

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **PAREKH DISTRIBUTORS 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 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. Gopal Shekhawat, Mrs. Pratibha Shekhawat and Gopal M Shekhawat (HUF)

All having address at Plot No. 29, Madhav Villa,
Besides Green Valley Residency, Adajan, Surat-395009
Tel:0261-6775524; Fax:0261-6775552

to acquire 25,500 fully paid up Equity Shares of ₹ 10/- each representing 25.5% of the total paid up equity share capital of

PAREKH DISTRIBUTORS LIMITED

(‘PDL’ or the ‘Target Company’)

Regd. Off.: 3rd Floor, Jash Chambers, Sir P. M. Road, Fort, Mumbai – 400001;
Tel.: 022-22663575; E-mail: sanjeev.shah1711@gmail.com

Corp. Off.: Ground Floor, Ceejay House, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai-400018;
Telfax.: 022-66101718; E-mail: sanjeev.shah1711@gmail.com

at a price of ₹ 10/- (Ten only) per share (‘Offer Price’), payable in cash.

This Offer is being made by the Acquirers pursuant to Regulations 3(1) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (‘Regulations’).

This Offer is not conditional upon any minimum level of acceptance by the shareholder(s) of the Target Company.

No Statutory approvals are required to be obtained for the purpose of this offer.

Upward revision/withdrawal, if any, of the Offer would be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement (‘DPS’) has appeared. The Acquirers are permitted to revise the Offer Size and/or Offer Price upwards only at any time prior to the commencement of the last three working days before the commencement of the Tendering Period i.e. March 27, 2012 (Tuesday). Such revised Offer Price would be payable by the Acquirers to all the shareholders who has validly tendered their shares anytime during the Tendering Period to the extent their shares have been verified and accepted by the Acquirers.

If there is competing offer:

The public offers under all the subsisting bids shall open and close on the same date.

A copy of the Public Announcement (‘PA’), Detailed Public Statement (‘DPS’) and this Letter of Offer (including Form of Acceptance cum Acknowledgement) are also available on Securities and Exchange Board of India (‘SEBI’) web-site: www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 ASHIKA CAPITAL LIMITED 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai - 400021. Tel: +91-22-66111700; Fax: +91-22-66111710 E-mail: mbd@ashikagroup.com Contact Person: Mr. Niraj Kothari / Mr. Pranav Nagar	 ADROIT CORPORATE SERVICES PRIVATE LIMITED 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai-400 059 Tel No:- 022-28594060/28596060 Fax No:- 022-28503748 E-mail: surendrag@adroitcorporate.com Contact Person: Mr. Surendra Gawde

SCHEDULE OF ACTIVITIES OF THE OFFER IS GIVEN BELOW:

Activities	Date	Day
Public Announcement	February 3, 2012	Friday
Publication of Detailed Public Statement	February 10, 2012	Friday
Filing of Draft Letter Of offer with SEBI along with soft copies of Public Announcement and Detailed Public Statement	February 17, 2012	Friday
Last date for a Competing Offer	March 5, 2012	Monday
Receipt of comments from SEBI on Draft Letter Of Offer	March 13, 2012	Tuesday
Identified Date*	March 15, 2012	Thursday
Date by which letter of offer be posted to the shareholders	March 22, 2012	Thursday
Last date for revising the Offer Price	March 27, 2012	Tuesday
Comments from Board of Directors of Target Company	March 28, 2012	Wednesday
Advertisement of Schedule of activities for Offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchanges and Target Company	March 29, 2012	Thursday
Date of Opening of the Offer	March 30, 2012	Friday
Date of Closure of the Offer	April 16, 2012	Monday
Date of communicating the rejection/ acceptance and payment of consideration for the acquired shares	April 30, 2012	Monday

**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.*

RISK FACTORS:

Given below are the risks related to the transaction, proposed Offer and those associated with the Acquirers:

Relating to the Transaction:

The Share Purchase Agreement (SPA) dated February 03, 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 Sellers or the Acquirers shall not act upon the Agreement for such sale.

Relating to the Offer:

1. In the event that either (a) the regulatory approvals are not received in a timely manner (b) there is any litigation to stay the Offer, or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the public shareholders of Target Company, 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 in receipt of any statutory approval, SEBI has the power to grant extension of time to Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.
2. In case of over-subscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
3. The Registrar to the Offer will hold in trust the Equity Shares lying in credit of the Special Depository Account, Share Certificates, Form of Acceptance, if any, and the Transfer Deed (s) on behalf of the shareholders of the Target Company who have accepted the Offer, till the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company.
4. Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the Tendering Period.
5. The Offer size is restricted to 25.50% voting capital only as against 26% voting capital as required under the SEBI (SAST) Regulations, 2011 since the SPA is for 74,500 Equity Shares (74.5%) and the balance available is only 25,500 Equity Shares (25.50%).

Relating to the Acquirers:

1. The Acquirers make no assurance with respect to the financial performance of the Target Company. The Acquirers make no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.
2. The Acquirers cannot provide any assurance with respect to the market price of the Equity Shares of the Target before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
3. The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Draft Letter of Offer (LOF)/ Detailed Public Statement (DPS)/Public Announcement(PA) and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his / her / its own risk.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of the Target Company or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any Shareholder in the Offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such Shareholder's participation in the Offer and related sale and transfer of Equity Shares of the Target Company to the Acquirers.

TABLE OF CONTENTS

1.	ABBREVIATIONS / DEFINITIONS	4
2.	DISCLAIMER CLAUSE.....	6
3.	DETAILS OF THE OFFER.....	6
4.	BACKGROUND OF THE ACQUIRERS.....	9
5.	BACKGROUND OF TARGET COMPANY – PAREKH DISTRIBUTORS LIMITED	10
6.	OFFER PRICE AND FINANCIAL ARRANGEMENTS	14
7.	TERMS AND CONDITIONS OF THE OFFER	16
8.	PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER.....	17
9.	DOCUMENTS FOR INSPECTION	20
10.	DECLARATION BY THE ACQUIRERS.....	21

