: (022) 5632 4848

b) LIL has been promoted by Mr. M.P. Mansinghka and associates and is engaged in the business of Investment and Financing. The company derives its income from interest out of loans and advances given.

c) The company made its first issue of 1,70,000 equity shares of Rs. 10/- each at par to the public through prospectus dated 25/07/1981. The equity shares of the company are listed on Bombay Stock Exchange Limited (BSE). The paid up equity share capital of the Company comprises of 2,00,000 equity shares of Rs.10/- each aggregating to Rs. 20.00 lacs. There are no partly paid up shares in the Company. The details of the share capital structure of the company is as follows:

Paid-up Equity Shares	No. of shares/voting rights	% of paid up capital
Fully paid up equity shares	2,00,000	100
Partly paid up equity shares	-	-
Total paid up equity shares	2,00,000	100
Total voting rights in the company	**2,00,000**	**100**

d) Details of the share capital history of the company are as follows:

Date of Allotment	No. of shares issued	Cumulative Paid up Capital (No. of Shares)	Mode of Allotment	Identification of The Allottees	Status of compliance
31/10/1980	70	70	Subscribers	Promoters	Capital issued before Public Issue
08/07/1981	29,930	30,000	Private Placement	Promoters and associates	Capital issued before Public Issue
14/10/1981	1,70,000	2,00,000	Public Issue	Public	Issued interms of Prospectus dated 25/07/1981
Total	**2,00,000**	**2,00,000**			

e) The equity shares of LIL are listed on Bombay Stock Exchange Ltd (BSE). The equity shares of the company have been suspended by BSE since 13th May, 2002 due to non compliance with Clause 41 of Listing Agreement. The equity shares were last traded on 05/05/2000 on the BSE at a price of Rs.10.70 per share. The Company has been complying with various provisions of listing agreement . The company has made an application for revocation of suspension to BSE vide its letter dated 04/07/2005, in response to the communication received form BSE vide their letter dated 15/04/2005 and is awaiting their response.

f) As per the audited financials for the year ended 31/03/2005,LIL has reported a net loss of Rs.0.12 lacs on a turnover of Rs.0.31 Lacs. The company has accumulated losses amounting to Rs.5.14 lacs. The networth of the Company is Rs. 14.86 Lacs and Book Value is Rs.7.42 as on 31/03/2005.

g) There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date. There are no shares under lock-in period. There has been no merger / de-merger or spin off in the Company during the past three years.

The Company is not regular in complying with the provisions of the listing agreement entered into with BSE. There has been no punitive action taken by the BSE against LIL or its promoters / directors.

The company has not been regular in complying with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997 and there has been a delay in complying with the Regulations from the years 1997 to 2002 to the extent that all the compliances upto the year 2002 were complied with on 25/11/2002. Further, the compliance for the year 2003 were made within the specified time but the compliance for the year 2004 was made on 26/05/2004. On an average there has been a delay of 963 days by the Target Company in compliance of the Regulations.. Thereafter, the company has been regular in complying with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

The Promoters of the Company and the Sellers are also not regular in complying with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997 and there has been a delay in complying with the Regulations upto the year 2004 to the extent that all the compliances upto the year 2002 were complied with on 25/11/2002. Further, the compliances for the year 2003 was made on 26/04/2003 and compliance for the year 2004 was made on 26/05/2004. On an average there has been a delay of 854 days in compliance of the Regulations Thereafter, the promoters have been regular in complying with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

In view of such non-compliance/delayed compliance SEBI may initiate appropriate actions against the Target Company/ Promoters/ Sellers.

h) The details of the Board of Directors of LIL are as follows:

Name, Designation, & Address	Experience (years)	Qualification	Date of Appointment
Shri Mahavir Prasad Mansinghka **Chairman** 83, Ashok Apartments, 68-A Nepeansea Road, Mumbai – 400 006	54	S.S.C.	10/01/1986
Shri Rungta Rajinder Kumar **Director** Rungta House, 68 Nepeanse Road, Mumbai – 400 006	40	B.Com	24/10/1980
Smt. Sarita Mansinghka **Director** 83, Ashok Apartments, 68-A Nepeansea Road, Mumbai – 400 006	25	S.S.C.	17/08/1994

i) Brief audited financial details of LIL for the last 3 financial years and certified financials for the three month period ended 30/06/2005 as certified by the auditor are as follows :

