# LETTER OF OFFER

***This Document is Important and requires your Immediate Attention***

This Letter of Offer is sent to you as Shareholder(s) of **Parsoli Corporation Limited (PCL)** if you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Merchant Banker. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum acknowledgement / Form of withdrawal and transfer deed to the Member of the Stock Exchange through whom the said sale was effected.

| | | |
|---|---|---|
| a) | Name & Address of the Acquirers | Mr.Zafar Yunus Sareshwala<br>22, Northfield Road<br>Dewsbury WF 13 2 JX - UK<br>Tel: 019 24437471<br>Fax No: 01924488262<br><br>Mr. Habibullah Akudi<br>2, Hope Street, Dewsbury<br>WF 13 2BT – U.K<br>Tel: 019 24469470<br>Fax : 019 24488262 |
| b) | Name & Address of the registered office of the Target Company. | M/s. Parsoli Corporation Limited<br>121 / 122 2nd Floor, Ashoka Complex<br>L.T. Marg,<br>Mumbai- 400 001<br>Telefax: 022 55721967<br>Email : corporation@parsoli.com |
| c) | Number and Percentage of Equity Shares of the Target Company proposed to be Acquired by the Acquirer through the open offer. | 16,77,695 Equity Shares being 12.41% of the post preferential share capital of the company from existing shareholders. |
| d) | Offer Price & Mode of Payment. | Rs.13.2/- for each fully paid up Equity share payable by cash (including interest of Rs. 1.2/- per share calculated @ 10% PA for the period of delay in making the public announcement) |
| e) | This Letter of Offer is made pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof. | |
| f) | The Acquirers shall apply for permission from RBI for the shares that may be tendered under the offer since both the acquirers are not Indian Citizens.<br>No other statutory compliances are required to implement the offer except those under SEBI (SAST) Regulations, 1997. | |
| g) | The offer is not conditional. | |
| h) | “Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public Announcement/Letter of Offer, can withdraw the same upto three working days prior to the date of the closure of the offer” i.e.: October 5, 2005 by filling the withdrawal form attached herewith. The withdrawal form is also available on the SEBI website (www.sebi.gov.in ). | |

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|---|---|
| i) | Upward revision of offer, if any, would be informed by way of P.A. on or before August 16, 2005 in respect of such changes in all the newspapers in which the original public announcement was made. The Acquirers shall pay the revised price for all the shares tendered any time during the offer. |
| **j)** | **There was no competitive bid in the offer.** |
| k) | The Copy of Public Announcement and Letter of Offer (including Form of Acceptance cum acknowledgement) are also available on the SEBI website (www.sebi.gov.in). |

| Manager To The Offer | Registrar to the Offer |
|---|---|
| **Aryaman Financial ServicesLtd**<br>208, Maker Chamber V,<br>2nd Flr., Nariman Point,<br>Mumbai-400021.<br>Tel: (022) 22845716/22826464<br>Fax: 22883134<br>Email: afsl@vsnl.com<br>Contact Person: Ms. Manisha | **Intime Spectrum Registry Limited**<br>C-13, Pannalal Silk Mills Compound,<br>L.B.S. Marg, Bhandup(W),<br>Mumbai- 400 078<br>Tel: No. (022) 55555326<br>Fax: No. 55555353<br>Email: isrl@intimespectrum.com |

## SCHEDULE OF ACTIVITIES:

| ACTIVITY | ORIGINAL SCHEDULE | REVISED SCHEDULE |
|---|---|---|
| Public Announcement | June 14, 2005 (Tuesday) | June 14, 2005 (Tuesday) |
| Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent) | June 27, 2005 (Monday) | June 27, 2005 (Monday) |
| Last date for a Competitive Bid | July 05, 2005 (Tuesday) | July 05, 2005 (Tuesday) |
| Date by which Letter of Offer to be posted to the shareholders. | July 28, 2005 (Thursday) | September 20, 2005 (Tuesday) |
| Date of Opening of the Offer | August 06, 2005 (Friday) | September 22, 2005 (Thursday) |
| Last date for revising the offer price/ Number of shares | August 16, 2005 (Tuesday) | September 28, 2005 (Wednesday) |
| Last date for withdrawal of acceptance by the shareholders | August 22, 2005 (Monday) | October 5, 2005 (Wednesday) |
| Date of Closure of the Offer. | August 25, 2005 (Thursday) | October 11, 2005 (Tuesday) |
| Date of communicating the rejection /acceptance and payment of consideration for the acquired shares. | September 08, 2005 (Thursday) | October 25, 2005 (Tuesday) |

## 1. INDEX


| Sr. No. | PARTICULARS | PAGE NO. |
|---|---|---|
| 1. | Disclaimer Clause | |
| 2. | Details of the Offer | |
| 3. | Background of the Acquirers | |
| 4. | Disclosure in terms of Regulation 16(ix) | |
| 5. | Disclosure in terms of Regulation 21(3) | |
| 6. | Background of the Target Company | |
| 7. | Offer Price and Financial Arrangements | |
| 8. | Terms & Conditions of the Offer | |
| 9. | Procedure for Acceptance and Settlement of the Offer | |
| 10. | Documents for Inspection | |
| 11. | Declaration by the Acquirers | |


## DEFINITIONS

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

| | |
|---|---|
| ACQUIRERS | Mr.Zafar Yunus Sareshwala<br>Mr. Habibullah Akudi |
| TARGET COMPANY / PCL | M/s. Parsoli Corporation Limited |
| FORM OF ACCEPTANCE | The form of application cum acknowledgement and authority, which is enclosed with this Letter of Offer. |
| LOF | This Letter of Offer. |
| PUBLIC ANNOUNCEMENT (PA) | Announcement of the offer issued in newspapers on June 14, 2005 |
| TAKEOVER REGULATIONS | Securities And Exchange Board Of India (Substantial Acquisition of Shares & Takeover) Regulations, 1997 and subsequent amendments thereof. |
| SEBI | Securities And Exchange Board Of India |
| OFFER PRICE | Rs.13.2/- for each fully paid up Equity share payable by cash (offer Price Rs. 12/- plus interest of Rs. 1.2/- per share) |
| MANAGER TO THE OFFER | Aryaman Financial Services Limited. |
| REGISTRAR TO THE OFFER | Intime Spectrum Registry Limited |
| BSE | The Stock Exchange, Mumbai |
| ASE | The Ahmedabad Stock Exchange |
| PERSONS ELIGIBLE TO PARTICIPATE | All shareholders of PCL registered and unregistered, who own the shares at any time prior to the closure of the offer, except the Acquirers and the promoters. |
| PGIEF | Parsoli Global Islamic Equity Fund ("PGIEF"). |
| FIPB | Foreign Investment Promotion Board |
| RBI | Reserve Bank of India |

## 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 THE SHAREHOLDERS OF M/S PARSOLI CORPORATION 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/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER (INCLUDING PACS) DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER M/S. ARYAMAN FINANCIAL SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 27, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS ROM 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

1. This Open Offer is being made pursuant to the Regulation 10 and 12 and other provisions of Chapter III and in compliance with the Securities & Exchange Board of India, (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof for substantial acquisition of shares and control over the target company.

2. This offer is being made by Mr. Zafar Yunus Sareshwala residing at 22, Northfield Road Dewsbury, WF 13 2, JX, United Kingdom and Mr. Habibullah Akudi residing at 2, Hope Street, Dewsbury, West Yorkshire WF 13 2BT – U.K (hereinafter referred to as 'Acquirers') to the equity shareholders of M/s. Parsoli Corporation Limited having its registered office at 121 / 122 2nd Floor, Ashoka Complex L.T. Marg, Mumbai- 400 001 (hereinafter referred to PCL/Target Company).

