PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF

RAJMATA INVESTMENTS AND FINANCE LIMITED (RIFL)

(Registered Office: 305, Bluechip Arcade, 3-6-111, Himayatnagar, Hyderabad-500029)

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

1. The Offer:

a. The Open Offer is being made by Mr. Suryaraj Kumar, S/o. Late Brig. Balakrishna Naidu Surya Rao, aged about 50 years, resident of G-2, Aarudhira, Y-108, 4th Street, Anna Nagar, Chennai-600 040 (Acquirer) to the Shareholders of Rajmata Investments and Finance Limited (hereinafter referred to as "Target Company" or "RIFL").

b. The Acquirer have entered into a Share Purchase Agreement (hereinafter referred to as "Agreement") on August 25, 2005 with Mr. M. Venkateswara Rao (Promoter) for 50,184 Equity Shares (20.91%), Mr. M. Ramesh Kumar for 14,900 Equity Shares (6.21%), Mr. M. Ashok Kumar for 10,200 Equity Shares (4.25%) and Mr. B. V. Raja for 11,869 Equity Shares (4.94%) (hereinafter collectively referred to as "Sellers") to acquire in aggregate 87,153 Fully Paid-up Equity shares of Rs. 10/- each of Rajmata Investments and Finance Limited representing 36.31% of the Subscribed Equity Share and Voting Capital at a price of Rs.12/- per share ("Negotiated Price") payable in cash ("The Acquisition").

c. The Acquirer is now making this Open Offer (the "Offer") to the Shareholders of RIFL (other than the parties to the Agreement) to acquire upto 48,000 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.12/- per share ("Offer Price"), payable in cash.

d. The Acquirer has not acquired either directly or through any other person any Shares of RIFL during the 12 months preceeding the date of PA.

e. The Equity Shares of RIFL are listed at Bombay Stock Exchange Limited, Mumbai (BSE). Based on the information available, the shares of RIFL are infrequently traded within the meaning of Regulation 20 (5) of the Regulations. Therefore, while determining the Offer price, in accordance with the Regulations, the following financial parameters of the RIFL have been considered for the year ended March 31, 2005:

a)	Negotiated Price under the Agreement	:	Rs. 12/- per Share
b)	Highest Price paid by the Acquirer for acquisition, including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of PA	:	Not Applicable
c)	Other parameters		Based on Audited Accounts for the year-ended 31.03.05
	Earning per Share (EPS)	:	Negative
	Return on Networth	:	Negative
	Book Value per share	:	Re. 0.04
	Price Earning	:	Infinite

EPS = Profit after Tax /No. of equity shares
Return on Net Worth = Profit after Tax /Net Worth
Book Value per Share = Net Worth-Total Misc. Exp. not Written Off / No. of Equity Shares.

In view of the aforesaid financial parameters, the Offer Price of Rs. 12/- is justified in terms of Regulation 20 of the Regulations.

f. For the purpose of this Offer, there is no Person Acting in Concert as per the provisions of the Regulation 2(1)(e) of the Regulations.

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

h. This is not a competitive bid.

i. Acquirer has not entered into any separate non-compete agreement with the Sellers.

j. The Acquirer has undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement with the Sellers.

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

2. Information about Acquirer:

a. **Mr. Suryaraj Kumar,** S/o. Late Brig. Balakrishna Naidu Surya Rao, aged about 50 years is a resident of G-2, Aarudhira, Y-108, 4th Street, Anna Nagar, Chennai-600 040, Tel No.:044-26268679. He completed his Bachelor of Arts (Honours) in Economics from University of Delhi in the year 1977 and Post Graduate Programme in Management from The Indian Institute of Planning and Management, New Delhi in the year 1980. He started his career with Orient Longman Limited, as a Management Trainee in the year 1980 and has more than two decades of experience in Marketing and Administration in Media and Entertainment Sector. Presently, he is Managing Director of Media One Entertainment Private Limited, Chennai which was promoted by him along with his wife in July 2005, which is yet to commence business.

b. His Net worth as on 30.07.2005 is Rs. 31.20 Lakhs as certified by Mr. R.P. Madhu, (Membership No: 202264) Chartered Accountant, having Office at W-41, (Old # 124) III Avenue, Anna Nagar, Chennai-600 040, Tel. No. 044-26200656 vide certificate dated 20.08.2005.

c. Mr. Suryaraj Kumar is the Director of the Target Company as on PA date.

3. Information about the Target Company:

a. RIFL was incorporated on 03.12.1981 and certificate for Commencement of Business was obtained on 21.12.1981 under the Companies Act, 1956. The Registered Office of the Company is situated at 305, Bluechip Arcade, 3-6-111, Himayatnagar, Hyderabad-500029.

b. The Authorized Share Capital of RIFL is Rs 25.00 Lakhs divided into 2,50,000 Equity Shares of Rs. 10/- each and Issued, Subscribed and Paid-up Share Capital is Rs. 24.00 Lakhs comprising of 2,40,000 Equity Shares of Rs.10/- each. There are no partly paid-up equity shares.

c. RIFL is engaged in the business of Investment and Finance.

d. The Shares of RIFL are listed at Bombay Stock Exchange Limited, Mumbai (BSE).

e. As per the Audited Accounts for the year-ended 31.03.2005, RIFL earned Nil Revenue thereby incurring Net Loss of Rs. 0.61 Lakhs. The Networth, Book Value per share and Earning Per Share for the year ended 31.03.2005 are Rs. 0.09 Lakhs, Re.0.04 and Negative respectively.

f. The Object Clause of Memorandum of Association of RIFL has been amended through Postal Ballot whose results were declared in the Extraordinary General Meeting held on 24th May 2002 to include interalia Media and Entertainment, Information Technology & its allied activities.

