

PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF ORBIT EXPORTS LIMITED

Registered Office: Divya Darshan, Ground Floor, 32, Second Fofalwadi, Bhuleshwar, Mumbai - 400 002.

This Public Announcement is being issued by Keynote Corporate Services Limited (hereinafter referred to as the "Manager to the Offer"), on behalf of Mr. Pankaj Seth, Mrs. Anisha Seth ("Acquirers") alongwith Sweet Solutions Limited ("Person Acting in Concert") pursuant to Regulation 10 read with Regulation 12 in compliance with 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 ORBIT EXPORTS LIMITED AND OFFER TO SHAREHOLDERS

I. The Offer

- a) Mr. Pankaj Seth and Mrs. Anisha Seth both residing at 281, Venus Apartment, Cuffe Parade, Mumbai – 400 005 (hereinafter referred to as "Acquirers") alongwith Sweet Solutions Limited having its registered office at 204, Veena Chambers, 2nd Floor, 41, Dalal Street, Fort, Mumbai – 400 023 (SSL/ "Person Acting in Concert") have acquired 24,28,700 equity shares of Rs. 10/- each of Orbit Exports Limited ("OEL"/ "The Company") forming 68.98% of the issued and subscribed equity share capital of the company on the Bombay Online Trading System (BOLT) of Stock Exchange, Mumbai (BSE) on 06/04/2004 at a price of Rs. 4.70 per share ("The Acquisition"). The shares have been acquired from the promoters of OEL.
- b) Pursuant to the Acquisition provisions of Regulation 10 read with Regulation 12 of the Regulations have been attracted. Acquirers hereby announce an offer under Regulations, to acquire by tender upto 7,04,140 fully issued & subscribed equity shares of Rs. 10/- each of OEL representing 20% of its paid up equity share capital from the shareholders of OEL holding fully paid up equity shares on the terms and subject to the conditions set out below, at a price of Rs.6/- per fully paid up equity share (the "Offer Price") payable in cash (the "Offer"). Shareholders of OEL holding partly paid up equity shares will not be eligible to tender their shares under the offer.
- c) The offer is not subject to any minimum level of acceptance.
- d) The equity shares of OEL are listed on the stock exchanges at Mumbai, Delhi, Kolkata and Ahmedabad. The equity shares of OEL are infrequently traded on the Stock Exchange Mumbai (BSE) in terms of explanation (i) to regulation 20(5) of the regulations. The equity shares are not traded on the other exchanges where they are listed. The offer price of Rs. 6/- per share, has been determined as per Regulation 20(5) of the Regulations taking into account the following factors:

a. Negotiated price under the agreement	Not Applicable	
b. Highest price paid by the Acquirer for acquisitions including by way of allotment in a public or rights issue, if any, during the twenty-six weeks period prior to the date of Public Announcement.	Rs. 4.70	
c. Other Parameters:	<i>Based on audited accounts ended 31/03/2003</i>	<i>Based on unaudited Figures for nine mnths ended 31/12/2003</i>
Return on Networth(%)	Negative	Negative
Book Value(Rs.)	13.96	13.96
Eaming Per Share (EPS)(Rs.)	Negative	Negative
P/E*	-	-

P.R. Agarwal & Awasthi, Chartered Accountants, having their office at 42, Gopal Bhavan, 199, Princess Street, Mumbai - 400002. (Membership No. 34147, Tel.: 56332916, Fax: 56335572) considering the various parameters such as, Realisable Book Value of Rs. 5.11 per share Profit Earning Capacity Value (PECV) of Nil under the guidelines of erstwhile Controller of Capital Issues (CCI) and Fair value of Rs.4.38 in terms of Supreme Court's decision in Hindustan Lever Employee Union v/s Hindustan Lever Limited (1995), 83 Com. Case 30, have certified vide their certificate dated 07/04/2004 that the offer price of Rs.6/- is justified.

The equity shares of the company are thinly traded on the BSE and are not traded on the other exchanges where they are listed. The equity shares have been last traded on 26/03/2004 on the BSE at a price of Rs. 4/- per share apart from the purchase of shares by the Acquirers disclosed under point (a) above. Taking into account all the above factors an offer price of Rs. 6/- per share is justified.

- e) As on the date of the public announcement the Acquirers are holding 9100 equity shares of OEL being 0.26% of the issued and subscribed equity share capital other than those disclosed under point no.-(a). Acquirers have not acquired any equity shares of OEL in the past 12 months other than those mentioned under point (a) above.
- f) The Acquirers/ PACs or OEL are not included in the list of persons / entities debarred from accessing the capital market under Section 11 B of the SEBI Act, 1992.

