

## 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 **PARASNATH TEXTILES LIMITED**. If you require any clarifications about the action to be taken, you may consult your Stock Broker or investment consultant or Manager/Registrar to the Offer. 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 and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.*

#### OPEN OFFER

By

#### **LUHARUKA SALES & SERVICES PRIVATE LIMITED ("Acquirer" or "LSSPL")**

having its registered office at A- 301, Hetal Arch, Opp. Natraj Market, S.V. Road, Malad (West), Mumbai – 400064  
Tel No. (022) 2882 5509, Fax No (022) 2889 2527, E-mail: [luharuka.sales@rediffmail.com](mailto:luharuka.sales@rediffmail.com)

**to the shareholders of**

#### **PARASNATH TEXTILES LIMITED ("Target Company" or "PTL")**



having its registered office at 17, Dover Road, Kolkata—700019

Tel No: (033) 2476 7061, Fax No. (033) 2486 4146, E-mail : [gksaraf@hotmail.com](mailto:gksaraf@hotmail.com)

For the acquisition of 1,47,260 (One Lac Forty Seven Thousand Two Hundred Sixty Only) fully paid-up equity shares of Rs.10/- each, representing 20.00% of the equity and voting share capital at a price of Rs. 46/- per share inclusive of interest of Rs. 17.75/- per share ("**Offer Price**") payable in cash ("**Offer**" or "**Open Offer**"), in accordance with regulation 20(2)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof ( the "**Regulations**"), from the equity shareholders of the Target Company.

#### **Please Note:**

1. This Offer is being made in compliance with Regulation 10 & 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof (hereinafter referred to as "Regulations").
2. The Offer is subject to receiving the necessary approval(s), if any, from the Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders. In case of acceptances from Non-Resident shareholders, the Acquirer would after the closure of the Offer, make the requisite applications to RBI to obtain its approval for transfer of such shares of PTL to the Acquirer. There are no other statutory approvals required to acquire equity shares that are tendered pursuant to this Offer. However, the offer would be subject to all-statutory approvals as may be required and/or may subsequently become necessary to acquire at any later date.
3. If there is any upward revision in the Offer Price/Size at any time up to seven working days prior to the date of closure of the Offer viz. 25.01.2011 or withdrawal of the Offer in terms of the regulation, the same would also be informed by way of a Public Announcement in the same newspapers where the original Public Announcement dated 29.09.2010, First Corrigendum to Public Announcement dated 30.12.2010 & Second Corrigendum to Public Announcement dated 05.01.2011 had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer.
- 4. As the Offer price cannot be revised during 7 working days prior to the closing date of the Offer , 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.**
5. Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer, can withdraw the same up to 01.02.2011 i.e. three working days prior to the closure of the Offer.
6. The offer is not subject to a minimum level of acceptance by the shareholders of PTL and thus it is not a conditional offer.
- 7. No Competitive bid has been announced as on the date of this Letter of Offer.**
8. The Procedure for acceptance is set out in Para 8 of this Letter of Offer. A Form of Acceptance and a Form of Withdrawal is enclosed with this Letter of Offer.
9. The Public Announcement, First Corrigendum to Public Announcement, Second Corrigendum to Public Announcement and Letter of Offer (including Form of Acceptance and Form of Withdrawal) would also be available at SEBI website [www.sebi.gov.in](http://www.sebi.gov.in).

	<b>MANAGER TO THE OFFER:</b>		<b>REGISTRAR TO THE OFFER</b>
	<b>VC CORPORATE ADVISORS PVT. LTD</b> SEBI REGN NO: INM000011096 (Contact Person: Ms. Neha Dalmia) 31, Ganesh Chandra Avenue, 2 <sup>nd</sup> Floor, Suite No. 2C, Kolkata – 700 013 Tel: - (033) 2225 3940 / 3941/ 4116, Fax: (033) 2225 3941 Email: <a href="mailto:mail@vccorporate.com">mail@vccorporate.com</a>		<b>BIGSHARE SERVICES PRIVATE LIMITED</b> SEBI REGN No : INR000001385 (Contact Person: Mr. Babu Raphael) E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai-400 072 Tel: (022) 4043 0200 Fax: (022) 2847 5207 E-mail: <a href="mailto:openoffer@bigshareonline.com">openoffer@bigshareonline.com</a>
	<b>OFFER OPENS ON :17.01.2011</b>		<b>OFFER CLOSES ON: 05.02.2011</b>

**A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:**

<b>Activities</b>	<b>Original Date</b>	<b>Original Day</b>	<b>Revised Date</b>	<b>Revised Day</b>
Date of publication of Public Announcement	29.09.2010	Wednesday	29.09.2010	Wednesday
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	08.10.2010	Friday	08.10.2010	Friday
Last Date for a Competitive Bid, if any	20.10.2010	Wednesday	20.10.2010	Wednesday
Date by which the Letter Of Offer to be Dispatched to the shareholders	11.11.2010	Thursday	11.01.2011	Tuesday
Date of Opening of the Offer	19.11.2010	Friday	17.01.2011	Monday
Last date for revising the Offer Price / Number of Shares	29.11.2010	Monday	25.01.2011	Tuesday
Last date for Withdrawal of Acceptance by shareholders who have accepted the Offer	03.12.2010	Friday	01.02.2011	Tuesday
Date of Closing of the Offer	08.12.2010	Wednesday	05.02.2011	Saturday
Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate for the rejected shares will be dispatched.	23.12.2010	Thursday	19.02.2011	Saturday

**Risk Factors relating to the transaction, the proposed Offer and probable risks involved in associating with the Acquirer: -**

1. The offer involves an Offer to acquire 20.00% of the equity and voting share capital of PTL from the eligible persons for the Offer. In the case of oversubscription in the offer, as per the Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
2. In the event that either (a) a regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this LO. Consequently, the payment of consideration to the public shareholders of PTL whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of the statutory approvals, as per Regulation 22(12) of the Regulations, SEBI, may, if satisfied that the non-receipt of approval was not due to the willful default or negligence or failure to diligently pursue on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders, as may be specified by the SEBI. Further, shareholders should note that after the last date of withdrawal i.e. 01.02.2011, the shareholders who have lodged the shares would not be able to withdraw them even if the acceptance of the Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirer under the Offer. The Acquirer may not be able to proceed with the Offer in the event the approvals are not received in terms of the Regulation 27 of the Regulations. Delay, if any, in the receipt of these approvals may delay completion of the offer.

3. The Acquirer intends to acquire from the existing shareholders of the target company, upto 1,47,260 (One Lakh Forty Seven Thousand Two Hundred and Sixty Only) fully paid-up equity shares of Rs.10/- each, representing 20.00% of the equity and voting share capital at a price of Rs. 46/- (Rupees Forty Six Only) per share inclusive of interest of Rs. 17.75 per share payable in cash. PTL doesn't have any partly paid up shares as on date of the PA. The equity shares and documents tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities, and the shareholders will not be able to trade such equity shares.

The Acquirer and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Public Announcement or this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.

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

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## **DEFINITIONS / ABBREVIATIONS**

Acquirer/ LSSPL	Luharuka Sales & Services Private Limited
Board	The Board of Directors of the Target Company
ECS	Electronic Clearing Service
FOA or Form of Acceptance	Form of Acceptance – cum - Acknowledgment accompanying this Letter of Offer
FOW or Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
CSE	Calcutta Stock Exchange Limited (“CSE”)
Corrigendum to PA	First Corrigendum to Public Announcement dated 30.12. 2010 & Second Corrigendum to Public Announcement dated 05.01.2011
DSE	Delhi Stock Exchange Limited (“DSE”)
LO	Letter of Offer
Manager to the Offer	VC Corporate Advisors Private Limited
NRI(s)	Non- Resident Indians
NSDL	National Securities Depository Limited
CDSL	Central Depositories Services (India) Limited
Offer Period	23.09.2010 to 19.02.2011
Offer Price	Rs. 46/- (Rupees Forty Six Only) per share inclusive of interest of Rs. 17.75/- per share
Offer/Open Offer/ Public Offer	Cash Offer being made by the Acquirer to acquire 1,47,260 (One Lac Forty Seven Thousand Two Hundred Sixty Only) equity shares of Rs.10/- each, representing 20.00 % of the equity and voting share capital at a price of Rs. 46/- per share inclusive of interest of Rs. 17.75/- per share.
PA	Public Announcement dt. 29.09.2010
Sellers	Surface Holdings Limited, Tower Properties Pvt. Ltd., Saraf Holdings Pvt. Ltd., Aradhita Saraf, Shyam Sunder Saraf, Rama Devi Saraf, Sujata Saraf and Dev Saraf
Persons eligible to participate in the Offer	All owners (registered and unregistered) of shares of PTL
RBI	Reserve Bank of India
Registrar to the Offer	Bigshare Services Private Limited.
Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent Amendments thereof
SEBI	Securities & Exchange Board of India
SPA or Agreement	Share Purchase Agreement dtd. 23.09.2010 entered into between Acquirer and Sellers
Specified date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of PTL, to whom the Letter of Offer should be sent, i.e. 08.10.2010.
Target Company / PTL	Parasnath Textiles Limited
UPSE	U.P. Stock Exchange Limited (“UPSE”)

