

# Midland Services Limited

[CIN: L74140DL1985PLC020648]

Registered Office: 196, Sainik Farms, New Delhi – 110 062

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## RECOMMENDATIONS OF THE COMMITTEE OF INDEPENDENT DIRECTORS ("IDC") ON THE OPEN OFFER TO THE SHAREHOLDERS OF MIDLAND SERVICES LIMITED UNDER REGULATION 26(7) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 (THE "SEBI TAKEOVER REGULATIONS")

1.	Date	July 03, 2014
2.	Name of the Target Company / Target	Midland Services Limited
3.	Details of the Offer pertaining to Target Company	The Offer is a "Triggered Offer" under the Regulation 3(1) and 4 of SEBI Takeover Regulations for substantial acquisition of shares and voting rights accompanied with change in control and management of the Target. This Open Offer is made by Acquirers to the Shareholders of Target (other than the parties to the Share Purchase Agreement) to acquire 2,57,400 Equity Shares (including partly paid up shares) of face value of ₹ 10/- each ("Equity Shares") representing 26% of the issued and subscribed Equity Share Capital and 26.89% of the Paid Up / Voting Capital of the Target at a price of ₹ 1 (Rupee One Only) per fully paid up Equity Share and ₹ 0.50 (Paise fifty Only) per partly paid up Equity Share ("Offer Price"), payable in cash.
4.	Name(s) of the Acquirer and PAC with the Acquirer	Amanaya Financial Services Private Limited and Mr. Gautam Chatterjee
5.	Name of the Manager to the Offer	SPA Capital Advisors Limited SEBI Reg. No.: INM 000010825
6.	Members of the Committee of Independent Directors	Mr. Bharat Bhushan Jindal (DIN: 00101208) Mr. Ajay Kumar (DIN: 03425484)
7.	IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract / relationship), if any	All the IDC Members are Independent and Non-Executive Directors of the Target Company. They neither have any contractual relationship with the Target Company nor hold any Equity Shares of the Target Company.
8.	Trading in the Equity Shares / Other Securities of the Target Company by IDC Members	None of the IDC Members has done any trading in the Equity Shares / Other Securities of the Target in the last 12 months.
9.	IDC Member's relationship with the Acquirer (Director, Equity shares owned, any other contract / relationship), if any	None of the IDC Members is a Director of the Acquirers. They neither have any contractual relationship with the Acquirers nor hold any Equity Shares of the Acquirer namely Amanaya Financial Services Private Limited.
10.	Trading in the Equity Shares / Other Securities of the Acquirer by IDC Members	None of the IDC Members has done any trading in the Equity Shares / Other Securities of the Acquirer namely Amanaya Financial Services Private Limited in the last 12 months.
11.	Recommendations on the Open Offer, as to whether the Offer is fair and reasonable	The IDC believes that the Offer Price of ₹ 1 per fully paid up Equity Share and ₹ 0.50 per partly paid up Equity Share is fair and reasonable in line with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
12.	Summary of reasons for recommendations	In forming the aforesaid opinion / recommendations, the IDC has considered the following factors: (a) The Offer is a Triggered Offer under Regulation 3(1) and 4 of SEBI Takeover Regulations by the Acquirers and IDC is not aware of any material impact on the business of the Target Company as a result of the Offer. The Acquirers have stated that they intend to revive the business of the Target which is currently not carrying on any commercial activities. In that case, the IDC believes that the Acquirers have relevant experience in the field of finance, consultancy, marketing and distribution operations and hence will enable the growth of the business. (b) The Offer Price of ₹ 1 is at a premium to the fair value of Equity Shares of the Target as determined by Chartered Accountant and disclosed in the Detailed Public Statement dated May 22, 2014 which was arrived at on the basis of the financial ratios of the Company and the decision of the Hon'ble Supreme Court of India in the matter of Hindustan Lever Employees Union v/s Hindustan Lever Limited, 1995. (c) The Offer Price of ₹ 1 is more than the Book Value per Equity Share of the Target. (d) The Equity Shares of the Company are not traded. The Offer Price of ₹ 1 is at a premium to the negotiated price for acquisition of Equity Shares of the Target under the Share Purchase Agreement dated May 18, 2014.
13.	Details of Independent Advisors, if any	None
14.	Any other matter(s) to be highlighted	Nil

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under the SEBI Takeover Regulations.

for **Midland Services Limited**

Sd/-

Place: New Delhi

**Bharat Bhushan Jindal**

Date: July 03, 2014

**Chairman of the Committee**

**size : 8cm x 36cm**