DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is sent to you as a shareholder(s) of **PARAG FANS AND COOLING SYSTEMS LIMITED.** If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed(s) to the Members of Stock Exchange through whom the said sale was effected.

OPEN OFFER BY

MR. SANDEEP BADJATIA residing at 102, Omshree Apts., Dharampeth Extension, Nagpur- 440010, Maharashtra; Tel: +91 712 6616125; Email: sandeep@impactgroupindia.com

And

M/S IMPACT PROJECTS AND CONSULTANTS PRIVATE LIMITED (FORMERLY B3 PROJECTS & CONSULTANTS PRIVATE LIMITED) having its registered office at 102, Omshree Apartment, 264, Dharampeth Extension, Nagpur- 440010; Tel No: +91-712-3266125/6; Fax No. +91-712-6616125; Email id: info@impactgroupindia.com

to acquire 907,712 fully paid up Equity Shares of ₹ 10/- each representing 26% of the total paid up equity share capital of

PARAG FANS AND COOLING SYSTEMS LIMITED

('PFCSL' or the 'Target Company')

Registered Office: Plot No. 1/2B & 1B/3A, Industrial Area No. 1, AB Road, Dewas - 455001, Madhya Pradesh, Tel: +91 7272- 425102/4, Fax No.:+91 07272-400273, E-mail: info@paragfans.com, Website: www.paragfans.com.

at a price of Re. 1.00/- (Rupee One only) per share ("Offer Price"), payable in cash.

1. This Offer is being made by the Acquirers pursuant to Regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (**"Regulations"**).
2. This Offer is not conditional upon any minimum level of acceptance.
3. This is not a Competing Offer.
4. As on the date of this Draft Letter of Offer, there are no statutory approvals required to implement this offer. However, the Offer shall be subject to all statutory approvals that may become applicable on a later date.
5. The Acquirers can revise the Offer Price upto 3 working days prior to the opening of the tendering period for the offer, i.e. Thursday, January 31, 2013. Any upward revision or withdrawal, if any of the offer would be informed by way of the Issue Opening Public Announcement in the same Newspapers and editions in which the original Detailed Public Statement had appeared. Consideration at the same rate will be paid to all Equity Shares tendered any time during the Offer period.
6. **If there is a Competing Offer; the public offers under all the subsisting bids shall open and close on the same date.**
7. Details of Competing Offers, if any: **There is no competing Offer *(Will be updated)***
8. A copy of the Public Announcement (**"PA"**), Detailed Public Statement (**"DPS"**) and this Draft Letter of Offer (including Form of Acceptance cum Acknowledgment) are also available on Securities and Exchange Board of India (**"SEBI"**) web-site: www.sebi.gov.in.
9. The Registration of all the Intermediaries associated with the Offer, viz. Birla Capital And Financial Services Limited, Manager to the Offer and M/s Ankit Consultancy Private Limited, Registrar to the Offer are valid and no action has been initiated by SEBI or any other Government body against them. However, the registration certificate of the Registrar to the Offer is valid till December 31, 2012. The Registrar has made an application vide their letter dated August 31, 2012 with SEBI for renewal of its certificate of registration.

BIRLA CAPS	**MANAGER TO THE OFFER:** **BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED** SEBI Registration No.: INM000011567 Industry House, 5th Floor, 159, Churchgate Reclamation, Mumbai-400 020; Tel: +91 22 2204 2939; Fax: +91 22 2204 7835; E-mail: sushanth@birlacaps.com Website: www.birlacaps.com Contact Person: Mr. Sushanth Alva	DATA	**REGISTRAR TO THE OFFER:** **ANKIT CONSULTANCY PVT.LTD** *SEBI Registration No.: INR000000767 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452 010; Tel: +91 0731- 3198601/602; Fax: +91 0731- 4065798; E-mail: ankit_4321@yahoo.com; Contact Person: CS Akhilesh Gautam **The registration certificate is valid till December 31, 2012. The registrar has made an application vide its letter dated August 31, 2012 with SEBI for renewal of its certificate of registration.*

TENTATIVE SCHEDULE OF ACTIVITY:

Activity	Date	Day
Date of Public Announcement	December 13, 2012	Thursday
Date of publication of Detailed Public Statement in the newspaper	December 20, 2012	Thursday
Last date of filing LOO with SEBI, Stock Exchanges& Target Company	December 28, 2012	Friday
Last date for a Competitive Offer	January 11, 2013	Friday
Last date of receipt of comments from SEBI	January 18, 2013	Friday
Identified Date*	January 22, 2013	Tuesday
Date by which the Letter of Offer will be dispatched to shareholders	January 30, 2013	Wednesday
Last date for upward revision of the Offer Price and /or Offer Size	January 31, 2013	Thursday
Last date by which the Independent Committee of Board of Directors of the Target Company shall give its recommendations.	January 31, 2013	Thursday
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in the newspapers and sending the same to SEBI, Stock Exchanges & Target Company	February 05, 2013	Tuesday
Date of commencement of tendering period	**February 06, 2013**	**Wednesday**
Date of closing of tendering period	**February 20, 2013**	**Wednesday**
Date by which acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate(s)/ delivery instruction for the rejected Shares will be dispatched/ issued.	March 06, 2013	Wednesday
Final report from Merchant Banker	March 13, 2013	Wednesday

*Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirers and the parties to the SPA) are eligible to participate in the Offer any time before the Closure of the Offer.

RISK FACTORS

A. RELATING TO THE OFFER:

The risk factors set forth below pertain to the Offer and are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the Offer.

Probable risks relating to the Open Offer:

1. The Offer involves an offer to acquire up to 26% of the Paid-up Equity Share Capital of PFCSL from the Eligible Persons for the Offer. In the case of over subscription in the Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
2. Shareholders accepting this Offer will be tendering their Equity Shares before getting payment of consideration as the Acquirers have time upto 10 working days from date of closure of the tendering period to make payment of consideration.
3. In the event that either (a) a statutory and regulatory approval, if any, is not received in a timely manner, (b) there is a litigation, if any, leading to a stay of the offer, or (c) SEBI instructing the Acquirers not to proceed with the Offer, the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of PFCSL whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirers may be delayed. In case of delay, due to non-receipt of statutory approvals, as per the Regulation 18(11) of the Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default or negligence or failure to diligently pursue on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, as may be specified by SEBI.
4. Shareholders should note that those who have tendered shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the tendering period even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.
5. The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirers, and wherever applicable, by the Target Company, in connection with the Offer. The Acquirers may not to be able to proceed with the Offer in the event the approvals are not received in terms of Regulation 23 of the SEBI (SAST) Regulations, 2011. Delay, if any, in the receipt of these approvals may delay completion of the Offer.
6. The Shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities and disclaims any responsibility with respect to any decision by any shareholder of PFCSL on whether to participate or not to participate in the Offer.

Probable risks involved in associating with the Acquirers:

The Acquirers make no assurance with respect to the financial performance of the Target Company. The Equity shares of the Target Company are suspended from all the stock exchanges wherein it was originally listed namely Madhya Pradesh Stock Exchange Limited (**MPSE**), Ahmedabad Stock Exchange Limited (**ASE**), Jaipur Stock Exchange Limited (**JSE**) and Madras Stock Exchange Limited (**MSE**). They also make no assurance with respect to the market price of the Shares consequent to re-listing if any, and disclaim any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

The Acquirers do not accept any responsibility for statements made otherwise than in the Draft Letter of Offer / Public Announcement/ Detailed Public Statement, and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at her / his / its own risk.

RISK IN THE TRANSACTION

The Share Purchase Agreement (**"SPA"**) dated 13th December 2012 contains a clause that it is subject to the provisions of SEBI (SAST) Regulations, 2011 and in case of non-compliance with any of the provisions of the Regulations, the Seller or the Acquirers shall not act upon the agreement for such sale.

The Equity shares of the Target Company are suspended from all the stock exchanges wherein it was originally listed. The Acquirers make no assurance with respect to the market price of the Shares consequent to relisting, if any, and disclaims any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

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1. DEFINITIONS / ABBREVIATIONS

The following definitions apply through this document, unless the context requires otherwise:

1	Acquirers	Mr. Sandeep Badjatia and M/S Impact Projects And Consultants Private Limited (Formerly B3 Projects & Consultants Private Limited)
2	ASE	Ahmedabad Stock Exchange Limited.
3	Detailed Public Statement or DPS	Public Statement of the Open Offer made by The Acquirers, which appeared in the newspapers on December 20,2012 in all editions of Financial Express (English), all editions of Jana Satta (Hindi) and Dainik Choutha Sansar in Indore edition.
4	Eligible Person(s) for the Offer	All owners (registered or unregistered) of shares of Target Company (other than Acquirers and the Seller) anytime before closure of the Offer
5	EPS	Earnings Per Equity Share
6	FEMA	Foreign Exchange Management Act, 1999 including related rules, amendments and regulations
7	FIIs	Foreign Institutional Investors
8	FIs	Financial Institutions
9	FOA / Form of Acceptance	Form of Acceptance cum Acknowledgement accompanying this Letter of Offer
10	FOW / Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
11	FY	Financial Year ended on March 31
12	Identified Date	January 22, 2013; Tuesday
13	INR/Rs./₹	Indian Rupees
14	IPCPL	M/s Impact Projects And Consultants Private Limited (Formerly M/s B3 Projects and Consultants Private Limited), one of the Acquirer
15	JSE	Jaipur Stock Exchange Limited
16	Listing Agreement	Listing agreement as entered by the Target Company with the Stock Exchanges
17	LOO / LOF / Letter of Offer	This Letter of Offer
18	Merchant Banker / Manager to the Offer	Birla Capital and Financial Services Limited
19	MoU	Memorandum of Understanding
20	MSE	Madras Stock Exchange Limited
21	MPSE	Madhya Pradesh Stock Exchange Limited
22	NAV	Net Asset Value/ Book Value per
23	Negotiated Price	Re. 1.00 (Rupee One Only) per fully paid-up Equity Share of face value of Rs. 10 each.
24	NRIs	Non-Resident Indians

25	Offer/Open Offer/ The Offer	Open Offer being made by the Acquirers for acquisition of 907,712 (Nine Lakh Seven Thousand Seven Hundred And Twelve) Equity Shares to the public shareholders representing 26.00% of the voting capital of the Target Company at a price of Re. 1.00(Indian Rupee One only) per equity share payable in cash.
26	Offer Price	Re. 1.00 (Rupee One Only) offered by the Acquirers for a fully paid-up equity share of Face Value Rs. 10.00 (Indian Rupees Ten only)
27	PA / Public Announcement	Announcement of this Offer made by the Manager on behalf of the Acquirers to SEBI and the stock exchanges on Thursday, December 13, 2012.
28	PAC/PACs	Person(s) Acting in Concert
29	PAT	Profit After Taxes
30	PFCSL/ Target Company	Parag Fans and Cooling Systems Limited
31	Promoter/ Promoter Group	Shareholders of the Target Company classified as Promoter/ Promoter Group
32	RBI	Reserve Bank of India
33	Registrar to the Offer	M/s Ankit Consultancy Private Limited having its registered office at 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452 010.
34	Regulations/Takeover Regulations/SEBI(SAST) Regulations/SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.
35	RNW	Return on Net Worth
36	RoC	Registrar of Companies, 3rd Floor, 'A' Block, Sanjay Complex Jayendra Ganj, Gwalior 474001, Madhya Pradesh.
37	Shares	Equity shares of ₹ 10 (Rupees Ten only) each of the Target Company
38	SEBI	Securities and Exchange Board of India
39	Seller	Mr. Liju Sadashivan, a shareholder of the Target Company
40	Shareholders	Shareholders of the Target Company
41	SPA / Share Purchase Agreement	The Share Purchase Agreement dated 13th December, 2012 entered into by the Acquirers with the Seller, for purchase of 781,155 equity shares of the Target Company from the Seller.