### **1. DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 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 EQUITY SHAREHOLDERS OF PTL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHO'S 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 MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER VC CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 12.10.2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILLING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER.**

## **2. DETAILS OF THE OFFER:**

### **2.1. Background of the Offer:**

- 2.1.1 This Offer is being made by the Acquirer in compliance with Regulation 10 & 12 of the Regulations. The prime object of the Offer by the Acquirer is to acquire substantial acquisition of shares / voting rights accompanied with change in control and management of PTL.
- 2.1.2 The Acquirer has entered into a Share Purchase Agreement ("**SPA**" or "**Agreement**") dated 23<sup>rd</sup> September, 2010 with the Promoter/Promoter Group (hereinafter collectively referred to as "**Sellers**") of the Target Company represented by Mr. Girish Kumar Saraf, S/o Shri Shyam Sunder Saraf residing at "ANUGRAH", 9, New Road, Alipore, Kolkata-700 027 acting through power of attorney and by resolutions of the promoter group Companies to acquire from them 5,40,500 (Five Lacs Forty Thousand Five Hundred Only) fully paid-up equity shares of Rs. 10/- each representing 73.41 % of the paid-up equity and voting share capital of PTL at a price of Rs. 6.50 (Rupees Six and Fifty Paise Only) per fully paid up equity share payable in cash ("**Negotiated Price**"). The total consideration for the equity shares acquired as mentioned above is Rs 35,13,250/- (Rupees Thirty Five Lacs Thirteen Thousand Two Hundred Fifty Only) the details of which are as under:

<b>Sl. No.</b>	<b>Name of the Sellers</b>	<b>Address</b>	<b>Tel/ Fax No</b>	<b>No. of Equity Shares of Target Company</b>	<b>% of paid up equity and voting share capital of Target Company</b>
1.	Surface Holdings Limited	17, Dover Road, Kolkata – 700 019	(033) 2476-7061	10,000	1.36
2.	Tower Properties Pvt. Ltd	17, Dover Road, Kolkata – 700 019	(033) 2476-7061	1,10,800	15.05
3.	Saraf Holdings Pvt. Ltd	9 New Road, 11 <sup>th</sup> Floor, Kolkata – 700 027	(033) 2486-4146	45,400	6.17
4.	Aradhita Saraf	"Anugrah", 9, New Road, Alipore, Kolkata- 700 027	(033) 2476-7061	43,400	5.89
5.	Shyam Sunder Saraf	"Anugrah", 9, New Road, Alipore, Kolkata- 700 027	(033) 2476-7061	16,000	2.17
6.	Rama Devi Saraf	"Anugrah", 9, New Road, Alipore, Kolkata- 700 027	(033) 2476-7061	40,900	5.56
7.	Sujata Saraf	"Anugrah", 9, New Road, Alipore, Kolkata- 700 027	(033) 2476-7061	50,000	6.79
8.	Dev Saraf	"Anugrah", 9, New Road, Alipore, Kolkata- 700 027	(033) 2476-7061	2,24,000	30.42
	<b>Total</b>			<b>5,40,500</b>	<b>73.41</b>

As on the date of the PA, the Acquirer does not hold any equity share of PTL. The Acquirer has not acquired any equity shares of the Target Company during the twelve months preceding the date of the PA except the equity shares proposed to be acquired through SPA dt. 23.09.2010.

As on the date of PA, the Manager to the Offer does not hold any equity share in the Target Company. They declare and undertake not to deal in the shares of PTL during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of the Offer.

The Offer is not as a result of global acquisition resulting in indirect acquisition of PTL.

### **2.1.3 The Salient features of the Share Purchase Agreement are as follows:**

- a. The Sellers are the legal and beneficial owner of 5,40,500 equity shares of Rs. 10 each ("**Sale Shares**") of the Target Company aggregating to 73.41% of the present paid up equity and voting share capital of the Target Company.
  - b. The Sellers have agreed to sell and the Acquirer has agreed to acquire in aggregate 5,40,500 equity shares of Rs.10/- each representing 73.41% of the present paid up equity and voting share capital of the Target Company at a price of Rs. 6.50/- per share for cash aggregating to Rs. 35,13,250/-.
  - c. The Sale Shares are free from all charges, encumbrances or liens and are not subject to any lock in period.
  - d. That the Acquirer shall release full amount of consideration of Rs. 35,13,250/- to the sellers with in 7 working days from the date of the completion of the Transaction by the parties, in accordance with the provision of the Agreement, and in particular the date of receipt of certification from the Manager to the Offer about the compliance of the Takeover formalities as stipulated under the Regulations. ("**Completion Date**").
  - e. The Sale Shares along with duly executed transfer deeds shall be delivered to the Acquirer with in 7 working days from the completion date on the payment of the entire purchase consideration of Rs. 35,13,250/- (Rupees Thirty Five Lacs Thirteen Thousand Two Hundred and Fifty Only) by the Acquirer.
  - f. The Acquirer and sellers may mutually decide any other day prior to the completion date for the payment of purchase consideration and delivery of Sale Shares with consent of other party in writing.
  - g. That the Acquirer and the Sellers agree to abide by its obligations as contained in the Regulations.
  - h. That in case of cancellation of the agreement the Sellers shall refund the entire consideration received by them, if any to the Acquirer within a period of 7 days from the date of cancellation and in default shall be liable to pay interest on the un refunded amount at the rate of 12% per annum.
- 2.1.4 The proposed change in control is consequent to the Agreement whose salient features are described in 2.1.3 above.
- 2.1.5 The Acquirer and/or its directors, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of the direction issued u/s 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 2.1.6 The Offer will result in change in control of PTL and a change in the Board of Directors of PTL is contemplated by the Acquirer, consequent to this acquisition. As on the date of Public Announcement, none of the Director representing the Acquirer is on the Board of PTL.

### **2.2. Details of the proposed Offer:**

- 2.2.1 The Public Announcement dated 29.09.2010, First Corrigendum to the Public Announcement dated 30.12.2010 & Second Corrigendum to the Public Announcement dated 05.01.2011 of the Offer was made in Business Standard (English Daily)all editions, Business Standard (Hindi Daily) all editions and Kalantar (Bengali Daily) in compliance with Regulation 15(1) of the Regulations. The Public Announcement made on 29.09.2010, First Corrigendum to the Public Announcement dated 30.12.2010 & Second Corrigendum to the Public Announcement dated 05.01.2011 is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).
- 2.2.2 The Acquirer proposes to acquire from the existing shareholders of the Target Company upto 1,47,260 Equity Shares of Rs.10/- each, representing 20.00% of the equity and voting share capital at a price of Rs. 46/- (Rupees Forty Six Only) per share inclusive of interest of Rs. 17.75/- per share payable in cash. The Target Company doesn't have any partly paid up shares as on date of the PA.
- 2.2.3. The shares will be acquired by the Acquirer, free from all liens, charges and encumbrances and together with all the rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 2.2.4. The Offer is not subject to any minimum level of acceptances. The Acquirer will accept all equity shares of PTL in terms of this Offer upto a maximum of 1,47,260 equity shares of Rs.10/- each, representing 20.00% of the equity and voting share capital of the Target Company.
- 2.2.5. Since the date of the PA to the date of this LO, the Acquirer has not acquired any shares of PTL.
- 2.2.6. No competitive bid has been received as on date of LO.

### **2.3. Object of the Offer:**

- 2.3.1 The Offer has been made pursuant to Regulation 10 & 12 and other provisions of the Chapter III and in compliance with the Regulations.
- 2.3.2 The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change of control and management of the Target Company.
- 2.3.3 The Acquirer intends to expand into fund based, investment and non-banking financial services activities. PTL is presently engaged in the business of investment /trading in shares and securities. PTL is registered with Reserve Bank of India as Non Banking Financial Company having Registration No 05.02895. The Acquirer through PTL intends to invest, incubate in corporate opportunities and also provide extensive insight and support on the development of the existing business of the Target Company.

3. **BACKGROUND OF THE ACQUIRER:**

3.1. **LUHARUKA SALES & SERVICES PRIVATE LIMITED ("LSSPL")**

3.1.1 LSSPL was incorporated on 05.07.2010 as a Private Limited Company under the Companies Act, 1956 in the State of Maharashtra. The Corporate Identification number ('CIN') of the Company is U51909MH2010PTC205252. The registered and corporate office of LSSPL is situated at A- 301, Hetal Arch, Opp. Natraj Market, S.V. Road, Malad (West), Mumbai – 400064, Tel No. (022) 2882 5509, Fax No (022) 2889 2527, E-mail:

3.1.2 Mr. Anil Beniprasad Agrawal and Mrs. Annu Anil Agrawal, promoters of LSSPL, are also its present directors. They do not belong to any group and are presently holding the entire share capital of LSSPL.

