PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

EXIM FINANCE LIMITED

(Regd.Office: 15, Chittaranjan Avenue, Ground Floor, Left Wing, Kolkata-700 072)

This Public Announcement ("PA") is being issued by Ashika Capital Limited, Manager to the Offer, on behalf of Sri Rajkumar Ladha, Sri Giriraj Ladha and Sri Omprakash Ladha (hereinafter collectively referred to as the "Acquirers") pursuant to Regulation 10 & 12 and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as "Regulations").

1. THE OFFER:

a) The Offer is being made by Sri Rajkumar Ladha, Sri Giriraj Ladha and Sri Omprakash Ladha, all residing at Flat No A-231, Century Park Appt., #48, Richmond Road, Bangalore-25 to the Equity Shareholders of Exim Finance Limited (hereinafter referred to as "Target Company" or "EFL").

b) The Acquirers have entered into Share Purchase Agreement dated 31/01/2006 ("SPA or Agreement") to acquire in aggregate 1298800 fully paid-up equity shares of Rs.10/- each representing 41.88% of the paid up and voting share capital of EFL from Arihant Holdings Limited (128100 shares), Cemin Consultants Pvt. Limited (149200 shares), Mr. Shouvik Kundu (149910 shares), Chamberlain Investments Pvt. Ltd. (149000 shares), Tanay Financial Services Pvt. Ltd. (138500 shares), FMS Leasing and Finance Ltd. (135000 shares), Mr. Mahavir Prasad Agarwal (149660 shares), Mr. Santanu Chattopadhyay (149500 shares) and Mr. Samar Gayen (149930 shares) (hereinafter collectively referred to as "Sellers") at a fixed price of Rs.2/- per share.

c) As on the date of this Public Announcement, the Acquirers & the Persons deemed to be Acting in Concert ("PACs") hold 396000 equity shares of the EFL, representing 12.76% of its paid up equity share capital as detailed below: -

Name	Number of shares	Percent of paid up equity share capital
Acquirers		
Sri Rajkumar Ladha	46800	1.51
Sri Giriraj Ladha	46200	1.49
Sri Omprakash Ladha	39800	1.28
Sub total	**132800**	**4.28**
Persons deemed to be acting in concert*		
Santosh Devi Giriraj Ladha	66500	2.14
Ruby Ladha	43200	1.39
Santosh Devi Rajkumar Ladha	28000	0.90
Sri Rajkumar Ladha (HUF)	41200	1.33

Sri Giriraj Ladha (HUF)	42500	1.37
Sri Omprakash Ladha (HUF)	41800	1.35
Sub total	**263200**	**8.48**
TOTAL	**396000**	**12.76**

* Persons Deemed to be Acting in Concert with the Acquirers as mentioned above are not participating in this offer.

d) For the purpose of this offer, there are no persons acting in concert as per the provisions of Regulations 2(1)(e) of the Regulations.

e) The Acquirers are now making this Open Offer ("Offer") to the shareholders of EFL (other than the parties to the Agreement) to acquire from them upto 620300 fully paid-up Equity Shares of Rs.10/- each, representing 20% of its paid up equity and voting share capital at a price of Rs.10/- per share ("Offer Price") payable in cash subject to terms and conditions mentioned hereinafter. EFL does not have any partly paid up shares.

f) The shares of EFL are listed on the Calcutta Stock Exchange Association Ltd. (CSE) only. The equity shares of EFL are infrequently traded in terms of explanation (i) to Regulation 20(5) of the Regulations and therefore the Offer Price has been determined taking into account the following parameters: -

i. The Negotiated price under the Agreement is Rs.2/- per share.
ii. The Acquirers have not acquired any equity shares of EFL 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 per audited results for the period ended 30/09/2005 such as the Earning per share and return on networth is negative. The book value per equity share as on 30/09/2005 is Rs.9.40.
iv. The P/E multiple of the EFL considering the Offer Price of Rs.10/- per share works out to infinite. The average industry P/E for the sector in which EFL operates is 16.7 (Source: Capital Market Journal Vol.XX/22 Jan2-15, 2006 Industry-Finance-Investments)

The last traded price of the equity shares on CSE was on 25/06/2004 at Rs.1.45 per share. (Source: CSE Official Quotation).

g) The Acquirers have not acquired any shares of the target Company during the twelve months preceding this Public Announcement.

h) As on the date of PA the Merchant Banker to the offer does not hold any equity share in the target company.

i) The Offer is not subject to any minimum level of acceptances from shareholders and is not a conditional Offer.

j) This is not a competitive bid.

k) The Acquirers have undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfilment or outcome of the Agreement with the Sellers.

