

**DRAFT LETTER OF OFFER**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Letter of Offer is sent to you as a Shareholder of Midland Services Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager / Registrar to the Offer. In case you have recently sold your Equity Shares in the Target, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgment and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

**OPEN OFFER BY**

<p align="center"><b>Amanaya Financial Services Private Limited</b>  <b>Registered Office:</b> VPO, Dorangla, Gurdaspur - 143 526, Punjab  <b>Tel. No.:</b> +91 9914997607  <b>E-mail id:</b> <a href="mailto:manan.mahajan@amanaya.in">manan.mahajan@amanaya.in</a></p>	<p align="center"><b>Mr. Gautam Chatterjee</b>  <b>Residence:</b> House No. VE 5A, Gali No. 2, Virendra Nagar, Delhi - 110 058  <b>Tel. No.:</b> +91 9810798056  <b>E-mail id:</b> <a href="mailto:gautamc54@gmail.com">gautamc54@gmail.com</a></p>
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**Amanaya Financial Services Private Limited and Mr. Gautam Chatterjee collectively referred to as the "Acquirers" and individually as the "Acquirer"**

**To acquire**

**Upto 2,57,400 (including partly paid up equity shares) Equity Shares of face value of ₹ 10/- each representing in aggregate 26% of the Issued and Subscribed Capital (or 26.89% of the Paid Up / Voting Equity Share Capital)**

**Of**

**Midland Services Limited ("Target")**

**Registered Office:** 196, Sainik Farms, New Delhi - 110 062

**Tel. No.:** +91 11 2955 1161, **E-mail:** [csaksharma@rediffmail.com](mailto:csaksharma@rediffmail.com)



**At a price of ₹ 1/- (Rupee One Only) per fully paid up Equity Share and ₹ 0.50 (Paise Fifty Only) per partly paid up Equity Share ("Offer Price") payable in Cash.**

**Pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof (the "SEBI Takeover Regulations").**

**Note:** The shareholders holding 65,200 equity shares which are partly paid up on which calls in arrear of ₹ 5/- per equity share due to the Target shall also be eligible to participate in the Offer. Since the Offer Price per Equity Share is less than the calls in arrears receivable by the Target, the Acquirers have offered a consideration of ₹ 0.50 (Paise Fifty only) per partly paid up Equity Share tendered under the Offer (i.e. proportionate to the amount paid up per Equity Share).

- This Offer is being made by the Acquirers pursuant to Regulation 3(1) and 4 of SEBI Takeover Regulations and subsequent amendments thereto for substantial acquisition of Shares and voting rights of the Target.
- As of the date of this Letter of Offer, to the best of the knowledge of Acquirers, there are no regulatory or statutory approvals required by the Acquirers for this Offer. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approvals.
- The Offer is not subject to any minimum level of acceptance.
- If there is any upward revision in the Offer Price by the Acquirers at any time prior to the commencement of the last three Working Days before the commencement of the tendering period i.e. July 02, 2014, the same would be informed by way of a 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.
- There is no competitive bid as on the date of this Letter of Offer.**
- A copy of Public Announcement, Detailed Public Statement and Letter of Offer (including Form of Acceptance cum Acknowledgment) is also available on the website of Securities and Exchange Board of India (the "SEBI"), i.e. [www.sebi.gov.in](http://www.sebi.gov.in).

**All future correspondence should be addressed to the Manager / Registrar to the Offer at the following addresses:**

<b>MANAGER TO THE OFFER</b>		<b>REGISTRAR TO THE OFFER</b>	
	<p><b>SPA Capital Advisors Limited</b>                      SEBI Regn. No.: INM000010825                      25, C - Block, Community Centre                      Janak Puri, New Delhi - 110 058, India                      Tel. No. +91 11 2551 7371, 4567 5500                      Fax No. +91 11 2553 2644                      E-mail ID: <a href="mailto:mssl.openoffer@spagroupindia.com">mssl.openoffer@spagroupindia.com</a>                      Investor grievance E-mail id:  <a href="mailto:grievances.mb@spagroupindia.com">grievances.mb@spagroupindia.com</a>                      Website: <a href="http://www.spacapital.com">www.spacapital.com</a>                      Contact Person: Mr. NitiN Somani / Ms. Ashi Sood</p>		<p><b>RCMC Share Registry Private Limited</b>                      SEBI Regn. No.: INR000000429                      B 106, Sector 2, Noida - 201 301                      Uttar Pradesh, India                      Tel. No.: +91 120 4015 880                      Fax No.: +91 120 2444 346                      E-mail ID: <a href="mailto:rajesh.a@rcmcdelhi.com">rajesh.a@rcmcdelhi.com</a>                      Investor grievance E-mail id:  <a href="mailto:sectshares@rcmcdelhi.com">sectshares@rcmcdelhi.com</a>                      Website: <a href="http://www.rcmcdelhi.com">www.rcmcdelhi.com</a>                      Contact Person: Mr. Rajesh Kumar</p>

**SCHEDULE OF ACTIVITIES OF THE OFFER**

ACTIVITY	Date	Day
Public Announcement	May 18, 2014	Sunday
Detailed Public Statement	May 23, 2014	Friday
Last date for a competing Offer	June 13, 2014	Friday
Identified Date*	June 24, 2014	Tuesday
Last date by which Letter of Offer will be dispatched to the Shareholders	July 01, 2014	Tuesday
Last date for upward revision in Offer Price	July 02, 2014	Wednesday
Last date by which Committee of Independent Directors of the Board of Target shall give its recommendations / comments	July 03, 2014	Thursday
Issue of advertisement announcing the Schedule of Open Offer and status of requisite statutory approvals	July 07, 2014	Monday
Date of commencement of Tendering Period	July 08, 2014	Tuesday
Date of closure of Tendering Period	July 21, 2014	Monday
Last date of communication of acceptance / rejection and payment of consideration for accepted tenders / return unaccepted Shares	August 05, 2014	Tuesday

\* Identified Date is only for the purpose of determining the names of the Shareholders of the Target 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:

### (A) Relating to transaction

The Offer is subject to the compliance of terms and conditions as mentioned under the Share Purchase Agreement dated May 18, 2014 (as referred in para 3.1.5 of this Letter of Offer). In terms of Regulation 23(1)(c) of the SEBI Takeover Regulations if such Condition Precedents and other Conditions are not satisfactorily complied with, the Offer would stand withdrawn.

