

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

Open offer by Algoquant Financials LLP (“Acquirer”) along with Mr. Dhruv Gupta (“PAC1”) and Mr. Devansh Gupta (“PAC2”) (collectively referred to as “PACs”) to acquire up to 4,17,872 equity shares of face value of ₹ 10/- (rupees ten only) each, representing 26.00% of total fully paid up equity share capital (“voting share capital”) for cash, at price of ₹ 97/-per equity share

**OF**

**HINDUSTAN EVEREST TOOLS LIMITED** (hereinafter referred to as the “Target Company”)

**CIN: L74899DL1962PLC003634**

**Registered Office:** Dohil Chambers, 4th Floor, 46, Nehru Place, New Delhi – 110 019

**Tel. No:** 011-41606783 / 86 / 46579476; **Email Id.:** sonam@everesttools.com

Dear Shareholder(s),

With reference to above mentioned offer kindly note as under:

**THE LAST DATE OF EXPIRY OF TENDERING PERIOD SHALL BE READ AS THURSDAY, JANUARY 14, 2021 INSTEAD OF FRIDAY, JANUARY 15, 2021 WHICH HAS BEEN INADVERTENTLY MENTIONED IN THE LETTER OF OFFER WHICH HAS BEEN DISPATCHED TO THE SHAREHOLDERS ON WEDNESDAY, DECEMBER 23, 2020.**

The Offer Closing Date shall be read as Thursday, January 14, 2021 wherever it has appeared in the LOO.

**The revised activity schedule considering the revised Offer Closing Date will be as follows:**

<b>Activity</b>	<b>Day and Date</b>
Date of commencement of Tendering Period (Offer Opening Date)	Friday, January 1, 2021
Date of Expiry of Tendering Period (Offer Closing Date)	Thursday, January 14, 2021
Last Date for completion of all requirements including payment of consideration	Friday, January 29, 2021
Last date for publication of post-offer Public Announcement	Friday, February 5, 2021

The terms used but not defined in this Letter shall have the same meanings assigned to them in the Public Announcement dated October 24, 2020 (“PA”), the Detailed Public Statement published on November 02, 2020 (“DPS”) and the Letter of Offer dated December 17, 2020 (“LOO”).

**For and on behalf of Algoquant Financials LLP (Acquirer)**

**Sd/-**

Dhruv Gupta  
**Designated Partner/ PAC1**

**Sd/-**

Devansh Gupta  
**Designated Partner/ PAC2**

**Date:** December 25, 2020

**Place:** Delhi

**LETTER OF OFFER**

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

This Letter of Offer (“LOF”) is sent to you as a Public Equity Shareholder of Hindustan Everest Tools Limited (“Target Company”). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager/ Registrar to the Offer. In case you have recently sold equity shares of Hindustan Everest Tools Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.”

**OPEN OFFER (“OFFER”)**

**BY**

**ALGOQUANT FINANCIALS LLP (“ACQUIRER”)**

**Registered office:** 5th Floor, 503A, WTC GIFT City, Block 51, Road 5E, Gandhinagar, Gujarat, 382355

**Email:** [dhruv@algoquantfin.com](mailto:dhruv@algoquantfin.com)

along with

**MR. DHRUV GUPTA (“PAC1”) AND MR. DEVANSH GUPTA (“PAC2”)**

**(COLLECTIVELY REFERRED TO AS “PACS”)**

**Address:** G-190, Preet Vihar, Delhi – 110092

**Tel. No.:** +91 9871374719/ 9958380073; **Email:** [dhruv@algoquantfin.com](mailto:dhruv@algoquantfin.com)/ [devansh@algoquantfin.com](mailto:devansh@algoquantfin.com)

**TO**

**THE PUBLIC SHAREHOLDERS OF HINDUSTAN EVEREST TOOLS LIMITED**

**Registered Office:** Dohil Chambers, 4th Floor, 46, Nehru Place, New Delhi – 110 019

**(CIN: L74899DL1962PLC003634)**

**Tel. No:** 011-41606783 / 86 / 46579476; **Email Id.:** [sonam@everesttools.com](mailto:sonam@everesttools.com)

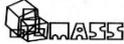
**TO ACQUIRE**

**UPTO 4,17,872 EQUITY SHARES OF FACE VALUE OF ₹ 10/- (RUPEES TEN ONLY) EACH, REPRESENTING 26.00% OF TOTAL FULLY PAID UP EQUITY SHARE CAPITAL (“VOTING SHARE CAPITAL”) OF TARGET COMPANY FOR CASH, AT PRICE OF ₹ 97/- (RUPEES NINETY SEVEN ONLY) PER EQUITY SHARE FROM THE ELIGIBLE EQUITY SHAREHOLDERS.**