Note: All terms beginning with a capital letter used in this Draft Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI Takeover Regulations.

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to “Rs.” or “₹” are to the reference of Indian National Rupees (“INR”). Throughout this Draft Letter of Offer, all figures have been expressed in “Lakhs” unless otherwise specifically stated. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF PARAG FANS AND COOLING SYSTEMS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S), PACs OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER(S) IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER(S) DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, M/S. BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 28, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 Mr. Sandeep Badjatia, aged 47 years, S/o Mr. Surendra Kumar Badjatia is residing at 102, Omshree Apartments, Dharampeth Extn, Nagpur 440 010, Maharashtra, Tel. No. +91 712 6616125; Email: sandeep@impactgroupindia.com and M/S Impact Projects And Consultants Private Limited incorporated under the Companies Act, 1956 having its registered Office situated at 102, Omshree Apartments, 264, Dharampeth Extension, Nagpur- 440010; Tele No: +91-712-3266125/6; Fax No. +91-712-6616125; Email id: info@impactgroupindia.com; Website: www.impactgroupindia.com (hereinafter referred to as **"The Acquirers"**) are making an Open Offer to the Shareholders (i.e. Shareholders other than the Acquirers and the Seller of PFCSL) of Parag Fans and Cooling Systems Limited (**"PFCSL"** or the **"Target Company"**) to acquire upto 907,712 (Nine Lakh Seven Thousand Seven Hundred & Twelve) Equity Shares of ₹ 10/- each representing 26.00% of paid up Equity Share Capital of PFCSL (**"The Offer"**) at a price of Re. 1.00 (Rupee One Only) per fully paid Equity Share of PFCSL (the **"Offer Price"**). The Equity Shares are being acquired by the Acquirers for cash.

3.1.2 This Offer to acquire 907,712 fully paid-up equity shares of ₹10 each representing 26% of the fully paid-up equity share capital of PFCSL, is being made in terms of Regulation 3(1), 4 and 7(1) of Regulations for the purpose of substantial acquisition of Equity shares and voting rights of PFCSL accompanied with the change in control and management of the Company as the aggregate equity stake of the Acquirers in the paid up equity share capital of PFCSL will be more than the stipulated threshold of 25% consequent to the acquisition of shares by the Acquirers through a SPA dated 13th December, 2012.

3.1.3 The Acquirers have entered into a SPA on 13th December, 2012 with one of the non-promoter shareholders of the Target Company namely, Mr. Liju Sadashivan for the acquisition of 781,155 (Seven Lakh Eighty One Thousand One Hundred & Fifty Five) Equity Shares of face value ₹ 10.00 (Indian Rupees Ten only) each fully paid-up representing 22.37% of the current paid-up and voting equity share capital of Parag Fans and Cooling Systems Limited, at a price of Re. 1.00 (Rupee One Only) per fully paid-up equity share paid in cash (**"Negotiated Price"**). The total consideration is payable in cash for the shares being acquired under the SPA is ₹ 781,155 (Rupees Seven Lakh Eighty One Thousand One Hundred & Fifty Five only).

The salient features of the SPA are:

(I) The total consideration for the shares being acquired under the SPA at Re 1.00 per share is aggregating to Rs. 781,155 (Rupees Seven Lakhs Eighty One Thousand One Hundred & Fifty Five only).

(II) The seller shall issue a Transfer Deeds, duly executed, along with the Original Share Certificates to the Acquirers against a cheque deposit of Rs. 100,000 (One Lakh Only). This security deposit is an interest-free earnest money or deposit made with the seller and the same would be finally adjusted against the total purchase consideration.

The balance amount for purchase of the shares, being Rs. 681,155(Six Lakhs Eighty One Thousand One Hundred Fifty Five Only) shall be paid by the Acquirers on completion of the Open Offer and submission of 15 days report by the Merchant Banker by way of a cheque in favor of the seller.

(III) The negotiated Price per share shall be paid in the form of cash. The Acquirers have not paid any other monetary consideration, whether by way of any non-compete fee or otherwise, or pursuant to any non-compete agreement for acquisition of the shares of PFCSL save and except Rs. 100,000/- as security deposit kept with the seller as mentioned in Point No.3.1.3(II).

(IV) The purchase and sale of shares under this SPA shall be completed within 30 working days of the submission of the 15-day final report by the Merchant Banker to the Offer, in terms of Regulation 27(7) of the Regulations.

(V) The SPA also provides that in case of non-compliance of any provisions of the Regulations pertaining to the Open Offer being triggered by the Share Purchase Agreement, the agreement shall not be acted upon by the Seller or the Acquirers.

(VI) The Shares under the SPA is being acquired as follows:

Sr. No.	Name of the Seller	No. of Equity Shares	% of paid-up capital
1.	Mr. Liju Sadashivan*	781,155	22.37%
TOTAL		**781,155**	**22.37%**

*Mr. Liju Sadashivan is one of the shareholders of the Target Company.

Sr. No.	Name of the Acquirers	No. of Equity Shares	% of paid-up capital
1.	Mr. Sandeep Badjatia	581,155	16.646%
2.	M/S Impact Projects & Consultants Private Limited	200,000	5.728%
TOTAL		**781,155**	**22.37%**

3.1.4 Mr. Sandeep Badjatia holds 465,835 equity shares constituting 13.34% of the fully paid equity shares of the Target Company which were acquired through off-market transfer. Save and except those acquired through off-market and under the SPA, he has not acquired any equity shares in the Target Company. Out of this, 365,000 equity shares/voting rights representing 10.45% of the Target Company was acquired during the twelve (12) months period preceding the date of the PA and DPS.

IPCPL holds 399,035 equity shares constituting 11.43% of the fully paid equity shares of the Target Company which were acquired through off-market transfer. Save and except those acquired through off-market and under the SPA, it has not acquired any equity shares in the Target Company.

IPCPL has not acquired any equity shares/voting rights of the Target Company during the twelve (12) months period preceding the date of Public Announcement and DPS.

3.1.5 Upon completion of the Offer, assuming full acceptances in the Offer, the Acquirers will hold 2553,737 (Twenty Five Lakhs Fifty Three Thousand Seven Hundred & Thirty Seven) shares constituting 73.14% of the paid-up share capital of the Target Company.

3.1.6 Mr. Sandeep Badjatia and IPCPL are the only Acquirers in this Offer and there is no person acting in concert ("PAC") with the Acquirers within the meaning of Regulation 2 (1) (q) of SEBI (SAST) Regulations, 2011.

3.1.7 The Target Company, the Seller and the Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued pursuant to Section 11B of the SEBI Act, 1992 or under any of the Regulations made under the SEBI Act.

3.1.8 The Manager to the Open Offer i.e. Birla Capital and Financial Services Limited is not an associate of the Acquirers and does not hold any Shares in the Target Company as on the date of appointment as Manager to the Open Offer. They declare and undertake that they shall not deal on their own account in the Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.

3.1.9 The Committee of Independent Directors of the Board of PFCSL, the Target Company, will come out with their recommendations for the Offer and the same shall be published in the same newspapers and editions which carried the Public Announcement and Detailed Public Statement, latest by Thursday, January 31,2013 (as per the Tentative Activity Schedule).

3.1.10 There is no non-compete arrangement and/or agreement between the Acquirers and the Seller.

3.1.11 This offer is not a result of global acquisition resulting in indirect acquisition of PFCSL.

3.2 Details of the proposed Offer

3.2.1 The Acquirers made a Public Announcement, as per Regulation 13 (1) of the Regulations and the same was submitted to the Madhya Pradesh Stock Exchange Limited(**"MPSE"),** Ahmedabad Stock Exchange Limited(**"ASE")**, Jaipur Stock Exchange Limited(**"JSE")**, Madras Stock Exchange Limited(**"MSE")**, the Stock Exchanges where Equity Shares of PFCSL are listed, on Thursday, December 13, 2012. A Detailed Public Statement as per Regulation 14(3) was made on Thursday, December 20, 2012 in all editions of one English national daily with wide circulation, and all editions of one Hindi national daily with wide circulation and a local Daily, published at Indore, the place near which the Registered Office of the Target Company is situated. The details pertaining to the publication of the Detailed Public Statement in Newspapers is given below:

Name of the Newspaper	Language	Editions	Day of DPS	Date of DPS
Financial Express	English	All Editions	Thursday	December 20, 2012
Jana Satta	Hindi	All Editions	Thursday	December 20, 2012
Dainik Choutha Sansar	Hindi	Indore Edition	Thursday	December 20, 2012

A copy of the Detailed Public Statement is also available at SEBI's Website at www.sebi.org.in

3.2.2 The Offer is being made to all the persons eligible to participate in the offer to tender 907,712 Equity Shares representing 26.00% of paid up and voting share capital of PFCSL at an Offer Price of Re. 1.00 (Rupees One Only) per fully paid-up Equity Shares, payable in cash.

3.2.3 There are no outstanding partly paid up equity shares or any other instrument convertible into equity shares at a future date except Share Application Money pending Allotment to the tune of Rs. 5,000,000, in the books of the Target Company on the date of the DPS.

3.2.4 The consideration for all shareholders offering the shares will be paid in cash at the same rate and hence there is no differential price.

3.2.5 The Equity Shares acquired by the Acquirers, pursuant to the Offer, will be free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividend, bonus and rights declared after all the formalities relating to this Offer are completed.

3.2.6 This is not a competitive bid.

3.2.7 The Offer is not subject to any minimum level of acceptances from the Shareholders i.e. it is not a conditional offer.

3.2.8 The Acquirers have not made any further acquisition of Shares in the open market or through negotiation or otherwise, from the date of Public Announcement to the date of Draft Letter of Offer.

3.2.9 Birla Capital and Financial Services Limited, Manager to the Offer, does not hold any shares of PFCSL as on the date of the Public Announcement and this Offer. They declare and undertake that they shall not deal in the Equity Shares of PFCSL during the period commencing from the date of appointment as Manager to the offer till the expiry of fifteen days from the date of closure of the Offer.

3.2.10 This Offer is being made to all Shareholders of PFCSL except the parties to SPA namely the Acquirers and the Seller.

3.2.11There were no competitive bids to this offer.

3.3 Object of the Offer

3.3.1 The Acquirers are interested in taking over the management and control of PFCSL and hence are making this open offer for substantial acquisition of Shares and voting rights of PFCSL, accompanied by change in control and management. Therefore the offer is made in accordance with Regulation 3(1), 4 and 7(1) of the Regulations.

3.3.2 The Offer is being made pursuant to acquisition of 781,155 equity shares through signing of the SPA dated December 13, 2012 as provided in Para 3.1.3 above and is being made in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011.

