

## LETTER OF OFFER

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

This Letter of Offer (“**LoF**”) is sent to you as equity shareholder(s) of Madhusudan Securities Limited (“**Company**”). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Centrum Capital Limited (“**Manager to the Offer**”) or Link Intime India Private Limited (“**Registrar to the Offer**”). In case you have sold your equity shares in the Company, please hand over this LoF and the accompanying Form of Acceptance cum Acknowledgment, Form of Withdrawal and Transfer Deed to the purchaser of the equity shares or the member of Stock Exchange through whom the said sale was effected.

#### CASH OFFER

Pursuant to regulations 10 and 12 and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (“**SEBI (SAST) Regulations, 1997**”)

#### TO ACQUIRE

from existing equity shareholders upto 13,47,594 equity shares of Rs. 10/- each forming 15.50% of the total voting paid-up equity share capital of the Company (52.79% of the total voting paid-up equity share capital of the Company post Forfeiture) at a price of Rs. 76/- per share, alongwith Applicable Interest of Rs. 28.36 per share to all Original Shareholders as defined in point 157 of this LoF, of

#### MADHUSUDAN SECURITIES LIMITED (“**MSL/Target Company**”)

having its registered office at 6/A-2, Court Chambers, 35 New Marine Lines, Mumbai – 400020  
Tel: (022) 2200 9290; TeleFax: (022) 2200 9290;

By

#### IndusAge Advisors Limited (“**IAL**”)

having its office at 123 A, Justice Ramaswamy Street, Kasturiba Nagar, Adyar, Chennai – 600020  
Tel: (044) 4350 4050; Fax: (044) 4350 4932.

#### Growsafe Securities Private Limited (“**GSPL**”)

having its office at B-1, 62-5-Q, Begur Road, Bommanahalli, Bangalore - 560068  
Tel: (080) 2573 6001; Fax: (080) 2573 6025.

(hereinafter collectively referred to as “**Acquirers**”)

Along with

#### Mr. Salim Govani (“**Salim**”)

aged 46 years, S/o Mr. Pyarali Govani, residing at 401, Seagull-A, Sherly Road, Bandra, Mumbai - 400 050

#### Foresight Enterprises (“**Foresight**”)

a partnership firm, having its office at 2/B Naaz Building, Lamington Road, Mumbai - 400 004  
Tel: (022) 6634 7376; Fax: (022) 6634 7379.

And

#### Foresight Holdings Private Limited (“**Foresight Holdings**”)

having its office at 2/B Naaz Building, Lamington Road, Mumbai – 400 004  
Tel: (022) 6634 7376; Fax: (022) 6634 7379.

(hereinafter collectively referred to as “**Persons Acting in Concert or PACs**”)

#### Please note:

1. This Offer is made pursuant to provisions of regulations 10 and 12 and in compliance with the SEBI (SAST) Regulations, 1997.

2. Original Shareholders as defined in point 157 of this LoF whose Shares are accepted in this Offer will be entitled to receive the Applicable Interest along with the Offer Price. Please see point 158 of this LoF for further details in this regard.
3. For the purpose of computing the voting percentage, the voting rights as at the expiration of 15 days after the closure of the Offer has been reckoned.
4. The Offer is not conditional on any minimum level of acceptance.
5. The Offer is not a competitive bid. No competitive bid has been announced as on the date of this LoF.
6. The Offer is subject to receipt of the requisite approvals from RBI, if any, for acquisition of Equity Shares by the Acquirers and PACs from NRIs and OCBs. As on the date of this Letter of Offer, the Offer is not subject to any statutory and regulatory approvals, however, it may be subject to statutory or regulatory approvals that may become applicable prior to completion of the Offer.
7. **Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Letter of Offer/ Public Announcement published on February 10, 2011, can withdraw the same upto three working days prior to the date of the "Closure of the Offer". The request for such withdrawal should reach to the designated center before January 9, 2015 by filling the Form of Withdrawal attached herewith.**
8. The Acquirers and PACs are permitted to revise the Offer Price and/or the number of equity shares contemplated by the Offer upward at any time up to 7 working days prior to the date of the Closure of the Offer (i.e. not later than January 5, 2015). Upward revision, if any, would be informed by way of Public Announcement on or before January 5, 2015 in respect of such changes in all the newspapers in which the original Public Announcement was made. The Acquirers and PACs shall pay the revised price for all the shares tendered at any time during the Offer and which are accepted by the Acquirers and PACs under the Offer.
9. The Offer is not subject to any minimum level of acceptance by the public shareholders.
10. If there is competitive bid:
  - The public Offer under all the subsisting bids shall close on the same date.
  - As the Offer Price in such circumstance cannot be revised during 7 working days prior to the closing date of the Offer/ bids, it would, therefore, be in the interest of shareholders to wait until the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.
11. The procedure of acceptance of this Offer is set out in Section XIII of this Letter of Offer. A Form of Acceptance cum Acknowledgement and Transfer Deed are enclosed with the Letter of Offer.
12. A copy of the Public Announcement dated February 10, 2011 and a copy of this Letter of Offer (including Form of Acceptance cum Acknowledgement and Form of Withdrawal) is available on SEBI website at <http://www.sebi.gov.in>. Form of Acceptance cum Acknowledgement, Form of Withdrawal may be downloaded from the SEBI website and used as an application.
13. In case of delay in receipt of requisite approvals, if any, in relation to the Offer, SEBI has the power to grant an extension of time to the Acquirers and PACs for payment of consideration to the shareholders, subject to the Acquirers and PACs agreeing to pay interest for the delayed period if directed by SEBI in terms of regulation 22(12) of the SEBI (SAST) Regulations, 1997. The Offer may be withdrawn in terms of regulation 27 of the SEBI (SAST) Regulations, 1997 in the event the requisite statutory approvals, if any are refused. In the event of such withdrawal, the same would be notified in the form of a Public Announcement in the same newspapers where the original Public Announcement appeared.

**All further correspondence, if any, should be addressed to the Registrar to the Offer at the address mentioned below:**

**MANAGER TO THE OFFER**



**Centrum Capital Limited**  
 Centrum House, CST Road,  
 Vidyanagari Marg,  
 Kalina, Santacruz (E), Mumbai – 400 098  
 Tel: (022) 4215 9000  
 Fax: (022) 4215 9707  
 E-mail: [m.sl.openoffer@centrum.co.in](mailto:m.sl.openoffer@centrum.co.in)  
 Investor Grievance Id: [igmbd@centrum.co.in](mailto:igmbd@centrum.co.in)  
 SEBI Regn: INM000010445  
 Contact Person: Ms. Amandeep Sidhu

**REGISTRAR TO THE OFFER**



**Link Intime India Private Limited**  
 (Unit – Madhusudan Securities - Open Offer)  
 C-13, Pannalal Silk Mills Compound, LBS Marg,  
 Bhandup West, Mumbai - 400 078  
 Tel: (022) 6171 5400  
 Fax: (022) 2596 0329  
 Email: [m.sl.offer@linkintime.co.in](mailto:m.sl.offer@linkintime.co.in)  
 SEBI Regn: INR000004058  
 Contact Person: Mr. Dinesh Yadav

**OFFER OPENS ON: Friday, December 26, 2014**

**OFFER CLOSES ON: Wednesday, January 14, 2015**

**SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER:**

<b>Activity</b>	<b>Original Day and Date</b>	<b>Revised Day and Date</b>
Public Announcement	Thursday, February 10, 2011	Thursday, February 10, 2011
Last date for a competitive bid	Thursday, March 3, 2011	Thursday, March 3, 2011
Specified Date*	Friday, March 11, 2011	Friday, March 11, 2011
Date by which the Letter of Offer will be dispatched to shareholders	Saturday, March 26, 2011	Tuesday, December 23, 2014
Date of opening of the Offer	Monday, April 4, 2011	Friday, December 26, 2014
Last date for revising the Offer Price/ number of shares	Wednesday, April 13, 2011	Monday, January 5, 2015
Last date for withdrawal of acceptance	Wednesday, April 20, 2011	Friday, January 9, 2015
Date of closing of the Offer	Saturday, April 23, 2011	Wednesday, January 14, 2015
Date by which acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate(s) / demat delivery instruction for the rejected Shares will be dispatched / issued.	Saturday, May 7, 2011	Thursday, January 29, 2015

*\* Specified Date is only for the purpose of determining the names of the shareholders as on such date to whom Letter of Offer will be sent. All owners (registered or unregistered) of the equity shares of the Target Company (except the existing promoter, the Acquirers, Primus Retail Private Limited and the PACs) are eligible to participate in the Offer anytime before the Closing of the Offer.*

Note: Duly Signed Form of Acceptance cum Acknowledgement and Transfer Deed should be dispatched to the Registrar to the Offer at the above address to reach not later than 5.00 p.m on Wednesday, January 14, 2015.

## **RISK FACTORS**

Given below are the risk factors related to the transaction, the proposed Offer and the probable risk involved in associating with the Acquirers and PACs.

### **Risk Factors relating to the Offer**

1. The Offer to the extent relevant to acquisition of Shares from NRIs and OCBs, is subject to requisite approvals from RBI that may be required by NRIs and OCBs. NRI and OCB holders of the Shares, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the Letter of Offer. In the event such approvals are not submitted by NRIs and OCBs, the Acquirer and/or PAC reserves its right to reject such Shares tendered in this Offer. Further, if holders of the Shares who are not persons resident in India had required any approvals (including from the RBI or the Foreign Investment Promotion Board) in respect of the Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Shares, to tender the Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and/or PAC reserves its right to reject such Shares tendered in this Offer. If the Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Shares are held under general permission and clarify whether the Shares are held on repatriable basis or non repatriable basis.
2. Except for the RBI approval as mentioned above, as of the date of this Letter of Offer, no statutory approval is required to acquire the equity shares tendered pursuant to this Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date. The Acquirers and PACs reserve the right to withdraw the Offer in accordance with Regulation 27 of the SEBI (SAST) Regulations, 1997 in the event the requisite statutory approvals, if any, for the purpose of this Offer that may be necessary at a later date are refused.
3. In the event of regulatory approvals, if any, not being received in a timely manner or litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders whose equity shares have been accepted in the Offer as well as the return of the equity shares not accepted by the Acquirers and PACs may be delayed. Shareholders should note that after the last date for withdrawal of acceptances under the Offer being January 9, 2015, Equity Shareholders who have lodged the Equity Shares will not be able to withdraw them even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed. The tendered Equity Shares and documents will be held by the Manager to the Offer, until such time as the process of acceptance of tenders and the payment of consideration is completed.
4. The Equity Shares tendered in the Offer will be held in trust by the Manager to the Offer till the completion of the Offer formalities and the Equity Shareholders will not be able to trade such Equity Shares. During such period there may be fluctuations in the market price of the Equity Shares. Accordingly, the Acquirers and PACs makes no assurance with respect to the market price of the Equity Shares both during the Offer period and upon the completion of the Offer and disclaims any responsibility with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
5. The Acquirers, PACs and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement or this Letter of Offer or in the advertisements or other materials issued by, or at the instance of the Acquirers, PACs and the Manager to the Offer, and anyone placing reliance on any other source of information, would be doing so at his/her/their own risk.
6. There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

**Risk factors associated with the Acquirers and PACs:**

1. The Offer to the shareholders of MSL is for substantial acquisition of shares along with acquisition of control, and is made in accordance with Regulation 10 and 12 of the SEBI (SAST) Regulations, 1997. Post this Offer, the Acquirers and PACs will have significant ownership of shares of MSL and control over it.
2. The Acquirers and PACs make no commitment either relating to non- continuation of past financial trends or relating to better future financial performance of the Target Company.

The risk factors set forth above do not relate to the present or future business or operations of the Target Company or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any 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 choice, 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 and PACs.

**Currency of Presentation**

All references to 'Rupees' or 'Rs.' are to Indian Rupees, the official currency of the Republic of India.

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## I. DEFINITIONS

Acquirers	IndusAge Advisors Limited, Growsafe Securities Private Limited.
Applicable Interest	Rs. 28.36 per Share payable to Original Shareholders as defined in point 157 of this Letter of Offer towards the delay in the payment of Offer Price i.e. from May 8, 2011 till January 29, 2015 being the assumed last date of payment at a simple interest rate of 10% per annum (the interest amount is subject to change depending upon the actual date of payment).
Board / Board of Directors	Board of Directors of Madhusudan Securities Limited.
BSE	BSE Limited.
BTA	Business Transfer Agreement entered on February 04, 2011.
CDSL	Central Depository Services (India) Limited.
Companies Act, 1956	The Companies Act, 1956 (without reference to the provisions thereof that have been ceased to have effect upon being superseded by the Companies Act, 2013 or de-notified..
Companies Act, 2013	The Companies Act, 2013, to the extent notified, and the rules and regulations made thereunder.
Date of Public Announcement	February 10, 2011
Date of Closure of the Offer	December 29, 2014
Depository Participant or DP	Ventura Securities Limited.
Eligible Person(s) for the Offer	All owners (registered or unregistered) of the equity shares of the Target Company (except the existing promoter, the Acquirers, PRPL and the PACs) anytime before the Date of Closure of the Offer.
Equity Shares/Shares	Equity Shares of MSL of face value of Rs 10/- each unless otherwise specified in the context thereof.
Equity Shareholder / Shareholder	A holder of Equity Shares of MSL
Escrow Account	The account with Escrow Bank named "PRPL-MSL-OPEN OFFER ESCROW ACCOUNT".
Escrow Bank	ICICI Bank Limited.
Escrow Depository Account / Special Depository Account	Special depository account named "LIPL MSL OPEN OFFER ESCROW DEMAT ACCOUNT"
FEMA	Foreign Exchange Management Act, 1999.
Forfeiture	Forfeiture of 61,42,857 Equity Shares of PRPL as per the meeting of Board of Directors held on October 17, 2014. Forfeiture of aforesaid shares is subject to legal compliances that MSL is required to comply.
Form of Acceptance/ FOA	Form of Acceptance cum Acknowledgement accompanying this Letter of Offer.
FOW	Form of Withdrawal accompanying this Letter of Offer.
FY	Financial Year.
ICAI	Institute of Chartered Accountants of India.
LoF / Letter of Offer	Letter of Offer dated November 14, 2014 to be sent to the Equity Shareholders of the Target Company.
Manager to the Offer/ Manager	Centrum Capital Limited, appointed by the Acquirers and PACs pursuant to regulation 13 of the SEBI (SAST) Regulations, 1997.
NBFC	Non Banking Financial Company.
NRI(s)	Non Resident Indian.
NSDL	National Securities Depository Limited.
OCB(s)	Overseas Corporate Bodies.
Offer / Open Offer	The open offer for the acquisition of 13,47,594 equity shares of Rs. 10/- each fully paid up, representing 15.50% of the existing issued, subscribed and paid up equity share capital (52.79% of the total voting paid-up equity share capital of the Company post Forfeiture) of the Target Company at the Offer Price being made by the Acquirers and PACs to the shareholders of the Target Company.
Offer Price	Rs. 76/- per Equity Share as determined pursuant to regulation 20(5) of the SEBI (SAST) Regulations, 1997 plus Applicable Interest of Rs. 28.36 per share to all Original Shareholders as defined in point 157 of this LoF.