3. Parsoli Corporation Limited (PCL/ Target Company) has acquired Parsoli (UK) Limited by issuing shares of PCL to the shareholders of Parsoli (UK) Ltd. by virtue of an agreement dated July 23, 2004. Pursuant to the agreement the acquirers Mr. Zafar Yunus Sareshwala and Mr. Habibullah Akudi have been allotted 50,00,000 equity shares each of PCL after the necessary approvals from RBI and other Statutory approvals had been obtained. The said allotment of equity shares has been approved by the shareholders of PCL by passing a special resolution in the Extra Ordinary General Meeting (EGM) of shareholders held on 10.01.2004. The Foreign Investment Promotion Board (FIPB) at the Ministry of Finance had also passed an order dated July 8, 2004 approving the takeover of Parsoli (U.K.) Ltd. by PCL. The

company had allotted One Crore shares of Rs. 10/- each to the share holders of Parsoli U.K. Ltd. on 30.07.2004. The Acquirer Mr. Zafar Yunus Sareshwala already holds 2,08,100 shares in PCL representing 5.92 % of the then paid up equity share capital of PCL. Post allotment of shares through the agreement dated July 23, 2004, the Acquirers Mr. Zafar Sareshwala and Mr. Habibullah Akudi holds 38.54 % and 37.00 % respectively of the paid up share capital of PCL. The shares were allotted to the Acquirers at Rs. 10/- per share. Subsequent to the acquisition of shares, the shareholding of the Acquirers in the target company has increased beyond the limits as specified in Chapter III of the SEBI (SAST) Regulations.

4. If the PA had been made within 4 days of the date of acquisition i.e. 27th July 2004 the original date of payment of consideration to the shareholders would have been 27th November 2004.

5. The acquirers shall make the payment of interest @ 10% p.a. for the period of delay in making PA i.e. from November 27th 2004 (being the date of payment of consideration to the shareholders if the PA would have been released on 27th July 2004) to Ocober 25th 2005 (being the last date of payment of consideration under this offer.).

6. The Acquirers are the directors in the target company.

7. The proposed change in control is not through any arrangement.

8. The Offer is not conditional to any minimum level of acceptance. The Acquirers will acquire all the equity shares of PCL that are tendered in valid form in accordance with the terms and conditions set out herein and in the Letter of Offer to be sent to the shareholders.

9. Neither the Acquirers or the Target Company have been prohibited by SEBI from dealing in securities in terms of the direction issued u/s 11B of SEBI Act or under any of the regulation made under the SEBI Act.

10. The Composition of the Board of Directors in PCL Post-acquisition and Offer shall be determined on completion of all formalities relating to the Offer.

### 3.2 DETAILS OF THE PROPOSED OFFER

1. The public announcement was made by the Acquirers on June 14, 2005 in compliance with Regulation 15 of the Takeover Regulations in all the editions of Financial Express (English Daily), Jansatta (Hindi Daily) and Tarun Bharat (Regional Language Daily). The Public Announcement is also available on the SEBI website at www.sebi.gov.in

2. The offer to the public shareholders of PCL is to acquire further 1677695 equity shares representing 12.41% of the equity share capital of PCL at a price of Rs. 13.2/- per share (including interest) for each fully paid up Equity share payable by cash. The payment to the shareholders whose shares have been accepted shall be in cash and will be paid by cheque / demand draft.

3. The Acquirers have not acquired any shares of the target company after the date of P.A. and upto the date of this LOO.

### 3.3 OBJECT OF THE ACQUISITION /OFFER

The offer to the Shareholders of PCL has been made pursuant to Regulation 10 and 12 and other provisions of Chapter III and in compliance with the regulations for the purposes of substantial acquisition of voting rights and management control of the target company.

The Acquirers as shareholders of Parsoli (UK) Ltd., have been allotted equity shares of PCL and thereby their shareholding in PCL have increased beyond the limits as specified in Chapter III of the SEBI (SAST) Regulations. and hence the Acquirers are making this open offer.

The Acquirers have been allotted shares in PCL subsequent to its acquisition of Parsoli (UK) Ltd. The shares have been allotted on July 30, 2004. The objects of acquisition of Parsoli UK Ltd. can be summarized as under :

Parsoli (UK) Ltd., was incorporated on 01.06.1998 under the UK Companies Act 1958 as a private limited company. The directors of the company are Mr. Zafar Sareshwala, Mr. Habibullah Akudi and Mr. Uves Yunus Sareshwala. It started out as a company providing consultation and guidance on investments in India and Islamic investments to the large NRI population and in general the Muslim Community.

The Company set up its own equity fund i.e. the Parsoli Global Islamic Equity Fund ("PGIEF"). This is the first onshore, financial Services Authority (FSA) approved and regulated, retail Islamic Equity fund which was compliant with ISA and SIPP. Moreover it was the first time ever that the FSA had allowed any fund to incorporate and implement the Purification clause. PGIEF is an Open Ended Investment Company (OEIC) that invests in accordance with Shari`ah . PGIEF has been set up in conjunction with Capita Financial as its Authorised Corporate Director and the Depository of PGIEF is the Bank of New York Trust and Depository Company Ltd.

The company has also signed a service agreement with AL Hamra group Abu Dhabi, which is owned by Abdul Malik AlHamar, ex Governor of Central Bank of UAE to open a branch office in the UAE.

The company has signed an MOU with Fyshe Horton Finney Ltd. A leading broking company and is a member firm of the London Stock Exchange , OFEX and APCIMS to cross sell its products.

By acquiring the entire share capital and thereby the business of Parsoli (UK) Ltd. PCL would acquire a unique and in demand product, the Parsoli Global Islamic Equity Fund ("PGIEF"). All the major one time expenses in building PGIEF has already been done by the foreign company. PCL is of the opinion that this would prove as a good strategic investment.

The Acquirers do not have any intention to dispose of or otherwise encumber any assets of the target company in the next two years from the date of closure of the offer, except in the ordinary course of business with the prior approval of the shareholders.

## 4. BACKGROUND OF THE ACQUIRERS

### 4.1 Information about the Acquirers

1. The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the Regulation made under the SEBI Act.

2. There has been no agreement between the Acquirers as regards the open offer.

3. The Acquirers are related to each other to the extent that they are both directors in the target company.

4. As regards compliance with Chapter II of the SEBI (SAST) Regulations,1997 by the Acquirers Mr. Zafar Sareshwala, the same as applicable has been complied for the year 2004 and 2005 and for Mr Habibullah Akudi, the same has been complied for the year 2005.

**I. Mr. Zafar Sareshwala**

1. Mr. Zafar Yunus Sareshwala aged 42 years is residing at 22, Northfield Road, Dewsbury, WF 13 2JX, United Kingdom Tel: 019 24437471 Fax No: 01924488262 He is a businessman and has done his diploma in Mechanical Engineering and Marketing Management. He is the promoter director in PCL. He is also on the Board of Parsoli Exports Limited, Parsoli . com Limited and PCFL Travel House Ltd.

2. He has been associated with the Capital markets since 1989 and has international experience since 1995. He has written several papers on Islamic Finance at various national as well as international forums like Harward University, HSBC, Islamic Banking and Finance. He is the key person in the establishment of PCL and Parsoli (UK) Ltd.,

3. The net worth of Mr. Zafar Sareshwala as on May 23, 2005 is Rs. 210.00 Lacs as certified vide certificate dated 23.05.05 by M/s. Aniket Shaishav & Associates, Chartered Accountants (membership no. of Mr. Aniket B Shah is 37510), having their office at 410, 4th Floor, Spectrum Commercial Centre, Salapas Road, Nr. GPO., Ahmedabad – 380 001, Telephone No. : (079) 25500082

4. As regards compliance with Chapter II of the SEBI (SAST) Regulations, 1997 by the Acquirer Mr. Zafar Sareshwala, the same as applicable for the year 2004 and 2005 has been complied.