(Rs. in lacs)

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED MARCH 31	2003	2004	2005	Three Months period ended 30/06/2005 (as certified by the Statutory Auditor)
Income from operations	0.77	0.79	0.31	0.1
Balance Written Back	0.02	-	-	-
Other Income	-	-	-	-
Total Income	0.79	0.79	0.31	0.1
Total Expenditure	0.51	0.45	0.43	0.2
Profit Before Depreciation, Interest and Tax	0.28	0.31	(0.12)	(0.1)
Depreciation	-	-	-	-
Interest	-	-	-	-
Profit Before Tax	0.28	0.34	(0.12)	(0.1)
Provision for Tax	0.03	0.03	-	-
Profit After Tax	**0.25**	**0.31**	**(0.12)**	**(0.1)**

(Rs. in lacs)

BALANCE SHEET STATEMENT AS ON MARCH 31	2003	2004	2005
Sources of funds			
Paid up share capital	20.00	20.00	20.00
Reserves and Surplus	-	-	-
Miscellaneous Expenditure	(4.82)	(4.50)	(5.14)
Networth	**15.18**	**15.50**	**14.86**
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Total	**15.18**	**15.50**	**14.86**
Uses of funds			
Net fixed assets	-	-	-
Investments	2.63	2.63	2.63
Net Current Assets	12.55	12.87	12.22
Total	**15.18**	**15.50**	**14.86**

Other Financial Data	2003	2004	2005	Three Months period ended 30/06/2005 (as certified by the Statutory Auditor)
Dividend (%)	-	-	-	-
Earning Per Share	0.13	0.16	(0.06)	(0.05)
Return on Networth %	1.65	2.00	(0.81)	-
Book Value Per Share (Face Value= Rs. 10/-)	7.59	7.75	7.43	-

j) Reasons for fall/rise in PAT of the Company:

- The PAT for the FY 2004 has increased as compared to the FY 2003 which is mainly due to an increase in the total income especially the Interest Income with a simultaneous decrease in total expenditure.

- The company suffered a loss in the FY 2005 due to decrease in the total income i.e. interest income as compared to the FY 2004

k) Pre and Post- Offer equity shareholding pattern of the Target Company is as follows:

Shareholder's category	Shareholding & voting rights prior to the offer. (A)		Shares / voting rights agreed to be acquired which triggered off the Regulations. (B)		Shares/voting rights to be acquired in open offer (Assuming full acceptances) (C)		Share holding / voting rights after the acquisition and offer (D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
(a) Parties to the Agreement (if any):								
- Mr. Mahavir Prasad Mansinghka	24,150	12.08	(20,000)	(10.00)	-	-	*	*
- Mrs. Kamladevi Mansinghka	43,000	21.50	(30,000)	(15.00)	-	-	*	*
(b) Promoters other than (a) above								
- Mr. Ravindra Kumar Mansinghka	7000	3.50	-	-	-	-	*	*
- Mrs.Saritadevi Mansinghka	8200	4.10	-	-	-	-	*	*
Sub Total 1 (a+b)	**82,350**	**41.18**	**(50,000)**	**(25.00)**	**-**	**-**	*****	*****
2. a) Main Acquirer Mrs. Manisha Khetan	-	-	50,000	25.00	40,000	20.00	90,000	45.00
b) PACs	-	-	-	-	-	-	-	-
Sub Total 2 (a+b)			**50,000**	**25.00**	**40,000**	**20.00**	**90,000**	**45.00**
3. Parties to agreement other than (1) (a) & (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4. Public (other than Acquirer, Parties to the Agreement and Person Acting in Concern)								
a) FIs/MFs/FIIs/ Banks, SFIs	**-**	**-**	**-**	**-**	**-**	**-**		
b) Others (No. of Shareholders: 315)	1,17,650	58.82	-	-	(40,000)	(20.00)	1,10,000*****	55.00*****
Sub-total 4 (a + b)	**1,17,650**	**58.82**	**-**	**-**	**-**	**-**	**1,10,000**	**55.00**
Total (1+2+3+4)	**2,00,000**	**100.00**	**-**	**-**	**-**	**-**	**2,00,000**	**100.00**

***** The shareholding of erstwhile promoters / sellers post offer has been included / clubbed in the public shareholding pursuant to proposed open offer.