Original Shareholders	Those registered Shareholders (except the existing promoter, the Acquirers, PRPL and the PACs) who were holding Share(s) as on Trigger Date i.e. February 4, 2011 and continue to hold the same Share(s) till the date of offering those Share(s) in this Offer.
Others Shareholders	Shareholders of the Target Company who are not Original Shareholders.
PA/Public Announcement	Public announcement dated February 10, 2011 which appeared in all the available editions of Free Press Journal, Navshakti and Prathakal.
Persons Acting in Concert / PACs	Mr. Salim Govani, Foresight Enterprises and Foresight Holdings Private Limited.
Promoters	Mr. K. Madhusudan Reddy and Piya Madhusudan Reddy.
PRPL	Primus Retail Private Limited.
Registrar / Registrar to the Offer	Link Intime India Private Limited
RBI	Reserve Bank of India.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities Exchange Board of India Act, 1992 and subsequent amendments thereof.
SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereof.
SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011 and subsequent amendments thereof.
Specified Date	March 11, 2011, being the date for the purpose of determining the names of the Shareholders to whom this Letter of Offer will be sent.
Stock Exchange	BSE Limited
Target Company or MSL or the Company	Madhusudan Securities Limited.
Trigger Date	February 4, 2011

## II. DISCLAIMER CLAUSE

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURE CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE EQUITY SHAREHOLDERS OF MADHUSUDAN SECURITIES 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 THE ACQUIRERS AND PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURES OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS AND PACs DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, CENTRUM CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 23, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS AND PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.**



### III. ABOUT THE OFFER

#### Background of the Offer

1. This Offer is being made under regulation 10 and 12 of SEBI (SAST) Regulations, 1997 by the Acquirers along with PACs to the Equity Shareholders of the Target Company for the purpose of substantial acquisition of shares and voting rights, accompanied with change in management and control of the Target Company.
2. IAL and GSPL are the acquirers within the meaning of regulation 2(1)(b) of the SEBI (SAST) Regulations, 1997. Mr. Salim Govani in his individual capacity, Foresight Enterprises, a registered partnership firm, and Foresight Holdings Private Limited are the persons acting in concert as defined in regulation (2)(1)(e) of the SEBI (SAST) Regulations, 1997. The PACs named herein shall be acquiring all the Equity Shares being tendered in the Offer. MSL is the target company as defined in regulation (2)(1)(o) of the SEBI (SAST) Regulations 1997.
3. Primus Retail Private Limited (“**PRPL**”) had entered into a Business Transfer Agreement on February 04, 2011 with MSL wherein PRPL had agreed to sell its apparel and accessories business under the brand names “Weekender”, “Weekender Kids” and “Toon world” (“**Weekender Brands**”) and certain brands of Walt Disney and Warner Bros (“**Licensed Brands**”) (hereinafter referred to as “**Transferred Business**”) to the Target Company as a slump sale for the consideration to be partly paid in cash by the Target Company and partly through issue of fresh shares of the Target Company. The Target Company had issued 61,42,857 fully paid equity shares of Rs. 10/- each at premium of Rs. 60/- per share i.e. 80.37% of the post issue share capital of MSL (considering the equity share capital of MSL as on February 4, 2011) to PRPL as a part consideration. On October 8, 2012, Karnataka High Court issued a winding up order against PRPL. Subsequently, official liquidator has been appointed for completion of winding up of PRPL. The statement of affairs of the Managing Director of PRPL has been filed with the official liquidator and all books of accounts of PRPL have been delivered to the official liquidator. Currently, all the assets of PRPL, including the registered office, are in possession and control of the official liquidator. Hence, the BTA shall not be enforced upon. Further, due to the liquidation of PRPL, SEBI vide its order dated February 20, 2014 has exempted PRPL from being one of the Acquirers for the Open Offer. Thereafter, pursuant to the board meeting of MSL on October 17, 2014 61,42,857 fully paid equity shares of Rs. 10/- each issued by the Target Company to PRPL have been forfeited as the Target Company cannot enforce BTA and acquire the “Weekender” brand consequent to liquidation of PRPL.
4. IAL and GSPL have acquired 2,31,000 equity shares each from the open market, from the Promoters / promoter group of the Target Company, on February 4, 2011, jointly constituting 30.80% of the then paid up and voting capital of the Target Company at a price of Rs. 61.25/- per share, payable in cash, from the Promoters as detailed below:

Name of the Sellers	Address
K. Madhusudan Reddy	4/A, Monisha, St Andrews Road, Bandra west, Mumbai – 400050
K Sujatha Reddy	P-309/A, Road 22B, Jubilee Hills, Hyderabad – 500033
Piya Madhusudan Reddy	4/A, Monisha, St Andrews Road, Bandra west, Mumbai – 400050
Nav Bharat Carriers Pvt. Ltd.	6/A-2, Court Chambers, 35, New Marine Lines, Mumbai – 400 020

The main object of the Offer is substantial acquisition of shares and voting rights, accompanied with the change in management and control of the Target Company.

5. Pursuant to the aforesaid BTA entered into between PRPL and Target Company & acquisition of shares through stock exchange by IAL and GSPL, provisions of Regulation 10 read with Regulation 12 of the SEBI (SAST) Regulations, 1997 have been attracted. The Acquirers along with PACs announced an offer on February 10, 2011 under the SEBI (SAST) Regulations, 1997, to acquire upto 6,89,700 fully paid-up equity shares of Rs. 10/- representing the public shareholding of 45.98% of the paid up and voting share capital as on February 4, 2011 and 9.02% of the emerging paid-up and voting share capital of MSL, at a price of Rs. 70/- per fully paid up Equity Share (“Original Offer”), payable in cash subject to the terms and conditions mentioned hereinafter to those equity shareholders whose names appear on the register of members on Specified Date i.e. March 11, 2011 from the remaining Equity Shareholders (except the existing promoter, the Acquirers, PRPL and the PACs).
6. On October 31, 2011, Target Company had allotted 10,52,630 Equity Shares at Rs. 76/- per Equity Share to Foresight Holdings (on behalf of Foresight Enterprises), Dewsoft Overseas Private Limited and Acme Investment Consultants

Private Limited by way of preferential allotment. As Foresight Holdings (on behalf of Foresight Enterprises) acquired Equity Shares higher than the price in the Original Offer, the Offer Price has been increased to Rs. 76/- per Equity Share. Further, due to increase in paid-up equity capital due to the aforesaid preferential allotment, the Open Offer for number of Equity Shares has been increased from 6,89,700 Equity Shares to 13,47,594 Equity Shares (except the equity shareholding of existing promoter, the Acquirers, PRPL and the PACs ).

7. Pursuant to the acquisition of Shares by IAL, GSPL and PACs, there would be a change in control of the Target Company in favour of the Acquirers and PACs, by way of change in constitution of the Board of Directors of the Target Company. The Acquirers and PACs may purchase additional equity shares of the Target Company in accordance with the SEBI (SAST) Regulations, 1997. In the event that the Acquirers and PACs purchase additional equity shares of the Target Company during the offer period, such purchase shall be disclosed to the stock exchanges where the equity shares of Target Company are listed and to the Manager to the Offer in accordance with regulation 22(17) of the SEBI (SAST) Regulations, 1997.
8. The Acquirers and PACs have not entered into any separate non-compete agreement with MSL.
9. In view of the above, the Offer is a mandatory Open Offer under regulations 10 and 12 of the SEBI (SAST) Regulations, 1997.
10. The Acquirers and PACs have not acquired any further shares of the Target Company after the date of PA i.e. February 10, 2011 till the date of this Letter of Offer except 3,94,736 Equity Shares acquired by Foresight Holdings (on behalf of Foresight Enterprises) on October 31, 2011.
11. The Shares proposed to be acquired under this Offer will be acquired by the PACs named herein and no other persons/entities propose to take part in the acquisition.

#### **Details of the Proposed Offer**

12. The Acquirers (including PRPL) and PACs have made a PA of the Offer to the existing Equity Shareholders of MSL which was published on February 10, 2011 in compliance with Regulation 15 of the SEBI (SAST) Regulations, 1997 in all editions of "Free Press Journal" being English National Daily, "Prathakal" being Hindi Daily and "Navshakti" being regional language daily of the place where the registered office of MSL is located. A copy of the PA is also available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).
13. Promoter and promoter group of Target Company i.e K. Madhusudan Reddy and K. S. R. Financial Consultants & Investors Pvt. Ltd. (now renamed as "Exemplar International Private Limited") have given an undertaking on February 7, 2011 that they shall not participate in this Open Offer.
14. On October 8, 2012, PRPL (one of the acquirers of the Original Offer) was issued a winding up order by Karnataka High Court. Subsequently, official liquidator has been appointed for completion of winding up of PRPL and the assets of PRPL are now in possession of the official liquidator. Further, due to the liquidation of PRPL, SEBI vide its order dated February 20, 2014 has exempted PRPL from being one of the Acquirers for the Open Offer.
15. The Acquirers (including PRPL) alongwith the PACs have announced an Offer under Regulation 10 read with Regulation 12 of the SEBI (SAST) Regulations, 1997 on February 10, 2011, to acquire by tender offer upto 6,89,700 fully paid-up Equity Shares of Rs. 10/- each of the Target Company representing 45.98% of its fully paid-up and voting equity share capital, at a price of Rs. 70/- per Equity Share.
16. Subsequent to preferential allotment on October 31, 2011, the Open Offer is for 13,47,594 Equity Shares of Rs. 10/- each of the Target Company representing 15.50% of its fully paid-up and voting equity share capital (52.79% of the total voting paid-up equity share capital of the Company post Forfeiture), at an Offer Price of Rs. 76/- per Equity Share, from the remaining Equity Shareholders (i.e. shareholders other than Acquirers, PRPL, PACs and existing Promoters) on the terms and subject to the conditions set out in this Letter of Offer. The Offer Price is payable in cash.
17. Due to liquidation of PRPL, the Acquirers and PACs made an application to SEBI to permit them to withdraw the Open Offer in January 2013. However, SEBI did not accede to the withdrawal of the Open Offer. On June 24, 2013,

Corporation Finance Department of SEBI issued a show cause notice to the Acquirers and PACs for not taking any steps to proceed with the Open Offer. Subsequently, Acquirers and PACs decided to avail an undertaking from two of the prominent public shareholders who were allotted Equity Shares through preferential basis on October 31, 2011, i.e. Dewsoft Overseas Private Limited (“Dewsoft”) and Acme Investment Consultants Private Limited (“Acme”), stating that Dewsoft and Acme shall not tender the equity shares of MSL held by them in the open offer of MSL. Dewsoft and Acme issued the aforesaid undertaking on October 10, 2013 and October 14, 2013, respectively.

Based on the undertakings provided by Dewsoft and Acme and considering the fact that PRPL is under liquidation, the Manager to the Offer made following requests on November 21, 2013 to SEBI on behalf of Acquirers and PACs for completing the open offer:

- a) To grant exemption from providing disclosures, undertakings and the confirmations in relation to PRPL as an acquirer in the open offer;
- b) Allow to restrict the offer size to 6,89,700 equity shares (excluding equity shares held by Dewsoft and Acme).

Further, Acquirers and PACs submitted a separate letter to SEBI on November 30, 2013 stating that they would complete the open offer once the permissions sought by Manager to the Offer vide the aforesaid letter are granted.

Post personal hearing of Acquirers and PACs on December 4, 2013, an order in the matter of open offer was issued by SEBI on February 20, 2014 (“SEBI Order”). The gist of SEBI Order is given below:

- a) Request of Manager to the Offer vide letter dated November 21, 2013 regarding exemption to provide disclosures, undertaking and confirmation in respect of Primus in the open offer has been accepted.
- b) Request of Centrum to reduce the open offer size has not been accepted.
- c) The Acquirers and PACs need to complete the open offer.
- d) The Acquirers and PACs should pay the consideration alongwith the interest at the rate of 10% per annum from May 8, 2011 to the date of payment of consideration, to the shareholders who were holding shares as on February 4, 2011 and whose shares have been accepted in the open offer.

18. The Equity Shares are listed on BSE. As on the date of PA, the Equity Shares were frequently traded on BSE in terms of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997. The Offer Price of Rs. 76/- per equity share, has been determined considering provisions of Regulation 20(4) of the SEBI (SAST) Regulations, 1997.

19. This is not a competitive bid. There are no competitive bids as on the date of this Letter of Offer.

20. If there is any upward revision in the Offer Price/Offer Size by the Acquirers and PACs through the last date of revision (i.e., Monday, January 5, 2015) or in case of withdrawal of the Offer, such upward revision or withdrawal would be disclosed to Shareholders by way of a public announcement in the newspapers in which the Public Announcement was published and in case of revision, such revised price would be payable by the Acquirers and PACs to all Shareholders who validly tendered their Shares at any time during the Offer and which are accepted by the Acquirers and PACs, under the terms of the Offer and in accordance with the applicable law.

21. The Offer is subject to the terms and conditions set out in this Letter of Offer.

22. There are no partly paid-up Equity Shares outstanding.

23. The Offer is subject to receipt of the requisite approvals from RBI, if any, for acquisition of Equity Shares by the Acquirers and PACs from NRIs and OCBs. No statutory approval is required to acquire the equity shares tendered pursuant to this Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date. The Acquirers and PACs reserve the right to withdraw the Offer in accordance with Regulation 27 of the SEBI (SAST) Regulations, 1997 in the event the requisite statutory approvals, if any, for the purpose of this Offer or those that may be necessary at a later date are refused.

24. As on date of this Letter of Offer, the Manager to the Offer does not hold any Equity Shares.

25. The Offer is not subject to any minimum level of acceptance.
26. As on date, none of the directors representing the Acquirers or PACs are on the Board of the Target Company. However, after the completion of this Offer, there would be change in the Board of the Target Company.
27. The Equity Shares to be acquired, pursuant to the Offer, shall be free from all lien, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid.
28. As on the date of this Letter of Offer IAL holds 2,31,000 Equity Shares, GSPL holds 2,31,000 Equity Shares, Mr. Salim Govani holds 5,450 Equity Shares, Foresight Enterprises holds 5,39,286 Equity Shares of MSL.

#### **IV. RATIONALE FOR THE OFFER**

29. The main object of the Offer is for the purpose of substantial acquisition of shares and voting rights accompanied with the change in management and control of the Target Company, thereby enabling the Acquirers and PACs to exercise control over the Target Company through, *inter-alia*, the right to appoint directors and reconstitution of the board of directors of the Target Company in accordance with the provisions contained in the Companies Act, 2013, SEBI (SAST) Regulations, 1997, listing agreement and other applicable laws.
30. The Acquirers and PACs do not currently intend to dispose off or otherwise encumber any assets of MSL in the succeeding two years, except such disposals or encumbrances in the ordinary course of business in the Target Company and/or for the purposes of restructuring, rationalisation and/or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company.
31. The Acquirers and PACs will not dispose off, sell or otherwise encumber any substantial assets of MSL except with the prior approval of the Equity Shareholders and in accordance with and subject to the applicable laws.

#### **V. INFORMATION ABOUT THE ACQUIRERS**

##### **IndusAge Advisors Limited**

32. IAL was originally incorporated under the Companies Act, 1956 on June 21, 2000 as a private limited company under the name and style of M/s. IndusAge Advisors Private Limited bearing registration no. 08/27318 of 2000 in the State of Karnataka and commenced its business on June 21, 2000. IAL obtained fresh certificate of incorporation consequent upon conversion to public company on February 27, 2008. The Corporate Identification Number was U74140KA2000PLC027318. IAL shifted its registered office from the State of Karnataka to the State of Tamil Nadu with effect from March 02, 2009 and the Registrar of Companies, Chennai has issued certificate of registration of Company Law Board (CLB) order for change of state on May 11, 2009. The revised Corporate Identification Number is U74140TN2000PLC071607. The registered office of IAL is situated at 123 A, Justice Ramaswamy Street, Kasturiba Nagar, Adyar, Chennai – 600020.
33. The promoters of IAL are Balaji Bhat, P. Sudhir Rao, P. Sadhana Rao.
34. IAL has not entered into any agreement with the Target Company with regard to the Offer or acquisition of Equity Shares.
35. As on date of PA and LoF, IAL holds 2,31,000 Equity Shares in MSL (i.e 2.66% of current paid-up capital and 9.05% of the total voting paid-up equity share capital of the Company post Forfeiture).
36. The authorised share capital of IAL is Rs. 105.00 lakhs divided into 50,000 equity shares of face value of Rs. 10 each and 1,00,000 Preference Shares of Rs. 100/- each. The issued, subscribed and paid up capital of IAL is Rs. 5.00 lakhs divided into 50,000 equity shares of face value of Rs. 10 each.
37. IAL is engaged in the business of management consultancy and allied financial services. IAL is a boutique advisory firm engaged in enterprise development consultancy and financial consultancy for small and medium scale enterprises.