3.1.3 The Shareholding Pattern of the LSSPL as on the date of PA is as under:

Name	No. of Shares	% of shareholding
Mr. Anil Beniprasad Agrawal	25800	51.60
Mrs. Annu Anil Agrawal	24200	48.40
<b>TOTAL</b>	<b>50000</b>	<b>100.00</b>

3.1.4 LSSPL has been incorporated with the objective of carrying on the business of dealing in various commodities, substances, articles, merchandise, goods, and things whether solid or liquid or gaseous, licences, merchants, traders, sales organizers, representatives of manufacturers of commodities, goods articles, merchants, traders, sales organizers, representatives of manufactures of commodities, goods articles, materials and things and for that purpose to buy, to sell exchange, market, pledge, distribute, install, service, maintain, or otherwise deals in commodities, goods articles and things and agency business. LSSPL is yet to start any business activity.

3.1.5 There are no "persons acting in concert" with the Acquirer for the purpose of the Open Offer.

3.1.6 Name and residential address of the Board of directors of LSSPL are as follows:

Names of Directors	DIN	Residential Address	Experience	Qualification	Designation	Date of Appointment
Anil Beniprasad Agrawal	00014413	501, Siddhi Building, Marve Road, Malad (W), Mumbai - 400064	25 years experience in Finance and Capital market	B. Com Graduate, FCA	Director	05/07/2010
Annu Anil Agrawal	00014487	501, Siddhi Building, Marve Road, Malad (W), Mumbai - 400064	15 years experience in Capital market	B.A.(Hons), BCDE, NCFM	Director	05/07/2010

None of the directors or any person representing the Acquirer were on the Board of the Target Company as on the date of PA.

3.1.7 The shares of LSSPL are not listed on any Stock Exchange.

3.1.8 The Authorised Share Capital of LSSPL is Rs. 5,00,000/- comprising of 50,000 equity shares of Rs. 10/- each. The paid up equity share capital of LSSPL is Rs. 5,00,000/- comprising of 50,000 equity shares of Rs. 10/- each.

3.1.9 **Financial Information:**

The financial details of LSSPL as per the certified financial for the period 05.07.2010 (date of incorporation) to 24<sup>th</sup> September, 2010 are as follows:

Profit and Loss Account	Period from Incorporation date to 24 <sup>th</sup> September, 2010
Income From Operation	N.A.
Expenses	N.A.
Profit Before Tax	N.A.
Profit After Tax	N.A.

**Balance Sheet****(Rs. in Lacs)**

<b>As on</b>	<b>Period from Incorporation date to 24<sup>th</sup> September, 2010</b>
<b>Sources of funds</b>	
Paid up share capital	5.00
Reserves & Surplus (excluding revaluation reserves)	46.00
Miscellaneous Expenditure	(1.30)
<b>P/L A/c (Dr. Bal)</b>	Nil
Net Worth	49.70
Secured loans	-
Unsecured loans	-
<b>Total</b>	<b>49.70</b>
<b>Uses of funds</b>	
Net Fixed Assets (including capital W-I-P)	-
Investments	-
Net Current Assets	49.70
<b>Total</b>	<b>49.70</b>

**Other Financial Data**

<b>For the Year Ended</b>	<b>Period from Incorporation date to 24<sup>th</sup> September, 2010</b>
Dividend (%)	-
Earning Per Share (Rs.)	-
Return on Net worth (%)	-
Book Value Per Share (Rs.)	99.40

N.A. – Not Applicable

**Note:**

- (i) EPS = Profit after tax / number of outstanding equity shares at the close of the period  
(ii) Return on Net Worth = Profit after Tax / Net Worth  
(iii) Book Value per Share = Net Worth / No. of equity shares  
(iv) Source: Financial Report certified by the Auditor.

3.1.10 LSSPL has not promoted any other company.

3.1.11 The Acquirer, till date has complied with the relevant provisions of Chapter II of the Regulations, wherever applicable.

**3.2. Disclosures in terms of Regulations 16(ix) of the Regulations & Acquirer's future plans for PTL:**

3.2.1 The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change of control and management of the Target Company.

3.2.2 The Acquirer intends to expand into fund based, investment and non-banking financial services activities. PTL is presently engaged in the business of investment /trading in shares and securities. PTL is registered with Reserve Bank of India as Non Banking financial Company having Registration No 05.02895. The Acquirer through PTL intends to invest, incubate in corporate opportunities and also provide extensive insight and support on the development of the existing business of the Target Company.

3.2.3 Subject to satisfaction of the provisions under the Companies Act, 1956 and/ or any other Regulation(s), the Acquirer intends to make changes in the management of PTL. It is proposed to induct new Directors on the Board of PTL by the Acquirer. The likely changes in the management / acquiring control of PTL by the Acquirer shall be subject to successful completion of the Open Offer formalities, including dispatch of consideration for the Shares accepted and shall be subject to compliance with Regulation 23(6) of the Regulations.

- 3.2.4 The Acquirer does not have any plans to dispose off or otherwise encumber any assets of PTL in the next two years except in the ordinary course of business of PTL and / or for the purposes of entering into any compromise or arrangement, reconstruction, restructuring, merger, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of PTL, subject to applicable shareholders approval.
- 3.2.5 The Acquirer undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company and in accordance with and subject to the applicable laws, permissions and consents, if any.

#### 4. OPTION IN TERMS OF REGULATION 21(2)

In the event, pursuant to this offer or otherwise, if the public shareholding in the Target Company falls below 25% of its outstanding equity and voting share capital, the Acquirer will, in accordance with Regulation 21(2) of the Regulations, facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the Stock Exchanges within the specified time and in accordance with the prescribed procedure under clause 40A(viii) of the Listing Agreement and in compliance with the Regulations. The Acquirer has confirmed vide undertaking dated 04.01.2011 that they do not have any intention to delist the shares of the Target Company for the next three years.

#### 5. BACKGROUND OF THE TARGET COMPANY – PARASNATH TEXTILES LIMITED (“TARGET COMPANY” or “PTL”)

##### 5.1 Brief History and Main Areas of Operations:

- 5.1.1 Parasnath Textiles Limited (“PTL”) having its Registered Office at 17, Dover Road, Kolkata—700019 was incorporated on 12.11.1982 under the Companies Act, 1956 in the State of West Bengal. PTL obtained certificate of Commencement of Business pursuant to Section 149(3) of the Companies Act, 1956 from the Registrar of Companies, West Bengal vide certificate dated 15.12.1982. The CIN of the Target Company is L17112WB1982PLC035441.
- 5.1.2 PTL is presently engaged in the business of investment /trading in Shares & Securities. PTL is registered with Reserve Bank of India as a Non Banking Financial Company ('NBFC') having Registration no. 05.02895.
- 5.1.3 As on the date of the PA, the Authorised Share Capital of the Target Company is Rs. 1,00,00,000/- comprising of 10,00,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up capital of the Target Company is Rs. 73,63,000/- comprising of 7,36,300 fully paid-up Equity Shares of Rs. 10/- each. PTL does not have any partly paid-up Equity Shares. PTL is yet to establish connectivity with both National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL).

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

<b>Paid up Equity Shares of Target Company</b>	<b>No. of Shares / Voting Rights</b>	<b>% of Shares / Voting Rights</b>
Fully Paid up Equity Shares	7,36,300	100%
Partly Paid up Equity Shares	Nil	Nil
Total Paid up Equity Shares	7,36,300	100%
Total voting rights in the Target Company	7,36,300	100%

- 5.1.4 The build up of the Capital Structure of the Target Company as Certified and given by the management of the Target Company are detailed as below:

<b>Date of allotment</b>	<b>Shares Issued</b>		<b>Cumulative paid up Capital</b>	<b>Mode of allotment</b>	<b>Face Value (Rs.)</b>	<b>Identity of allottees</b>	<b>Compliance status</b>
	<b>Number</b>	<b>%</b>					
12.11.1982	700	0.095	700	cash	10	Subscriber to the memorandum	complied
22.08.1983	95,000	12.90	95,700	cash	10	Allotted to promoters	complied
22.08.1983	1,50,000	20.37	2,45,700	cash	10	Public Issue	complied
15.10.1992	4,90,600	66.63	7,36,300	cash	10	Right Issue	complied
<b>Total</b>	<b>7,36,300</b>	<b>100.00</b>					