### (B) Relating to the Offer

- (1) In the event that either (a) the statutory or regulatory approvals, if any, 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 process 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, 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 or regulatory approval, SEBI has the power to grant extension of time to Acquirers for payment of consideration to the public shareholders of the Target 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 Takeover Regulations..
- (2) In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis and there is no certainty that all the Equity Shares tendered by the Public Shareholders in the Offer will be accepted.
- (3) Shareholders should note that the shareholders who have tendered their acceptance to the Open Offer are not entitled to withdraw such acceptance during Tendering Period, even if the acceptance of Equity Shares under the Open Offer and dispatch of consideration are delayed. The tendered Shares and documents would be held by the Registrar to the Offer till such time as the process of acceptance of Equity Shares and the payment of consideration is completed.
- (4) The Acquirers make no assurance with respect to the financial performance of the Target and disclaims any responsibility with respect to any decision taken by the Shareholders on whether or not to participate in the Offer.
- (5) The Acquirers make no assurance with respect to its investment / divestment decisions relating to its proposed shareholding in the Target.
- (6) The Acquirers do not provide any assurance with respect to the market price of the Equity Shares of the Target 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.
- (7) The Equity Shares tendered in response to the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer (in accordance with the SEBI Takeover Regulations and other applicable laws, rules and regulations), and the Shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such Equity Shares until the completion of the Offer or withdrawal of the Offer in accordance with Regulation 23 of the SEBI Takeover Regulations.
- (8) The Manager to the Offer and / or Acquirers accepts no responsibility for statements made otherwise than in the Letter of Offer / Detailed Public Statement / Public Announcement and anyone placing reliance on any other source of information (not released by the Acquirers) would be doing so at his / her / its own risk.

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 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. Shareholders of Target are advised to consult their stockbrokers or investment consultants, if any, for analysing all the risks with respect to their participation in the Offer.

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## 1. DEFINITIONS

Acquirer(s)	Amanaya Financial Services Private Limited and Mr. Gautam Chatterjee collectively as Acquirers and individually as Acquirer
Amanaya	Amanaya Financial Services Private Limited, having its registered office at VPO, Dorangla, Gurdaspur - 143 526, Punjab
Board	The Board of Directors of Target
Book Value per Share	Net Asset Value per Equity Share (i.e. Net worth / Number of Equity Shares issued)
CIN	Corporate Identification Number
CDSL	Central Depository Services (India) Limited
Companies Act 1956	The Companies Act, 1956, as amended or replaced
Companies Act 2013	The Companies Act, 2013 to the extent notified by the MCA and in force as of the date of this Letter of Offer
Date of closure of Tendering Period	July 21, 2014
Date of commencement of Tendering Period	July 08, 2014
Depository Participant / DP	SPA Securities Limited
Detailed Public Statement	Detailed Public Statement which appeared in the newspapers on May 23, 2014
DIN	Director Identification Number
Draft Letter of Offer	Draft Letter of Offer dated May 28, 2014 filed with SEBI
DSE	Delhi Stock Exchange Limited
EPS / Earning Per Share	Profit after tax / Number of Equity Shares issued
Equity Share / Share	Equity share(s) (including partly paid up shares) of the Target, having a face value of ₹ 10 each
Erstwhile SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
Escrow Agreement	Escrow Agreement dated May 19, 2014 between the Acquirers, Escrow Agent and Manager to the Offer
Escrow Bank / Escrow Agent	Axis Bank Limited
FEMA	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
FII	Foreign Institutional Investor
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India
Identified date	June 24, 2014 i.e. the date falling on the 10th Working Day prior to the commencement of the Tendering period, for the purpose of determining the Shareholders of the Target to whom the Letter of Offer shall be sent
Letter of Offer	Letter of Offer dated May 28, 2014
Manager to the Offer / Merchant Banker	SPA Capital Advisors Limited
N.A.	Not Applicable
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies as defined under FEMA
Offer / Open Offer	Offer to acquire 2,57,400 (including partly paid up equity shares) Equity Shares of face value of ₹ 10/- representing 26% of the issued and subscribed equity share capital and 26.89% of Paid Up Equity Share / Voting Capital of the Target at the Offer Price as of the tenth Working Day from the Closure of the Tendering Period, payable in cash and subject to the terms and conditions mentioned in the Letter of Offer, the Public Announcement and Detailed Public Statement.
Offer Period	The period between the date of Public Announcement, i.e. May 18, 2014 and the date of payment of consideration to the Shareholders of the Target who have accepted this Offer.

Offer Price	₹ 1 (Rupee One Only) per fully paid up Equity Share of ₹ 10 each and ₹ 0.50 (Paise Fifty Only) per partly paid up Equity Share of ₹ 5 each payable in cash
PAN	Permanent Account Number
PAT	Profit After Tax
Persons eligible to participate in the Offer	Registered shareholders of the Target, unregistered shareholders who own the Equity Shares of the Target and shareholders whose call money is pending which are partly paid up, any time prior to the closure of Offer, including the beneficial owners of the shares held in dematerialised form, except the parties to Share Purchase Agreement dated May 18, 2014
Public Announcement	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirers on May 18, 2014 in accordance with SEBI Takeover Regulations
RBI	Reserve Bank of India
Registrar or Registrar to the Offer	RCMC Share Registry Private Limited
Return on Net Worth	(Profit After Tax / Net Worth) *100
INR / Rs. / ₹	Indian Rupees
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI	Securities and Exchange Board of India
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
Sellers	R.K. Jain (HUF) and Preeti Vanijya Private Limited
Share Purchase Agreement	Share Purchase Agreement dated May 18, 2014 entered into between the Acquirers and Sellers
Stock Exchange	DSE
Target or MSL	Midland Services Limited
Tendering Period	Period commencing from July 08, 2014 and ending on July 21, 2014
Working Day	Working day of SEBI