II. Information on the Acquirers

Mr. Pankaj Seth

- a) Mr. Pankaj Seth, aged 40 yrs, is residing at 284, Venus Apts, Cuffe Parade, Mumbai – 5. He has completed his masters in Management Studies and is the proprietor of Pankaj Textiles engaged in trading and export of fancy fabrics.
- b) Mr. Pankaj Seth has also promoted Omkar Overseas Ltd. which is presently not carrying on any business activity. He has an experience of 16 years in trading & export of fabrics.
- c) As per the certificate dated 07/04/2004 issued by P.R. Agarwal & Awasthi, Chartered Accountants, having their office at 42, Gopal Bhavan, 199, Princess Street, Mumbai - 400002. (Membership No. 34147, Tel.: 56332916, Fax: 56335572). The networth of Mr. Pankaj Seth as on 31/03/2004 is Rs. 362.17 Lacs. and he has immediate access to liquid assets amounting to Rs. 75 lacs.
- d) Mr. Pankaj Seth is presently holding 2000 equity shares of OEL and has further acquired 11,78,700 equity shares of OEL from the BSE on 06/04/2004. Hence the holding of Mr. Pankaj Seth in OEL prior to the open offer is 11,80,700 equity shares of Rs. 10/- each being 33.54% of the paid-up capital of the company.
- e) Mr. Pankaj Seth has complied with the provisions of Chapter II of the Regulations as required in terms of the present acquisition of equity shares on 06/04/2004.

Mrs. Anisha Seth

- a) Ms. Anisha Seth, aged 39 yrs, is residing at 284, Venus Apts, Cuffe Parade, Mumbai – 5. She has completed her masters in Management Studies.
- b) Ms. Anisha Seth has also promoted Omkar Overseas Ltd. which is presently not carrying on any business activity. She has an experience of 16 years in trading and export of fabrics.
- c) As per the certificate dated 07/04/2004 issued by P.R. Agarwal & Awasthi, Chartered Accountants, having their office at 42, Gopal Bhavan, 199, Princess Street, Mumbai - 400002. (Membership No. 34147, Tel.: 56332916, Fax: 56335572) the networth of Ms. Anisha Seth as on 31/03/2004 is Rs. 2.29 Lacs.
- d) Ms. Anisha Seth is presently holding 7100 equity shares of OEL being 0.20% of the paid-up capital of the company.
- e) Ms. Anisha Seth has complied with the provisions of Chapter II of the Regulations as required in terms of the present acquisition of equity shares on 06/04/2004.

III. Information on Person Acting in Concert

Sweet Solutions Ltd. (SSL)

- a) Sweet Solutions Limited was incorporated as Sweet Infosys Limited on 01/04/1999 under the companies Act, 1956. The name of the company was changed to Sweet Solutions Limited and fresh certificate of incorporation was obtained from the Registrar of Companies, Maharashtra, Mumbai on 02/11/2000. The company belongs to the Subhkam group of companies promoted by Mr. Rakesh S. Kathotia. The company was promoted by Mr. Rakesh S. Kathotia with an objective of carrying on activities of software development and export. Presently the software business has been discontinued and the company is carrying out investment activities for the Subhkam Group.
- b) The board of directors of the company include Mr. Rakesh S. Kathotia, Mrs. Arti Kathotia and Mr. Manu Punoose.
- c) As per the audited financial results of the company for the year ended on 31/03/2003 the company has reported a Loss of Rs. 259.88 Lacs. The paid up equity share capital of the company is Rs. 384.97 Lacs comprising 38,49,700 equity shares of Rs. 10/- each. The networth of SSL as on 31/03/2003 is Rs. 3628.87 Lacs and the book value of the shares is Rs. 94.26 per share. As per the unaudited financials for the ten months period ended on 31/01/2004 the company has reported a Profit After Tax of Rs. 128.42 Lacs.
- d) The equity shares of the company are not listed on any stock exchange and no action has been taken by SEBI against the Company under any regulation.
- e) SSL has complied with the provisions of Chapter II of the Regulations in respect of the acquisition of equity shares of OEL on 06/04/2004.

