

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

EXIT OFFER LETTER

To The Public Equity Shareholders Of

NORTHERN INDIA HOTELS LIMITED

Registered Office: The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra, Uttar Pradesh – 282001

CIN: U55101UP1971PLC003838; **Tel:** 0562-6602000; **Fax:** 0562-2232419

Email: ambrish.purani@tajhotels.com; **Website:** www.northernindiahotelsltd.com

Date: March 08, 2017

Dear Shareholder(s),

We are pleased to send you this “Exit Offer Letter” being public equity shareholder of Northern India Hotels Limited (NIHL / the Company) pursuant to applicable provisions of SEBI Circular no. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 (‘SEBI Circular’) in respect of companies moved to the Dissemination Board of Stock Exchanges.

Exit Offer at a price of ₹ 1,426/- per equity share (‘Exit Offer Price’)

As you may be aware, the equity shares of the Company were listed on Delhi Stock Exchange (‘DSE’). Consequent to the derecognition of DSE vide SEBI Order no. WTM/PS/45/MRD/DSA/NOV/2014 dated November 19, 2014, the Company was moved to the Dissemination Board (‘DB’) of BSE Limited (‘BSE’).

We, Piem Hotels Limited, the promoter of the Company, (‘Piem’ / ‘Promoter’) having registered office at 90, Cuffe Parade, Mumbai - 400005, in terms of applicable provisions of SEBI Circular no. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 intend to provide an exit opportunity and have appointed Keynote Corporate Services Limited (‘Keynote’), a category I Merchant Banker and empanelled Registered Valuer on BSE as the Independent Valuer to carry out valuation of equity shares of the Company and carry out the process of “Exit Offer”.

The issued equity share capital of the Company comprises of 4,49,050 equity shares of ₹ 10/- each aggregating to ₹ 44,90,500/-. The subscribed and paid up capital of the Company as on date comprises of 4,37,600 equity shares of ₹ 10/- each aggregating to ₹ 43,76,000/- and 11,450 forfeited equity shares of ₹ 10 each aggregating to ₹ 39,250/-.

Based on the audited financial statements for the financial year ended March 31, 2016, NIHL had earned a total income (including other income) of ₹ 3.53 crores with a PAT of ₹ 2.32 crores. The networth of NIHL as on that date was ₹ 22.38 crores. As per audited statement of financial result for the period ended December 31, 2016, the Company earned a total income (including other income) of ₹ 2.26 crores with a PAT of ₹ 1.45 crores.

As on date, Piem holds 4,07,567 equity shares of ₹ 10/- each of NIHL representing 93.14% of the paid-up equity share capital of NIHL. Piem now seeks to acquire the balance 30,033 equity shares of ₹ 10/- each, representing 6.86 % of the paid-up equity share capital of NIHL from the Public Shareholders of NIHL. Subsequent to the completion of the process, NIHL shall make an application to BSE for removal of its name (NIHL) from the DB of BSE.

Justification of Exit Offer Price

The Promoter has appointed Keynote as an ‘Independent Valuer’ for the purpose of determining the Exit Offer Price of the equity shares of the Company. As per the Valuation Report dated February 13, 2017 submitted by Keynote, the fair value per equity share of face value ₹ 10/- each of NIHL works out to ₹ 1,426/- (Rupees One Thousand Four Hundred and Twenty Six only). The Fair Value has been arrived at by applying the Market Adjusted Asset Value Method and Discounted Cash Flow Method. Based on the Valuation Report, the Promoter is making an offer to acquire the equity shares from the public shareholders at an Exit Offer Price of ₹ 1,426/- (Rupees One Thousand Four Hundred and Twenty Six only) per equity share.

Rationale for making the Exit Offer

The Company is closely held with only 6.86% of equity share capital of the Company held by public shareholders. The exit option offered is in the interest of the public shareholders as they will have an exit opportunity and get a fair value for their equity shares. There has been extremely limited or no ‘trading’ in equity shares of NIHL on DSE or on DB of BSE in the past many years. The present Offer gives an opportunity to public shareholders to get an exit at fair value of equity shares held by them.

