PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

PARKEH DISTRIBUTORS LIMITED

This public announcement ("PA") is being issued by Kotak Mahindra Capital Company Limited ("Manager to the Offer") for and on behalf of Mr. Praful M. Patel and Mrs. Varsha P. Patel, (hereinafter referred to as "Acquirers"), pursuant to and in compliance with, among others, Regulation 10 and Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("Regulations").

The Offer

1. This open offer ("Offer") is being made by the Acquirers in compliance with Regulation 10 and Regulation 12 of the Regulations. This Offer is subject to the receipt of approvals required, if any, as discussed in paragraphs 26 and 27 below. Besides, the Acquirers, there are no other persons acting in concert with the Acquirers for the purpose of this Offer.
2. On January 5, 2008, the Acquirers entered into a Share Purchase Agreement ("SPA") with the existing promoters of Parekh Distributors Limited ("PDL" or "Target Company") comprising Mr. Nirad Dhirajlal Mehta and Mr. Sanjay Madhukar Gaitonde (collectively referred to as the "Sellers"), who currently hold 37,500 and 37,000 fully paid-up equity shares respectively (ie a total of 74,500 fully paid-up equity shares) representing 74.5% of the total issued and fully paid-up equity capital ("Equity Capital") of the Target Company, to acquire their entire shareholding of 74,500 fully paid-up equity shares ("Sale Shares") at a price of Rs. 5/- (Rupees Five only) per fully paid-up equity share to be paid in cash ("Transaction").
3. Under the terms of the SPA, Mr. Praful M. Patel would acquire 56,000 Sale Shares and Mrs. Varsha P. Patel would acquire 18,500 Sale Shares.
4. In compliance with Regulation 22(16) of the Regulations, the SPA contains a provision that the Acquirers shall acquire the Sale Shares only upon completion of the Offer.
5. Pursuant to this Offer, the Acquirers propose to acquire, from the existing shareholders (other than the Sellers) of the Target Company, upto 20,000 fully paid-up equity shares ("Offer Size") representing 20% of the Equity Capital at a price of Rs. 10 /- (Rupees Ten only) per equity share of the Target Company ("Offer Price"), to be paid in cash in accordance with the Regulations.
6. There are no partly paid-up equity shares of the Target Company. This Offer is not subject to any minimum level of acceptance.
7. The shares of the Target Company are listed on Bombay Stock Exchange Limited ("BSE"). Based on the information available on the website of BSE (www.bseindia.com), there has been no trading in the shares of the Target Company for the six calendar months prior to the month of this PA. Accordingly, the annualized trading volume on the BSE is Nil and the shares of the Target Company are infrequently traded on the BSE in terms of the Regulations.
8. In accordance with Regulation 20(5), the Offer Price is highest of the following:
   a. Negotiated price under the SPA
   b. Highest price paid by Acquirers for any acquisition of shares including allotment in a public or rights or preferential issue during the past 26 weeks
   c. Other parameters such as return on networth, book value of the shares of the Target Company and earnings per share

   The Acquirers have neither acquired nor have been allotted any shares of the Target Company in the 12 months prior to the date of this PA.

   Mr. Suresh S. Agaskar, Partner, M/s Contractor, Nayak & Kishnadwala Chartered Accountants (Membership No. 110321 , Address: Jash Chambers, 3rd Floor, 7, Sir P.M. Road, Fort, Mumbai 400 001 ; Tel: +91 22 6635 9681-84 / +91 22 2266 1819 ; Fax: +91 22 2261 5814) have certified vide their Share Valuation Report dated January 5, 2008 that the Offer Price of Rs 10/- is justified in terms of the Regulations.

   In view of all of the above, the Offer Price of Rs 10/- per equity share is justified in terms of Regulation 20(5).
9. As on date of the PA, the Acquirers do not hold any shares in the Target Company.
10. As on the date of this PA, the Manager to the Offer does not hold any shares in the Target Company.
11. To the extent of the Offer Size, all the shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by the Acquirers, subject to the terms and conditions of the Offer and receipt of approvals required, if any.

