# 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 **Delta Magnets Limited.** If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager or 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 the Stock Exchange through whom the said sale was effected.

## OPEN OFFER BY

**SSI Trading Private Limited ("SSITPL") having its Registered Office situated at Bhagwati Bhuvan Condominium, 31-B, Carmichael Road, Behind Jaslok Hospital, Mumbai – 400 026. Tel No.: 022 – 3934 6501 (Acquirer No. 1)**

**Delta Real Estate Consultancy Private Limited ("DRECPL") having its Registered Office situated at 18, Ali Chambers, 2nd Floor, Nagindas, Master Road, Fort, Mumbai – 400 001. Tel No.: 022 – 2267 9245 (Acquirer No. 2)**

## TO

**Acquire upto 15,79,153 (Fifteen Lacs Seventy Nine Thousand One Hundred & Fifty Three) Equity Shares of the face value of Rs. 10/- each, being constituting 26% of the Expanded Paid up Share Capital of**

## DELTA MAGNETS LIMITED ("DML" / "TARGET COMPANY")

**Regd. Office: B-87, MIDC, Ambad, Nasik, Maharashtra – 422010.**
**Tel No.: 0253 – 2382238; Fax No.: 0253 – 2382826. E-mail ID: secretarial@jmgroup.in**

**At a price of Rs. 28.10/- (Rupees Twenty Eight and Ten Paise Only) per fully paid-up Equity Share (the "Offer Price"), payable in Cash.**

1) This Offer is being made by the Acquirers pursuant to Regulations 3, 4 and all other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ('Regulations').
2) The Offer is not subject to any minimum level of acceptance.
3) The subscription of 12,12,800 is subject to in-principle approval of the BSE Limited (BSE") and National Stock Exchange of India Limited ("NSE") for listing of the shares proposed to be issued under preferential issue as approved by the Board of Directors of the Target Company in its meeting held on May 25, 2012 and to be approved by the shareholders in the Extra-ordinary General Meeting which is going to be held on June 21, 2012.
4) The Shareholders who have tendered shares in acceptance of the Open Offer by tendering the requisite documents, in terms of the Public Announcement / Detailed Public Statement / Letter of Offer, shall not be entitled to withdraw such acceptance.
5) If there is any upward revision in the Offer Price by the Acquirers upto three working days prior to the commencement of the tendering period i.e. up to July 03, 2012, Tuesday or in the case of withdrawal of offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirers for all the shares validly tendered anytime during the Offer.
6) If there is competing offer: The public offers under all the subsisting bids shall open and close on the same date.
7) A copy of Public Announcement, Detailed Public Statement, Letter of Offer (including Form of Acceptance cum Acknowledgement) is also available on SEBI's web-site: www.sebi.gov.in.
8) All correspondence relating to this Offer, if any, should be addressed to the Registrar to the Offer, viz. Universal Capital Securities Private Limited.

| MANAGER TO THE OFFER | REGISTRAR TO THE OFFER |
| --- | --- |
| ARYAMAN FINANCIAL SERVICES LTD<br>**Aryaman Financial Services Limited**<br>60, Khatau Building, Alkesh Dinesh Modi Marg,<br>Opp. P J Towers (BSE building), Fort, Mumbai – 400 001.<br>Tel: 022 – 2261 8264 / 2261 8635; Fax: 022 – 2263 0434<br>Email: info@afsl.co.in; Website: www.afsl.co.in<br>Contact Person: **Mr. Deepak Biyani** | UCS<br>**Universal Capital Securities Private Limited**<br>21, Shakil Niwas,Opp. Satya Saibaba Temple,<br>Mahakali Caves Road, Andheri (E), Mumbai – 400 093.<br>Tel. No. 022 – 2820 7203 / 04 Fax No. 022 – 2820 7207<br>E-mail: info@unisec.in<br>Contact Person: **Mr. Ravindra Utekar** |
| **OFFER OPENS ON: 09/07/2012 (MONDAY)** | **OFFER CLOSES ON: 20/07/2012 (FRIDAY)** |

**SCHEDULE OF MAJOR ACTIVITIES**

| Major Activities | Day & Date |
|---|---|
| Public Announcement | Friday, May 25, 2012 |
| Publication of Detail Public Statement | Tuesday, May 29, 2012 |
| Filing of Draft Letter of Offer with SEBI | Monday, June 04, 2012 |
| Last Date for a Competitive Bid | Tuesday, June 19, 2012 |
| Receipt of Comments from SEBI on Draft Letter of Offer | Monday, June 25, 2012 |
| Identified Date* | Monday, June 25, 2012 |
| Date by which Letter of Offer be posted to the Shareholder | Monday, July 02, 2012 |
| Last Day of Revision of Offer Price / Share | Tuesday, July 03, 2012 |
| Comments on the Offer by a Committee of Independent Directors constituted by the BoDs of the Target Company | Wednesday, July 04, 2012 |
| Issue of advertisement announcing the schedule of activities for Open Offer, status of statutory and other approvals in newspapers | Friday, July 06, 2012 |
| Date of Opening of the Offer | Monday, July 09, 2012 |
| Date of Closing of the Offer | Friday, July 20, 2012 |
| Date of communicating the rejection / acceptance and payment of consideration for the acquired share | Monday, July 30, 2012 |

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

**RISK FACTORS**

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

**1) Relating to transaction**

The subscription of 12,12,800 (Twelve Lacs Twelve Thousand Eight Hundred) Equity Shares by SSI Trading Pvt. Ltd. is subject to in-principle approval of the Stock Exchanges for listing of the shares proposed to be issued under preferential issue as approved by the Board of Directors of the Target Company in its meeting held on May 25, 2012 and to be approved by the shareholders in the Extra-ordinary General Meeting which is going to be held on June 21, 2012.

**2) Relating to the Offer**

a) In the event that either (a) the regulatory approvals are not received in a timely manner (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirers not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of Target Company, whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirers, may be delayed. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.

b) In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

c) The tendered shares and the documents would be held in trust by the Registrar to the Offer until the completion of the Offer formalities. Accordingly, the Acquirers makes no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.

d) Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the tendering period even if the acceptance of Equity 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.

e) The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement (PA) / Detailed Public Statement (DPS) / Letter of Offer (LoF) and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his / her / its own risk.

**3) Relating to Acquirers**

a) The Acquirers makes no assurance with respect to the financial performance of the Target Company and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

b) The Acquirers makes no assurance with respect to its investment decisions relating to its proposed shareholding in the Target Company.

c) The Acquirers does not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.

d) The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement (PA) / Detailed Public Statement (DPS) / Letter of Offer (LoF) and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his / her / its own risk.

e) The Acquirer does not accept the responsibility with respect to the information contained in PA or DPS or LoF that pertains to the Target Company and has been compiled from publicly available resources.

**The risk factors set forth above, pertain to the Offer and are not in relation to the present or future business or operations of the Target Company or any 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. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such Shareholder's participation in the Offer and related sale and transfer of Equity Shares of the Target Company to the Acquirers.**

## CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "Rs." are to the reference of Indian National Rupees ("INR"). Throughout this Letter of Offer, all figures have been expressed in "Lac" unless otherwise specifically stated. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

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## 1. ABBREVIATIONS / DEFINITIONS

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

| Term / Abbreviation | Description |
|---|---|
| Acquirer No. 1 | SSI Trading Private Limited ("SSITPL") |
| Acquirer No. 2 | Delta Real Estate Consultancy Private Limited ("DRECPL") |
| Acquirers | SSI Trading Private Limited ("SSITPL") and Delta Real Estate Consultancy Private Limited ("DRECPL") |
| Board / Board of Directors | The Board of Directors of the Target Company. |
| BSE | BSE Limited, Mumbai |
| CDSL | Central Depository Services (India) Limited |
| Companies Act | The Companies Act, 1956, as amended from time to time |
| DP / Depository Participant | Sushil Financial Services Pvt. Ltd. |
| DPS / Detailed Public Statement | Detailed Public Statement which appeared in the newspaper on May 29, 2012 issued by the Manager to the Offer, on behalf of the Acquirers. |
| EGM | Extra-ordinary General Meeting of the Shareholders of the Target Company, which is going to be held on June 21, 2012. |
| Eligible Persons to participate in the Offer | All owner (registered or unregistered) of Equity Shares of the Target Company (except Acquirers, persons deemed to be acting in concert with Acquirers and existing Promoters / Promoter Group of the Target Company) are eligible to participate in the offer anytime before the closure of the Offer. |
| FEMA | Foreign Exchange Management Act, 1999 including rules and regulations formulated thereunder. |
| FII | Foreign Institutional Investors |
| Form of Acceptance | The form of application cum acknowledgement and authority, which is enclosed with this Letter of Offer |
| Identified Date | June 25, 2012 (Monday) |
| IFSC | Indian Financial System Code |
| Income Tax Act | Income Tax Act, 1961, as amended from time to time |
| LoF / Letter of Offer | This Letter of Offer |
| Manager / Manager to the Offer / AFSL | Aryaman Financial Services Limited, Mumbai |
| MICR | Magnetic Ink Character Recognition |
| NECS | National Electronic Clearing Service |
| NEFT | National Electronic Funds Transfer |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited, Mumbai |
| NRI(s) | Non – Resident Indians |
| OCB(s) | Overseas Corporate Bodies |
| Offer | Open Offer for acquisition of 15,79,153 (Fifteen Lacs Seventy Nine Thousand One Hundred Fifty Three) Equity Shares of the face value of Rs. 10 each, being constituting 26% of the Expanded Paid up Share Capital of the Target Company post the preferential allotment approved by the meeting of Board of Directors dated May 25, 2012 at a price of Rs. 28.10/- (Rupees Twenty Eight and Ten Paise Only) per fully paid up Equity Share payable in cash. |
| Offer Period | Period between the date of entering into an agreement, formal or informal, to acquire shares, voting rights in, or control over a target company requiring a public announcement, or the date of the public announcement, as the case may be, and the date on which the payment of consideration to shareholders who |