## 2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF MIDLAND SERVICES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT 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 THE DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, “SPA CAPITAL ADVISORS LIMITED” HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 28, 2014 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER 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 a “Triggered Offer” under the Regulation 3(1) and 4 of SEBI Takeover Regulations for substantial acquisition of shares and voting rights accompanied with change in control and management of the Target.
- 3.1.2. On May 18, 2014, Amanaya Financial Services Private Limited, a Company incorporated under the Companies Act, 1956, having its registered office at VPO, Dorangla, Gurdaspur - 143 526, Punjab and Mr. Gautam Chatterjee, resident of House No. VE 5A, Gali No. 2, Virendra Nagar, New Delhi - 110 058, collectively referred to as the “Acquirers” and individually as the “Acquirer”, have entered into a Share Purchase Agreement with R.K. Jain (HUF) and Preeti Vanijya Private Limited, collectively referred to as the “Sellers” and individually as the “Seller”, forming part of the Promoter Group of the Target, to acquire by way of transfer of 5,44,800 (Five Lakh Forty Four Thousand Eight Hundred) Equity Shares representing 55.03% of the issued and subscribed equity share capital and 56.90% of the Paid Up / Voting Capital of the Target (“Sale Shares”). The total consideration payable by the Acquirers to the Sellers for the purchase of the Sale Shares is ₹ 4,08,600/- (Rupees Four Lakhs Eight Thousand Six Hundred Only) i.e. at the rate of ₹ 0.75/- (Paise Seventy Five) per Equity Share. The consideration for the Sale Shares shall be paid in cash by the Acquirers. The Acquisition will result in the change in control and management of the Target.
- 3.1.3. The Offer is not as a result of Global Acquisition resulting in indirect acquisition of Target. As on the date of this Letter of Offer, the Acquirers do not hold any Equity Share in the Target. The acquisition of the Sale Shares by the Acquirers is subject to certain conditions precedent as provided in the Share Purchase Agreement
- 3.1.4. R.K. Jain (HUF), its Karta & Members and Preeti Vanijya Private Limited, its Promoters and its Directors have not been prohibited by SEBI from dealing in securities. Further, apart from the obligations under the terms of the Share Purchase Agreement dated May 18, 2014, the Sellers do not have any other liabilities / obligations towards either the Acquirers or the Promoters of the Acquirer.
- 3.1.5. The salient feature of the Share Purchase Agreement dated May 18, 2014 are as under:
- Subject to the provisions of the Agreement, each of the Sellers agree to sell, transfer, convey and deliver to the Purchasers and each Purchaser agrees to purchase, acquire and accept from the Sellers, free from Encumbrances, all rights, title and interest of the Sellers in and to the Sale Shares together with all rights and benefits and accruing thereto on in compliance with the Takeover Regulations. The sale and purchase of the Sale Shares shall be completed in accordance with the provisions of this Agreement.
  - The consideration for purchase of the Sale Shares agreed between the Parties is ₹ 0.75 (Seventy Five Paise Only) per Sale Share, which aggregates to ₹ 4,08,600/- for the entire shares comprised in the Sale Shares (the “Purchase Price”).
  - This Agreement shall be effective from the date hereof; provided however that the Purchaser’s obligations to purchase the Sale Shares shall be subject to and conditional upon the Purchasers complying with the applicable provisions of the Takeover Regulations.
  - The Purchasers acknowledges and confirms that the execution of this Agreement shall trigger obligations on the Purchasers to comply with the provisions of the Takeover Regulations relating making a Public Announcement and making an open offer for purchase of shares from public shareholders subject to a minimum of twenty six (26) percent of total shares of the Target Company in compliance with the Takeover Regulations. The Purchasers shall simultaneously with fulfilment of its obligations under the Takeover Regulations, procure from its merchant banker a certificate (the “Merchant Banker’s Certificate”) and submit to the Board of Directors of the Company and the Sellers, to confirm fulfilment of the Purchasers’ obligations under the Takeover Regulations. The Sellers shall provide to the Purchasers such documentation and information, as

the Purchasers may reasonably require, and extend all required assistance, as the Purchasers may require, for complying with the provisions of the Takeover Regulations.

- The Parties agree that, in case of non-compliance with the provisions of the Takeover Regulations, the Parties shall not act upon the transaction of sale and purchase of the Sale Shares envisaged in this Agreement. In such an event, the Party responsible for such non-compliance shall be liable for all consequences thereof.

3.1.6. The Acquirers and Sellers shall complete the acquisition contracted under the aforesaid Share Purchase Agreement after the expiry of twenty one working days from the date of Detailed Public Statement. The Acquirers have deposited ₹ 2,57,400 (representing 100% of the Maximum Consideration) in compliance with the provisions of Regulation 22(2) of the SEBI Takeover Regulations.

3.1.7. There is no non compete fee in the Share Purchase Agreement.

3.1.8. There is no Person Acting in Concert with the Acquirers for the purpose of this Open Offer.

3.1.9. There is no separate arrangement for the proposed change in control of the Target.

3.1.10. The Acquirers have not been prohibited by SEBI from dealing in securities in terms of any direction issued under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

3.1.11. As on date of this Letter of Offer none of the Directors of the Target represents the Acquirers.

3.1.12. The recommendations of the Committee of Independent Directors, as constituted by the Board of Directors of the Target on the Offer, will be published at least two Working Days before the commencement of the tendering period, i.e. July 03, 2014, in the same newspapers where the Detailed Public Statement was published and a copy whereof shall be sent to SEBI, BSE and the Manager to the Offer.

### 3.2. Details of the Proposed Offer

3.2.1. In accordance with Regulations 14(1) and 14(3) of the SEBI Takeover Regulations, the Manager to the Offer, on behalf of the Acquirers, has submitted to DSE, SEBI and the Target a copy of the Public Announcement made on May 18, 2014 and the Detailed Public Statement on May 23, 2014 which was published in the following newspapers:

Publication	Editions
Business Standard - English	All editions
Business Standard - Hindi	All editions, including Delhi edition, being the place where registered office of the Target is situated and the Stock Exchange, i.e. DSE, where equity shares of the Target are listed.

The Public Announcement and Detailed Public Statement are also available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

3.2.2. This Open Offer is made by Acquirers in terms of the SEBI Takeover Regulations to the Shareholders of Target (other than the parties to the Share Purchase Agreement) to acquire 2,57,400 Equity Shares (including partly paid up shares) of face value of ₹ 10/- each ("Equity Shares") representing 26% of the issued and subscribed Equity Share Capital and 26.89% of the Paid Up / Voting Capital of the Target at a price of ₹ 1 (Rupee One Only) per fully paid up Equity Share and ₹ 0.50 (Paise fifty Only) per partly paid up Equity Share ("Offer Price"), payable in cash subject to the terms and conditions set out in the Public Announcement, Detailed Public Statement and the Letter of Offer.

3.2.3. There are 65,200 partly paid up Equity Shares of ₹ 5 each in the Target. However the Shareholders who are holding partly paid up Equity Shares will be eligible to participate in the Offer. Since the Offer Price per Equity Share is less than the calls in arrears receivable by the Target, the Acquirers have

offered a consideration of ₹ 0.50 (Paise Fifty only) per partly paid up Equity Share tendered under the Offer (i.e. proportionate to the amount paid up per Equity Share).

- 3.2.4. This Offer is not a competing offer in terms of Regulation 20 of the SEBI Takeover Regulation. There have been no competing offers as of date of this Letter of Offer.
- 3.2.5. This is not a conditional offer and is not subject to any minimum level of acceptance from the Shareholders. The Acquirers will accept the Equity Shares of the Target which are tendered in valid form in terms of this Offer upto a maximum of 2,57,400 (Two Lakhs Fifty Seven Thousand Four Hundred Only) Equity Shares.
- 3.2.6. The Acquirers have not undertaken any transaction in the Equity Shares of Target after the date of Public Announcement i.e. May 18, 2014 and upto the date of this Letter of Offer.
- 3.2.7. The Equity Shares of the Target will be acquired by the Acquirers free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights declared thereafter.
- 3.2.8. Upon completion of the Offer, assuming full acceptances in the Offer and pursuant to Share Purchase Agreement, the Acquirers will hold 8,02,200 (Eight Lakhs Two Thousand Two Hundred) Equity Shares constituting 81.03% of the issued and subscribed capital and 83.79% of the Paid Up / Voting Capital of the Target . In terms of Clause 40A of the Listing Agreement read with Rule 19A(1) of the Securities Contracts (Regulations) Rules, 1957, the Target is required to maintain at least 25% public shareholding for listing on a continuous basis. In accordance with the Listing Agreement, the present Offer after considering the Share Purchase Agreement and Open Offer Shares would result the Public shareholding in the Target falling below the minimum level required as per the Listing Agreement entered with the Stock Exchange for the purpose of listing on continuous basis. The Acquirers undertake to take necessary steps to facilitate compliance of the Target with the relevant provisions of the Listing Agreements and other applicable laws, within the time period mentioned therein or in accordance with such other directions as may be provided by the Stock Exchange.
- 3.2.9. The Manager to the Offer does not hold any Equity Shares in the Target as on the date of Public Announcement and / or Detailed Public Statement and / or Letter of Offer. The Manager to the Offer further declares and undertakes it they will not deal on its own account in the Equity Shares of the Target during the Offer Period.