Information about the Acquirers

Mr. Praful M. Patel – Acquirer

12. The details of Mr. Praful M. Patel are as follows:

Name	Praful M. Patel
Address	152 Urvashi, 66B Nepean Sea Road, Mumbai – 400 006, India
Relationship with Mrs. Varsha P. Patel	Spouse
Line of Business and Experience	Mr. Praful M. Patel is a Member of Parliament (Rajya Sabha) and Minister of State for Civil Aviation with Independent Charge. He became the member of the Tenth Lok Sabha at the age of 34 in 1991. He was elected three times consecutively to the Lok Sabha i.e. 10th, 11th and 12th Lok Sabha. Mr. Praful M. Patel graduated in Commerce prior to joining the family business with diverse interests in tobacco, bidis, agriculture, packaging, pharmaceuticals, finance, real estate etc eventually heading the group known as "Ceejay Group". He is also actively involved in running the Gondia Education Society in Maharashtra, which imparts education to 80,000 students in various disciplines ranging from Arts, Commerce, Engineering, Law, Pharmacy, Information Technology, and Computer Sciences. In addition to the above, Mr. Praful M. Patel is an active member of Young Presidents' Organisation, President of the Western India Football Association and Vice President of both All India Football Federation and Maharashtra Olympic Association.
Networth as on September 30, 2007	Rs. 24,12,50,013 /- (Rupees Twenty Four Crores Twelve Lakhs Fifty Thousand Thirteen Only)
Details of Chartered Accountant certifying the Networth	Name: Mr. Bharat J. Doshi, Partner – B. J. Doshi & Co, Chartered Accountants Membership No: 35775 Address: Solitaire, Above Bank of India, 80- S.V. Road, Santacruz (W), Mumbai – 400 054

Mrs. Varsha P. Patel – Acquirer

13. The details of Mrs. Varsha P. Patel are as follows:

Name	Varsha P. Patel
Address	152 Urvashi, 66B Nepean Sea Road, Mumbai – 400 006, India
Relationship with Mr Praful M. Patel	Spouse
Line of Business and Experience	Mrs. Varsha P. Patel is actively engaged in all the business interests pursued by Mr. Praful P. Patel. Besides, she also has interests in dairy farming business and art.
Networth as on September 30, 2007	Rs. 18,40,75,183/- (Rupees Eighteen Crores Forty Lakhs Seventy Five Thousand One Hundred Eighty Three Only)
Details of Chartered Accountant certifying the Networth	Name: Mr. Bharat J. Doshi, Partner – B. J. Doshi & Co, Chartered Accountants Membership No: 35775 Address: Solitaire, Above Bank of India, 80, S.V. Road, Santacruz (W), Mumbai – 400 054

Information about the Target Company

14. The Target Company was incorporated on August 24, 1978 as a public limited company under the Companies Act, 1956. There have been no changes in the name of the Target Company since incorporation.
15. The registered office of the Target Company is located at 511, Maker Bhavan No.03, 21, New Marine Lines, Mumbai - 400 020. Tel No. +91 22 67776777 / 22083445; Fax No. +91 22 67776999.
16. As of the date of the PA, the total paid-up share capital of the Target Company is Rs. 10,00,000/- (Rupees Ten Lakhs Only) divided into 1,00,000 fully paid-up equity shares of Rs.10/- each. There are no partly paid-up shares in the Target Company.
17. The Target Company has historically been in various diversified businesses such as trading of textile dyes and auxillaries, indenting agent for rollway bearings and distribution and selling agent for car finance schemes over different periods of time. All these businesses have been discontinued.

    The Target Company currently renders miscellaneous consultancy services to a select few clients.
18. The Sellers acquired a total of 74,500 shares in the Target Company as under:

Date	No of shares acquired by Mr. Nirad Mehta	No of shares acquired by Mr. Sanjay Gaitonde	Cumulative shares acquired	Details
March 7, 2000	5,000	4,500	9,500	Market Purchase
December 12, 2000	12,500	12,500	25,000	Acquisition through Open Offer under the Regulations
January 25, 2001	20,000	20,000	40,000	Acquired from erstwhile promoters
Total No of Shares	**37,500**	**37,000**	**74,500**	

19. The shares of the Target Company are listed on BSE.
20. The brief audited financials of the Target Company for the financial year ended March 31, 2007 are as follows:

Particulars	Amounts in Rupees
Sales Revenue	Nil
Other Income	3,97,500
Profit After Tax	77,138
Paid-up Equity Share Capital	10,00,000
Reserves and Surplus (excluding revaluation reserves)	(6,648,295)
Networth	(5,648,295)
Earning Per Share (Rs.)	0.77
Book Value Per Share (Rs.)*	(56.48)
Return on Networth	NA

Note: Amounts in brackets indicate negative numbers

**Book Value per share calculated as the Networth / Number of outstanding equity shares as at the end of the year*

(Source: Annual Report of the Target Company for FY 2007)