| | |
|---|---|
| | have accepted the open offer is made i.e. period from May 25, 2012 (Friday) to July 30, 2012 (Monday), or the date on which open offer is withdrawn, as the case may be. |
| Offer Price | Rs. 28.10/- (Rupees Twenty Eight and Ten Paise Only) per share for each fully paid-up equity Shares payable in cash. |
| PA / Public Announcement | Public Announcement of the Offer submitted to BSE, NSE & SEBI on May 25, 2012. |
| Preferential Issue | Issue of 12,12,800 (Twelve Lacs Twelve Thousand Eight Hundred) Equity Shares of the Target Company as approved by the Board of Directors of the Target Company in its meeting held on May 25, 2012 and to be approved by the shareholders by way of EGM, which is going to be held on June 21, 2012. |
| RBI | Reserve Bank of India |
| Registrar / Registrar to the Offer | Universal Capital Securities Private Limited, an entity registered with SEBI under the SEBI (Registrar to Issue and Share Transfer Agents) Regulations, 1993, as amended or modified from time to time. |
| Rs. / INR | Indian Rupees, the legal currency of India |
| RTGS | Real Time Gross Settlement |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI (SAST) Regulations, 2011 / Regulations / Reg. | Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 2011 and subsequent amendments thereof. |
| SEBI (SAST) Regulations, 1997. | Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 1997 and subsequent amendments thereof. |
| Share (s) | Fully paid up equity Share of Delta Magnets Limited**,** having face value of Rs. 10/- each. |
| Shareholders | Shareholders of Delta Magnets Limited |
| Special Depository Account | A special depository account named "Delta Magnets Limited Open Offer – Operated by Universal Capital Services Pvt. Ltd." opened with CDSL |
| Target Company / DML | Delta Magnets Limited, Nasik |
| Tendering Period | Period within which Shareholders of the Target Company may tender their Equity Shares in acceptance to the Offer i.e. the period between and including July 09, 2012 (Monday) to July 20, 2012 (Friday). |

## 2. DISCLAIMER CLAUSE

**"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF 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 DELTA MAGNETS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, PACs 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 ACQUIRERS ARE 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 ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ARYAMAN FINANCIAL SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 01, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."**

## 3. DETAILS OF THE OFFER

### 3.1 BACKGROUND OF THE OFFER

3.1.1 The Offer is being made under Regulations 3(2) and 4 of SEBI (SAST) Regulations, 2011 for substantial acquisition of shares and voting rights accompanied with change in control and management of Target Company.

3.1.2 SSI Trading Private Limited ("SSITPL") had approached the Target Company and its promoters/ promoter group to recognize itself as a promoter of the Target Company as well as to invest in the capital of the Target Company by way of subscription of 12,12,800 (Twelve Lacs Twelve Thousand Eight Hundred) Equity Shares on preferential basis and take joint control of the management of the Target Company. The Target Company and its promoters/ promoter group has agreed to both the proposal of SSITPL and they have entered into a Share Subscription Agreement dated May 25, 2012. The Board of Directors of the Target Company in their meeting held on May 25, 2012 have duly authorised the abovementioned Preferential Allotment for cash at a price of Rs. 28.10/- (Rupees Twenty Eight and Ten Paise Only) per equity share subject to its shareholder's approval. A notice for EGM dated May 25, 2012 has already been dispatched to its shareholders inter alia to approve this Preferential Allotment in accordance with the provisions of Section 81(1A) of the Companies Act, 1956 and other applicable provisions including the SEBI (SAST) Regulations. The EGM will be held on June 21, 2012 and the result of the EGM shall be announced on the same day. The consideration payable by the SSITPL for the Preferential Allotment shall be Rs. 3,40,79,680 (Rupees Three Crores Forty Lacs Seventy Nine Thousand Six Hundred & Eighty Only).

**The highlights of this agreement are as follows:**

- SSITPL to become promoter of the Target Company.
- SSITPL has right to nominate one Director on the Board of the Target Company who shall be liable to retire by rotation.
- Till the time SSITPL directly or indirectly holds more than 5.00% of the issued and paid up capital of the Target Company, it shall have a right to nominate 1 (one) Director on the Board.

3.1.3 The present Promoters Group (including DRECPL) are holding in aggregate 30,19,062 (Thirty Lacs Nineteen Thousand & Sixty Two) Equity Shares constituting 62.11% of the existing Paid up Equity Share Capital of the Target Company. Post preferential allotment of Equity Shares to SSITPL and recognition of SSITPL as a Promoter of the Target Company, the shareholding of the promoter group will increase to 42,33,977 (Forty Two Lacs Thirty Three Thousand Nine Hundred & Seventy Seven) Equity Shares constituting 69.71% of the Expanded Paid up Equity Share Capital of the Target Company post preferential allotment. As a result of the same as well as recognizing SSITPL as the promoter of the Target Company, this mandatory Open Offer is being made by the Acquirers in compliance with Regulations 3, 4 and other applicable provisions of SEBI (SAST) Regulations, 2011. This would lead to a change of control of the Target Company and SSITPL have an intention to control the management jointly along with the existing Promoter Group.

3.1.4 There is no separate arrangement for the proposed change in control of the Target Company except for the terms as mentioned in Share Subscription Agreement.

3.1.5 The Acquirers / their Promoters / Directors and the Target Company, its Promoters / Directors have not been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B of SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.

3.1.6 It is proposed that upon the Preferential Allotment of equity shares and upon completion of all formalities under the Regulations, Mr. Ram Shroff (who is currently a Director on the Board in his personal capacity) shall be recognized as a Director on the Board of the Target Company as a nominee of SSITPL to provide managerial, technical, financial and marketing expertise to the Target Company on an ongoing basis and DML shall take effective steps to recognize Mr. Ram Shroff as SSITPL's nominee on its Board.

Mr. Ram Shroff (Board Member of Acquirer No. 1), Mr. Jaydev Mody and Ms. Ambika S. Kothari (Board Members of Acquirer No. 2) are already on the Board of the Target Company since August 2011, March 2008 and August 2010 respectively. They will not participate in any deliberations of the Board of Directors of Target Company or vote on any matter in relation to the Offer in terms of Regulation 24(4) of the Regulations.

3.1.7 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations 2011, the Board of the Target Company is required to constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published. A copy whereof shall be sent to SEBI, BSE, NSE and Manager to the Offer and in case of a competing offers to the Managers to the Open Offer for every competing offer.

## 3.2 DETAILS OF THE PROPOSED OFFER

3.2.1 In accordance with the Regulation 14(3) and pursuant to Regulations 3 & 4 of SEBI (SAST) Regulation, the Acquirers have made a Detailed Public Statement on May 29, 2012 pursuant to Public Announcement dated May 25, 2012 in the following newspapers:

| | |
|---|---|
| The Financial Express (National English Daily) | All Editions |
| Jansatta (National Hindi Daily) | All Editions |
| Navshakti (Regional Language Daily) | Mumbai Edition |
| Gavakari (Regional Language Daily) | Nasik Edition |

A Copy of the Public Announcement & Detailed Public Statement is also available on the SEBI's website: www.sebi.gov.in

3.2.2 The Acquirers are making an Open Offer to acquire up to 15,79,153 (Fifteen Lacs Seventy Nine Thousand One Hundred & Fifty Three) Equity Shares of the face value of Rs. 10 each, being constituting 26% of the Expanded Paid up Share Capital of the Target Company post the preferential allotment approved by the meeting of Board of Directors dated May 25, 2012 at a price of Rs. 28.10/- (Rupees Twenty Eight and Ten Paise Only) per fully paid up Equity Share payable in cash, subject to the terms and conditions set out in the Public Announcement, the Detailed Public

Statement and this Letter of Offer. Expanded Paid up Shares Capital of the Target Company, as on 10th (Ten) working day after closing of tendering period would be 60,73,663 (Sixty Lacs Seventy Three Thousand Six Hundred & Sixty Three) Equity Shares of the face value of Rs. 10/- each.

3.2.3 This Open Offer is made under SEBI (SAST) Regulations, 2011 to all the shareholders of the Target Company, in term of the Regulation 7(6) of the Regulations, other than the Acquirers, persons deemed to be acting in concert with Acquirers and existing Promoters / Promoter Group of the Target Company.

3.2.4 As on date of this Letter of Offer, all the equity shares of the Target Company are fully paid up and there are no partly paid up equity shares in the Target Company. There are no outstanding convertible instruments (debentures/warrants/FCDs/PCDs) etc. into equity shares on any later date.

3.2.5 This is not a competitive bid. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.

3.2.6 This Open Offer is not subject to any minimum level of acceptance from the shareholders i.e. it is not a conditional offer. The Acquirers will acquire all the Equity Shares of the Target Company that are validly tendered as per terms of the Offer upto a maximum of 15,79,153 (Fifteen Lacs Seventy Nine Thousand One Hundred & Fifty Three) Equity Shares constituting 26% of the Expanded Paid up Equity Share Capital of the Target Company post preferential allotment approved by the meeting of Board of Directors of Target Company dated May 25, 2012.

3.2.7 The Acquirers have not acquired any shares of Target Company after the date of P.A. i.e. May 25, 2012 and upto the date of this Letter of Offer except the shares proposed to be acquired in terms of SSA dated May 25, 2012.

3.2.8 Competitive Bid: There is no competitive bid in this Offer as on the date of this Letter of Offer.

3.2.9 There is no agreement amongst the Acquirers and any other persons/entities, in connection with the break-up of shares to be accepted from the shares tendered in this Offer. The entire Equity Shares proposed to be acquired under this Offer will be acquired by the Acquirers and no other persons / entities propose to participate in the acquisition.