3.3.3 After the proposed Offer, the Acquirers will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.

3.3.4 The Acquirers intend to expand the activity base of the Target Company in order to enter into the new area of business. Subject to the satisfaction of the provisions under the Companies Act, 1956 and / or any other Regulations, the Acquirers intend to reconstitute the Board of Directors of the Target Company in accordance with the provisions of these Regulations. However, no firm decision in this regards has been taken or proposed so far.

3.3.5 The Acquirers do not have any plans to dispose off or otherwise encumber any assets of PFCSL in the succeeding 2 (two) years from the date of closure of the Offer, except as required for the purpose of restructuring and / or rationalization of assets, operations, investments, liabilities, or otherwise of the Target Company for commercial reasons and operational efficiencies. The Acquirers undertake that they shall not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the Shareholders of the Target Company.

4. BACKGROUND OF THE ACQUIRERS

A. INFORMATION ABOUT MR. SANDEEP BADJATIA ("ACQUIRER 1" OR "MR. BADJATIA"):

4.1 Mr. Sandeep Badjatia, aged 47 years, S/o Mr. Surendra Kumar Badjatia is residing at 102, Omshree Apartments, Dharampeth Extn, Nagpur 440 010, Maharashtra, Tel. No. +91 712 6616125; Email: sandeep@impactgroupindia.com.

4.2 Mr. Sandeep Badjatia is a Mechanical Engineer by qualification.

4.3 Mr. Sandeep Badjatia is having experience of almost 25 years in engineering industry as an entrepreneur.

4.4 Mr. Sandeep Badjatia is holding a Permanent Account Number (PAN) ABUPB3068N under the Income Tax act 1961.

4.5 The Networth of Mr. Sandeep Badjatia as on 15th December, 2012 is Rs. 30,733,685.03 [Indian Rupees Three Crores Seven Lakhs Thirty Three Thousand Six Hundred Eighty Five and Paise Three Only] and the same is certified by Mr. Viren Gijare, Chartered Accountant (Membership No. 119005) Partner of G. P. Deodhar & Co., Chartered Accountants (F.R.N: 102264W) having their office at 105 & 106 Crystal Plaza, 276, Central Bazar Road, Near Krims Hospital, Ramdaspeth, Nagpur – 440 010, Tel. No. +91 0712 2437203/6617273; Email: girishdeodhar58@gmail.com vide certificate dated 15th December, 2012.

4.6 Mr. Sandeep Badjatia has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (the **"SEBI Act"**) or under any other Regulation made under the SEBI Act.

4.7 Mr. Sandeep Badjatia has promoted M/s Impact Projects And Consultants Private Limited, M/s Impact Fans & Cooling Systems Limited, M/s AB IT Education Private Limited and M/s Steklo Abresist Private Limited and holds directorship in all the said companies. These Companies have not been prohibited by SEBI from dealing in Securities, in terms of directions issued under SEBI Act, 1992, as amended from time to time or under any other Regulation made under the Act.

4.8 Mr. Sandeep Badjatia is related to the Target Company, as the Managing Director of the Target Company and he holds 465,835 equity shares constituting 13.34% of the fully paid equity shares of the Target Company.

4.9 Mr. Sandeep Badjatia had acquired 365,000 equity shares/voting rights of the Target Company during the twelve (12) months period preceding the date of the PA and DPS. Save and except this, he has signed the SPA dated 13th December, 2012 with one of the non-promoter shareholders named Mr. Liju Sadashivan of the Target Company (the **"Seller"**) to acquire 581,155 equity shares constituting 16.64% of the fully paid equity shares of the Target Company for cash at a price of Rupee 1.00(Rupee One Only) per share of ₹ 10(Rupees Ten) fully paid-up.

4.10 Apart from 581,155 (Five Lakh Eighty One Thousand One Hundred & Fifty Five) fully paid up equity shares which Mr. Sandeep Badjatia will acquire pursuant to Share Purchase Agreement(**"SPA"**) entered into December 13, 2012, he holds 465,835 equity shares constituting 13.34% of the fully paid equity shares/voting rights of Parag Fans & Cooling Systems Limited as mentioned in Point No. 4(A)(4.8) and details with respect to compliance with Chapter - II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 are as follows:

Sr. No.	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days) Col. 4- Col. 3	Status Of compliance with Takeover Regulations	Remarks
1	**2**	**3**	**4**	**5**	**6**	**7**
1	7(1) & (2)	N.A.	N.A.	N.A.	N.A.	--
2	7(1A) & (2)	N.A.	N.A.	N.A.	N.A.	--
3	29 (1)& (2)*	11/01/2012	03/11/2012	297	Delayed	--

* The disclosures have been filed only with the Madhya Pradesh Stock Exchange Limited and not with other stock exchanges wherein the Target Company was originally listed.

4.11 Mr. Sandeep Badjatia undertakes that he will not sell the equity shares of the Target Company held by him during the **"Offer Period"** in terms of Regulation 25(4) of the Regulations.

4.12Mr. Sandeep Badjatia has not entered into any non-compete arrangement and/or agreement with the Seller.

4.13There is no Person Acting in Concert (**"PAC")** along with Mr. Sandeep Badjatia except for Acquirer 2 as stated below.

4.14 Mr. Sandeep Badjatia has declared that there are no litigations against / by him as on December 15, 2012.

B. INFORMATION ABOUT M/S IMPACT PROJECTS AND CONSULTANTS PRIVATE LIMITED (FORMERLY B3 PROJECTS & CONSULTANTS PRIVATE LIMITED) ("ACQUIRER 2" OR "IPCPL"):

4.15 IPCPL was incorporated under the Companies Act, 1956, as M/s B3 Projects & Consultants Private Limited on August 06, 2007 as a Private Limited Company by Registrar of Companies, Mumbai, Maharashtra vide Registration No. 172865. Thereafter the name of the company was changed to M/s Impact Projects And Consultants Private Limited and consequently obtained a fresh certificate on June 26, 2012. Presently, the Registered Office of the company is situated at 102, Omshree Apartment, 264, Dharampeth Extension, Nagpur-440010; Tele No: +91 712-3266125/6; Fax No. +91 712-6616125; Email id: info@impactgroupindia.com.

4.16 As per Memorandum of Association **("MOA")** of IPCPL, the main object of the company is to carry on the business of developing, maintaining and operating any infrastructure facility including roads, bridges, rail systems, highway projects, airports etc.

4.17 The Permanent Account Number (PAN) of the company is AADCB3537F under the Income Tax act 1961.

4.18 The present authorized share capital of the Company is Rs. 100,000 (Rupees One Lakh Only) divided into 10,000 (Ten Thousand) Equity Shares of Face Value of Re. 10/- each. The issued, subscribed and paid up capital of the Company as on the date of the DPS comprises of 10,000 (Ten Thousand) fully paid up equity shares of Rs. 10/- each aggregating Rs. 100,000(Rupees One Lakh Only).

4.19 IPCPL has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.

4.20 The promoters of IPCPL are Mr. Sandeep Badjatia (Acquirer No.1) and Mrs. Anmol Badjatia. The Equity Shares of IPCPL are not listed on any Stock Exchanges and it does not have any Subsidiaries.

4.21 As on the date of this Letter of Offer, the Board of Directors of IPCPL consists of the following members:

- Mr. Sandeep Badjatia
- Mrs. Anmol Badjatia

Their details are as under:

Name	Date of Appointment	Age, Qualification	Residential Address	Experience
Mr. Sandeep Badjatia DIN No.:00979809	Since Incorporation	47 years; Mechanical Engineer	102, Omshree Apartment, Dharampeth Extn, Nagpur 440010, Maharashtra.	25 years in engineering industry as an entrepreneur.
Mrs. Anmol Badjatia DIN No.:00979837	Since Incorporation	45 years ; B.E in Electronics	501, Omshree Apartment, Dharampeth Extn, Nagpur 440010, Maharashtra.	23 years in engineering industry and has contributed significantly to the growth of the business group of Mr. Sandeep Badjatia and being a keen social worker, takes up private assignments for development of the education system in various institutions. Also, she is heading "Jain International School, Nagpur" as an additional profession.

4.22 IPCPL is related to the Target Company, as one of the shareholders of the Target Company and holds 399,035 equity shares constituting 11.43% of the fully paid equity shares of the Target Company.

4.23 IPCPL has not acquired any equity shares/voting rights of the Target Company during the twelve (12) months period preceding the date of the PA and the DPS. Also IPCPL has not acquired any equity shares through off-market transfer. Save and except this, IPCPL has signed the SPA dated 13th December, 2012 with one of the non-promoter shareholders named Mr. Liju Sadashivan (the **"Seller"**), of the Target Company to acquire 200,000 (Two Lakhs) equity shares constituting 5.73% of the fully paid equity shares of the Target Company.

4.24 IPCPL has not entered into any non-compete arrangement and/or agreement with the Sellers.

4.25 There is no Person Acting in Concert ("PAC") along with the IPCPL except for Acquirer 1 as stated above.

4.26 IPCPL holds 399,035 fully paid equity shares in the Target Company as on the date of PA as mentioned in Point No. 4(B)(4.22) above and details with respect to the compliance with chapter - II of SEBI (SAST) Regulations 1997 and Chapter V of SEBI (SAST) Regulations, 2011 are as follows:

Sr. No.	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days) Col. 4- Col. 3	Status Of compliance with Takeover Regulations	Remarks
1	**2**	**3**	**4**	**5**	**6**	**7**
1	7(1) & (2)*	12/12/2008	03/11/2012	1422	Delayed	--
2	7(1A) & (2)	N.A.	N.A.	N.A.	N.A.	--
3	29 (1)& (2)	N.A.	N.A.	N.A.	N.A.	--

*The disclosures have been filed only with the Madhya Pradesh Stock Exchange Limited and not with other stock exchanges wherein the Target Company was originally listed.

4.27 IPCPL undertakes that it will not sell the equity shares of the Target Company held by it during the "Offer Period" in terms of Regulation 25(4) of the Regulations.

4.28 IPCPL has declared that there are no litigations against / by them as on December 15, 2012.

4.29 The Networth of IPCPL as on September 30, 2012 is Rs. 4,463,696.20 [Indian Rupees Forty Four Lakhs Sixty Three Thousand Six Hundred Ninety Six and Paise Twenty only] as certified by Mr. Viren Gijare, Chartered Accountant (Membership No. 119005), Partner of G. P. Deodhar & Co., Chartered Accountants (F.R.N: 102264W) having their office at 105 & 106 Crystal Plaza, 276, Central Bazar Road, Near Krims Hospital, Ramdaspeth, Nagpur – 440 010, Tel. No. +91 0712 2437203/6617273; Email: girishdeodhar58@gmail.com vide certificate dated 15th December, 2012.