**II. Mr. Habibullah Akudi**

1. Mr. Habibullah Akudi aged 32 years is residing at 2, Hope Street, Dewsbury, West Yorkshire WF 13 2BT – U.K. Tel: 019 24469470 Fax : 019 24488262. He holds a BA (Economics) from Greenwhich University, London. He has played a leading role in the development of Parsoli Global Islamic Equity Fund which has been launched by Parsoli (U.K) Limited and has been actively creating links with the Muslims Community across the UK via sponsorship of community events and programmes.

2. He is one of the director in the target company. He is not on the board of any other company nor has he promoted any other company.

3. The net worth of Mr. Habibullah Akudi as on May 23, 2005 is Rs. 182.00 Lacs as certified vide certificate dated 23.05.05 by M/s. Aniket Shaishav & Associates, Chartered Accountants (membership no. of Mr. Aniket B Shah is 37510), having their office at 410, 4th Floor, Spectrum Commercial Centre, Salapas Road, Nr. GPO., Ahmedabad – 380 001, Telephone No. : (079) 25500082

4. As regards compliance with Chapter II of the SEBI (SAST) Regulations,1997 by the Acquirer Mr. Habibullah Akudi, the same as applicable for the year 2005 has been complied.

## 4.2 DETAILS OF THE COMPANIES IN WHICH MR. ZAFAR SARESHWALA IS THE PROMOTER / FULL TIME DIRECTOR ARE AS UNDER:

**A. Parsoli Exports Ltd**

The company was incorporated on 02.07.96 and is carrying on the business of merchant exporters. The directors of the company are Mr. Abdul Satar Shaik, Mr. M. Anzar Sareshwala, Mr. Zafar Sareshwala, Mr. Uves Sareshwala, Mr. Talha Sareshwala and Mr. Yogesh Panjani. The company is not listed on any stock Exchange.

**Brief Financials**

**(Rs. in lacs)**

| **Particulars** | **Year ended 31.03.04 (Audited)** | **Year ended 31.03.03 (Audited)** | **Year ended 31.03.02 (Audited)** |
|---|---|---|---|
| Equity Capital | 91.20 | 91.20 | 76.20 |
| Reserves | 9.50 | 5.96 | 5.12 |
| Share Application Money | 0.00 | 0.00 | 15.00 |
| Total Income | 24.99 | 3.47 | 2.76 |
| Profit after tax | 3.55 | 0.84 | 0.42 |
| Earnings per share | 0.39 | 0.09 | 0.06 |
| Net asset value | 11.04 | 10.65 | 12.64 |

**B. Parsoli.com Ltd.**

The company was incorporated on 17. 08.2000 and had been carrying on the business of portals. The directors of the company are Mr. Zafar Sareshwala, Mr. Uves Sareshwala, Mr. Talha Sareshwala and Mr. Mohammed Iqbal Hawa. The company is presently for the past 2 years not carrying on any business. The company is not listed on any stock Exchange.

**Brief Financials**

**(Rs. in lacs)**

| **Particulars** | **Year ended 31.03.04 (Audited)** | **Year ended 31.03.03 (Audited)** | **Year ended 31.03.02 (Audited)** |
|---|---|---|---|
| Equity Capital | 10.00 | 10.00 | 4.12 |
| Reserves | 0.00 | 0.00 | 0.00 |
| Total Income | 0.00 | 0.00 | 0.10 |
| Profit after tax | 0.00 | 0.00 | 0.02 |
| Earnings per share | Nil | Nil | 0.04 |

| | | | |
|---|---|---|---|
| Net asset value | 9.24 | 9.25 | 8.21 |

**C. PCFL Travel House Ltd.**

The company was incorporated on 15.03.96 under the name Peacock Entertainment Enterprises Ltd. The name of the company was subsequently changed to its present name and a fresh certificate of incorporation was obtained on 10.09.99 . The company was carrying on Travel business. But presently the company is not carrying on any business and is dormant. The directors of the company are Mr. Zafar Sareshwala, Mr. Uves Sareshwala, Mr. Talha Sareshwala. The company is not listed on any stock Exchange. And is not a sick industrial unit under SICA Act 1985.

**Brief Financials**

**(Rs. in lacs)**

| **Particulars** | **Year ended 31.03.04 (Audited)** | **Year ended 31.03.03 (Audited)** | **Year ended 31.03.02 (Audited)** |
|---|---|---|---|
| Equity Capital | 5.07 | 5.07 | 0.07 |
| Reserves | 0.00 | 0.00 | 0.00 |
| Total Income | 0.00 | 0.00 | 0.00 |
| Profit after tax | 0.00 | 0.00 | 0.00 |
| Earnings per share | Nil | Nil | Nil |
| Net asset value | 8.41 | 8.41 | (104.52) |

**4.3 DISCLOSURE IN TERMS OF REGULATION 16 (ix)**

1. This offer is being made pursuant to Regulation 10 & 12 and other provisions of Chapter III and in compliance with the regulations for the purposes of substantial acquisition of voting rights and management control of the target company.

2. The Acquirers do not have any intention to dispose of or otherwise encumber any assets of PCL in the next two years except in the ordinary course of business of PCL. The Acquirers have undertaken not to sell, dispose of or otherwise encumber any substantial asset of PCL except with the prior approval of the shareholders.

**4.4 FUTURE PLANS/ STRATEGIES OF THE ACQUIRERS WITH REGARD TO THE TARGET COMPANY.**

The Acquirers as shareholders of Parsoli (UK) Ltd., have been allotted equity shares of PCL and thereby their shareholding in PCL have increased beyond the limits as specified in Chapter III of the SEBI (SAST) Regulations and hence the Acquirers are making this offer as per SEBI Takeover Regulations.

The Acquirers are also on the board of PCL and one of the Acquirer Mr. Zafar Sareshwala is also the promoter of PCL. PCL is a non banking finance company and provides retail financial services to niche sector in India – namely Muslims who require financial products which are consistent with certain religious principles.

By acquiring the entire share capital and thereby the business of Parsoli (UK) Ltd. PCL would acquire a unique and in demand product, the “PGIEF”. All the major one time expenses in building PGIEF has already been done by the foreign company. PCL is of the opinion that this would prove as a good strategic investment.

### 4.5. OPTION IN TERMS OF REGULATION 21(3)

Assuming full acceptance of the offer, the post offer share and voting capital with the public in the Target Company would be nil. The Acquirer undertake to dis-invest through an offer for sale or by a fresh issue of capital to the public, which shall open within a period of 6 months from the date of closure of the public offer, such number of shares so as to satisfy the listing requirement.

## 5. BACKGROUND OF THE TARGET COMPANY

**Parsoli Corporation Limited. (PCL)**

1. PCL is a Public Limited Company originally incorporated on November 21, 1990 under the name Parsoli Investment and Trading Company Private Limited. Subsequently the name of the company was changed to Parsoli Capital and Finance Pvt. Ltd and a fresh certificate of incorporation was obtained on September 22, 1994. Subsequently the name of the company was again changed to Parsoli Capital and Finance Ltd. And fresh certificate of incorporation was obtained on October 5,1994. Finally, the name of the company was changed to its present name and a fresh certificate of incorporation consequent to change in name was issued on September 28, 1999. The registered office of the company is situated at 121 -122, 2nd floor, Ashoka complex, L.T. Marg, Mumbai - 400 001 Telefax: 022 55721967.

2. The Company has been promoted by Mr. Mohamed Yunus Sareshwala, Mr. Zafar Sareshwala, Mr. Talha Sareshwala, Mr. Uves Yunus Sareshwala and Mr. Habib Sareshwala.