3.2.10 There are no ‘Persons Acting in Concert’ within the meaning of Regulation 2(1)(q)(1) of the Regulations in relation to this Open Offer. Due to the applicability of Regulation 2(1)(q)(2) of the Regulations, there could be certain entities deemed to be Persons Acting in Concert with the Acquirers.

3.2.11 Pursuant to this Open Offer, the Public Shareholding in the Target Company may reduce to less than the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and the Listing Agreement. The Acquirers undertakes that if the Public Shareholding is reduced to below such minimum level it will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Listing Agreement and other provisions of applicable laws, within the time period mentioned therein. Further the Acquirers are not eligible to make a voluntary delisting offer under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, unless a period of 12 (Twelve) months has elapsed from the date of the completion of the Offer Period.

3.2.12 The Manager to the Offer, Aryaman Financial Services Limited does not hold any Equity Shares in the Target Company as on the date of the Public Announcement, Detailed Public Statement and this Letter of Offer. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

## 3.3 OBJECT OF THE ACQUISITION / THE OFFER

3.3.1 This Open Offer is being made to the shareholders of Target Company pursuant to SSITPL’s recognition as a Promoter of the Target Company, by the proposed subscription of 12,12,800 (Twelve Lacs Twelve Thousand Eight Hundred) Equity Shares on preferential basis and SSITPL’s taking joint control of the management of the Target Company, in compliance with Regulations 3(2) & 4 of SEBI (SAST) Regulations, 2011.

3.3.2 It is proposed that upon the Preferential Allotment of equity shares and upon completion of all formalities under the Regulations, Mr. Ram Shroff (who is currently a Director on the Board in his personal capacity) shall be recognized as a Director on the Board of the Target Company as a nominee of SSITPL to provide managerial, technical, financial and marketing expertise to the Target Company on an ongoing basis and DML shall take effective steps to recognize Mr. Ram Shroff as SSITPL's nominee on its Board.

3.3.3 The Acquirers propose to continue the existing business of the Target Company. The main purpose of takeover is to expand the Target Company's business activities in the present line of activities through exercising effective management and control over the Target Company. However, no firm decision in this regard has been taken or proposed so far.

3.3.4 The consideration for the preferential allotment payable to the Target Company and the consideration for the Equity Shares accepted under the Open Offer payable to the respective shareholders shall be paid in cash.

3.3.5 The Acquirers do not have any plans to alienate any significant assets of the Target Company or any of its subsidiaries whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. Target Company's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of Postal Ballot in terms of Regulation 25(2) of the Regulations.

## 4. BACKGROUND OF THE ACQUIRERS

### 4.1 SSI TRADING PRIVATE LIMITED ("SSITPL") – ACQUIRER NO. 1

4.1.1 The Acquirer No. 1, SSI Trading Private Limited was incorporated on March 07, 2012 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra, as a private limited company. It is a newly incorporated company and has not changed its name since incorporation. The CIN No. of SSITPL is U52599MH2012PTC227802.

4.1.2 The Registered office of SSITPL is situated at Bhagwati Bhuvan Condominium, 31-B, Carmichael Road, Behind Jaslok Hospital, Mumbai – 400 026.

4.1.3 The main object of SSITPL is to carry on in India and abroad as the traders, sellers, buyers, resellers, distributors, exporters, importers, merchants, commission agents and to buy, sell, import, export or otherwise deal in goods produce, ware, articles, things, merchandise, materials and deal in all kinds of goods for the above and no money circulation scheme be carried out by SSITPL. However as on date, SSITPL has not started any business activity.

4.1.4 Mr. Ram Shroff and Mrs. Sharmilee R. Shroff are the promoters & directors of SSITPL. Mr. Ram Shroff along with their family & associates are persons in control of SSITPL and hold 100% shareholding of SSITPL. Shareholding pattern of SSITPL as on the date of LoF are as under:

| Sr. No. | Shareholder's Category | No. of Equity Shares | % of Total Equity Capital |
|---|---|---|---|
| 1 | Promoters | | |
| | Mr. Ram Shroff | 500,000 | 50.00 |
| | Ms. Sharmilee Shroff | 500,000 | 50.00 |
| 2 | FII/ Mutual-Funds/ FIs/ Banks | - | - |
| 3 | Public | - | - |
| | **Total Paid Up Equity Capital** | **1,000,000** | 100.00 |

4.1.5 As on the date of LoF, the SSITPL does not hold any shares in the Target Company except the shares proposed to be acquired under SSA dated May 25, 2012 as mentioned in Para 3.1.2 above. However Mr. Ram Shroff, Promoter & Director of SSITPL, is currently holding 2,115 Equity Shares constituting 0.04% of the current Paid up Shares Capital of the Target Company. Since SSITPL does not hold any Shares as on date and Mr. Ram Shroff is holding only 0.04% of current Paid up Shares Capital in the Target Company, the provisions of Chapter V of SEBI (SAST) Regulations, 2011 and Chapter II of SEBI (SAST) Regulations, 1997 are not applicable till date.

4.1.6 The details of Board of Directors of SSITPL as on the date of LoF are as follows:

| Sr. No. | Name & Address of Directors | Qualification | Experience | Date of Appointment |
|---|---|---|---|---|
| 1 | **Mr. Ram Shroff**<br>Bhagwati Bhuvan Condominium,<br>31-B, Carmichael Road,<br>Mumbai – 400 026.<br><br>DIN No.: 00004865 | M.B.B.S. | He has an experience of more than 13 years in Charak Pharma Private Limited. Makers of Ayurvedic and Herbal Medicines, where in the Designation of Executive Director and in charge of Sales and Marketing and Exports. He has participated in the several local and international medical conferences, impressing the need of alternative medicines in the treatment of patients. | 7-Mar-12 |
| 2 | **Mrs. Sharmilee R. Shroff**<br>Bhagwati Bhuvan Condominium,<br>31-B, Carmichael Road,<br>Mumbai – 400 026.<br><br>DIN No.: 01974250 | B.Com | She is trained specialist in Pearls from Japan and engaged in day to day business of SSI Trading Private Limited. | 7-Mar-12 |

Note: Mr. Ram Shroff is already on the Board of the Target Company since August 2011. He will not participate in any deliberations of the Board of Directors of Target Company or vote on any matter in relation to the Offer in terms of Regulation 24(4) of the Regulations.

4.1.7 This being the First year of the company, the key financial information is not available. As certified by Mr. Kamal Kumar Jain (Membership No. 75754), Proprietor of K. Kumar Jain & Co., Chartered Accountants, having office at 209-B, Pandya Mansion, 625, JSS Road, Chira Bazar, Marine Lines, Mumbai – 400 002, vide certificate dated May 25, 2012, the networth of the Company as on May 25, 2012 is Rs. 340.87 Lacs (Rupees Three Crores Forty Lacs & Eighty Seven Thousand Only). The Networth consists of paid-up capital and premium only.

4.1.8 SSITPL is a Private Company and the shares of the SSITPL are not listed on any stock exchange.

4.1.9 There are no contingent liabilities in SSITPL.

4.1.10 Presently, SSITPL & its directors do not have any interest in the Target Company except

(a) to the extent of their current shareholding (direct & indirect),

(b) to the extent of acquiring Equity Shares in the Target Company under the Share Subscription Agreement (SSA) as mentioned in Para 3.1.2 above and

(c) to the extent of becoming part of the Promoter Group of the Target Company.

4.1.11 SSITPL has not entered into any non-compete arrangement and/or agreement with anyone with respect to the operation of Target Company.

4.1.12 SSITPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 (“SEBI Act”) as amended or under any other regulation made under the SEBI Act.

## 4.2 DELTA REAL ESTATE CONSULTANCY TRADING PRIVATE LIMITED ("DRECPL") – ACQUIRER NO. 2

4.2.1 The Acquirer No. 2 was originally incorporated as "Delta Township and Real Estate Private Limited" on April 03, 2008 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra, as a private limited company. The name of the Company was change to "Delta Real Estate Consultancy Private Limited" on September 24, 2008 and a fresh Certificate of Incorporation consequent to change in name was obtained on October 17, 2008 from the Registrar of Companies under the Companies Act, 1956. The CIN No. of DRECPL is U45400MH2008PTC180800.

4.2.2 The Registered office of DRECPL is situated at 18, Ali Chambers, 2nd Floor, Nagindas Master Road, Fort, Mumbai – 400 001.

4.2.3 The main object of DRECPL is to build, construct, alter, improve, maintain, enlarge, pull down, remove or replace and to develop, work, manage, carry out and control any buildings, office, chawls and other works and conveniences and to contribute, to subscribe or otherwise assist or take part in the construction, improvement, maintenance, development, working, management, carrying out or control thereof.

4.2.4 DRECPL is a part of JM Group and Mr. Jaydev Mody is the Promoter of DRECPL. Mr. Jaydev Mody along with their family & associates are persons in control of Company and hold 100% shareholding of DRECPL. Shareholding pattern of DRECPL as on the date of LoF are as under:

| Sr. No. | Shareholder's Category | No. of Equity Shares | % of Total Equity Capital |
|---|---|---|---|
| 1 | Promoters | | |
| | Mr. Jaydev Mody | 9,999 | 99.99 |
| | Mr. Jaydev Mody jointly with Hardik Dhebar | 1 | Negligible |
| 2 | FII/ Mutual-Funds/ FIs/ Banks | - | - |
| 3 | Public | - | - |
| | **Total Paid Up Equity Capital** | **10,000** | 100.00 |

4.2.5 As on the date of LoF, the DRECPL is currently holding 10,05,981 Equity Shares constituting 20.70% of the current Paid up Shares Capital of the Target Company in a capacity of trustee for Anjali J Mody Trust. Other than DRECPL, the present Promoters viz. Ziabai Jaydev Mody, Aryanish Finance & Investments Pvt. Ltd. and Bayside Property Developers Pvt. Ltd. are holding an aggregate 20,13,081 Equity Shares constituting 41.41% of the current Paid up Shares Capital of the Target Company. Aryanish Finance & Investments Pvt. Ltd. and Bayside Property Developers Pvt. Ltd. holds Equity Shares in the capacity of trustees for Aarti J Mody Trust and Aditi J Mody Trust respectively. DRECPL & other promoter group members of the Target Company are duly complied with the provisions of Chapter V of SEBI (SAST) Regulations, 2011 and Chapter II of SEBI (SAST) Regulations, 1997.