4.30 The Equity Shares of IPCPL are not listed at any Stock Exchange. IPCPL has no Subsidiary Company (ies). IPCPL is a part of the Impact group and its group companies include:

- Impact Fans & Cooling Systems Limited,
- Steklo Abresist Private Limited and
- AB IT Education Private Limited

4.31Brief details of group companies of (IPCPL Acquirer 2):

Name of the firm/company	Date of formation / incorporation	Nature of Business	Equity capital reserves (INR Lakhs)	Total income (INR Lakhs)	PAT (INR Lakhs)	EPS (INR)	NAV per share (INR) / Net worth	Whether any sick company
Impact Fans & Cooling Systems Limited (Formerly Impact Abrresist Private Limited)								
as at 31-03-2012	09/01/1996	Production of Abrasion Resistant Materials	Accounts Not finalized					
as at 31-03-2011			124.64	Nil	(0.04)	--	146.64	--
as at 31-03-2010			124.68	Nil	(0.04)	--	146.68	--
Steklo Abresist Private Limited								
as at 31-03-2012	19/08/1994	Engaged in activities relating to minerals & technical know-how	19.00	340.85	2.84	284.00	1900.00	--
as at 31-03-2011			16.16	427.33	4.46	446.00	1616.00	--
as at 31-03-2010			11.70	182.94	0.94	94.00	1170.00	--
AB IT Education Private Limited								
as at 31-03-2012	16/08/2004	IT Education	Accounts Not finalized					
as at 31-03-2011			11.94	1.23	0.026	0.26	119.40	--
as at 31-03-2010			11.85	19.07	2.42	24.20	118.50	--

4.32 **The Shareholding pattern of IPCPL is as under:**

Name of the Shareholder	Number of Equity Shares of Rs.10/-each	% age of Shareholding
Mr. Sandeep Badjatia	5,000	50
Mrs. Anmol Badjatia	5,000	50
Total	**10,000**	**100**

4.33 The brief audited financial details of IPCPL for the last 3 years ending on March 2012, March 2011 and March 2010 is given below:

Profit & Loss Account Statement

(₹ in Lakhs)

Profit & Loss Statement	Year Ended 2011-2012 (Audited)	Year Ended 2010-2011 (Audited)	Year Ended 2009-2010 (Audited)
Income from Operations	297.70	270.60	160.45
Other Income	1.00	0.51	0.11
Total Income	**298.70**	**271.11**	**160.56**
Total Expenditure	255.06	240.24	144.80
Profit/ (Loss) Before Depreciation, Interest and Tax	43.64	30.87	15.76

Profit & Loss Statement	Year Ended 2011-2012 (Audited)	Year Ended 2010-2011 (Audited)	Year Ended 2009-2010 (Audited)
Depreciation	1.48	0.64	0.72
Interest	3.69	9.77	11.55
Profit/ (Loss) Before Tax	38.47	20.46	3.49
Provision for Taxation (includes deferred tax adjustment)	11.91	6.37	1.22
Deferred Tax	0.03	0.006	0.005
Profit /(Loss) after Tax	**26.53**	**14.08**	**2.27**

Balance Sheet Statement

(₹ in Lakhs)

Balance Sheet Statement	Year Ended 2011-2012 (Audited)	Year Ended 2010-2011 (Audited)	Year Ended 2009-2010 (Audited)
Sources of Funds			
Paid-up Equity Share Capital	1.00	1.00	1.00
Reserves & Surplus (Excluding Revaluation Reserve)	43.64	17.08	3.03
Networth	**44.64**	**18.08**	**4.03**
Secured Loan	9.92	-	-
Unsecured Loan	-	70.34	77.24
Deferred Tax Liability	0.08	0.04	0.04
Total	**54.64**	**88.46**	**81.31**
Application of Funds			
Net Fixed Assets	17.62	2.79	3.23
Investments	10.00	72.00	72.00
Net Current Assets	27.02	13.67	6.08
Total	**54.64**	**88.46**	**81.31**

Other Financial Data

Particulars	Year Ended 2011-2012 (Audited)	Year Ended 2010-2011 (Audited)	Year Ended 2009-2010 (Audited)
Dividend (%)	--	--	--
Earnings Per Share (INR)	265.30	140.80	22.70
Return on Net Worth (%)	59.53	77.87	56.33
Book Value Per Share (INR)	446.40	180.80	40.30

4.34 Other details about Acquirers

4.34.1 As per Regulation 17 of SEBI (SAST) Regulations, Acquirers have created/opened an Escrow Account bearing No. 912020066445588 with the Escrow Agent, i.e. Axis Bank, having address at Atlanta, Ground Floor, Nariman Point, Mumbai, 400021, Maharashtra and has deposited a cash of ₹ 250,000 (Rupees Two Lakhs Fifty Thousand only), being more than 25% of the total consideration payable to the shareholders under the Offer (25% being Rs. 226,928). The Manager to the Offer has been authorized by the Acquirers to operate the above mentioned Escrow Account and realize the value of Escrow Account in terms of the Regulations.

4.34.2 The Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of their own sources/ net worth and financial commitments available with the Acquirers, in terms of Regulation 25(1) of the SEBI (SAST) Regulations 2011.

Mr. Viren Gijare, Chartered Accountant (Membership No. 119005) Partner of G. P. Deodhar & Co., Chartered Accountants (F.R.N : 102264W) having their office at 105 & 106 Crystal Plaza, 276, Central Bazar Road, Near Krims Hospital, Ramdaspeth, Nagpur – 440 010, Tel. No. +91 0712 2437203/6617273;

Email: girishdeodhar58@gmail.com vide certificate dated 15th December, 2012 has certified that **Acquirer 1** & **Acquirer 2** have sufficient resources available for fulfilling the obligations under this "Offer" in full.

4. 34.3 The Acquirers do not have any intention to dispose of or otherwise encumber any significant assets of the Target Company in the succeeding 2 (two) years from the date of closure of the Offer, except such disposals or encumbrances in the ordinary course of business of the target Company and/or for the purpose of restructuring and/or streamlining of operations, assets, investments, liabilities or otherwise of the Target Company by way of arrangement / reconstruction, restructuring, mergers / demergers, at a later date.
Except in the ordinary course of business, the Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company through a special resolution in terms of Regulation 25(2) of the SEBI (SAST) Regulations, 2011and in accordance with and subject to the applicable laws, permissions and consents, if any.

4. 34.4 Acquirers intend to control the Target Company & make changes in the Board of Directors of the Target Company subsequent to the completion of this Open Offer in accordance hereof. Subject to the satisfaction of the provisions under the Companies Act, 1956 and / or any other Regulations, the Acquirers intend to make changes in the management of PFCSL (Target Company). However, no firm decision in this regards has been taken or proposed so far.

4. 34.5 Upon completion of the Offer, assuming full acceptances in the Offer, the Acquirers will hold 2,553,737 (Twenty Five Lakhs Fifty Three Thousand Seven Hundred & Thirty Seven) shares constituting 73.14% of the paid-up share capital of the Target Company. As per minimum public holding norms for a listed Company and Listing Agreement of the Stock Exchanges, the Target Company is required to maintain at least 25% public shareholding on a continuous basis. In the event that the acquisition made in pursuance to the Offer results in the public shareholding of the Target Company falling below such minimum level, the Acquirers undertakes to take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreement, within the time period mentioned therein or in accordance with such other directions as may be provided by the Stock Exchanges, in accordance with the provisions of Regulation 7(4) of the SEBI (SAST) Regulations,2011 and SEBI Securities Contract (Regulation) Rules, 1957 as amended.

5. BACKGROUND OF THE TARGET COMPANY - PARAG FANS AND COOLING SYSTEMS LIMITED ("PFCSL"):

5.1 The Target Company was incorporated on November 14, 1991 as Parag Enterprises Private Limited, under the Companies Act, 1956 with the Registrar of Companies, Gwalior, Madhya Pradesh and obtained a Certificate of Incorporation bearing number 10–06760. Later the Target Company`s name was changed to Parag Fans and Cooling Systems Limited vide Certificate dated February 21,1995 issued by Registrar of Companies, Gwalior, Madhya Pradesh. The CIN number of the Target Company is L51102MP1991PLC006760. The registered office of the Target Company is located at Plot no 1/2AB & 1B/3A, Industrial Area No. 1, AB Road, Dewas, Madhya Pradesh 455001, Tel: +91 7272 425102/4, Fax No.:+91 7272 400273, E-mail: info@paragfans.com, Website: www.paragfans.com. The Company has no other offices or place of business.

5.2 As per Memorandum of Association **("MOA")** of PFCSL, the main objects of the company is to carry on the business of to buy, sell, import or export exchange, supply, alter, improve, prepare for market, repair, recondition manufacture, process twist-let on hire or otherwise, deal in industrial and domestic machines, tools, fixtures, hardware brass, founders, founders of all metals and metal compounds whether ferrous or non-ferrous their spare parts and components accessories, agro-industrial equipments required for engineering and chemical industries.

5.3 The Seller is neither the Promoters nor forms a part of the Promoter Group of PFCSL. He is one of the shareholders of PFCSL and holds 781,155 Equity Shares of Face Value of Rs. 10/- each aggregating 22.37% of the total paid up Equity Share Capital of PFCSL.

5.4 The Directors of PFCSL as on the PA date are:

Sr. No.	Name of the Directors	Address	Date of Appointment	Designation
1.	Mr. Sandeep Badjatia	102, Omshree Apts, Dharampeth Extension, Nagpur- 440010.	10-12-2008	Managing Director

Sr. No.	Name of the Directors	Address	Date of Appointment	Designation
2.	Mr. Umesh Nambiar	Plot No. 1-A, Black Sarswati Vihar Colony, Trimurti Nagar, Maharashtra – 440001.	04-02-2009	Director
3.	Mr. Deepak Pagnis	191, Alka Puri, Dist. Dewas, Madhya Pradesh 455001.	04-02-2009	Director
4.	Mr. Vijay Singh Bharkatiya	414-A, Mahalaxmi Nagar, Indore – 452001, Madhya Pradesh.	06-12-2012	Additional Director (Independent)
5.	Mr. Mukesh Kumar Jhawar	321, Jhawar Villa, Narendra Tiwari Marg, Usha Nagar Extension, Indore – 452009, Madhya Pradesh.	06-12-2012	Additional Director (Independent)
6.	Mr. Satyanarayan Lowanshi	D59/61, Special Economic Zone, Pithampur – 454774, Madhya Pradesh.	06-12-2012	Additional Director (Independent)

5.5 The current management of the Target Company has filed a FIR against Mr. Pankaj Bhargava, the promoter of the Target Company on 28th July 2010 at the Dewas Police Station for acts of fraud, misrepresentation and misappropriation of funds.

5.6 The Target Company obtained listing of its equity shares on the Madhya Pradesh Stock Exchange Limited (**MPSE**), Ahmedabad Stock Exchange Limited (**ASE**), Jaipur Stock Exchange Limited (**JSE**) and Madras Stock Exchange Limited **(MSE).** The script code and script Id of the listed Equity Shares is 44154 for Ahmedabad Stock Exchange. The script code and script Id for the remaining Stock Exchanges, i.e. ASE, JSE and MSE is not available.

The Equity Shares of PFCSL are suspended from trading on all the Stock Exchanges. However, the Company has made an application only to MPSE for revocation of suspension and has paid the listing fee. It is yet to apply for revocation of suspension with other Stock Exchanges as stated above.

The Equity Shares of PFCSL are not frequently traded shares on MPSE, ASE, JSE and MSE within the meaning of Regulation 2(j) of the SEBI (SAST) Regulations, 2011.

All the shares of the Company are in physical form. PFCSL is yet to establish connectivity with both National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL).