2. INFORMATION ABOUT THE ACQUIRERS:

a) Sri Rajkumar Ladha, M. Com aged about 42 years is residing at Flat No A-231, Century Park Appt., #48, Richmond Road, Bangalore-25. He is engaged in the business of trading in marble, granite and other stones for the last 20 years. He is the presently the managing director of Marble Centre International Pvt. Ltd. He is a director in RPG Marble Pvt. Ltd. and is also associated with the companies namely, Equity Financial Services Pvt. Ltd. and Yesh Real Estates Pvt. Ltd. as Director, which are engaged in financing and real estate business. His networth as on 31/03/2005 as certified by Mr. S. V. Surana, proprietor of S. V. Surana & Co. (Membership No.13157) Chartered Accountants, having office at No.4705, 7th Floor, High Point IV, 45, Palace Road, Bangalore-560001 Ph: (080) 2260240,2262609, Fax: (080) 2257110 vide certificate dated 18/08/2005 is Rs.334.82 Lacs.

b) Sri Giriraj Ladha, M. Com aged about 40 years is residing at Flat No A-231, Century Park Appt., #48, Richmond Road, Bangalore-25. He is a director in Marble Centre International Pvt. Ltd and RPG Marble Pvt. Ltd. and has gained 15 years of experience in trading in marble, granite and other stones. His other directorships include companies namely, Equity Financial Services Pvt. Ltd. and Yesh Real Estates Pvt. Ltd. which are engaged in financing and real estate business. His networth as on 31/03/2005 as certified by Mr. S. V. Surana, proprietor of S. V. Surana & Co. (Membership No.13157) Chartered Accountants, having office at No.4705, 7th Floor, High Point IV, 45, Palace Road, Bangalore-560001 Ph: (080) 2260240,2262609, Fax: (080) 2257110 vide certificate dated 18/08/2005 is Rs.378.17 Lacs.

c) Sri Omprakash Ladha, B. Com aged about 35 years is residing at Flat No. A-231, Century Park Appt., #48, Richmond Road, Bangalore-25. He is a director in Marble Centre International Pvt. Ltd and RPG Marble Pvt. Ltd. and has gained 10 years of experience in trading in marble, granite and other stones. His other directorships include companies namely, Equity Financial Services Pvt. Ltd. and Yesh Real Estates Pvt. Ltd. which are engaged in financing and real estate business. His networth as on 31/03/2005 as certified by Mr. S. V. Surana, proprietor of S. V. Surana & Co. (Membership No.13157) Chartered Accountants, having office at No.4705, 7th Floor, High Point IV, 45, Palace Road, Bangalore-560001 Ph: (080) 2260240,2262609, Fax: (080) 2257110 vide certificate dated 18/08/2005 is Rs.295.31 Lacs.

3. INFORMATION ABOUT THE TARGET COMPANY (EFL):

a) EFL having its registered office at P-4, New CIT Road, Scheme-52, 4th Floor, Kolkata-700 014 and corporate office at 15, Chittaranjan Avenue, Kolkata-700 072, was incorporated under the Companies Act, 1956 on 1st December, 1993. The company received certificate of commencement of business pursuant to section 149(3) of the Companies Act, 1956 on 7th December, 1993.

b) As on the date of this PA the paid-up equity and voting share capital of EFL is Rs.310.15 Lacs divided into 3101500 equity shares of Rs.10/- each fully paid-up. There are no partly paid-up shares.

c) EFL is presently engaged in the activities of investments in shares & securities and in providing advisory services in areas like company law matters, income tax matters, mergers & acquisitions etc. The Company is registered with Reserve Bank of India as a NBFC vide registration number 05.00388. EFL has not raised any public deposits till date. No penal action has been taken against EFL till date by RBI.

d) The Equity Shares of EFL are listed at CSE only.

e) As per the audited financial results for the year ended 31/03/2005, the total income and net loss of EFL was Rs.0.21 lacs and Rs.6.54 lacs respectively. The networth and book value per share of EFL as on 31/03/2005 are Rs.290.55 Lacs and Rs.9.37 respectively. The Earning per share and return on networth are both negative.

4. REASONS FOR THE OFFER AND FUTURE PLANS ABOUT TARGET COMPANY:

a) This offer has been made pursuant to Regulation 10 and 12 and other provisions of Chapter III and in compliance with the Regulations.

b) The acquisition is for substantial acquisition of shares and voting rights accompanied with change in control / management.

c) The Acquirers by virtue of their managerial expertise and experience in the related activities propose to expand the fund based and investment related activities. The acquisition of EFL would facilitate such motive as EFL is already engaged in these activities. By virtue of this acquisition the Acquirers will get majority shareholding entitling them to exercise management control over the Target Company.

d) The Acquirers do not have any plans to dispose off or otherwise encumber any assets of EFL in the next two years except in the ordinary course of business of EFL.

e) The Acquirers undertake that they will not sell, dispose of or otherwise encumber any substantial assets of EFL except with the prior approval of the shareholders.