In view of above, the promoter of the Company proposes to acquire all the equity shares from the public shareholders representing 6.86% of total equity share capital by giving an exit opportunity at ₹ 1,426/- per equity share as determined in consultation with the Independent Valuer.

OFFER PROCESS

We hereby request you to kindly comply with the requirements as mentioned herein, to avail of the Exit Offer.

Tendering of Shares

- a) All Public Equity Shareholders, whether holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Exit Offer at any time during the tendering period of this Offer.
- b) The Public Equity Shareholders who wish to tender their equity shares pursuant to this Offer will be required to send their application form in the manner specified in the Exit Offer Letter to Keynote Corporate Services Limited (“**Merchant Banker**”), in accordance with the instructions contained in the Exit Offer Letter and Application Form.
- c) The Public Equity Shareholders who wish to tender their shares in this Offer will have to deliver the relevant documents as mentioned below and such other documents as specified in the Exit Offer Letter at the Merchant Banker’s office either by hand delivery or by registered post or by courier between 10.00 a.m. and 4.00 p.m. on any Working Day during the Tendering Period. The documents should not be sent to the Company or the Promoter.
- d) Public Equity Shareholders who have not received the Exit Offer Letter, may also tender their equity shares by downloading the Exit Offer Letter from the Company’s Website (www.northernindiahotelsltd.com) or Merchant Banker’s website (www.keynoteindia.net)
- e) Such application should be sent to the Merchant Banker together with the relevant share certificate(s) and duly stamped transfer forms (if the Equity Shares are held in physical form) or a photocopy of the DP instruction slip duly acknowledged by the DP (in the case of Equity Shares held in dematerialized form) in “off-market” mode and/or such other documents as specified in the Exit Offer Letter.
- f) **Public Equity Shareholders holding Equity Shares in dematerialized form shall deliver the following documents**
 - i. Application Form duly completed and signed in accordance with the instructions contained therein, as per the records of the depository.
 - ii. Photocopy or counterfoil of the filled delivery instruction slip in “off-market” mode duly acknowledged by the DP for transferring the Equity Shares in the designated depository account, as per the instruction given below shall be submitted to Keynote before the expiry of tendering period **i.e March 22, 2017**:

Depository Participant Name	Keynote Capitals Limited
DP ID	12024300
Client ID	00081683
Account Name	NORTHERN INDIA HOTELS LTD – EXIT OFFER – OPERATED BY KCSL
Depository	CDSL

It is the sole responsibility of the Public Equity Shareholder(s) to ensure credit of their respective Equity Shares in the depository account above, prior to the expiry of tendering period of the offer.

- iii. For each delivery instruction, the beneficial owner should submit a separate application form. Public Equity Shareholders having their beneficiary account in National Securities Depository Limited (NSDL) will have to use “Inter-Depository” delivery instructions slip for the purpose of crediting their equity shares in favour of the aforesaid designated depository account with CDSL. The ISIN of Equity Shares is INE882M01018. The Public Equity Shareholders who have sent their physical Equity Shares for dematerialization need to ensure that the dematerialization process is completed in sufficient time to ensure that the credit in the designated depository account is received on or before closure of the Offer.
- iv. In case of corporate shareholder, a copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable.
In case the aforesaid documents have not been tendered but the Equity Shares have been transferred to the designated depository account, the Equity Shares shall be deemed to have been accepted for all Public Equity Shareholders.
- g) **Public Equity Shareholders who are holding Equity Shares in the physical form and who wish to tender their respective Equity Shares in the offer are required to submit the following**
 - i. Duly completed and signed Application Form addressed to the Merchant Banker,
 - ii. The Original Share Certificate(s),
 - iii. Valid transfer deed(s), and
 - iv. Such other documents as may be specified in the Application Form.

These documents shall be sent either by hand delivery on weekdays or by registered post to the Merchant Banker so as to reach on or before the closure of the tendering period i.e not later than **March 22, 2017** in accordance with the instruction specified in the Exit Offer Letter and the Application Form

In case of non-receipt of the duly completed Application Form, but receipt of other documents including the original share certificates, valid share transfer deeds and PAN, prior to the Closure of the Tendering Period i.e not later than **March 22, 2017**, the Promoter may, in their sole discretion, deem the Equity Shares to have been accepted under the Offer.