5.7 The present authorized share capital of Target Company is divided into 3,500,000 (Thirty Five Lakhs) Equity Shares of Face Value of Rs. 10/- each aggregating to Rs. 35,000,000(Rupees Three Crores Fifty Lakhs Only) and 500,000(Five Lakhs) Preference Shares of Face Value of Rs. 10/- each aggregating to Rs. 5,000,000(Rupees Fifty Lakhs Only). The issued, subscribed and paid up capital of the Target Company as on the date of the Public Announcement comprises of 3,491,200 (Thirty Four Lakhs Ninety One Thousand Two Hundred) fully paid up equity shares of Rs. 10/- each aggregating to Rs.34,912,000 (Rupees Three Crores Forty Nine Lakhs Twelve Thousand Only). The Target Company does not have any partly paid Equity Shares. There are no outstanding partly paid Equity Shares or any other instrument convertible into Equity Shares at a future date, except Share Application Money pending Allotment to the tune of Rs. 5,000,000 in the books of the Target Company on the date of this DPS.

Paid up Equity Shares of PFCSL No. of Equity Shares/	Voting rights	% of Shares / voting
Fully paid-up Equity Shares	34, 91,200	100.00
Partly paid-up Equity Shares	NIL	NIL
Total Equity Shares	34, 91,200	100.00
Total Voting Rights in the Target Company	**34, 91,200**	**100.00**

5.8 The built up of the capital structure of the Company since inception, is as under:

Date of Allotment	No. and % of shares issued		Cumulative paid-up capital (In Shares	Mode of Allotment	Identity of allottees (Promoters / Others)	Status of Compliance
	No.	% of current capital				
On Incorporation	300#	0.00%	300	Cash	Signatories to Memorandum	Provisions of Companies Act, Complied with
March 31, 1993	65,750#	1.88%	66,050	Cash	Promoters/ Others	Provisions of Companies Act, Complied with
March 04, 1994	34,400#	0.98%	100,450	Cash	Promoters/ Others	Provisions of Companies Act, Complied with
March 15, 1994	50#	0.00%	100,500	Cash	Promoters/ Others	Provisions of Companies Act, Complied with
January 15, 1995	124500#	3.57%	225,000	Cash	Promoters/ Others	Provisions of Companies Act, Complied with
April 15,1995	112,500	3.22%	337,500	Cash	Promoters/ Others	Provisions of Companies Act, Complied with
May 05,1995	685,000	19.62%	1,022,500	Cash	Promoters/ Others	Provisions of Companies Act, Complied with
March 18,1996$	2,468,700	70.71%	3,491,200	Cash	Promoters & Public	Provisions of Companies Act, Complied with
Total	**3,491,200**	**100%**				

These Equity Shares were originally of the face value of Rs. 100/- per share and the shares were subdivided on 06.02.1995 into Equity Shares of Rs. 10/- each.

$ In 1996, the company made a Public Issue of equity shares through Prospectus.

5.9 There are no shares under lock-in period.

5.10 The following changes took place in the Board of Directors of PFCSL in the past 3 years:

Name of the Directors	Address	Details of Change (Appointment / Resignation)	Date of Change	Reasons for change
Mr. Anis Qureshi	150/2 Moti Bunglow, Dewas, Madhya Pradesh.	Resignation	06.08.2010	Resignation
Mr. Neeraj Bhargava	43, Tarani Colony, A.B. Road, Dewas, Madhya Pradesh.	Cessation	30.09.2010	Removal under Section 284 of the Companies Act, 1956.

Name of the Directors	Address	Details of Change (Appointment / Resignation)	Date of Change	Reasons for change
Mr. Pankaj Bhargava	43, Tarani Colony, A.B. Road, Dewas, Madhya Pradesh.	Cessation	30.09.2010	Removal under Section 284 of the Companies Act, 1956.
Mr. Vijay Singh Bharkatiya	414-A Mahalaxmi Nagar, Indore – 452001, Madhya Pradesh.	Appointment	06-12-2012	To broadbase the Board
Mr. Mukesh Kumar Jhawar	321, Jhawar Villa, Narendra Tiwari Marg, Usha Nagar Extension, Indore – 452009, Madhya Pradesh.	Appointment	06-12-2012	To broadbase the Board
Mr. Satyanarayan Lowanshi	D59/61, Special Economic Zone, Pithampur – 454774, Madhya Pradesh.	Appointment	06-12-2012	To broadbase the Board

5.11 As on the date of this Letter of Offer, PCFSL has no subsidiaries.

5.12 PCFSL has not declared any dividend in the last 5 years.

5.13 Mr. Sandeep Badjatia is a Managing Director in the Target Company. IPCPL is one of the shareholders of the Target Company.
Mr. Sandeep Badjatia holds 465,835 equity shares constituting 13.34% and IPCPL holds 399,035 equity shares constituting 11.43% of the fully paid equity shares of the Target Company on the date of the Public Announcement.

5.14 PCFSL is not a Sick Company.

5.15 There has not been any merger, de-merger or spin-off of activity in the preceding 3 years.

5.16 The pending litigations against the Company are as follows:

Sr. No.	Type Of Case	Petitioner	Brief Outline of the Case	Status
1.	Criminal	Mr. Vimal C. Sodhani	Mr. Vimal Sodhani has filed a criminal complaint for the alleged failure on the part of the Company to deliver to him the preference shares in the complaint registered as 210/05, he has alleged that he paid Rs. 50.00 Lakhs to the Company and he has not received any shares. He also mentioned of the agreement with Glocon Inc. The Court has taken cognizance u/s 406, 420 read with 120 of IPC.	That application for discharge of the accused has been filed and the arguments on the said application are to be heard.
2.	Winding Up Petition	1. Epco 2. Mr.Vimal C. Sodhani	Epco has filed a petition for winding up claiming Rs. 97.19 Lakhs. Mr. Vimal C. Sodhani has filed a Company petition No. 12/02 claiming Rs. 50.00 Lakhs and a Company petition 14/02 claiming Rs. 27.00 Lakhs.	All these winding petitions were dismissed vide order dated 04.12.2004 of the Hon’ble High Court and the petitioners have filed company appeals No. 2,3,4/05.
3.	Arbitration	Glocon Inc.	Glocon has filed an arbitration for recovery of the amount paid under the Invalid Agreement dated 31.10.1997	Hon’ble Justice V.V. Kokje is the Arbitrator before whom preliminary objections to the tenability of the claim shall be heard.

5.17 The Compliance Officer of the Target Company is Mr. Umesh Nambiar, who will be available at the registered office of the Company, Ph. No.: +91 7272 425100;

5.18 As on the date of this Letter of Offer, the Acquirers do not have any intention to delist the Target Company for the next three years after the closure of the Offer.

5.19 Brief audited financial data for the last three financial years ending on March 2012, March 2011 and March 2010 is given below:

Profit & Loss Account Statement

(₹ in Lakhs)

Profit & Loss Statement	Year Ended 2011-2012 (Audited)	Year Ended 2010-2011 (Audited)	Year Ended 2009-2010 (Audited)
Income from Operations	778.62	728.01	500.64
Other Income	35.18	49.38	3.04
Total Income	**813.80**	**777.39**	**503.68**
Total Expenditure (Excl Depreciation and Interest)	703.00	662.59	437.32
Profit/ (Loss) Before Depreciation, Interest and Tax	110.80	114.80	66.36
Depreciation	27.25	30.98	35.37
Interest	35.03	32.24	29.88
Profit/ (Loss) Before Tax	**48.52**	**51.58**	**1.09**
Exceptional Items (A/c's written off)	**(31.62)**	**-**	**-**
Provision for Taxation	-	-	-
Deferred Tax	-	-	-
Profit /(Loss) after Tax	**16.90**	**51.58**	**1.09**

Balance Sheet Statement

(₹ in Lakhs)

Balance Sheet Statement	Year Ended 2011-2012 (Audited)	Year Ended 2010-2011 (Audited)	Year Ended 2009-2010 (Audited)
Sources of Funds			
Paid-up Equity Share Capital	*341.01	*341.01	*341.01
Reserves & Surplus	(352.10)	(369.00)	(420.58)
Networth	**(11.09)**	**(27.99)**	**(79.57)**
Share Application Money	50.00	50.00	50.00
Secured Loan	40.70	287.80	305.44
Unsecured Loan	175.42	215.69	165.69
Deferred Tax Liability	77.09	77.08	77.09
Total	**332.12**	**602.58**	**518.65**
Application of Funds			
Net Fixed Assets	250.46	263.02	292.48
Capital Work in Progress	69.00	68.99	68.99
Investments	10.78	10.77	10.77
Net Current Assets	1.88	259.80	146.41
Total	**332.12**	**602.58**	**518.65**

* Excluding Calls in arrears of Rs 8.11 Lakh

Other Financial Data

Particulars	Year Ended 2011-2012 (Audited)	Year Ended 2010-2011 (Audited)	Year Ended 2009-2010 (Audited)
Dividend (%)	-	-	-
Earnings Per Share (INR)	0.48	1.48	0.03
Return on Net Worth (%)	-	-	-
Book Value Per Share (INR)	(0.32)	(0.80)	(2.28)

Notes to Accounts as on 31st March 2012:

1. Revenue is recognized on accrual basis.
2. Out of the Total Loans and Advances of Rs. 296.06 Lakhs an amount of Rs. 233.02 Lakhs is considered as irrecoverable and hence the management has decided to write off the same in a period of 4 years. Accordingly, Rs. 58.25 Lakhs has been written off during the year.
3. The Company has not made any provision for gratuity during the year.
4. The Company does not have any contingent liabilities.
5. The Company has written back all the excess provisions of earlier years of Rs. 14.786 Lakhs to the profit and loss account.
6. During the year old outstanding balances which are no more receivable or payable has been written off/back to the profit and loss account.

5.20 Pre & Post Offer shareholding pattern of PFCSL as on date of PA is and shall be as follows:

Share Holders Category	Shareholding & Voting rights prior to the agreement / acquisition and offer (A)		Shares / voting rights agreed to be acquired which triggered off the Regulations (B)		Shares / voting rights to be acquired in open offer (assuming full acceptances) (C)		Shareholding / voting rights after the acquisition and offer (A)+(B)+(C)= (D)	
	No.	%	No.	%	No.	%	No.	%
1. **Promoter Group**								
a. Parties to the agreement as per SPA	--	--	--	--	--	--	Nil	--
b. Promoters other than acquirer	662,410	18.97	--	--	--	--	662,410	18.97
Total 1 (a+b)	662,410	18.97	--	--	--	--	662,410#	18.97#
2. Acquirers								
a. (i) Mr. Sandeep Badjatia	465,835	13.34	581,155	16.65	680,784*	19.50*	1,727,774	49.49
a. (ii) M/S Impact Projects & Consultants Private Limited	399,035	11.43	200,000	5.73	226,928*	8.67*	825,963	23.66
b. PACs	--	--	--	--	--	--	--	--
Total 2 (a+b)	**864,870**	**24.77**	**781,155**	**22.37**	**907,712**	**26.00**	**2,553,737**	**73.15**

Share Holders Category	Shareholding & Voting rights prior to the agreement / acquisition and offer (A)		Shares / voting rights agreed to be acquired which triggered off the Regulations (B)		Shares / voting rights to be acquired in open offer (assuming full acceptances) (C)		Shareholding / voting rights after the acquisition and offer (A)+(B)+(C)= (D)	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
3. Parties to agreement other than 1 (a) & 2								
Mr. Liju Sadashivan (Seller)	781,155	22.37	(781,155)	(22.37)	--	--	--	--
4. Public other than parties to the agreement, Acquirers & PACs								
a. FIs / MFs / FIIs / Banks	109,300	3.13	--	--	(907,712)	(26.00)	275,053	7.88
b. Bodies Corporate	292,200	8.37	--	--				
c. Clearing Members	--	--	--	--				
d. NRIs	387,000	11.09	--	--				
e. Indian Public	394,265	11.29	--	--				
Total 4 (a+b+c+d+e)	**1,182,765**	**33.88**	**--**	**--**	**(907,712)**	**(26.00)**	**275,053**	**7.88**
GRAND TOTAL (1+2+3+4)	**34,91,200**	**100**	**NIL**	**NIL**	**NIL**	**NIL**	**34,91,200**	**100**

* Upon completion of the Offer, assuming full acceptances in the Offer, the equity shares acquired by the Acquirers will be divided in the ratio of 75:25.
# The Promoter shareholders will become a part of the public shareholding after the closure of the Open Offer.

