PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

MARUDHAR FOOD & CREDIT LIMITED

(Regd. Office: 9, Crooked Lane, 3rd Floor, Room No.19, Kolkata-700 069)

This Public Announcement ("PA") is being issued by Ashika Capital Limited, Manager to the Offer, on behalf of Mr. Madan Mohan Mohanka, Mrs. Manju Mohanka, Mr. Mehul Mohanka & Mr. Manish Mohanka (hereinafter collectively referred to as "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 Mr. Madan Mohan Mohanka, Mrs. Manju Mohanka, Mr. Mehul Mohanka & Mr. Manish Mohanka, all residing at 146, Block- G, New Alipore, Kolkata- 700053 to the Equity Shareholders of Marudhar Food & Credit Limited (hereinafter referred to as "Target Company" or "MFCL").

b) The Acquirers have entered into a Share Purchase Agreement dated 04/11/2004 ("Agreement") with M/s. Murarilal Goenka, a member of the Calcutta Stock Exchange Association Ltd. having office at 6, Lyons Range, Kolkata-700 001, carrying on the business of dealing in shares and stock broking, herein acting as constituted attorney of various companies and individuals (hereinafter collectively referred to as "Sellers") to acquire in aggregate 1762400 fully paid-up equity shares of Rs.10/- each of MFCL constituting 58.74% of the paid-up equity share capital and voting capital of MFCL at a price of Rs.2.27 per share ("Negotiated Price") payable in cash ("The Acquisition").

c) 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.

d) The Acquirers are now making this Open Offer ("Offer") to the shareholders of MFCL (other than the parties to the Agreement) to acquire from them upto 600020 fully paid-up Equity Shares of Rs.10/- each, representing 20% of its paid up equity share and voting capital at a price of Rs.5/- per share ("Offer Price") payable in cash subject to terms and conditions mentioned hereinafter. MFCL does not have any partly paid up equity shares.

e) The shares of MFCL are listed on the Calcutta Stock Exchange Association Limited ("CSE"). The equity shares of MFCL are deemed to be frequently traded on the Stock Exchange within the meaning of Regulation 20 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.2.27 per share.

ii. During the 26 weeks prior to the dated of PA, the Acquirers have acquired in aggregate 4,43,450 equity shares of MFCL representing 14.78% of the total equity share capital at an average and highest price of Rs.2.11 & Rs.2.20 respectively from open market. Except as stated above, Acquirers have not acquired any equity shares of MFCL during the 26 weeks prior to the date of PA including by way of allotment in a public, rights or preferential issue.

iii. The share price data of MFCL on CSE where it is frequently traded is as under:

The average of the weekly high and low of the prices of the shares of the Target Company during the 26 weeks preceding the date of this Public Announcement	Rs.1.86
The average of the daily high and low prices of the shares of the	Rs.Nil

Target Company during the 2 weeks preceding the date of this Public Announcement	

Source: CSE official quotations

iv. Mr. Shyam Sunder Kanodia (Membership No.55190), proprietor of Kanodia Shyam & Co., Chartered Accountants, having office at 71, B. R. B. Basu Road, Room No.C-541, 5th Floor, Kolkata-700001 Ph:033-22351285/3773 has also undertaken a valuation exercise to determine the value of the equity shares of MFCL based on the valuation criteria approved by Supreme Court in Hindustan Lever Employees Union vs Hindustan Lever Limited, 1995 (83 Com. Case 30), wherein the Honourable Court had opined that the fair value of a listed company could be assessed based on the following weightages: Net Asset Value: 1; Market Based Value: 2; Earnings Based Value: 2; and furnished a report in this regard. The relevant extracts of the report dated 04/11/2004 is stated as under:-

a) Net Asset Value (NAV): The calculation has been done based on the latest Audited Balance Sheet of MFCL for the year ended 31.03.2004, the NAV per share is Rs.10.03.
b) Profit Earning Capacity Value (PECV): The profit after tax for the last 3 years (FY2002, FY2003 & FY2004) based on the audited Profit & Loss statement have been considered, the Average Profit for the last 3 years is Rs.1.49 lacs. PECV per share of MFCL based on capitalization rate of 10% comes to Rs.0.50.
c) Market based value: Average of the weekly high & low of the closing prices of the shares of MFCL as quoted on CSE where the shares of the Company are most frequently traded during the 26 weeks is Rs.1.86.