3. The company provides retail financial services to a niche sector in India – namely Muslims who require financial products which are consistent with certain religious principles. The company is registered as a Non-Banking Finance Company with Reserve Bank of India vide registration no : B 13.01032 dated October 16, 2000. The Company is a registered Stock Broker with SEBI vide Registration number INB230806837 since October 17, 1995. The Company is a Corporate Member of The National Stock Exchange of India Limited providing Stock Broking and Stock Advisory services. Parsoli in conjunction with its associate IBF-Net has launched the Parsoli – IBF Islamic Equity Index (PIE), the first Indian Islamic Equity Index enabling investors to invest in equities conforming to the principles of Shari`ah. The Company is also registered with SEBI to deal in Protfolio Manager with registration no : PM / INP/000000159. The shares of the company are listed on the stock exchanges at BSE and ASE. The main activities of PCL currently are stock broking, and stock advisory services.

4. The present directors of PCL are Mr. Yunus Sareshwala , Mr. Uves Yunus Sareshwala, Mr. Zafar Sareshwala, Mr. Talha Sareshwala, Mr. M.I. Hawa, Mr. Sanjay D. Shah and Mr. Habibullah Akudi. Mr. Zafar Sareshwala and Mr. Habibulla Akudi are also the present Acquirers under this open offer.

5. The Authorised Share Capital of the company as on 30.09.2004 is Rs.15.00 crores divided into 1,50,00,000 equity shares of Rs.10/- each. The present issued and subscribed capital of the company is Rs. 13.51 crores divided into 1,35,14,900 equity shares of Rs. 10/- each. There are no calls in arrears and no partly paid up shares in the company.

6. The company had vide its EGM held on January 10, 2004 passed a resolution in terms of section 81 to issue and allot upto One crore Equity shares of the face value of Rs. 10/- each to the existing shareholders of M/s.Parsoli U.K Ltd., in lieu of taking over of M/s. Parsoli U.K Ltd. The Foreign Investment Promotion Board (FIPB) at the Ministry of Finance had passed an order dated July 8, 2004 approving the takeover of Parsoli U.K. Ltd. by PCL. Subsequently the company had allotted One crore shares of Rs. 10/- each to the share holders of Parsoli U.K. Ltd. These shares which were alloted on 30.07.2004 are yet to be listed with BSE and ASE. The company has made application vide its letter dated 29th September 2004,with BSE and ASE for the listing of shares issued on preferential basis. In this regard the company had received a letter from BSE dated March 1, 2005 (No. List/sdm/rk/pdk/2005), by which they have advised the company to take necessary steps to comply with the takeover regulations and file with the exchange the certified true copy of 45 days Report in respect of the Open Offer made through this letter of offer. The company is complying with the SEBI (SAST) Regulations, because it is a condition for getting the shares listed. The shares will be listed after the said Open offer is completed.

7. The company had issued 10000000 equity shares of Rs. 10/- each at par to the shareholders of M/s Parsoli Corporation (U.K.) Ltd bearing distinctive nos. 35,14,901 to 1,35,14,901 for acquiring the entire business of Parsoli Corporation (UK) Ltd for consideration other than cash. The company had allotted 50,00,000 equity shares to MR. Zafar Sareshwala and 50,00,000 equity shares to Mr. Habibullah Akudi, who are the shareholders of Parsoli (UK) Ltd.

8. **Share Capital Structure**

| **PAID-UP EQUITY SHARES OF TARGET COMPANY** | **NO. OF SHARES /VOTING RIGHTS** | **%AGE OF SHARE CAPITAL** |
|---|---|---|
| Fully paid up shares | 1,35,14,900 | 100.00 |
| Partly paid up shares | -- | -- |
| **TOTAL** | 1,35,14,900 | **100.00** |

There are no outstanding convertible instruments (warrants/ FCDs /PCDs) etc.

9. **Build up of capital structure of the company as per original allotments made:**

| **Date of allotment** | **No. and % of shares issued** | | **Cumulative paid up capital** | **Mode of allotment** | **Identity of allottees (promoters / ex-promoters/ others)** | **Status of Compliance** |
|---|---|---|---|---|---|---|
| | No. of Shares | % | | | | |
| 21.11.90 | 2 | 0.00 | 20 | Cash | Promoter group | All compliances |

| | | | | | | |
|---|---|---|---|---|---|---|
| 07.11.91 | 520 | 0.004 | 5220 | Cash | -----do----- | compliances are fulfilled and shares are listed with the stock exchanges at BSE and ASE |
| 31.08.94 | 199478 | 1.48 | 2000000 | Cash | ------do----- | |
| 31.08.94 | 175000 | 1.29 | 3750000 | Cash | ------do----- | |
| 31.08.94 | 175000 | 1.29 | 5500000 | Cash | ------do----- | |
| 07.10.94 | 450000 | 3.33 | 10000000 | Cash | ------do----- | |
| 05.04.95 | 2514900 | 18.61 | 35149000 | Cash | Promoters and public | |
| 30.07.04 | 10000000 | 73.99 | 135149000 | Swapping of shares | Acquirers | FIPB, RBI and Authorised dealer approval received. Listing procedure under process. |
| **TOTAL** | **13514900** | **100.00** | | | | |
| | | | | | | |

## 9. Board Of Directors

The composition of Board of Directors as on the date of Public Announcement is as follows:

| Name | Residential Address | Experience | Qualifications | Date of Appointment |
|---|---|---|---|---|
| Mr. Uves Yunus Sareshwala<br>Managing Director | 6, Faize, Mohammedi Society, Paldi, Ahmedabad – 380 007 | 15 years of business experience. He handles the policy making and administration activities at PCL | B.Com (Economics) | 28.06.97 |
| Mr. Zafar Yunus Sareshwala<br>Director | 22, Northfield Road Dewsbury WF 13 2 JX - UK | 15 years experience in capital markets and international experience for around 10 years | Diploma in Mechanical Engineering, Marketing | 20.06.94 |
| Mr. Mohammed Iqbal Hawa<br>Director | Swastik Centre, 3rd floor, Navrangapura, Ahmedabad, 380 007 | 30 years experience in Legal profession | B.Com; L.L.M | 01.08.94 |
| Mr. Sanjay Shah<br>Director | ISHA VAISHYAM, Maitri Path Society, Mithakali, Navarangpura, Ahmedabad – 380 007 | 30 years experience in taxation and audit consultation as leading Chartered Accountant | B.Com; L.L.B; F.C.A; F.M.A.C.U (U.K) | 01.08.94 |

| | | | | |
|---|---|---|---|---|
| Mr. Habibullah Akudi Director | 2, Hope Street, Dewsbury, West Yorkshire, WF 13 2BT – UK | 8 years experience in marketing and business development | B.A (Economics) (Capital Market) | 30.06.99 |

**10. Compliance with listing and other statutory requirements:**

The company`s shares are listed on The Stock Exchanges at Mumbai and Ahmedabad. As regards the status of compliance with the listing requirement, the company has complied with all the compliances as per the listing agreement. No punitive action has been taken at any time by any of the stock exchanges.

1,00,00,000 shares which were allotted by the company to the acquirers on 30.07.04 subsequent to acquisition Parsoli UK Ltd., are yet to be listed on the stock exchanges and the procedure for the same is under process.