Notes:

1. The number of Shareholders in PCFSL in public category i.e. under 4 above is 214 and there are 3 NRI Shareholder in the Company as on date of PA.
2. There are no partly paid Equity Shares in the Target Company.
3. No Equity Shares are subject to lock in.
4. Face Value of Equity Shares of Target Company is Rs. 10/- each.
5. The actual Post-Offer shareholding of Public would depend on the response and acceptance of the shareholders in this Open Offer.
6. The Acquirers have not acquired any shares from the date of the Public Announcement till date of the Letter of Offer.

6. OFFER PRICE AND FINANCIAL ARRANGEMENT

6.1 Justification of Offer Price

6.1.1 The equity shares of the Target Company are listed on the Madhya Pradesh Stock Exchange Limited (**MPSE**), Ahmedabad Stock Exchange Limited (**ASE**), Jaipur Stock Exchange Limited (**JSE**) and Madras Stock Exchange Limited (**MSE**). The script code and script Id of the listed Equity Shares is 44154 for Ahmedabad Stock Exchange. The script code and script Id for the remaining Stock Exchanges, i.e. MPSE, JSE and MSE is not available.

The equity shares of the Target Company are suspended from trading on all the Stock Exchanges for non-compliance of listing agreement / procedural reasons. However, necessary steps have been taken by the Target Company for revocation of suspension only with the MPSE.

All the shares of the Target Company are in physical form. PFCSL is yet to establish connectivity with both National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL).

6.1.2 The Equity Shares of PFCSL are not frequently traded on MPSE or any other stock exchange within the meaning of explanation 2(j) of the SEBI (SAST) Regulations, 2011.

6.1.3 The Equity Shares of the Company are not traded at the stock Exchanges for several years in the past and hence the volume of trading data is not applicable.

The total trading turnover in the Equity Shares of the Target Company on the Stock Exchanges based on trading volume during the period from June, 2012 to November, 2012 is given below:

Stock Exchange	Total no. of Equity Shares traded during the period June, 2012 to November, 2012 prior to the month of PA	Total No. of listed Equity Shares of the Target Company	Total trading turnover (as % of total Equity Shares listed)
MPSE	NIL	34,91,200	NIL
ASE	NIL	34,91,200	NIL
JSE	NIL	34,91,200	NIL
MSE	NIL	34,91,200	NIL

6.1.4 Based on the above information, the Equity Shares of Target Company are infrequently traded on MPSE within the meaning of explanation 2(j) of the SEBI (SAST) Regulations, 2011. The Offer Price has been determined taking into account the parameters as set out under Regulation 8(2) of the SEBI (SAST) Regulations, 2011, as under:

Sr. No.	Particulars	Price(In Rs. per Share)
A	The Negotiated Price by the SPA	1.00
B	The Volume-Weighted Average Price paid or payable for acquisitions by the Acquirers during 52 weeks immediately preceding the date PA	0.90
C	Highest price paid by Acquirers for acquisition during the 26 weeks prior to the date of PA	Not applicable
D	The Volume-Weighted Average Market Price of shares for a period of 60 trading days immediately preceding the date of PA as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period.	Not Applicable
E	Other Financial Parameters as at March 31, 2012:	
	Return on Net worth (%)	--
	Book Value per share	(0.317)
	Earnings per share	0.48

The Offer Price of Re 1.00 (Rupees One Only) is highest from A, B, C and D above, as required under the SEBI (SAST) Regulations, 2011.

A fair value of Rs. 2.065 has been certified for the shares of PFCSL by Mr. Viren Gijare, Chartered Accountant (Membership No. 119005) Partner of G. P. Deodhar & Co., Chartered Accountants (F.R.N : 102264W) having their office at 105 & 106 Crystal Plaza, 276, Central Bazar Road, Near Krims Hospital, Ramdaspeth, Nagpur – 440 010, Tel. No. +91 0712 2437203/6617273; Email: girishdeodhar58@gmail.com vide certificate dated 18th December, 2012.

Though the fair value is Rs. 2.065, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Re 1.00 (Rupees One Only) per Equity Shares is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011 keeping in view of the fact that the shares are not traded in any of the Stock Exchanges and have been suspended for several years and also in view of the parameters considered and presented in the above table.

6.2 Financial Arrangements

6.2.1 Assuming full acceptance under the offer, the maximum consideration payable by the Acquirers under the offer would be Rs. 907,712 (Rupees Nine Lakhs Seven Thousand Seven Hundred and Twelve Only).

6.2.2The Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of their own sources/ net worth and financial commitments available with the Acquirers, in terms of Regulation 25(1) of the SEBI (SAST) Regulations 2011.
Mr. Viren Gijare, Chartered Accountant (Membership No. 119005) Partner of G. P. Deodhar & Co., Chartered Accountants (F.R.N : 102264W) having their office at 105 & 106 Crystal Plaza, 276, Central Bazar Road, Near Krims Hospital, Ramdaspeth, Nagpur – 440 010, Tel. No. +91 0712 2437203/6617273; Email: girishdeodhar58@gmail.com vide certificate dated 15th December, 2012 has certified that **Acquirer 1** & **Acquirer 2** have sufficient resources available for fulfilling the obligations under this "Offer" in full.
No funds are being borrowed from any bank or financial institution for the purpose of this Open Offer by the Acquirers.

6.2.3 Based on the above certificate, Birla Capital and Financial Services Limited, Manager to the Offer certifies and confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

6.2.4 The total fund requirement for the Offer (assuming full acceptance) is Rs. 907,712 (Nine Lakhs Seven Thousand Seven Hundred and Twelve Only). In accordance with Regulation 17 of the SEBI (SAST) Regulations, 2011, the Acquirers have created/opened an **"Escrow Account"** bearing account No. 912020066445588 with the escrow agent, i.e., Axis Bank Limited**(herein referred to as "Axis Bank")**, having branch at Atlanta, Ground Floor, Nariman Point, Mumbai, 400021, Maharashtra and made therein a cash deposit of Rs. 250,000 (Rupees Two Lakhs Fifty Thousand Only) in the account, being more than 25% (25% being Rs. 226,928)of the total consideration payable to the shareholders under the Offer.

6.2.5 A Tripartite Escrow Agreement dated December 15, 2012 has been entered into between Axis Bank Limited, the Acquirers and Birla Capital and Financial Services Limited governing the operation of Escrow Account.

6.2.6 By this Escrow Agreement, the Acquirers have authorized Birla Capital and Financial Services Limited, Manager to the Offer to realize the value of the Escrow Account, in terms of Regulation 17(5) of the Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational terms and conditions

a. This tendering period will commence on Wednesday, February 6, 2013 and will close on Wednesday, February 20, 2013.

b. The Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of PFCSL (except the Acquirers and the parties to the SPA) whose name appear on the Register of Members at the close of business hours on Tuesday, January 22, 2013 (the **"Identified Date"**).

c. All owners of the shares, Registered or Unregistered (except the Acquirers and the parties to the SPA) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer as per the procedure set out in Para 8 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.

d. All shares tendered under this Offer should be free from any charge, lien or encumbrances of any kind whatsoever and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.

e. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.

f. PFCSL has not entered into an agreement with NSDL and CDSL for offering Shares in dematerialized form as the shares of the Target Company are traded in physical form only and the Company is yet to obtain ISIN number for its equity Shares.

g. The Marketable lot for the Shares of PFCSL for the purpose of this Offer shall be 1 (One Only).

h. Accidental omission to dispatch the Letter of Offer to any member entitled to the Open Offer or non-receipt of the LOF by any member entitled to the Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Offer is subject to the terms and conditions set out herein in the LOF.

i. The acceptance of the Offer must be unconditional and should be sent in the attached Form of Acceptance along with the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at the collection centre mentioned in Point 8.1.2 under **"Procedure for Acceptance and Settlement"** on or before **Wednesday**, **February 20, 2013**. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.

j. The Acquirers will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The equity shareholders of PFCSL are advised to adequately safeguard their interest in this regard.

k. If the aggregate of the valid responses to the Offer exceeds the number of shares for which the open offer is made, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 7 of the Regulations.

l. The Acquirers reserves the right to withdraw the Offer pursuant to Regulation 23 of the Regulations. Any such withdrawal will be notified in the form of an Announcement within 2 working days in the same newspapers in which the Public Announcement had appeared.

7.2 Locked in Shares

There are no shares, which are subject to lock-in as per SEBI guidelines / Regulations.

7.3 Eligibility for accepting the Offer

a. The Letter of Offer shall be mailed to all Equity Shareholders (except the parties to the agreement and the Acquirers) whose names appear in the Register of Members of Target Company as on Tuesday, January 22, 2013 (the **"Identified Date"**).

b. This Offer is also open to persons who own Equity Shares in PFCSL but are not registered Shareholders as on the "Identified Date".

c. All Equity Shareholders (except parties to the Agreement and the Acquirers) who own Equity Shares of Target Company anytime before the closure of the Offer are eligible to participate in the Offer.

d. The Form of acceptance cum Acknowledgement and other documents required to be submitted, will be accepted by the Registrar to the Offer, Ankit Consultancy Private Limited, at the centers as mentioned in Point 8.1.2, either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.30 AM and 6.00 PM and on Saturday between 10.30 AM and 2 PM, on or before the date of Closure of the Offer i.e. **Wednesday, February 20, 2013**.

e. The Public Announcement, Detailed Public Statement, Draft Letter of Offer, the Form of Acceptance and Form of Withdrawal will also be available at SEBI's website: www.sebi.gov.in. In case of non-receipt of Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance cum Acknowledgement or Form of Withdrawal from the SEBI website for applying in the Offer or to withdraw from the Offer.

f. Unregistered Equity Shareholders who have sent the Share Certificates for transfer to PFCSL / its Share Transfer Agent, and not received them back or hold Shares of PFCSL without being submitted for transfer or those who hold in the Street Name shall also be eligible to participate in this Offer.

g. Unregistered Equity Shareholders and those who apply in plain paper will not be required to provide any Indemnity and may follow the same procedure mentioned above for registered Shareholders.

h. The acceptance of this Offer by the Equity Shareholders of PFCSL must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

i. The acceptance of this Offer is entirely at the discretion of the Equity Shareholders of PFCSL.

j. The Acquirers, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms etc. during transit and the Equity Shareholders of PFCSL are advised to adequately safeguard their interest in this regard.

k. The acceptance of Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.

l. The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute part of the terms of the Offer.

m. The Manager to the Offer shall submit a final report to SEBI within 15 working days from the expiry of the tendering period in accordance with Regulation 27 (7) of the Regulations.

n. For any assistance please contact Birla Capital and Financial Services Limited, Manager to the Offer or the Registrar to the Offer.