Settlement

The payment for accepted equity shares will be made within fifteen (15) working days from the date of closure of this Offer by way of pay order/demand draft/RTGS/NEFT or any other permitted electronic mode of transfer. In case of joint holders, payments will be made in the name of the first holder.

Public Equity Shareholders who opt to receive consideration through electronic means are requested to give the authorization for electronic mode of transfer of funds in the application form, provide the Magnetic Ink Character Recognition (MICR) / Indian Financial System Code (IFSC) of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the application form.

For Public Equity Shareholders who do not opt for electronic mode of transfer, payment consideration will be made by pay orders or demand drafts payable at par at places where the address of the Public Equity Shareholder is registered and will be dispatched to the shareholder(s) by registered post.

For the purposes of electronic transfer, in case of Public Equity Shareholders opting for electronic payment of consideration and for the purposes of printing on the demand draft / pay-order for the other cases, the bank account details will be taken directly from the Depositories' database, wherever possible. A Public Equity Shareholder tendering Equity Shares in the Offer is deemed to have given consent to obtain the bank account details from the Depositories for this purpose. Only if the required details cannot be obtained from the Depositories' database will the particulars provided by the Public Equity Shareholders be used.

Liability of the Promoter Post Exit Offer :

The Promoter of NIHL is liable to acquire the equity shares of public shareholders who have not offered their shares under Exit Offer upto a period of one (1) year from the completion of the offer at the same price as determined by the Independent Valuer.

The procedure for surrendering the equity shares on completion of present Exit Offer period would be intimated to remaining shareholders at the appropriate time.

Exit Offer Period

You may tender your application form with the accompanying documents to the Merchant Banker at the above mentioned address on all working days during normal working hours (excluding public holiday) from March 16, 2017 to March 22, 2017 (both days inclusive).

Exit Offer Schedule

Date of Opening of Offer	Thursday, March 16, 2017
Date of Closing of Offer	Wednesday, March 22, 2017
Last Date for Payment of Consideration	Thursday, April 13, 2017

The Promoter shall certify to the satisfaction of BSE that appropriate procedure has been followed for providing exit to public shareholders of the Company. Subsequently, BSE upon satisfaction shall remove the Company from the DB.

If you seek any clarification/information in connection with this Exit Offer Letter please contact Merchant Banker viz:

KEYNOTE

KEYNOTE CORPORATE SERVICES LTD.

The Ruby, 9th Floor, Senapati Bapat Marg,

Dadar (W), Mumbai – 400 028.

Tel : +91-022-30266000-10; **Fax:** + 91-022-30266088

Contact Person: Ms. Saili Sonawane

Email: mbd@keynoteindia.net

SEBI Registration No.: INM 000003606

Yours Sincerely,

For Piem Hotels Limited

sd/-

Authorised Signatory

Place : Mumbai

Date : March 08, 2017

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

(Please send this form with enclosures to the Merchant Banker at their address)

EXIT OFFER
OPENS ON: Thursday, March 16, 2017
CLOSES ON : Wednesday, March 22, 2017

From:

Tel No.:

Fax No.:

E-mail:

To,

Keynote Corporate Services LimitedThe Ruby, 9th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai – 400028**Sub : Exit Offer to the Public Shareholders of Northern India Hotels Limited by Piem Hotels Limited (“Promoter”) to acquire equity shares at an Exit Price of ₹ 1,426/- per equity share.**

Dear Sirs,

I/We refer to the Exit Offer Letter dated March 08, 2017 for acquiring the equity shares held by me/us in Northern India Hotels Ltd.

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

For equity shares held in Physical Form:

I/We accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
Total number of equity shares					
<i>(In case the space provided is inadequate, please attach a separate sheet with the details)</i>					

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Merchant Banker until the time the Promoter pays the purchase consideration as mentioned in the Exit Offer Letter. I/We also note and understand that the Promoter will pay the purchase consideration only after verification of the documents and signatures.