**11. Compliance with Chapter II of SEBI (SAST), Regulations 1997:**

As regards compliance with Chapter II of the SEBI (SAST) Regulations,1997 the target company has not complied with the Regulations for the years 1997, 1998, 1999, 2000, 2001, 2002, 2003 and 2005. Compliance with the Regulations for the year 2004 was made with a delay of 120 days. As regards compliance with Chapter II of the SEBI (SAST) Regulations,1997 by the Acquirers Mr. Zafar Sareshwala, the same as applicable for the year 2004 and 2005 and for Mr. Habibullah Akudi, the same as applicable for the year 2005 has been complied. Further as regards compliance with Chapter II of the SEBI (SAST) Regulations by the promoters and the major shareholder, the same has also not been complied for the various periods. Compliance with the Regulation by the promoters and the major shareholder was made only for the year 2004 and 2005. For the non compliances of Regulation 8 of SEBI (SAST) Regulations for the years 2003 –2004, SEBI may initiate suitable action at a later stage.

**12. Financial Highlights**

(i) *Profit & Loss Statement (Audited):-*

(Rs in lacs)

| PARTICULARS | PERIOD ENDED 30.09.04 (Audited) | YEAR ENDED 31/03/2004 (Audited) | YEAR ENDED 31/03/2003 (Audited) | YEAR ENDED 31/03/2002 (Audited) |
|---|---:|---:|---:|---:|
| Net income from Sale of Securities | 32.98 | 9.05 | 19.12 | 28.77 |
| Brokerage Income | 14.02 | 13.95 | 3.26 | 8.78 |
| Income from Travel Division | 21.65 | 1.60 | 0.56 | 0.44 |
| Interest/ Dividend Income | 4.78 | 15.86 | 11.16 | 13.18 |
| Other Income | 4.12 | 0.12 | 0.17 | 5.73 |
| Total Income | **77.55** | **40.58** | **34.27** | **56.90** |
| Total Expenditure | 7.76 | 22.00 | 16.09 | 39.31 |
| Profit Before Depreciation, | 69.79 | 18.58 | 18.18 | 17.59 |

| | | | | |
|---|---|---|---|---|
| Interest and Tax | | | | |
| Depreciation | 5.77 | 14.09 | 14.74 | 14.68 |
| Interest | 0.96 | 1.39 | 1.26 | 1.46 |
| Profit before Tax | 63.06 | 3.10 | 2.18 | 1.45 |
| Provision for tax | 0.00 | 0.24 | 0.16 | 0.10 |
| Profit After Tax | **63.06** | **2.86** | **2.02** | **1.35** |

(ii) *Balance Sheet Statement(Audited) :*

(Rs in lacs)

| PARTICULARS | PERIOD ENDED 30.09.04 (Audited) | YEAR ENDED 31/03/2004 (Audited) | YEAR ENDED 31/03/2003 (Audited) | YEAR ENDED 31/03/2002 (Audited) |
|---|---|---|---|---|
| ***Source of Funds :-*** | | | | |
| Paid up Share Capital | 1351.49 | 351.49 | 351.49 | 351.49 |
| Reserve & Surplus (excluding revaluation reserves) | 282.90 | 219.83 | 227.25 | 225.24 |
| Secured Loans | 3.79 | 0.12 | 7.19 | 7.50 |
| Unsecured Loans | 32.28 | 31.95 | 1.00 | 0.00 |
| **TOTAL-** | **1670.46** | **603.39** | **586.93** | **584.23** |
| ***Uses of Funds :-*** | | | | |
| Net Fixed Assets | 186.81 | 187.75 | 127.57 | 142.21 |
| Investments | 1062.55 | 62.55 | 76.52 | 78.41 |
| Net Current Assets | 351.55 | 312.03 | 348.35 | 327.91 |
| Total Miscellaneous Expenditure not written off | 11.68 | 4.84 | 6.68 | 8.52 |
| Branch / division | 57.88 | 36.22 | 27.81 | 27.18 |
| **TOTAL** | **1670.46** | **603.39** | **586.93** | **584.23** |

(iii) Unaudited Certified brief Financial Highlights of PCL for the quarter ended December 31, 2004 and cumulative for the 9 months period ended on 31st December 2004

*(Rs. in Lacs)*

| PARTICULARS | QUARTER ENDED 31.12.04 (Unaudited) | FOR THE 9 MONTHS PERIOD ENDED ON 31.12.2004 (Unaudited) |
|---|---|---|
| Interest earned, Operating Income | 256.82 | 572.88 |
| Other Income | 47.07 | 91.64 |
| Total Income | 303.89 | 664.52 |
| Interest Expended | (0.21) | (0.66) |
| Operating Expenses | (230.44) | (162.62) |
| Operating Profit | 73.24 | 142.10 |

| | | |
|---|---|---|
| Depreciation | (2.75) | (7.52) |
| Profit Before Tax | 70.50 | 134.58 |
| Tax | (10.00) | (10.00) |
| Profit after tax | 60.50 | 124.58 |
| Net Profit | 60.50 | 124.58 |
| Equity Capital | 1351.49 | 1351.49 |
| EPS | 0.45 | 0.92 |

*(iv) Other Financial Data :-*

| **PARTICULARS** | **30.09.04** | **31.03.04** | **31.03.03** | **31.03.02** |
|---|---|---|---|---|
| Dividend (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| Earning Per Share (Rs) | 0.47 | 0.08 | 0.06 | 0.04 |
| Return on Net Worth (%) | 3.89 | 0.50 | 0.35 | 0.24 |
| Book Value per Share (Rs) | 12.00 | 16.12 | 16.27 | 16.16 |

Book value =(Share Capital + Reserves – Miscellaneous exp.)/ total no. of shares issued
EPS = PAT/ total no. of shares issued
Return on networth = PAT/ =(Share Capital + Reserves – Miscellaneous exp.)

**13. Reasons for Fall/rise in total income and PAT for the financial year 2002-2003 and 2003-2004.**

**2002-2003**

The company began the year still trying to cope with the adverse impact of the communal riots on its business. Due to the attack on the premises of the company and the ensuing curfew imposed on most areas and the continuing communal riots for months forced the company to remain closed for a longer period at a stretch resulting in loss of business and clients. The company was only able to operate sporadically for a few days only in the following eight months due to continuing violence in the city The company had to restart from scratch as the company had lost most of its clients due to the prolonged coerced closure of the operations. Overall the year was tough having to cope of with the cascading effect of the violent communal riots during the financial year.

**2003-2004**

During this financial year, the company has shown marked improvement in the performance, increasing turnover and profitability. Having had to start from scratch, the company did well to improve its performance. The company managed to earn a net profit of Rs. 2.86 lacs as compared to Rs. 2.02 lacs during the previous year. The company has since embarked on a strategic initiative to create a database of individuals with surplus wealth. The company has also started a direct mail campaign to target the individuals which has had a positive impact on the volumes and profitability of the company.

**14. Pre and Post offer shareholding pattern of the Target Company is as follows: -**

| Shareholders Category | Shareholding & Voting rights prior to the preferential allotment (A) | | Shareholding & Voting Rights post preferential allotment (B) | | Shares & Voting Rights to be acquired in open offer (assuming full acceptances). (C) | | Shareholding & Voting Rights after the Preferential allotment and offer (D) | |
|---|---|---|---|---|---|---|---|---|
| | | | No. | % | No. | % | No. | % |
| 1) Promoter Group | | | | | | | | |
| (a) Promoter | 1629105 | 46.35 | 1629105 | 12.05 | -- | -- | 1629105 | 12.05 |
| (b) Acquirer | | | | | | | | |
| Mr. Zafar Sareshwala | 208100 | 5.92 | 5208100 | 38.54 | } 1677695 | } 12.41 | } 11885795 | } 87.95 |
| Mr. Habibullah E Akudi | -- | -- | 5000000 | 37.00 | } | } | } | } |
| (c) Other Persons Acting in concert | -- | -- | -- | -- | -- | -- | -- | -- |
| Total 1(a+b+c) | 1837205 | 52.27 | 11837205 | 87.59 | 1677695 | 12.41 | 13514900 | 100.00 |
| 2) Public (other than parties to agreement, Acquirers) | | | | | | | | |
| a.Fis/MFs/FIIs/Banks, SFIs | 44100 | 1.25 | 44100 | 0.32 | } (1677695) | } (12.41) | } (0.00) | } (0.00) |
| b. Others | 1633595 | 46.48 | 1633595 | 12.09 | } | } | } | } |
| Total 2 (a+b) | 1677695 | 47.73 | 1677695 | 12.41 | (1677695) | (12.41) | (0.00) | (0.00) |
| **Total (1+2)** | **3514900** | **100.00** | **13514900** | **100.00** | **--** | **--** | **13514900** | **100.00** |

**Note:- 1)**The percentage of shareholding in the column B, C and D has been calculated on the basis of post preferential share capital of the company.