4.2.6 The details of Board of Directors of DRECPL as on the date of LoF are as follows:

| Sr. No. | Name & Address of Directors | Qualification | Experience | Date of Appointment |
|---|---|---|---|---|
| 1 | **Mr. Jaydev Mody**<br>West Hill 27, Nepaean Sea Road, Mumbai – 400 036.<br><br>DIN No.: 00234797 | BA | He has more than 25 years of experience in the field of real estate development and has been instrumental in the development of several large residential complexes, office complexes and retail destinations. | 03-Sep-10 |

| | | | | |
|---|---|---|---|---|
| 2 | **Mr. Rajeev Piramal**<br>61 Piramal House,<br>Pochkhanwala Road, Worli,<br>Mumbai – 400 025.<br><br>DIN No.: 00044983 | BBA | He has significant expertise of over 7 years in the real estate sector and is currently involved in project planning and execution. | 03-Sep-10 |
| 3 | **Ms. Ambika Kothari**<br>57 Sea View, Worli Sea Face,<br>Mumbai – 400 025.<br><br>DIN No.: 01162900 | BA (Economics) | She is experienced in the fields of business administration, management and as analyst. She has worked with reputed international analyst firms. | 03-Sep-10 |

Note: Mr. Jaydev Mody & Ms. Ambika Kothari are already on the Board of the Target Company since March 2008 and August 2010 respectively. They will not participate in any deliberations of the Board of Directors of Target Company or vote on any matter in relation to the Offer in terms of Regulation 24(4) of the Regulations.

4.2.7 The brief financials details of DRECPL, based on un-audited financial for the year ended March 31, 2012 and based on the audited financials for the year ended March 2011, 2010 and 2009 are as follows: (Rs. In Lacs)

| **Profit & Loss Account as on** | **31-Mar-12** | **31-Mar-11** | **31-Mar-10** | **31-Mar-09** |
|---|---|---|---|---|
| Income from Operations | - | - | - | - |
| Other Income | 0.19 | - | - | - |
| Total Income | 0.19 | - | - | - |
| Total Expenditure | 0.63 | 0.51 | 0.31 | 0.24 |
| PBDIT | (0.44) | (0.51) | (0.31) | (0.24) |
| Depreciation | - | - | - | - |
| Interest | - | - | - | - |
| Profit/(Loss) Before Tax | (0.44) | (0.51) | (0.31) | (0.24) |
| Provision for Tax | - | - | - | - |
| **Profit/(Loss) After Tax** | **(0.44)** | **(0.51)** | **(0.31)** | **(0.24)** |

| **Balance Sheet as on** | **31-Mar-12** | **31-Mar-11** | **31-Mar-10** | **31-Mar-09** |
|---|---|---|---|---|
| **Sources of Funds** | | | | |
| Paid-up Share Account | 1.00 | 1.00 | 1.00 | 1.00 |
| Reserves and Surplus (Excluding Revaluation Reserve) | (1.50) | (1.06) | (0.55) | (0.24) |
| Net worth | (0.50) | (0.06) | 0.45 | 0.76 |
| Secured Loans | - | - | - | - |
| Unsecured Loans | 1.75 | 1.00 | 1.00 | - |
| **Total** | **1.25** | **0.94** | **1.45** | **0.76** |
| **Uses of Funds** | | | | |
| Net Fixed Assets | - | - | - | - |
| Investments | - | - | - | - |
| Net Current Assets | 1.25 | 0.94 | 1.45 | 0.65 |
| Deferred Tax Assets | - | - | - | - |
| Misc Expenses not written-off | - | - | - | 0.11 |
| **Total** | **1.25** | **0.94** | **1.45** | **0.76** |

| Other Financial Data | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 |
|---|---|---|---|---|
| Dividend (%) | - | - | - | - |
| Earnings Per Share (Rs.) | (4.39) | (5.10) | (3.06) | (2.42) |
| Return on Net worth (%) | Negative | Negative | Negative | Negative |
| Book Value Per Share (Rs.) | (4.97) | (0.58) | 4.52 | 7.58 |

The above financials are certified by Mr. Amit Desai, Proprietor of Amit Desai & Co. (Firm Registration No. 130710W), Chartered Accountants, having office at 43, Sunbeam Apartments, 3A Pedder Road, Mumbai – 400 026, vide his certificate dated May 25, 2012.

4.2.8 DRECPL is a Private Company and the shares of the DRECPL are not listed on any stock exchange.

4.2.9 There are no contingent liabilities in DRECPL.

4.2.10 Presently, DRECPL & its directors do not have any interest in the Target Company except

(a) to the extent of their current shareholding (direct & indirect),

(b) to the extent of acquiring Equity Shares of the Target Company under this Open Offer and

(c) to the extent of be part of the Promoter Group of the Target Company.

4.2.11 DRECPL has not entered into any non-compete arrangement and/or agreement with anyone with respect to the operation of Target Company.

4.2.12 DRECPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 ("SEBI Act") as amended or under any other regulation made under the SEBI Act.

4.2.13 Non – Applicability of BIFR Provisions

Mr. Ashish Kumar Jain (Membership No. 6058) of A. K. Jain & Co. (Practicing Company Secretaries) having its office at 40A, 3rd Floor, Shankar Seth Building, 380, JSS Road, Chira Bazar, Mumbai – 400 002; Tel.: 022 – 2203 4420 have certified via certificate dated May 25, 2012 that the provisions of erstwhile 'the Sick Industrial Companies (Special Provisions) Act, 1985 (repealed w.e.f. 02.01.2004 by the Sick Industrial Companies (Special Provisions) Repeal Act, 2003) are not applicable to Company due to the entire accumulated losses of 1,05,819/- (as on March 31, 2011) pertained to Real Estate Consultancy Business, and the said activity is not covered under the First Schedule of the Industrial (Development and Regulation) Act, 1951, and therefore not an industrial undertaking within the meaning of Section 3(1)(f) erstwhile Sick Industrial Companies (Special Provisions) Act, 1985.

**4.3 OTHER INFORMATIONS ABOUT ACQUIRERS**

4.3.1 There is no agreement amongst the Acquirers and any other persons/entities, in connection with the break-up of shares to be accepted from the shares tendered in this Offer. The entire Equity Shares proposed to be acquired under this Offer will be acquired by the Acquirers and no other persons / entities propose to participate in the acquisition.

4.3.2 The Acquirers are not registered as an intermediary with SEBI. There have been no merger / de-merger, spin-off in the Acquirers during the past three years. The Acquirers do not have any intention to de-list the Target Company in the succeeding three years after the instant offer.

4.3.3 The Acquirers / their Promoters / Directors have not acquired any Equity Shares of the Target Company during the 52 (Fifty Two) weeks immediately preceding the date of the Public Announcement except acquisition of 15 (Fifteen) Equity Shares on November 29, 2011 by Mr. Ram Shroff, who is Promoter & Director of SSITPL.

4.3.4 There are no 'Persons Acting in Concert' within the meaning of Regulation 2(1)(q)(1) of the Regulations in relation to this Open Offer. Due to the applicability of Regulation 2(1)(q)(2) of the

Regulations, there could be certain entities deemed to be Persons Acting in Concert with the Acquirers.

4.3.5 The Acquirers / their Promoters / Directors and the Target Company, its Promoters / Directors have not been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B of SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.

## 5. BACKGROUND OF THE TARGET COMPANY (DELTA MAGNETS LIMITED)

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

5.1 The Target Company was originally incorporated as a private limited company in the name of "G. P. Electronics Private Limited" on September 23, 1982 under the Companies Act, 1956. It was converted into a public limited company on July 16, 1984 and the name was changed to "G. P. Electronics Limited". Further the name of the Target Company was changed to "Delta Magnets Limited" and a fresh Certificate of Incorporation consequent to change in name was obtained on October 31, 2008 from the Registrar of Companies under the Companies Act, 1956. The Corporate Identity No. is L32109MH1982PLC028280.

5.2 The Registered Office of the Target Company is situated at B-87, MIDC, Ambad, Nasik, Maharashtra – 422010 and Corporate Office situated at Bayside Mall, 1st Floor, Opp. Sobo Central Mall, Tardeo Road, Haji Ali, Mumbai, Maharashtra – 400 034.

5.3 The Main objects of the Target Company are:

- To carry on business as manufacturers of and dealers in Electronic instruments, Miscellaneous Electric Equipment, Magnetic Tapes, Ferrite Rods, Capacitors, Connectors, Micro Switches, Electronic Switching Equipment, Power Diodes, Rectifiers, Integrated Circuits, Resistors, Reed relays and switches, Printed Circuit Boards, and Computers, Mini-computers, Micro-processor Based systems and allied items.
- To carry on business as manufacturers of and dealers in Electronic instruments, Electronic and Electric equipment, Electronic Components, Magnetic Tapes, Ferrite Rods, Hard and Soft Ferrites, Capacitors, Connectors, Micro Switches, Electronic Switching Equipment, Power Diodes, Rectifiers, Integrated Circuits, Resistors, Reed relays and switches, Printed Circuit Boards and Computers, Mini-Computers and Micro-processor Based systems.