IV. Information on Orbit Exports Limited (OEL) / Target Company

- a) Orbit Exports Limited was originally incorporated in the State of Maharashtra on 16/09/1983 in the name and style of Orbit Exports Private Limited. It was subsequently changed to a Public Limited Company under section 31/44 of the companies Act, 1956 and the Company obtained fresh certificate of incorporation dated 30/09/1994 confirming the conversion of the company from private limited to public limited company.

The Registered office of the company is located at Divya Darshan, Ground Floor, 32, 2nd Fofalwadi, Bhuleshwar, Kalbadevi Road, Mumbai – 400002.

The Company is engaged in the manufacture and trading of Jacquard fabrics and Velour de Lyons (Fine Velvets), which are used for dress material, drapery & trimmings.

- b) The company was promoted by Ms. Shailaja R. Asave and Mr. Shyamsunder Seth, father of Mr. Pankaj Seth. The Board of Directors of the company includes Ms. Shailaja Asave, Dr. Kishan R. Kabra, Mr. Vipin Kumar Jain, Mr. Daven Radia & Mr. Anand Kumar.
- c) The issued & paid up equity share capital of the company excluding allotment money due from shareholders is Rs. 351.78 lacs comprising of 35,20,700 equity shares of Rs. 10/- each. Allotment money due from shareholders is Rs. 0.29 lacs.
- d) The equity shares of OEL are listed on the stock exchanges at Ahmedabad, Delhi, Kolkata & Mumbai (BSE). The equity shares are infrequently traded on the BSE in terms of explanation (i) to Regulation 20(5) and are not traded on the other exchanges. The equity shares of the company have been included in 'Z' Category by BSE and the marketable lot of the shares is 100. The company has entered into agreements with both the Depositories i.e. Central Depository Services Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) for dematerialisation of the securities. The shareholders of the company have, vide a special resolution dated 30/09/2003 approved to delist the equity shares of the company from the stock exchanges at Ahmedabad, Delhi & Kolkata.
- e) As per the audited financials for the year ended 31/03/2003, OEL has reported a net loss of Rs.155.34 lacs on a turnover of Rs. 982.18 lacs. The Book Value of the shares as on 31/03/2003 is Rs.13.95 per share. As per the unaudited financial results as published in the newspapers for the 9 months ended 31/12/2003 the company has reported a loss of Rs. 151.57 lacs. The equity shares have been last traded on 26/03/2004 on the BSE at a price of Rs. 4/- per share apart from purchases made by acquirer as disclosed under point I(a).

- f) 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 / demerger or spin off in the Company during the past three years.
- g) The Company has been complying with the provisions of the listing agreement entered into with the Stock Exchange. The company has not been regular in complying with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997 and there has been a delay in complying with regulation 6(2), 6(4) and 8(3) of the Regulations.

V. Rationale for the Acquisition and Offer

- a) Acquirers are engaged in the business of trading and export of fancy fabrics. OEL is also engaged in manufacture and trading of fabrics used for dress material, drapery and trimmings. The present acquisition by the Acquirers is a step further into the expansion of their present activities and will add value to their existing business.
- b) The Acquirers alongwith the PAC have acquired 24,28,700 equity shares of Rs. 10/- each of OEL representing 68.98% of the paid up equity share capital on BSE. As a result of this acquisition, provisions of Regulation 10 read with Regulation 12 of the SEBI (SAST) Regulations, 1997. The Acquirers are making an offer to acquire 704140 equity shares

being 20% of the paid up equity share capital of OEL in terms of the Regulations.

- c) Acquirers do not have any plan to dispose off or otherwise encumber any of the assets of OEL in the succeeding two years from the date of closure of the offer except in the ordinary course of business of OEL. Acquirers will not dispose off, sell or otherwise encumber any substantial assets of OEL except with the prior approval of the shareholders.

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

Transfer of shares received from NRI shareholders under the offer will be subject to RBI approval. There are no other approvals, statutory or otherwise, are 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 and from any bank and/ or financial institutions for the said acquisition.

In case of delay in receipt of statutory approvals, SEBI has a power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to Acquirers agreeing to pay interest as directed by SEBI in terms of Regulation 22(12) of the Takeover Regulations.

VII. Delisting option to OEL

Pursuant to this offer the public shareholding in OEL will not be reduced to 10% or less of the voting capital. Hence provisions of Regulation 21(3) of the Regulations will not be applicable.

VIII. Financial Arrangements

- a) Assuming full acceptance, the total monetary value of the offer would be Rs. 42.25 lacs. The Acquirers have deposited an amount of Rs. 10.57 lacs being more than 25% of the total monetary value of the offer in an Escrow Account in the form of Current Account with UTI Bank, Fort Branch Mumbai. Manager to the Offer is empowered to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(7).