Since the acquirers Mr. Habibullah E Akudi and Mr. Zafar Sareshwala are the directors of PCL and Mr. Zafar Sareshwala was also the promoter of the company, their shareholding has been mentioned in the promoter group and has been shown separately under the heading of the Acquirers.

The promoters shall not participate in this open offer.

The Acquirers have not acquired any shares of the target company after the Public Announcement till the date of Letter of offer. The Target Company is not a sick Industrial company within the meaning of clause (o) of Sub-Section (I) of Section 3 of the Sick Industries Companies (Special Provision) Act, 1985. The total number of shareholders in the public category is 2825.

**15. Status Of Corporate Governance**

The company has complied with the provisions of clause 49 of the listing agreement regarding Corporate Governance. There are no pending litigations of PCL as regards matters relating to corporate governance

**16. Compliance Officer**

**Mr. Talha Sareshwala**
B / 6-8 Shalimar Complex
Mahalaxmi Five Roads
Paldi, Ahmedabad- 380 007
Tel : 079 26631231 / 26637144
Fax : 079 26634958

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1. JUSTIFICATION OF OFFER PRICE

1. The equity shares of the Target Company are listed on the The Stock Exchanges at Mumbai and Ahmedabad.

2. The details of shares traded during the 6 calendar months prior to the month in which the board meeting was held (i.e. December 12, 2003) wherein the proposal for issuance of shares on preferential basis to the shareholders of Parsoli (UK) Ltd. was taken .(i.e. from June, 2003 to November 2003) is as under:

| NAME OF THE STOCK EXCHANGE | TOTAL NO. OF SHARES TRADED DURING THE 6 CALENDAR MONTHS PRIOR TO THE MONTH IN WHICH THE BOARD MEETING FOR PREFERENTIAL ISSUE WAS HELD | TOTAL NO. OF LISTED SHARES | ANNUALIZED TRADING TURNOVER ( IN TERMS OF % TO TOTAL LISTED SHARES ) |
|---|---|---|---|
| BSE | NIL | 3514900 | NIL |
| ASE | NIL | 3514900 | NIL |

3. The Shares of the Company are infrequently traded on The Stock Exchange, Mumbai and there was no trading of shares on the Ahmedabad Stock exchange. The offer price of Rs. 13.2/- per share (offer price Rs. 12/- + interest Rs. 1.2/- per share) has been arrived at as per the Regulation 20 (5) of the SEBI Takeover Regulations taking into account the following :

   (i) The negotiated price under the agreement, which in this case is not applicable (Regulation 20 (5)(a)).

   (ii) The Acquirers have been allotted 1,00,00,000 equity shares of PCL representing 74 % of the post issue paid up capital on 30.07.2004 at a price of Rs. 10/- per share on preferential allotment basis. (Regulation 20(5)(b)).

   (iii) Other financial parameters based on the audited results of the Company as on 30.09.2004 such as Book value of Rs. 12.00 per share [ Book value =(Share Capital + Reserves – Miscellaneous exp.)/ total no. of shares issued], EPS Rs. 0.47 per share [EPS = PAT/ total no. of shares issued] and Return on Networth

3.89% [ Return on networth = PAT/(Share Capital + Reserves – Miscellaneous exp.)] (Regulation 20(5)(c))

4. The offer price of Rs. 13.20 per share including interest of Re. 1.2/- calculated @ 10% for the period of 11 months (i.e. from 27th November 2004 to 25th October 2005). This period is the difference between the last date of payment of consideration to the shareholders if the Public announcement was released within four days of the date on which agreement for the acquisition os shares was entered i.e. 27th July 2004 and the actual date of payment of consideration under this offer i.e. 25th October 2005.

5. The offer price is justified in terms of Regulation 20(5) of the SEBI (SAST), Regulations, 1997.

6. There is no non-compete agreement.

7. In view of the above, the Offer Price payable under this Offer is in compliance with the Takeover Regulations. All other parameters suggest that the price of Rs. 13.2/- per share (offer price Rs. 12/- + interest @ Rs. 1.2/- per share) is just and reasonable in terms of the regulation 20(11) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

8. The offer price shall not be less than the highest price paid by the Acquirer for any acquisition of the shares of the Target Company from the date of PA up to 7 working days prior to the closure of the offer (i.e. upto October 11, 2005)

9. On 12th December 2003 the Board of Directors have passed the necessary resolution for issuance of shares on preferential basis to the Shareholders of Parsoli UK Ltd and had called the Extra Ordinary General Meeting of the members of the company for the same on 10th January 2004.

### 6.2 FINANCIAL ARRANGEMENTS

1. The maximum purchase consideration (including interest) payable by the Acquirer in the case of full acceptance of the offer is Rs. 221.46 lacs (Rupees Two crores Twenty one Lacs Fourty Six Thousand Only).

2. The Acquirers have deposited an amount of Rs. 55.38 Lacs (Rs. Fifty Five Lacs and Thirty Eight Thousand only) towards escrow amount with HDFC Bank Limited, Mithakali Branch, Navrangpura, Ahmedabad-9 i.e. more than 25% of the total consideration payable. The Manager to the offer has been duly authorized by the Acquirers to realize the value of escrow account in terms of the SEBI (SAST) Regulations.

3. The Acquirers have made arrangement towards firm financial resources to fulfill the obligations under the open offer. The sources of funds shall be through internal resources of the Acquirers. No borrowing from Bank/ Financial Institution is being made for the purpose. All the funds will be domestic and no foreign funds will be utilized.

4. M/s. Aniket Shaishav & Associates, Chartered Accountants (membership no. of Mr. Aniket B Shah is 37510), having their office at 410, 4th Floor, Spectrum Commercial Centre, Salapas Road, Nr. GPO., Ahmedabad – 380 001, Telephone No. : (079) 25500082 have confirmed vide their certificate dated 23.05.2005 that sufficient resources are available with the Acquirers to fulfill their obligations under the offer.

5. Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the offer in accordance with the Regulations. The Manager to the offer confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill offer obligations.

## 7. TERMS AND CONDITIONS OF THE OFFER

### A. Eligibility for accepting the offer

1. This offer is made to all the fully paid up equity shareholders (except Acquirers) whose names appear in the register of shareholders of PCL on June 27, 2005 (the Specified Date) and also to those persons who own the shares any time prior to the closure of the offer, but are not the registered shareholder(s) and to the beneficial owners of the shares of PCL whose names appear on the beneficial records of the respective depositories at the close of the business on June 27, 2005 (the Specified Date).

2. The shares of the Target Company are partly in dematerialised form and partly in physical form.

3. The Acquirers, will acquire for cash, Equity Shares of the Target Company to the extent of valid acceptances received under this offer.

4. The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement constitute part of the terms of the offer.

5. In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of shares held, Distinctive Nos., Folio No., No. of shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e. October 11, 2005. Accidental omission to dispatch this document to any person to whom this offer is made or non-receipt of this offer shall not invalidate the offer in any way.