### **3.3. Object of the Acquisition / Offer**

- 3.3.1. The Offer is being made pursuant to Share Purchase Agreement between the Acquirers and the Sellers as described in Para 3.1.2 above whereby the Acquirers proposes to acquire 55.03% of the issued and subscribed capital of the Target from the Sellers.
- 3.3.2. The Acquirers do not intend to alienate any material assets of the Target whether by sale, lease, encumbrance or otherwise outside the ordinary course of business of the Target. In the event any substantial assets of the Target are proposed to be sold, disposed off or otherwise encumbered in the succeeding two years from the date of closure of the Open Offer, the Acquirers undertakes that it shall do so only upon receipt of prior approval of the Shareholders of the Target through Special Resolution in terms of Regulation 25(2) of the SEBI Takeover Regulations and subject to applicable laws as may be required.
- 3.3.3. The Acquirer's objective and intent in acquiring the Target is primarily to revive the business of the Target which is currently not carrying on any commercial activities. The Acquirers have experience in the field of finance, consultancy, compliance, marketing and distribution operations. The Acquirer plans to infuse capital into the Target and to start commercial operations to enable the growth of the business, subject to applicable laws.

3.3.4. The Acquirers intend seek a reconstitution of the Board of Directors of the Target in compliance with Regulation 24(1) of SEBI Takeover Regulations. The Acquirers have undertaken that they or their representatives, if appointed on the Board in compliance with Regulation 24(1), will not participate in any deliberations or vote on any matter in relation to the Open Offer.

#### 4. BACKGROUND OF THE ACQUIRERS

##### 4.1. Amanaya Financial Services Private Limited (“Amanaya” / “Acquirer 1”)

4.1.1. Amanaya Financial Services Private Limited (“Amanaya” / “Acquirer 1”) was incorporated on February 27, 2009, under the Companies Act, 1956, with the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. The Registered Office of Amanaya is situated at VPO, Dorangla, Gurdaspur - 143 526, Punjab, Tel.: +91 9914997607. The Corporate Identification Number of Amanaya is U67190PB2009PTC032640.

4.1.2. The main object of Amanaya is to carry on the business as consultants or advisors and to render financial advisory services.

4.1.3. Mr. Manan Mahajan, s/o Sh. Sabhajit Mahajan, resident of V.P.O. Dorangla, Distt. Gurdaspur, Dorangla - 143 526, Punjab, is the Promoter of Amanaya.

4.1.4. As on the date of this Letter of Offer, Amanaya do not hold any shares in the Target. Amanaya is not in non compliance of any provision of Chapter V of the SEBI Takeover Regulations and / or Chapter II of the erstwhile SEBI Takeover Regulations.

4.1.5. Shareholding pattern of Amanaya is as under:

Shareholders' Category	No. of Shares	Percentage
<b>Promoter and Promoter Group</b>		
Mr. Manan Mahajan	1,11,000	79.29
Ms. Rajni Mahajan	1,000	0.71
<b>Non Promoter Shareholding</b>	<b>28,000</b>	<b>20.00</b>
<b>Total Paid Up Capital</b>	<b>1,40,000</b>	<b>100.00</b>

4.1.6. The details of Board of Directors of Amanaya, as on the date of Letter of Offer is as follows:

Name, DIN and Designation / Category	Address	Qualification and Experience	Date of appointment
Mr. Manan Mahajan DIN: 02217914 Director	V.P.O. Dorangla, Distt. Gurdaspur, Dorangla - 143 526, Punjab	Mr. Manan Mahajan, holds PGDBM from Apeejay School of Management, Delhi and has over 11 years of experience in the field of finance and corporate advisory.	February 27, 2009
Mrs. Rajni Mahajan DIN: 02463524 Director	V.P.O. Dorangla, Distt. Gurdaspur, Dorangla - 143 526, Punjab	Ms. Rajini Mahajan, holds MSC (IT) degree from the University of Guru Nanak Dev, Amritsar and has over 6 years of experience in administration and operations.	February 27, 2009

4.1.7. Brief audited financial statements of Amanaya for financial years ended March 31, 2014, March 31, 2013 and March 31, 2012 are as under:

(all figures in ₹ except otherwise stated)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>Profit and Loss Statement</b>			
Income from Operations (Net)	5,40,000	3,27,500	7,45,000
Other Income	-	27,417	1,50,000
<b>Total Income</b>	<b>5,40,000</b>	<b>3,54,917</b>	<b>8,95,000</b>
<b>Total Expenditure</b>	<b>7,67,931</b>	<b>8,50,524</b>	<b>8,42,080</b>
Profit before Depreciation, Interest and Tax	(2,27,931)	(4,95,607)	52,920
Depreciation	16,678	22,770	27,011

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013	Year Ended 31.03.2012
Interest	-	-	-
Profit Before Tax	(2,44,609)	(5,18,377)	25,909
Provision for Tax	(1,680)	(2,015)	10,302
<b>Profit after tax</b>	<b>(2,42,929)</b>	<b>(5,16,362)</b>	<b>15,607</b>
<b>Balance Sheet Statement</b>			
Paid up Share Capital	4,00,000	4,00,000	4,00,000
Reserves and Surplus	20,11,367	22,54,296	27,70,658
Share Application Money Pending Allotment *	10,00,000	-	-
<b>Net worth</b>	<b>34,11,367</b>	<b>26,54,296</b>	<b>31,70,658</b>
Deferred Tax Liability	-	419	2,434
<b>Total</b>	<b>34,11,367</b>	<b>26,54,715</b>	<b>31,73,092</b>
<b>Uses of funds</b>			
Net Fixed Assets	63,860	80,538	1,03,308
Deferred Tax Assets	1,261	-	-
Non Current Assets	2,27,777	4,51,277	6,74,777
Net Current Assets	31,18,469	21,22,900	23,95,007
<b>Total</b>	<b>34,11,367</b>	<b>26,54,715</b>	<b>31,73,092</b>
<b>Other Financial Data</b>			
Dividend (%)	-	-	-
Earnings Per Share (in ₹)	(6.07)	(12.91)	0.39
Net worth	34,11,367	26,54,715	31,70,658
Return on Net worth (%)	(7.12)	(19.45)	0.49
Book Value per Share (in ₹)	60.28	66.37	79.27

\* Amanaya has made an allotment of 1,00,000 Equity Shares at a price of Rs. 10 each on May 12, 2014.