Given the NAV of Rs.10.03, PECV of Rs.0.50 as assessed above and the average market price for the last 26 weeks Rs.1.86, if one were to apply this approach, the share price based on the weighted average would be Rs.2.95 per share.

The last traded price of the equity shares on CSE was on 04/08/2004 at Rs.2.10 per share. (Source: CSE Official Quotation).

Thus, in the opinion of the Manager to the Offer and the Acquirers, the Offer price of Rs.5/- per share is justified in terms of Regulation 20(11).

f) As on the date of this Public Announcement, the Acquirers in aggregate hold 4,43,450 equity shares of MFCL, representing 14.78% of its paid up and voting share capital.

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

h) This is not a competitive bid.

i) 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) Mr. Madan Mohan Mohanka, son of Late Arjun Lal Mohanka, aged about 61 years, is residing at 146, Block- G, New Alipore, Kolkata- 700053. He is a civil engineer clubbed with a degree in Master in Business Administration from IIM, Ahmedabad. He has promoted M/s Tega Industries Limited in the year 1976 which is India's one of the leading producer of specialized Wear rubber products for mining and material handling applications. He is presently the

Chairman & Managing Director of Tega Industries Limited & also of MM Aqua Technologies Ltd. a company engaged in manufacture of PVC products. He has also rich experience in handling investment, financing & administration activities. His networth as on 31/03/2004 as certified by Mr. Shyam Sunder Kanodia (Membership No.55190), proprietor of Kanodia Shyam & Co., Chartered Accountants, having office at 71, B. R. B. Basu Road, Room No.C-541, 5th Floor, Kolkata-700001 Ph:033-22351285/3773 vide certificate dated 23/08/2004 is Rs.85.57 Lacs.

b) Mrs. Manju Mohanka, wife of Mr. Madan Mohan Mohanka, aged about 55 years, residing at 146, Block- G, New Alipore, Kolkata- 700053. She has more than 10 years of experience in financial and investment activities. She is presently looking after the finance and administrative acivities of TPW Engineering Pvt. Ltd. Her networth as on 31/03/2004 as certified by Mr. Shyam Sunder Kanodia (Membership No.55190), proprietor of Kanodia Shyam & Co., Chartered Accountants, having office at 71, B. R. B. Basu Road, Room No.C-541, 5th Floor, Kolkata-700001 Ph:033-22351285/3773 vide certificate dated 23/08/2004 is Rs.74.49 Lacs.

c) Mr. Manish Mohanka, son of Mr.Madan Mohan Mohanka, aged about 33 years, residing at 146, Block- G, New Alipore, Kolkata- 700053. He is a commerce graduate and has completed 6 months course in marketing from Manchester University, England. He has more than 10 years of experience in financial and accounting matter. He is presently looking after the financial and accounting matters of Maple Orgtech (India) Pvt. Ltd. His networth as on 31/03/2004 as certified by Mr. Shyam Sunder Kanodia (Membership No.55190), proprietor of Kanodia Shyam & Co., Chartered Accountants, having office at 71, B. R. B. Basu Road, Room No.C-541, 5th Floor, Kolkata-700001 Ph:033-22351285/3773 vide certificate dated 23/08/2004 is Rs.81.66 Lacs.

d) Mr. Mehul Mohanka, son of Mr.Madan Mohan Mohanka, aged about 29 years, residing at 146, Block- G, New Alipore, Kolkata- 700053. He is a Commerce Graduate and has done his Master in Business Administration from University of Pittsburgh. He has more than 7 years of experience in industrial and financial activities. He is presently the whole time director of Tega Industries Limited. His networth as on 31/03/2004 as certified by Mr. Shyam Sunder Kanodia (Membership No.55190), proprietor of Kanodia Shyam & Co., Chartered Accountants, having office at 71, B. R. B. Basu Road, Room No.C-541, 5th Floor, Kolkata-700001 Ph:033-22351285/3773 vide certificate dated 23/08/2004 is Rs.74.36 Lacs.