6. Acquirers are confident of completing all the formalities pertaining to the Acquisition of the said shares, within 15 days from the date of closure of this offer including payment of consideration to the shareholders who have accepted the offer and for the purpose shall open a special account as provided under Regulation 29 of the SEBI (SAST) Regulation. Provided that where the Acquirers are unable to make payment to the shareholders who have accepted the offer before the said period of 15 days due to non-receipt of requisite statutory approvals, the Board may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by the Board from time to time.

7. Each Shareholder of PCL to whom this offer is being made, is free to offer his shareholding in whole or in part while accepting this offer.

8. Subject to the conditions governing this offer as mentioned in this offer document, the acceptance of this offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

9. The Acquirers would be responsible for ensuring compliance with the regulations.

10. The market lot for shares in demat form is 1 share and for the shares in the physical form is 100 shares.

**B. Locked in Shares**

None of the shares of the target company are under lock-in.

**C. Statutory approvals**

1. To the knowledge of the Acquirers, no statutory approvals are required to acquire the shares that may be tendered pursuant to the Offer except permission from RBI for the shares that may be tendered under the offer since both the acquirers are not Indian Citizens. If any other statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals. In case the statutory approvals are not obtained, the Acquirers will not proceed with the Offer.

2. In case of delay in receipt of any statutory approval, if any, SEBI has the power to grant extension of time to Acquirers for payment of consideration to the shareholders subject to Acquirers agreeing to pay interest as directed by SEBI under Regulation 22(12). If the delay occurs due to the wilful default of the Acquirers in obtaining the requisite approvals, Regulation 22(13) will become applicable.

## 8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

1. The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the fully paid up equity shareholders of PCL (except the Acquirers) whose names appear on the Register of Members of PCL and also to those persons who own the shares any time prior to the closure of the offer, but are not the registered shareholder(s) and to the beneficial owners of the shares of PCL whose names appear on the beneficial records of the respective depositories at the close of the business on June 27, 2005 (the Specified Date).

2. Shareholders who wish to tender the shares will be required to send the Form of Acceptance cum Acknowledgement duly completed and signed by all the shareholders, Original Share Certificate (s) and Transfer Deed (s) duly signed in case of Joint Holdings in the same order as per the specimen signatures lodged with PCL and witnessed (if possible by a Notary Public or Bank Manager or Member of Stock Exchange with membership number) to the Registrar to the Offer- Intime Spectrum Registry Limited ., either by hand delivery during normal business hours or by Registered Post on or before the close of the offer i.e. October 11, 2005 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgement. In case the shares stand in the name of a sole shareholder who is deceased, notarised copy of the legal representative obtained from a competent court.

3. The Registrar to the Offer has opened a Special Depository Account with HDFC Bank Beneficial Owners and Shareholders holding shares in the dematerialised form, will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the Offer either by hand delivery during normal business hours or by Registered Post on or

before the close of the offer i.e. October 11, 2005, along with photocopy of the delivery instructions in " Off Market" mode or counterfoil of the delivery instruction in "Off Market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of Intime Spectrum Registry Limited - Escrow A/c for Parsoli Corporation Limited, filled in as per the instructions given below :-

| | |
|---|---|
| DP Name | :.HDFC Bank |
| Client ID No. | : 18811209 |
| DP ID No. | : IN 301549 |

The address of the collection centre of the Registrar, for the purpose of the offer is as follows: -

| Name & Address | Mode of Delivery | Business Hours |
|---|---|---|
| **REGISTRAR TO THE OFFER**<br>**Intime Spectrum Registry Limited**<br>C-13, Pannalal Silk Mills Compound,<br>L.B.S. Marg, Bhandup(W),<br>Mumbai- 400 078<br>Tel: No. (022) 55555326<br>Fax: No. 55555353<br>Email: isrl@intimespectrum.com | Registered Post and / or Hand delivery | Monday to Friday<br>11.00 a.m. to 4.00 p.m. (excluding Bank Holidays)<br><br>Saturday<br>11.00 a.m. to 1.00 p.m |

4. All owners of fully paid up equity shares, registered or unregistered (except the Acquirers), and the beneficial owners of the shares of PCL who own the shares at any time prior to the closure of the offer are eligible to participate in the offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares Offered, Distinctive Numbers, Folio No., together with the Original Share Certificate(s), valid transfer deed(s) and a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

5. The Registrar to the Offer will hold in trust the shares/ share certificates, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of PCL who have accepted the offer, until the cheques / drafts for the consideration and/ or the unaccepted shares/ share certificates are dispatched/ returned.

6. Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders/ unregistered owners sole risk to the sole/ first shareholder. Shareholders whose shares are held in dematerialized form to the extent not accepted will be intimated by post for the non acceptance.

7. In case the shares tendered in the open offer are more than the shares agreed to be acquired by the Acquirers, the Acquirers shall accept all valid applications received from the shareholders of the company on a Proportionate basis, in consultation with the Merchant banker, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in in non marketable lots.

8. In accordance with Regulation 22(5)(A) of the Takeover Regulations, shareholders who have tendered the requisite documents in terms of Public Announcement and Letter of Offer shall have option to withdraw acceptances tendered up to 3 working days prior to the Offer Closing Date i.e. on or before October 5, 2005. The withdrawal option can be exercised by submitting the Form of withdrawal (separately enclosed with the Letter of Offer) and the

copy of the acknowledgement received from the Manager to the offer while tendering the acceptance together with the following details:

i) In case of physical shares: Name, address, distinctive numbers, folio nos., number of Shares tendered / withdrawn.

ii). In case of dematerialized shares: Name, address, number of shares tendered/withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy for delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favor of the Depository Escrow account.

9. Shares, if any, that are the subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these shares are not received together with the shares tendered under the offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

10. Shareholders who have sent their shares for demat need to ensure that the process of getting shares dematted is completed well in time so that the credit in the Escrow Account should be received on or before the date of closure of the Offer, i.e. October 11, 2005 else the application would be rejected.

**THE DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRERS /SELLERS AND PARTIES TO THE AGREEMENT.**

The shareholders also have an option to download the form of acceptance from SEBI's website (www.sebi.gov.in) and apply in the same.

## 9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at B / 6-8 Shalimar Complex Mahalaxmi Five Roads, Paldi, Ahmedabad- 380 007 Tel : 079 26631231 /26637144 between 11:00 a.m. to 4:00 p.m. during the Offer Period.

1. Memorandum of Association & Articles of Association (including Certificate of Incorporation) of M/s. Parsoli Corporation Limited.

2. Copy of the Public Announcement.

3. Copies of Audited Annual Reports of PCL as at 31.03.2002, 31.03.2003 and 31.03.2004 and 30.09.2004.

4. Copies of certificate dated 23.05.2005 from M/s. Aniket Shaishav & Associates, Chartered Accountants (membership no. of Mr. Aniket B Shah is 37510) certifying the adequacy of financial resources of the Acquirers to fulfill the offer obligations.

5. Copies of certificate dated 23.05.2005 from M/s. Aniket Shaishav & Associates, Chartered Accountants (membership no. of Mr. Aniket B Shah is 37510), certifying the net worth of the Acquirers.

6. Fixed Deposit Receipt from with HDFC Bank Limited, Mithakali Branch, Navrangpur, Ahmedabad-9 towards money kept in the Escrow account and a lien in favor of the Merchant Banker i.e. Aryaman Financial Services Ltd.

7. A copy of agreement entered into with Intime Spectrum Registry Limited and HDFC Bank., for opening a special depository account for the purpose of the offer.