4. Reasons For The Acquisition And Offer:

a. The Acquirer has entered into a Share Purchase Agreement with the objective of substantial acquisition of shares and voting rights accompanied with change in control/ management and is making this Open Offer pursuant to the Regulation 10 & 12 of the Regulations.

b. The Acquirer by virtue of his Marketing/Administrative expertise in Entertainment and Media Sector, intends to expand the activities in large scale by taking management control of RIFL through acquisition of shares of the Target Company and also derive benefits of a Listed Company.

c. The Acquirer do not have any plans to sell, dispose of or otherwise encumber any significant assets of RIFL in the next two years, except in the ordinary course of business and except to the extent required for the purpose of restructuring and/or rationalisation of assets, investments and liabilities or otherwise of RIFL. RIFL's future policy for disposal of its assets, if any, will be decided by it's Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of RIFL, if so required.

d. The Acquirer by virtue of his managerial expertise and experience in the related activities is better placed to turn the company profitable.

5. Statutory Approvals/ Other Approvals required for the Offer:

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

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

c. In case of non-receipt of statutory approvals within time, SEBI has a power to grant extension of time to Acquirer for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirer agreeing to pay interest for the delayed period as directed by SEBI under Regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the approvals, Regulation 22(13) of Regulations will become applicable.

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

Pursuant to the Agreement and this Offer, If the public shareholding in RIFL fall below the limit specified in Listing Agreement with Stock Exchange for the purpose of listing on continuous basis, the Acquirer undertakes to acquire only such number of shares under Share Purchase Agreement so as to maintain the minimum specified public shareholding in the Company.

7. Financial Arrangements:

a. The Acquirer has made firm financial arrangements for the implementation of the Offer in full from his own internal/domestic sources. Mr. R.P. Madhu, (Membership No: 202264) Chartered Accountant, having Office at W-41, (Old # 124) III Avenue, Anna Nagar, Chennai-600 040, Tel. No. 044-26200656 has certified that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full.

b. The Acquirer has opened an Escrow Account in The Lakshmi Vilas Bank Ltd., Bank Street, Koti, Hyderabad-500 195 with a deposit of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand Only) which is more than 25% of the total consideration payable of Rs.5,76,000/-.

c. The Manager to the Offer has been solely authorised by the Acquirer to realise the value of Escrow Account in terms of the Regulations.

d. The Manager to the Offer, Ashika Capital Limited 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 together with the Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of RIFL (other than the parties to the Agreement) whose names appear on the Register of Members of RIFL at the close of business hours on September 2, 2005 (the "Specified Date").

b. Shareholders who wish to accept the offer and tender their shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and duly signed and executed Transfer Deed (s) to the Registrar to the Offer/Manager to the Offer, either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closing of the Offer, i.e. November 9, 2005, in accordance with the instructions specified in the Letter of Offer and Form of Acceptance cum Acknowledgement.

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

d. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer or Manager to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Distinctive Number, Folio Number and Number of Shares offered, along with documents as mentioned in point 'c' above, so as to reach the Registrar to the Offer or Manager to the Offer on or before the Closing of the Offer, i.e. November 9, 2005.

e. The Registrar to the Offer will hold in trust the Share Certificates, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form(s) on behalf of the shareholders of RIFL who have accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.

f. Share Certificates, Transfer Forms and other documents in respect of shares not accepted under the Offer, if any, will be returned by Registered Post at the Shareholders/Unregistered Owners sole risk to the sole/first shareholder.

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

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

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

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

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

Activities	Date	Day
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	September 2, 2005	Friday
Last Date for a Competitive Bid, if any	September 20, 2005	Tuesday
Date by which the Letter Of Offer to be Despatched to shareholders	October 13, 2005	Thursday
Date of Opening of the Offer	October 21, 2005	Friday
Last date for revising the Offer Price/ Number of Shares	October 27, 2005	Thursday
Last date for Withdrawal of Acceptance by Shareholders	November 4, 2005	Friday
Date of Closing of the Offer	November 9, 2005	Wednesday
Date by which communicating rejection / acceptance and despatch of Cheques / Demand Drafts towards payment of consideration to be completed	November 23, 2005	Wednesday

9. General:

a. Shareholders who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer, shall have the option to Withdraw the same up to three working days prior to the date of Closing of the Offer i.e. November 4, 2005.

b. If there is any upward revision in the Offer Price up to seven working days prior to the date of Closing of the Offer i.e. on or before October 27, 2005 or Withdrawal of the Offer, the same would be informed by way of PA in the same Newspapers where this original PA appeared and such revised Offer Price would be payable to all the shareholders who have tendered their shares any time during the Offer and accepted under the Offer.

c. If there is a Competitive Bid:

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

ii. As the Offer Price cannot be revised during 7 working days prior to the Closing date of the Offers/ Bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.

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

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

f. The Acquirers has appointed Venture Capital and Corporate Investments Limited as the Registrar to the Offer having its office at 6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad-500004. Tel: +91-40-23322264, Fax: +91-40-23324803. E-mail: vccil_hyd@yahoo.co.in. Contact Person is Mr. P.V. Srinivas.

g. The Acquirer accepts full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirer laid down in the Regulations.

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

i. This PA would also be made available on the SEBI's website www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Letter of Offer along with Form of Acceptance cum Acknowledgement and Form of Withdrawal, which will also be available on SEBI's website from the Offer opening date i.e. October 21, 2005 and apply in the same.

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

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Your Trust is Our Strength
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Contact Person: Mr. Rajendra Kanoongo

Place: Hyderabad
Date: August 30, 2005