**Please Note:**

1. This Offer is being made pursuant to Regulation 3(1), 4, 5(1) & 5(2) read with Regulation 16 (1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof (“SEBI (SAST) Regulations”).
2. This Offer is not a conditional offer and is not subject to any minimum level of acceptance in terms of regulation 19 of SEBI (SAST) Regulations.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. To the best of the knowledge and belief of the Acquirer and the PACs, as on the date of the LOF, there are no statutory or other approvals required to implement the Offer except as stated in paragraph 7.4 appearing on page no. 21. If any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory approvals. The Acquirer and the PACs will not proceed with the Offer in the event that such statutory approvals becoming applicable prior to completion of the Offer are refused in terms of Regulation 23(1)(a) of SEBI (SAST) Regulations.
5. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer and PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
6. The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PACs at any time prior to one working day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increase to the escrow amounts, as more particularly set out in Part 6 (Offer Price and Financial Arrangements) of this LOF; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement (the “DPS”) was published; and (iii) simultaneously with making such announcement, inform SEBI, the BSE and the Target Company at its registered office of such revision. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. The Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.
7. **There has been no competing offer as on the date of this LOF.**

8. A copy of the Public Announcement (the “PA”), DPS and LOF (including the form of acceptance cum acknowledgement) will also be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).

Manager to the Offer	Registrar to the Offer
<p style="font-size: 24pt; font-weight: bold; color: red; margin: 0;">KEYNOTE</p> <p><b>Keynote Financial Services Limited</b>  <i>(formerly Keynote Corporate Services Limited)</i>            The Ruby, 9<sup>th</sup> Floor, Senapati Bapat Marg,            Dadar (West), Mumbai – 400028  <b>Tel.:</b> +91-22- 6826 6000-3/ 90968 50306  <b>Fax:</b> +91-22- 6826 6088  <b>E-mail:</b> <a href="mailto:mbd@keynoteindia.net">mbd@keynoteindia.net</a>  <b>Contact Person:</b> Ms. Pooja Sanghvi / Mr. Akhil Mohod  <b>Website:</b> <a href="http://www.keynoteindia.net">www.keynoteindia.net</a>  <b>SEBI Registration No.:</b> INM 000003606  <b>CIN:</b> L67120MH1993PLC072407</p>	 <p><b>MAS Services Limited</b>            T-34, 2nd Floor, Okhla Industrial Area,            Phase - II, New Delhi – 110 020  <b>Tel.:</b> 011 – 2638 7281, 82 &amp; 83  <b>Fax:</b> 011 – 2638 7384  <b>E-mail:</b> <a href="mailto:info@masserv.com">info@masserv.com</a>  <b>Contact Person:</b> Mr. Sharwan Mangla  <b>Website:</b> <a href="http://www.masserv.com">www.masserv.com</a>  <b>SEBI Registration No.:</b> INR 000000049  <b>CIN:</b> U74899DL1973PLC006950</p>

The schedule of activities under the Offer is as follows:

Activity	Original Schedule	Revised Schedule
	Day and Date	Day and Date
Issue of Public Announcement (PA)	Saturday, October 24, 2020	Saturday, October 24, 2020
Publication of Detailed Public Statement (DPS) in the newspapers	Monday, November 02, 2020	Monday, November 02, 2020
Last date for a Competing offer	Monday, November 24, 2020	Monday, November 24, 2020
Identified Date*	Friday, December 04, 2020	Thursday, December 17, 2020
Date by which Letter of Offer to be dispatched to Public Shareholders	Friday, December 11, 2020	Thursday, December 24, 2020
Last Date by which the committee of the Independent directors of the Target Company shall give its recommendation	Monday, December 14, 2020	Tuesday, December 29, 2020
Issue Opening PA date	Thursday, December 17, 2020	Thursday, December 31, 2020
Date of commencement of Tendering Period (Offer Opening Date)	Friday, December 18, 2020	Friday, January 1, 2021
Date of Expiry of Tendering Period (Offer Closing Date)	Friday, January 01, 2021	Friday, January 15, 2021
Last Date for completion of all requirements including payment of consideration	Friday, January 15, 2021	Monday, February 1, 2021
Last date for publication of post-offer Public Announcement in the newspapers in which this DPS has been published	Friday, January 22, 2021	Monday, February 8, 2021