1. ABBREVIATIONS / DEFINITIONS

Acquirers	Mr. Gopal Shekhawat
	Mrs. Pratibha Shekhawat
	Gopal M Shekhawat (HUF)
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956, as amended or modified from time to time
DP	Depository Participant
DPS / Detailed Public Statement	Detailed Public Statement relating to the Offer published on February 10, 2012
Eligible Persons for the Offer	All owners (registered or unregistered) of Equity Shares of the Target Company who own the shares at any time before the Closure of the Offer, including the beneficial owners of the shares held in dematerialised form, except the Acquirers and the Present Promoters of the Target Company.
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor registered with SEBI
Form of Acceptance	Form of Acceptance cum Acknowledgement, accompanying with this Letter of Offer
Identified Date	March 15, 2012 (Thursday)
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
INR / ₹	Indian Rupees, the legal currency of India
Letter of Offer / LOO	This Letter of Offer relating to the Offer dated February 17, 2012
Manager / Manager to the Offer	Ashika Capital Limited
Negotiated Price	₹ 10/-(Rupees Ten Only) per fully paid-up Equity Share of face value of ₹10/- each.
MICR	Magnetic Ink Character Recognition
NA	Not Applicable
NECS	National Electronic Clearing System
NEFT	National Electronic Funds Transfer
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding Equity Shares of the Target Company
NRI	Non-Resident Indians
OCBs	Overseas Corporate Bodies
Offer/Open Offer	Cash Offer being made by the Acquirers to the shareholders of the Target Company, other than the Promoters to acquire 25,500 Equity Shares of ₹ 10/- each representing 25.50% of the total voting capital of the Target Company at a price of ₹ 10/- (Rupees Ten only) per Equity Share payable in cash
Offer Price	₹ 10/- (Rupees Ten only) per equity share

Offer Size	25,500 Equity Shares of ₹10 each representing 25.50% of the Total Voting Share Capital of the Target Company at a price of ₹ 10/- (Rupees Ten only) per equity share, aggregating to ₹ 2,55,000/- (Rupees Two Lakhs Fifty Five Thousand Only)
PA / Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirers on February 03, 2012 (Friday)
Present Promoters and Promoter Group	Mr. Praful Patel and Mrs. Varsha Patel
RBI	Reserve Bank of India
Registrar / Registrar to the Offer	Adroit Corporate Services Private Limited, an entity registered with SEBI under the SEBI (Registrar to Issue and Share Transfer Agents) Regulations, 1993, as amended from time to time
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified from time to time
SEBI (SAST) Regulations, 2011/ SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof
SEBI (SAST) Regulations 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof
Special Depository Account	A special depository account named 'PAREKH DISTRIBUTORS LTD - OPEN OFFER – OPERATED BY - ADROIT' opened with CDSL
SPA / Agreement	Share Purchase Agreement
Target Company/ PDL	Parekh Distributors Limited
Tendering Period / Offer Period	Period within which Shareholders of Target Company may tender their Equity Shares in acceptance to the Offer i.e., the period between and including March 30, 2012 (Friday) and April 16, 2012 (Monday)
Offer / Offering period	Period from the date of release of Public Announcement to the date of payment of consideration.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH 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 SHAREHOLDERS OF PAREKH DISTRIBUTORS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 16, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. BACKGROUND OF THE OFFER

- a. This Open Offer ('Offer') is being made by Mr. Gopal Shekhawat, Mrs. Pratibha Shekhawat and Gopal M Shekhawat (HUF) (hereinafter referred to as the 'Acquirers') to the equity shareholders, other than the Sellers and the acquirers of Parekh Distributors Limited (hereinafter referred to as 'PDL' or the 'Target Company'), pursuant to and in compliance with Regulation 3(1) & 4 and other applicable provisions of the Regulations for substantial acquisition of shares/voting rights accompanied with the change of control and management of the Target Company.
- b. On February 03, 2012, the Acquirers have entered into a Share Purchase Agreement (the 'Agreement' or the 'SPA') with the existing Promoters of the Target Company (hereinafter referred to as 'Sellers') for acquisition of 74,500 fully paid-up Equity Shares of ₹ 10/- each, representing 74.50% of total voting capital of Target Company, at a price of ₹ 10/- per share ('Negotiated Price'), payable in cash, as detailed herein below:

Sr. No.	Name of Sellers	Address of Sellers	No. of Shares / Voting Rights Through Share Purchase Agreement on February 03, 2012	Percentage (%) of Share / Voting Rights to the total Shares/Voting Rights as on February 03, 2012
1.	Praful Patel	152, Urvashi Apartment, 15 th Floor, 66-B, Nepeansea Road, Mumbai-400006.	56,000	56.00
2.	Varsha Patel		18,500	18.50
TOTAL			74,500	74.50

- c. The details regarding the ratio in which each of the Acquirers will be acquiring the shares under the Agreement is as follows:

Name of the Acquirers	No. of Shares / Voting Rights Through Share Purchase Agreement	Percentage (%) of Share / Voting Rights to the total Shares / Voting Rights
Gopal Shekhawat	20,000	20.00
Prathibha Shekhawat	40,000	40.00
Gopal M Shekhawat (HUF)	14,500	14.50
Total	74,500	74.50

- d. The salient features of the SPA dated February 03, 2012 are as under:
- i. The SPA is subject to the compliances of provisions of SEBI (SAST) Regulations and in case of non compliances with the provisions of SEBI (SAST) Regulations this SPA shall not be acted upon.
 - ii. This agreement shall be binding on the parties, their heirs, legal representatives, executors and successors.
 - iii. In the event of their arising any undisclosed liabilities over and above the liabilities disclosed to the Acquirers and otherwise till the date of this Agreement and such liabilities arise out of an act of commission or omission of the Seller prior to the completion date, the Seller shall indemnify and shall save keep harmless and indemnified the Acquirers as also the Company from and against all actions, proceedings, demands, loss, claims, damages, costs, charges and expenses which the Acquirers or the Company may suffer or incur as a result of such liabilities.
 - iv. The acquirers agrees not to transfer the shares in his name or any of his nominee(s), or in any other manner whatsoever, till the completion of his obligations envisaged under the regulations.
 - v. The Sellers shall at all times be obliged to expeditiously comply with all directions of the Acquirers in respect of the Shares which are the subject matter of this Agreement
 - vi. The Sellers shall confirm to the Acquirers that in the Balance Sheet of the Company as of the Closing Date the only assets of the Company comprise Loans & Advances and Cash and Bank Balance.
 - vii. On completion following activities shall be undertaken:
 - The Manager to the Offer shall deliver the Share Certificates along with the valid Transfer Deeds duly signed for the Shares to the Acquirers.
 - A Board Meeting of the Company shall be called, convened and conducted to transact the following business:
 - To appoint the nominees of the Acquirers as Additional Directors, if any;
 - To take on record the letters of resignation of the directors nominated by the Sellers on the Company's Board of Directors with effect from the close of such Board Meeting;
 - To appoint new independent directors as Additional Directors of the Company.
 - To approve transfer of shares in the name of the Acquirers
- e. No other person / individual / entity are acting in concert with the Acquirers for the purposes of this Offer in terms of Regulation 2 (1) (q) of the SEBI (SAST) Regulations.
- f. After completion of all formalities relating to the acquisition and after complying with formalities required by the Regulations, the Board of Directors might be reconstituted to include nominee(s) of the Acquirers. The Acquirers propose to appoint their representatives on the Board of the Target Company after the completion of all formalities relating to Open Offer under SEBI (SAST) Regulations, 2011 as they may deem fit.
- g. The Acquirers does not hold any Shares/ Voting Rights of the Target Company other than the shares agreed and proposed to be acquired through the SPA.
- h. The Acquirers, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- i. As per regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company is required to constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published. A copy whereof shall be sent to SEBI, BSE and

Manager to the Offer and in case of a competing offer/s to the Manager/s to the Open Offer for every competing offer.