- 5.1.5 The Target Company had not complied with the provisions of the Listing Agreement for past years and has received notices and reminders for non compliances of the Listing Agreement from the Stock Exchanges. Subsequently the Target Company has availed the Amnesty Scheme of the Stock Exchanges and had vide its letter dated 08.02.2010 filed its pending compliances under the Listing Agreement with the Stock Exchanges. We have written to CSE, UPSE & DSE vide our letter dt. 29.09.2010 & reminder letter dated 08.10.2010 to provide us the information of compliance made by PTL along with details of any suspension/disciplinary/ penal action taken by them against the Target Company. In this regard we have received a letter bearing no. DSE/LIST/4384/8888 dated 06.10.2010 from



DSE stating that the shares of the Target Company are presently under suspension due to non compliance of various provisions of Listing Agreement and has also mentioned the list of various clauses which have not been complied by the Target Company. Mr. Subodh Nigam, Advocate, Civil Court Compound, Kanpur has issued a letter bearing no. SUB/UPSE/2010-11/238 dated 22.06.2010 on behalf of the UPSE to the Target Company for the non compliance of the Listing Agreement. Further, we are in receipt of letter nos. UPSE/LISTING/2010-11/3091 dated 14.12.2010 and UPSE/LISTING/2010-11/3209 dated 23.12.2010 from UPSE stating the non compliance of various provisions of Listing Agreement. We have not received any information from CSE about the status of compliance or punitive action taken by them against the Target Company till date. As per letter dated 09.10.2010 received from the Target Company, we state that there is no Investor's grievances pending as on that date against the Target Company. Other than as stated above, no steps have been taken by the Target Company for revocation of the suspension from the relevant Stock Exchanges.

5.1.6 The Target Company has not complied with regulation 6(2), 6(4) applicable as on 20.02.1997 and 8(3) of the Regulations since 1998 to till date. SEBI may initiate suitable action against the Target Company for the aforesaid non compliances.

5.1.7 The promoters/promoter group of the Target Company have complied with the Regulation 6 applicable as on 20.02.1997 and Regulation 8 of the Regulations since 1997 to till date. However, on 24.04.2004 and 04.10.2005, Saraf Holding Pvt. Ltd. , one of the constituent of the promoter/ promoter group of the Target Company had acquired the shares of the Target Company in violation of regulation 11(2) of the Regulations without making an Open Offer. Further, there has been inter se transfer of shares amongst the constituents of the promoter group during the financial year 1997-98 (80000 shares constituting 10.87% of the equity and voting share capital of PTL), 1998-1999 (255000 shares constituting 34.63% of the equity and voting share capital of PTL), 2004-2005 (312900 shares constituting 42.50% of the equity and voting share capital of PTL) and 2005-2006 (70700 shares constituting 9.60% of the equity and voting share capital of PTL) in respect of which no compliances / documents have been made available to us by the Target Company. SEBI may initiate suitable action against seller promoter i.e. Saraf Holding Pvt. Ltd and other members of the promoter group for such violation/non compliances. In respect of other major shareholders, if any, we have not received any informations/documentation from the Target Company, regarding the status of their compliances made under the Regulations and hence we are unable to comment on the same.

5.1.8 As on the date, there are no outstanding convertible instruments such as warrants/FCDs/PCDs etc. There are no partly paid up shares as on the date of the Submission of PA.

5.1.9 PTL has confirmed that it has:

- a) Paid Listing Fees upto financial year 2009-10 to CSE, UPSE & DSE.
- b) Partly Complied with the Listing Agreement requirements of the Stock Exchange as already mentioned in para 5.1.5.

5.1.10 The Board of Directors of PTL as on the date of the PA is as follows:

Name of Directors	Designation	DIN NO.	Date of Appt.	Qualification	Residential Address	Experience	No. & % of shares of PTL held as on date of SPA i.e., 23.09.2010	No. & % of shares agreed to be sold through SPA dt. 23.09.2010
Jugal Kishore Bagaria	Director	00193231	26/07/2006	Commerce Graduate	493/B/17,G.T.Road, Block-C, Flat No.104, Shibpur, Howrah, 711102, West Bengal, India	15 Years in the overall management of the affairs of the Company.	NIL	NIL
Girish Kumar Saraf	Director	00470215	03/07/2003	Commerce Graduate	9, New Road, Alipore, Kolkata, 700027, West Bengal, India	15 Years in the overall management of the affairs of the Company.	NIL	NIL
Ganpat Ram Bhawsinghka	Director	00746511	01/07/2006	Commerce Graduate	AF-365, Hanpara, Kestopore, North 24 Parganas, Kolkata, 700101, West Bengal, India	15 Years in the overall management of the affairs of the Company.	NIL	NIL

5.1.11 There has been no merger / demerger or spin off involving PTL during the last 3 years.

## 5.2 Financial Information:

The financial details of PTL as per the audited accounts for the last three financial years ended 31<sup>st</sup> March 2008, 31<sup>st</sup> March 2009 and 31<sup>st</sup> March, 2010 are as follows:

### Profit & Loss Statement

(Rs. in Lacs)

For the Year Ended	31 <sup>st</sup> March 2008 (Audited)	31 <sup>st</sup> March 2009 (Audited)	31 <sup>st</sup> March, 2010 (Audited)
Income from Operations	33.02	1.81	14.02
Other Income	-	5.87	5.23
<b>Total Income</b>	<b>33.02</b>	<b>7.68</b>	<b>19.25</b>
Total Expenditure	3.41	3.60	4.72
Profit/(Loss) before Interest, Depreciation and Tax	<b>29.61</b>	<b>4.08</b>	<b>14.53</b>
Depreciation	2.77	2.07	1.56
Interest	2.88	2.50	0.90
Profit/(Loss) before Tax	<b>23.96</b>	<b>(0.49)</b>	<b>12.07</b>
Provision for Tax	2.21	0.33	1.52
Profit/(Loss) after tax	<b>21.75</b>	<b>(0.16)</b>	<b>10.55</b>

### Balance Sheet

(Rs. in Lacs)

As on	31 <sup>st</sup> March 2008 (Audited)	31 <sup>st</sup> March 2009 (Audited)	31 <sup>st</sup> March, 2010 (Audited)
<b>Sources of funds</b>			
Paid up share capital	73.63	73.63	73.63
Reserves & Surplus (excluding revaluation reserves)	193.69	193.53	204.08
Miscellaneous Expenditure	-	-	-
P/L A/c (Dr. Bal)	-	-	-
<b>Net Worth</b>	<b>267.32</b>	<b>267.16</b>	<b>277.71</b>
Secured loans	-	-	-
Unsecured loans	39.56	21.97	0.80
<b>Total</b>	<b>306.88</b>	<b>289.13</b>	<b>278.51</b>
<b>Uses of funds</b>			
Net Fixed Assets (including capital W-I-P)	8.02	6.06	4.50
Investments	288.68	275.52	254.79
Net Current Assets	10.18	7.55	19.22
<b>Total</b>	<b>306.88</b>	<b>289.13</b>	<b>278.51</b>

### Other Financial Data

For the Year Ended	31 <sup>st</sup> March 2008 (Audited)	31 <sup>st</sup> March 2009 (Audited)	31 <sup>st</sup> March, 2010 (Audited)
Dividend (%)	-	-	-
Earning Per Share (Rs.)	2.95	(0.02)	1.43
Return on Net worth (%)	8.13	-	3.80
Book Value Per Share (Rs.)	36.31	36.28	37.72

#### Note:

- (i) EPS = Profit after tax / number of outstanding equity shares at the close of the year/period
- (ii) Return on Net Worth = Profit after Tax / Net Worth
- (iii) Book Value per Share = Net Worth / No. of equity shares
- (iv) Source: Audited Annual Reports
- (v) Reason for fall/rise in Total Income, Expenditure and PAT in the relevant year if applicable: - Year wise reason for the fall in the Total Income, Expenditure & PAT is cited below: -

- Reason for change in Total Income, Expenditure and PAT for the year ended 31<sup>st</sup> March 2010 over year ended 31<sup>st</sup> March 2009:

Total Income for the year ended 31<sup>st</sup> March 2010 was Rs. 19.25 Lacs as compared to Rs.7.68 Lacs for the year ended 31<sup>st</sup> March 2009. The increase in total income was mainly due to increase in Dividend income from Rs. 3.89 Lacs for the year ended 31<sup>st</sup> March, 2009 to Rs. 5.29 Lacs for the year ended 31<sup>st</sup> March, 2010 and Long Term Capital gain of Rs. 1.20 Lacs for the year ended 31<sup>st</sup> March, 2010 as compared to Nil for the year ended 31<sup>st</sup> March, 2009 and Short Term Capital Gain (Net) of Rs. 7.26 Lacs for the Year ended 31<sup>st</sup> March, 2010 as compared to a loss Rs. 4.54 lacs for the Year ended 31<sup>st</sup> March 2009. The total expenditure also increased from Rs. 3.60 Lacs for the year ended 31<sup>st</sup> March 2009 to Rs. 4.72 Lacs for the year ended 31<sup>st</sup> March 2010 mainly on account of increase in administrative expenses from Rs. 3.57 Lacs for the year ended 31.03.2009 to Rs. 4.69 lacs for the Year ended 31<sup>st</sup> March, 2010. Consequently, the net profit for the year ended 31<sup>st</sup> March 2010 was Rs. 10.55 Lacs as compared to a net loss of Rs. (0.16) Lacs for the year ended 31<sup>st</sup> March 2009.