\*The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the letter of offer (“**Letter of Offer**”) would be emailed/ dispatched. It is clarified that all the Public Shareholders of the Target Company (registered or unregistered, except the Acquirer, PACs and promoter group shareholders of the Target Company) are eligible to participate in this Offer at any time prior to the closure of this Offer.

## **RISK FACTORS**

### **A. Risk factors relating to the transaction**

1. The Offer is subject to the compliance of the terms and conditions as set out under the Share Purchase Agreement (“SPA”) dated October 24, 2020. In accordance with SPA, the transaction under the SPA shall be completed upon the fulfillment of conditions precedent and agreed between the Acquirer and Sellers in the SPA.
2. The Offer is subject to receipt of statutory approvals as enumerated in the para 7.4. However, to the best of the knowledge and belief of the Acquirer and PACs, as on the date of the LOF, there are no statutory or other approvals required to implement the Offer. If any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory approvals. The Acquirer will not proceed with the Offer in the event that such statutory approvals becoming applicable prior to completion of the Offer are refused in terms of Regulation 23 of SEBI (SAST) Regulations.
3. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Public Shareholders as directed by SEBI, in terms of regulation 18(11) of SEBI (SAST) Regulations.

### **B. Risk factors relating to the proposed Offer**

1. This Offer is subject to provisions of SEBI (SAST) Regulations and in cases of any non-compliance or delayed compliance with any of the provisions of SEBI (SAST) Regulations, the Acquirer and the PACs shall be unable to act upon the acquisition of Equity Shares under the Offer.
2. In event that any statutory approval, which may become applicable at a later date is not received or is delayed, or there is any litigation leading to stay on this Offer or related to this Offer by a court of competent jurisdiction, or SEBI or a court or governmental authority of competent jurisdiction directs the Acquirer and/or the PACs not to proceed with this Offer, this Offer maybe delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Equity Shareholders, whose Equity Shares are accepted in this Offer, maybe delayed.
3. NRIs and OCBs, if any, must obtain all requisite approvals required to tender the shares held by them, in this Offer including without limitation the approval from RBI and submit such approvals along with the documents required to accept this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Offer.
4. In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis and hence there is no certainty that all the shares tendered by the Public Shareholders in the Offer will be accepted.
5. The Public Shareholders who have tendered shares in acceptance of the Offer shall not be entitled to withdraw such acceptance during the tendering period in terms of Regulation 18(9) of SEBI SAST Regulations.
6. The Acquirer, PACs and the Manager to the Offer accept no responsibility for the statements made otherwise than in the LOF, DPS and PA and anyone placing reliance on any other source of information (not released by the Acquirer or the PACs or the Manager to the Offer) would be doing so at his/her or their own risk.

7. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Letter of Offer who are resident in jurisdictions outside India should inform themselves of and comply with all applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to applicable laws or regulations or would subject the Acquirer and/or the PACs or the Manager to the Offer to any new or additional registration requirements.
8. For the purpose of disclosures in the PA or DPS or this Letter of Offer in relation to the Target Company and/or the Sellers, the Acquirer, PACs and Manager have relied on the information published or provided by the Target Company and/or the Sellers, as the case may be, or publicly available sources and have not independently verified the accuracy of details of the Target Company and/or the Sellers. The Acquirer and the PACs do not accept any responsibility with respect to any misstatement by the Target Company and/or the Sellers in relation to such information.

**C. Probable risks involved in associating with the Acquirer and the PACs**

1. Neither the Acquirer, the PACs nor the Manager to the Offer make any assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
2. The Acquirer and the PACs do not make any assurance in regard to investment or divestment plan of Acquirer in the Target Company.
3. The Acquirer and PACs do not provide any assurance in respect of market price of Equity Shares before, during or after this Offer and expressly disclaim its responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any shareholder on whether to participate or not participate in the Offer.
4. There can be no assurance that the Acquirer shall successfully implement strategies in the Target Company and achieve profitability.