5.4 The current promoter group had acquired the shares and management control of the Target Company from erstwhile promoter group in financial year 2007 – 08 after complying with the provisions of the SEBI (SAST) Regulations, 1997.

5.5 **Share Capital Structure of the Target Company**

The issued and paid up share capital of the Target Company as on the date of this LoF is Rs. 4,86,08,630 (Rupees Four Crores Eighty Six Lacs Eight Thousand Six Hundred & Thirty Only) divided into 48,60,863 (Forty Eight Lacs Sixty Thousand Eight Hundred Sixty Three) Equity Shares of the face value of Rs. 10/- each.

As on date of this LoF, there are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures, etc. convertible into equity shares on any later date. There are no partly paid up shares in the Target Company.

| Paid-up Equity Shares of Target Company | No. of Shares / Voting Rights | % of Share / Voting Rights |
|---|---|---|
| Fully Paid-up Equity Shares | 48,60,863 | 100.00 |
| Partly Paid-up Equity Shares | - | - |
| Total Paid-up Equity Shares | 48,60,863 | 100.00 |
| **Total Voting Rights in Target Company** | **48,60,863** | **100.00** |

The Expanded Paid up Equity Share Capital of the Target Company post preferential allotment approved by the meeting of Board of Directors dated May 25, 2012 shall be Rs. 6,07,36,630 (Rupees Six Crores Seven Lacs Thirty Six Thousand Six Hundred & Thirty Only) divided into 60,73,663 (Sixty Lacs Seventy Three Thousands Six Hundred Sixty Three) equity shares of the face value of Rs. 10 each.

5.6 The shares of the Target Company are presently listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The shares of the Target Company are not suspended for trading from any of the Stock Exchanges. No punitive action has been taken against the Target Company by any of the Stock Exchanges.

5.7 All the outstanding shares of the Target Company are listed on BSE and NSE. Based on the information available on BSE and NSE, the Equity Shares of the Target Company are not frequently traded on both BSE and the NSE (within the meaning of definition of "frequently traded shares" under Regulation 2(1)(j) of the Regulations).

5.8 **Details of Directors of Delta Magnets Limited**

As on the date of this LoF, the Board of Directors of the Target Company comprises of 9 (nine) members as given below:

| Sr. No. | Name & Address of Directors | Qualification | Experience | Date of Appointment |
|---|---|---|---|---|
| 1 | **Jaydev Mody**<br>West Hill 27,<br>Nepaean Sea Road,<br>Mumbai – 400 036.<br><br>DIN No.: 00234797 | Bachelor of Arts | He has more than 25 years of experience in the field of real estate development and has been instrumental in the development of several large residential complexes, office complexes and retail destinations. | 14-Mar-08 |
| 2 | **Urvi Piramal**<br>61 Piramal House,<br>Pochkhanwala Road,<br>Worli, Mumbai – 400 025.<br><br>DIN No.: 00044954 | Bachelor of Science | She has been a member of Technology and Quality Improvement Committee of the Indian Merchants' Chamber since its inception in 1994, and also the Chairperson of Supply Chain and Retail Business (Internal Trade) Committee (2004-2005). She has won the Outstanding Woman Industrialist Award presented by the Marinelines Junior Chamber and the Yami Woman Award for her outstanding contribution to business by The ITC Grand Central. She also has to her credit the Cheminor Award from the Indian Institute of Materials Management. | 22-Jan-97 |
| 3 | **Ratnakar Barick**<br>7, Mahindra and Mahindra Housing Colony,<br>Sahyadri Nagar, CIDCO,<br>Nasik – 422 009.<br><br>DIN No.: 02184594 | BE (Electrical) | He has 39 years of enriched experience in the fi eld of engineering. Capt. Barick has worked in various capacities in a large number of Naval Ships and Establishments. He has received two Commendations by Flag Officer, Commanding Western Naval Command, Indian Navy for meritorious service. | 23-Oct-08 |

| | | | | |
|---|---|---|---|---|
| 4 | **Mahesh Gupta**<br>402 Ashok House,<br>Beach House CHS,<br>Gandhigram Road, Juhu,<br>Mumbai – 400 049.<br><br>DIN No.: 00046810 | B.Com; C.A., LLB (Gen)., C.S. | He has received a number of recognitions for his business and professional acumen. He was awarded the CFO of the Year Award, 2001, Special Commendation for Financial Excellence (Mergers & Acquisitions Category) by IMA, New Delhi. | 29-Sep-08 |
| 5 | **Ram Shroff**<br>Bhagwati Bhuvan Condominium,<br>31-B, Carmichael Road,<br>Mumbai – 400 026.<br><br>DIN No.: 00004865 | MBBS | He has an experience of more than 13 years in Charak Pharma Private Limited. Makers of Ayurvedic and Herbal Medicines, where in the Designation of Executive Director and in charge of Sales and Marketing and Exports. He has participated in the several local and international medical conferences, impressing the need of alternative medicines in the treatment of patients. | 01-Aug-11 |
| 6 | **Rajesh Jaggi**<br>26 Blue Haven, 2nd Floor,<br>Mount Pleasant Road,<br>Malabar Hill,<br>Mumbai - 400 006.<br><br>DIN No.: 00046853 | MBA | He has over 14 years of experience in every sector of the real estate business, from sourcing new ventures, construction management, facility management, marketing and sales. | 29-Jun-09 |
| 7 | **Javed Tapia**<br>121 Benett Villa,<br>27 Wode House Road,<br>Colaba, Mumbai – 411039.<br><br>DIN No.: 00056420 | Post Graduate in Business Administration | He is the founder of Duke University's Fuqua Alumni Club in India and also serves on the interview panel for prospective applicants to Fuqua School of Business. With strong background in corporate finance and management, he has over 21 years of experience in building and growing a varied range of companies. | 14-Mar-08 |
| 8 | **Vrajesh Udani**<br>17, Al Jabreya Court,<br>69, Marine Drive,<br>Mumbai - 400 020.<br><br>DIN No.: 00021311 | Pediatric Neurologist | He is a consultant at the Hinduja National Hospital and Medical Research Centre, Saifee Hospital and Breach Candy Hospital and Medical Research Centre. He is also an Assistant Professor of Paediatrics at the Grant Medical College and JJ Group of Hospitals, Mumbai. | 30-Jul-10 |
| 9 | **Ambika Kothari**<br>57 Sea View,<br>Worli Sea Face,<br>Mumbai – 400 025.<br><br>DIN No.: 01162900 | BA (Economics) | She is experienced in the fields of business administration, management and as analyst. She has worked with reputed international analyst firms. | 30-Jul-10 |

Note:

(a) Mr. Ram Shroff, Mr. Jaydev Mody and Ms. Ambika S. Kothari represent the Acquirers. They will not participate in any deliberations of the Board of Directors of Target Company or vote on any matter in relation to the Offer in terms of Regulation 24(4) of the Regulations.

(b) As on date of this LoF, none of the other Director of the Target Company represents the Acquirers.

5.9 There has not been any merger / demerger or spin-off in the Target Company during the past 3 (three) years.

5.10 The brief financial details of the Target Company, based on the audited financials for the year ended March 2012, 2011 and 2010 are as follows:

(Rs. In Lacs)

| **Profit & Loss Account as on** | **31-Mar-12** | **31-Mar-11** | **31-Mar-10** |
|---|---|---|---|
| Income from Operations | 1,257.18 | 1,248.94 | 960.42 |
| Other Income | 24.38 | 10.47 | 51.59 |
| Total Income | 1,281.56 | 1,259.41 | 1,012.01 |
| Total Expenditure | 1,222.93 | 1,069.57 | 894.88 |
| PBDIT | 58.63 | 189.84 | 117.13 |
| Depreciation | 99.00 | 112.14 | 136.33 |
| Interest | 40.37 | (7.52) | 0.91 |
| Profit/(Loss) Before Tax | (80.47) | 85.22 | (20.11) |
| Provision for Tax | - | (16.46) | - |
| Deferred Tax Assets | - | 15.00 | 33.21 |
| **Profit/(Loss) After Tax** | **(80.47)** | **83.76** | **13.10** |

| **Balance Sheet as on** | **31-Mar-12** | **31-Mar-11** | **31-Mar-10** |
|---|---|---|---|
| **Sources of Funds** | | | |
| Paid-up Share Account | 486.09 | 486.09 | 486.09 |
| Reserves and Surplus (Excluding Revaluation Reserve) | 316.53 | 397.27 | 313.52 |
| Net worth | 802.62 | 883.36 | 799.61 |
| Revaluation Reserve | 1,305.72 | 1,311.85 | 1,317.99 |
| Secured Loans | - | 216.50 | 1.34 |
| Unsecured Loans | 1,398.40 | 1,302.72 | 9.67 |
| **Total** | **3,506.74** | **3,714.43** | **2,128.61** |
| **Uses of Funds** | | | |
| Net Fixed Assets | 1,723.73 | 1,691.83 | 1,700.40 |
| Investments | 1,397.95 | 1,397.95 | - |
| Net Current Assets | 336.85 | 576.44 | 395.00 |
| Deferred Tax Assets | 48.21 | 48.21 | 33.21 |
| Misc Expenses not written-off | - | - | - |
| **Total** | **3,506.74** | **3,714.43** | **2,128.61** |

| **Other Financial Data** | **31-Mar-12** | **31-Mar-11** | **31-Mar-10** |
|---|---|---|---|
| Dividend (%) | - | - | - |
| Earnings Per Share (Rs.) | (1.66) | 1.72 | 0.27 |
| Return on Net worth (%) | (10.06) | 9.48 | 1.64 |
| Book Value Per Share (Rs.) | 16.51 | 18.17 | 16.45 |