***** The promoters other than parties to the agreement are also eligible to tender their shares in this open offer.

l) The Company has appointed Mrs. Sarita Mansinghka, Company Secretary of the Company as a Compliance Officer as detailed below

Compliance Officer
Mrs. Sarita Mansinghka
1111 – A, Raheja Chambers
213, Backbay Reclamation Scheme,
Nariman Point, Mumbai – 400 078

m) Details of change in shareholding of the promoters is as follows :

Date	No. of equity shares held by existing promoters	As a % to issued share Capital	Reasons for change	Status of Compliance of Provisions of Chapter II of SEBI (SAST) Regulations, 1997
31/10/1980	70	Negligible	Subscriber to Memorandum	Not Applicable
08/07/1981	29930	14.97	Allotment	Not Applicable
22/07/1982	2150	1.09	Purchase	Not Applicable
15/10/1982	23150	11.59	Purchase	Not Applicable
25/01/1983	27050	13.53	Purchase	Not Applicable
Total	**82,350**	**41.18**		

6. OFFER PRICE

Justification of Offer Price:

The equity shares of LIL are listed on Bombay Stock Exchange Ltd. (BSE). The equity shares of the Company have been suspended from trading on the stock exchange since 13^{th} May 2002 due to non compliance of Clause 41 of Listing Agreement.

Name of stock exchange	Total Shares traded during the 6 calendar months prior to the month in which the public announcement was made	Total no. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	Not Traded	2,00,000	-

Thus the equity shares of LIL are infrequently traded on BSE in terms of Explanation (i) to Regulation 20(5) of the Regulations. The offer price of Rs. 7.50 per share, has been determined as per Regulation 20(5) of the Regulations taking into account the following factors:

a.	Negotiated price under the agreement	:	Rs. 7.50
b.	Highest price paid by the Acquirer for acquisitions including by way of allotment in a public or rights issue, if any, during the twenty-six weeks period prior to the date of Public Announcement.		Not Applicable
c.	Other Parameters:		Based on audited accounts ended 31/03/2005
	Return on Networth (%)	:	(0.81)
	Book Value (Rs.)	:	7.42
	Earning Per Share (EPS) (Rs.)	:	(0.06)
	P/E	:	-

As per the audited financials for the year ended 31/03/2005,LIL has reported a net loss of Rs.0.12 lacs on a turnover of Rs.0.31 Lacs. The company has accumulated losses amounting to Rs.5.14 lacs. The company has a networth of Rs.14.86 Lacs and Book Value of Rs.7.42 as on 31/03/2005.

The equity shares of LIL have been included in 'Z' category by BSE and are under suspension. The offer price of Re. 7.50 per share is close to the book value of shares as on 31/03/2005.

Acquirer has not entered into any non compete agreement.

In view of the above factors the offer price of Re.7.50 per share is justified.

7. FINANCIAL ARRANGEMENT

a) Assuming full acceptance, the total monetary value of the offer would be Rs.3.00 lacs. The Acquirer has opened an Escrow Account in the form of a current account to the tune of Rs. 0.10 lacs and fixed deposit account of Rs. 2.90 lacs with State Bank of India, Nariman Point, Mumbai, in favour of the Manager to the Offer for an amount of Rs.3.00 lacs being 100% of the total monetary value of the offer. Acquirer has empowered the Manager to the Offer to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(7).

b) The financial obligation under the offer is being fulfilled through internal resources of the Acquirer and will not be through any bank/financial institution.

c) As per the certificate dated 22/09/2005 issued by Bhageria Naredi & Associates, Chartered Accountants, having their office at 23- B, 2nd Floor, Mehta Estate, 88 Andheri Kurla Road, Chakala, Andheri (East), Mumbai – 400 059 (Membership No. of Mr. Mahesh Bhageria, Partner is 34499; Telefax: 28387158; Email: mb_naredi@rediffmail.com), the Acquirer has sufficient means to fulfill all the obligations under SEBI (Substaintial Acquisition of Shares and Takeover) Regulations, 1997 in respect of acquisition of shares of Lalphul Investments Limited.

d) In view of this, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the offer as firm financial arrangement through verifiable means are in place to fulfill the offer obligation.