**The risk factors set forth above are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the SPA, the Offer or in associating with the Acquirer and the PACs. They are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation or otherwise by any Public Shareholder in the Offer. Public Shareholders of the Target Company are advised to consult their stockbroker, investment consultant or tax advisor, if any, for analyzing and understanding of all the risks associated with respect to their participation in the Offer.**

**CURRENCY OF PRESENTATION**

In this Letter of offer, all references to “Rs.”/“INR”/ “₹” are reference to Indian Rupee(s), the official currency of India.

In this Letter of offer, minor differences, if any in totals and sums of the amounts listed are due to rounding off and/or regrouping.

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## 1. DEFINITIONS / ABBREVIATIONS

Particulars	Details/ Definitions
<b>Acquirer</b>	Algoquant Financials LLP
<b>Board/ Board of Directors</b>	Board of directors of the Target Company
<b>BSE</b>	BSE Limited
<b>CDSL</b>	Central Depository Services (India) Limited
<b>Companies Act</b>	The Companies Act, 1956, as amended from time to time and the (Indian) Companies Act, 2013 (to the extent applicable) as amended, substituted or replaced from time to time
<b>Delisting Regulations</b>	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended from time to time
<b>Depositories</b>	CDSL and NSDL
<b>DIN</b>	Director Identification Number
<b>DLOF</b>	The Draft Letter of Offer dated November 9, 2020
<b>DP</b>	Depository Participant
<b>DPS</b>	Detailed Public Statement published on November 02, 2020
<b>DTAA</b>	Double Taxation Avoidance Agreement
<b>Eligible Shareholders</b>	All shareholders of the Target Company other than the Acquirer, the PACs, and the parties to Share Purchase Agreement dated October 24, 2020 which triggered open offer including persons deemed to be acting in concert with such parties, irrespective of whether they are shareholders as on identified date or not
<b>EPS</b>	Earnings per share
<b>Equity Share(s)</b>	Fully paid-up equity shares of the Target Company, having face value of ₹10/- each unless it is specified.
<b>Escrow Agreement</b>	Escrow Agreement dated October 23, 2020 entered into between the Acquirer, IndusInd Bank (Escrow Banker) and Manager to the Offer
<b>Escrow Bank/ Escrow Banker</b>	IndusInd Bank Limited having its Branch office at 8th Floor, Building No 8, Solitaire Corporate Park, Opp Mirador Hitel Chakala, Andheri East, Mumbai - 400093
<b>FEMA</b>	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
<b>FII(s)</b>	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
<b>Form of Acceptance</b>	Form of Acceptance-cum-Acknowledgement
<b>Identified Date</b>	Thursday, December 17, 2020, the date falling on the 10 <sup>th</sup> (tenth) Working Day prior to the commencement of the tendering period, for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer Shall be sent.
<b>Income Tax Act</b>	Income Tax Act, 1961
<b>Letter of Offer/ LOF</b>	The letter of offer in connection with the Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum Acknowledgement
<b>Manager to the Offer</b>	Keynote Financial Services Limited ( <i>formerly Keynote Corporate Services Limited</i> )
<b>NSDL</b>	National Securities Depository Limited
<b>NRI</b>	Non-Resident Indian as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
<b>N.A.</b>	Not Applicable
<b>Offer or Open Offer</b>	Open Offer for acquisition of up to 4,17,872 fully paid up Equity Shares representing 26% of the subscribed and fully paid up Equity Share Capital