- Reason for change in Total Income, Expenditure & PAT for the year ended 31<sup>st</sup> March 2009 over year ended 31<sup>st</sup> March 2008: -

Total Income for the year ended 31<sup>st</sup> March 2009 was Rs. 7.68 Lacs as compared to Rs. 33.02 Lacs for the year ended 31<sup>st</sup> March 2008. The decrease in total income was mainly due to loss in Short Term Capital Gain(Net) of Rs. 4.54 Lacs as compared to a gain of Rs. 17.92 Lacs for the year ended 31<sup>st</sup> March 2008. The income from interest on loan has also been decreased to Nil from Rs. 7.37 lacs for the year ended 31<sup>st</sup> March 2008. The total expenditure increased marginally to Rs. 3.60 Lacs for the year ended 31<sup>st</sup> March 2009 as compared to Rs. 3.40 Lacs for the year ended 31<sup>st</sup> March 2008 mainly on account of increase in administrative expenses to Rs. 3.57 Lacs for the year ended 31<sup>st</sup> March 2009 from Rs. 3.38 Lacs for the year ended 31<sup>st</sup> March 2008. There was a the net loss for the year ended 31<sup>st</sup> March 2009 of Rs. (0.16) Lacs as compared to a net profit of Rs. 21.75 Lacs for the year ended 31<sup>st</sup> March 2008.

- Reason for change in Total Income, Expenditure & PAT for the year ended 31<sup>st</sup> March 2008 over year ended 31<sup>st</sup> March 2007: -

Total Income for the year ended 31<sup>st</sup> March 2008 increased to Rs. 33.02 Lacs from Rs. 25.46 Lacs for the year ended 31<sup>st</sup> March 2007. The increase in total income was mainly due to increase in Short Term Capital Gain(Net) to Rs. 17.92 Lacs for the Year ended 31<sup>st</sup> March, 2008 from Rs. 13.24 Lacs for the Year ended 31<sup>st</sup> March 2007. The total expenditure decreased to Rs. 3.41 Lacs for the year ended 31<sup>st</sup> March 2008 from Rs. 4.65 Lacs for the year ended 31<sup>st</sup> March 2007 mainly on account of decrease in administrative expenses to Rs. 3.38 Lacs for the year ended 31<sup>st</sup> March 2008 from Rs. 4.62 Lacs for the year ended 31<sup>st</sup> March 2007. Consequently, the net profit for the year ended 31<sup>st</sup> March 2008 was Rs. 21.74 Lacs as compared to a net profit of Rs. 15.37 Lacs for the year ended 31<sup>st</sup> March 2007.

### 5.3 Pre and Post-Offer Shareholding Pattern of PTL (based on Issued, Subscribed & Paid-up Equity and Voting Share Capital) is as under:

Shareholders' Category	Share holding /voting rights Prior to the SPA/ acquisition and Offer		Shares/voting rights agreed to be acquired which triggered off the Regulation		Shares/voting rights to be acquired in open Offer (assuming full acceptances)		Share holding /voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
<b>1. Promoter Group</b>								
a) Parties to Agreement:								
➤ Surface Holdings Limited	10000	1.36	(10000)	(1.36)				
➤ Tower Properties Pvt. Ltd	110800	15.05	(110800)	(15.05)				
➤ Saraf Holdings Pvt. Ltd	45400	6.17	(45400)	(6.17)	-	-	-	-
➤ Aradhita Saraf	43400	5.89	(43400)	(5.89)				
➤ Shyam Sunder Saraf	16000	2.17	(16000)	(2.17)				
➤ Rama Devi Saraf	40900	5.56	(40900)	(5.56)				
➤ Sujata Saraf	50000	6.79	(50000)	(6.79)				
➤ Dev Saraf	224000	30.42	(224000)	(30.42)				

Shareholders' Category	Share holding/voting rights Prior to the SPA/ acquisition and Offer		Shares/voting rights agreed to be acquired which triggered off the Regulation		Shares/voting rights to be acquired in open Offer (assuming full acceptances)		Share holding /voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
b) Promoters other than (a) above# Mittal Trading Enterprises Pvt. Ltd	3000	0.41	-	-	-	-	-	-
TOTAL (i)	543500	73.82	(540500)	(73.41)	-	-	-	-
2. Acquirer: <b>LSSPL</b>	-	-	540500	73.41	147260	20.00	687760	93.41
TOTAL (ii)	-	-	540500	73.41	147260	20.00	687760	93.41
3. Public Share Holding [other than (1) & (2)]*								
<b>Institutions</b>								
a) FIs/MFs/FIIs/ Banks/MF's	-	-	-	-				
b) Insurance Company	-	-	-	-				
c) Others	-	-	-	-				
Total (iii) (a+b+c)	-	-	-	-				
<b>Non institutions</b>								
a) Bodies Corporate	-	-	-	-	(147260)	(20.00%)	48540	6.59
b) Individuals	192800	26.18	-	-				
c) Others (NRI/OCBs)	-	-	-	-				
Total (iv) (a+b+c)	192800	26.18	-	-				
<b>GRANDTOTAL (i+ii+iii+iv)</b>	<b>736300</b>	<b>100.00</b>	-	-	-	-	<b>736300</b>	<b>100.00</b>

# The Promoters other than (a) above stated under Promoter group category are also eligible to participate under the Open Offer. The Post Offer shareholding of erstwhile promoter/ promoter group remaining if any will be forming part of the public shareholding.

The total number of shareholders in Public Category is 123 as on 29.09.2010 i.e., the date of Public Announcement.

5.4 There was no trading in the shares of PTL as on 29.09.2010 i.e. the date of Public Announcement at CSE, UPSE & DSE.

5.5 The details of the buildup of the Promoter shareholding in the Target Company are as follows;

Shareholdings			Purchase / Inter se Transfer/ transmission made during the year	Sale / Inter se /Transfer/ transmission made during the year	Mode of allotment / acquisition/ sale	Shareholdings			Status of compliance with SEBI (SAST) Regulations, other regulations under SEBI Act, 1992 & statutory requirements as applicable
As on	No. of Shares	%				As on	No. of Shares	%	
20.02.1997	524100	71.18	-	-	-	31.03.1997	524100	71.18	NA

Shareholdings			Purchase / Inter se Transfer/ transmission made during the year	Sale / Inter se Transfer/ transmission made during the year	Mode of allotment / acquisition/ sale	Shareholdings			Status of compliance with SEBI (SAST) Regulations, other regulations under SEBI Act, 1992 & statutory requirements as applicable
As on	No. of Shares	%				As on	No. of Shares	%	
01.04.1997	524100	71.18	80000	(80000)	Inter-Se Transfer	31.03.1998	539100	73.22	NO*
			15000	-	Off market Purchase				NA
01.04.1998	539100	73.22	255000	(255000)	Inter-Se Transfer	31.03.1999	539100	73.22	NO*
01.04.1999	539100	73.22	-	-	-	31.03.2000	539100	73.22	NA
01.04.2000	539100	73.22	1900	-	Off market Purchase #	31.03.2001	541000	73.48	NA
			-	-	-				NA
01.04.2001	541000	73.48	-	-	-	31.03.2002	541000	73.48	NA
01.04.2002	541000	73.48	-	-	-	31.03.2003	541000	73.48	NA
01.04.2003	541000	73.48	-	-	-	31.03.2004	541000	73.48	NA
01.04.2004	541000	73.48	312900	(312900)	Inter-Se Transfer	31.03.2005	543000	73.75	NO*
			2000	-	Off market Purchase #				NO
01.04.2005	543000	73.75	70700	(70700)	Inter-Se Transfer	31.03.2006	543500	73.82	NO*
			500	-	Off market Purchase #				NO
01.04.2006	543500	73.82	-	-	-	31.03.2007	543500	73.82	NA
01.04.2007	543500	73.82	-	-	-	31.03.2008	543500	73.82	NA
01.04.2008	543500	73.82	-	-	-	31.03.2009	543500	73.82	NA
01.04.2009	543500	73.82	-	-	-	31.03.2010	543500	73.82	NA
31.03.2010	543500	73.82	-	(540500)	Through SPA	23.09.2010	3000	0.41	NA as on date

NA : NOT APPLICABLE

\*No Compliances /documents have been provided to us.

# In the past, the promoters of the Target Company have violated Regulation 11(2) of the Regulations. SEBI may initiate suitable action against them for non- compliance.