3. INFORMATION ABOUT THE TARGET COMPANY:

a) MFCL having its registered office at 9, Crooked Lane, 3rd Floor, Room no. 19, Kolkata-700 069 was originally incorporated under the Companies Act, 1956 on 13/10/1992 under the name of Stand Chart Finance Limited. The name of the Company was subsequently changed to Marudhar Food & Credit Limited and a fresh certificate of incorporation was obtained on 15/12/1995.

b) As on the date of this Public Announcement, the paid-up and voting equity share capital of MFCL is Rs.3,00,01,000/- comprising of 3000100 Equity Shares of Rs.10/- each fully paid-up. There are no partly paid-up shares.

c) MFCL is engaged in the business of investment in shares & securities and of providing short term loans and advances. MFCL is a RBI registered non banking financial company having registration no.05.05319 dated 03/11/2003.

d) The Equity Shares of MFCL are listed at the Calcutta Stock Exchange Association Limited only.

e) As per the audited Accounts for the year ended 31.03.2004, the total income was Rs.11.99 lacs and profit after tax of MFCL was Rs.3.95 lacs. The networth was Rs.301.02 lacs, book value Rs.10.03 per share and earning per share of MFCL as on 31.03.2004 was Re.0.13.

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 experiences in the related activities propose to expand the fund based and investment related activities. The acquisition of MFCL would facilitate such motive as MFCL 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 MFCL in the next two years except in the ordinary course of business of MFCL.

e) The Acquirers shall not sell, dispose of or otherwise encumber any substantial assets of MFCL 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 25/01/2005, 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):

If, pursuant to this Offer and any acquisition of shares by the Acquirers from the open market or through negotiations or otherwise made in compliance with the SEBI (SAST) Regulations 1997, the public shareholding is reduced to 10% or less of the paid up and voting share capital of MFCL, then in accordance with Regulation 21(3) of the Regulations, the Acquirers will make an Offer to acquire the outstanding shares remaining with the public shareholders in accordance with the SEBI (Delisting of Securities) Guidelines, 2003.

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. Shyam Sunder Kanodia (Membership No.55190), proprietor of Kanodia Shyam & Co., Chartered Accountants, having office at 71, B. R. B. Basu Road, Room No.C-541, 5th Floor, Kolkata-700001 Ph:033-22351285/3773 vide certificate dated 04/11/2004 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.30,00,100/- (Thirty Lacs One 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.7.55 lacs being more than 25% of the total consideration payable to shareholders under the Offer.

c) The Manager to the Offer, Ashika Capital Limited 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 MFCL (other than the shareholders who are parties to the agreement) whose names appear on the Register of Members of MFCL and to those beneficial owners of the Equity shares of MFCL, whose names appear as beneficiaries on the records of the respective Depository Participant ("DP"), at the close of business hours on 08/11/2004 (“Specified Date”). The LO along with Form of Acceptance (“FoA”) and Form of Withdrawal (“FoW”) would also be available at SEBI 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 MFCL (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 Original 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.12/01/2005 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. 12/01/2005.

f) The Acquirers have appointed Niche Technologies Pvt. Ltd. as the Registrar to the Open Offer ("Registrar"). The Registrar has opened a special depository account with Trans Scan Securities Pvt. Ltd. in National Securities Depository Limited ("NSDL") styled " Niche Technologies Pvt. Ltd.-MFCL-Open Offer Escrow A/c”. The DP ID is IN302496 and Beneficiary Client ID is 10031342 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 dematerialised 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 MFCL 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 MFCL who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are despatched / 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 30 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 alongwith 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)	08/11/2004	Monday
Date by which the Letter of Offer will be despatched to shareholders	18/12/2004	Saturday
Date of Opening of the Offer	24/12/2004	Friday
Date of Closing of the Offer	12/01/2005	Wednesday
Last Date for a Competitive Bid	29/11/2004	Monday
Last date for revising the Offer Price / No.of Shares	03/01/2005	Monday
Last Date for withdrawal of acceptance by shareholders who have accepted the Offer	07/01/2005	Friday
Date of communicating rejection / acceptance and payment of consideration for applications accepted.	25/01/2005	Tuesday

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 07/01/2005 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. 12/01/2005 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) Niche Technologies Pvt. Ltd. of 71, B. R. B.B. Road, D-511, Bagree Market, Kolkata-700001, Tel: (033) 2235-7271, Fax: (033) 2215-6823, E-mail: nichetechpl@nichetechpl.com is the Registrar to the Offer. The contact person is Mr. S. Abbas.

h) The Acquirers, jointly and severally 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.24/12/2004 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:

Your trust is our strength

Ashika Capital Limited
(Contact Person: Ms. Astha Singhania)
7, B. B. Ganguly Street,
4th Floor, Kolkata-700 012
Tel: (033) 2221-5031/ 5032/ 5112/ 5113
Fax: (033) 2215-9418
Email: ashika@ashikagroup.com

Place: Kolkata
Date: 08/11/2004