As an enterprise development advisor, IAL is engaged in supporting entrepreneurs seeking to institutionalize their enterprises and sustainably enhance stakeholder value.

38. The details of the board of directors of IAL are as follows:

<b>Name, Designation, Director Identification Number(DIN) and Address</b>	<b>Experience (Years)</b>	<b>Area of Experience</b>	<b>Qualification</b>	<b>Date of Appointment</b>
<b>P. Sudhir Rao</b>  <b>Designation:</b> Director  <b>DIN:</b> 00018213  <b>Address:</b> 12F, Regalia, 3, Sardar Patel Road, Chennai – 600 113.	24	Advisory services	Chartered Accountant and Chartered Management Accountant from CIMA, London	June 21, 2000
<b>V. Balaji Bhat</b>  <b>Designation:</b> Managing Director  <b>DIN:</b> 00052256  <b>Address:</b> No 302, 2 <sup>nd</sup> Floor, Embassy Orchid, 8 <sup>th</sup> Main RMV Extension, Bangalore 560080.	18	Retail, advisory services	Chartered Accountant	June 21 , 2000
<b>Nikhil Chopra</b>  <b>Designation:</b> Director  <b>DIN:</b> 06412544  <b>Address:</b> 240, West Marredpally, Road #9, Secunderabad 500 026.	8	Advisory Services	B.Com	November 23, 2012

39. None of the directors representing IAL are on the board of the MSL.

40. IAL is not a listed company and the shareholding pattern as on date is as under:

<b>Sl. No</b>	<b>Name</b>	<b>No. of Shares held</b>	<b>% of Shares held</b>
1	P. Sudhir Rao	10,000	20.00%
2	V. Balaji Bhat	10,000	20.00%
3	Vinod Sethi	10,000	20.00%
4	P. Sadhana Rao	19,997	39.994%
5	M. Anand	1	0.002%
6	K. Ganesh	1	0.002%
7	Shantanu Murti	1	0.002%
	<b>Total</b>	<b>50,000</b>	<b>100.00%</b>

41. As on date, IAL has 10,000 optionally convertible preference shares of Rs. 10 each outstanding. Apart from the aforesaid preference shares, there are no other outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date.

42. There has been no merger and de-merger in IAL during the past three years.

43. The brief audited financial details of IAL is as follows:

(Rs. in Lakhs)

<b>Profit &amp; Loss Statement</b>	<b>March 31, 2014 (audited)*</b>	<b>March 31, 2013 (audited)*</b>	<b>March 31, 2012 (audited)*</b>
Income from operations	107.78	155.28	77.62
Other Income	35.86	0.20	4.26
<b>Total Income</b>	<b>143.64</b>	<b>155.48</b>	<b>81.88</b>
Total Expenditure	152.63	92.70	147.14
Profit/(Loss) Before Extraordinary item, Depreciation, Interest and Tax	(8.98)	62.78	(65.26)
Less: Depreciation	4.27	4.22	6.17
Less: Interest	19.22	16.72	17.66
Less: Extraordinary Item	0.00	0.00	0.00
Profit/ (Loss) Before Tax	(32.47)	41.84	(89.09)
Less: Provision for Tax	0.07	8.34	44.45
<b>Profit/(Loss) After Tax</b>	<b>(32.40)</b>	<b>33.50</b>	<b>(44.64)</b>

\*(Source: Audited Financial Reports)

(Rs. in Lakhs)

<b>Balance Sheet Statement</b>	<b>March 31, 2014 (audited)*</b>	<b>March 31, 2013 (audited)*</b>	<b>March 31, 2012 (audited)*</b>
<b>Sources of funds</b>			
Share capital	6.00	5.00	5.00
Reserves and Surplus (excluding revaluation reserves)	539.10	27.92	(5.59)
<b>Networth</b>	<b>545.10</b>	<b>32.92</b>	<b>(0.59)</b>
Share Application Money**	-	706.58	706.58
Secured Loans	99.93	99.93	100.73
Unsecured Loans	397.31	442.70	378.69
Other non-current liabilities	79.95	80.54	72.54
Deferred Tax Liability	0.00	0.00	0.00
<b>Total</b>	<b>1,022.29</b>	<b>1,362.67</b>	<b>1,257.95</b>
<b>Uses of funds</b>			
Net fixed assets	29.04	32.79	35.00
Investments	187.07	198.48	183.10
Long Term Loans and Advances	859.30	859.96	824.42
Deferred tax assets (Net)	38.97	38.89	39.23
Net Current Assets	7.91	232.55	176.20
Total miscellaneous expenditure not written off	0.00	0.00	0.00
<b>Total</b>	<b>1,122.29</b>	<b>1,362.67</b>	<b>1,257.95</b>

\*\*Share Application Money is towards 0.009% Convertible Preference Shares of face value of Rs. 10 each.

\*(Source: Audited Financial Reports)

<b>Other Financial data</b>	<b>March 31, 2014 (audited)</b>	<b>March 31, 2013 (audited)</b>	<b>March 31, 2012 (audited)</b>
Dividend (%)	0.00	0.00	0.00
Earnings Per Share (EPS) (in Rs.)	-	67.01	-
Return on Networth (RONW) (%)	-	101.78%	-
Book Value Per Share (in Rs.)	1090.19	65.83	-

44. As per the financials of IAL for the year ended March 31, 2014, there are no contingent liabilities as on that date.
45. Reasons for the fall/rise in income and profit after tax:
- FY 2011-12: Total Income was reduced to Rs. 81.88 lakhs in FY 2011-12 as compared to Rs. 135.45 lakhs in FY 2010-11 due to reduction in interest income by 99% in FY 2011-12. The Net Loss for FY 2011-12 and FY 2010-11 is Rs. 44.64 lakhs and Rs. 44.76 lakhs, respectively.
  - FY 2012-13: Total Income increased by 90% to Rs. 155.48 lakhs in FY 2012-13 as compared to Rs. 81.88 lakhs in FY 2011-12. In FY 2012-13, IAL earned a Net Profit of Rs. 33.50 lakhs as compared to a Net Loss of Rs. 44.64 lakhs in FY 2011-12 due to higher revenues.
  - FY 2013-14: Total Income reduced by 8% to Rs. 143.64 lakhs in FY 2013-14 as compared to Rs. 155.48 lakhs in FY 2012-13. Further, due to higher employee and administrative cost as compared to FY 2012-13 IAL incurred a Net Loss of Rs. 32.40 lakhs in FY 2013-14.
46. There has been no change in accounting policies in last three audited financial years warranting any change in the financials.

#### 47. Accounting Policies of IAL

##### A. Basis of preparation of financial statements

The financial statements have been prepared on an accrual basis, under the historical cost convention and in accordance with the accounting standards issued by the ICAI as per the requirements of the Companies Act, 1956.

##### B. Use of estimates

The preparation of financial statements requires the management of IAL to make estimate and assumptions that affect the reported balances of assets and liabilities and disclosures related to contingent liabilities as at the date of the financial statements and the reported amount of income and expenses during the year.

##### C. Fixed Assets, Intangible Assets and Capital Work in Progress

Fixed assets are carried at cost less accumulated depreciation and impairment loss, if any. recorded at their acquisition cost and subsequent improvements thereto. Cost includes all expenses incurred to bring the assets to its present location and condition. Capital work in progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the reporting date. Assets acquired on hire purchase are capitalized at gross value and interest thereon is charged to revenue. Intangible assets are stated at cost of acquisition / cost of development less accumulated amortization.

##### D. Depreciation and Amortization

Depreciation on fixed assets other than purchased for usage in executing the contractual obligations is provided on straight line method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956.

##### E. Revenue Recognition

Revenues/expenses are recognized on accrual basis and provision is made for the known losses.

##### F. Investments

Long term investments are carried at cost less provision for other than temporary diminution in the carrying value of each investment. Current investments are stated at the lower of cost or quoted / fair value computed category wise.

## G. Leases

Lease arrangements where the risks and rewards are incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the profit and loss account on a straight line basis over the lease term.

## H. Employee Benefits

As the number of employees who are eligible for gratuity is not as per the Gratuity Act, payment of gratuity is not considered.

## I. Provision for contingent liabilities and contingent assets

A provision is recognized when is a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Contingent liabilities are not provided for and are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

## J. Borrowing Costs

Eligible borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are recognized as part of cost of such assets till such time the asset is ready for its intended use or sale. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use or sale and other borrowing costs are recognized as an expense in the period in which they are recognised.

## K. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income of the year. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted on the balance sheet date.

In the event of unabsorbed depreciation and carry forward losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and IAL intends to settle the asset and liability on net basis. IAL offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by some governing taxation laws.

## L. Foreign Currency Transactions

Foreign currency transactions are accounted for at and exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies at the year end are recognized in the profit and loss account.

## M. Impairment of Assets

Assets that are subjected to impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognized for the amount by which the assets carrying amount exceeds the recoverable amount.

## N. Earnings per Share



The earning considered in ascertaining the earnings per share comprises the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of equity shares outstanding during the year. (Source: Annual Reports)

48. There are no pending litigations, disputes, defaults in respect of statutory dues or proceedings initiated for economic offences against IAL, or towards tax liabilities or civil/criminal prosecution launched for any offences or enactment as mentioned in Schedule XIII of the Companies Act, 1956 or Schedule V of the Companies Act, 2013.
49. There are no shares under lock in period.
50. IAL has complied with applicable provisions of SEBI (SAST) Regulations, 1997 and SEBI (SAST) Regulations, 2011, except the following:
  - a. IAL has delayed in complying with filing the disclosure under regulation 30(1) of SEBI (SAST) Regulations, 2011 with BSE and the Target Company for the shareholding as on March 31, 2012 and March 31, 2013.
51. IAL has not promoted any company.
52. IAL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation framed under SEBI Act.

#### **Growsafe Securities Private Limited**

53. GSPL originally incorporated under the Companies Act, 1956 on June 22, 1995 as a private limited company under the name and style of Growsafe Securities Private Limited in the state of Maharashtra bearing registration no. 11-89862 of 1995. GSPL shifted its registered office from state of Maharashtra to the state of Karnataka and Registrar of Companies has issued a fresh certificate of registration on August 12, 2004. The Company Identification Number is U67120KA2004PTC034480. The registered office of GSPL is at B-1, 62-5-Q, Begur Road, Bommanahalli, Bangalore, 560068.
54. GSPL has not entered into any agreement with the Target Company with regard to the Offer or acquisition of Equity Shares.
55. As on date of PA and LoF, GSPL holds 2,31,000 Equity Shares in MSL (i.e 2.66% of current paid-up capital and 9.05% of the total voting paid-up equity share capital of the Company post Forfeiture).
56. The promoters of GSPL are Raju Mahtaney and Pooja Mahtaney.
57. The authorised share capital of GSPL is Rs. 10.00 lakhs divided into 1,00,000 equity shares of face value of Rs. 10 each. The issued, subscribed and paid up capital of the GSPL is Rs. 10.00 lakhs divided into 1,00,000 equity shares of face value of Rs. 10 each.
58. GSPL is engaged in the investment business.
59. The board of directors of the GSPL are stated hereunder:

<b>Name, Designation, Director Identification Number(DIN) And Address</b>	<b>Experience (Years)</b>	<b>Area of Experience</b>	<b>Qualification</b>	<b>Date of Appointment</b>
Raju Mahtaney  <b>Designation:</b> Director  <b>DIN:</b> 00152718  <b>Address:</b> 82, Epsilon, Yemlur Main Road, off Old Airport Road,	43	Manufacturing and Retail	Passed first year of B.Com	October 14, 1995

Name, Designation, Director Identification Number(DIN) And Address	Experience (Years)	Area of Experience	Qualification	Date of Appointment
Bangalore 560037.				
N. Someswara Rao  <b>Designation:</b> Director  <b>DIN:</b> 03368556  <b>Address:</b> 101, Phase 1, Golden Park Apts, Kodichikkanahalli, Bangalore 560076	35	Finance & accounts, corporate laws and legal	B.Com, L.L.B, CWA(CMA) and CS	March 30, 2012

60. None of the directors representing GSPL are on the Board of the Target Company.

61. GSPL is not a listed company and the shareholding pattern as on date is as under:

Sl. No	Name	No. of Shares held	Percentage of Shares held
1	Raju Mahtaney	70,000	70.00%
2	Pooja Mahtaney	20,000	20.00%
3	Gitanjali Mahtaney	10,000	10.00%
	<b>Total</b>	<b>1,00,000</b>	<b>100.00%</b>

62. There are no outstanding instruments of any nature in GSPL.

63. The brief audited financial details of GSPL is as follows:

(Rs. in lakhs)

Profit & Loss Statement	March 31, 2014 (audited)*	March 31, 2013 (audited)*	March 31, 2012 (audited)*
Income from operations	0.00	0.00	0.00
Other Income	0.00	0.00	0.00
Total Income	0.00	0.00	0.00
Total Expenditure	0.33	0.49	0.37
Profit/(Loss) Before Extraordinary item, Depreciation, Interest and Tax	(0.33)	(0.49)	(0.37)
Less: Depreciation	0.00	0.00	0.00
Less: Interest	0.00	0.00	0.00
Less: Extraordinary Item	0.00	10.02	40.10
Profit/ (Loss) Before Tax	(0.33)	(10.51)	(40.47)
Less: Provision for Tax	0.00	0.00	0.00
<b>Profit/(Loss) After Tax</b>	<b>(0.33)</b>	<b>(10.51)</b>	<b>(40.47)</b>

\*(Source: Audited Financial Reports)

(Rs. in lakhs)

Balance Sheet Statement	March 31, 2014 (audited)*	March 31, 2013 (audited)*	March 31, 2012 (audited)*
<b>Sources of funds</b>			
Share capital	10.00	10.00	10.00
Reserves and Surplus (excluding revaluation reserves)	(10.79)	(10.45)	0.06
<b>Networth</b>	<b>(0.79)</b>	<b>(0.45)</b>	<b>10.06</b>
Secured Loans	0.00	0.00	0.00
Unsecured Loans	261.26	256.25	256.11

<b>Balance Sheet Statement</b>	<b>March 31, 2014 (audited)*</b>	<b>March 31, 2013 (audited)*</b>	<b>March 31, 2012 (audited)*</b>
<b>Total</b>	<b>260.47</b>	<b>255.80</b>	<b>266.17</b>
<b>Uses of funds</b>			
Net fixed assets	0.00	0.00	0.00
Investments	142.07	142.07	152.10
Long term loans and advances	119.98	119.98	120.01
Net Current Assets	(1.58)	(6.26)	(5.94)
Total miscellaneous expenditure not written off	0.00	0.00	0.00
<b>Total</b>	<b>260.47</b>	<b>255.80</b>	<b>266.17</b>

\*(Source: Audited Financial Reports)

<b>Other Financial data</b>	<b>March 31, 2014 (audited)</b>	<b>March 31, 2013 (audited)</b>	<b>March 31, 2012 (audited)</b>
Dividend (%)	0.00	0.00	0.00
Earnings Per Share (EPS) (in Rs.)	-	-	-
Return on Networth (RONW) (%)	-	-	-
Book Value Per Share (in Rs.)	-	-	10.06

64. As per the financials of GSPL for the year ended March 31, 2014, there are no contingent liabilities as on that date.
65. Reasons for the fall/rise in income and profit after tax:
- FY 2011-12: Increase in total expenditure due to provision of Rs. 40.10 lakh towards diminution in value of investment had contributed in increasing the loss to Rs. 40.47 lakhs in FY 2011-12 as compared to Rs. 0.33 lakhs in FY 2010-11.
  - FY 2012-13: The loss has been reduced to Rs. 10.51 lakhs in FY 2012-13 as compared to Rs. 40.47 lakhs in FY 2011-12 due to lower provision for diminution in value of investments i.e. Rs. 10.02 lakh as compared to Rs. 40.10 lakh in FY 2011-12.
  - FY 2013-14: The loss has been reduced to Rs. 0.33 lakhs in FY 2013-14 as compared to Rs. 10.51 lakhs due to lower expenses and absence of extra-ordinary item.
66. There has been no change in accounting policies in last three audited financial years warranting any change in the financials.
67. Accounting Policies:

**A. Basis of preparation of financial statements and use of estimates:**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles under the historical cost convention on accrual basis of accounting and comply with the mandatory accounting standards and statements issued by ICAI and the provisions of the Companies Act, 1956.

