PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF DHANDAPANI FINANCE LIMITED

Regd. Office: 141, Linghi Chetty Street, Chennai - 600001, Tamil Nadu (India)

This Public Announcement is being issued by Keynote Corporate Services Limited (hereinafter referred to as the **"Manager to the Offer"**), on behalf of **D.B. ZWIRN MAURITIUS** (**"Acquirer/DBZM"**) pursuant to Regulation 10 read with Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 [SEBI (SAST) Regulations, 1997] & subsequent amendments thereto (hereinafter referred to as the **"Regulations"**).

ACQUISITION OF EQUITY SHARES OF DHANDAPANI FINANCE LIMITED AND OFFER TO ITS EQUITY SHAREHOLDERS

I. Background of the Offer

D.B. ZWIRN MAURITIUS, a company incorporated under the laws of Mauritius and having its address at : Level 6, One Cathedral Square, Jules Koenig Street, Port Louis, Mauritius (hereinafter referred to as the **"Acquirer/DBZM"**), has agreed to acquire from **Mr. T.N. DESIKAN**, residing at New No.2, River Side Road, Kotturpuram, Chennai-600085 and his associates (**"Sellers"**) forming part of the promoter group of Dhandapani Finance Limited (hereinafter referred to as **"DFL"** or **"Target Company"**) 20,84,012 equity shares of Rs.10/- each representing in the aggregate 35% of the total paid up equity share capital of DFL at a price of Rs. 58/- (Rupees Fifty Eight Only) per share payable in cash vide Share Purchase Agreement (**"SPA"**) dated 04/05/2006.

II. The Offer

a) Pursuant to the aforesaid SPA, provisions of Regulation 10 read with Regulation 12 of the Regulations have been attracted. The Acquirer hereby announces an offer under the Regulations, to acquire by tender upto 11,90,864 fully paid-up equity shares of Rs.10/- each of DFL representing in the aggregate 20% of its paid up equity share capital from the remaining shareholders of DFL (other than "Sellers & other persons in the promoter group of the Target Company, parties to the SPA") on the terms and subject to the conditions set out below, at a price of Rs. 58/- (Rupees Fifty Eight Only) per equity share (**the "Offer Price"**) payable in cash (**the "Offer"**).

b) The Offer is not subject to any minimum level of acceptance.

c) The equity shares of DFL are listed on The Bombay Stock Exchange Ltd. (BSE). The equity shares of DFL are frequently traded on BSE in terms of explanation (i) to Regulation 20(5) of the Regulations. The Offer Price of Rs. 58/- per equity share, has been determined as per Regulation 20(4) of the Regulations taking inter-alia into account the following factors:

The negotiated price under the SPA	:	Rs.58/- per equity share
Highest price paid by the Acquirer for acquisitions including by way of allotment in a public or rights issue or preferential issue, if any, during the twenty-six weeks period prior to the date of Public Announcement (P.A).	:	Not Applicable
Average of the weekly high and low of the closing prices of the equity shares of DFL as quoted on the BSE during the 26 weeks preceding the date of P.A.	:	Rs. 36.12
Average of the weekly high and low of prices of the equity shares of DFL as quoted on the BSE during the 2 weeks preceding the date of P.A.	:	Rs. 43.93

d) The Offer Price of Rs. 58/- per share being highest of all the above parameters, is justified in terms of Regulation 20(4) applicable in respect of frequently traded shares.

e) As on the date of the public announcement the Acquirer does not hold any equity shares of DFL except those agreed to be acquired in terms of the SPA disclosed under point (I).

f) The Acquirer and DFL are not included in the list of persons / entities debarred from accessing the capital market under Section 11 B of the SEBI Act, 1992 or under any other Regulation.