3.2. DETAILS OF THE PROPOSED OFFER

- a. The Acquirers has made a Detailed Public Statement on February 10, 2012 pursuant to Public Announcement dated February 03, 2012, in the following newspapers in accordance with the Regulation 14 (3):

Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Mumbai Lakshadweep	Marathi	All Editions

The Public Announcement, Detailed Public Statement are also available on the SEBI website at www.sebi.gov.in.

- b. The Offer is being made by the Acquirers to the shareholders of PDL, other than the Promoters, to acquire 25,500 (Twenty Five Thousand Five Hundred only) fully paid up Equity Shares of ₹ 10/- each representing 25.50% of the paid up and voting equity share capital of PDL at a price of ₹ 10/- (Rupees Ten only) per fully paid up equity share ("Offer Price"), payable in cash subject to the terms and conditions set out in the PA, DPS and this draft Letter of Offer. The Offer size is restricted to 25.50% voting capital only as against 26% voting capital as required under the SEBI (SAST) Regulations, since the SPA is for 74,500 Equity Shares (74.5%) and the balance available is only 25,500 Equity Shares (25.50%).
- c. All the Equity Shares of the Target Company are fully paid up and there are no partly paid up Equity Shares in the Target Company.
- d. This is not a Competitive Bid.
- e. The Offer is unconditional and not subject to any minimum level of acceptance from the shareholders. The Acquirers will accept those Equity Shares of PDL which are tendered in valid form in terms of this Offer upto a maximum of 25,500 (Twenty Five Thousand Five Hundred only) Equity Shares representing 25.50% of the Total Paid up Equity Share Capital of the Target Company.
- f. The Acquirers have not acquired any shares of the Target Company after the date of PA i.e. February 03, 2012 and upto the date of this Draft Letter of Offer.
- g. As on date, the Manager to the Offer, Ashika Capital Limited does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.
- h. The Equity Shares of the Target Company acquired by the Acquirers shall be free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- i. Pursuant to this Offer, the public shareholding in the Target Company may reduce to less than the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and the Listing Agreement. The Acquirers undertakes that if the public shareholding is reduced to below such minimum level it will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Listing Agreement and other provisions of applicable laws, within the time period mentioned therein

3.3. OBJECT OF THE OFFER

- a. This Offer is being made to the shareholders of Target Company pursuant to and in compliance with Regulation 3(1) and 4 of SEBI (SAST) Regulations, 2011.
- b. The object of acquisition is to expand the business horizon under corporate status for diversifying into different activities subject to approval of the shareholders. The Acquirers reserve the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any

change in the structure that may be effected will be in accordance with the laws applicable. The Acquirers may reorganize and/or streamline various businesses for commercial reasons and operational efficiencies.

- c. Upon the successful completion of all formalities under the SEBI (SAST) Regulations, 2011, the Acquirers will seek appointment of representative Directors on the Board of the Target Company and the Target Company will take effective steps to induct them on its Board.
- d. The Acquirers do not have any plans to alienate any significant assets of the Target Company or any of its subsidiaries whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The Target Company's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations, 2011.

4. BACKGROUND OF THE ACQUIRERS

- a. **Mr. Gopal Shekhawat**, son of Mr. Mohansingh Shekhawat, aged about 45 years, is residing at Plot No. 29, Madhav Villa, Besides Green Valley Residency, Adajan, Surat-395009. He is a Bachelor of Commerce from University of Rajasthan, Jaipur and has experience in areas like Real Estate, Retails, Construction, Textiles, Trading, Commodities, etc. The Net Worth of Mr. Gopal Shekhawat, as on December 31, 2011, is ₹ 89.34 Lakhs (Rupees Eighty Nine Lakhs Thirty Four Thousand only) as certified by Mr. Viral B. Shah (Membership No. 118497) proprietor of M/s. Viral B. Shah & Co., Chartered Accountants having office at B/3, Antwerp Park, Kanshara Sheri, Mahidharpura, Surat - 395003; Tel.: 0261-2608201; Fax: 0261-3008201, E-mail: vbshahca@yahoo.com vide certificate dated January 26, 2012.
- b. **Mrs. Pratibha Shekhawat**, wife of Mr. Gopal Shekhawat, aged about 39 years, is residing at Plot No. 29, Madhav Villa, Besides Green Valley Residency, Adajan, Surat - 395009. She has pursued Bachelor of Arts from Mumbai University and Government Commercial Diploma also from and has experience in areas like Hospitality, Real Estate & Construction, Leasing, Garments & Fashion and Interior Decoration. The Net Worth of Mrs. Pratibha Shekhawat, as on December 31, 2011, is ₹ 54.23 Lakhs (Rupees Fifty Four Lakhs Twenty Three Thousand only) as certified by Mr. Viral B. Shah (Membership No. 118497) proprietor of M/s. Viral B. Shah & Co., Chartered Accountants having office at B/3, Antwerp Park, Kanshara Sheri, Mahidharpura, Surat - 395003; Tel.: 0261-2608201; Fax: 0261-3008201, E-mail: vbshahca@yahoo.com vide certificate dated January 26, 2012.
- c. **Gopal M Shekhawat (HUF)**, a Hindu Undivided Family formed on March 24, 1993 by Mr. Gopal Shekhawat as Karta, having address at Plot No. 29, Madhav Villa, Besides Green Valley Residency, Adajan, Surat-395009. The Net Worth of Gopal M Shekhawat (HUF), as on December 31, 2011, is ₹ 26.47 Lakhs (Rupees Twenty Six Lakhs Forty Seven Thousand only) as certified by Mr. Viral B. Shah (Membership No. 118497) proprietor of M/s. Viral B. Shah & Co., Chartered Accountants having office at B/3, Antwerp Park, Kanshara Sheri, Mahidharpura, Surat - 395003; Tel.: 0261-2608201; Fax: 0261-3008201, E-mail: vbshahca@yahoo.com vide certificate dated January 26, 2012.
- d. Mr. Gopal Shekhawat and Mrs. Pratibha Shekhawat are husband and wife and Mr. Gopal Shekhawat is the Karta of Gopal M Shekhawat (HUF).
- e. Name of the Companies in which the acquirers are Promoters / Directors:

Name	Companies in which acquirers are Promoters / Directors*	Activities / Nature of Business
Mr. Gopal Shekhawat	• Newlook Asset Reconstruction Private Limited	• Securitization and Asset Reconstruction
	• N Mart Infrastructure Private Limited	• Real Estate and Leasing
	• N Mart Retails Limited	• Retail Store Chains
	• Newlook Multitrade Private Limited	• Real Estate, Commodity Trading and Retail
	• N Mart Developers Private Limited	• Real Estate
Mrs. Pratibha Shekhawat	• Crystal Priceline Hotels & Resorts Private Limited	• Hotels & Hospitality
	• Skylark Enterprise Private Limited	• Real Estate and Construction
	• N Mart Infrastructure Private Limited	• Real Estate and Leasing

• N Mart Developers Private Limited	• Real Estate
-------------------------------------	---------------

** None of these entities are acting in concert for this Offer.*

- f. The Acquirers presently are not directors on the Board of any Listed Company.
- g. As on the date of Draft Letter of Offer, the Acquirers do not hold any shares in the Target Company except the shares proposed to be acquired under the terms of the SPA. Hence the provisions of Chapter V of SEBI (SAST) Regulations 2011 and Chapter II of SEBI (SAST) Regulation 1997 are not applicable to Acquirers till date.