8. TERMS AND CONDITIONS OF THE OFFER

a) There are no equity shares of LIL under lock-in.

b) The equity shares of LIL are available only in physical form and not in dematerialized form. The acquirer and the parties to the agreement are not eligible along with the sellers to participate in the offer.

c) **Eligibility for accepting the Offer:** The Letter of Offer specifying the detailed terms and conditions of this offer together with Form of Acceptance cum Acknowledgement and Form of Withdrawal will be mailed to the equity shareholders of LIL (other than "Sellers, Parties to the Agreement, Acquirer") whose names appear on the Register of Members of LIL, at the close of business hours on 29/10/2005 (referred to as "the Specified Date").

d) **Statutory Approvals:**. As on date no approvals, statutory or otherwise, are required under the Companies Act 1956, Monopolies and Restrictive Trade Practices Act, 1969, the Foreign Exchange Management Act. 1999 and /or any other applicable laws and from any bank and/ or financial institutions for the said acquisition.

e) Subject to the conditions governing this Offer as mentioned herein, the acceptance of this offer by the equity shareholders of LIL must be absolute and unqualified. Any acceptance to this offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT.

9.1 Procedure for accepting the offer by eligible persons

The equity shareholders of LIL who qualify and who wish to avail of this Offer (hereinafter referred to as "Acceptor") will have to deliver the relevant documents as mentioned at point (a) and (b) below as applicable to the Registrar to the Offer, Intime Spectrum Registry Limited (SEBI Regn. No.: INR 00003761) at the address mentioned on the cover page of this Letter of Offer by hand delivery or Registered Post between 10.30 am. to 4.30 pm on all working days i.e. other than Sundays and public holidays.

a) Registered equity shareholders should enclose:

i. Form of Acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein, by all equity shareholders whose name appears on the share certificates.
ii. Original share certificate(s)

iii. Valid share transfer form(s) duly signed as transferors by all registered equity shareholders (in case of joint holdings), in the same order and as per the specimen signatures registered with and duly witnessed at the appropriate place.

b) Unregistered owners of equity shares should enclose:

i. Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein.
ii. Original share certificate(s)
iii. Original broker contract note of a registered broker of a recognized stock exchange.
iv. Valid share transfer form(s) as received from the market. The details of the buyer should be left blank. If the details of the buyer are filled in, the tender will not be valid under the offer. Acquirer's name will be subsequently filled in upon verifying the validity of the share transfer form.
v. No indemnity is needed from unregistered equity shareholders.

NO DOCUMENT SHOULD BE SENT TO THE MANAGER TO THE OFFER, ACQUIRER OR TO LIL

9.2 OFFER PERIOD

a) Offer period is the period between the date of Public announcement and the date of completion of offer formalities relating to the offer.

b) This Offer will remain open on all working days (i.e. excluding Sunday and Public Holidays) between 23/11/2005 to 12/12/2005 (both days inclusive). The equity shareholders of LIL who wish to avail of this offer shall be required to send their acceptance in the manner stated above so as to reach the Registrar to the Offer on or before 12/12/2005.

c) The form of acceptance along with the Share Certificate(s) and other documents delivered shall become acceptance on the part of the shareholder, but will become a fully valid and binding contract between shareholder and Acquirer only upon the fulfillment of all conditions mentioned herein.

d) On fulfillment of the conditions herein mentioned, the Acquirer will pay the Offer price by crossed Account Payee Pay Orders/ Demand Drafts which will be sent by Registered Post to the equity shareholders of LIL, whose acceptance to the offer are accepted by the Acquirer, at the address registered with the Company. The Pay Orders/ Demand Drafts will be drawn in the name of first named shareholder in case of joint shareholding. In case of unregistered owners of the shares, payment will be made as per mandate given by such owner. The unregistered owner may give a mandate for drawing the pay order / demand draft in the name of the person whose bank details may be furnished by him in the Form of Acceptance for incorporating in the Pay Order / Demand Draft.

e) In case the aggregate of the valid responses to the offer exceeds offer size, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the Regulations. The market lot of the shares is 100.