III. Information on Acquirer / DBZM

a) The Acquirer D.B. ZWIRN MAURITIUS, (DBZM) is a company incorporated on 10/11/2004 in Mauritius under the Companies Act 2001 as a private company with limited liability and is having its office at : Level 6, One Cathedral Square, Jules Koenig Street, Port Louis, Mauritius. DBZM is not a listed company and is a wholly owned subsidiary of D.B Zwirn Special Opportunities Fund L.P, a Delaware limited partnership, established on 10/04/2002 and having its principal place of business at : 745 Fifth Avenue, 18th Floor, New York - 10151 and its Registered office at Corporation Trust Centre, 1209 Orange Street, Wilmangton, New Castle, DE 19801. DBZM is engaged in the business of investing in emerging markets including investments in India.

b) As per the unaudited provisional financial statements of DBZM (which are currently in process of being audited and hence subject to change), the total income of DBZM for the period ended December 31, 2005 is USD 17,14,081 with a profit of USD 16,81,310. DBZM has capital of USD 93,00,001 divided into 93,00,000 ordinary shares of USD 1 each which are issued and fully paid and 1 ordinary share of USD 1 which is issued and unpaid. The total assets of DBZM as of December 31, 2005 is USD 96,31,605. Currently, DBZM's total assets consists of cash in the approximate amount of USD 4,629,036, which it believes to be sufficient to consummate the Open Offer in accordance with the terms thereof.

c) The Board of Directors of DBZM comprises of Mr. Jean Maurice Richard Arlove, Mr. Rezah Mohammad Cotobally, Mr. Daniel Bernard Zwirn, Mr. David Alan Proshan, Mr. Perry Adam Gruss. Presently none of the directors representing the Acquirer is on the Board of DFL.

d) 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.

e) The Acquirer has complied with the applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

IV. Information on DFL/ Target Company

a) Dhandapani Finance Ltd. (DFL) was incorporated on 30/10/1986 under Companies Act, 1956 in the name and style of Dhandapani Finance & Investments Ltd and obtained its Certificate of Incorporation. DFL was originally a Private Limited company and became a Public Limited Company on 04/05/1988. The name of the Company was changed to Dhandapani Finance Ltd. on 09/10/1996. The Registered Office of DFL is situated at 141, Linghi Chetty Street, Chennai - 600001,Tamil Nadu (India).

b) DFL has been promoted by Mr. T.N. Desikan, Mr. T.N. Kishore and Mr. T.N. Soundararajan. DFL belongs to the Dhandapani Group of Chennai.

c) DFL is a Non Banking Finance Company (NBFC) classified as a Hire Purchase and Leasing Company and has Registration from the Reserve Bank of India (RBI), Department of Financial Companies, Bangalore as a NBFC. The Registration number of the Company as granted by RBI vide their Certificate of registration dated 11/09/1998 is 07.00310.

d) DFL is engaged in the business of Hire Purchase Leasing, Bill discounting and other financial services. The operations of DFL include financing a product mix of automotives, heavy earth moving equipments, and machinery etc

e) DFL came with their first public issue in May 1993. The present issued & paid up equity share capital of DFL is Rs. 595.43 lacs comprising of 59,54,320 equity shares of Rs. 10/- each. There are no partly paid up equity shares in DFL. The equity shares of DFL are listed only on Bombay Stock Exchange Ltd. (BSE).

f) As per the audited financial results for the year ended 31/03/2005 DFL has reported a profit of Rs. 534.72 lacs on a total income of Rs. 2761.03 lacs. The networth of DFL is Rs. 3909.77 lacs and Book Value is Rs. 65.66 as on 31/03/2005. As per unaudited results (provisional) declared by DFL for nine months period ended on 31/12/2005, DFL has reported a net profit of Rs. 335.12 lacs on a total income of Rs. 1997.30 lacs.

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 DFL during the past three years.

h) DFL has been complying with the provisions of the listing agreement entered into with BSE. DFL, Promoters and other major Shareholders of DFL have been complying with provisions of Chapter II of the SEBI (SAST) Regulations, 1997 except that there has been a delay 67 days and 10 days in complying with Regulation 8(3) by DFL for the period ended 30/04/2000 and 30/04/2002 respectively.

V. Rationale for the Acquisition and Offer

DBZM is making an investment in the Target Company in order to participate in the promising financial services sector in India. DBZM proposes from time to time to assist the management in the affairs of DFL and infuse additional capital as may be considered to be desirable by it to further the prospects of DFL. DFL is expected to continue its present business of hire purchase, leasing, bill discounting and other financial services.

With the proposed acquisition through SPA the provisions of SEBI (SAST) Regulations gets attracted as there would be substantial acquisition of shares/voting rights accompanied with change in control/management. Hence the present Offer is being made by DBZM under the Regulations.