5.11 **Pre and Post Offer Shareholding Pattern of the Target Company is as follows:**

| Shareholders' Category | Shares / voting rights prior to the agreement / acquisition and the Offer | | Shares / voting rights agreed to be acquired which triggered off the Regulations | | Shares / voting rights to be acquired in open offer (assuming full acceptances) | | Shareholding / voting rights after the acquisition and the Offer | |
|---|---|---|---|---|---|---|---|---|
| | (A) | | (B) | | (C) | | (A) + (B) + (C) = (D) | |
| | No | % | No | % | No | % | No | % |
| **(1) Promoter Group** | | | | | | | | |
| a) Parties to Agreement, if any | - | - | - | - | - | - | - | - |
| b) Other than DRECPL | 20,13,081 | 41.41 | - | - | - | - | 20,13,081 | 33.14 |
| **Total** | **20,13,081** | **41.41** | **-** | **-** | **-** | **-** | **20,13,081** | **33.14** |
| | | | | | | | | |
| **(2) Acquirers** | | | | | | | | |
| SSITPL | 2,115 | 0.04 | 12,12,800 | 19.97 | 15,79,153 | 26.00 | 38,00,049 | 62.57 |
| DRECPL | 10,05,981 | 20.70 | - | - | | | | |
| **Total** | **10,08,096** | **20.74** | **12,12,800** | **19.97** | **15,79,153** | **26.00** | **38,00,049** | **62.57** |
| | | | | | | | | |
| **(3) Parties to agreement other than (1) & (2) above** | **-** | - | **-** | - | **-** | - | - | - |
| | | | | | | | | |
| **(4) Public Shareholders (i.e other than mentioned above)** | | | | | | | | |
| a) FIs/MFs/FIIs/Banks | 9,125 | 0.19 | - | - | | | | |
| b) Others | | | | | | | | |
| Corporate Bodies | 3,78,700 | 7.79 | - | - | (15,79,153) | (26.00) | 2,60,533 | 4.29 |
| Indian Publics | 14,47,071 | 29.77 | - | - | | | | |
| NRIs / Clearing Members | 4,790 | 0.10 | - | - | | | | |
| **Total (4)(a+b)** | **18,39,686** | **37.85** | **-** | **-** | **(15,79,153)** | **(26.00)** | **2,60,533** | **4.29** |
| | | | | | | | | |
| **Grand Total (1+2+3+4)** | **48,60,863** | **100.00** | **12,12,800** | **19.97** | **-** | **-** | **60,73,663** | **100.00** |

**Notes:**

1) Pre-Shareholding Pattern is based on March 31, 2012 and total No. of Public Shareholders as on March 31, 2012 was 4,219 (Four Thousand Two Hundred & Nineteen).

2) All percentages in Column B, C and D are calculated on the Expanded Paid up Shares Capital of the Target Company, as on 10$^{th}$ working day after closing of tendering period.

3) SSITPL (Acquirer No. 1) is not holding any share of the Target Company. However Mr. Ram Shroff, Promoter & Director of SSITPL, is currently holding 2,115 Equity Shares constituting 0.04% of the Current Paid up Shares Capital of the Target Company. These shareholdings have been included in the current shareholding of SSITPL as indirect shareholding.

4) The Acquirers have not entered into any formal agreement with respect to the acquisition of shares through this Offer and acting together under an informal understanding.

5) Post Open Offer the shareholding of the SSITPL is going to be included under Promoter Group as there will be a joint control alongwith the existing Promoters. DRECPL is a part of the existing Promoter Group of the Target Company. Hence post Open Offer the shareholding of the Promoter Group (assuming full

acceptances) will be 58,13,130 Equity Shares constituting 95.71% of the Expanded Paid up Shares Capital of the Target Company.

5.12 Based on the confirmation given by the Target Company, the Promoters, Target Company and Acquirers are in compliance with the provisions of Chapter II of the SEBI (SAST) Regulations 1997 and Chapter V of SEBI (SAST) Regulations, 2011.

5.13 **Details of Compliance Officer of the Target Company**

**Ms. Snehal Oak**
Delta Magnets Limited,
Bayside Mall, 1st Floor,
Opp. Sobo Central Mall,
Tardeo Road, Haji Ali, Mumbai,
Maharashtra – 400 034.
Tel. No.: 022 – 4079 4700.
Fax No.: 022 – 4079 4777.
E-mail ID: secretarial@jmgroup.in

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1 JUSTIFICATION OF OFFER PRICE

6.1.1 The Offer is made pursuant to the subscription of shares of the Target Company by SSITPL, pursuant to the Share Subscription Agreement. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.

6.1.2 The Equity Shares of the Target Company are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (together referred to as “Stock Exchanges”).

6.1.3 The annualized trading turnover in the Equity Shares of the Target Company in the above mentioned Stock Exchanges based on trading volume during the 12 (Twelve) calendar months prior to the month of Public Announcement (May 01, 2011 to April 30, 2012) is as given below:

| Name of the Stock Exchange | Total number of Equity Shares traded during the 12 (Twelve) calendar months prior to the month of Public Announcement | Total Number of Listed Shares | Annualized Trading Turnover (in terms of % to Total Listed Shares) |
|---|---|---|---|
| BSE | 2,52,069 | 4,860,863 | 5.19% |
| NSE | 18,904 | 4,860,863 | 0.39% |

*(Source: www.bseindia.com and www.nseindia.com)*

6.1.4 Based on the information available on the websites of the Stock Exchanges, the Equity Shares of the Target Company are not frequently traded on the BSE and the NSE (within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations. Hence, the Offer Price of Rs. 28.10/- (Rupees Twenty Eight and Ten Paise Only) per fully paid up Equity Share has been determined and justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following:

| | | |
|---|---|---|
| (a) | Highest Negotiated Price per equity share for any acquisition under the Agreement attracting the obligation to make the PA | Rs. 28.10 |
| (b) | The volume-weighted average price paid or payable for acquisition during the 52 (Fifty Two) weeks immediately preceding the date of PA | Rs. 26.15 |
| (c) | The highest price paid or payable for any acquisition during 26 (Twenty Six) weeks period immediately preceding the date of PA | Rs. 26.15 |

| | | |
|---|---|---|
| (d) | The volume-weighted average market price for a period of 60 trading days immediately preceding the date of PA on BSE (As the maximum volume of trading in the shares of the target company is recorded on BSE during such period) | Not Applicable |
| (e) | **Other Parameters based on Audited Financial** | **For the Year Ended March 31, 2012** |
| (1) | Book Value per Equity Share (Rs) | 16.51 |
| (2) | Earnings Per Equity Share (Rs) | (1.66) |
| (3) | Return on Net worth (%) | (10.06) |
| (4) | P/E Ratio (considering the Offer Price of Rs. 28.10/- per share) | Since the EPS is negative, P/E ratio is Not Applicable. |
| (5) | The average industry P/E for the sector in which Target Company operates. (Source: Capital Market, Volume: XXVII/06, Dated: May 14-27, 2012, Industry: Electronics – Components) | 15.40 |

In view of the parameters considered and presented in table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 28.10/- (Rupees Twenty Eight and Ten Paise Only) per fully paid up Equity Share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.

6.1.5 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

6.1.6 In the event of further acquisition of Equity Shares of the Target Company by the Acquirers during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will stand revised to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations, 2011. However, they will not be acquiring any Equity Shares of the Target Company after the third working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

6.1.7 If the Acquirers acquire Equity Shares of the Target Company during the period of 26 (Twenty Six) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirers will pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference will be paid in the event that such acquisition is made under an open offer under the SEBI (SAST) Regulations, 2011, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

6.1.8 The Acquirers are permitted to revise the Offer Price upward at any time up to 3 (Three) working days prior to the commencement of the Tendering Period. If there is any such upward revision in the Offer Price by the Acquirers or in the case of withdrawal of Offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirers for all the shares validly tendered in the Offer.

6.1.9 As on date, there is no revision in open offer price or open offer size. In case of any revision in the open offer price or open offer size, the Acquirers shall comply with Regulation 18 of SEBI (SAST) Regulations, 2011 and all the provisions of SEBI (SAST) Regulations, 2011 which are required to be fulfilled for the said revision in the open offer price or Open offer size.

6.1.10 If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to 3 (Three) working days before the date of commencement of the tendering period and would be notified to the shareholders.

## 6.2 FINANCIAL ARRANGEMENT

6.2.1 The total funding requirement for the Offer (assuming full acceptances) i.e. for the acquisition of up to 15,79,153 (Fifteen Lacs Seventy Nine Thousand One Hundred Fifty Three) Equity Shares of Rs. 10/- each from the public shareholders of the Target Company at a Offer Price of Rs. 28.10/- (Rupees Twenty Eight and Ten Paise Only) per Equity Share is Rs. 4,43,74,200/- (Rupees Four Crore Forty Three Lacs Seventy Four Thousand & Two Hundred Only) (the "Maximum Consideration").

6.2.2 The Acquirers have adequate resources and has made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The acquisition will be financed through internal resources and no funds are borrowed from banks or financial institution for the purpose of this Open Offer by the Acquirers.

6.2.3 The Acquirers, the Manager to the Offer and Axis Bank Limited, a banking corporation incorporated under the laws of India and having one of its branch offices at Jeevan Prakash Building, Sir P.M Road, Fort Mumbai – 400 001, have entered into an Escrow Agreement dated May 25, 2012 for the purpose of the Offer ("Escrow Agreement") in accordance with Regulation 17 of the SEBI (SAST) Regulations. Pursuant to the Escrow Agreement, the Acquirers have deposited Rs. 4,43,75,000/- (Rupees Four Crores Forty Three Lacs Seventy Five Thousand Only) in cash in the Escrow Account which is in excess of 100% of the Maximum Consideration. The Manager to the Offer has been duly authorised by the Acquirers to realize the value of the Escrow Account and operate the Escrow Account in terms of the SEBI (SAST) Regulations, 2011.