9.3 WITHDRAWAL OPTION

a) The equity shareholders, who are desirous of withdrawing their acceptances tendered in the offer, can do so upto three working days prior to the date of the closure of the offer i.e. on or before 07/12/2005. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, Intime Spectrum Registry Limited., so as to reach them on or before 07/12/2005.

b) In case of non-receipt of 'Form of withdrawal', the withdrawal option can be exercised by making an application on plain paper mentioning Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn, and

c) 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.

9.4 Procedure for acceptance of the offer by the equity shareholders who do not receive the Letter of Offer and procedure for settlement

In case of non-receipt of the offer document, the unregistered equity shareholders who wish to accept the offer should communicate their acceptance in writing on a plain paper stating the name, address, no. of shares held, distinctive numbers, folio number, no. of shares offered to the Registrar to the Offer together with relevant share certificate(s), the transfer deed(s) and the original contract note issued by share broker of a recognized stock exchange through whom they acquired the equity shares before the close of the Offer, i.e.12/12/2005. Such equity shareholders may also download a copy of the form of acceptance cum acknowledgement from SEBI's website at www.sebi.gov.in and use the same.

10. GENERAL

a) Acquirer can revise the price upwards upto seven working days prior to closure of the offer i.e. on or before 01/12/2005 and revision if any in the offer price would appear in the same newspapers where the Public Announcement has appeared. The same price would be paid to all shareholders who tender their shares in the offer.

b) Shareholders may note that if there is a competitive bid, the public offers under all the subsisting bids shall close on the same date. As the offer price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.

c) For any queries regarding the Offer the shareholders / applicants may contact the Registrar to the Offer at the address mentioned in this Letter of Offer.

d) The share certificates will be held in trust by the Registrar to the Offer till the acquirers complete the offer obligations in terms of the Regulations.

e) Acquirer shall acquire the equity shares from the shareholders of the Company who have validly tendered the equity shares under the Offer (i.e. equity shares and other documents are in order in accordance with the terms of the Offer) and remit the consideration in respect thereof on or before 26/12//2005 in cash by Account Payee Pay Order / Demand Draft. Any delay will attract interest in terms of Regulation 22(12) of SEBI (SAST) Regulations 1997. The information as to whether the equity shares tendered by them have been accepted (in full or in part) or rejected and consideration payable would be sent by Registered Post.

f) The unaccepted shares/documents will be returned to the shareholders by Registered Post.

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

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

i) Acquirer accept full responsibility for the information contained in this Letter of Offer and also for the obligations of Acquirers as laid down in the Regulations.

11. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Acquirer i.e. being Mrs. Manisha Khetan to the Offer mentioned on cover page of this document from 11.00 a.m. to 3.00 p.m. on any working day until the Offer closes.

1. Copy of Agreement dated 28/09/2005 between Acquirer and the Sellers in respect of the proposed acquisition
2. Copy of MOU dated 30/09/2005 between Keynote Corporate Services Ltd., Manager to the Offer and Acquirers.
3. Copy of MOU dated 27/09/2005 between Intime Spectrum Registry Ltd, Registrar to the Offer and Acquirers.
4. Memorandum and Articles of Association of LIL.
5. Copies of Annual Report of LIL for the financial years 2002-03, 2003-04 and 2004-05 and certified financials for the three months ended 30/06/2005 as certified by the auditor.
6. Details of Board of Directors of LIL
7. Copy of prospectus dated 25/07/1981 in respect of the public issue of LIL.
8. Copy of Letter dated 04/07/2005filed with BSE regarding revocation of suspension in the trading of equity shares of the Company.
9. Copy of certificate dated 22/09/2005 received from Bhageria Naredi & Associates Chartered Accountants, regarding networth and the ability of Mrs. Manisha Khetan to complete the formalities under the Regulations.
10. Copies of the Profit and Loss A/c and Balance Sheet of the following ventures of the Acquirer
    - Eskay Infrastructure Development Pvt Ltd
    - Amenity Software Pvt Ltd
11. Copies of undertaking from Acquirer & Target Company.
12. Copy of Public Announcement as published in the newspaper on 30/09/2005.
13. Copy of Fixed Deposit Receipt issued by State Bank of India, Nariman Point Branch, Mumbai, and Current Account Deposit Slip (A/c. no. 01000006128) in terms of the Escrow requirements.
14. Copy of letter No. CFD/DCR/TO/HB/53237/05 dated 03/11/2005 received from Securities and Exchange Board of India in terms of provisions of Regulation 18(2) of the Regulations.