8. A copy of the agreement the agreement dated July 23, 2004 pursuant to which preferential allotment was made.

9. Copy of special resolution passed in the Extra Ordinary General Meeting (EGM) of shareholders held on 10.01.2004.

10. The copy of order dated July 8, 2004 passed by Foreign Investment Promotion Board (FIPB) at the Ministry of Finance, approving the takeover of Parsoli U.K. Ltd. by PCL

11. Copy of SEBI letter CFD/DCR/AG/48929/05 dated September 6, 2005.

## 10. DECLARATION

1. The Acquirers having made all reasonable inquiries, accept responsibility for, and confirm that this letter of offer contains all information with regard to the offer, which is material in the context of the issue, that the information contained in this 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.

2. Each of the Acquirers would be severally and jointly responsible for ensuring compliance with the Regulations.

3. We hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 have been complied with and no statements in the offer document is contrary to the provisions of Companies Act, 1956 and SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997.

**Signed by :**

Mr. Zafar Sareshwala
sd/-

Mr. Habibullah Akudi
sd/-

**Date: 19th September 2005**
**Place: Mumbai**

Enclosures: (1) Form of Acceptance cum Acknowledgement
(2) Form of Withdrawal

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

**FORM OF ACCEPTANCE- CUM -ACKNOWLEDGEMENT**

**OFFER SCHEDULE**

| | |
|---|---|
| OFFER OPENS ON | : 22.09.2005 |
| OFFER CLOSES ON: | 11.10.2005 |

From :-

Folio No.: Sr.No.: No of Shares Held

Tel No: Fax No: E-Mail:

**To:**
**Intime Spectrum Registry Limited**
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup(W),
Mumbai- 400 078
Tel: No. (022) 55555326

**Sub.: Open offer for purchase of 16,77,695 equity shares of PCL representing 12.41% of the equity share capital at a price of Rs. 13.2/- per share by Mr. Zafar Sareshwala and Mr. Habibullah Akudi (Acquirers)**

Dear Sir,

I/We refer to the Letter of Offer dated 19th September 2005 for acquiring the equity shares held by me/us in PCL.

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, accept the Offer and enclose the original share certificate (s) and duly signed transfer deed (s) in respect of my/our shares as detailed below:

| **Sr. No.** | **Certificate Nos.** | **Distinctive Nos** | | **No of equity Shares** |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| **Total Number of Equity shares** | | | | |

(In case of insufficient space, please use additional sheet and authenticate the same)

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers pay 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.

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

I/We hold shares in demat form and accept the Offer and enclose photocopy of the Delivery instruction duly acknowledged by DP in respect of my equity shares as detailed below:

| DP Name | DP ID | Client ID | No. of Shares | Name of Beneficiary |
|---|---|---|---|---|
| | | | | |

I/We have done an off market transaction for crediting the shares to the Escrow Account named Intime Spectrum Registry Limited - Escrow A/c for M/s Parsoli Corporation Limited, filled in as per the instructions given below :-

| | |
|---|---|
| DP Name | :.HDFC Bank |
| Client ID No. | : 18811209 |
| DP ID No. | : IN 301549 |

Shareholders having their beneficiary account with CDSL have to use inter-depository slip for purpose of crediting their shares in favour of the special depository account with NSDL.

I/We note and understand that the Shares would lie in the Escrow Account until the time the Acquirers makes payment of purchase consideration as mentioned in the Letter of Offer.

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

I/We authorize the Acquirers to accept the shares so offered which it may decide to accept in consultation with the Registrar to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorize the Acquirers or the Registrar to the Offer to send by registered post (under UCP if less than Rs. 1,500/-) the draft/cheque in settlement of the amount to the sole/first holder at the address mentioned below:

Yours faithfully,

Signed and Delivered:

| | **FULL NAME(S)** | **SIGNATURE(S)** |
|---|---|---|
| First / Sole Shareholder | | |
| Second Shareholder | | |
| | | |

| | | |
|---|---|---|
| Third Shareholder | | |

Note : In case of joint holdings, all holders must sign. A corporation must affix its common seal.

Address of First/Sole Shareholder

______________________________________________________________________________

______________________________________________________________________________

Place : Date:

So as to avoid fraudulent encashment in transit, shareholder(s) may provide details of bank account of the first / sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank ___________________________________________ Branch _______________

Account Number ____________________________________________ Savings/Current/Others

(Please Specify)________________________

Business Hours : Mondays to Friday : 11.00 a.m. to 4.00 p.m.
Holidays : Sundays and Bank Holidays

All queries in this regard to be addressed to the Registrar to the Offer quoting your Folio No.

**- - - - - - - - - - - - - - - - - - - - - - - - - - Tear along this line - - - - - - -------------------------------------------------------**

Folio No.: Serial No. Acknowledgement Slip

Received from Mr./Ms.
________________________________________________

Address_________________________________________

Number of certificate(s) enclosed ______
Certificate Number(s) _______________

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

Total number of share(s) enclosed _____________________

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 overleaf.

**FORM OF WITHDRAWAL**

| | |
|---|---|
| **You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to this offer any time upto three working days prior to the date of closure of offer. In case you wish to withdraw your acceptance please use this form.** | **OFFER SCHEDULE**<br><br>**OFFER OPENS ON : 22.09.2005**<br><br>**LAST DATE OF WITHDRAWAL : 05.10.2005**<br><br>**OFFER CLOSES ON : 11.10.2005** |

From:

Tel No. Fax No.: E-mail:

To,
**Intime Spectrum Registry Limited**
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup(W),
Mumbai- 400 078
Tel: No. (022) 55555326

**Sub.: Open offer for purchase of 16,77,695 equity shares of PCL representing 12.41% of the equity share capital at a price of Rs. 13.2/- per share by Mr. Zafar Sareshwala and Mr. Habibullah Akudi (Acquirers)**

Dear Sir,

I/We refer to the Letter of Offer dated 19th September 2005 for acquiring the equity shares held by me/us in PCL.

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

I/We wish to withdraw our acceptance tendered in response to the said offer. We had deposited/sent our 'Form of Acceptance' to you on __________ alongwith original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

**(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')**

| **Sr. No.** | **Certificate No.** | **Distinctive No(s)** | | **No. of Shares** |
|---|---|---|---|---|
| | | **From** | **To** | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| **Total number of equity shares** | |
|---|---|

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed will be held in trust for me/us by you and **authorize you not to remit** the consideration as mentioned in the Letter of Offer.

FOR SHARES HELD IN DEMAT FORM:

I/We wish to withdraw our acceptance tendered in response to the said offer. I/We had done an off market transaction for crediting to the Escrow Account named Intime Spectrum Registry Limited - Escrow A/c for M/s Parsoli Corporation Limited – Open Offer, filled in as per the instructions given below :-

DP Name :.HDFC Bank
Client ID No. : 18811209
DP ID No. : IN 301549

You are requested to recredit the shares back to my/our demat account as detailed herein under.

| DP Name | DP ID | Client ID | No. of Shares | Name of Beneficiary |
|---|---|---|---|---|
| | | | | |

I/We authorise the Acquirers to reject the shares so offered which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer.

Yours faithfully,

Signed

| | **FULL NAME(S)** | **SIGNATURE(S)** |
|---|---|---|
| First/Sole Shareholder | | |
| Second Shareholder | | |
| Third Shareholder | | |

Address of First/Sole Shareholder

____________________________________________________________
____________________________________________________________
____________________________________________________________

Place:
Date:

**Note: In case of joint holdings, all holders must sign. A corporation must affix its common seal.**

**-----------------------------------------------------TEAR HERE-----------------------------------------**

Folio No.\DP ID Client ID.: Serial No.: **(Acknowledgement Slip)**

Received from Mr./Ms. ______________________________________________

Address ______________________________________________

______________________________________________

Form of withdrawal in respect of __________ Number of Share

Certificates representing _________ number of shares.

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