The details of off market purchase in the year 2004 and 2005 are as under:

Date of Transfer	Name of Purchaser	No. of shares purchased	% to total capital	Name of Seller	Price (Rs.)	Compliance Status
21.04.2004	Saraf Holding Pvt Ltd	2000	0.27%	Geeta Devi Naita	3.00	Not Done
04.10.2005	Saraf Holding Pvt Ltd	500	0.07%	Sudhir Kumar Jain	3.00	Not Done

## 5.6 Corporate Governance and Pending Litigations:

### Corporate Governance

The Company's present paid up equity share capital is Rs.73.63 lacs which is less than the minimum paid up capital requirement of Rs. 300 Lacs as required to attract the provisions of Corporate Governance.

### Pending Litigations:

We state that as per the Annual Report of PTL for the financial year ended 31.03.2010 there are no pending Litigations / Claims against the Target Company contingent in nature.

## 5.7 Compliance Officer:

Mr. Ganpat Ram Bhawsinghka residing at AF-365 Hanpara, Kestopore, North 24 Parganas, Kolkata – 700 101 is acting as Compliance Officer of the Company, Tele No. 033 – 2476 7061, Fax No. 033 – 2486 4146, E-mail : [gksaraf@hotmail.com](mailto:gksaraf@hotmail.com).

## 6. OFFER PRICE & FINANCIAL ARRANGEMENTS:

### 6.1. Justification of Offer Price:

- 6.1.1. The Equity Shares of the Target Company are presently listed at Calcutta Stock Exchange Limited ("CSE"), U.P. Stock Exchange Limited ("UPSE") & Delhi Stock Exchange Limited ("DSE") only. The shares of the Target Company are not traded under permitted category on any other stock exchanges.
- 6.1.2. The Annualized trading turnover during the preceding six calendar months ended August 2010 in CSE, UPSE & DSE is as follows:

Name of Stock Exchange	Total no of shares traded during the 6 calendar months prior to the month in which PA was made	Total No. of listed Shares	Annualised Trading Turnover (in terms of % to total listed shares)
CSE	Nil	736300	NA
DSE	Nil	736300	NA
UPSE	Nil	736300	NA

- 6.1.3. The Offer Price as per the Public Announcement dtd. September 29, 2010 was Rs. 18/- (Rupees Eighteen Only) per fully paid up equity share of the Target Company. As the existing Promoters of the Target Company had on 21.04.2004 and 04.10.2005 acquired equity shares of the Target Company in violation of regulation 11(2) of the Regulations without making an open offer, the Acquirer of the Open Offer have agreed to revise and pay an Offer price which is the highest of the price calculated on the basis of different triggering date 21.04.2004 & 04.10.2005 along with interest from the respective trigger dates @ 10% p.a till the date of present Public Announcement and the price in the Open Offer made by the Acquirer. The Highest Offer price in accordance with different triggering date comes out to Rs. 45.29 per share inclusive of interest of Rs. 17.75 per share. The calculations are given in para 6.1.4 below. The Offer Price has therefore been revised to Rs. 46/- (Rupees Forty Six Only) per fully paid up equity share payable in cash, which is higher than the price calculated on all the trigger dates.
- 6.1.4. As per available information, the equity shares of the Target Company are infrequently traded in terms of explanation (i) to Regulation 20(5) of the Regulations. The Offer Price of Rs. 46/- (Rupees Forty Six Only) per fully paid up equity shares of face value of Rs. 10/- each has been calculated from the relevant Trigger Date for this offer being 21.04.2004, upto 29.09.2010 i.e., date of this PA is justified in terms of Regulation 20(5) of the Regulations, taking into account the following parameters: -

Particulars	Based on Triggering Date 21.04.2004	Based on Triggering Date 04.10.2005	Based on Triggering Date 23.09.2010
a) Negotiated Price under the SPAs/Off Market Purchase :	Rs. 3.00 per fully paid-up equity share	Rs. 3.00 per fully paid-up equity share	Rs. 6.50 per fully paid-up equity share
b) Highest Price paid by the Acquirers for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of Public Announcement :	N.A	N.A	N.A
c) <b>Other Parameters</b>	<b>Based on Audited Accounts for the year ended 31.03.2004</b>	<b>Based on Audited Accounts for the year ended 31.03.2005</b>	<b>Based on Audited Accounts for the year ended 31.03.2010</b>
Return on Net worth (%) :	78.03	1.88	3.80
Book Value per share (Rs) :	28.72	29.27	37.72
Earning per Share (Rs) :	22.41	0.55	1.43
Price calculated in accordance with Regulation 20(5)(Rs.)	27.54^	28.26^	17.42#
Interest @10% on the price from the trigger date upto date of the Public Announcement, i.e., 29.09.2010(Rs.)	17.75	14.10	N.A
Total consideration per share based on above(Rs.)	45.29	42.36	17.42

The Offer Price has been revised to Rs. 46/- per fully paid up equity share, being the higher of the price arrived amongst all the Trigger Points after taking into consideration interest @ 10% from the Trigger Dates. The additional cost pursuant to the increase in Offer price arising due to past violation by the promoter group shall be borne by the Acquirer only.

#Mr. Pradeep Choudhary, (Membership No. 105628) Proprietor of PKC & Associates, Chartered Accountants having office at 223, Natraj Shopping Centre, S.V.Road, Malad (West), Mumbai-400064 Ph. No. (022) 2844 9591, Fax No. (022) 2882 2833 Email: [pkc.mumbai@gmail.com](mailto:pkc.mumbai@gmail.com) vide certificate dated 24.09.2010, has stated that based on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, 1995 (83 Com case 30), the value of the equity shares of PTL on the Trigger Date 23.09.2010 is Rs.17.42 per share.

^Mr. Anil Kumar Nevatia, (Membership No. 040403) Proprietor of A.K. Nevatia & Associates, Chartered Accountants having office at 19, Laxminarayan Shopping Centre, 1<sup>st</sup> Floor, Poddar Road, Malad (E), Mumbai – 400 097, Ph. No. (022) 2883 6667, Fax No. (022) 2882 9045, Email: [ak\\_nevatia@yahoo.com](mailto:ak_nevatia@yahoo.com) vide certificate dated 14.12.2010, has stated that based on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, 1995 (83 Com case 30), the value of the equity shares of PTL on the Trigger Date viz., 21.04.2004 and 04.10.2005 is Rs. 27.54 and Rs. 28.26 per share respectively.

In view of above, the Offer price of Rs. 46/- per share is justified in terms of Regulation 20(5) of the Regulations.

- 6.1.5. The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.
- 6.1.6. The Acquirer would be responsible for ensuring compliance with the Regulations for the consequences arising out of the acquisition of shares, if any, made after the date of Public Announcement i.e. 29.09.2010 in terms of Regulation 20(7) of the Regulations.
- 6.1.7. It is ensured that the Offer Price shall not be less than the highest price paid by the Acquirer for any acquisition of shares of the Target Company from the date of Public Announcement upto 7 working days prior to the closure of the offer viz. 25.01.2011.
- 6.1.8. The Acquirer has not entered into any non-compete agreement with the sellers. Further no consideration either directly or indirectly is being given to the sellers (i.e. those selling shares under the SPA) apart from the consideration specifically mentioned in the LO.

## **6.2. Financial arrangements:**

- 6.2.1 The Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full and no borrowings from any Bank and / or Financial Institution are envisaged. Mr. Pradeep Choudhary (Membership No. 105628), Proprietor of PKC & Associates, Chartered Accountants, having office at 223, Natraj Shopping Centre, S.V.Road, Malad (West), Mumbai-400 064 Ph. No. (022) 2844 9591 Fax No (022) 2882 2833 e-mail: [pkc.mumbai@gmail.com](mailto:pkc.mumbai@gmail.com) vide their certificate dated 28.12.2010 has certified that the Acquirer has sufficient financial resources and has made firm financial arrangements for fulfilling the obligations under this "Offer" in full.
- 6.2.2. The maximum consideration payable by the Acquirer assuming full acceptance of the Offer based on revised offer price would be Rs. 67,73,960/- (Rupees Sixty Seven Lacs Seventy Three Thousand Nine Hundred and Sixty Only). In accordance with regulation 28 of the Regulations, the Acquirer had opened an Escrow Account under the name and style of "LSSPL-PTL-Open Offer Escrow Account" with HDFC Bank Ltd, Central Plaza, Kolkata ("Escrow Banker") and made therein a cash deposit of Rs. 6,75,000/- (Rupees Six Lacs Seventy Five Thousand Only) being more than 25% of the consideration payable based on pre-revised offer price. Subsequent to increase in offer price from Rs. 18/- per share to Rs. 46/- per share, the Acquirer have further deposited a sum of Rs. 4,25,000/- in the aforesaid Escrow Account in cash, which is in excess of 10% the incremental consideration payable upon revision in Offer price, in compliance of regulation 28(9) of the Regulation. Accordingly the Escrow Account currently holds an amount aggregating to Rs. 11,00,000/- (Rupees Eleven Lacs Only). The acquirer has arranged the balance fund required from its promoters i.e., Mr. Anil Agarwal & Mrs. Annu Anil Agarwal, who have confirmed vide their letter dated 27.12.2010 and 25.09.2010 respectively, to provide financial assistance to the Acquirer in the event of insufficiency of funds to a maximum of Rs. 50,00,000/- and Rs. 25,00,000/- respectively. .
- 6.2.3. The Manager to the Offer i.e. VC Corporate Advisors Private Limited is authorized to operate the above-mentioned Escrow Account to the exclusion of all others and to instruct the Escrow Banker to issue cheques / pay orders / demand drafts / ECS credit, if required, in accordance with the Regulations.
- 6.2.4. Based on the aforesaid financial arrangements and based on the confirmations received from the Escrow Banker and the Chartered Accountant, 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 the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

## **7. TERMS AND CONDITIONS OF THE OFFER:**

- 7.1. The Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of PTL (except parties to the Agreement) whose name appear on the Register of Members at the close of business hours on 08.10.2010 ("Specified Date").