7.4 Statutory Approvals

a. Shareholders of the Target Company who are either non-resident Indians (**"NRIs"**) or overseas corporate bodies (**"OCBs"**) and wish to tender their equity shareholding in this Open Offer shall be required to submit all the applicable Reserve Bank of India (**"RBI"**) approvals (specific and general) that they have obtained at the time of their acquisition of the Equity Shares of the Target Company. In the event such RBI approvals are not submitted, the Acquirers reserve the sole right to reject the Equity Shares tendered by such shareholders in the Open Offer. This Open Offer is subject to receipt of the requisite RBI approvals, if any, for acquisition of Equity Shares by the Acquirers from NRIs and OCBs.

b. No approval is required to be obtained from Banks/Financial Institutions for the Offer.

c. As on the date of this Draft Letter of Offer, no statutory approvals are required by the Acquirers to acquire the Equity Shares that are tendered pursuant to the Offer other than those indicated above.

d. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirers will not proceed with the Open Offer in the event that such statutory approvals that are required are refused in terms of Regulation 23 of the SEBI (SAST) Regulations, 2011.

e. In terms of Regulation 18(11), the Acquirers shall be responsible to pursue all statutory approvals required by the Acquirers in order to complete the open offer without any default, neglect or delay.

f. Barring unforeseen circumstances, the Acquirers would endeavor to obtain all such approvals referred in clause 7.4.a above and complete all procedures relating to Offer within 10 days of the expiry of the tendering period. In terms of Regulation 18(11) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from the date of closure of Offer.

g. In case the Acquirers fail to obtain requisite statutory approval in time, on account of any willful default or neglect or inaction, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.

h. The Acquirers shall complete all procedures relating to the Open Offer including payment of consideration to the shareholders who have accepted the open offer within 10 working days from the last date of the tendering period.

i. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which this DPS has appeared.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1.1 The Acquirers have appointed Ankit Consultancy Private Limited as the Registrar to the Offer.

8.1.2 All eligible Equity Shareholders of fully paid Equity Shares of PFCSL, registered or unregistered who wish to avail and accept the Offer will be required to communicate their acceptance along with all relevant documents in the form and manner specified in the LOF/FOA at below mentioned collection centre on or before closure of the Offer i.e. **Wednesday, February 20, 2013**.

Registrar to the Offer	Working days and timings	Mode of delivery
ANKIT CONSULTANCY PVT.LTD SEBI Registration No.: INR000000767 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452 010; Tel: +91 0731- 3198601/602; Fax: +91 0731- 4065798; E-mail: ankit_4321@yahoo.com; Contact Person: CS Akhilesh Gautam	Monday to Friday 10.30 a. m. to 6.00 p.m. Saturday 10.30 a. m. to 2.00 p.m.	By Post/Courier/ Hand delivery

Note: The centre will be closed on Sundays and Public holidays.

Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other documents are complete in all respects; otherwise the same are liable to be rejected.

8.2 In case of shares held in PHYSICAL MODE by the REGISTERED SHAREHOLDERS

Shareholders to enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original equity share certificate(s); and
- Valid equity share transfer form(s) duly signed by transferor (by all the Shareholders in case the shares are in joint names in the same order) as per the specimen signatures registered with the Target Company and duly witnessed at the appropriate place(s). A blank Share Transfer form is enclosed along with this LOF.

If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid transfer deed from a registered Shareholder, then the Offer will be deemed to have been accepted by such Shareholders.

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED

8.3 In case of shares held in PHYSICAL MODE by PERSONS UNREGISTERED/NOT REGISTERED AS SHAREHOLDERS

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original equity share certificate(s) accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in; and
- Original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the shares being tendered in this case.

In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company / its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/ its transfer agents, of the share certificate(s) and the transfer deed(s).

No indemnity is required from persons not registered as Shareholders.

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

8.4 For equity shares held in dematerialized form: N.A.

8.5 The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer, the Acquirers or Target Company.

8.6 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 acceptance of the Offer with Name; Address; Number of Shares held; Distinctive Number; Folio Number, Number of shares offered; along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, or the eligible persons can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the close of the Offer. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.

Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI's website (www.sebi.gov.in), from the date of Opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI's website and apply using the same.

8.7 In case of non-receipt of the letter of Offer, the eligible person(s), holding Equity Shares of PFCSL in physical form, may send his/her/their consent on plain paper stating the name, address, number of Shares held, distinctive numbers, certificate numbers and the number of Equity Shares offered along with the Share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the date of closure of the Offer.

8.8 If the aggregate of the valid responses to the Offer exceeds the Offer size of 907,712 fully paid-up equity shares of PFCSL representing 26.00% of the Equity Voting Capital of the Target Company, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 7(1) of the SEBI (SAST) Regulations in such a way that the acquisition from any Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The minimum marketable lot for the Shares is 1 (One Only).

8.9 In terms of Regulation 18(11) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 in case of non receipt of statutory approvals, SEBI has the power to grant extension of time beyond 10 working days from the date of expiry of the tendering period, for the purpose of making payment, however, subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 working days from the date of expiry of the tendering period.

8.10 The Equity Shares Certificate(s) and the transfer form(s), together with the Acceptance Form submitted by the acceptors of the Offer, will be held by the Registrars in trust for the acceptors of the Offer until the Acquirers pay the Offer Price.

8.11 Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the shareholders' sole risk to the sole/ first shareholder. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective depository participants when transferred by the Registrar to the Offer.

8.12 Shareholders who are holding fully paid equity shares who wish to tender their equity shares will be required to send their FOA and other relevant documents to the Registrar to the Offer at the applicants sole risk so that the same are received on or before the Offer closing date, in accordance with the procedures as specified in this Draft Letter of Offer and the Form of Acceptance cum Acknowledgement.

8.13 The payment of consideration for the shares accepted will be made by crossed account payee cheque / demand draft / pay order or through Electronic mode as detailed below. In case of joint holder(s), the cheque / demand draft will be drawn in the name of the first holder and in case of unregistered owners of shares the consideration will be paid to the person whose name is stated in the contract note.

8.14 Non Resident Shareholders

a. While tendering shares under the Offer, NRIs / OCBs / Foreign Shareholders will be required to submit the previous RBI Approvals (specific or general) that they may have obtained for acquiring shares of the Target Company. In case of previous RBI Approvals not being submitted, the Acquirers reserve the right to reject such shares tendered.

b. While tendering shares under the Offer, NRIs / OCBs / Foreign Shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirers under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirers will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

c. The above documents should not be sent to the Acquirers or to PFCSL or to the Manager to the Offer. The same should be sent to the Registrar to the Offer only at the collection centre given above in 8.1.2.

8.15 Settlement/ Payment of Consideration

i The Acquirers shall arrange to pay the consideration on or before Wednesday, March 06, 2013.

ii Consideration for Equity Shares accepted will be paid as given hereinafter: Acceptors of this Offer, having their Bank accounts at any of the Centres where Clearing Houses are managed by the Reserve Bank of India (**RBI**) will get payment of consideration through Electronic Credit Service (**ECS**), except where the acceptor is otherwise eligible to get payments through Direct Credit (**"DC"**), National Electronic Funds Transfer (**"NEFT"**) or Real Time Gross Settlement (**"RTGS"**). In case of other applicants, the consideration of value up to Rs.1,500/- will be dispatched through Ordinary Post and those of Rs.1,500 and above by Registered Post or Speed Post, by Demand Drafts/Banker's Pay Order. Applicants to whom payments are made through Electronic transfer of funds will be sent a letter (Payment advice) through Ordinary Post intimating them about the mode of credit/payment within 15 days from the date of closure of the Offer. The Registrars to the Offer shall ensure dispatch of Consideration/payment advice, if any, by Ordinary Post or Registered Post or Speed Post or Electronic Clearing Service or Direct Credit or RTGS, only in the name of the Sole or First shareholder and all communication will be addressed to the person whose name appears on Acceptance Form within 15 days of the date of Closure of the Offer and adequate funds for making payments as per the mode(s) disclosed above shall be made available to the Registrar by the Acquirers. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

iii In terms of Regulation 18(11) of the SEBI (SAST) Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to the Acquirers agreeing to pay interest to the Shareholders for delay beyond the last date mentioned for payment of consideration.

8.16 General

a. The Form of Acceptance and instructions contained therein are integral part of this DLOF.

b. The Offer Price is denominated and payable in Indian Rupees only.

c. If there is any upward revision in the Offer Price by the Acquirers at any time prior to commencement of the last three working days before the commencement of the tendering period viz., Thursday, January 31, 2013, the same would be informed by way of a Public Announcement in the same newspapers in which the Detailed Public Statement pursuant to Public Announcement was published as per Regulation 18(7) of SEBI (SAST) Regulations, 2011.

d. If the Acquirers and/or PAC acquire equity shares of the Target Company during the period of 26 (twenty-six) weeks after the closure of tendering period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in this Offer within 60 (sixty) days from the date of such acquisition as provided under Regulation 8 (10) of the Regulations. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

e. If there is Competing Offer:

- The Public Offers under all the subsisting bids shall close on the same date.
- The Offer Price can be revised at any time prior to the commencement of the last three working days before the commencement of the tendering period to know the final Offer Price of each bid and tender their acceptance accordingly.

9. DOCUMENTS FOR INSPECTION

9.1 Copies of the following documents are regarded as material documents and are available for inspection at 159 Industry House, 5th Floor, Churchgate Reclamation, Churchgate 400020, the Registered Office of Birla Capital and Financial Services Limited, the Manager to the Offer. The documents can be inspected during normal business hours (11.00 A.M. to 3.00 P.M.) on all working days (except Saturdays and Sundays and Public/Bank Holidays) from the date of opening of the Offer up till the date of closure of the Offer.

9.1.1 Certificate of Incorporation, Memorandum and Articles of Association of Parag Fans and Cooling Systems Limited.

9.1.2 A certificate by Mr. Viren Gijare, Chartered Accountant (Membership No. 119005) Partner of G. P. Deodhar & Co., Chartered Accountants (F.R.N : 102264W) having their office at 105 & 106 Crystal Plaza, 276, Central Bazar Road, Near Krims Hospital, Ramdaspeth, Nagpur – 440 010, Tel. No. +91 0712 2437203/6617273; Email: girishdeodhar58@gmail.com, certifying the Net worth of **Acquirer 1** & **Acquirer 2** as on 15th December, 2012.

9.1.3 Audited Annual Reports of PFCSL for years ended on March 31, 2012, March 31, 2011 and March 31, 2010.

9.1.4 Copy of Letter dated 19th December, 2012 from Axis Bank Limited(**"Escrow Bank"**), having its branch at: Atlanta, Ground Floor, Nariman Point, Mumbai, 400021, Maharashtra certifying opening of Escrow Account, confirming that the amount is kept in the escrow account and noting of lien in favor of Birla Capital and Financial Services Limited, Manager to the Offer.