4.1.8. Amanaya does not have any contingent liability as on March 31, 2014.

4.1.9. Amanaya is a private limited company and its equity shares are not listed on any stock exchange.

#### 4.2. Mr. Gautam Chatterjee ("Acquirer 2")

4.2.1. Mr. Gautam Chatterjee ("Acquirer 2"), son of Late Shri G.N. Chatterjee, aged 59 years, resident of House No. VE 5A, Gali No. 2, Virendra Nagar, New Delhi - 110 058, Te. + 91 9810798056, holds a degree in BA (Hons) from University of Delhi and has 34 years of experience in the field of marketing & distribution and operations & compliances. At present he provides consultancy services to various companies. The Net Worth of Mr. Gautam Chatterjee as on March 17, 2014 is ₹ 26,59,048 (Rupees Twenty Six Lakhs Fifty Nine Thousand Forty Eight Only) as certified by Mr. Ishant Mahajan (Membership No. 527229), Proprietor, Ishant Mahajan & Associates, Chartered Accountants, Near Janta Oil Factory, College Road, Gurdaspur - 143 521, Punjab, vide their certificate dated May 18, 2014.

4.2.2. Mr. Gautam Chatterjee does not hold any position on Board of Directors of any listed company nor is a whole time director of any company.

4.2.3. As on the date of the Letter of Offer, Mr. Gautam Chatterjee is not a Director on the Board of Target.

4.2.4. He does not hold any Equity Shares of the Target as on the date of the Letter of Offer.

## 5. BACKGROUND OF THE TARGET - MIDLAND SERVICES LIMITED

5.1. Midland Services Limited (“MSL” / “Target”) was incorporated under the Indian Companies Act, 1956, as a public limited company on April 09, 1985 with the Registrar of Companies NCT Delhi & Haryana and received Certificate of Commencement of Business on April 23, 1985. The Registered Office of the Target is situated at 196 Sainik Farms, New Delhi - 110 062, Tel.: +91 11 2955 1161. The Corporate Identification Number of the Target is L74140DL1985PLC020648. The present promoters of the Target are R.K. Jain (HUF) and Preeti Vanijya Private Limited.

5.2. The main object of the Target is to carry on the business of buyers, sellers, importers, exporters, agents, dealers, suppliers and commission agents of iron and steel, metals and minerals products, engineering goods, electrical and electronic goods, food processing, commodities, etc, deal in real estate and to act as consultant / agent for real estate and commodities. However the Target has not undertaken any commercial activity in the Financial Year 2013-14.

5.3. Share Capital structure of the Target as on the date of Letter of Offer is as follows:

Paid up Equity Share Capital of Target	No. of Shares (Face Value ₹ 10) / Voting Rights	Percentage of Shares / Voting Rights
Fully paid up Equity Shares	9,24,800	93.41
Partly paid up Equity Shares	65,200	6.59
Total paid up Equity Shares	9,90,000	100.00
Total voting rights in Target	9,57,400	100.00

5.4. The Equity Shares of the Target are presently listed on DSE. The Equity Shares of the Target are not suspended from trading on DSE.

5.5. The total Paid Up Equity Share Capital of the Target is ₹ 95,74,000 comprising of 9,24,800 fully paid up Equity Shares of face value of ₹ 10 each and 65,200 partly paid up Equity Shares of ₹ 5 each.

5.6. The Target does not have any outstanding convertible instruments.

5.7. As on the date of Letter of Offer, the composition of the Board of Directors of the Target is as under:

Name	Designation	DIN	Address	Date of appointment
Mr. Bharat Bhushan Jindal	Director	00101208	GH-18, Flat No. 301, Mahesh Appartments, Sector - 21C, Part - III, Faridabad - 121003, Haryana	March 26, 2002
Mr. Jagat Singh Begwani	Director	00101255	G-151 - DLF, Sector-10, Faridabad - 121006, Haryana	March 26, 2002
Mr. Ajay Kumar	Director	03425484	902, Sector-3, Ballabghargh, Faridabad - 121004, Haryana	January 29, 2011

5.8. The Target has not been party to any scheme of amalgamation, restructuring, merger / de merger and spin off during last 3 years.

5.9. Brief audited financial statements of the Target for financial years ended March 31, 2014, March 31, 2013 and March 31, 2012 are as under:

(all figures in ₹ except otherwise stated)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>Profit and Loss Statement</b>			
Income from Operations (Net)	-	-	-
Other Income	375	350	10,475
Total Income	375	350	10,475
Total Expenditure	2,05,070	1,79,121	5,69,470
Profit Before Depreciation, Interest and Tax	(2,04,695)	(1,78,771)	(5,58,995)
Depreciation & Interest	-	-	-
Profit Before Tax	(2,04,695)	(1,78,771)	(5,58,995)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013	Year Ended 31.03.2012
Provision for Tax	22,863	-	-
<b>Profit after Tax</b>	<b>(2,27,558)</b>	<b>(1,78,771)</b>	<b>(5,58,995)</b>
<b>Balance Sheet Statement</b>			
<b>Sources of fund</b>			
Paid up Share Capital	95,74,000	95,74,000	95,74,000
Reserves and Surplus	(90,91,730)	(88,64,172)	(86,85,401)
<b>Net worth</b>	<b>4,82,270</b>	<b>7,09,828</b>	<b>8,88,599</b>
<b>Uses of fund</b>			
Net Current Assets	4,82,270	7,09,828	8,88,599
<b>Total</b>	<b>4,82,270</b>	<b>7,09,828</b>	<b>8,88,599</b>
<b>Other Financial Data</b>			
Dividend (%)	-	-	-
Earnings Per Share (in ₹)	(0.23)	(0.18)	(0.56)
Net worth	4,82,270	7,09,828	8,88,599
Return on Net worth (%)	(47.18)	(25.19)	(62.91)
Book Value per Share (in ₹)	0.49	0.72	0.90