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities as at the date of the financial statements and the reported amount of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates.

**B. Investments:**

Long term investments are valued at cost. Diminution in value of investments other than temporary is provided for.

*(Source: Annual Report for FY 2013-14)*

68. There are no pending litigations, disputes, defaults in respect of statutory dues or proceedings initiated for economic offences against GSPL or towards tax liabilities or civil/criminal prosecution launched for any offences or enactment as mentioned in Schedule XIII of the Companies Act, 1956 and Schedule V of the Companies Act, 2013.
69. There are no shares under lock-in period.
70. GSPL has not promoted any company.
71. There has been no merger / de-merger or spin off in GSPL during the past three years.
72. GSPL has complied with applicable provisions of SEBI (SAST) Regulations, 1997 and SEBI (SAST) Regulations, 2011, except the following:
  - a. GSPL has delayed in complying with filing the disclosure under regulation 30(1) of SEBI (SAST) Regulations, 2011 with BSE and the Target Company for the shareholding as on March 31, 2012 and March 31, 2013.
73. GSPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation framed under SEBI Act.

## **VI. INFORMATION/DISCLOSURES PERTAINING TO PACs:**

### **Salim Govani**

74. Salim Govani, aged 49 years, S/o Pyarali Govani, presently residing at 401, Seagull-A, Sherly Road, Bandra, Mumbai (West) - 400 050. He is a commerce graduate and has over 23 years of experience in handling financial instruments / markets.
75. Salim Govani has not entered into any agreement with the Target Company with regard to the Offer or acquisition of Equity Shares.
76. As on date of the PA and LoF, Salim Govani holds 5,450 equity shares in MSL in his individual capacity (i.e 0.06 % of current paid up capital and 0.21% of the total voting paid-up equity share capital of the Company post Forfeiture).
77. Salim Govani offers to participate in the Offer along with the Acquirers and acquire the Equity Shares of MSL in the Offer.
78. Sekhri Kanodia & Associates, Chartered Accountants, Mumbai has certified vide its certificate dated September 25, 2014 that the net worth of Salim Govani as on March 31, 2014 is Rs. 1,046.15 lakhs.
79. Salim Govani is a director in Foresight Holdings Pvt. Ltd, Sethi Funds Management Pvt. Ltd, Sadafuli Finvest Pvt. Ltd, Himalayan Ventures Pvt. Ltd, Goyal Consulting Services Private Limited and ARR Bath and Home Private Limited.
80. Salim Govani has promoted Foresight Holdings Private Limited which is also a PAC in the Offer.
81. As on date, Salim Govani is not the director of the Target Company.
82. Salim Govani alongwith the persons acting in concert with him do not hold a controlling stake in any listed company.
83. There are no pending litigations, disputes, defaults in respect of statutory dues or proceedings initiated for economic offences against Salim Govani or towards tax liabilities or civil/criminal prosecution launched for any offences or enactment as mentioned in Schedule XIII of the Companies Act, 1956 and Schedule V of the Companies Act, 2013.
84. Salim Govani has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation framed under SEBI Act.

85. Salim Govani has complied with applicable provisions of SEBI (SAST) Regulations, 1997 and SEBI (SAST) Regulations, 2011, except the following:
- Salim Govani has delayed in complying with filing the disclosure under regulation 30(1) of SEBI (SAST) Regulations, 2011 with BSE and the Target Company for the shareholding as on March 31, 2012 and March 31, 2013.

### **Foresight Enterprises**

86. Foresight Enterprises is a partnership firm registered under the Indian Partnership Act, 1932. It started its business in the year 2006 - 07 and has its office at 2/B Naaz Building, Lamington Road, Mumbai – 400 004.
87. The partners of Foresight Enterprises are Mr. Salim Govani, and Foresight Holdings Pvt. Ltd. Foresight Holdings Pvt. Ltd is promoted by Mr. Salim Govani and Ms. Sausan Bukhari.
88. Foresight Enterprises has not entered into any agreement with the Target Company with regard to the Offer or acquisition of Equity Shares.
89. Foresight Enterprises is in the business of investing in equity, equity related products and debt related instruments
90. Foresight Enterprises offers to participate in the Offer along with the Acquirers and acquire the Equity Shares of MSL in the Offer.
91. The brief financial details of Foresight Enterprises for last three years are as given below:

*(Rs. in Lakhs)*

<b>Particulars</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Capital Account	1606.65	1,400.14	1,148.87
Fixed Asset	-	-	-
Investments	1,604.31	1,375.31	1,141.83
Net Current Assets	2.34	24.83	7.03
Total Income	19.70	2,400.48	2,015.32
Net Profit/(Loss)	2.54	1,770.20	1,888.90

*\*Other financial data namely Dividend, Earnings per share, Return on Networth and Book value per share are not computable since Foresight Enterprises is a partnership firm.*

*(Source: Financials certified by Sekhri Kanodia & Associates, Chartered Accountants)*

92. Sekhri Kanodia & Associates, Chartered Accountants, Mumbai has certified vide its certificate dated September 25, 2014 that the net worth of Foresight Enterprises as on March 31, 2014 is Rs. 1,606.65 lakhs.
93. As of date of PA, Salim Govani or any of the representatives of Foresight Holdings Pvt. Ltd do not represent Foresight Enterprises on the Board of the Target Company.
94. Foresight Enterprises has not promoted any company.
95. Foresight Enterprises alongwith the persons acting in concert with it do not hold a controlling stake in any listed company.
96. Foresight Enterprises is the beneficial owner for 5,39,286 Equity Shares in MSL (i.e 6.20 % of current paid up capital and 21.13% of the total voting paid-up equity share capital of the Company post Forfeiture) held in the name of Foresight Holdings on the date of the PA and LoF.
97. There are no pending litigations, disputes, defaults in respect of statutory dues or proceedings initiated for economic offences against Foresight Enterprises or any of its partners or towards tax liabilities or civil/criminal prosecution launched for any offences or enactment as mentioned in Schedule XIII of the Companies Act, 1956 and Schedule V of the Companies Act, 2013.

98. Foresight Enterprises and its partners Salim Govani, Foresight Holdings Pvt. Ltd or authorised representatives of Foresight Holdings Pvt. Ltd have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation framed under SEBI Act.
99. Foresight Enterprises has complied with applicable provisions of SEBI (SAST) Regulations, 1997 and SEBI (SAST) Regulations, 2011, except the following:
- Delay in complying with filing the disclosure under regulation 30(1) of SEBI (SAST) Regulations, 2011 with BSE and the Target Company for the shareholding as on March 31, 2012 and March 31, 2013.
  - Delay in compliance with filing the disclosure under regulation 29(2) of SEBI (SAST) Regulations, 2011.

### **Foresight Holdings Private Limited**

100. Foresight Holdings was incorporated under the Companies Act, 1956 on June 26, 1992 as a private limited company under the name and style of Foresight Holdings Private Limited in the State of Maharashtra. The Corporate Identification Number is U67120MH1992PTC067431. The registered office of Foresight Holdings is situated at 2/B Naaz Building, Lamington Road, Mumbai – 400 004. Foresight Holdings is registered as Non-Banking Financial Company with RBI vide certificate no. 13.00433.
101. The promoter of Foresight Holdings is Mr. Salim Govani and Ms. Sausan Bukhari.
102. Foresight Holdings has not entered into any agreement with the Target Company with regard to the Offer or acquisition of Equity Shares.
103. As on date of LoF, Foresight Holdings (on behalf of Foresight Enterprises) holds 5,39,286 Equity Shares in MSL (i.e 6.20% of current paid-up capital and 21.13% of the total voting paid-up equity share capital of the Company post Forfeiture).
104. Foresight Holdings offers to participate in the Offer along with the Acquirers and acquire the Equity Shares of MSL in the Offer.
105. The authorised share capital of Foresight Holdings is Rs. 500.00 lakhs divided into 50,00,000 equity shares face value of Rs. 10 each. The issued, subscribed and paid up capital of the Foresight Holdings is Rs. 500.00 lakhs divided into 50,00,000 equity shares of face value of Rs. 10 each.
106. Foresight Holdings is engaged in the business of investing in equity, equity related products and debt related instruments and in partnership firm.
107. The details of the board of directors of Foresight Holdings are as follows:-

<b>Name, Designation, Director Identification Number(DIN) and Address</b>	<b>Experience (Years)</b>	<b>Area of Experience</b>	<b>Qualification</b>	<b>Date of Appointment</b>
Mr. Salim Govani  <b>Designation:</b> Chairman  <b>DIN:</b> 00364026  <b>Address:</b> 401, Seagull-A, Sherly Road, Bandra (West), Mumbai-400 050.	23	Investments	B. Com	June 26, 1992
Ms. Sausan Bukhari  <b>Designation:</b> Director  <b>DIN:</b> 01375313	20	Administration	High School	September 30, 1994

Name, Designation, Director Identification Number(DIN) and Address	Experience (Years)	Area of Experience	Qualification	Date of Appointment
Address: 401/402, Seagull-A, Sherly Road, Bandra (West), Mumbai-400 050.				

108. None of the directors representing Foresight Holdings are on the Board of the Target Company.

109. Foresight Holdings is not a listed company and the shareholding pattern as on date is as under:

Sl. No	Name	No. of Shares held	% of Shares held
1	Salim Govani	47,40,000	94.80%
2	Sausan Bukhari	2,50,000	5.00%
3	Pradeep Javeri	10,000	0.20%
	<b>Total</b>	<b>50,00,000</b>	<b>100%</b>

110. As on date, there are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date.

111. There has been no merger and de-merger in Foresight Holdings during the past three years:

112. The brief audited financial details of Foresight Holdings is as follows:

(Rs. in Lakhs)

Profit & Loss Statement	March 31, 2014 (audited)*	March 31, 2013 (audited)*	March 31, 2012 (audited)*
Income from operations	403.92	388.51	984.71
Other Income	1.65	899.32	6.14
Total Income	405.57	1,287.83	990.85
Total Expenditure	224.79	133.53	108.22
Profit / (Loss) Before Extraordinary item, Depreciation, Interest and Tax	180.78	1,154.30	882.63
Less: Depreciation	13.78	12.66	5.04
Less: Interest	33.13	6.25	0.65
Less: Extraordinary Item	0.00	0.00	(1.86)
Profit/ (Loss) Before Tax	133.87	1,135.39	878.79
Less: Provision for Tax	128.49	68.01	(58.31)
<b>Profit/(Loss) After Tax</b>	<b>5.38</b>	<b>1,067.38</b>	<b>937.10</b>

\*(Source: Audited Financial Reports)

(Rs. in Lakhs)

Balance Sheet Statement	March 31, 2014 (audited)*	March 31, 2013 (audited)*	March 31, 2012 (audited)*
<b>Sources of funds</b>			
Paid-up Share capital	500.00	500.00	500.00
Reserves and Surplus (excluding revaluation reserves)	5,058.62	5,053.24	3,985.87
<b>Networth</b>	<b>5,558.62</b>	<b>5,553.24</b>	<b>4,485.87</b>
Secured Loans	0.00	0.00	0.00
Unsecured Loans (Long term borrowing)	700.00	712.40	0.00

<b>Balance Sheet Statement</b>	<b>March 31, 2014 (audited)*</b>	<b>March 31, 2013 (audited)*</b>	<b>March 31, 2012 (audited)*</b>
<b>Total</b>	<b>6,258.62</b>	<b>6,265.64</b>	<b>4,485.87</b>
<b>Uses of funds</b>			
Net fixed assets	40.28	53.13	13.64
Investments	2,763.06	2,431.39	2,290.25
Deferred Tax Asset (Net)	4.29	3.08	3.11
Long Term Loans & Advances	2,135.30	1,694.40	652.39
Net Current Assets	1,315.69	2,083.64	1526.48
<b>Total</b>	<b>6,258.62</b>	<b>6,265.64</b>	<b>4,485.27</b>

\*(Source: Audited Financial Reports)

<b>Other Financial data</b>	<b>March 31, 2014 (audited)</b>	<b>March 31, 2013 (audited)</b>	<b>March 31, 2012 (audited)</b>
Dividend (%)	0.00	0.00	0.00
Earnings Per Share (EPS) (in Rs.)	0.10	21.35	18.74
Return on Networth (RONW) (%)	0.10%	19.22%	20.89%
Book Value Per Share (in Rs.)	111.17	111.06	89.72

113. As per the Annual Report of Foresight Holdings Private Limited for the year ended March 31, 2014, there are no contingent liabilities as on that date.

114. Reasons for the fall/rise in total income and profit after tax:

- a. FY 2011-12: Total income and net profit has been increased in FY 2011-12 to Rs. 990.85 lakhs and Rs. 937.10 lakhs, respectively from Rs. 60.11 lakhs and Rs. 10.20 lakhs, respectively in FY 2010-11 due to increase in income from investments.
- b. FY 2012-13: Total Income and net profit has been increased in FY 2012-13 to Rs. 1,287.83 lakhs and Rs. 1,067.38 lakhs, respectively from Rs. 990.85 lakhs and Rs. 937.10 lakhs, respectively in FY 2011-12 due to increase in income from investments and increase in income received from partnership firm.
- c. FY 2013-14: Total Income has been reduced in FY 2013-14 to Rs. 405.57 lakhs from Rs. 1,287.83 lakhs in FY 2012-13 due to reduction in income received from partnership firm. Net profit has been drastically reduced to Rs. 5.38 lakhs in FY 2013-14 from Rs. 1,067.38 lakhs in FY 2012-13 due to lower revenues, increase in financial costs and higher provision for tax in FY 2013-14.

115. There has been no change in accounting policies in last three audited financial years warranting any change in the financials.

116. Accounting Policies of Foresight Holdings

(i) Basis of preparation of financial statements and use of estimates:

The financial statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956 and the RBI guidelines/regulations to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule VI to the Companies Act, 1956.

(ii) System of accounting



- i) Foresight Holdings follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except in case of significant uncertainties.
- ii) Financial statements are prepared under the historical cost convention. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.
- iii) Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

(iii) Revenue Recognition

a) Income

Foresight Holdings recognizes income on accrual basis. However when the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

Interest income is accrued over the period of the loan. However, where a loan is considered doubtful or interest thereon is not received as per stipulation, interest income is recognized only when it is actually received.