5. STATUTORY APPROVALS/ OTHER APPROVALS REQUIRED FOR THE OFFER:

a) The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders, if any.

b) As on the date of this PA, to the best of the knowledge of the Acquirers, there are no other statutory approvals and / or consents required. However, the Offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.

c) In case of delay in receipt of statutory approvals beyond 24/04/2006, SEBI has power to grant extension of time to Acquirers for payment of consideration to shareholders, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the regulations will become applicable.

d) The Acquirers do not require any approval from its bankers / lending Institutions for the aforesaid Offer.

6. DELISTING OPTION TO THE ACQUIRERS IN TERMS OF REGULATION 21(3):

Assuming full acceptance, the offer would not reduce the public shareholding below the minimum limit specified in the listing agreement with the Stock Exchange for the purpose of listing on a continuous basis.

7. FINANCIAL ARRANGEMENTS:

a) The Acquirers have adequate financial resources and have made firm financial arrangement for the implementation of the Offer in full out of their own sources / networth and no borrowings from Banks/ FIs or Foreign sources is envisaged. Mr. S. V. Surana, proprietor of S. V. Surana & Co. (Membership No.13157) Chartered Accountants, having office at No.4705, 7th Floor, High Point IV, 45, Palace Road, Bangalore-560001 Ph: (080) 2260240,2262609, Fax: (080) 2257110 vide certificate dated 31/01/2006 has certified that sufficient resources are available with the Acquirers for fulfilling the obligations under this “Offer” in full.

b) The total fund requirement for the Offer is Rs.62,03,300/- (Rupees Sixty Two Lacs Three Thousand Three Hundred Only). In accordance with Regulation 28 of the Regulations, the Acquirers have opened an Escrow account in Tamilnad Mercantile Bank Limited, 58D, N. S. Road, Kolkata-700 001 in the form of a fixed deposit of Rs.16,00,000/- being more than 25% of the total consideration payable to shareholders under the Offer.

c) The Manager to the Offer, Ashika Capital Limited, Kolkata has been duly authorised by the Acquirers to operate & realize 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 ("LO") together with Form of Acceptance cum Acknowledgement shall be mailed to those equity shareholders of EFL (other than the shareholders who are parties to the agreement) whose names appear on the Register of Members of EFL and to those beneficial owners of the Equity shares of EFL, whose names appear as beneficiaries on the records of the respective Depository Participant ("DP"), at the close of business hours on 03/02/2006 (“Specified Date”). The LO along with Form of Acceptance (“FoA”) and Form of Withdrawal (“FoW”) would also be available at SEBI’s website: www.sebi.gov.in from the date on which Offer opens. Eligible persons to the offer may download these forms for their use.

b) Beneficial owners (holders of shares in dematerialised form) who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant in favour of the special Depository Account, to the Registrar to the Offer, in accordance with the instructions to be specified in the LO.

c) Shareholders holding equity shares in physical form who wish to accept the Offer and tender their shares, will be required to send their (i) duly signed Form of Acceptance, (ii) original share certificate(s), (iii) duly signed and executed transfer deed(s) and other documents to the Registrar to the Offer, in accordance with the instructions specified in the LO.

d) All owners (registered or unregistered) of the shares of EFL (except parties to the Agreement) are eligible to participate in the Offer. Unregistered shareholders / Owner of shares who have sent shares for transfer 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 Original share certificate(s), valid share transfer deeds and the a copy of contract notes issued by the broker through whom they have acquired their shares. No indemnity is required from unregistered shareholders.

e) In case of non-receipt of Letter of Offer, the eligible persons may send their consent, to the Registrar to the Offer, on a plain paper stating the Name & address of the first holder, Name(s) & address(s) of joint holders(s) if any, Regd. Folio No., Share Certificate No., Distinctive Nos., No of Shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the closure of the Offer i.e. 11/04/2006 or in case of beneficial owners, they may send the 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, DP Name, DP ID No., Beneficiary account number and a photocopy of the delivery instruction in “Off Market” mode, duly acknowledged by the DP, in favour of special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer i.e. 11/04/2006.

