PARAG FANS AND COOLING SYSTEMS LIMITED

(“PFCSL” /”TARGET COMPANY”/ “TC”)

Registered Office: Plot No. 1/2B & 1B/3A, Industrial Area No. 1, AB Road, Dewas - 455 001, Madhya Pradesh; Tel: +91 7272- 425102/4; Fax No.: +91 07272-400273; E-mail:info@paragfans.com,

Advertisement under Regulation 18(7) in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

This Advertisement is being issued by Birla Capital and Financial Services Limited (the “**Manager to the Offer”**), on behalf of Mr. Sandeep Badjatia and M/s Impact Projects and Consultants Private Limited (the “**Acquirers”**) pursuant to Regulation 18 (7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, in respect of the open offer to acquire shares of **Parag Fans And Cooling Systems Limited** (“**PFCSL” /”Target Company”**). The Detailed Public Statement(“**DPS”**)with respect to the aforementioned offer was published on December 20, 2012 (Thursday) in The Financial Express (English-All Editions), Jansatta (Hindi-All Editions) and Choutha Sansar (Hindi-Indore Edition).

1. Offer Price is ₹ 2.00 (Rupees Two Only) per Equity Share after upward revision in Offer Price from ₹ 1.00 to ₹ 2.00.
2. Committee of Independent Directors (hereinafter referred to as “**IDC”**) of the Target Company recommends that the open offer price of ₹ 2.00 per fully paid up equity shares is fair and reasonable based on the following reasons:
    a) The Book Value per share at (0.32) paisa, the Earnings per share being ₹ 0.48 and Return on Networth being NIL.
    b) The Negotiated Price is ₹ 1.00 per equity share.
    c) Factors like erosion of substantial Net Worth of the Company, Negative History of the Company and its Promoters and there being no past trading history of the shares of the Company.
    d) The equity shares of the Company being suspended from trading on all the Stock Exchanges and also the shares are traded in physical form.
    e) The Equity Shares of the Company are infrequently traded shares on Madhya Pradesh Stock Exchange Limited, Ahmedabad Stock Exchange Limited, Jaipur Stock Exchange Limited and Madras Stock Exchange Limited within the meaning of Regulation 2(j) of the SEBI (SAST) Regulations, 2011.

    However, the IDC has left the decision to tender the shares in the open offer to the prudent analysis and judgment of the shareholder. The IDC‘s recommendation was published on March 07, 2013 (Thursday) in the same newspapers where Detailed Public Statement was published.
3. This offer is not a competing offer.
4. The Letter of Offer dated February 25, 2013 has been dispatched to the shareholders on March 02, 2013.
5. A copy of the Letter of Offer (including Form of Acceptance cum acknowledgement) will also be available on SEBI’s website (www.sebi.gov.in) during the offer period and shareholders can also apply by downloading such forms from the website. Further, in case of non-receipt/ non-availability of the form of acceptance, the application can be made on plain paper along with the following details:

    Name(s) & Address(es) of Joint Holder(s) (if any), Number of Shares held, Number of Shares tendered, Distinctive Numbers, Folio Number, Original share Certificate(s) and duly signed share transfer form(s).
6. In terms of Regulation 16(1) of the SEBI (SAST) Regulations, 2011, the Draft Letter of Offer was submitted to SEBI on December 28, 2012. All the observations made by SEBI vide letter no. CFD/DCR/TO/DV/OW/4569/13 dated February 22, 2013, has been incorporated in the Letter of Offer.
7. There have been no material changes in relation to the Open Offer (except for the upward revision in Offer Price) since the date of the PA, save as otherwise disclosed in the DPS and the Letter of Offer.
8. As on the date, 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.
9. **Schedule of Activities:**

Activity	Date	Day
Public Announcement (PA) Date	December 13, 2012	Thursday
Detailed Public Statement (DPS) Date	December 20, 2012	Thursday
Identified Date*	February 26, 2013	Tuesday
Last date for making a competing offer	January 11, 2013	Friday
Date when Letter of Offer were dispatched	March 02, 2013	Saturday
Date of commencement of tendering period	**March 12, 2013**	**Tuesday**
Date of closing of tendering period	**March 25, 2013**	**Monday**
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired shares and / or the share certificate for the rejected shares will be dispatched.	April 10, 2013	Wednesday
Date by which the underlying transaction which triggered open offer will be completed	June 04, 2013	Tuesday

*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.

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

BIRLA CAPS

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

Place : Mumbai
Date : March 9, 2013