9.1.5 Copy of Share Purchase Agreement dated 13th December, 2012 between the Acquirers & Mr. Liju Sadashivan, a shareholder of PFCSL **(the "Seller")** for acquisition of 22.37% of shares of PFCSL and subsequent change in control and management.

9.1.6 Copy of the Public Announcement submitted to Stock Exchanges on 13th December, 2012.

9.1.7 Copy of the Detailed Public Statement which appeared in the newspapers on 20th December, 2012 for acquisition of Equity Shares.

9.1.8 Published copy of the recommendation made by Committee of the Independent Directors of the Target Company, published in Newspapers on [•]

9.1.9 Observation letter no [•] dated [•] on the Draft Letter of Offer filed with the Securities and Exchange Board of India.

9.1.10 Copy of MOU dated December 13, 2012 for acquisition of Equity Shares between the Acquirers and the Manager to the Offer.

9.1.11 Copy of MOU dated December 15, 2012 between the Acquirers and the Registrar to the Offer.

9.1.12 Copy of Escrow Agreement dated December 15, 2012 between the Acquirers, M/s Axis Bank Limited and M/s Birla Capital and Financial Services Limited.

9.1.13 Undertakings from the Acquirers, stating full responsibility for all information contained in the PA, Detailed Public Statement and the Draft Letter of Offer.

9.1.14 Undertaking from the Acquirers that if they acquire any shares of the target company during the Offer Period, they shall inform Stock Exchange, the Target Company and the Manager to the Offer within 24 hours as per Regulation 18(6) of SEBI (SAST) Regulations, 2011.

9.1.15 Undertaking from the Acquirers for unconditional payment of the consideration within 10 working days from the last date of the tendering period to all Shareholders of the Target Company whose applications are accepted in the Open Offer.

9.1.16 Undertaking by the Acquirers, agreeing to maintain public holding as per Clause 40A of listing agreement.

9.1.18 Undertaking by the Acquirers, expressing their intention not to delist the Equity Shares of PFCSL after the Offer.

9.1.19 Undertaking by the Acquirers agreeing that they shall not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.

9.1.20 Due Diligence Certificate dated December 28, 2012 submitted to SEBI by Birla Capital and Financial Services Limited, Manager to the Offer.

10. DECLARATION

The Acquirers i.e. Mr. Sandeep Badjatia and M/S Impact Projects And Consultants Private Limited accept full responsibility for the information contained in this Draft Letter of Offer and also accept responsibility for the obligations of the Acquirers laid down in the SEBI (SAST) Regulations, 2011. All the information contained in this document is as on date of the Public Announcement, unless stated otherwise.

We have made all reasonable inquiries, accept responsibility for, and confirm that this Draft Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Draft Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

We hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 1956 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

The Manager to the Offer hereby states that the persons signing this Draft Letter of Offer are/on behalf of the Acquirers.

Signed by

Mr. Sandeep Badjatia

IMPACT PROJECTS & CONSULTANTS PVT. LTD.

For M/S Impact Projects & Consultants Private Limited

DIRECTOR

Name: Mr.Sandeep Badjatia

Designation : Director

Place: Nagpur
Date: 27th December, 2012

Encl:

1. Form of Acceptance cum Acknowledgement

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this Form with enclosures to the Registrar to the Offer at their address given overleaf)

FORM OF ACCEPTANCE - CUM - ACKNOWLEDGMENT

OFFER OPENS ON: February 06, 2013
OFFER CLOSES ON: February 20, 2013

FOR OFFICE USE ONLY	
Acceptance Number	:
Number of Equity Shares offered	:
Number of Equity Shares accepted	:
Purchase Consideration (Rs.)	:
Cheque/ Demand Draft/Pay Order No/ECS	:

PLEASE READ THE INSTRUCTIONS OVERLEAF BEFORE FILLING-IN THIS FORM OF ACCEPTANCE

From	:
Name	:
Address	:
Status: Resident/ Non Resident	:

Folio No.:	Sr. No:	No of Shares Held:
Tel. No:	Fax No:	E-Mail:

To
Mr. Sandeep Badjatia &/or M/s Impact Projects And Consultants Private Limited
C/O

ANKIT CONSULTANCY PVT.LTD
SEBI Registration No.: INR000000767
60, Electronic Complex, Pardeshipura, Indore (M.P.) 452 010;
Tel: +91 0731- 3198601/602;
Fax: +91 0731- 4065798;
E-mail: ankit_4321@yahoo.com;
Contact Person: CS Akhilesh Gautam

Dear Sir,

Sub: Open Offer to the shareholders of Parag Fans and Cooling Systems Limited ('PFCSL') for acquisition of 907,712 fully paid-up equity shares of Rs. 10.00 each representing 26.00% of the paid-up and voting share capital of PFCSL, for cash at a price of Re. 1.00 per share under SEBI (SAST) Regulations, 2011 by Mr. Sandeep Badjatia &/or M/s Impact Projects And Consultants Private Limited (hereinafter referred to as the 'Acquirers').

I / We refer to the Letter of Offer dated _________ for acquiring the Equity Shares held by me/us in PFCSL.

I / We, the undersigned, have read the Letter of Offer, Detailed Public Statement and understood its contents including the terms and conditions as mentioned therein.

FOR SHARES HELD IN PHYSICAL FORM

I / We hold the shares in the Physical Form and accept the Offer and enclose the original Share certificate (s) and duly signed share transfer deed (s) in respect of my /our Shares as detailed below:

Sr. No.	**No. of shares**	**Share Certificate Nos.**	**No. of Share Certificates**	**Distinctive Nos.**	
				FROM	**TO**
Total Number of Equity Shares					

(In case of insufficient space, please use additional sheet and authenticate the same by putting signatures on each sheets)

I/We confirm that the equity shares of PFCSL which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original share certificate(s) and the valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers make payment of the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirers will pay the consideration only after verification of the documents and signatures.

I / We authorize the Acquirers to accept the equity shares so offered or such lesser number of equity shares that the Acquirers may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorize the Acquirers to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirers to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.

My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirers, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these equity shares. I / We agree that the Acquirers may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.

I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirers makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be.

I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.

I / We irrevocably authorize the Acquirers to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with PFCSL:

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with PFCSL:
Name
Address
Place: ———————— Date: ————————— Tel. No(s). : ———————— Fax No.: ——————

So as to avoid fraudulent encashment in transit, the shareholder(s) are requested to kindly provide the following bank details of the first/sole shareholder and the consideration will be payable by way of ECS Mode/ cheque or demand draft will be drawn accordingly.

In order to receive payment consideration through ECS mode, the shareholders are requested to compulsorily provide their following bank details:-

Bank Account No.: ____
Type of Account: ____ (Savings / Current / Other (please specify))
Name of the Bank: ____
Name of the Branch and Address: ____

MICR Code of Bank____
IFSC Code of Bank____

The Permanent Account No. (PAN / GIR No.) as allotted under the Income Tax Act, 1961 is as under:

PAN / GIR No.	1st Shareholder	2nd Shareholder	3rd Shareholder

Enclosure (Please tick)

- Power of Attorney, if any person apart from the shareholder, has signed the acceptance from or transfer deed(s)
- Duly attested Death certificate/succession certificate (in case of single shareholders) in case the original shareholders has expired
- RBI approval (for NRI/OCB/Foreign shareholders)
- Corporate Authorization in case of companies along with Board resolutions and specimen signature of authorized signatory
- No objection certificate & Tax clearance certificate under Income Tax Act, 1961 (for NRI/OCB/Foreign shareholders)
- Other (please specify)

Yours faithfully,

Signed and Delivered:

PARTICULARS	FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings, all the holders must sign. In case of body corporate, stamp of the company should be affixed and necessary Board Resolution should be attached.

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.
2. The Form of Acceptance should be filled-up in English only.
3. Signature(s) other than in English, Hindi and thumb impressions must be attested by a Notary Public under his Official Seal.

Mode of tendering the Equity Shares Pursuant to the Offer:

I. The acceptance of the Offer made by the Acquirers is entirely at the discretion of the equity shareholder of PFCSL.
II. Shareholders of PFCSL to whom this Offer is being made, are free to offer his / her / their shareholding in PFCSL for sale to the Acquirers, in whole or part, while tendering his / her / their equity shares in the Offer.

Business Hours: Monday to Friday: 10.30 hours to 18.00 hours
Saturday: 10.00 to 14.00 hours
Holidays: Sundays, Public Holidays and Bank Holidays

-- Tear along this line---

For Future Correspondence, if any, should be addressed to Registrar to the Offer at the following address
Contract Person`s Name CS Akhilesh Gautam
C/O
ANKIT CONSULTANCY PVT.LTD
SEBI Registration No.: INR000000767
60, Electronic Complex, Pardeshipura, Indore (M.P.) 452 010;
Tel: +91 0731- 3198601/602; Fax: +91 0731- 4065798;
E-mail: ankit_4321@yahoo.com
ACKNOWLEDGEMENT SLIP
PARAG FANS AND COOLING SYSTEMS LIMITED-CASH OFFER

Folio No.: Serial No.
Received from Mr. / Ms. ____Address:________________________
____Form of Acceptance for
_____________________________________ Shares along with a copy of ____
Share Certificate(s) ___________________ Transfer Deed folio number (s)____

For accepting the Offer made by the Acquirers

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer	Date of Receipt

INSTRUCTIONS

1. Shareholders should enclose the following:-.

For Equity shares held in physical form: -

A. Registered Shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with PFCSL and duly witnessed at the appropriate place. A blank Share Transfer is enclosed along with this LOF.
- Self attested copy of the PAN card.

B. Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original Broker Contract Note.
- Valid Share Transfer form(s) as received from the market.
- Self attested copy of the PAN card of all the proposed transferees.

2. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirers or PFCSL.
3. Non-resident shareholders/FII/OCB should enclose a copy of the permission received from RBI for the equity shares held by them in PFCSL. If, the shares are held under General Permission of RBI, the non-resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.
4. Non- resident shareholders/FII should enclose No Objection certificate/ Tax Clearance certificate from the Income Tax Authorities under Income-Tax Act, 1961, indicating the tax to be deducted by the Acquirers before remittance of consideration otherwise tax will be deducted at marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirers.
5. Shareholders who wish to accept the Offer and tender their Equity Shares pursuant to this Offer will be required to communicate their acceptance along with all relevant documents in the form and manner specified in the LOF to the Registrar to the Offer on or before closure of the Offer i.e. **February 20, 2013,** The documents shall be tendered at the above centre between **10.30 am to 6.00 pm from Monday to Friday and between 10.30 am to 2.00 pm on Saturday.** The centre will be closed on Sundays and Public holidays.

Applicants may send their documents only by Registered Post/Courier, at their own risk, if not hand delivered at the designated collection centre, to the Registrar during business hours indicated above other than Sunday and public holidays.

THE SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE/SHARES ARE RECEIVED BY THE REGISTRAR TO OFFER AFTER THE CLOSURE OF THE OFFER I.E 6.00 P.M ON February 20,2013SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE LIABLE TO BE REJECTED.