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

VI. Statutory Approvals and Conditions of the Acquisition and the Offer

Approval of RBI would be required to transfer the shares acquired by DBZM through SPA and pursuant to the open Offer. Permission of RBI would also be required for transfer of shares received from NRI shareholders, if any. Consummation of transfer of shares acquired by DBZM through SPA shall also be subject to various conditions precedent, listed in the SPA, including receipt of the approvals of certain banks and lending institutions who are lenders to the Target Company. There are no other approvals, statutory or otherwise, 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.

VII. Delisting option to DFL

Pursuant to this Offer the provisions of Regulation 21(3) of the SEBI (SAST) Regulations 1997 are not attracted.

VIII. Financial Arrangements

a) Assuming full acceptance, the total monetary value of the Offer would be Rs. 690.70 lacs. The Acquirer has opened an Escrow Account with Hongkong and Shanghai Banking Corporation Ltd. (HSBC) R.k. Salai Branch, Mylapore, Chennai in favour of the Manager to the Offer and deposited an amount of Rs. 690.70 lacs which is 100% of the total monetary value of the Offer. The source of fund is through foreign funds remitted by DBZM from Mauritius. Acquirer has empowered the Manager to the Offer to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(5). Thus the Acquirer has adequate and firm financial resources to fulfill the obligations under the Open Offer.

b) 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.

IX. Other Terms of the Offer

a) 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 DFL (other than Sellers and other persons in the promoter group of the Target Company) whose names appear on the Register of Members of DFL, at the close of business hours on 02/06/2006 (hereinafter referred to as "the Specified Date".)

b) **Shareholders holding equity shares in Physical form**

Shareholders who wish to tender their equity 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, **Bigshare Services Pvt. Ltd.** (the **"Registrar to the Offer"**) on or before the date of Closure of the Offer, i.e.20/07/2006, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement at their address mentioned below:

BIGSHARE SERVICES PVT. LTD.
E/2, Ansa Industrial Estate, Saki Vihar Road,
Sakinaka, Andheri(E), Mumbai – 400 072.
Tel.: (022) 2847 3474/0652 Fax: (022) 2852 5207
e-mail : ipo@bigshareonline.com
SEBI Regn. No.: INR000001385
Contact person: V. Kumaresh

The documents can be sent either by registered post or hand delivery to the Registrar to the Offer at the address mentioned, during business hours on all week days (other than Sundays and Public Holidays) so as to reach the Registrar to the Offer on or before 20/07/2006.

c) **Shareholders holding equity shares in Dematerialised form**

The Registrar to the Offer has opened a Depository Account in the name and style of "Bigshare Services Pvt. Ltd. – Escrow A/c for Dhandapani Finance Ltd." with Keynote Capitals Limited a depository participant in Central Depository Services (India) Limited ("CDSL"). Beneficial owners & shareholders holding equity shares in Dematerialised form will be required to send their form of acceptance alongwith a photocopy of the delivery instruction slip in "Off - Market" mode or counterfoil of the delivery instruction slip in "Off – Market" mode duly acknowledged by the Depository Participant ("DP") to the Registrar to the Offer at the address mentioned at (b) on or before 20/07/2006.

Details of the Escrow Depository Account opened for this purpose are as under:

DP Name	Keynote Capitals Ltd.
DP ID Number	12024300
Beneficiary ID	00006634
Name & Style of Account	Bigshare Services Pvt. Ltd.-Escrow A/c for Dhandapani Finance Ltd.

Shareholders having their beneficiary account in National Securities Depository Limited (NSDL) have to use inter depository delivery instruction for the purpose of crediting their equity shares in favour of Escrow Depository Account with CDSL. The ISIN number allotted to equity shares of DFL is INE 071C01019.