5. BACKGROUND OF TARGET COMPANY – PAREKH DISTRIBUTORS LIMITED

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

- a) Parekh Distributors Limited (bearing CIN No. L51900MH1978PLC020601) was incorporated on August 24, 1978 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra. The Company obtained the Certificate for Commencement of Business on October 06, 1978 from the Registrar of Companies, Maharashtra. The Registered Office of the Target Company is situated at 3rd Floor, Jash Chambers, Sir P. M. Road, Fort, Mumbai – 400001 and the Corporate Office of the Target Company is situated at Ground Floor, Ceejay House, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai-400018.
- b) The main object of the Target Company is to carry on Business as Merchant Trader, distributors, commission agents, buying agents, selling agents, brokers, adatis, buyers, sellers, importers, exporters, dealers in, collectors, and to import, export, buy, sell, barter, exchange, advance upon or otherwise, trade and deal in dyes, chemicals, textile auxiliary materials, machinery, equipments, components, spare parts, goods, produce, articles and merchandise of all kinds and allied products whatsoever as wholesalers, retailers or on commission basis or for brokerage.
- c) The Target Company is mainly engaged in the business of Miscellaneous Consultancy Services. However, presently it is not carrying on any business activities.
- d) The Authorized Share Capital of the Target Company is ₹ 25.00 Lakhs comprising of 250,000 Equity Shares of ₹ 10/- each. The Issued, Subscribed and Paid-up Capital of the Target Company is ₹ 10.00 Lakhs comprising of 100,000 fully paid-up Equity Shares of ₹ 10/- each.
- e) The present promoters had acquired 74,500 fully paid-up Equity Shares of ₹ 10/- each, representing 74.50% of voting capital of the Target Company from Mr. Nirad Dhirajlal Mehta and Mr. Sanjay Madhukar Gaitonde, at a price of ₹ 5/- per share through a Share Purchase Agreement dated January 5, 2008. They made an Open Offer to the shareholders of Target Company, in compliance with the SEBI (SAST) Regulations, 1997 for acquisition of 20,000 Equity Shares of ₹ 10/- each, representing 20% of the voting capital of the Target Company, at a price of ₹ 10/- per share. The Open Offer had opened on February 22, 2008 and closed on March 12, 2008. All the formalities of the said Open Offer under the SEBI (SAST) Regulations, 1997 were complied with.

f) Share Capital Structure:

The share capital structure of the Target Company is as follows:

Paid-up Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity Shares	100,000	100%
Partly Paid-up Equity Shares	Nil	Nil
Total Paid-up Equity Shares	100,000	100%
Total voting rights in Target Company	100,000	100%

- g) The Equity Shares of the Target Company are listed on BSE Limited (BSE).
- h) All the outstanding Equity Shares are admitted for trading at the Stock Exchange. The Company has been complying with the provisions of the listing agreement entered into with the Stock Exchange. No punitive action has been taken against the company by Stock Exchange. The Company has duly paid the listing fees to the Stock Exchange.

- i) There is no outstanding instrument in the nature of warrants / fully convertible debentures / partly convertible debentures, etc. convertible into Equity Shares on any later date. There are no partly paid up shares in the Target Company. The Target Company does not have any Equity Shares under lock-in period.

j) **Details of the Board of Directors of Target Company:**

As on the date of Public Announcement, the Directors representing the Board of Target Company are:

S. No.	Name of the Director	Address of Director	Date of Appointment	Qualifications	Experience
1.	Vivek Shri Krishna Agnihotri	1702, Brighton Towers, 2 nd Cross Lane, Lokhandwala Complex, Andheri (W), Mumbai – 400053	July 30, 2009	B.Sc.	25 years in the areas of Banking, Finance, and Business Administration
2.	Rahul Shantikumar Dutia	B-401, Rahul Apts., Opp. Shoppers Stop, S. V. Road, Andheri (W), Mumbai – 400058	June 06, 2009	B. Com	16 years in the areas of Accounts, Finance and Business Administration
3.	Sanjeev Pravinchandra Shah	B-305, Om Shabari CHS, Behind Hanuman Chowk, L. T. Road, Mulund (East), Mumbai – 400081	November 17, 2006	B. Com; ACS	14 years in Corporate Law, Secretarial & Compliance and Tax & Audits

None of the above Directors are represented by the Acquirers

- k) There has been no merger / de-merger or spin off in the Target Company during the past three years.

l) **Financial Information:**

Brief audited financials of the Target Company for the last 3 Years and certified unaudited financial results for the period ended 30.09.2011 are as follows:

Profit & Loss Statements

(₹ in Lakhs)

For the period/year ended	30.09.2011 (Un-Audited & Certified)	31.03.2011 (Audited)	31.03.2010 (Audited)	31.03.2009 (Audited)
Income:				
Income from Operations / Other Income	0.00	0.00	2.29*	4.50
Total Income	0.00	0.00	2.29	4.50
Total Expenditure:	0.60	1.19	0.99	3.06
Profit/(Loss) Before Depreciation, Interest and Tax	(0.60)	(1.19)	1.30	1.44
Interest & Bank Charges	0.00	0.00	0.00	0.00
Depreciation	0.00	0.00	0.00	0.00
Profit/ (Loss) Before Tax	(0.60)	(1.19)	1.30	1.44
Current Tax	0.00	0.00	0.00	0.00
Profit/ (Loss) After Tax	(0.60)	(1.19)	1.30	1.44
Deferred Income Tax Asset	0.00	0.00	0.00	0.00
Deferred Income Tax Liability	0.00	0.00	0.00	0.00
Fringe Benefit Tax	0.00	0.00	0.00	0.00
Profit/ (Loss) After Deferred Income Tax	(0.60)	(1.19)	1.30	1.44
Balance Brought Forward	(67.68)	(66.49)	(67.78)	(69.22)
Balance Carried to Balance Sheet	(68.28)	(67.68)	66.49	(67.78)

* Balance Written Back

Balance Sheet Statement

(₹ in Lakhs)