- 7.2. All owners of the shares, Registered or Unregistered who own the shares any time prior to the Closing 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 of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the original Share Certificate(s), valid Transfer Deeds and the original Contract Note issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owners.
- 7.3. Accidental omission to dispatch this LO or the non-receipt or delayed receipt of this LO will not invalidate the Offer in anyway.
- 7.4. Subject to the conditions governing this Offer, as mentioned in the LO, 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.

**7.5. Locked-in Shares:**

There are no locked-in shares in PTL.

**7.6. Eligibility for accepting the Offer:**

The Offer is made to all the equity shareholders whose names appeared in the register of shareholders on 08.10.2010. and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

**7.7. Statutory Approvals and conditions of the Offer:**

- 7.7.1 The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring equity shares tendered by non-resident shareholders, if any.
- 7.7.2 As on the date of the PA, to the best of the knowledge of the Acquirer, there are no other statutory approvals and / or consents required. However, the Offer would be subject to all-statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.
- 7.7.3 In case of non receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 22(12) of the Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 22(13) of the Regulations will also become applicable.
- 7.7.4 No approval is required from any bank or financial institutions for this offer, to the best of the knowledge of the Acquirer.
- 7.7.5 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 i.e. 01.02.2011 i.e., three working days prior to the closure of the Offer.
- 7.7.6 The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

**8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:**

- 8.1. The Shareholder(s) of PTL who qualify and who wish to avail of this Offer will have to send their shares to the Registrar to the Offer as mentioned in the Form of Acceptance at the following address:

M/s. Bigshare Services Private Limited  
 (Contact Person: Mr. Babu Raphael)  
 E/2, Ansa Industrial Estate,  
 Sakivihar Road, Sakinaka, Andheri (E),  
 Mumbai-400 072

Acceptances may be sent by Registered Post or by hand so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. 05.02.2011. Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday – Saturday	10.00 a.m.to 4.30 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

- 8.2. Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent.



### **8.2.1. For Equity Shares held in physical form:**

#### **(i) Registered shareholders should enclose:**

- Form of Acceptance duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s).
- Original Share Certificates
- Valid share transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with PTL and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this LO.

#### **(ii) Unregistered owners should enclose:**

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein.
- Original share Certificate(s)
- Broker contract note.
- Valid share transfer form(s) as received from the market. The details of the buyer should be left blank failing which the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. All other requirements for valid transfer will be preconditioned for acceptance. No indemnity is required from unregistered shareholders.

8.3. The Share Certificate(s), Share Transfer Form, Form of Acceptance, Form of Withdrawal and other documents, if any should be sent only to the Registrar to the Offer, as mentioned above. They should not be sent to the Manager to the Offer or the Acquirer or the Target Company.

8.4. In case of non-receipt of the Letter of Offer, the eligible persons may obtain a copy of the same from Registrar to the Offer or Manager to the Offer on providing suitable documentary evidence of acquisition of shares of PTL. The Public Announcement, First & Second Corrigendum to Public Announcement, LO, Form of Acceptance Cum Acknowledgement and Form of Withdrawal will be available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in), from the Offer opening date. The eligible persons can download these documents from the SEBI's website & apply using the same. Alternatively, they may send their consent to participate in the Offer, to the Registrar to the Offer, on a plain paper stating the name & address of the first holder, name(s) & address(s) of joint holders, if any, regd. folio no, share certificate no., distinctive nos., no. of the shares held, no. of the shares Offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before closure to the Offer i.e. 05.02.2011. Unregistered owners should not sign the transfer deeds & the transfer deed should be valid.

8.5. Applications in respect of equity shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation are liable to be rejected if the directions/ orders regarding these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

8.6. While tendering the equity shares under the Offer, NRIs / foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the equity shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject such equity shares tendered. While tendering shares under the Offer, NRI / foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

8.7. As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act payable to a Foreign Institutional Investor ('FII') as defined in Section 115AD of the Income Tax Act.

8.8. The Acquirer shall complete all procedures relating to the Offer including payment of consideration to the shareholders by 19.02.2011. In case of delay due to non-receipt of the statutory approvals within time, SEBI has a power to grant extension of time to the Acquirer for payment of consideration to shareholders subject to the Acquirer agreeing to pay interest to the shareholders for delay in payment of consideration beyond 19.02.2011.

8.9. Payment of consideration will be made by crossed account payee cheques / demand drafts / pay orders / through ECS mode of payment and will be sent by registered post, to those shareholders / unregistered owners & at their sole risk, whose shares/ share certificates & other documents are found in order & accepted by Acquirer in part or in full except in case of joint holders, cheques / demand drafts/ pay orders/ECS Credit, in the name of first holder. It is advised that shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that same can be incorporated in the cheques / demand drafts / pay orders. In order to get payment through ECS mode shareholders are requested to provide their Bank Details like Account Number, Name of the Bank and its address, IFSC Code of Bank etc.

- 8.10. In case the shares tendered in the Offer by the shareholders of PTL are more than the shares to be acquired under the Offer, the acquisition of the shares from each shareholder will be as per the provision of regulation 21(6) of the Regulations on a proportionate basis. The marketable lot of PTL is 50(Fifty) Equity Shares. The rejected Applications / Documents will be sent by Registered Post.
- 8.11. Unaccepted share certificates, transfer forms & other documents, if any, will be returned by registered post at the shareholders/ unregistered owners sole risk to the sole / first shareholder.
- 8.12. The Registrar to the Offer will hold in trust the Share Certificates, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form/s on behalf of the shareholders of PTL who have accepted the Offer, till the Cheques/Drafts/ECS Credit for the consideration and/or the unaccepted shares/share certificates are despatched/returned.
- 8.13. In case any person has lodged shares of PTL for transfer & such transfer has not yet been effected, the concerned person may apply as per the instructions in Para 8.4 above together with the acknowledgement of lodgement of shares for transfer. Such persons should also instruct PTL to send the transferred share certificate(s) directly to the Registrar to the Offer. The applicant should ensure that the certificate(s) reached the Registrar to the Offer on or before the Offer closing date.
- 8.14. In case the shareholder has already sold his Shares, he may kindly forward this Offer document to the transferee or to the broker through whom the shares were sold.
- 8.15. The shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of closure of the Offer, i.e. on or before 01.02.2011 in terms of Regulation 22(5A).
- 8.16. The withdrawal option can be exercised by submitting the document as per the instruction below, so as to reach the Registrar to the Offer on or before 01.02.2011. The withdrawal option can be exercised by submitting the form of withdrawal.
- 8.17. In case of non-receipt of the form of withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details: In case of physical shares: Name, address, distinctive numbers, folio nos., number of shares tendered / withdrawn.
- 8.18. The shares withdrawn by the shareholders, if any would be returned by registered post, in case of physical shares.

## **9. DOCUMENTS FOR INSPECTION:**

Copies of the following documents will be available for inspection at the Registered Office of the Manager to the Offer, M/s. VC Corporate Advisors Private Limited at 31, Ganesh Chandra Avenue 2<sup>nd</sup> Floor, Suite No. 2C, Kolkata – 700 013 on any working day between 10.00 a.m. and 2.00 p.m. during the period the Offer is open i.e., from 17.01.2011 to 05.02.2011.