f) The Acquirers have appointed Maheshwari Datamatics Pvt. Ltd. as the Registrar to the Open Offer ("Registrar"). The Registrar has opened a special depository account with Shri Bahubali International Ltd. in National Securities Depository Limited ("NSDL") styled "Maheshwari Datamatics Pvt. Ltd.-EFL Open Offer Escrow A/c”. The DP ID is IN300773 and Beneficiary Client ID is 10131526 Shareholders having their beneficiary account in Central Depository Services India Limited (“CDSL”) have to use inter depository delivery instruction for the purpose of crediting their equity shares in favour of Special Depository Escrow Account with NSDL.

g) Shareholders who have sent their shares for dematerialisation need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Escrow Account should be received on or before the closure of the Offer, else the application would be rejected.

h) In case the shares tendered in the Offer by the shareholders of EFL 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 marketable lot for both physical and demat shares is 1(One).

i) The Registrar will hold in trust the share certificates, shares lying to the credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of EFL who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

j) The consideration for the shares accepted by the Acquirers will be paid by crossed account payee cheques/ demand drafts. Such payments and documents in case of unaccepted shares will be returned by registered post/ speed post at the shareholders / unregistered owners' sole risk. Shares held in dematerialised form to the extent not accepted will be credited back to the account of beneficial owner specified in the acceptance form. Communication of acceptance / rejection and the payment of consideration for the accepted shares will be made by the Acquirers in cash through cheque/ demand draft to the shareholders of accepted shares within 15 days from the date of the closure of the Offer.

k) In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered upto three working days prior to the date of closure of the Offer by submitting the documents as specified below, so as to reach the Registrar to the Offer. The withdrawal can be exercised by submitting Form of Withdrawal enclosed with Letter of Offer. In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making plain paper application along with the following details:

   - In case of physical shares: Name, address, distinctive numbers, folio nos., number of shares tendered / withdrawn.

- In case of dematerialised shares: Name, address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of delivery instruction in “off market” mode or counterfoil of the delivery instruction in “off market” mode, duly acknowledged by the DP in favour of the Depository Escrow Account.

l) The shares withdrawn by the shareholders, if any would be returned by registered post, in case of physical shares.

m) The Acquirers undertake to pay interest pursuant to Regulation 22(12) to the shareholders for the delay, if any, in payment of consideration.

n) A schedule of some of the major activities in respect of the Offer is given below:

Activity	Date	Day
Specified date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be sent)	03/02/2006	Friday
Date by which the Letter of Offer will be despatched to shareholders	17/03/2006	Friday
Date of Opening of the Offer	23/03/2006	Thursday
Date of Closing of the Offer	11/04/2006	Tuesday
Last Date for a Competitive Bid	24/02/2006	Friday
Last date for revising the Offer Price / No. of Shares	31/03/2006	Friday
Last Date for withdrawal of acceptance by shareholders who have accepted the Offer	06/04/2006	Thursday
Date of communicating rejection / acceptance and payment of consideration for applications accepted.	24/04/2006	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 upto 06/04/2006 i.e. three working days prior to the date of Closure of the Offer.

b) If there is any upward revision in the Offer Price upto seven working days prior to the closure of the Offer i.e. 11/04/2006 or withdrawal of the Offer, the same would be informed by way of PA in the same newspapers where this PA appears and the revised Price would be payable to all the shareholders who have tendered their shares any time during the Offer.

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

d) **If there is a competitive bid:**

- **The Open Offers under all the subsisting bids shall close on the same day.**

- **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.**

e) There is no non-compete agreement.

f) Pursuant to Regulation 13 of the Regulations, the Acquirers have appointed Ashika Capital Limited, Kolkata, as the Manager to the Offer.

g) Maheshwari Datamatics Pvt. Ltd. of 6, Mangoe Lane, 2nd Floor, Kolkata-700 001, Tel: (033) 22435029 Fax: (033) 22484787, E-mail: mdpl@cal.vsnl.net.in is the Registrar to the Offer. The contact person is Mr. S. Rajagopal.

h) The Acquirers accept full responsibility for the information contained in this Public Announcement and also for their obligations as laid down in the Regulations.

i) This PA will be available on SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of the LO along with Form of Acceptance and Form of Withdrawal which will also be available on the SEBI's website from the Offer opening date i.e. 23/03/2006 and apply in the same.

j) For further details, please refer to the LO & Acceptance Form.

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

Manager to the offer:
ASHIKA CAPITAL LIMITED
(Contact Person: Ms. Astha Singhania)
'Trinity', 7th Floor, 226/1, A. J. C. Bose Road,
Kolkata – 700 020
Phone No: (033) 22839952, Fax: (033) 2289-1555
E-mail: astha@ashikagroup.com

Place: Kolkata
Date: 03/02/2006