5.10. Pre and Post Offer shareholding pattern of the Target is as under (as of May 18, 2014):

Shareholders' category	Shareholding prior to the agreement / acquisition and offer		Shares agreed to be acquired pursuant to Share Purchase Agreement		Shares to be acquired in open offer (Assuming full Acceptance)		Share holding / voting rights after the acquisition and offer	
	(A)		(B)		(C)		(A)+(B)+(C)= (D)	
	No.	%	No.	%	No.	%	No.	%
<b>(1) Promoter group</b>								
a. Parties to agreement, if any								
- R.K. Jain (HUF)	1,74,800	17.66	(1,74,800)	(17.66)	Nil	Nil	Nil	Nil
- Preeti Vanijya Private Limited	3,70,000	37.37	(3,70,000)	(37.37)	Nil	Nil	Nil	Nil
b. Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total 1(a + b)</b>	<b>5,44,800</b>	<b>55.03</b>	<b>(5,44,800)</b>	<b>(55.03)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>(2) Acquirers</b>								
a. Amanaya Financial Services Private Limited	Nil	Nil	1,74,800	17.66	2,57,400	26.00	4,32,200	43.66
b. Mr. Gautam Chatterjee	Nil	Nil	3,70,000	37.37	Nil	Nil	3,70,000	37.37
<b>Total 2(a + b)</b>	<b>Nil</b>	<b>Nil</b>	<b>5,44,800</b>	<b>55.03</b>	<b>2,57,400</b>	<b>26.00</b>	<b>8,02,200</b>	<b>81.03</b>
<b>(3) Parties to agreement other than (1)(a) &amp; (2)</b>								
<b>(4) Public (other than parties to agreement, &amp; acquirers)</b>								
a. FIs /MFs/ FIIIs/ Banks, SFIs	Nil	Nil	Nil	Nil	(2,57,400)	(26.00)	1,87,800	18.97
b. Others	4,45,200	44.97	-	-	-	-	-	-
<b>Total (4) (a + b)</b>	<b>4,45,200</b>	<b>44.97</b>	<b>-</b>	<b>-</b>	<b>(2,57,400)</b>	<b>(26.00)</b>	<b>1,87,800</b>	<b>18.97</b>
<b>GRAND TOTAL (1+2+3+4)</b>	<b>9,90,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,90,000</b>	<b>100.00</b>

Total number of public shareholders as on May 18, 2014 is 637.

5.11. The Target and its Promoter Group has complied with the provisions of Chapter V of the SEBI Takeover Regulations and Chapter II of the erstwhile SEBI Takeover Regulations.

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1. Justification of Offer Price

6.1.1. The Offer is made pursuant to the direct acquisition of Equity Shares of the Target by the Acquirers. The Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares of the Target.

6.1.2. The Equity Shares of the Target are presently listed on DSE. (Scrip code: 4931).

6.1.3. There is no trading in the Equity Shares of the Target on DSE in absence of trading platform and hence infrequently traded.

6.1.4. The Offer Price of ₹ 1 (Rupee One Only) per fully paid up Equity Share is justified in terms of Regulation 8(2) of the SEBI Takeover Regulations, being the highest of the following:

Particulars	Amount (in ₹)
The highest negotiated price per Equity Share of the Target for any acquisition under the agreement attracting the obligation to make a Public Announcement of the Offer	₹ 0.75
The volume-weighted average price paid or payable for acquisitions by the Acquirers during the fifty-two weeks immediately preceding the date of the Public Announcement	N.A.
The highest price paid or payable for any acquisition by the Acquirers during the twenty six weeks immediately preceding the date of the Public Announcement	N.A.
The volume-weighted average market price of Equity Shares for a period of sixty (60) trading days immediately preceding the date of the Public Announcement as traded on BSE, being Stock Exchange where the Equity Shares of the Target are listed	N.A.
Since the Equity Shares are not frequently traded, the price determined by the Acquirers and the Manager to the Open Offer taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies	₹ 1.00

Mr. Ishant Mahajan (Membership No. 527229), Proprietor, Ishant Mahajan & Associates, Chartered Accountants, having office at Near Janta Oil Factory, College Road, Gurdaspur - 143 521, Punjab, vide their certificate dated May 18, 2014 has certified that the fair value of the Equity Share of the Target is ₹ 0.49 (Paise Forty Nine Only) per fully paid up Equity Shares based on the financial ratios of the Company and the decision of the Hon'ble Supreme Court of India in the matter of Hindustan Lever Employees Union v/s Hindustan Lever Limited, 1995. The Acquirers have decided to acquire the fully paid up Equity Shares at a price of ₹ 1 (Rupee One Only) each. Since the Offer Price per Equity Share is less than the calls in arrears receivable by the Target, the Acquirers have offered a consideration of ₹ 0.50 (Paise Fifty Only) per partly paid up Equity Share tendered under the Offer (i.e proportionate to the amount paid up per Equity Share). Based on the same, the Offer Price of ₹ 1 (Rupee One Only) per fully paid up Equity Share and ₹ 0.50 (Paise Fifty Only) per partly paid up Equity Share is justified in the opinion of the Acquirers and Manager to the Offer.

6.1.5. There has been no revision in the Offer Price since the date of Public Announcement till the date of Letter of Offer. The Offer Price does not warrant any adjustments for Corporate Actions.

- 6.1.6. In the event of further acquisition of Equity Shares of the Target by the Acquirers during the offer Period, by purchase of Equity Shares of the Target at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI Takeover Regulations. However, it shall not be acquiring any equity shares of the Target after 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 during the twenty-six weeks after the tendering period at a price higher than the offer Price, then the Acquirers shall 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 shall be paid in the event that such acquisition is made under an open offer under the SEBI Takeover Regulations or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target in any form.
- 6.1.8. The Acquirers may, in terms of Regulation 18(4) of the SEBI Takeover Regulations, make upward revision of the Offer Price at any time prior to the commencement of the last three working days before the commencement of the tendering period. If there is any such upward revision in the Offer Price by the Acquirers or in case of withdrawal of Offer, the same would be informed by way of 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 Equity Shares validly tendered at anytime during the Offer. In case of upward revision in the Offer Price, the value of the Escrow Account shall be computed on the revised consideration calculated at such revised Offer Price and any additional amount required will be funded via cash in the Escrow Account by the Acquirers prior to effecting such revision, in terms of the Regulation 17(2) of the SEBI Takeover Regulations.

## **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 2,57,400 Equity Shares from the public Shareholders of the Target at a Offer Price of ₹ 1 (Rupee One Only) per fully paid up Equity Share is ₹ 2,57,400 (Rupees Two Lakhs Fifty Seven Thousand Four Hundred Only), (the "Maximum Consideration").
- 6.2.2. The Acquirers, the Manager to the Offer and Axis Bank Limited, a banking corporation incorporated under the laws of India, acting through its branch office at C-3/21, Janak Puri, New Delhi - 110 058, have entered into an Escrow Agreement on May 19, 2014, for the purpose of the Offer (the "Escrow Agreement"). Pursuant to the Escrow Agreement and in compliance with the Regulation 17(1) of the SEBI Takeover Regulations, the Acquirers have deposited ₹ 2,57,400 (Rupees Two Lakhs Fifty Seven Thousand Four Hundred Only) in cash in the Escrow Account which is equivalent to 100% of the value of Maximum Consideration payable under the Offer (assuming full acceptances). The Manager to the Offer is duly authorised by the Acquirers to realise the value of the Escrow Account and operate the Escrow Account in terms of the SEBI Takeover Regulations.
- 6.2.3. 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 Takeover Regulations. Mr. Ishant Mahajan (Membership no. 527229), Proprietor, Ishant Mahajan & Associates, Chartered Accountants, having office at Near Janta Oil Factory, College Road, Gurdaspur - 143 521, Punjab, has vide their certificate dated May 19, 2014 certified that the Acquirers have sufficient resources to meet the fund requirements for the acquisition of the Equity Shares of the Target under the Open Offer.
- 6.2.4. 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 fulfil the Acquirers' obligations through verifiable means in relation to the Offer in accordance with the SEBI Takeover Regulations.