12. DECLARATION BY THE ACQUIRER

The Acquirers accept full responsibility for the information contained in the Public Announcement and Letter of Offer and will be jointly and severally responsible for ensuring compliance with the obligations of Acquirers as laid down in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

Sd/-
Mrs. Manisha Khetan

Place: Mumbai
Date: 10/11/2005

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to the Registrars to the Offer at their address given overleaf)

FORM OF ACCEPTANCE - CUM – ACKNOWLEDGEMENT

OFFER
OPENS ON: WEDNESDAY, NOVEMBER 23, 2005
CLOSES ON : MONDAY, DECEMBER 12, 2005

From:

Tel No. Fax No.: E-mail:

To,
Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup – West
Mumbai – 400 078

Sub : Open offer to acquire upto 40,000 equity shares of Rs. 10/- each representing 20% of the paid up capital of Lalphul Investments Limited (LIL) by Mrs. Manisha Khetan ('Acquirer') in terms of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Dear Sir,
I/We refer to the Letter of Offer dated 10/11/2005 for acquiring the equity shares held by me/us in Lalphul Investments 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 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:

Sr. No.	**Certificate No.**	**Distinctive No(s)**		**No. of Shares**
		From	**To**	
(In case the space provided is inadequate, please attach a separate sheet with the details)			**Total number of equity shares**	

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 Acquirer pay the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.
I/We authorise the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and
I/We authorise the Acquirer or the Manager to the Offer to send by registered post the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned below.
Yours faithfully,

Signed

	FULL NAME(S)	**SIGNATURE(S)**
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Address of First/Sole Shareholder

____

____

Place: Date:
Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.
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____Branch____

Account Number _____________________________ Savings/Current/Others (please specify) ____

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Folio No.: Sr. No.: **Intime Spectrum Registry Limited** **(Acknowledgement Slip)**
Unit : Lalphul Investments LImited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup – West, Mumbai – 400 078

Received from Mr./Ms. ____
Address ____

Form of acceptance cum acknowledgement, # ________________ Number of Share Certificates for ___________ ______ shares/# Copy of Delivery Instruction Slip to (DP) for _____________________ shares
 # Delete whichever is not applicable

Signature of Official and Date of Receipt	Stamp of collection centre

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

FORM OF WITHDRAWAL

OFFER
OPENS ON: WEDNESDAY, NOVEMBER 23, 2005
CLOSES ON : MONDAY, DECEMBER 12, 2005
LAST DATE OF WITHDRAWAL : WEDNESDAY, DECEMBER 7, 2005

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 Wednesday, 0712/2005. In case you wish to withdraw your acceptance please use this form.

From:

Tel No. Fax No.: E-mail:

To,
Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup – West
Mumbai – 400 078

Sub : Open offer to acquire upto 40,000 equity shares of Rs. 10/- each representing 20% of the paid up capital of Lalphul Investments Limited (LIL) by Mrs. Manisha Khetan ('Acquirer') in terms of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Dear Sir,
I/We refer to the Letter of Offer dated 10/11/2005 for acquiring the equity shares held by me/us in Lalphul Investments 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 __________ 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')**

Sr. No.	Certificate No.	Distinctive No(s)		No. of Shares
		From	To	
(In case the space provided is inadequate, please attach a separate sheet with the details)			**Total number of equity shares**	

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 and **authorize you not to remit** the consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer to reject the shares so offered which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer and,
I/We authorise the Acquirer or the Registrar to the Offer to send by registered post the original share certificate(s), transfer deed(s) and other documents tendered by me/us to the sole/first holder at the address mentioned below or credit the shares in demat form to my/our DP Account as mentioned below :

Yours faithfully,

Signed

	FULL NAME(S)	SIGNATURE(S)
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Address of First/Sole Shareholder

____

____

Place: Date:

Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.

--**TEAR HERE**--

Folio No.: Sr. No.: **(Acknowledgement Slip)**

Intime Spectrum Registry Limited
Unit : Lalphul Investments LImited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup – West, Mumbai – 400 078

Received from Mr./Ms. ______________________________
Address ______________________________

Form of withdrawal in respect of __________ Number of Share Certificates representing _________ number of shares.

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer