PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

EXDON TRADING COMPANY LIMITED

(Regd. Off.: 609, Diamond Plaza, 391, Lamington Road, Mumbai-400 004)

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. Ashokkumar Shah** (hereinafter referred to as 'Acquirer') and **Mr. Mansukhbhai Vagasia** (hereinafter referred to as 'Person Acting in concert' or 'PAC') pursuant to regulation 10 & 12 and in compliance with 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. Ashokkumar Shah** residing at 2/2/B, Centre Point, Ambawadi, Ahmedabad-380006 and **Mr. Mansukhbhai Vagasia** residing at 501-C, Kailash Mansarovar, Near Shreyash Railway Crossing, Paldi, Ahmedabad-380009 to the Equity Shareholders of **EXDON TRADING COMPANY LIMITED** (hereinafter referred to as "Target Company" or "ETCL").

b) The Acquirer/PAC has decided to acquire 1,54,000 fully paid up equity Shares of Rs. 10/- each aggregating to 62.86% of voting capital of the Target Company at a price of Rs.8/- per share and accordingly entered into a Share Purchase Agreement ('Agreement') on September 6, 2006 with Mr. Sushil Kumar Sanghai and Others (represented by Mr. Sushil Kumar Sanghai, constituted attorney holder)-Promoter Group (hereinafter collectively referred to as "Sellers").

c) The Acquirer/PAC are now making this Open Offer (the "Offer") to the Shareholders of ETCL (other than the parties to the Agreement) to acquire 49,000 Equity Shares of Rs. 10/- each at a price of Rs. 41/- per share ("Offer Price") representing 20.00% of its voting capital, payable in cash.

d) The Equity Shares of ETCL are listed on Bombay Stock Exchange Limited, Mumbai (BSE). Based on the information available, the shares of ETCL deemed to be infrequently traded in terms of Explanation (i) to regulation 20(5) of the Regulations and hence, the Offer Price has been determined taking into account the following parameters:

a.	Negotiated Price under the Agreement	Rs. 8/- per share
b.	Highest Price paid by the Acquirer/PAC for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA	Nill
c.	**Other parameters**	**Based on audited Accounts for the year ended 31.03.06**
	Return on Networth	9.94%
	Book Value	Rs. 40.99 Per Share
	Earning per Share	Rs. 4.07
	Price Earning	- -

In view of the aforesaid financial parameters, the Offer Price of Rs. 41/- is justified in terms of regulation 20 of the Regulations.

e) As on date of this PA, the Acquirer/PAC does not hold any Equity Shares of ETCL. The Acquirer/PAC has not acquired either directly or through any other person any Shares of ETCL during the twelve months preceding the date of this PA.

f) As on date of this PA, the Manager to the Offer does not hold any equity share in the Target Company. The Manager to the Offer undertakes not to deal in the equity shares of ETCL upto a period of fifteen days after closure of the Offer.

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

h) This is not a competitive bid.

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

j) The Acquirer/PAC 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.

2. INFORMATION ABOUT THE ACQUIRER/PAC:

a) **Mr. Ashokkumar Shah,** son of Sri Hiralal Popatlal Shah, aged about 44 years is residing 2/2/B, Centre Point, Ambawadi, Ahmedabad-380006. He completed his Bachelor of Business Administration from Saurashtra University in the year 1986. He is having around 20 years of experience in the areas of securities market. His Networth as on 31.03.2006 is Rs. 57.41 Lakhs as certified by Mr. Sankar Bhagat (Membership No. 52725) Proprietor of M/s. Sankar R Bhagat, Chartered Accountant, having Office at C-9, Goyal Plaza, Judges Bunglow Road, Vastrapur, Ahmedabad-380055; Tel. No. 079-27541551; Fax No: 079-27542407 vide certificate dated 19.05.2006.

b) **Mr. Mansukhbhai Vagasia,** son of Sri Khodabhai Vagasia, aged about 38 years is residing at 501-C, Kailash Mansarovar, Near Shreyash Railway Crossing, Paldi, Ahmedabad-380 009. He completed his Bachelor of Science from Gujarat University in the year 1990. He is having more than 15 years of experience in the areas of Chemical Manufacturing and Construction. His Networth as on 31.03.2006 is Rs. 35.42 Lakhs as certified by Mr. Sankar Bhagat (Membership No. 52725) Proprietor of M/s. Sankar R Bhagat, Chartered Accountant, having Office at C-9, Goyal Plaza, Judges Bunglow Road, Vastrapur, Ahmedabad-380055; Tel. No. 079-27541551; Fax No: 079-27542407 vide certificate dated 19.05.2006.

c) The Acquirer and PAC are friends.

d) As on date of this PA, Mr. Ashokkumar Shah is the Director of the Target Company. He undertakes not to participate in any matters concerning or relating to the Offer including any preparatory steps leading to the Offer.

e) The Acquirer and PAC have not entered into any formal agreement with respect to the acquisition of shares through Agreement as well as this Offer and acting together under an informal understanding.

3. INFORMATION ABOUT THE TARGET COMPANY:

a) ETCL was incorporated on 30.04.1982 under the Companies Act, 1956 in the State of West Bengal and obtained the Certificate of Commencement of Business on 10.05.1982. The Registered Office of the Company was shifted from the state of West Bengal to the state of Maharashtra and Certificate of Registration of the Order of Company Law Board confirming the transfer of the Registered Office has been registered by the Registrar of Companies, Maharashtra on 17.04.1986. At present, the Registered Office of the company is situated at 609, Diamond Plaza, 391, Lamington Road, Mumbai-400 004.

b) As on this Public Announcement, the Authorised Share Capital of the company is Rs. 25.00 Lakhs comprising of 2,50,000 Equity Shares of Rs. 10/- each and the issued, subscribed and paid up share capital is Rs. 24.50 Lakhs comprising of 2,45,000 fully paid up Equity Shares of Rs. 10/- each. There are no partly paid-up Equity Shares.

c) ETCL is presently carrying on the business of trading in shares and fabrics.

d) The Equity Shares of ETCL are listed on BSE.

e) As per Audited Accounts for the year ended 31st March 2006, the company earned gross revenue of Rs. 363.88 Lakhs and a Net Profit After Tax of Rs.9.98 Lakhs. The Networth, Book Value, Earning Per Share and Return on Networth for the year ended 31.03.2006 was Rs. 100.44 Lakhs, Rs. 40.99 per share, Rs. 4.07 and 9.94% respectively.

4. REASONS FOR THE ACQUISITION AND THE OFFER:

a) The Offer has been made pursuant to regulation 10 & 12 and other provisions of the Chapter III and in compliance with the Regulations.

b) The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change of control and management of the company.

c) The Acquirer/PAC are having experience in the areas of Chemical Manufacturing & Securities Market business. Through this acquisition, the Acquirer/PAC intend to expand their present activities by outsourcing/importing the chemicals required by Textile & other Industries and trading in shares and also derive benefits of a Listed Company.

d) The Acquirer/PAC does not have any plans to sell, dispose off or otherwise encumber any assets of ETCL in the next two years, except in the ordinary course of business. The Acquirer/PAC undertake not to sell, dispose off or otherwise encumber any substantial Assets of ETCL except with the prior approval of the shareholders and in accordance with and subject to the applicable laws, permissions and consents, if any.

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

a) The Offer along with any obligation relating to payment for, and purchase of, the shares tendered is subject to the receipt of necessary approval(s), if any, from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 ("FEMA") and subsequent amendments thereto, for acquisition of shares under the Agreement and Offer.

b) As on date of this PA, to the best of the knowledge of the Acquirer/PAC, no other statutory approvals are required to acquire the shares that are tendered pursuant to the Offer.

c) In case of delay in receipt of Statutory Approvals, SEBI has power to grant extension of time to the Acquirer/PAC for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirer/PAC 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 Acquirer/PAC in obtaining the Approvals, regulation 22(13) of the Regulations will also become applicable.

6. OPTION IN TERMS OF REGULATION 21:

Pursuant to the Agreement and this Offer or otherwise, if the public shareholding in ETCL fall below the limit specified in the Listing Agreement with Stock Exchange(s) for the purpose of listing on continuous basis, the Acquirer/PAC undertake to acquire only such number of Equity Shares under Share Purchase Agreement so as to maintain the minimum specified public shareholding in the Company.

7. FINANCIAL ARRANGEMENTS:

a) The total fund requirement for the Offer is Rs. 20,09,000/- (Rupees Twenty Lakhs and Nine Thousand only). In accordance with regulation 28 of the Regulations, the Acquirer/PAC has opened an Escrow Account in HDFC Bank Limited, Fort Branch, Mumbai-400001 and made a Cash deposit of Rs. 5,25,000/- (Rupees Five Lakhs and Twenty Five Thousand only) in the account being more than 25% of the total consideration payable to the shareholders under the Offer. A lien has been marked on the said Escrow Account in favour of the Manager to the Offer by the bank. The Manager to the Offer i.e. Ashika Capital Limited has been solely authorised by the Acquirer/PAC to operate and realise the value of Escrow Account in terms of the Regulations.

b) The Acquirer/PAC have adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of their own sources/Networth and no borrowings from any Bank and/or Financial Institutions is envisaged. Mr. Sankar Bhagat (Membership No. 52725) Proprietor of M/s. Sankar R Bhagat, Chartered Accountant, having Office at C-9, Goyal Plaza, Judges Bunglow Road, Vastrapur, Ahmedabad-380055; Tel. No. 079-27541551; Fax No: 079-27542407 has certified vide letter dated September 6, 2006 that sufficient resources are available with the Acquirer/PAC for fulfilling the obligations under this "Offer" in full.

c) Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer/PAC to implement the offer in accordance with the Regulations. 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 together with the Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of ETCL (other than the parties to the Agreement) whose names appear on the Register of Members of ETCL at the close of business hours on September 15, 2006 (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, 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 15, 2006, 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 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, 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, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Registered Folio Number, Share Certificate Numbers, Distinctive Numbers, Number of Shares held, Number of Shares offered, along with documents as mentioned in point 'c' above, so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. November 15, 2006.

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 ETCL 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 ETCL 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/PAC in Cash through a crossed Demand Draft/Pay Order to the equity Share holders of ETCL whose equity share certificates and other documents are found in order 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) A Schedule of some of the major activities in respect of the Offer is 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 15, 2006	Friday
Last Date for a Competitive Bid, if any	September 29, 2006	Friday
Date by which the Letter of Offer to be Despatched to the shareholders	October 20, 2006	Friday
Date of Opening of the Offer	October 27, 2006	Friday
Last date for revising the Offer Price/ Number of Shares	November 6, 2006	Monday
Last date for Withdrawal of Acceptance by shareholders who have accepted the Offer	November 10, 2006	Friday
Date of Closing of the Offer	November 15, 2006	Wednesday
Date by which communicating acceptance /rejection and payment of consideration for accepted shares / despatch of Share Certificate in case of rejection	November 30, 2006	Thursday

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 up to three working days prior to the date of Closure of the Offer i.e. November 10, 2006.

b) If there is any upward revision in the Offer Price up to seven working days prior to the date of Closure of the Offer i.e. November 6, 2006 or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same Newspapers where this original Public Announcement 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/PAC, the Sellers and ETCL 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/PAC have appointed Ashika Capital Limited, as Manager to the Offer.

f) The Acquirer/PAC has appointed Purva Sharegistry India Private Limited, as the Registrar to the Offer, having office at 33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai-400 001; a) Tel: 022-23016761; Fax: 022-23018261. E-mail: busicomp@vsnl.com, is the Registrar to the Offer. The Contact Person is Mr. V. B. Shah.

g) The Acquirer/PAC accept full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirers laid down in SEBI (SAST) Regulations 1997 and subsequent amendments thereof.

h) This Public Announcement will be available on SEBI's website at 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 27, 2006 and apply in the same.

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

Place: Mumbai
Date: September 8, 2006

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

ASHIKA

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