6.2.4 The Acquirer has authorized the Manager to the Offer to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

6.2.5 The Acquirers have adequate resources to meet the financial requirements of the Open Offer. No funds are borrowed from banks or financial institution for the purpose of this Open Offer by the Acquirers. Mr. Amit Desai, Proprietor of Amit Desai & Co. (Firm Registration No. 130710W), Chartered Accountants, having its office at 43, Sunbeam Apartments, 3A Pedder Road, Mumbai – 400 026; Tel.: 022 – 2351 2240; E-mail: amit_desai26@hotmail.com vide certificate dated May 25, 2012 have confirmed that sufficient resources are available with the Acquirers for fulfilling the obligations under this Open Offer in full.

6.2.6 Based on the above and in the light of the Escrow Arrangement, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to fulfill the Acquirer's obligations through verifiable means in relation to the Offer in accordance with the Regulations.

# 7. TERMS AND CONDITIONS OF THE OFFER

## 7.1 OPERATIONAL TERMS AND CONDITIONS

7.1.1 This Offer is not conditional upon any minimum level of acceptance i.e it is not a conditional offer.

7.1.2 The Offer is subject to the terms and conditions set out in this Letter of Offer, the Form of Acceptance, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.

7.1.3 The Letter of Offer together with the Form of Acceptance and transfer deed (for Shareholders holding Equity Shares in the physical form) is being mailed to those Shareholders of the Target Company whose names appear on the Register of Members of the Target Company and to the beneficial owners of the Equity Shares of the Target Company whose names appear as beneficiaries on the beneficial record of the respective depositories, at the close of business on the Identified Date i.e. June 25, 2012 (Monday). Owners of Equity Shares who are not registered as Shareholder(s) are also eligible to participate in the Offer at any time prior to the Date of Closure of the Offer.

7.1.4 Accidental omission to dispatch this Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

7.1.5 The eligible persons can write to the Registrar / Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the Date of Closure of the Offer i.e. July 20, 2012 (Friday). Alternatively, The Letter of Offer alongwith the Form of Acceptance cum acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the website.

7.1.6 This Offer is subject to the receipt of the statutory and other approvals as mentioned under paragraph 7.4 of this Letter of Offer. In terms of Regulation 23(1) of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

7.1.7 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).

7.1.8 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.

7.1.9 Where the number of equity shares surrendered by the shareholders are more than the Equity Shares agreed to be acquired by Acquirers, the Acquirers will accept the offers received from the shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in nonmarketable lots, provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of Target Company in 1 (One) Equity Share.

7.1.10 The Acquirers will not be responsible in any manner for any loss of equity Share certificate(s) and Offer acceptance documents during transit. The equity shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

**7.2 LOCKED IN SHARES**

Locked-in shares shall be accepted subject to the continuation of the residual lock -in period in the hands of the Acquirers. There shall be no discrimination in the acceptance of locked-in and not locked-in shares.

**7.3 ELIGIBILITY FOR ACCEPTING THE OFFER**

All the Equity Shareholders registered or unregistered, (except Acquirers, persons deemed to be acting in concert with Acquirers and existing Promoters / Promoter Group of the Target Company) who own fully paid equity shares of the Target Company anytime before the closure of the Open Offer are eligible to participate in the Open Offer. However, the Letter of Offer is being mailed to those Shareholders whose names appear on the Register of Members of the Target Company at the close of business hours on the Identified i.e. June 25, 2012.

**7.4 STATUTORY AND OTHER APPROVALS**

7.4.1 The subscription of 12,12,800 (Twelve Lacs Twelve Thousand Eight Hundred) Equity Shares by SSITPL is subject to in-principle approval of the Stock Exchanges for listing of the shares proposed to be issued under preferential issue as approved by the Board of Directors of the Target Company in its meeting held on May 25, 2012 and to be approved by the shareholders in the Extra-ordinary General Meeting which is going to be held on June 21, 2012.

7.4.2 Shareholders of the Target Company who are either non-resident Indians ("NRIs") or overseas corporate bodies ("OCBs") and wish to tender their equity shareholding in this Open Offer shall be required to submit all the applicable approvals of Reserve Bank of India ("RBI") which have been obtained at the time of acquisition of Equity Shares of the Target Company. In the event such RBI approvals are not submitted, the Acquirers reserve the sole right to reject the Equity Shares tendered by such shareholders in the Open Offer. This Open Offer is subject to receipt of the requisite RBI approvals, if any, for acquisition of Equity Shares by the Acquirers from NRIs and OCBs.

7.4.3 As on the date of this DPS, there are no other statutory approvals required to acquire the equity shares tendered pursuant to this Open Offer. If any other statutory approvals are required or become applicable, the Open Offer would be subject to the receipt of such other statutory approvals also. The Acquirers will not proceed with the Open Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI (SAST) Regulations, 2011. This Open Offer is subject to all other statutory approvals that may become applicable at a later date before the completion of the Open Offer.

7.4.4 In case of any delay in the receipt of any statutory approval, Regulation 18(11) of the SEBI (SAST) Regulations, 2011 shall be adhered to, i.e. extension of time to the Acquirers for payment of consideration to the shareholders of the Target Company subject to the Acquirers agreeing to pay the interest as directed by SEBI, in exercise of SEBI's powers in this specific regard. Further, in case the delay occurs on account of willful default by the Acquirers in obtaining any statutory approvals in time, the amount lying in the escrow account shall be liable to be forfeited and dealt with in the manner provided in clause (e) of sub-regulation (10) of regulation 17 of SEBI (SAST) Regulations, 2011.

## 8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1 All the shareholders (registered or unregistered) of the Target Company, except Acquirers, persons deemed to be acting in concert with Acquirers and existing Promoters / Promoter Group of the Target Company, owning equity shares any time before the Closure of the Open Offer, are eligible to participate in the Open Offer.

8.2 A Letter of Offer, specifying the detailed terms and conditions of this Offer, along with a Form of Acceptance-cum- Acknowledgement ("Form of Acceptance"), will be dispatched to all the eligible shareholders of the Target Company, whose names appear on the Register of Members of the Target Company and to the beneficial owners of the Equity Shares of the Target Company in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on June 25, 2012 ("Identified Date").

8.3 The shareholders of the Target Company who hold the Equity Shares in physical form and wish to tender their Equity Shares will be required to send the duly completed Form of Acceptance, original Share Certificate(s) and Blank Transfer deed(s) duly signed and witnessed, in accordance with the instructions specified in the Letter of Offer, to the Registrar to the Offer either by hand delivery on weekdays or by Registered Post, at their sole risk, so as to reach to the Registrar to the Offer, on or before the Date of Closure of the Offer, i.e. Friday, July 20, 2012, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance.

8.4 The Registrar to the Offer, **Universal Capital Securities Private Limited** has opened a special depository account with Central Depository Services (India) Limited ("CDSL") for receiving Equity Shares during the offer from eligible Shareholders who hold Equity Shares in demat form.

8.5 The beneficial owners and shareholders holding shares in the dematerialized form, will be required to send their Form of Acceptance cum Acknowledgment and other documents as may be specified in the Letter of Offer to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.00 AM to 5.00 PM and on Saturdays between 10.00 AM to 2.00 PM, on or before the Date of Closure of the Open Offer, i.e. Friday, July 20, 2012, along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the depository participant ("DP"), in favor of **"Delta Magnets Limited Open Offer – Operated by Universal Capital Securities Pvt. Ltd."** ("Special Depository Account") filled in as per the instructions given below:

| | |
|---|---|
| Depository Name | CDSL |
| DP Name | Sushil Financial Services Pvt. Ltd. |
| DP ID Number | 12028900 |
| Client ID | 01147051 |

Shareholders having their beneficiary account in National Securities Depository Limited ("NSDL") shall be required to use the inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account opened with CDSL.

8.6 In case (a) shareholders who have not received the Letter of Offer, (b) unregistered shareholders (c) owner of the shares who have sent the shares to the Target Company for transfer, a consent to the Registrar to the Open Offer on plain paper, stating the name, addresses, number of shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid share transfer deeds (one per folio), duly signed by such shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with Target Company), and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be, shall need to be provided so as to reach the Registrar to the Open Offer on or before 5.00 PM upto the Date of Closure of the Offer i.e. Friday, July 20, 2012. Such shareholders can also obtain the Letter of Offer from the Registrar to the Open Offer by giving an application in writing to that effect.

8.7 In case of non-receipt of the Letter of Offer and holding the shares in demat form, may send the application in writing to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, DP Name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in 'Off-market' mode or counterfoil of the delivery instruction in 'Off-market' mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the Date of Closure of the Offer i.e. Friday, July 20, 2012.

8.8 The following collection centre would be accepting the documents (as specified above), by Hand Delivery / Registered Post / Courier, whether the Equity Shares tendered in physical mode or in dematerialized mode:

| Name & Address of Collection Center | Contact Person & Contact Numbers | Mode of Delivery |
|---|---|---|
| Universal Capital Securities Pvt. Ltd.,<br>21, Shakil Niwas,<br>Opp. Satya Saibaba Temple,<br>Mahakali Caves Road,<br>Andheri (E), Mumbai – 400 093. | Mr. Ravindra Utekar<br>022 – 2820 7203 / 04,<br>022 – 2825 7641 | Hand Delivery /<br>Registered Post |

**Neither the share certificate(s) nor transfer deed(s) nor the Form of Acceptance should be sent to the Acquirers or the Target Company or the Manager to the Offer.**

8.9 The Shareholders who have sent the shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the depository account should be received on or before the date of Closing of the business hours on the date of the Closure of the Offer, else the Form of Acceptance, in respect of dematerialized equity shares not credited to the special depository account before the date of Closing of the Offer, is liable to be rejected.