As on	30.09.2011 (Un-audited & Certified)	31.03.2011 (Audited)	31.03.2010 (Audited)	31.03.2009 (Audited)
Sources of Funds:				
Paid up Share Capital	10.00	10.00	10.00	10.00
Reserves & Surplus	3.55	3.55	3.55	3.55
Profit & Loss (Debit)	(68.28)	(67.68)	(66.49)	(67.78)
Less : Miscellaneous Expenditure	0.00	0.00	0.00	0.00
NETWORTH	(54.73)	(54.13)	(52.94)	(54.23)
Secured Loan	0.00	0.00	0.00	0.00
Unsecured Loans	56.57	56.57	56.57	56.73
Deferred Income Tax Liability	0.00	0.00	0.00	0.00
TOTAL	1.84	2.44	3.63	2.50
Application of funds:				
Net Fixed Assets	0.00	0.00	0.00	0.00
Capital Work-in-Progress	0.00	0.00	0.00	0.00
Investments	0.00	0.00	0.00	0.00
Net Current Assets	1.84	2.44	3.63	2.50
TOTAL	1.84	2.44	3.63	2.50

Other Financial Data

For year ended	30.09.2011 (Unaudited & Certified)	31.03.2011 (Audited)	31.03.2010 (Audited)	31.03.2009 (Audited)
Dividend (%)	Nil	Nil	Nil	Nil
EPS (₹)	(0.60)*	(1.19)	1.30	1.44
Return on Networth (%)	(54.73)	(54.13)	(52.94)	(54.23)
Book Value per share (₹)	(54.73)	(54.13)	(52.94)	(54.23)

*Not Annualized

Notes:

Networth: Paid-up Share Capital + Reserves & Surplus - Miscellaneous Expenditure

EPS = Profit after tax / number of outstanding Equity Shares at the close of the year/period.

Return on Net Worth = Profit after Tax /Net Worth

Book Value per Share = Net Worth / No. of Equity Shares

m) **Pre and Post-Offer Shareholding Pattern of the Target Company:**

Shareholders' Category	Shareholding & Voting Rights prior to the Agreement/ Acquisition and Offer		Shares / Voting Rights agreed to be Acquired which triggered off the Regulations		Shares/ Voting Rights to be Acquired in Open Offer (Assuming full acceptances)		Shareholding / Voting Rights after the Acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group:								
a) Parties to Agreement								
i) Praful Patel	56,000	56.00	(56,000)	(56.00)	-	-	-	-
ii) Varsha Patel	18,500	18.50	(18,500)	(18.50)	-	-	-	-
b) Promoters other than (a) above	-	-	-	-	-	-	-	-
Total 1 (a+b)	74,500	74.50	(74,500)	(74.50)	-	-	-	-
2. Acquirers:								
a) Main Acquirers:								
i. Gopal Shekhawat			20,000	20.00				
ii. Pratibha Shekhawat	-	-	40,000	40.00	25,500	25.50	100,000	100.00
iii. Gopal M Shekhawat (HUF)			14,500	14.50				
b) PACs	-	-	-	-	-	-	-	-
Total 2 (a+b)	-	-	74,500	74.50	25,500	25.50	100,000	100.00
3. Parties to Agreement other than (1) & (2) above	-	-	-	-	-	-	-	-
4. Public: (Other than parties to Agreement) #								
a) FIs/MFs/FIIs/Banks, SFIs	25,500	25.50	-	-	(25,500)	(25.50)	NIL	NIL
b) Others								
Total (a+b)	25,500	25.50	-	-	(25,500)	(25.50)	NIL	NIL
GRAND TOTAL (1+2+3+4)	100,000	100.00	Nil	Nil	Nil	Nil	100,000	100.00

Number of Shareholders under Public category as on December 31, 2011 is 152.

n) The present Promoters / Sellers have complied with the applicable provisions of Chapter II of the SEBI (SAST) Regulations 1997. The Target Company has also complied with the applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997 except the following:

- Disclosure by Target Company erroneously under the provisions of the SEBI (SAST) Regulations, 1994 instead of the SEBI (SAST) Regulations, 1997 for financial year ended March 31, 1997.
- Disclosures by Target Company erroneously under Regulations 6(2) and 6(4) instead of Regulation 8(3) for financial years ended March 31, 1998, 1999 and 2000.

Later on, on receipt of Show Cause notice no. DCS/COMP/Z/SC/AJ/27/2009-10 dated April 20, 2009, the disclosures under the SEBI (SAST) Regulations, 1997 for financial year ended March 31, 1997 and March 31, 1998 were filed by the Target Company with BSE in the prescribed format vide their letter dated May 12, 2009.

o) There has been no change in the present promoter's shareholding since their acquisition of shares of the Target Company in the year 2008.

p) **Details of Compliance Officer:**

Mr. Sanjeev P. Shah

Ground Floor, Ceejay House, Shiv Sagar Estate,

Dr. Annie Besant Road, Worli, Mumbai-400018

Telfax: 022-66101718; E-mail: sanjeev.shah1711@gmail.com

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price:

- The Offer is made pursuant to the direct acquisition of shares of the Target Company by the Acquirers. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.
- The Equity Shares of the Target Company are listed on BSE Limited (BSE).
- The annualized trading turnover in the Equity Shares of the Target Company on the BSE based on trading volume during the twelve calendar months prior to the month of PA (February, 2011 to January, 2012) is as given below:

Name of Stock Exchange	Total No. of Shares traded during the 12 calendar months prior to the month of PA	Total No. of Listed Shares	Annualized Trading turnover (in terms of % to total listed Equity Shares)
BSE	Nil	1,00,000	Nil

(Source: www.bseindia.com)

- Based on the information available on the website of BSE (www.bseindia.com), the Equity Shares of the Target Company are not frequently traded on BSE within the meaning of the Regulation 2(1) (j) of SEBI (SAST) Regulations. Hence, the Offer Price of ₹ 10/- has been determined and justified in terms of Regulation 8(2) as given below:

S. No.	Particulars		₹
a)	Negotiated Price under the Agreement	:	10/-
b)	The volume-weighted average price paid or payable for acquisition whether by the Acquirers or by any Person Acting in Concert with him, during 52 weeks immediately preceding the date of PA	:	Not Applicable
c)	The highest price paid or payable for any acquisition, whether by the Acquirers or by any Person Acting in Concert with him, during 26 weeks immediately preceding the date of the PA	:	Not Applicable
d)	The volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of public announcement as traded on BSE (As the maximum volume of trading in the shares of the Target Company is recorded on BSE during such period)	:	Not Applicable
e)	Other Parameters	:	for the period ended 30.09.2011 for the year ended 31.03.2011
	Book Value per Equity Share (₹)	:	(54.73) (54.13)
	Earnings Per Equity Share (₹)	:	(0.60)* (1.19)
	Return on Net worth (%)	:	(1.09) (2.20)

* Not Annualised

The Fair Value of the Target Company, is ₹ 1 (Rupee One Only) as certified vide Valuation Report dated February 08, 2012, by M/s. B Y & Associates, Chartered Accountants having office at 510-513, Apeejay House, Mumbai Samachar Marg, Fort, Mumbai - 400023; Tel.: 022-43215000; Fax: 022-43215014, E-mail: office@byca.in.