Particulars	Details/ Definitions
	(“Voting Share Capital”) of the Target Company at a price of ₹ 97/- (Rupees Ninety Seven only) per fully paid-up Equity Share payable in Cash.
<b>Offer Period</b>	From October 24, 2020 (i.e. date of Public Announcement) to Monday, February 1, 2021(i.e. date of Payment Consideration)
<b>Offer Price</b>	₹ 97/- (Rupees Ninety Seven only) per fully paid-up Equity Share payable in cash
<b>Offer Size</b>	4,17,872 equity shares of face value of ₹ 10/- each aggregating to ₹4,05,33,584/- (Rupees Four Crores Five Lakh Thirty-Three Thousand Five Hundred and Eighty Four only)
<b>OCBs</b>	Overseas Corporate Body as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
<b>PA</b>	Public Announcement dated October 24, 2020
<b>PAN</b>	Permanent Account Number
<b>PAT</b>	Profit After Tax
<b>PACs</b>	Mr. Dhruv Gupta (“PAC1”) and Mr. Devansh Gupta (“PAC2”)
<b>Promoter &amp; Promoter Group/ Promoter and members of Promoter Group</b>	The promoter group of Hindustan Everest Tools Limited comprising of Mandelia Investments Private Limited, Mr. Balgopal Mandelia and Mr. Shravan Kumar Mandelia
<b>Public Shareholders</b>	All public shareholders of the Target Company other than the Promoter and members of Promoter Group, Acquirer, PACs, sellers and parties to the Share Purchase Agreement
<b>RBI</b>	The Reserve Bank of India
<b>Registrar to the Offer</b>	MAS Services Limited
<b>₹</b>	Indian Rupees
<b>RTGS</b>	Real Time Gross Settlement
<b>SEBI</b>	The Securities and Exchange Board of India
<b>SEBI (SAST) Regulations</b>	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
<b>SEBI Act</b>	Securities and Exchange Board of India Act, 1992
<b>Seller(s)</b>	Mr. Shravan Kumar Madelia, Mr. Bal Gopal Madelia, Shravan Kumar Mandelia HUF, Bal Gopal Madelia HUF (together hereafter referred to as “Sellers”) and Mandelia Investments Private Limited (the “MIPL”)
<b>Share Purchase Agreement or SPA</b>	Share Purchase Agreement dated October 24, 2020, executed between, the Acquirer, Sellers, MIPL and the Target Company
<b>Stock Exchange</b>	BSE Limited
<b>Target Company</b>	Hindustan Everest Tools Limited
<b>Tendering Period</b>	Friday, January 1, 2021 to Friday, January 15, 2021 both days inclusive based on schedule of activities.
<b>Working Day(s)</b>	Shall have the same meaning given in the SEBI (SAST) Regulations

## 2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF HINDUSTAN EVEREST TOOLS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER AND THE 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 ACQUIRER AND THE PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, KEYNOTE FINANCIAL SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 09, 2020 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.”**

### **3. DETAILS OF THE OFFER**

#### **3.1 Background of the offer**

3.1.1 The Open Offer is a mandatory offer being made in compliance with Regulations 3(1), 4, 5(1) and 5(2) of the SEBI (SAST) Regulations made by the Acquirer and the PACs, as detailed herein below.

3.1.2 The Acquirer has entered into a Share Purchase Agreement (“SPA”) dated October 24, 2020 with Mr. Shravan Kumar Mandelia, Mr. Bal Gopal Mandelia, Shravan Kumar Mandelia HUF, Bal Gopal Mandelia HUF (together hereafter referred to as “Sellers”), Mandelia Investments Private Limited (the “MIPL”) and Hindustan Everest Tools Limited (the “Target Company”). Pursuant to the said SPA, the Acquirer has agreed to acquire 100% of the equity share capital of MIPL. MIPL in turn holds 8,34,470 Equity Shares constituting 51.92% of the Voting Share Capital of the Target Company.

3.1.3 Additionally, the Acquirer has also agreed to acquire 405 and 406 Equity Shares of Target Company held by Mr. Shravan Kumar Madelia and Mr. Bal Gopal Madelia, respectively, representing 0.02% and 0.03% of the paid-up share Capital of the Target Company.

3.1.4 Accordingly, pursuant to the above, the Acquirer is entitled to: (i) indirectly exercise 51.92% of Voting Share Capital of the Target Company and directly exercise 0.05% of Voting Share Capital of the Target Company and (ii) exercise substantial control and management of the Target Company.

3.1.5 Pursuant to the SPA, the Acquirer is making an Open Offer in terms of Regulation 3 (1), 4, 5(1) & 5(2) of SEBI (SAST) Regulations to the Eligible Shareholders of the Target Company to acquire up to 4,17,872 Equity Shares representing 26% of the Equity Share Capital of the Target Company at a price of ₹ 97/- (Rupees Ninety Seven only) per Equity Share, subject to the terms and conditions set out in the PA, DPS and this Letter of Offer that will be sent to the Public Shareholders of the Target Company.