Dividend is accrued in the year in which it is declared whereby a right to receive is established.

Profit/loss on sale of investments is recognized on the contract.

(iv) Fixed assets and depreciation

a) Fixed assets

Fixed assets are carried at cost of acquisition or construction cost including pre-operative expenses, less accumulated depreciation and amortization.

b) Depreciation

Depreciation on fixed is provided on wdv method at the rates and in the manner specified in schedule XIV of the Companies Act, 1956.

(v) Investments

a) Current investments representing fixed income securities with a maturity less than 1 year and those intended to be held for a period less than 1 year from the date on which the investment is made are stated at cost plus accrued interest thereon.

b) Other fixed income securities, other than current, are carried at cost.

c) Investments other than fixed income securities (eg. Equity, mutual funds etc.) are valued at cost of acquisition, less provision for diminution as necessary where they are intended to be held for a long term, else current investments are valued at cost.

d) Investments other than current investments, made by Foresight Holdings are intended to be held for long-term, hence diminutions in value of quoted investments are generally not considered to be of a permanent nature.

(vi) Employee benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

(vii) Taxation

Income tax expenses comprises of current tax and deferred tax charge or credit. The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets are recognized only if there is sufficient evidence that future taxable income will be available.

117. There are no pending litigations, disputes, defaults in respect of statutory dues or proceedings initiated for economic offences against Foresight Holdings, or towards tax liabilities or civil/criminal prosecution launched for any offences or enactment as mentioned in Schedule XIII of the Companies Act, 1956 and Schedule V of the Companies Act, 2013.

118. There are no shares under lock in period.

119. Foresight Holdings has complied with applicable provisions of SEBI (SAST) Regulations, 1997 and SEBI (SAST) Regulations, 2011, except the following:
- a. Delay in compliance with filing the disclosure under regulation 30(1) of SEBI (SAST) Regulations, 2011 with BSE and the Target Company for the shareholding as on March 31, 2012 and March 31, 2013.
  - b. Delay in compliance with filing the disclosure under regulation 29(2) of SEBI (SAST) Regulations, 2011.
120. Foresight Holdings has not promoted any company.
121. Foresight Holdings has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation framed under SEBI Act.

#### **Relation between the Acquirers and PACs**

122. IAL, GSPL and PACs are independent entities with common objective to acquire the control of MSL.

#### **VII. FUTURE PLANS/STRATEGIES OF THE ACQUIRERS AND PACs WITH REGARD TO MSL**

123. The Acquirers and PACs propose to manage the affairs of MSL by assisting MSL in growing its business and infuse additional capital as may be considered to be desirable by it to further the prospects of MSL.
124. The Acquirers and PACs have not entered into any separate non-compete agreement with MSL.

#### **VIII. DISCLOSURES UNDER REGULATION 21 (2)**

125. The minimum public shareholding required for continuous listing of the Equity Shares is 25% (twenty five) of the share capital.
126. The Acquirers and PACs declares that they do not have any intention to delist the equity shares of the Target Company after this Offer. In the event, the shareholding of the Acquirer and the PACs through i) this Offer and/or, ii) Preferential Issue and/or, iii) any acquisition of Shares from open market, were to exceed the threshold specified in the listing agreement for minimum public shareholding, the Acquirer and the PACs will take the necessary steps in terms of the provisions of Regulation 21(2) of SEBI (SAST) Regulations, 1997 and as per the listing agreements prescribed by the stock exchanges to maintain a minimum threshold of public shareholding for listing on a continuous basis, within the timeframe specified therein.

#### **IX. BACKGROUND OF TARGET COMPANY**

127. Madhusudan Securities Limited (MSL) was originally incorporated under the Companies Act, 1956 on May 06, 1983 under the name and style Madhusudan Investment Limited and obtained its Certificate of Incorporation. Further the name of the Company was changed from Madhusudan Investment Limited to Madhusudan Securities Limited on August 25, 1995 vide fresh incorporation certificate consequent to name change issued by the Registrar of Companies, Maharashtra. The registered office of MSL is situated at 6/A-2, Court Chambers, 35, New Marine Lines, Mumbai- 400020.
128. MSL is promoted by K. Madhusudan Reddy and Piya Madhusudan Reddy.
129. MSL is engaged in the business of providing financial services/shares investments.
130. MSL was a member of Bhubaneswar Stock Exchange and Over the Counter Exchange of India and the membership was surrendered on October 1, 2012 and May 22, 2012, respectively.
131. Current issued & paid up equity share capital of MSL is Rs. 869.55 lakhs comprising of 86,95,487 Equity Shares of face value of Rs. 10 each. There are no partly paid up equity shares in MSL. The Equity Shares are listed on BSE. The equity shares are not frequently traded on BSE in terms of Explanation (i) to regulation 20(5) of SEBI (SAST) Regulations, 1997.

132. The details of the share capital structure of the Target Company is as follows:

<b>Paid-up Equity Shares</b>	<b>No. of shares/voting rights</b>	<b>% of paid up capital</b>
Fully paid up equity shares	86,95,487	100%
Partly paid up equity shares	Nil	NA
Total paid up equity shares	86,95,487	100%
<b>Total voting rights in the Company</b>	<b>86,95,487</b>	<b>100%</b>

133. Build-up of share capital is as given below\*:

<b>Date of Allotment</b>	<b>No of shares issued</b>	<b>% of total voting shares issued</b>	<b>Cumulative paid up shares</b>	<b>Cumulative paid up capital (Rs lakhs)</b>	<b>Mode of Allotment</b>	<b>Identity of allottees (Promoters/ ex-promoters others)</b>	<b>Status of compliance</b>
April 27, 1983	70	0.00%	70	0.01	Signatories to MOA	Promoters & Others signing of Memorandum of Association	Complied with
September 8, 1983	2,39,930	99.97%	2,40,000	24.00	Public Issue	Promoters and Public	Complied with
October 27, 1997	12,60,000	84.00%	15,00,000	150.00	Private Placement	Promoter Group and others	Complied with
May 14, 2011	61,42,857 <sup>^</sup>	80.37%	76,42,857	764.29	Preferential Allotment	Primus Retail Private Limited	Complied with
October 31, 2011	10,52,360	12.11%	86,95,487	869.55	Preferential Allotment	Foresight Enterprises, Dewsoft Overseas Private Limited and Acme Investment Consultants Private Limited	Complied but with delay

\* MSL does not have the records of the Equity Shares issued since its inception till March 30, 2001. Hence, the information contained in the table above is based on information publicly available/provided by MSL.

<sup>^</sup> Forfeited as per board meeting dated October 17, 2014. Forfeiture of aforesaid shares is subject to legal compliances that MSL is required to comply. Post forfeiture, the total paid up equity capital of the Company shall be 25,52,630 Equity Shares

134. Details of change in cumulative shareholding of the Promoter Group since March 31, 2001 is as detailed herein:

<b>Period of Transaction</b>	<b>Shares purchased/(sold)</b>		<b>Cumulative shareholding</b>		<b>Status of compliance with Sebi (SAST) Regulations, 1997</b>
	<b>No. of Shares</b>	<b>% of share and voting capital</b>	<b>No. of Shares</b>	<b>% of share and voting capital</b>	
Quarter ended March 31, 2001	-	-	13,16,100	87.47	Disclosure under 8(3) – complied but with delay
2001-2002	90,000	6.00	14,06,100	93.74	Disclosure under 8(3) – complied but with delay
2002-2003	No Change	No Change	14,06,100	93.74	Disclosure under 8(3) – complied but with delay
2003-2004	No Change	No Change	14,06,100	93.74	Disclosure under 8(3) – complied but with delay

Period of Transaction	Shares purchased/(sold)		Cumulative shareholding		Status of compliance with Sebi (SAST) Regulations, 1997
	No. of Shares	% of share and voting capital	No. of Shares	% of share and voting capital	
2004-2005	No Change	No Change	14,06,100	93.74	Disclosure under 8(3) – complied but with delay
2005-2006	No Change	No Change	14,06,100	93.74	Disclosure under 8(3) – complied with
2006-2007	No Change	No Change	14,06,100	93.74	Disclosure under 8(3) – complied with
2007-2008	No Change	No Change	14,06,100	93.74	Disclosure under 8(3) – complied but with delay
2008-2009	No Change	No Change	14,06,100	93.74	Disclosure under 8(3) – complied with
2009-2010	(7,20,200)	48.01	6,85,900	45.73	Disclosure under 8(3) – complied but with delay
2010-11	(4,87,600)	32.51	1,98,300	13.22	Disclosure under 8(3) – complied with
2011-12	No Change	No Change	1,98,300	2.28%	Not Applicable
2012-13	No Change	No Change	1,98,300	2.28%	Not Applicable
2013-14	No Change	No Change	1,98,300	2.28%	Not Applicable

Note:

*The above table shows the changes in the shareholding of persons constituting the present and past Promoter Group. The above table also does not include inter se transfers, if any, within the Promoter Group. The figures above are as per the records of the Target Company and are sourced from BSE's website.*

The Target Company and the promoter group had inadvertently failed to comply with the regulation 8(3) and 8(2), respectively. The Target Company and the certain shareholders forming part of promoter group had filed an application for consent under SEBI Guidelines for Consent Order for settling the non-compliances of disclosure under Chapter II of SEBI (SAST) Regulations, 1997. The application for Consent Order was rejected by SEBI through the letter dated January 3, 2013.

135. There has been delay in compliance as well as non-compliance of Chapter II and certain other regulations of the SEBI (SAST) Regulations, 1997 and delay in compliance of the regulations under SEBI (SAST) Regulations, 2011 by the Target Company and promoter group. The details of non-compliance regulations are:
- non-disclosure under regulation 7 of the SEBI (SAST) Regulations, 1997 in the year 2001 and 2009,
  - non-compliance under regulation 23(6) - During the quarter ended December 31, 2001, a transfer of 48% of the shareholding of MSL was effected by Madhusudan Leasing & Finance Limited to Shree Sanjeeva Raghu Agency Private Limited (“SSRAPL”). This transaction triggered the open offer requirements under Regulation 10 of SEBI (SAST) Regulations, 1997. However, SSRAPL did not comply with the same. MSL had authorized the transfer of shares aggregating to 48% of the company's share capital in contravention of Regulation 23 (6) of the SEBI (SAST) Regulations, 1997,
  - delay in compliance under regulation 8 of the SEBI (SAST) Regulations, 1997 as mentioned in point 134 above,
  - delay in compliance under regulation 30(2) of SEBI (SAST) Regulations, 2011 in the year 2012 and 2013 and
  - delay in compliance of disclosure as per regulation 6 of the SEBI (SAST) Regulations, 1997.
136. The trading of equity shares of MSL was suspended between April 30, 2003 to October 15, 2009 due to non-compliance with the listing agreement. MSL had requested BSE to revoke the suspension in trading of the equity shares vide its letter dated August 06, 2009. Thereafter, BSE vide its notice dated October 09, 2009 had informed the trading members of the exchange that the suspension in trading of equity shares of MSL will be revoked with effect from October 16, 2009 and trading of the said equity shares can be resumed in B category.

137. On March 27, 2012, BSE issued a list of companies that did not comply with various provisions of the listing agreement upto quarter ended June 2011. MSL's name appeared in the aforesaid list. Trading in securities of such companies was proposed to be suspended w.e.f. Friday, April 20, 2012 (being 15 trading days from issue of notice) on account of non-compliance with the provisions of the listing agreement. MSL complied with the provisions of the listing agreement prior to April 13, 2012 and Equity Shares of MSL were suspended for Five Trading Days i.e. upto April 26, 2012. Post April 26, 2012, the Equity Shares have not been suspended from trading on BSE.
138. Apart from non-compliances mentioned in point 134 and 135 above, the Target Company has not complied / delayed in compliance with the listing requirements at various intervals. The details of key non-compliance / delay in compliance is given below:
- MSL has not appointed a full-time company secretary and compliance officer since August 3, 2012;
  - MSL did not had independent directors on the Board from March 25, 2012 till May 31, 2013. Similarly, two-third of the members of the audit committee were not independent directors during the said period;
  - Chairman of the Shareholders / Investors Grievance Committee is an executive director;
  - Delay in in filing the secretarial audit report for the quarter ended September 30, 2011 and June 30, 2011;
  - Delay in filing the shareholding pattern for the quarter ended December 31, 2012, December 31, 2011 (revised filing), June 30, 2011 and March 2011;
  - Delay in filing the limited review report for the quarter ended June 30, 2011 and March 31, 2011;
  - Delay in filing corporate governance report for the quarter ended June 30, 2011, September 30, 2011, December 31, 2011 and March 31, 2012;
  - Delay in compliance of clause 47(3) of the listing agreement for the half year ended September 30, 2011;
139. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date.
140. There are no shares under lock-in period except 2,63,157 Equity Shares that are locked in upto March 6, 2015.
141. There has been no merger / de-merger or spin off in MSL during the past three years.
142. The details of the board of directors of the Target Company are as follows:

Name & Designation	Area of Experience	Date of Appointment	Address	Qualification
K. Madhusudan Reddy Chairman	Almost 33 years of experience in business administration. He is also heading M/s Navbharat Carrier Private Limited as a Managing Director	August 17, 1985	4/A, Monisha, St Andrews Rd, Bandra West, Mumbai -400050	Bachelors in Commerce.
Harsh Javeri Director	More than 12 years experience in stock broking and financial services	May 30, 2013	Flat no 8, Building no 1, Samrat Ashok Society, 7 R.R. Thakkar Marg, Mumbai - 400006	Bachelors in Commerce
Abhilash Padmanabh Director	Experience in treasury activities	May 30, 2013	No. 109/c,16th Main, 5th Cross, Koramangala 4th Block, Bangalore - 560034	MBA from Mysore University

143. Brief audited financial details of MSL for the last 3 audited financial years are as follows:

(Rs. in Lakhs)

Profit & Loss Statement	March 31, 2014 (audited)	March 31, 2013 (audited)	March 31, 2012 (audited)
Income from operations	9.36	24.31	23.18
Other Income	0.01	2.07	0.32
Total Income	9.37	26.38	23.50

<b>Profit &amp; Loss Statement</b>	<b>March 31, 2014 (audited)</b>	<b>March 31, 2013 (audited)</b>	<b>March 31, 2012 (audited)</b>
Total Expenditure	17.19	89.68	36.60
Profit/(Loss) Before Extraordinary item, Depreciation, Interest and Tax	(7.81)	(63.30)	(13.10)
Less: Depreciation	0.00	0.00	0.00
Less: Interest	0.00	0.00	0.00
Less: Extraordinary Item	0.00	0.00	0.00
Profit/ (Loss) Before Tax	(7.82)	(63.30)	(13.10)
Less: Provision for Tax	0.00	0.00	(0.23)
<b>Profit/(Loss) After Tax</b>	<b>(7.82)</b>	<b>(63.30)</b>	<b>(12.87)</b>

(Source: Annual Reports)

(Rs. in Lakhs)

<b>Balance Sheet Statement</b>	<b>March 31, 2014 (audited)</b>	<b>March 31, 2013 (audited)</b>	<b>March 31, 2012 (audited)</b>
<b>Sources of funds</b>			
Share capital	869.55	869.55	869.55
Reserves and Surplus (excluding revaluation reserves)	4,605.79	4,613.60	4,676.90
<b>Networth</b>	<b>5,475.34</b>	<b>5,483.15</b>	<b>5,546.45</b>
Secured Loans	0.00	0.00	0.00
Unsecured Loans	35.00	35.00	47.00
<b>Total</b>	<b>5,510.34</b>	<b>5,518.15</b>	<b>5,593.45</b>
<b>Uses of funds</b>			
Net fixed assets	0.00	0.00	0.00
Investments	1.87	1.87	90.62
Long term loans and advances	5,522.60	5,522.59	5,522.59
Other non-current asset	0.50	0.50	1.65
Net Current Assets	(14.63)	(6.81)	(21.41)
<b>Total</b>	<b>5,510.34</b>	<b>5,518.15</b>	<b>5,593.45</b>

(Source: Annual Reports)

<b>Other Financial data</b>	<b>March 31, 2014 (audited)</b>	<b>March 31, 2013 (audited)</b>	<b>March 31, 2012 (audited)</b>
Dividend (%)	0.00	0.00	0.00
Earnings Per Share (EPS) (in Rs.)	-	-	-
Return on Networth (RONW) (%)	-	-	-
Book Value Per Share (in Rs.)	62.96	63.05	63.78

144. Limited Review Report for the 6 months period ended September 30, 2014 has been issued by M/s Vora & Associates, Chartered Accountants dated October 17, 2014. The brief financials based on limited review report is as below:

(Rs. in Lakhs)

<b>Particulars</b>	<b>Six months ended September 30, 2014</b>
Income from operations	12.83
Total Income	12.83
Total Expenditure	16.72

<b>Particulars</b>	<b>Six months ended September 30, 2014</b>
Profit/(Loss) Before Other Income, Extraordinary item, Depreciation, Interest and Tax	(3.89)
Add: Other Income	0.00
Less: Depreciation	0.00
Less: Interest	0.00
Less: Extraordinary Item	0.00
Profit/ (Loss) Before Tax	(3.89)
Less: Provision for Tax	0.00
<b>Profit/(Loss) After Tax</b>	<b>(3.89)</b>
Earnings per Share (Rs.)	-
Share Capital	869.54
Reserves & Surplus	4,601.89
Non-Current Liabilities	38.28
Non-Current Assets	5,524.97
Net Current Asset	(15.24)

145. According to the financials of MSL for the year ended March 31, 2014, there are no contingent liabilities as on that date.