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

### **7.1. Operational terms and conditions**

- 7.1.1. The Offer is not subject to any minimum level of acceptances from Shareholders of the Target.
  - 7.1.2. Letter of Offer will be dispatched to all the Equity Shareholders of the Target, whose names appear in its Register of Members on June 24, 2014, the Identified Date.
  - 7.1.3. The Offer is subject to terms and conditions set out in this Letter of Offer, the Form of Acceptance cum Acknowledgment, the Public Announcement, the Detailed Public Statement and any other Public Announcements that may be issued with respect to the Offer.
  - 7.1.4. The Letter of Offer along with the Form of Acceptance cum Acknowledgement would also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in) and Shareholders can also apply by downloading such forms from the website.
  - 7.1.5. This Offer is subject to the receipt of the statutory and other approvals as mentioned in paragraph 7.4 of this Letter of Offer. In terms of Regulation 23(1) of the SEBI Takeover Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
  - 7.1.6. Accidental omission to dispatch this Letter of Offer to any Shareholder entitled to this Open Offer or non-receipt of this Letter of Offer by any Shareholder entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
  - 7.1.7. The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance cum Acknowledgment 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. Shareholders who have accepted the Open Offer by tendering their Shares and requisite documents in terms of the Public Announcement, Detailed Public Statement and Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for the Open Offer.
  - 7.1.10. The acceptance of the Open Offer is entirely at the discretion of the Shareholders of the Target. The Acquirers will not be responsible for any loss of Share Certificate(s) and Open Offer acceptance documents during transit and the Shareholders of the Target are advised to adequately safeguard their interest in this regard.
- 7.2. **Locked in Shares:** The Target had no Shares which were locked-in. (source: Target Balance Sheet 2014)
- 7.3. **Persons eligible to participate in the Offer:** Registered shareholders of the Target and unregistered shareholders who own the Equity Shares of the Target any time prior to the closure of Offer, including the beneficial owners of the shares held in dematerialised form and the shareholders who hold partly paid up shares of the Target, except the parties to Share purchase Agreement dated May 18, 2014.
- 7.4. **Statutory and other Approvals:**
- 7.4.1. As of the date of this Letter of Offer, to the best of the knowledge of Acquirers, there are no regulatory or statutory approvals required by the Acquirers for this Offer. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such

other statutory approvals. In terms of Regulation 23 of the SEBI Takeover Regulations, the Acquirers will have the right not to proceed with the Offer in the event any of the statutory approvals that are required are refused.

- 7.4.2. The Acquirers do not require any approvals from Financial Institutions or Banks for this Offer.
- 7.4.3. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to Acquirers for payment of consideration to Shareholders of the Target, subject to Acquirers agreeing to pay interest, if any, for the delayed period if directed by SEBI in terms of the Regulation 18(11) of the SEBI Takeover Regulations. Further, if the delay occurs on account of the wilful default or neglect or inaction or non-action by Acquirers in obtaining the requisite approval(s), the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 17(10)(e) of the SEBI Takeover Regulations.

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

- 8.1. The following Collection Centre would be accepting the documents by Hand Delivery / Registered Post / courier as specified above, both in case of Shares in physical and dematerialised form:

Place	Contact Person	Address	Telephone / fax / email	Mode
Noida	Rajesh Adhana	B-106, Sector -2, Noida, Uttar Pradesh 201 301	Tel.: +91 120 4015 880 Fax : +91 120 2444 346 Email : <a href="mailto:rajesh.a@rcmcdelhi.com">rajesh.a@rcmcdelhi.com</a>	Hand Delivery, Courier, Registered Post

- 8.2. Shareholders who hold Equity Shares of the Target in physical form and wish to tender their Equity Share pursuant to the Offer will be required to submit the duly completed form of Acceptance cum Acknowledgment, original Share Certificate(s), valid Transfer Deed(s) duly signed and witnessed and other documents as may be specified in the Letter of Offer, to the Registrar to the Offer either by Registered Post / Courier, at their own risk or by hand delivery so as to reach on or before the close of the business hours on the date of closure of the Tendering Period i.e. July 21, 2014.
- 8.3. The Registrar to the Offer, M/s RCMC Share Registry Private Limited has opened a Special Depository Account with CDSL for receiving Equity Shares during the Offer from eligible Shareholders who hold Equity Shares in demat form.
- 8.4. For Shareholders holding Equity Shares in dematerialised 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 so as to reach on or before the close of the business hours on the date of closure of the Tendering Period i.e. July 21, 2014 along with a photocopy of the delivery instruction slips in "Off Market" mode duly acknowledged by their respective depository participant, in favour of "RCMC Share Registry Private Limited - Open Offer Escrow Account - MSL" ("Special Depository Account") filled in as per the instructions given below:

Depository Participant Name	SPA Securities Limited
DP ID	12058600
Beneficiary Account Number / Client ID	00078684
Account Name	RCMC Share Registry Private Limited - Open Offer Escrow Account - MSL
ISIN	INE551E01016
Depository	Central Depository Services (India) Limited
Mode of Instruction	Off Market

Shareholders having their beneficiary account with National Securities Depository Limited (“NSDL”) shall use the inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the Special Depository Account with CDSL.

**8.5. THE SHARES, SHARE CERTIFICATES, TRANSFER DEED, FORM OF ACCEPTANCE CUM ACKNOWLEDGMENT AND / OR OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRERS / TARGET / MANAGER TO THE OFFER.**

- 8.6. In case of (a) Shareholders who have not received the Letter of Offer, (b) unregistered Shareholders, (c) owner of the Equity Shares who have sent the Equity Shares to the Target for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of Equity Shares held, distinctive numbers, folio numbers, number of Equity Shares offered along with the documents to prove their title to such Equity 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 holding in the same order as to holding) as per the specimen signatures lodged with Target, and witnessed (if possible) by the Notary Public or a Bank Manager or a 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 Offer on or before the close of the business hours on the date of closure of the Tendering Period i.e. July 21, 2014. Such Shareholders can also obtain the Letter of Offer from the Registrar to the Offer by giving an application in writing to that effect.
- 8.7. In case of Shareholders who have not received the Letter of Offer and holding Equity Shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of Equity Shares held, Depository name, Depository ID, Client name, Client ID, number of Equity Shares offered along with a photocopy of the original delivery instructions slips in “Off-Market” mode duly acknowledged by their respective depository participant indicating instructions for the transfer of Equity Shares into the Special Depository Account opened for the purpose of this Offer, so as to reach the Registrar to the Offer on or before the close of the business hours on the date of closure of the Tendering Period i.e. July 21, 2014. Such Equity Shareholders can also obtain Letter of Offer from the Registrar to the Offer by giving an application in writing.
- 8.8. Shareholders who have sent their Equity Shares for dematerialisation need to ensure that the process of getting Equity Shares dematerialised is completed well in time so that the credit in the Special Depository Account should be received on or before the close of the business hours on the date of closure of the Tendering Period i.e. July 21, 2014, else the application would be rejected.
- 8.9. No indemnity is needed from unregistered Shareholders.
- 8.10. If Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) required any approval from the RBI, the FIPB or any other Regulatory Body in respect of the Equity Shares held by them in the Target, or in the case of NRI and OCB Shareholders, require any approval to tender Equity Shares held by them pursuant to the Open Offer, they will be required to submit such approvals alongwith the Form of Acceptance cum Acknowledgment and other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirers reserves the right to reject such Shares tendered in the Open Offer.
- 8.11. Where the number of Equity Shares offered for sale by the Shareholders are more than the Equity Shares agreed to be acquired by the Acquirers, the Acquirers will accept the Offer 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 non-marketable lots, provided that acquisition of Equity Shares from Shareholders 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 is 1 (one) Equity Share.
- 8.12. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers for payment of consideration to the public Shareholders of the Target 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 Takeover Regulations.