8.10 Where the number of equity shares surrendered by the shareholders are more than the Equity Shares agreed to be acquired by Acquirers, the Acquirers will accept the offers received from the shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in nonmarketable lots, provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of Target Company in 1 (One) Equity Share.

8.11 No indemnity is needed from unregistered shareholders.

8.12 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tended under the Offer.

8.13 Tax To be deducted at source

While tendering shares under the Offer, NRI/ OCB/ Non-domestic companies/ Other persons who are not resident in India will be required to submit a No Objection Certificate/Tax Clearance Certificate from the Income Tax authorities, under the Income Tax Act, 1961 (the "Income Tax Act"), indicating the rate at which the tax has to be deducted by Acquirers or the PAC before remitting the consideration. In case the aforesaid No Objection Certificate/Tax Clearance certificate is not submitted, Acquirers or the PAC 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.

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 115 AD of the Income Tax Act.

8.14 The Registrars to the Offer will hold in trust the Equity Shares and share certificate(s), Equity Shares lying in credit of the Special Depository Account, Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of Target Company who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted Equity Shares / share certificates are dispatched / returned.

8.15 In case of any delay in the receipt of any statutory approval, Regulation 18(11) of the SEBI (SAST) Regulations, 2011 shall be adhered to, i.e. extension of time to the Acquirers for payment of consideration to the shareholders of the Target Company subject to the Acquirers agreeing to pay the interest as directed by SEBI, in exercise of SEBI's powers in this specific regard.

8.16 The consideration to the shareholders whose shares have been accepted will be paid by crossed account payee cheques / Demand Drafts / National Electronic Clearance Service (NECS) / Direct Credit (DC) / Real Time Gross Settlement (RTGS) / National Electronic Funds Transfer (NEFT) where applicable. Such payments through account payee cheques / Demand Drafts or unaccepted share certificate(s) , transfer deed(s) and other documents, if any, will be returned by Registered Post at the registered shareholders' / unregistered owners' sole risk to the sole / first shareholder / unregistered owner. Equity Shares held in dematerialized form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective DPs when transferred by the Registrar to the Offer.

## 9. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the Shareholders of the Target Company at the Office of Aryaman Financial Services Limited at 60, Khatau Building, Alkesh Dinesh Modi Marg, Opp. P J Towers (BSE building) Fort, Mumbai – 400 001 on Monday to Friday except bank holidays till the Offer Closing date (i.e. July 20, 2012) from 11.00 a.m. to 4.00 p.m.

9.1 Certificate of Incorporation, Memorandum and Articles of Association of SSI Trading Private Limited and Delta Real Estate Private Limited.

9.2 Certificate issued by Mr. Kamal Kumar Jain (Membership No. 75754), Proprietor of K. Kumar Jain & Co., Chartered Accountants, having office at 209-B, Pandya Mansion, 625, JSS Road, Chira Bazar, Marine Lines, Mumbai – 400 002, certifying the financial of SSI Trading Private Limited.

9.3 Certificate issued by Mr. Amit Desai, Proprietor of Amit Desai & Co. (Firm Registration No. 130710W), Chartered Accountants, having office at 43, Sunbeam Apartments, 3A Pedder Road, Mumbai – 400 026, certifying the financial of Delta Real Estate Consultancy Private Limited.

9.4 Certificate issued by Mr. Amit Desai, Proprietor of Amit Desai & Co. (Firm Registration No. 130710W), Chartered Accountants, having office at 43, Sunbeam Apartments, 3A Pedder Road, Mumbai – 400 026, certifying the adequacy of financial resources with the Acquirers to fulfill their part of Open Offer obligations.

9.5 Certificate issued by Axis Bank Limited confirming the amount of Rs. 4,43,75,000/- (Rupees Four Crores Forty Three Lacs Seventy Five Thousand Only) kept in the Escrow Account.

9.6 Copies of the Public Announcement dated May 25, 2012, published copy of the Detailed Public Statement, which appeared in the Newspapers on May 29, 2012, Issue Opening PA and any corrigendum to these.

9.7 Audited Accounts of Delta Magnets Limited for the financial years ended March 2012, 2011 & 2010.

9.8 Audited Accounts of Delta Real Estate Consultancy Private Limited for the financial years ended March 2011, 2010 and 2009 and un-audited but certified for the year ended March 31, 2012.

9.9 Copy of the Share Subscription Agreement dated May 25, 2012.

9.10 A copy of the recommendation dated ………….. made by the Committee of Independent Directors (IDC) of the Target Company .

9.11 Copy of Board Resolution passed by the Board of Directors of the Target Company for recognition of SSITPL as the Promoter of the Target Company and proposed preferential allotment of Equity Shares to SSITPL dated May 25, 2012.

9.12 Memorandum of Understanding between the Acquirers and Aryaman Financial Services Limited (Manager to the Offer).

9.13 Copy of the Memorandum of Understanding the Acquirers and Universal Capital Securities Private Limited (Registrar to the Offer).

9.14 Document evidencing of opening of Special Depository Account for receiving shares tendered under the Open Offer.

9.15 Observation letter bearing reference number ……………. dated ……….. received from SEBI in terms of Regulation 16(4) of the Regulations.

## 10. DECLARATION BY THE ACQUIRERS

We have 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. Further we confirm that the information contained in the Public Announcement, Detailed Public Statement and 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.

Acquirers are severally and jointly responsible for the information contained in this Letter of Offer and also for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations, 2011 and subsequent amendments made thereof. The Acquirers would be responsible for ensuring compliance with the concerned Regulations. All information contained in this Letter of Offer is as on date of the Public Announcement, unless stated otherwise.

We hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (SAST) Regulations, 2011 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 2011.

**Signed by:**

**For SSI Trading Private Limited**

Ram Shroff
(Authorised Signatory)

**For Delta Real Estate Consultancy Private Limited**

Hardik Dhebar
(Authorised Signatory)

Date: June 01, 2012
Place: Mumbai

**Enclosures:**

1) Form of Acceptance cum Acknowledgement
2) Blank Transfer Deed(s)

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**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 OPENS ON : JULY 09, 2012 |
|---|
| OFFER CLOSES ON : JULY 20, 2012 |

Name: ________________________________________

Address: ________________________________________________________________

________________________________________________________________

Tel No: ___________________ Fax No: _______________ E-Mail: _________________________________

**To**

**Universal Capital Securities Pvt. Ltd.**

21, Shakil Niwas, Opp. Satya Saibaba Temple,

Mahakali Caves Road, Andheri (E), Mumbai – 400 093.

**Sub.: Open Offer for the acquisition of 15,79,153 Equity Shares of Rs. 10 each, being constituting 26% of the Expanded Paid up Share Capital (Post-Preferential) of the Delta Magnets Limited ("DML") at the rate of Rs. 28.10/- (Rupees Twenty Eight and Ten Paise Only) per Equity Share by SSI Trading Private Limited ("SSITPL") and Delta Real Estate Consultancy Private Limited ("DRECPL") pursuant to and in compliance with Regulations 3 & 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.**

Dear Sir,

I/We refer to the Letter of Offer dated June 01, 2012 for acquiring the Equity Shares held by me/us in Delta Magnets Limited ("DML").

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We, hold shares in the physical form, 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:

**SHARES HELD IN PHYSICAL FORM**

| Sr. No. | Ledger Folio No. | Certificates No. | Distinctive No(s) | | No. of Shares |
|---|---|---|---|---|---|
| | | | *From* | *To* | |
| | | | | | |
| | | | | | |
| | | | | | |
| **Total Number of Equity Shares** | | | | | |

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

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

I/We note and understand that the original Share certificate(s) and valid Share transfer deed(s) 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.

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**Acknowledgement Slip Sr. No.** ____________________

Received from Mr. / Ms. / M/s. ________________________________________________________

Address ________________________________________________________________________

Physical Shares: Folio No. ___________ / Demat Shares: DP ID: ___________ Client ID: _____________

Form of Acceptance along with (Tick whichever is applicable):

☐ Physical Shares: No. of Shares _____________; No. of certificate enclosed _______________

☐ Demat Shares: Copy of delivery instruction for ___________ number of shares enclosed

Signature of Official: ____________ Date of Receipt __________ Stamp of Collection Centre _________

**SHARES HELD IN DEMATERIALISED FORM**

I/We, holding Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in “Off-market” mode, duly acknowledged by the Depository Participant (“DP”) in respect of my/our Shares as detailed below:

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

I/We have done an off market transaction for crediting the Shares to the special account opened for the purposes of the Offer, for which necessary instructions have been given to my/our DP.

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

I/We authorize the Acquirers 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 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 Manager to the Offer or the Registrars to the Offer to send by registered post/under certificate of posting, the Cheque, in settlement of the amount to the sole/first holder at the address mentioned below:

Yours faithfully,

Signed and Delivered:

| | FULL NAME (S) | PAN NO. | SIGNATURE (S) |
|---|---|---|---|
| First / Sole Shareholder | | | |
| Second Shareholder | | | |
| Third Shareholder | | | |

Note: In case of joint holdings, all holders must sign. A corporation / Company 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 / Other (Please Specify)_________________

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

In case of NECS, 9- digit code number of the Bank & Branch (Appearing on the MICR Cheque issued by the Bank ☐☐☐☐☐☐☐☐☐

In the case of RTGS/NEFT, 11 digit IFSC code ☐☐☐☐☐☐☐☐☐☐☐

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**All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address quoting your reference Folio No. / DP ID /Client ID:**

**Universal Capital Securities Pvt. Ltd.**
21, Shakil Niwas, Satya Saibaba Temple,
Mahakali Caves Road, Andheri (E), Mumbai – 400 072.
Contact Person: Ravindra Utekar; Phone: 022 – 2820 7203 / 04.

**Business Hours (Except Public Holidays):**

Monday to Friday: 10.00 AM to 5.00 PM and Saturday: 10.00 AM to 2.00 PM