146. Reasons for fall/rise in income and profit after tax of MSL:

- a. FY 2011-12: The total income decreased to Rs. 23.50 lakhs in FY 2011-12 from Rs. 37.30 lakhs in FY 2010-11 due to high volatility and negative returns witnessed in sale of shares. As a result, MSL incurred a loss of Rs. 12.87 lakhs in FY 2011-12 from a profit of Rs. 20.05 lakhs in FY 2010-11.
- b. FY 2012-13: The total income marginally increased to Rs. 26.38 lakhs in FY 2012-13 from Rs. 23.50 lakhs in FY 2011-12 due to gain on sale of shares. However, the loss increased to Rs. 63.30 lakhs in FY 2012-13 from Rs. 12.87 lakhs in FY 2011-12 due to increase in expenditure.
- c. FY 2013-14: The total income decreased to Rs. 9.37 lakhs in FY 2013-14 from Rs. 26.38 lakhs in FY 2012-13 due to lower sales of shares. The net loss has been reduced to Rs. 7.82 lakhs in FY 2013-14 as compared to a net loss of Rs. 63.30 lakhs in FY 2012-13, this is mainly due to lower purchases.

147. Significant Accounting Policies:

A) Basis of accounting:

The Financial Statements are prepared under the historical cost convention in accordance with the generally accepted accounting, on an accrual & going concern basis of accounting, in accordance with the generally accepted Accounting Principles, Accounting Standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

B) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

C) Tangible Fixed Assets & Depreciation

Tangible Fixed Assets, if any, are stated at cost of acquisition net of accumulated depreciation. Cost comprises purchase price and directly attributable cost incurred for bringing the asset for its intended use.

Depreciation on fixed assets, if any, shall be provided as per Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

D) Revenue recognition:

The Revenue is recognized on accrual basis. However, the recognition of revenue is restricted to the extent it is probable or there is a certainty that the economic benefits will flow to the Company and the revenue can be reliably measured. The Revenue shall be accounted on the basis of prudence to the extent it is quantifiable. Interest income is recognised on time proportionate taking into account the amount outstanding and the rate as applicable.

Dividend income is recognised when the right to receive dividend is established / or receipts, whichever is earlier.

E) Investments:

Investments, which are readily realizable and intended to be held for not more than 12 months from the date on which such investments are made, are classified as Current Investments. All other Investments are classified as Non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Non-current Investments are carried at cost. However, provision in diminution in the value is made to recognize a decline, other than temporary, in the carrying value of each investment.

Profit or Loss on sale of investments is recorded at the time of transfer of title from the company and is determined as the amount of difference between the sale proceeds and the carrying value of investment as on that date.

F) Tax Expenses:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

G) Retirement Benefits:

The provisions of the Provident fund Act 1952 and Payment of Gratuity Act, 1972 are not applicable to the company at present as number of employees does not exceed the statutory limits prescribed in the Act.

H) Events occurring after the balance sheet date:

Where material, events occurring after the balance sheet date are considered upto the date of approval of accounts by the Board of Directors.

I) Provisions:

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at the required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



J) Contingent Liabilities:

The company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

148. There are no pending litigations, disputes, defaults in respect of statutory dues or proceedings initiated for economic offences or towards tax liabilities or civil/criminal prosecution launched for any offences or enactment as mentioned in Schedule XIII of the Companies Act, 1956 and Schedule V of the Companies Act, 2013 against the Target Company except as stated below:

- a. SEBI has issued a notice on September 1, 2014 under rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with section 15-I of the SEBI Act, 1992 for failing to comply with regulation 8 of SEBI (SAST) Regulations, 1997 from the year 1998 to 2005, 2008 and 2010 by not making requisite disclosures within the specified days to BSE. MSL has sought an extension of six weeks from SEBI to be heard for this notice.
- b. SEBI has issued a notice on September 1, 2014 under rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with section 15-I of the SEBI Act, 1992 for failing to comply with regulation 23 (6) during transfer of 48% Shares from the seller Madhusudan Leasing and Finance Limited (now known as “Joy Reality Limited”) to the acquirer Shree Sanjeeva Raghu Agencies Private Limited. MSL has sought an extension of six weeks from SEBI to be heard for this notice.
- c. SEBI has issued a notice on September 1, 2014 under rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with section 15-I of the SEBI Act, 1992 for violating regulation 73(1)(c) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 by disclosing the shareholding of PRPL in ‘non-promoter’ category in the post-preferential shareholding of MSL. MSL has sought an extension of six weeks from SEBI to be heard for this notice.
- d. SEBI has issued a notice on September 1, 2014 under rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with section 23-I of the Securities Contracts (Regulation) Act, 1956 for not complying with clause 35 of the listing agreement by wrongly classifying PRPL and PACs under ‘public category’ under the shareholding provided on quarterly basis and for circumventing the minimum public shareholding requirements. MSL has sought an extension of six weeks from SEBI to be heard for this notice.

149. Pre and Post- Offer equity shareholding pattern of the Target Company assuming full acceptance will be as follows:

Shareholder's category	Shareholding & voting rights prior to BTA and acquisition of shares (A)		Shares / voting rights acquired/ agreed to be acquired which triggered off the Regulations (B)		Shares/voting rights to be acquired in open offer (Assuming full acceptances) (C)		Share holding / voting rights after the acquisition and offer (A+B+C)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
(a) Parties to agreement:	0	0	0	0	0	0	0	0
(b) Promoters other than (a) above	6,85,900	45.73	-	-	-	-	1,98,300	2.28*
Sub Total 1 (a+b)	6,85,900	45.73	-	-	-	-	1,98,300	2.28*
2. a) Acquirers								
i. PRPL <sup>#</sup> (through preferential allotment)	-	-	61,42,857**	70.64*	-	-	61,42,857**	70.64*

Shareholder's category	Shareholding & voting rights prior to BTA and acquisition of shares (A)		Shares / voting rights acquired/ agreed to be acquired which triggered off the Regulations (B)		Shares/voting rights to be acquired in open offer (Assuming full acceptances) (C)		Share holding / voting rights after the acquisition and offer (A+B+C)	
	No.	%	No.	%	No.	%	No.	%
ii. IAL (Shares acquired from Promoter Group through open market)	-	-	2,31,000	2.66*	-	-	2,31,000	2.66*
iii. GSPL (Shares acquired from Promoter Group through open market)	-	-	2,31,000	2.66*	-	-	2,31,000	2.66*
b) PACs								
i. Salim Govani	5,450	0.36	-	-	13,47,594 <sup>^</sup>	15.50	18,92,330	21.76*
ii. Foresight Enterprises	1,44,550	9.64	-	-				
Sub Total 2	1,50,000	10	66,04,857	75.96*	13,47,594	15.50	86,95,487	100.00
3. Parties to agreement other than (1) (a) & (2)	-	-	-	-	-	-	-	-
4. Public (other than Acquirers, Parties to the Agreement and persons in promoter group)	-	-	-	-	-	-	-	-
a) FIs/MFs/FIIs/ Banks, SFI	-	-	-	-	-	-	-	-
b) Others (no. of shareholders - 146*)	6,64,100	44.27			(13,47,594)	-15.50*	-	-
Sub-total 4 (a + b)	6,64,100	44.27			(13,47,594)	-15.50*	-	-
Total (1+2+3+4)	15,00,000	100.00	66,04,857	75.96*	-	-	86,95,487	100.00

\*Calculated based on post-preferential allotment paid-up capital i.e. 86,95,487 Equity Shares.

<sup>^</sup> The shareholding of others in point 4 (b) in table above has increased from 6,64,100 Equity Shares to 13,47,594 Equity Shares as promoter group has sold 25,600 equity shares to public (excluding Acquirers and PACs) on February 4, 2011 and 10,52,630 Equity Shares were allotted through preferential allotment on October 31, 2011.

# SEBI vide its order dated February 20, 2014 has exempted PRPL from being one of the Acquirers for the Open Offer. For further details please refer to Section III "ABOUT THE OFFER".

\*\* 61,42,857 Equity Shares held by PRPL has been forfeited as per board meeting dated October 17, 2014. Forfeiture of aforesaid shares is subject to legal compliances that MSL is required to comply. Post forfeiture, the total equity paid up capital of the Company shall be 25,52,630 Equity Shares.

150. As on date, the Promoters and Promoter Group entities of the Target Company collectively hold 1,98,300 equity shares constituting 2.28% of equity capital of the Target Company and 7.77% of the total voting paid-up equity share capital of the Company post Forfeiture. The Acquirers and PACs may purchase additional equity shares of the Target

Company in accordance with the SEBI (SAST) Regulations, 1997. In the event that the Acquirers and PACs purchase additional equity shares of the Target Company during the offer period, such purchase shall be disclosed to the stock exchanges where the equity shares of Target Company are listed and to the Manager to the Offer in accordance with regulation 22(17) of the SEBI (SAST) Regulations, 1997.

151. MSL does not have a Compliance Officer as on date.

## X. OFFER PRICE

### Justification of Offer Price:

152. The equity shares of the MSL are listed on the BSE.

Name of stock exchange	Total Shares traded during the 6 calendar months prior to the month in which PA was made (Taken Annualised)	Total no. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	11,21,710	15,00,000	74.78%

Based on information available on the website of BSE, the equity shares of MSL were frequently traded on the BSE in terms of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997 as on date of PA.

153. Offer price in terms of Regulation 20(4) for frequently traded shares:

The offer price of Rs. 70/- per equity share, had been determined as per Regulation 20(4) of the SEBI (SAST) Regulations, 1997 taking inter-alia into account the following factors:

The negotiated price to be paid by the Acquirer (PRPL) as per the BTA	Rs 70 per Equity Share
Highest price paid by the Acquirers / PACs for acquisitions including by way of allotment in a public or rights issue or preferential issue, if any, during the twenty-six weeks period prior to the date of PA.	Rs. 65.32 per Equity Share
Average of the weekly high and low of the closing prices of the equity shares of MSL as quoted on the BSE during the 26 weeks preceding the date of PA.	Rs. 48.43 per Equity Share
Average of the weekly high and low of prices of the equity shares of MSL as quoted on the BSE during the 2 weeks preceding the date of P.A.	Rs. 55.47 per Equity Share

The offer price of Rs. 70/- per share being highest of all the above parameters, is justified in terms of Regulation 20(4) applicable in respect of frequently traded shares. However, on October 31, 2011, Foresight Holdings (on behalf of Foresight Enterprises) had acquired 3,94,736 Equity Shares through preferential allotment at Rs. 76 per Equity Share and the Offer Price has been revised to Rs. 76 per Equity Share.

154. The average of the weekly high and low of the closing prices of the shares of MSL as quoted on BSE during the 26 weeks preceding the date of PA is Rs 48.43 arrived as follows:

Weeks	From	To	Closing High	Closing Low	Average	Volume
1	12-Aug-10	18-Aug-10	60.50	60.50	60.50	200
2	19-Aug-10	25-Aug-10	-	-	-	-
3	26-Aug-10	1-Sep-10	-	-	-	-
4	2-Sep-10	8-Sep-10	-	-	-	-
5	9-Sep-10	15-Sep-10	58.00	58.00	58.00	25
6	16-Sep-10	22-Sep-10	63.00	56.00	59.50	51,859
7	23-Sep-10	29-Sep-10	66.15	66.15	66.15	50
8	30-Sep-10	6-Oct-10	63.00	63.00	63.00	10
9	7-Oct-10	13-Oct-10	60.00	54.60	57.30	600
10	14-Oct-10	20-Oct-10	-	-	-	-

Weeks	From	To	Closing High	Closing Low	Average	Volume
11	21-Oct-10	27-Oct-10	52.00	52.00	52.00	248
12	28-Oct-10	3-Nov-10	50.05	50.05	50.05	100
13	4-Nov-10	10-Nov-10	-	-	-	-
14	11-Nov-10	17-Nov-10	48.00	48.00	48.00	1,000
15	18-Nov-10	24-Nov-10	52.90	50.40	51.65	15,100
16	25-Nov-10	1-Dec-10	55.70	55.50	55.60	65,057
17	2-Dec-10	8-Dec-10	67.45	58.45	62.95	70,231
18	9-Dec-10	15-Dec-10	67.00	62.30	64.65	41,439
19	16-Dec-10	22-Dec-10	67.90	64.80	66.35	48,573
20	23-Dec-10	29-Dec-10	67.00	62.00	64.50	56,125
21	30-Dec-10	5-Jan-11	65.00	63.95	64.25	28,168
22	6-Jan-11	12-Jan-11	66.00	62.25	64.13	1,15,745
23	13-Jan-11	19-Jan-11	64.55	61.40	62.98	58,490
24	20-Jan-11	26-Jan-11	65.00	62.00	63.50	4,950
25	27-Jan-11	2-Feb-11	60.00	58.25	59.13	3,040
26	3-Feb-11	9-Feb-11	70.80	58.50	64.65	4,93,660
<b>Average Price</b>					<b>48.43</b>	<b>10,54,670</b>

155. Average of the daily high and low of the price of equity shares of MSL as quoted on the BSE during the 2 weeks preceding the date of PA is Rs 61.63 per Equity Share arrived as follows:

Weeks	Date	Day High	Day Low	Average	Volume
1	27-Jan-11	60.00	60.00	60.00	200
	28-Jan-11	-	-	-	-
	31-Jan-11	59.00	58.05	58.52	2,600
	1-Feb-11	58.25	58.25	58.25	100
	2-Feb-11	58.25	58.25	58.25	140
2	3-Feb-11	58.50	58.50	58.50	100
	4-Feb-11	61.40	56.00	58.70	4,87,625
	7-Feb-11	64.25	64.25	64.25	25
	8-Feb-11	67.45	67.40	67.43	3,210
	9-Feb-11	70.80	70.80	70.80	2,700
<b>Average Price</b>				<b>55.47</b>	<b>4,96,700</b>

156. Based on the above, the Offer price of Rs. 76 per share is justified. The Offer Price shall not be less than the highest price paid by the Acquirers and PACs for any acquisition of shares of MSL from the date of Public Announcement upto 7 working days prior to the closure of the Offer. The offer price is justified as per the regulation 20(5) read with regulation 20(11) of the SEBI (SAST) Regulations, 1997.