- i) Memorandum & Articles of Association of M/S. LUHARUKA SALES & SERVICES PRIVATE LIMITED along with Certificate of Incorporation.
- ii) Memorandum & Articles of Association of PARASNATH TEXTILES LIMITED along with Certificate of Incorporation.
- iii) Financial Information certified by the Auditor for the period 05<sup>th</sup> July, 2010(date of incorporation) till 24<sup>th</sup> September, 2010 of Luharuka Sales & Services Private Limited .
- iv) Audited Annual Reports for the year ended 31<sup>st</sup> March 2008, 31<sup>st</sup> March 2009, 31<sup>st</sup> March, 2010 of Parasnath Textiles Limited .
- v) Certificate dated 28.12.2010 from Mr. Pradeep Choudhary, Proprietor of PKC & Associates, Chartered Accountants, (Membership No. 056218) having office at 223, Nataraj Shopping Centre, S.V.Road, Malad (West), Mumbai-400 064, Tele Ph. No. (022) 2844 9591 Fax No (022) 2882 2833 E-mail: pkc.mumbai@gmail.com that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full.
- vi) Certificate dated 24.09.2010 from Mr. Pradeep Choudhary, Proprietor of PKC & Associates, Chartered Accountants, (Membership No. 056218) having office at 223, Nataraj Shopping Centre, S.V.Road, Malad (West), Mumbai-400 064, Tele Ph. No. (022) 2844 9591 Fax No (022) 2882 2833 E-mail: pkc.mumbai@gmail.com relating to the fair value of the equity shares of the Target Company as on 23.09.2010 as per Regulation 20(5) of the Regulations.
- vii) Certificate dated 14.12.2010 from Mr. Anil Kumar Nevetia, (Membership No. 040403) Proprietor of M/s A. K. Nevetia & Associates, Chartered Accountants having office at 19, Laxminarayan Shopping Centre, 1st Floor, Poddar Road, Malad (E) Mumbai, Telephone No. (022) 2883 6667; Telefax No. (022) 2882 9045; email: ak\_nevetia@yahoo.com relating to the fair value of the equity shares of the Target Company as on the Triggered date 21.04.2004 and 04.10.2005 as per Regulation 20(5) of the Regulations
- viii) The copy of Escrow agreement entered into between the Acquirer, HDFC Bank Ltd, Central Plaza , Sarat Bose Road, Kolkata - 700 020 ('Escrow Banker') and the Manager for opening of Escrow Account
- ix) The copy of Share Purchase Agreement dated 23.09.2010 between the sellers and the Acquirer, which triggered the open offer.

- x) Copy of the Public Announcement for the Offer dated 29.09.2010, First Corrigendum dated 30.12.2010 & Second Corrigendum dated 05.01.2011.
- xi) Undertaking dated 23.09.2010 and 04.01.2011 issued by the Acquirer.
- xii) Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer, dated 23.09.2010.
- xiii) Copy of SEBI letter no. CFD/DCR/TO/SA/OW/31511/10 dated 31.12.2010 issued in terms of proviso to the regulation 18(2) of the regulations.

**10. DECLARATION BY THE ACQUIRER:**

The Acquirer and its directors accept full responsibility for the information contained in this letter of Offer and also for their obligations as laid down in Regulation No 22(6) of the Regulations.

**For M/S. LUHARUKA SALES & SERVICES PRIVATE LIMITED**

Sd/-  
**Director**

Place: MUMBAI  
Date: 05.01.2011

**Attached: Form of Acceptance cum Acknowledgement & Form of Withdrawal**

**FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT**

To,  
**M/s. Bigshare Services Private Limited**  
 E/2, Ansa Industrial Estate,  
 Sakivihar Road, Sakinaka, Andheri (E)  
 Mumbai-400 072  
 Dear Sir,

Date:

OFFER	
Opens on	January 17, 2011
Closes on	February 05, 2011
Last date of Withdrawal	February 01, 2011

**Subject: Open Offer by M/s. Luharuka Sales & Services Private Limited having its registered office at A-301, Hetal Arch, Opp. Natraj Market, S.V. Road, Malad (West), Mumbai-400 064 (hereinafter referred to as "Acquirer" or "LSSPL") to the shareholders of Parasnath Textiles Limited ("Target Company" or "PTL") to acquire from them upto 1,47,260 fully paid up equity shares of Rs. 10/- each aggregating 20% of the paid up Equity & voting share capital of Parasnath Textiles Limited @ Rs. 46/- per fully paid up equity share.**

I/We refer to the Letter of Offer dated 05.01.2011 for acquiring the equity shares held by us in **Parasnath Textiles Limited**.  
 I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

**SHARES 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.	Ledger Folio No.	Certificate No(s).	Distinctive No(s).	No. of shares
<b>Total number of equity shares</b>				

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 Acquirer gives the purchase consideration as mentioned in the Letter of Offer.

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

I/We note and understand that the Shares would reside in the special account opened for the purpose of this Offer until the time the Acquirer accepts the Shares and makes the payment of purchase consideration as mentioned in the Letter of Offer.

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

I/We authorize the Acquirer to accept the shares so offered which they 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 Acquirer to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted.

I/We authorise the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

I/We authorize the Acquirer to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,  
 Signed and Delivered

	Full Names (s) of the holders	Address	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

**Note:** In case of joint holdings all must sign. Enclose duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s). A corporation must affix its common seal and enclose necessary certified corporate authorizations. Non-resident shareholders with repatriable benefits must enclose appropriate documentation.

Place:

Date:

**Bank Details**

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

Bank of India based on the Bank Account Details provided below and a photo copy of cheque is enclosed.

Savings/Current/(Others; please specify) : \_\_\_\_\_

Name of the Bank Branch: \_\_\_\_\_

Account Number: \_\_\_\_\_ IFSC Code \_\_\_\_\_

TEAR HERE

**Acknowledgement slip**

Ledger Folio No. \_\_\_\_\_ Received from \_\_\_\_\_ an application for sale of \_\_\_\_\_ Equity Share(s) of Parasnath Textiles Limited together with \_\_\_\_\_ share certificate(s) bearing Certificate Numbers \_\_\_\_\_ and \_\_\_\_\_ transfer deed(s).

**Note:** All future correspondence, if any, should be addressed to the Registrar to the Offer at the address mentioned above.

Date of receipt

Signature of the official

**FORM OF WITHDRAWAL**  
**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

From:  
 Name:  
 Address:

OFFER	
Opens on	January 17, 2011
Closes on	February 05, 2011
Last date of Withdrawal	February 01, 2011

Tel. No.  
 Fax No.  
 E-mail:

To,  
 M/s. Bigshare Services Private Limited.  
 E/2, Ansa Industrial Estate,  
 Sakivihar Road, Sakinaka, Andheri (E)  
 Mumbai-400 072  
 Dear Sir,

**Subject: Open Offer by M/s. Luharuka Sales & Services Private Limited having its registered office at A-301, Hetal Arch, Opp. Natraj Market, S.V. Road, Malad (West), Mumbai-400 064 (hereinafter referred to as "Acquirer" or "LSSPL") to the shareholders of Parasnath Textiles Limited ("Target Company" or "PTL") to acquire from them upto 1,47,260 fully paid up equity shares of Rs. 10/- each aggregating 20% of the paid up Equity & voting share capital of Parasnath Textiles Limited @ Rs. 46/- per fully paid up equity share.**

We refer to the Letter of Offer dated 05.01.2011 for acquiring the equity shares held by me/us in Parasnath Textiles Limited.

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

We, hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/We further authorize the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

We note that upon withdrawal of my/our shares from the Offer, no claim or liability shall lie against the Acquirer /PAC/Manager to the Offer/ Registrar to the Offer.

We note that this Form of Withdrawal should reach the Registrar to the Offer before the last date of withdrawal i.e.01.02.2011.

We note that the Acquirer/Manager to the Offer/ Registrar to the Offer shall not be liable for any postal delay/loss in transit of the shares held in physical form..

We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and shares only on completion of verification of the documents, signatures.

**SHARE HELD IN PHYSICAL FORM**

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger folio No.	Certificate No.	Distinctive No.		No. of Shares
			From	To	
Total number of shares					

I/We confirm that the particulars given above are true and correct.

Yours faithfully,  
 Signed and Delivered

	Full Names (s) of the holders	Address	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all shareholders must sign. A corporate body must sign under its official name. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance cum Acknowledgement. Applicants are requested to clearly mark the envelope with the words "Parasnath Textiles Limited Open Offer" while sending the documents to the registrar to the offer. All future correspondence, if any, should be sent to the registrar to the offer, M/s. Bigshare Services Private Limited (unit: Parasnath Textiles Limited), at their aforesaid address.

Place:

Date:

TEAR HERE

**ACKNOWLEDGEMENT RECEIPT**

Received Form of Withdrawal from Mr./ Mrs./Ms. ----- Folio No.-----

Number of shares tendered -----

Number of share withdrawn -----

**Stamp of Registrar**

**Signature of official**

**Date of Receipt**

# BOOK POST

*If undelivered, please return to :*  
**BIGSHARE SERVICES PRIVATE LIMITED**  
E/2, Ansa Industrial Estate,  
Sakivihar Road, Sakinaka, Andheri (E),  
Mumbai-400 072  
Tel: (022) 4043 0200  
Fax: (022) 2847 5207  
E-mail: [openoffer@bigshareonline.com](mailto:openoffer@bigshareonline.com)