- In view of the parameters considered and presented in table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of ₹ 10/- (Rupees Ten only) per share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.
- There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

- g. In the event of further acquisition of Equity Shares of the Target Company by the Acquirers during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will stand revised to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations, 2011. However, they will not be acquiring any Equity Shares of the Target Company after the third working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- h. If the Acquirers acquire Equity Shares of the Target Company during the period of twenty-six weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirers will pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference will be paid in the event that such acquisition is made under an open offer under the SEBI (SAST) Regulations, 2011, 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.
- i. The Acquirers are permitted to revise the Offer Price upward at any time up to 3 working days prior to the commencement of the Tendering Period. If there is any such upward revision in the Offer Price by the Acquirers or in the case of withdrawal of Offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirers for all the shares validly tendered in the Offer.
- j. As on date there is no revision in Open Offer Price or Open Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirers shall comply with Regulation 18 of SEBI (SAST) Regulations, 2011 and all the provisions of SEBI (SAST) Regulations, 2011 which are required to be fulfilled for the said revision in the Open Offer Price or Open Offer Size.
- k. If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to three (3) working days before the date of commencement of the Tendering Period and would be notified to the shareholders.

6.2 Details of Firm Financial arrangements:

- a. The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of 25,500 Equity Shares at a price of ₹ 10/- (Rupees Ten only) per Equity Share is ₹ 255,000/- (Rupees Two Lakhs and Fifty Five Thousand only) ("Maximum Consideration").
- b. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers have opened an Escrow Account bearing number 014406800000820 with Dhanlaxmi Bank Ltd. having one of its branches at Janmabhoomi Bhavan, Janmabhoomi Marg, Fort, Mumbai 400 001, and deposited an amount of ₹ 260,000/- (Rupees Two Lakhs Sixty Thousand only), in cash, being more than 100% of the Maximum Consideration payable under the Offer.
- c. The Acquirers have empowered the Manager to the Offer i.e. Ashika Capital Limited to operate and to realize the value of the Escrow Account in terms of the Regulations.
- d. The Acquirers have adequate resources to meet the financial requirements of the Offer. No funds are borrowed from banks or financial institution for the purpose of this Offer by the Acquirers. Mr. Viral B. Shah (Membership No. 118497) proprietor of M/s. Viral B. Shah & Co., Chartered Accountants having office at B/3, Antwerp Park, Kanshara Sheri, Mahidharpura, Surat - 395003; Tel.: 0261-2608201; Fax: 0261-3008201, E-mail: vbshahca@yahoo.com vide certificate dated February 03, 2012 have confirmed that sufficient resources are available with the Acquirers for fulfilling the obligations under this 'Offer' in full.
- e. Based on the above, the Manager to the Offer is satisfied about the ability of the acquirers to implement the offer in accordance with the SEBI (SAST) Regulations. Further, the Manager to the Offer confirms that the funds / money are in place to fulfil the Offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational Terms and Conditions:

- a. This Offer is not conditional upon any minimum level of acceptance by the shareholder(s) of the Target Company.
- b. The Offer is subject to the terms and conditions set out in this Letter of Offer, the Form of Acceptance, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.
- c. The Letter of Offer together with the Form of Acceptance and transfer deed (for Shareholders holding Equity Shares in the physical form) is being mailed to those Shareholders of the Target Company whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares of the Target Company whose names appear as beneficiaries on the beneficial record of the respective depositories, at the close of business on the Identified Date i.e. March 15, 2012 (Thursday). Owners of Equity Shares who are not registered as Shareholder(s) are also eligible to participate in the Offer at any time prior to the Date of Closure of the Offer.
- d. Accidental omission to dispatch this Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- e. The eligible persons can write to the Registrar / 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 Date of Closure of the Offer i.e. April 16, 2012 (Monday). Alternatively, the Letter of Offer alongwith the Form of Acceptance cum acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the website.
- f. This Offer is subject to the receipt of the statutory and other approvals as mentioned under paragraph 'Statutory Approvals' of this Draft Letter of Offer. In terms of Regulation 23(1) of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- g. The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).
- h. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/ restriction from other statutory authorities wherein the shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.

7.2 Locked-in Shares

As on date, the Target Company does not have any Equity Shares under lock-in period.

7.3 Eligibility for accepting the Offer

All the shareholders (registered or unregistered) of the shares of the Target Company (except the Acquirer and the existing Promoters) who own Shares anytime before the Date of Closure of the Offer, i.e. April 16, 2012 (Monday) are eligible to participate in 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 approvals of Reserve Bank of India ("RBI") which have been obtained at the time of acquisition of 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. As on date, there are no other statutory approvals required to acquire the Equity Shares tendered pursuant to this Open Offer. If any other statutory approvals are required or become applicable, the Open Offer would be subject to the receipt of such other statutory approvals also. The Acquirers will not proceed with the Open Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI (SAST) Regulations, 2011. This Open Offer is subject to all other statutory approvals that may become applicable at a later date before the completion of the Open Offer.
- c. In case of any delay in the receipt of any statutory approval, Regulation 18(11) of the SEBI (SAST) Regulations, 2011 shall be adhered to, i.e. extension of time to the Acquirers for payment of consideration to the shareholders of the Target Company subject to the Acquirers agreeing to pay the interest as directed by SEBI, in exercise of SEBI's powers in this specific regard. Further, in case the delay occurs on account of wilful default by the Acquirers in obtaining any statutory approvals in time, the amount lying in the escrow account shall be liable to be forfeited and dealt with in the manner provided in clause (e) of sub-regulation (10) of regulation 17 of SEBI (SAST) Regulations, 2011.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

- a. The Acquirer has appointed Adroit Corporate Services Private Limited as the Registrar to the Offer
- b. The following collection centre would be accepting the documents by Hand Delivery /Regd. Post/Courier as specified, both in case of shares in physical and dematerialized form:

Name & Address	Contact Person	Mode of Delivery
Adroit Corporate Services Private Limited 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai-400 059 Tel No:- 022-28594060/28596060 Fax No:- 022-28503748 E-mail: surendrag@adroitcorporate.com	Mr. Surendra Gawde	Hand Delivery/ Registered Post / Speed Post