**157. Offer Price for Original Shareholders and Other Shareholders:**

- a. In respect of the Original Shareholders whose Equity Shares may be tendered and accepted under the Offer, the Offer Price would be Rs. 76 per Equity Share plus interest from May 8, 2011 till December 30, 2014, being the assumed last date of payment of consideration, at a simple interest rate of 10% per annum (the interest amount is subject to change depending upon the actual date of payment). Assuming the payment of consideration is made by the Acquirers and PACs on December 30, 2014, the Offer Price payable to the Original Shareholders would be Rs. 104.36 per Equity Share which includes an interest amount of Rs. 28.36 per Equity Share.
- b. In respect of the Other Shareholders, the Offer Price would be Rs. 76 per Equity Share.

**158. Interest payment to Original Shareholders:**

- a. Based on SEBI Order dated February 20, 2014 as described in point 17 above, the Acquirers and PACs are paying interest at a simple rate of 10% per annum from May 8, 2011 till January 29, 2015 being the assumed last date of payment of consideration (the interest amount is subject to change depending upon the actual date of payment).

- b. This interest will be paid on the Offer Price of Rs 76 per Equity Share and is payable only to the Original Shareholders, i.e., those persons who were shareholders of the Target Company as on the triggering date (i.e. February 4, 2011), and continue to be shareholders of the Target Company till the date of tendering their Equity Shares in the Offer and whose Shares are accepted under the Offer.
- c. The following examples illustrate the identification of the Original Shareholders:
- (i) a shareholder who held 100 Equity Shares on February 4, 2011 and subsequently sold 25 Equity Shares, will be considered to be an Original Shareholder only in respect of 75 Equity Shares, provided that such Equity Shares are tendered and accepted under the Offer;
  - (ii) a shareholder who held 100 Equity Shares on February 4, 2011 and subsequently purchased 25 Equity Shares, will be considered to be an Original Shareholder only in respect of 100 Equity Shares, provided that such Equity Shares are tendered and accepted under the Offer;
  - (iii) a shareholder who held 100 Equity Shares on February 4, 2011 and subsequently sold 25 Equity Shares and then bought 25 Equity Shares, will be considered to be an Original Shareholder only in respect of 75 Equity Shares, and if such shareholder has subsequently sold and purchased 50 more Equity Shares, he will be considered to be an Original Shareholder in respect of 50 Equity Shares, provided that in each such case, the relevant Equity Shares are tendered and accepted under the Offer and the principle of Last In First Out (LIFO) would apply – i.e. the Equity Shares which were acquired last would be deemed to have been sold first.
  - (iv) a shareholder who held 100 Equity Shares on February 4, 2011 and subsequently purchased 25 Equity Shares and then sold 25 Equity Shares, will be considered to be an Original Shareholder in respect of 100 Equity Shares, and if such shareholder has subsequently purchased and sold 50 Equity Shares, he will be considered to be an Original Shareholder in respect of 100 Equity Shares, provided that in each such case, the relevant Equity Shares are tendered and accepted under the Offer and the principle of Last In First Out (LIFO) would apply – i.e. the Equity Shares which were acquired last would be deemed to have been sold first.
- d. In case of Equity Shares held in demat form, buy/sell of Equity Shares will be determined based on weekend positions as provided by the depositories. This will be subject to availability of beneficiary positions for the earlier periods.
- e. The eligibility of interest mentioned above will be determined on the basis of Register of Members/ Register of beneficial owners as maintained by Registrar and Share Transfer Agents of MSL, Link Intime India Private Limited and as provided by the depositories i.e. NSDL and CDSL in the following manner:
- (i) List of Members of the Target Company as on February 4, 2011.
  - (ii) Details of all the transfers/transmissions/deletions/transpositions, for Equity Shares held in physical form that have taken place since February 4, 2011 till the Date of Closure of the Offer.
  - (iii) Beneficiary position data as downloaded by the Registrar & Share Transfer Agent from time to time since February 4, 2011 till the Date of Closure of the Offer, excluding for the period for which such data is not available with the said Registrar.
  - (iv) Details of changes, if any, of name of the Original Shareholder, in the case of Shares held in physical form, the endorsement(s) on the face or back of the relevant Share certificate(s).
  - (v) Register of Members and Register of Beneficiary Owners as on the Date of Closure of the Offer.
  - (vi) Details of dematerialization and rematerialization requests that have been confirmed to the depositories on the Date of Closure of the Offer.
  - (vii) Details of the changes, if any, on account of consolidation of holdings in one or more folios and split of holdings in case of Shares held in physical form.
- f. Furthermore those shareholders who claim to be eligible for Applicable Interest should also submit the following documents to enable the Registrar to the Offer to determine their eligibility for Applicable Interest under the Offer, along with and within the same term of, other documents mentioned under point 181 and 182 of this Letter of Offer including the Form of Acceptance cum Acknowledgement on or before the Date of Closure of the Offer:
- (i) Original Shareholders holding Equity Shares in physical form will be eligible for interest if no transfers have been registered in "Memorandum of transfers" in the share certificate submitted in original after February 4, 2011 provided as per point 182 of this Letter of Offer.
  - (ii) Original Shareholders holding Shares in demat form must submit:

- Details of folio(s) in which Shares were held in physical form on the Trigger Date but which has been dematerialized subsequently or a photocopy of share certificate, if available.
  - Transaction / holding statement obtained from depository participant since the date of dematerialization / purchase till the date of submission of the Form of Acceptance cum Acknowledgement along with the delivery instruction for transferring Equity Shares to the Special Depository Escrow Account opened for this Offer.
  - Change of Name: Those Original Shareholders who have changed their names at any time between February 4, 2011 till the date of tendering their Equity Shares in this Offer are advised to submit the evidence of change of name, to enable the Registrar to the Offer to determine the eligibility of such shareholders to receive the Applicable Interest.
  - Transmission: Those Original Shareholders who have acquired title to the Equity Shares by transmission, due to death of the sole / any of the joint holders, are advised to submit documentary evidence in support of such transmission including the details of the original holder's name, number of Equity Shares held at the time of transmission, the date of application for transmission, and in case Equity Shares held in physical form, the folio number and in case of beneficial owners, the DP name, DP ID, beneficiary account number, to enable the Registrar to the Offer to determine the eligibility of such Shareholders to receive the Applicable Interest.
  - Transposition: Those Original Shareholders who are joint holders of Equity Shares and have transposed their names i.e. changed the order in which their names are recorded in the Share certificates or in the record maintained by the depository are advised to submit documentary evidence in support of such transportation including the details of the original holder's name, number of Equity Shares held at the time of transportation, the date of application for transportation and the folio number to enable the Registrar to the Offer to determine the eligibility of such Shareholders to receive the Applicable Interest.
- g. In the event the Registrar to the Offer does not receive the above mentioned documentation from shareholders who deem to be eligible for the Applicable Interest, the Registrar to the Offer are entitled to rely on the list of Original Shareholders determined on basis of the register of members/ shareholders register/ beneficial records as provided by the depository(s) i.e. NSDL and CDSL described in point 158 (e) above.
- h. Furthermore, the Shareholders who are not registered on the register of members/ shareholders register/ beneficial records as provided by the depository(s) i.e. NSDL and CDSL and held Equity Shares in physical form who deem to be eligible for the Applicable Interest, are required to provide the above mentioned documentation in order to be eligible for the Applicable Interest. Upon failure to provide such documentation, they will not be considered Original Shareholders for the purpose of the Offer.

## **XI. FINANCIAL ARRANGEMENT**

159. The maximum amount of funds required to make payment of consideration of the Offer Price and the Applicable Interest (payable only to Original Shareholders) for the Equity Shares tendered in the Offer would be Rs. 10,82,59,304 (Rupees Ten Crores Eighty Two Lakh Fifty Nine Thousand Three Hundred and Four Only), assuming upto 2,06,000 Equity Shares are held by Original Shareholders and all such Equity Shares are tendered by Original Shareholders.
160. In accordance with regulation 28(2) of SEBI (SAST) Regulations, 1997, the Acquirers and PACs have opened an Escrow Account with ICICI Bank in favour of the Manager to the Offer and deposited an amount of Rs. 320.70 lakhs in cash which is exceeding 25% of the total Offer in an escrow account named “PRPL-MSL-OPEN OFFER ESCROW ACCOUNT”. The Manager to the Offer has been empowered to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(5).
161. Financial Arrangements will be made by PACs for the Open Offer.
162. Mr. Ajay Sekhri, Membership No. 32103, partner of M/s Sekhri Kanodia & Associates, Chartered Accountants, located at 202, Shakti Sadan, ‘B’ Wing, Plot No. 14, Khernagar, Bandra (East), Mumbai – 400 051 has certified vide the certificate dated October 10, 2014, that PACs have adequate financial resources to fulfill the obligations under this Offer.

163. Based on the above, the Manager to the Offer is satisfied about the ability of the PAC to implement the offer in accordance with the SEBI (SAST) Regulations, 1997 as firm financial arrangement through verifiable means are in place to fulfill the offer obligation.

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

164. 2,63,157 Equity Shares of MSL are locked in upto March 6, 2015.
165. The Letter of Offer specifying the detailed terms and conditions of this Offer together with Form of Acceptance cum Acknowledgement and Form of Withdrawal will be mailed to the equity shareholders of MSL whose names appear on the Register of Members of MSL, at the close of business hours on the Specified Date. The Offer is made to all the remaining Equity Shareholders, except the existing promoter, the Acquirers, PRPL and the PACs, whose names appeared in the register of shareholders on the Specified Date and also to those persons who own the shares any time prior to the closure of the offer, but are not the registered shareholder(s).
166. The Acquirers and PACs reserve the right to withdraw the Offer in the event of the requisite statutory approvals, if any, being refused. In the event of such withdrawal, a public announcement will be made in the same newspapers in which the Public Announcement was made.
167. Subject to the conditions governing this Offer as mentioned herein, the acceptance of this Offer by the equity shareholders of MSL must be absolute and unqualified. Any acceptance to this Offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever.
168. Barring unforeseen circumstances, the Acquirers and PACs would endeavour to obtain all the approvals within a period of 15 days from the Date of Closure of the Offer. In case of delay in receipt of any statutory approval, if any, SEBI has the power to grant extension of time to the Acquirers and PACs for the payment of the consideration to the tendering shareholders subject to the Acquirers and PACs agreeing to pay interest as directed by SEBI under regulation 22(12) of SEBI(SAST) Regulations, 1997. If the delay occurs due to willful default or neglect or in-action or non-action by the Acquirers and PACs in obtaining the requisite approval, if any, regulation 22(13) of SEBI (SAST) Regulations, 1997 will become applicable under which amount lying in the escrow account shall be liable to be forfeited in the manner provided in Regulation 28(12)(e), apart from the penalty as provided in the SEBI (SAST) Regulations, 1997.
169. The Acquirers and PACs will acquire the Offer Shares, free from all lock-in, liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.
170. The SEBI (SAST) Regulations, 1997 provide for an upward revision of the Offer Price and the number of Shares to be acquired, at any time up to 7 working days prior to the closure of the Offer viz. up to January 5, 2015 and allows withdrawal of the Offer under certain circumstances. Any such revision / withdrawal would be informed by way of an announcement in the same newspapers where the Public Announcement appeared. In case of revision, the revised price will be payable by the Acquirers and PACs for all the Offer Shares that are validly tendered pursuant to the Offer.
171. Each equity shareholder of the Target Company to whom this Offer is being made is free to offer his shareholding in the Target Company in whole or in part while accepting this Offer. The acceptance must be unconditional and should be absolute and unqualified.
172. The Offer is not conditional on any minimum level of acceptance i.e. the Acquirers and PACs will acquire all the Shares that are tendered in terms of the Offer, subject to the conditions specified in the Public Announcement published on February 10, 2011 and this Letter of Offer and Form of Acceptance cum Acknowledgement.
173. 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.

174. The Shareholders who hold Shares in physical form and who wish to tender their Shares will be required to send the form of Acceptance-cum-Acknowledgement, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in the section of this Letter of Offer titled "Procedure for Acceptance and Settlement", to the Registrar to the Offer at any of its collection centers mentioned under point 180 of this Letter of Offer, either by hand delivery during business hours or by registered post so that the same are received on or before the closing date i.e. January 14, 2015.
175. In respect of dematerialized Shares, the credit for the Shares tendered must be received in the Special Depository Account (as specified in point 181 on or before 5.00 p.m. Indian Standard Time on January 14, 2015. If the Shareholders hold the Shares through CDSL, their Depository Participant instruction will have to take the form of an inter-depository delivery instruction to NSDL for the purpose of crediting their Shares in favour of the special depository account with NSDL.
176. The Acquirers and PACs will not be responsible in any manner for any loss of share certificate(s) and/or Offer acceptance documents during transit and the Shareholders of the Target Company are advised to adequately safeguard their interest in this regard. In case of any lacunae and/or defect or modifications in the documents/forms submitted, the acceptance is liable to be rejected.
177. The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement constitute part of the terms of this Letter of Offer.
178. The securities transaction tax will not be applicable to the Equity Shares accepted in the Offer.

### XIII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

179. The Acquirers and PACs have appointed Link Intime India Private Limited as the Registrar to the Offer.
180. The Eligible Persons for the Offer who wish to avail of this Offer will have to deliver the relevant documents at the Registrar to the Offer's office or at the following collection centres either by hand delivery or by registered post (between 9.30 a.m. and 4.30 p.m. on all working days i.e. except Sundays and public holidays on or before the Date of Closure of the Offer. **(The documents should not be sent to the Manager to the Offer or the Acquirers or PACs or the Target Company).**

Sr No	City	Contact Person	Address	Tel. No.	Fax No.	Email	Mode of Delivery
1	Mumbai	Dinesh Yadav	Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.	022-61715400	022-25960329	m.sl.offer@linkintime.co.in	Hand Delivery & Registered Post

181. For Equity Shares held in dematerialized form:

- a. The Registrar to the Offer, on behalf of the Acquirers and the PACs, has opened a special depository account with following details:

DP Name	Ventura Securities Limited
DP ID	IN303116
Client ID	11355925
Special Depository Account Name	LIPL MSL OPEN OFFER ESCROW DEMAT ACCOUNT
Depository	NSDL

*Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slips for crediting their equity shares in favour of the special depository account with NSDL.*

- b. The shareholders tendering shares in demat form should ensure the credit of shares in favour of the special depository account mentioned above, before the close of business hours on the Date of Closure of the Offer i.e.