Shareholders who have sent their physical equity shares for dematerialisation need to ensure that the process of getting equity shares dematerialised is completed well in time so that the credit in the Depository Account is received on or before closure of Offer.

d) All shareholders other than those mentioned in (b) and (c) above, who own the equity shares of DFL anytime before the closure of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of Shares held, No. of Shares offered, Distinctive Nos., Folio No., 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.

e) In case of non-receipt of the Letter of Offer, the eligible persons may send their application to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of Shares held, Distinctive Nos., Folio No., No. of Shares offered, Bank Account No. along with applicable documents as mentioned in point (b) and (c) above, so as to reach the Registrar to the Offer on or before the Closure of the Offer. Such shareholders may also obtain a copy of the 'Letter of Offer' from the Registrar to the Offer on providing suitable documentary evidence to that effect or download the Form of Acceptance cum Acknowledgement from the website of SEBI at www.sebi.gov.in which will be made available from the date of opening of the Offer.

f) Subject to the conditions governing this Offer as mentioned in the Letter of Offer, the acceptance of this Offer by equity Shareholders of DFL 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.

g) Registered & other equity shareholders who wish to tender their equity shares in response to the said Offer should submit their form of acceptance along with other documents by hand delivery and/or by post to the address of the **Registrars to the Offer i.e; Bigshare Services Pvt. Ltd.** at the address mentioned at IX (b), between 10.30 am. to 4.30 pm on all working days (i.e. other than Sundays and Public Holidays). For any queries regarding the Offer the shareholders / applicants may contact the Registrar to the Offer of the address mentioned.

h) 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 DFL who have accepted the Offer, till the drafts / pay orders for the consideration and/ or the unaccepted share certificates are despatched/ returned. Equity Shares not accepted under the Offer will be returned to the shareholders/ applicants at their own risk by registered post.

i) Payment to those shareholders whose share certificates and / or other documents are found valid and in order will be made by way of crossed account payee demand draft/pay order. Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post to the sole / first shareholder at their own risk. Shares held in dematerialised form to the extent not acquired or accepted / withdrawn will be credited back to the respective beneficiary account with their respective DPs as per details furnished by the beneficial owners in the Form of Acceptance cum Acknowledgement.

j) A tentative schedule of activities in respect of the Offer is given below:

Activity	Date	Day
Public Announcement	09/05/2006	Tuesday
Last date for a competitive bid	29/05/2006	Monday
Specified Date	02/06/2006	Friday
Date by which the Letter of Offer will be dispatched to shareholders	22/06/2006	Thursday
Date of opening the Offer	01/07/2006	Saturday
Last date for revising the Offer Price/ number of shares	10/07/2006	Monday
Last date for withdrawal of acceptance	14/07/2006	Friday
Date of closing the Offer	20/07/2006	Thursday
Date by which acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate(s)/demat delivery instruction for the rejected Shares will be dispatched/issued.	03/08/2006	Thursday

X. Withdrawal Option

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 14/07/2006. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, Bigshare Services Pvt. Ltd., so as to reach them on or before 14/07/2006.

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 such as name, address, distinctive numbers, folio numbers, number of shares tendered, date of tender.

XI. General

a) The Acquirer can revise the price upwards upto seven working days prior to closure of the Offer and revision if any in the Offer Price would appear in the same news papers 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 at IX (b) in this Public Announcement.

d) 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. The equity shares of DFL are being traded in dematerialised mode and the market lot of the shares is one.

e) Acquirer shall acquire the equity shares from the shareholders of DFL 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 03/08/2006 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) Pursuant to the Regulation 13, the Acquirer has appointed Keynote Corporate Services Ltd. as the Manager to the Offer.

g) Keynote Corporate Services Limited, the Manager to the Offer, does not hold any equity shares of DFL. Further, The Manager to the Offer undertakes not to deal in the equity shares of DFL upto a period of fifteen days after closure of the Offer.

h) The Board of Directors of Acquirer accepts responsibility for the information (except those relating to the Target Company, which has been compiled from publicly available sources) contained in the Public Announcement and also for the obligations of Acquirer laid down in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997" and subsequent amendments made thereof.

The Public announcement will become available on SEBI website www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Letter of Offer, 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. 01/07/2006 and apply in the same.

Advisor to the Acquirer :

SPARK CAPITAL enhancing value

SPARK CAPITAL ADVISORS (I) PRIVATE LTD.
II Floor, Yafa Towers, 18, Khader Nawaz Khan Road,
Nungambakkam, Chennai 600006
Email: ramki@sparkcapital.in
Tel: (044) 42059901/2/3; Fax: (044) 4205 9907

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

KEYNOTE
CORPORATE SERVICES LTD

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
Contact Person: Janardhan Wagle

Place : Mumbai
Date : 08/05/2006

CONCEPT