Reasons for the Acquisition and Offer and Future Plan about Target Company

21. The Offer is being made in accordance with Regulation 10, Regulation 12 and other applicable provisions of the Regulations as a result of substantial acquisition of shares and voting rights along with change in control of the Target Company.
22. The Acquirers propose to use the Target Company as a vehicle for developing business activities in various areas in which the Acquirers currently have an interest such as real estate, pharmaceuticals etc. The Acquirers may also consider using the Target Company for new businesses based upon the opportunities from time to time.
23. As on the date of this PA, the Acquirers do not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company. Notwithstanding the immediately preceding sentence, the Board of Directors of the Target Company will take appropriate decisions in these matters as per the requirements of the business and in line with the opportunities from time to time.
24. Other than in the ordinary course of business, the Acquirers undertake that they shall not sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company to the extent required by applicable law.
25. The Acquirers have the right to appoint a majority of the Board of Directors of the Target Company upon the completion of the purchase of the Sale Shares under the SPA.

Statutory Approvals and Other Approvals required for this Offer

26. As of the date of this PA, to the best of the knowledge of the Acquirers, there are no statutory approvals required to acquire the shares that are validly tendered pursuant to this Offer.
27. To the best of the knowledge of the Acquirers, no approvals are required from financial institutions or banks for the Offer.
28. Notwithstanding paragraphs 26 and 27, in the event that any approvals may be required for this Offer, the Acquirers will apply for such approvals at the appropriate stage.
29. It may be noted that in case of non-receipt of statutory approvals within time, SEBI has the power to grant an extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest for the delay, as directed by SEBI under Regulation 22(12) of the Regulations. Further if the delay occurs due to wilful default of the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will become applicable.

Continuous Listing

30. Pursuant to the listing norms applicable to the Target Company, the Target Company is required to maintain a minimum public shareholding of 25% of the Equity Capital. If the Offer results in the public shareholding being reduced to less than 25% of the Equity Capital of the Target Company, the Acquirers undertake to take appropriate steps to comply with the continuous listing guidelines laid out in the Listing Agreement of the Target Company with the Stock Exchange where it is listed as required by Regulation 21(2) of the Regulations.

Financial Arrangements

31. The maximum consideration payable under this Offer, assuming full acceptance, is Rs. 2,00,000 /-(Rupees Two Lakhs only) ("Maximum Consideration").
32. By way of security for performance of its obligations under the Regulations, the Acquirers have made an escrow arrangement for the Offer comprising a cash deposit, for an amount of Rs. 2,00,000 /- (Rupees Two Lakhs only) i.e. 100% of the Maximum Consideration. The Acquirers have made the cash deposit with Kotak Mahindra Bank Limited, 5C / II, Mittal Court Branch, 224 Nariman Point, Mumbai – 400 021. The Manager to the Offer is empowered to realize the value of the aforesaid cash deposit in terms of the Regulations.
33. Mr. Bharat J. Doshi, Partner, B. J. Doshi & Co, Chartered Accountants (Membership No. 35775; Address: Solitaire, Above Bank of India, 80, S.V. Road, Santacruz (W), Mumbai – 400 054; Tel: 91-22-26053986; Fax: +91-22-26052315) have confirmed vide their certificate dated January 5, 2008 that the Acquirers have adequate financial resources available for meeting their obligations under the Regulations for a value up to the Maximum Consideration.
34. On the basis of the aforesaid financial arrangements and Chartered Accountants' certificate, the Manager to the Offer confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

Other terms of this Offer

35. This Offer is made to all shareholders of the Target Company as on the Specified Date (except the Sellers) and also to the persons who acquire shares during the Offer and tender these shares into the Offer so as to send in their applications on or before March 12, 2008.
36. A letter of offer ("Letter of Offer") specifying the detailed terms and conditions of this Offer along with the Form of Acceptance –cum- Acknowledgement ("Form of Acceptance") and Form of Withdrawal will be mailed to all the shareholders (except the Acquirers and the Sellers), whose names appear on the Register of Members of the Target Company at the close of business hours on January 11, 2008 ("Specified Date").
37. The shareholders of the Target Company who wish to tender their shares pursuant to this Offer will be required to communicate their acceptance in the form and manner specified in the Letter of Offer together with their share certificate(s), transfer deeds, duly filled Form of Acceptance and such other documents as may be specified in the Letter of Offer to Computech Sharecap Limited, acting as the Registrar to the Offer ("Registrar to the Offer") in accordance with the instructions contained in the Letter of Offer and Form of Acceptance.
38. The Target Company has not dematerialised its shares and all the shares are in physical form.
39. Shareholders of the Target Company who wish to accept the Offer shall send/deliver the Form of Acceptance along with all of the relevant documents at the collection center of the Registrar to the Offer mentioned below in accordance with the procedure as set out in the Letter of Offer.