- b) Acquirers have adequate and firm financial resources to fulfill the obligations under the open offer. The financial obligations under the offer will be fulfilled through internal resources of the Acquirers and not from banks, financial institutions or foreign sources i.e. from Non Resident Indians or otherwise.

- c) The Manager to the Offer is satisfied about the ability of the Acquirers 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 shareholders of OEL (other than Sellers and Acquirers) whose names appear on the Register of Members of OEL, at the close of business hours on 07/05/2004 (hereinafter referred to as "the Specified Date"). Shareholders holding partly paid-up shares are not eligible to participate in the offer.

b) Shareholders holding equity shares in Physical form

Shareholders who wish to tender their 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, Intime Spectrum Registry Ltd., on or before the date of Closure of the Offer, i.e. 06/07/2004, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement at the address mentioned below :

INTIME SPECTRUM REGISTRY LIMITED

C-13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup West, Mumbai – 400 078
Tel : (022) 2592 3837, Fax: (022) 2567 2693, E-mail : isrl@vsnl.com
SEBI Regn No. : INR 00003761
Contact Person : Mr. Kishore Thakkar

The documents can be sent either by registered post or hand delivery to the Registrar to the offer at the address mentioned above 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 06/07/2004.

c) Shareholders holding equity shares in Dematerialised form

The registrar to the offer has opened a Special Depository Account in the name and style of "ISRL-Orbit Exports Ltd. Escrow Open Offer" with Keynote Capitals Limited as the depository participant in Central Depository Services 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" 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 in IX (b) above on or before 06/07/2004.

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

DP Name	Keynote Capitals Ltd.
DP ID Number	24300
Beneficiary ID	1202430000004295

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 Special Depository Escrow Account with CDSL.

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 Special Depository Account is received on or before closure of offer.

- d) All shareholders other than those mentioned in (a) above, who own the equity shares of OEL 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 documents as mentioned 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.

- f) Subject to the conditions governing this Offer as mentioned in the Letter of Offer, the acceptance of this Offer by equity Shareholders of OEL 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) The Registrar to the Offer will hold in trust the Share certificates, Form of Acceptance cum Acknowledgement, if any, and the transfer forms on behalf of the shareholders of OEL 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 sent to the shareholders/applicants at their own risk by registered post.

- h) 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 at the shareholders' /unregistered owners' sole risk to the sole / first shareholder. 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.

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

Activity	Date	Day
Public Announcement	09/04/2004	Friday
Last date for a competitive bid	30/04/2004	Friday
Specified Date	07/05/2004	Friday
Date by which the Letter of Offer will be despatched to shareholders	21/05/2004	Friday
Date of opening the Offer	07/06/2004	Monday
Last date for revising the offer price/ number of shares	24/06/2004	Thursday
Last date for withdrawal of acceptance	30/06/2004	Wednesday
Date of closing the Offer	06/07/2004	Tuesday
Date of communication of rejection, if any	20/07/2004	Tuesday
Date of payment of consideration for applications accepted	03/08/2004	Tuesday

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 30/06/2004. The withdrawal option can be exercised by submitting the "Form of Withdrawal" (separately enclosed with Letter of Offer) to the Registrar to the Offer, Intime spectrum Registry Ltd., so as to reach them on or before 30/06/2004.

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) Acquirers 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 in IX(b) of this Public Announcement.
- d) If the aggregate of the valid responses to the offer exceeds offer size, then the acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the Regulations. The equity shares of OEL are being traded in physical mode and the market lot of the shares is 100 (Hundred).
- e) Acquirers shall acquire the equity shares from the shareholders of the Company 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 03/08/2004 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 Acquirers have appointed Keynote Corporate Services Ltd. as the Manager to the Offer.
- g) Acquirers, accept full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirer as laid down in the Regulations.

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. 07/06/2004 and apply in the same.

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

KEYNOTE
CORPORATE SERVICES LIMITED

307, Regent Chambers, Nariman Point, Mumbai - 400 021.
Tel.: (022) 2202 5230. Fax : (022) 2283 5467. E-mail : mbd@keynoteindia.net
SEBI Regn.: INM00003606 AMBI Regn. No.AMBI/040

Name of the contact person : Ms. Sangya Mishr

Place : Mumbai
Date : 08/04/2004.