- c. Shareholders who hold Equity Shares of the Target Company in physical form and wish to tender their equity share pursuant to the Offer will be required to submit the duly completed Form of Acceptance cum acknowledgement, original Share Certificate(s), valid Transfer Deed(s) duly signed and witnessed and other documents as may be specified in the Letter of Offer, to the Registrar to the Offer either by Registered Post/Courier, at their own risk or by hand delivery so as to reach on or before the closing of the business hours on the Date of Closure of the Offer i.e. April 16, 2012 (Monday). The documents can be tendered at the above address on all working days between Monday to Friday from 11.00 am to 1.00 pm and 2.00 pm to 4.00 pm and on Saturdays from 11.00 am to 2.00 pm. The Registrars to the Offer will be closed on Sundays and other Public Holidays. Delivery made by Registered Post would be received on all days except Sundays and Public Holidays i.e. on Mondays to Fridays between 10.00 AM to 6.30 PM and on Saturdays between 10.00 AM to 2.00 PM.
- d. The Target Company is having connectivity with Central Depository Services (India) Limited ("CDSL") only.
- e. The Registrar to the Offer, **Adroit Corporate Services Private Limited**, has opened a Special Depository Account with Central Depository Services (India) Limited ('CDSL') for receiving Equity Shares during the offer from eligible shareholders who hold Equity Shares in demat form.
- f. The beneficial owners and shareholders holding shares in the dematerialized form, will be required to send their Form of Acceptance and other documents as may be specified in the Letter of Offer to the Registrar to the Offer either by Registered Post / Courier, at their own risk, or by Hand Delivery on weekdays, so as to reach to the Registrar to the Offer, on or before the Date of Closure of the Offer, i.e., Monday, April 16, 2012, along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the depository participant ("DP"), in favour of "PAREKH DISTRIBUTORS LTD - OPEN OFFER – OPERATED BY - ADROIT" ("Depository Escrow Account") filled in as per the instructions given below:

DP Name : Stock Holding Corporation of India Limited
Account No. : 1601010000393066
Depository : Central Depository Services (India) Limited

- g. Form of Acceptance, Share Certificate(s), Share Transfer Form(s), and other documents, if any should be sent only to the Registrar to the Offer, at the address mentioned above and should not be sent to the Manager to the Offer or the Acquirers or the Target Company.**
- h. In case (a) shareholders who have not received the Letter of Offer, (b) unregistered shareholders (c) owner of the shares who have sent the shares to the Target Company for transfer, a consent to the Registrar to the Open Offer on plain paper, stating the name, addresses, number of shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid share transfer deeds (one per folio), duly signed by such shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with PDL), and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be, shall need to be provided so as to reach the Registrar to the Open Offer on or before 6.30 p. m. upto the Date of Closure of the Offer i.e. April 16, 2012 (Monday). Such shareholders can also obtain the Letter of Offer from the Registrar to the Open Offer by giving an application in writing to that effect.
- i. In case of non-receipt of the Letter of Offer and holding the shares in demat form, may send the application in writing to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, DP Name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in 'Off-market' mode or counterfoil of the delivery instruction in 'Off-market' mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the Date of Closure of the Offer i.e. April 16, 2012 (Monday).
- j. The Shareholders who have sent the shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the depository account should be received on or before the closing of the business hours on the Date of Closure of Offer i.e. April 16, 2012 (Monday), else the Form of Acceptance, in respect of dematerialized Equity Shares not credited to the special depository account, is liable to be rejected.
- k. The Shareholders of the Target Company who have sent their Equity Shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to the Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer form.
- l. No indemnity is needed from unregistered shareholders.
- m. Where the number of Equity Shares surrendered by the shareholders are more than the Equity Shares agreed to be acquired by Acquirers, the Acquirers will accept the offers received from the shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in nonmarketable lots, provided that acquisition of Equity Shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of PDL for physical mode is 50 (Fifty) and for dematerialized mode is 1(One).
- n. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.
- o. The consideration to those shareholders whose shares have been accepted will be made through a crossed Demand Draft/Pay Order or through Direct Credit ('DC'), National Electronic Funds Transfer ('NEFT'), Real Time Gross Settlement ('RTGS'), National Electronic Clearing Services ('ECS'), at specified centers where clearing houses are managed by the Reserve Bank of India within 10 working days of the expiry of the tendering period. Shareholders who opt for receiving consideration through DC/NEFT/RTGS/ECS are requested to give the authorization for the same in the Form of Acceptance and enclose a photocopy of cheque along with the Form of Acceptance.

- p. Such payments through account payee cheques/demand drafts will be sent by registered post, at the shareholders' registered / unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner.
- q. For those shareholders, who have opted for physical mode of payment and shareholders whose payment consideration is not credited by electronic mode due to technical error or incomplete/ incorrect bank account details, payment consideration will be made by crossed account payee Cheques/Demand Drafts. Such considerations in excess of ₹ 1,500/- or unaccepted Share Certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post/speed post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder/unregistered owner. The Acquirers is required to deduct tax at source, as may be applicable. All dispatches involving payment of a value upto ₹ 1,500/- will be made under certificate of posting at the shareholders sole risk.
- r. For all other applicants, including those applicants whose payment consideration is not credited by ECS/Direct Credit due to technical errors or incomplete/incorrect bank account details or due to unavoidable reasons, payment consideration will be dispatched through Speed Post/Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.
- s. In case of payment consideration is rejected through the ECS/Direct Credit facility, the Registrar to Offer would endeavour to dispatch the payment consideration within 3 working days of such rejection.
- t. Unaccepted share certificate(s) , transfer deed(s) and other documents, if any, will be returned by registered post, at the shareholders' registered / unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner. Equity Shares held in dematerialized form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective DPs when transferred by the Registrar to the Offer.
- u. The Registrars to the Offer will hold in trust the Equity Shares and share certificate(s), Equity Shares lying in credit of the Special Depository Account, Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of Target Company who have accepted the Offer, until the cheques/ drafts for the consideration and/ or the unaccepted Equity Shares/ share certificates are dispatched/ returned.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the shareholders of Target Company at the office of the Manager to the Offer, Ashika Capital Limited, at 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400 021 on any day (except Saturdays, Sundays and public holidays) between 10.30 a. m. to 2.00 p.m. from the Date of Opening of the Offer till the Date of Closure of the Offer.

- i. Copy of Share Purchase Agreement dated February 03, 2012 entered into between the Acquirers and the Sellers.
- ii. Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- iii. Annual Reports of the Target Company for the financial years ended March 31, 2009, March 31, 2010 and March 31, 2011 and Un-audited & Certified Results for the period ended September 30, 2011.
- iv. Chartered Accountants' Certificate(s) dated January 26, 2012 certifying the Net worth of the Acquirers.
- v. Chartered Accountant's letter dated February 03, 2012 certifying that the Acquirers have firm and adequate financial resources to meet the financial obligations under the Open Offer.
- vi. Letter dated February 09, 2012 from Dhanalakshmi Bank Limited confirming the amount kept in the Escrow Account.
- vii. Copies of the Public Announcement dated February 03, 2012 & Detailed Public Statement dated February 10, 2012.
- viii. Copy of the recommendation made by the Target Company's Board as required in terms of Regulation 26(7) of SEBI (SAST) Regulations.
- ix. Copy of the comments letter dated [●] received from SEBI.
- x. Copy of the confirmation regarding the opening of Special Depository Account for the purpose of the Offer.