- 8.13. The consideration to the Shareholders whose Equity Shares have been accepted will be paid by crossed account payee cheques / demand drafts / Electronic Clearance Service (ECS) (including Real Time Gross Settlement and National Electronic Fund Transfer) where applicable. Such payments through account payee cheques / demand drafts will be sent by registered post, at the address of the registered Shareholders / unregistered owners at their sole risk. All other documents shall be returned to the registered Shareholder / unregistered owner at their sole risk.
- 8.14. Unaccepted Share Certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post, at the address of the Shareholders, registered / unregistered owners, at their sole risk. Equity Shares held in dematerialised form, to the extent not accepted, will be credited back to the demat account of the beneficial owner mentioned in the Form of Acceptance cum Acknowledgment or otherwise. It will be the responsibility of the Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective depository participants when transferred by the Registrar to the Offer.
- 8.15. The Registrar 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 cum Acknowledgment, and the transfer deed(s) on behalf of the Shareholders of Target who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted Equity Shares / Share Certificates are dispatched / returned / credited to demat account.
- 8.16. Subject to Regulation 18(11) of the SEBI Takeover Regulations, the Acquirers will complete the process of payment of consideration to all Shareholders in respect of the Equity Shares which have been tendered and accepted under this Offer within ten (10) Working Days of the expiry of the Tendering Period.

**8.17. Compliance with Tax requirements**

- (a) Section 195(1) of the Income Tax Act, 1961 (“ITA”) provides that any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and cess, if applicable). The consideration received by the Shareholders, whether resident or non-resident, for Equity Shares accepted in the Offer may be chargeable to tax in India either as capital gains under Section 45 of the ITA or as business profits, depending on the facts and circumstances of the case. In case of a non-resident shareholder, the Acquirers are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the ITA on such capital gains / business profits. Further, the payment of any interest (paid for delay in payment of Offer Consideration or a part thereof) by Acquirers to a Shareholder may be chargeable to tax, as income from other sources under Section 56 of the ITA. The Acquirers are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the ITA or relevant Double Taxation Avoidance Treaty, if applicable, on such interest in case of a non-resident Shareholder.
- (b) Section 194A of the ITA provides that the payment of any interest by Acquirers to a resident Shareholder may be chargeable to tax, as income from other sources under Section 56 of the ITA. The Acquirers are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the ITA on such interest (paid for delay in payment of Offer Consideration or a part thereof).
- (c) The Acquirers will not accept any request from any Shareholder, under any circumstances, for non deduction of tax at source or deduction of tax at a lower rate, on the basis of any self computation/ computation by any tax consultant, of capital gain and/or interest, if any and tax payable thereon.
- (d) Securities transaction tax will not be applicable to the Shares accepted in the Offer.

- (e) All Shareholders shall submit a self attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the Shareholder, Acquirer will arrange to deduct tax at the rate of 20% (as provided under section 206AA of the ITA) or the rate, as may be applicable to the category of the Shareholder under the ITA, whichever is higher.

## **9. DOCUMENTS FOR INSPECTION**

The following documents are regarded as material documents and are available for inspection at the office of the Acquirers as mentioned on the cover page of this Letter of Offer from 10.30 a.m. to 3.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the Closure of the Offer.

- 9.1. Certificate of Incorporation, Memorandum and Articles of Association of Amanaya Financial Services Private Limited.
- 9.2. Certificate dated May 19, 2014 issued by Mr. Ishant Mahajan (Membership No. 527229), Proprietor, Ishant Mahajan & Associates, Chartered Accountants, having office at Near Janta Oil Factory, College Road, Gurdaspur - 143 521, Punjab certifying the adequacy of resources with the Acquirers to fulfill its part of Open Offer financial obligations.
- 9.3. Certificate dated May 18, 2014 issued by Mr. Ishant Mahajan (Membership No. 527229), Proprietor, Ishant Mahajan & Associates, Chartered Accountants, having office at Near Janta Oil Factory, College Road, Gurdaspur - 143 521, Punjab, certifying that the Net worth of Mr. Gautam Chatterjee is ₹ 26,59,048 (Twenty Six Lakhs Fifty Nine Thousand Forty Eight Only) as on March 17, 2014.
- 9.4. Audited financial statements of the Target for financial years ended March 31, 2014, March 31, 2013 and March 31, 2012.
- 9.5. Audited financial statements of the Acquirer, Amanaya Financial Services Private Limited for financial years ended March 31, 2014, March 31, 2013 and March 31, 2012.
- 9.6. Copy of Share Purchase Agreement dated May 18, 2014 executed between the Acquirers and Sellers.
- 9.7. Copy of Escrow Agreement dated May 19, 2014 and Certificate dated May 22, 2014 from Axis Bank Limited confirming the amount kept by the Acquirers in the Escrow Account.
- 9.8. Copy of Public Announcement dated May 18, 2014 and copy of the Detailed Public Statement published on May 23, 2014.
- 9.9. Copy of the Recommendation made by the Independent Committee of the Board of Directors of Target.
- 9.10. Copy of Agreement entered into with Depository Participant for opening of Special Depository Account for the purpose of the Offer.
- 9.11. SEBI Observation letter no. [●] dated [●].

**10. DECLARATION BY THE ACQUIRERS**

The Acquirers and the Directors of Amanaya accepts full responsibility for the information contained in the Letter of Offer and also for the obligations laid down in the SEBI Takeover Regulations and subsequent amendments thereof. The Acquirers would be severally and jointly responsible for ensuring compliance with the SEBI Takeover Regulations and other applicable laws.

*for Amanaya Financial Services Private Limited*

**Sd/-**  
**Manan Mahajan**  
**Director**

**Sd/-**  
**Gautam Chatterjee**

Place: New Delhi  
Date: May 28, 2014