No.	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax	Mode of delivery
1.	Mumbai	147 Mahatma Gandhi Road, Fort, Mumbai - 400 001	Mr. P. K. Dadyburjor	91-22-22635000	91-22-22635005	Hand Delivery / Registered Post

Note: Business Hours: Monday to Friday 10 AM TO 1 PM and 2 PM to 3.30 PM except Saturdays, Sundays and Bank Holidays

40. A copy of the Letter of Offer (including Form of Acceptance) is expected to be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site. In case of non-receipt of the Letter of Offer, shareholders may download the same from the SEBI website or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer on providing suitable documentary evidence of acquisition of the said shares.
41. Persons who have acquired shares of the Target Company (irrespective of the date of purchase) but whose names do not appear in the Register of Members of the Target Company on the Specified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their agreement to participate in this Offer as per the terms and conditions of this Offer. This is to be sent to the Registrar to the Offer together with the relevant share certificate(s) and transfer deeds, the original contract note issued by a registered share broker of a recognized stock exchange through whom such shares were acquired and/or such other documents as may be specified in the Letter of Offer. No indemnity would be required from unregistered shareholders.
42. If the shares tendered in this Offer are more than the shares to be acquired under this Offer, the acquisition of shares from each shareholder will be on a proportionate basis as per provisions of the Regulation 21(6) of the Regulations such that the acquisition from each shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot.
43. The Registrar will hold in trust the Form of Acceptance, shares/share certificates, transfer deed(s) and/or other documents on behalf of the shareholders of the Target Company who accept this Offer, till the cheques/ drafts for the consideration are dispatched or unaccepted share certificates/ shares, if any, are dispatched/ returned to the relevant shareholders.
44. The payment of consideration for accepted applications will be made by the Acquirers in cash through account payee cheques, drafts, warrants, etc. sent by registered post for amounts exceeding Rs. 1,500 and otherwise by UCP.
45. The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the shareholders' sole risk.
46. The Offer Schedule is as under:

Activity	Date	Day
Specified Date*	January 11, 2008	Friday
Last Date for dispatch of Letter of Offer to the shareholders of the Target Company	February 18, 2008	Monday
Offer Opens on	**February 22, 2008**	**Friday**
Offer Closes on	**March 12, 2008**	**Wednesday**
Last date for a competitive bid, if any	January 28, 2008	Monday
Last date for revising the Offer Price / Offer Size	March 3, 2008	Monday
Last date for withdrawing acceptance of the Offer	March 7, 2008	Friday
Last date for communicating acceptance (in full or part) and rejection of applications and payment of consideration for applications accepted	March 27, 2008	Thursday

*Specified Date is only for the purpose of determining the names of shareholders of PDL as on such date to whom the Letter of Offer would be sent.

General

47. Shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA / Letter of offer, can withdraw the same upto three working days prior to the date of the closure of the Offer.
48. As per the Regulations, the Acquirers can revise the Offer Price upwards up to seven working days prior to the closure of the Offer and the revision, if any, would appear in the same newspapers where this PA has appeared and the revised price would be paid to all shareholders whose shares are accepted under the Offer.
49. **If there is a competitive bid:**
    (i) The public offers under all the subsisting bids shall close on the same date.
    (ii) As the offer price cannot be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.
50. The Acquirers, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act, 1992.
51. This PA is expected to be available on the SEBI website at http://www.sebi.gov.in.
52. Pursuant to Regulation 13 of the Regulations, the Acquirers have appointed Kotak Mahindra Capital Company Limited as the Manager to the Offer. The Acquirers have appointed Computech Sharecap Limited as the Registrar to the Offer (Address: "Computech", 147, Mahatma Gandhi Road, 3rd Floor, Opp. Jehangir Art Gallery, Mumbai 400 001; Ph. No. +91-22 22635000 , Fax No. +91-22 22635005; email: parekh@computechsharecap.com ; Contact Person: Mr. P.K. Dadyburjor).
53. The Acquirers accept full responsibility for the information contained in this PA and also severally and jointly for the obligations of acquirers laid down in the Regulations.

Issued by the Manager to the Offer for and on behalf of the Acquirers

kotak
Investment Banking

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Fax No.: +91 22 22840492
Email: pdl.offer@kotak.com,
Contact Person: Mr. Shervin Purohit

Dated: January 7, 2008
Place: Mumbai