For equity shares held in Demat Form:

I/We hold shares in demat form and accept the Offer and enclose photocopy of the Delivery Instruction Slip duly acknowledged by DP in respect of my / our equity shares as detailed below:

DP Name	DP ID	Client ID	No. of Shares	Name of Beneficiary

I/We have done an off market transaction for crediting the shares to the Escrow Account named “NORTHERN INDIA HOTELS LTD – EXIT OFFER – OPERATED BY KCSL” with the following particulars:

Depository Participant Name: Keynote Capitals Limited, DP ID No.: 12024300, Beneficiary Account No.: 00081683

Shareholders whose shares are held in a beneficiary account with “NSDL” should use an “Inter Depository Delivery Instruction” to transfer their shares to the designated depository account with CSDL.

I/We note and understand that the equity shares would lie in the designated depository account until the time the Promoter makes payment of purchase consideration as mentioned in the Exit Offer Letter.

I/We authorise the Promoter / Merchant Banker to send the pay order / demand draft by registered post, in settlement of the amount to the sole/first holder at the address mentioned below:

Address of First/Sole Shareholder

Note: In case of joint holdings, all holders must sign. A corporation must affix its common seal. The shareholder(s) may provide details of bank account of the first/sole shareholder and the consideration vide electronic transfer/ demand draft / pay order will be drawn accordingly.

Name of the Bank _____ Branch _____
Account Number _____ Savings/Current/Others (please specify) _____
IFSC Code (For RTGS/NEFT Transfers)# _____ 9 Digit MICR Code (For ECS Credit)#

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Refer para on settlement on page 3 of Exit Offer Letter

Yours faithfully,

	FULL NAME	SIGNATURE(S)
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Place:

Date:

-----TEAR HERE-----

Folio No.:	Sr. No.:	Keynote Corporate Services Limited on behalf of the Promoter- Northern India Hotels Limited – Exit Offer	(Acknowledgement Slip)
Received from Mr./Ms.			Signature of Official and Date of Receipt
Address			
Application form, # _____		Number of Share Certificates for _____ shares/#	
Copy of Delivery Instruction Slip to (DP) for _____ shares			

Delete whichever is not applicable.

INSTRUCTIONS FOR TENDERING EQUITY SHARES UNDER THE EXIT OFFER

1. Please read the enclosed Exit Offer Letter carefully before filling this Application Form.
2. A shareholder / member desiring to tender shares is requested to complete the enclosed application form for Exit Offer (**the form**), in all respects.
3. The form shall be completed and signed by the shareholder. In case of joint holders, the form should be signed by all the shareholders in the order of their holding. The signature should match with the specimen signature registered with the Company. The form shall be rejected if the signature on the form does not match with the specimen signature registered with the Company. The form incomplete in any manner whatsoever shall be liable to be rejected.
4. A member may sign the form through an Attorney appointed specially for this purpose and in such case, an attested true copy of the Power of Attorney should be attached to the form.
5. Shareholders should enclose the following:
 - a) **For Shares held in Physical Form -**
Registered Shareholders should enclose:
 - ◆ Application Form duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the Share certificate(s) and in the same order in which their name(s) appear in the register of Shareholders and as per the specimen signature lodged with the Company;
 - ◆ Original Share certificate(s);
 - ◆ Valid Transfer Deed(s) duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Company and duly witnessed at the appropriate place. The Transfer Deed should be left blank, except for the signatures as mentioned above. A blank share transfer form is enclosed along with this Exit Offer Letter.
 - b) **For Shares held in Demat Form -**
Beneficial owners should enclose:
 - ◆ Application Form duly completed and signed in accordance with the instructions contained therein, by sole/joint Shareholders whose names appear in the beneficiary account and in the same order therein;
 - ◆ A photocopy or counterfoil of the delivery instructions in “off market” mode, duly acknowledged by the beneficial owners’ DP and completed as per the details of the designated depository account.
6. The delivery instructions to be given to the DP should be in “For Off Market Trade” mode only. For each delivery instruction the beneficial owner should submit separate Application Form.
7. The shareholders may attach any additional document(s) with this application which they deem fit to supplement his/her application.