10. DECLARATION BY THE ACQUIRERS

The Acquirers, Mr. Gopal Shekhawat, Mrs. Pratibha Shekhawat and Gopal M Shekhawat (HUF) accept full responsibility jointly and severally for the information contained in this Draft Letter of Offer, including the Form of Acceptance cum Acknowledgement and also for ensuring the compliance with the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations, 2011 and subsequent amendments made thereof.

We, the Acquirers, have made all reasonable inquiries, accept responsibility jointly and severally, and confirm that this Letter of Offer is in compliance with the Regulations, and that it contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this 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.

The Manager to the Offer hereby states that the person(s) signing this Letter of Offer is the Acquirers / duly authorized person by the Acquirers to sign the Letter of Offer.

Mr. Gopal Shekhawat

Mrs. Pratibha Shekhawat

Gopal M Shekhawat (HUF)

Place: Mumbai

Date: February 17, 2012

Enclosures:

(1) Form of Acceptance cum Acknowledgement

(2) Blank Transfer Deed(s)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this Form with enclosures to Registrar to the Offer, Adroit Corporate Services Private Limited, at their address given overleaf as per the mode of delivery mentioned in the Letter of Offer)

From:

OFFER OPENS ON:	March 30, 2012 (Friday)
OFFER CLOSES ON:	April 16, 2012 (Monday)

Tel. No.

Fax No.:

E-mail:

To

Adroit Corporate Services Private Limited
(Unit-Parekh Distributors Limited-Open Offer)
 19, Jaferbhoy Industrial Estate, 1st Floor,
 Makwana Road, Marol Naka, Andheri (East),
 Mumbai-400 059

Dear Sir,

Sub: Open Offer to acquire 25,500 Equity Shares of ₹ 10/- each, representing 25.50% of total paid up share capital of Parekh Distributors Limited ('PDL' or 'Target Company') at a price of ₹ 10/- per equity share by Mr. Gopal Shekhawat, Mrs. Pratibha Shekhawat and Gopal M Shekhawat (HUF) (Acquirers).

I/We refer to the Letter of Offer dated [●] for acquiring the Equity Shares held by me/us in **Parekh Distributors Limited**.

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

☐ **FOR EQUITY SHARES HELD IN PHYSICAL FORM**

I/We, hold the following Equity Shares in physical form and accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Equity Shares as detailed below:

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
Total No. of Shares					

*Please attach additional sheets of paper and authenticate the same if the space is insufficient.
 (In case the space provided is inadequate, please attach a separate sheet with the above details)*

I / We 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 as mentioned in the Letter of Offer or the date by which Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

☐ **FOR EQUITY SHARES HELD IN DEMAT FORM**

I/We, holding Equity Shares in demat form, accept the Offer and enclose a photocopy of the Delivery Instructions duly acknowledged by my/our DP in respect of my/our Equity Shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No of Equity Shares

I/We have done an off-market transaction for crediting the Equity Shares to the depository account with Stock Holding Corporation of India Limited as the DP in CDSL styled "PAREKH DISTRIBUTORS LTD - OPEN OFFER – OPERATED BY - ADROIT" whose particulars are as under:

DP Name	Stock Holding Corporation of India Limited
Account No.	1601010000393066
Depository	Central Depository Services (India) Limited

I/We note and understand that the shares would lie in the Special Depository Account until the time the Acquirers dispatch the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

I/We confirm that the Equity Shares of Target Company, which are being tendered herewith by me/us under the Offer, are free from lien, charges and encumbrances of any kind whatsoever.

I/We authorise the Acquirers to send the draft/cheque in settlement of the amount to the sole/first holder at the address mentioned above by registered/speed post.

I/We authorise the Acquirers to accept the Equity Shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirers to return to me/us, shares, share certificate(s) in respect of which the Offer is not found valid/not accepted. The Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 is as under.

	1st Holder	2nd Holder	3rd Holder
PAN			

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 / Registrar to the Offer and in terms of the said Letter of Offer. 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.

I/We authorise the Acquirers to send payment consideration by electronic mode or physical mode as per the option selected. In cases where the payment consideration is to be done in physical mode, the cheque / demand draft / pay order, in settlement of the amount and excess share certificate(s), if any, will be sent by registered post / speed post 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 the Target Company.

I/We authorise the Acquirers to credit back, the excess shares or to the extent not accepted to my/our depository account with the respective depository participant as per the details furnished in the Form of Acceptance or otherwise.

Please indicate the preferred mode of receiving the payment consideration. (Please tick)

Electronic Mode: ☐ or **Physical Mode:** ☐

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 Electronic Mode/ cheque / demand draft / pay order will be drawn accordingly. In order to receive payment consideration through Electronic mode, the shareholders are requested to compulsorily provide their following bank details:

Name of the Bank: _____ **Branch /Address:** _____

Account No.: _____ **Savings /Current/ Others (please specify)** _____

I/We want to receive the payment through NECS ☐ RTGS ☐ NEFT ☐

In case of ECS, 9-digit code number of the Bank & Branch (Appearing on the MICR Cheque issued by the Bank): _____

--	--	--	--	--	--	--	--	--	--

In the case of RTGS/NEFT, 8 digit code number issued by the Bank

--	--	--	--	--	--	--	--	--	--

Yours faithfully,

Signed & Delivered:

	Full Name	Signature
First / Sole Holder		
Second Holder		
Third Holder		

Note: In case of joint holdings, all must sign. Corporations must affix its common seal and attach herewith the necessary Board Resolution.

Place:

Date:

-----Tear Here-----

Acknowledgement Slip

ADROIT CORPORATE SERVICES PRIVATE LIMITED

(Unit-Parekh Distributors Limited-Open Offer)

19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road,
Marol Naka, Andheri (East), Mumbai-400 059
Tel.: +91-22-28594060/28596060; Fax: +91-22-28503748;
E-mail: surendrag@adroitcorporate.com.

Folio No.:

Serial No.:

Received from Mr. / Ms. / Mrs.: _____

Address: _____

Signature of the Official Date of receipt	Stamp of Registrar to the Offer

☐ **Physical Equity Shares:** Folio No. : _____; Number of Certificates _____ representing _____
Number of Shares

☐ **Demat Equity Shares:** Copy of delivery instruction for _____ number of shares enclosed

(Tick whichever is applicable)

Note: All future correspondence, if any should be addressed to Registrar to the Offer at the address mentioned behind in this form. The documents referred to above should be sent to any of the collection centers mentioned below.