January 14, 2015. Equity Shareholders holding the shares in dematerialized form will have to deliver the following documents:

- i. Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Equity Shares, as per the records of the Depository.
  - ii. Photocopy of the delivery instruction slip in “off-market” mode or counterfoil of the delivery instruction slip in “off-market” mode, duly acknowledged by the relevant Depository Participant (DP).
  - iii. For each delivery instruction the beneficial owner should submit separate Form of Acceptance.
  - iv. In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Special Depository Account, the Acquirers and PACs may deem the Offer to have been accepted by the Shareholder.
- c. Equity shareholders having their beneficiary account in CDSL will have to use inter depository delivery instructions slip for the purpose of crediting their equity shares in favour of the said Escrow depository account. The ISIN number allotted to equity shares of MSL is INE197A01024.
- d. Shareholders who have sent their physical equity shares for dematerialisation should enclose:
- i. Form of Acceptance duly completed and signed in accordance with the instructions contained therein by the sole/joint Shareholders whose name appears on the share certificate and in the same order and as per the specimen signature lodged with the Target.
  - ii. A copy of the dematerialisation request form duly acknowledged by the Shareholder’s depository participant. Such equity shareholders should ensure that the credit of their Shares tendered under Offer to the Special Depository Account is made on or before the Date of Closure of the Offer, otherwise the same are liable to be rejected. Alternatively, if the equity shares sent for dematerialisation are yet to be processed by the equity shareholder’s depository participants, the equity shareholders can withdraw their dematerialisation request and tender the equity share certificates in the Offer as per procedure mentioned in point 182 of the Letter of Offer.

Please note, shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other documents are complete in all respect; otherwise the same is liable to be rejected.

## 182. For Equity Shares held in physical form

- a. In case of Shares held in the PHYSICAL MODE by REGISTERED SHAREHOLDERS of the Target:
  - i. Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by the Shareholder. In case of Shares held in joint names, names should be filled up in the same order in which they hold Shares in the Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer;
  - ii. Original share certificate(s); and
  - iii. Valid equity share transfer deed(s) duly signed by transferor (by all the equity Shareholders in case the Shares are in joint names) as per the specimen signatures lodged with the Target and duly witnessed at the appropriate place(s). The transfer deed should be left blank, except for the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor’s bank. A blank share transfer form is enclosed along with this Letter of Offer; and
  - iv. If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid transfer deed from a registered Shareholder, then the Offer will be deemed to have been accepted by such Shareholders.

Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such equity shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such equity shares.

Please note, shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other documents are complete in all respect; otherwise the same is liable to be rejected.

183. Unregistered owners of Equity Shares should enclose:

- a. Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein;
- b. Original equity share certificate(s) accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in; and
- c. Original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares being tendered in this case.
- d. In case the share certificate(s) and the transfer deed(s) are lodged with the Target/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the company/its transfer agents, of the share certificate(s) and the transfer deed(s).
- e. No indemnity is required from persons not registered as the Shareholder.
- f. Valid share transfer deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.
- g. The acknowledgement received, if any, from the Target in case the equity shares have been lodged with the Target. Such persons should instruct the Target and its Registrar and Transfer agents to send the transferred share certificate(s) directly to the collection centres as mentioned in point 180 above of this Letter of Offer. The applicant should ensure that the certificate(s) reach the designated collection centre before the Date of Closure of the Offer.

Unregistered owners can send their acceptance of the Offer in writing to the Registrar to the Offer at the collection centre as mentioned in point 180 above of this Letter of Offer, on plain paper stating name, address, number of equity shares held, no. of equity shares offered, distinctive numbers, folio numbers, together with the original share certificate(s), valid transfer deeds in case of equity shares held in physical form or photocopy or counterfoil of the delivery instructions in "Off-market" mode in case of equity shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their equity shares. No indemnity is required from the unregistered owners.

Unregistered owners if they so desire may also apply on the Form of Acceptance downloaded from the SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in))

184. In case of non-receipt of the Letter of Offer, the eligible Shareholders may obtain a copy of the Letter of Offer from the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in), or obtain a copy of the same from the Manager to the Offer or the Registrar to the Offer on providing suitable documentary evidence of acquisition of the Shares. Alternatively those desirous of tendering their Shares to the Acquirer may participate in the Offer as follows:

- (a) In case Shares are held in the dematerialized form by sending their consent in writing on a plain paper to the Registrar to the Offer, such that it is received by the Registrar to the Offer before 5.00 p.m. Indian Standard Time on Wednesday, January 14, 2015, stating the name, address, no. of Shares held, no. of Shares offered, DP name, DP ID, beneficiary account number along with a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the DP, in favour of "LIPL MSL OPEN OFFER ESCROW DEMAT ACCOUNT" filled as specified in point 181 above.
- (b) In case of Shares held in the physical mode by sending their consent in writing to the Registrar to the Offer, on a plain paper stating the name, address, no. of Shares held, no. of Shares offered, distinctive nos., folio no, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired, along with the original share certificate(s) and transfer deed(s) duly signed, either by hand delivery or by Registered Post or courier, such that these are received by the Registrar to the Offer before 5.0 p.m. Indian Standard Time on Thursday, January 29, 2015.

**NO DOCUMENT SHOULD BE SENT TO THE MANAGER TO THE OFFER, ACQUIRERS, PACs OR TO THE TARGET COMPANY**

185. As the number of Equity Shares validly tendered in the Offer by the Shareholders will not be more than the Equity Shares to be acquired under the Offer, the provisions of regulation 21(6) of the SEBI (SAST) Regulation, 1997 will not be applicable to this Offer.
186. As the Equity Shares trade in the compulsory dematerialized segment, the minimum marketable lot for the Equity Shares is 1 (one).
187. Procedure to be adopted in case of non-receipt of the Letter of Offer

- a. By equity shareholders holding equity shares in physical form

In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance of the Offer in writing to the Registrar to the Offer, at the collection centre as mentioned in point 180 above of the Letter of Offer, on plain paper stating their name, address, number of equity shares held, no. of equity shares offered, distinctive numbers, folio numbers together with the original share certificate(s), valid transfer deeds in case of equity shares held in physical form, so as to reach the Registrar to the Offer on or before the date of closing of the Offer.

Shareholders who have lodged their equity shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of equity shares. Shareholders who have sent their equity share certificates for dematerialisation should send a copy of the dematerialized request form duly acknowledged by their depository participant.

- b. By equity shareholders holding equity shares in dematerialised form

Beneficial Owners may send the acceptance of the Offer in writing to the Registrar to the Offer, at the collection centre as mentioned in point 180 above of the Letter of Offer, on plain paper, stating name, address, number of equity shares held, number of equity shares offered, DP name, DP ID, beneficiary account number and a photocopy or counterfoil of the delivery instructions in “Off market” mode, duly acknowledged by the beneficial owners depository participant, in favour of the Special Depository Account, the details of which are mentioned in point 180 above of the Letter of Offer, so as to reach the Registrar to the Offer on or before the closing of the Offer.

Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slips for crediting their equity shares in favour of the special depository account with NSDL. No indemnity is required while sending the acceptance of the Offer on plain paper.

Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site ([www.sebi.gov.in](http://www.sebi.gov.in)).

188. Withdrawal Option

- a. In terms of the regulation 22(5A) of SEBI (SAST) Regulations, 1997, the Equity Shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the Date of the Closure of the Offer i.e. on or before January 9, 2015. The withdrawal option can be exercised by submitting the ‘Form of Withdrawal’ (separately enclosed with Letter of Offer) to the Registrar to the Offer, so as to reach them on or before January 9, 2015 along with the following:
- i. In case of physical shares: Name, address, distinctive numbers, folio nos., number of shares tendered/withdrawn;
- ii. In case of dematerialised shares: Name, Address, number of shares tendered/withdrawn, 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 Escrow Depository Account.

- b. In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper or the form of Withdrawal can also be downloaded from SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in) or obtained from the Manager to the Offer / Registrar to the Offer.
189. NRI and OCB holders of the Shares, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Shares who are not persons resident in India had required any approvals (including from the RBI or the Foreign Investment Promotion Board) in respect of the Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Shares, to tender the Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In case the previous RBI approvals are not submitted, the Acquirers/PACs reserves the right to reject such Shares tendered.
190. The Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
- Duly attested death certificate and succession certificate (in case of single Shareholder) in case the original Shareholder has expired.
  - Duly attested power of attorney if any person apart from the Shareholder has signed acceptance form or transfer deed(s).
  - No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
  - In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).
191. All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers, PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income. The tax rate and other provisions may undergo changes.
192. The payment of consideration for accepted applications will be made by the Acquirers and PACs in cash either through National Electronic Clearing System, Direct credit, RTGS, NEFT, account payee cheques, drafts, warrants, etc. in accordance with the SEBI (SAST) Regulations, 1997, and the same will be in the name of the first named person in case of joint Shareholders. It is desirable that Shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that the payment of consideration can be made accordingly.
- National Electronic Clearing System - Payment would be done through National Electronic Clearing System (NECS) for shareholders having an account at such locations where such facility is available. This mode of payment would be subject to availability of complete Bank Account details including the MICR Code as appearing on a cheque leaf, from the depositories.
  - Direct Credit – Applicants having bank accounts with the same bank through which payment consideration shall be made shall also be eligible to receive consideration through direct credit in their respective bank accounts as mentioned in the Form of Acceptance cum Acknowledgement.
  - RTGS – Applicants having a bank account at any of the RBI managed centres and whose payment consideration exceeds Rs. 2 Lakhs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive consideration through RTGS are required to provide the IFSC code in the Form of Acceptance cum Acknowledgement. In the event the same is not provided, payment consideration shall be made through other electronic modes or by cheques, pay orders or demand drafts payable.
  - NEFT (National Electronic Fund Transfer) – Payment of consideration shall be undertaken through NEFT wherever the shareholders bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the shareholder has registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the applicants through this method. The process flow in respect of consideration by way of NEFT is at an

evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

- For all other applicants, including those applicants whose payment consideration is not credited by NECS/ Direct credit due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post/Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.

The bank account details for NECS/DC/RTGS/NEFT will be directly taken from the depositories' database or from the details as mentioned by the shareholders in the Form of Acceptance cum Acknowledgement.

193. The consideration for the Shares of the Target accepted by the Acquirers and PACs will be paid through any of the modes mentioned in point 192 above by crossed account payee cheques/demand drafts, etc. Such cheques/demand drafts or unaccepted equity share certificates, transfer deeds and other documents, if any, will be returned by registered post/speed post at the shareholders'/ unregistered owners' sole risk, to the sole/first shareholder/unregistered owner. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint registered holders. In case of dematerialised equity shares, the equity shares would reside in the Special Depository Account as mentioned above. The Manager to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirers and PACs and give instructions for the credit to the beneficial account of the Acquirers and PACs. The equity shares held in dematerialized form to the extent not accepted as a result of non-payment/part payment of consideration by the Acquirers and PACs under the Offer will be released to the beneficial owner's depository account with the respective beneficial owners depository participant as per details furnished by the beneficial owner in the Form of Acceptance, at the sole risk of the beneficial owners.
194. **Shareholders may note that if there is a competitive bid, the public offers under all the subsisting bids shall close on the same date. As the Offer Price cannot be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**
195. The Form of Acceptance cum Acknowledgement along with the Share Certificate(s) and other documents delivered shall become acceptance on the part of the shareholder, but will become a fully valid and binding contract between shareholders and Acquirers/PACs only upon the fulfillment of all conditions mentioned herein.
196. On fulfillment of the conditions herein mentioned, the Acquirers and PACs will pay the consideration by crossed Account Payee Pay Orders/ Demand Drafts which will be sent by registered post to the Equity Shareholders of MSL, whose acceptance to the Offer are accepted by the Acquirers and PACs, at the address registered with the Company. The Pay Orders/ Demand Drafts will be drawn in the name of first named shareholder in case of joint shareholding. In case of unregistered owners of the shares, payment will be made as per mandate given by such owner. The unregistered owner may give a mandate for drawing the pay order / demand draft in the name of the person whose bank details may be furnished by him in the Form of Acceptance for incorporating in the Pay Order / Demand Draft.
197. The share certificates will be held in trust by the Registrar to the Offer till the Acquirers and PACs complete the offer obligations in terms of the SEBI (SAST) Regulations, 1997.
198. As per the prevailing laws as regards deduction of income tax at source, no tax will be deducted at source for resident Shareholders.
199. Acquirers and PACs shall acquire the Equity Shares from the Shareholders of the Company who have validly tendered the equity shares under the Offer (i.e. equity shares and other documents are in order in accordance with the terms of the Offer) and remit the consideration in respect thereof on or before January 29, 2015 in cash by Account Payee Pay Order / Demand Draft. Any delay will attract interest in terms of Regulation 22(12) of SEBI (SAST) Regulations, 1997. The information as to whether the equity shares tendered by them have been accepted (in full or in part) or rejected and consideration payable would be sent by registered post.
200. Acquirers and PACs reserve the right to reject the shares tendered by any shareholder who has submitted an undertaking to the effect that they shall not tender any shares in the Offer.

201. The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the Shareholders' sole risk. Equity Shares, to the extent unaccepted, held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per details furnished in the Form of Acceptance cum Acknowledgement.
202. For any queries regarding the Offer the shareholders / applicants may contact the Registrar to the Offer at the address mentioned in this Letter of Offer.
203. Pursuant to the Regulation 13 of SEBI (SAST) Regulations, 1997, the Acquirers and PACs have appointed Centrum Capital Limited as the Manager to the Offer.
204. Centrum Capital Limited, the Manager to the Offer, does not hold any Equity Shares of MSL. Further, they have undertaken not to deal in the Equity Shares of MSL upto a period of fifteen days after closure of the Offer.

#### **XIV. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at the corporate office of the Manager to the Offer at Centrum Capital Limited, on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 am to 4:30 pm from the date of opening of the Offer up to the closure of this Offer.

1. Certificate of Incorporation, Memorandum and Articles of Association of MSL, IAL, GSPL and Foresight Holdings.
2. Copy of Networth Certificate dated September 25, 2014 of Salim Govani and Foresight Enterprises, issued by Sekhri Kanodia & Associates, Chartered Accountants.
3. Certificate dated September 25, 2014 from Sekhri Kanodia & Associates, Chartered Accountants certifying PACs have adequate financial resources to fulfill the obligations under this Offer.
4. Annual Report of MSL for the financial years 2011-12, 2012-13 and 2013-14.
5. Annual Report of GSPL for the financial years 2011-12, 2012-13 and 2013-14.
6. Annual Report of IAL for the financial years 2011-12, 2012-13 and 2013-14.
7. Annual Report of Foresight Holdings for the financial years 2011-12, 2012-13 and 2013-14.
8. Copy of letter dated October 6, 2014 from ICICI Bank confirming the amount deposited in the Escrow Account.
9. High Court of Karnataka order dated October 8, 2012 regarding winding-up of PRPL.
10. SEBI Order No. WTM/RKA/CFD-DCR/06/2014 dated February 20, 2014.
11. Public Announcement as published in the newspaper on February 10, 2011.
12. Copy of letter No. [•] dated [•] received from Securities and Exchange Board of India in terms of provisions of Regulation 18(2) of the SEBI (SAST) Regulations, 1997.

## DECLARATION BY THE ACQUIRERS AND PACs

The Acquirers, PACs and the Boards of Directors of the Acquirers and PACs, respectively accept full responsibility for the information contained in this Letter of Offer and Form of Acceptance cum Acknowledgement and Form of Withdrawal. The Acquirers and PACs shall be jointly and severally responsible for ensuring compliance with the SEBI (SAST) Regulations, 1997. All information contained in this document is as on the date of this Letter of Offer or the Public Announcement, as applicable, unless stated otherwise. Mr. N. Someswara Rao, Mr. P. Sudhir Rao and Mr. Salim Govani have been authorised by the boards of directors of Growsafe Securities Private Limited, IndusAge Advisors Limited and Foresight Holdings Private Limited, respectively, to be the authorised signatories to the Letter of Offer.

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Authorised signatory  
Growsafe Securities Private Limited  
Name: N. Someswara Rao

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Authorised signatory  
IndusAge Advisors Limited  
Name: P. Sudhir Rao

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Authorised signatory  
Foresight Holdings Private Limited  
Name: Salim Govani

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Salim Govani

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Foresight Enterprises  
Authorised Signatory

Place: Mumbai

Date: November 14, 2014