3.1.6 As on date the Acquirer and the PACs do not hold any Equity Shares in the Target Company.

#### **3.1.7 Share Purchase Agreement (SPA) and its salient features:**

##### **A. Details of Sellers**

There is no sale of equity shares of the Target Company, by the Sellers to the Acquirer. However the Sellers (Mr. Shravan Kumar Mandelia, Mr. Bal Gopal Mandelia, Shravan Kumar Mandelia HUF, Bal Gopal Mandelia HUF) have entered into SPA to sell 100% holding of MIPL to the Acquirer, which shall result in indirect acquisition of 8,34,470 equity shares, constituting 51.92% of the voting share capital of the Target Company.

In addition to the Indirect Acquisition and pursuant to the said SPA, the Acquirer has also agreed to acquire a total of 811 equity shares from two of the sellers as per details given below:

Sr. No.	Name of the Sellers	Nature of Entity	Name of the Group	Listed/ Unlisted	Address	Shareholding/ Voting Rights in the Target Company prior to the transaction	
						No. of equity shares	% of fully paid up equity share capital
1	Mr. Shravan Kumar Madelia	Individual	N/A	N/A	Swasti, B-92, Greater Kailash, Part I, New Delhi - 110 048	405	0.025
2	Mr. Bal Gopal Madelia	Individual	N/A	N/A	B-92, Greater Kailash, Part I, New Delhi - 110 048	406	0.025
<b>Total</b>						<b>811</b>	<b>0.05</b>

*N/A- Not applicable*

All the sellers mentioned above in the table:

- are promoters of the Target Company.
- have confirmed that they have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

B. The salient features of SPA are as follows:

1. The Purchaser /Acquirer intends to acquire from the Sellers and the Sellers intend to sell to the Purchaser/Acquirer 52,746 equity shares of MIPL, that is, the entire shareholding held by the Sellers, representing 100% of the issued, subscribed and paid up equity share capital of ₹ 52,74,600/- (Rupees Fifty Two Lakh Seventy Four Thousand and Six Hundred Only) of MIPL. The said acquisition by the Purchaser shall result in indirect acquisition of 8,34,470 equity shares of the Target Company, comprising 51.92% of the present total paid-up equity share capital of the Target Company. To arrive at the agreed price of each sale share of MIPL, the Acquirer and the Sellers have agreed at the price of each equity share of the Target Company to be ₹ 95/- (Rupees Ninety Five Only).
2. Additionally, the Purchaser/ Acquirer also intends to directly acquire 811 (Eight Hundred and Eleven) equity shares from two of the sellers, comprising 0.05% of the present total paid-up equity share capital of the Target Company.
3. Sale Shares means 52,746 equity shares comprising 100% of the holding of MIPL held by the Sellers and 811 equity shares comprising 0.05% of the existing paid up capital of the Target Company.
4. The Sale Shares so bought by the Purchaser /Acquirer shall be transferred in the name of the purchaser /Acquirer only on completion of Open Offer formalities as defined in SEBI (SAST) Regulations.
5. Post compliance with, and fulfillment of all obligations under SEBI (SAST) Regulations, the Acquirer shall have a right to reconstitute the Board of Directors of the Target Company and appoint their own representative/Directors as Directors/Chairman of the Target Company, subject to compliances with extant laws
6. Sellers and Acquirer agree to comply with the Provision of the SEBI (SAST) Regulations

7. In case of non-compliance of any of the provisions of SEBI (SAST) Regulations, by either of the parties, the Share Purchase Agreement shall not be acted upon by Sellers and/or Purchaser.

- 3.1.8 This Offer is made pursuant to an indirect acquisition and is not a conditional offer.
- 3.1.9 This Offer is not result of a global acquisition or an open market purchase.
- 3.1.10 As on date of this LOF, the Acquirer and the PACs confirm that they are not prohibited by SEBI from dealing in securities in terms of direction issued u/s 11B of SEBI act or under any regulations made under SEBI Act.
- 3.1.11 There may be changes in the composition of board of directors of the Target Company after the completion of Offer, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the LODR Regulations and Regulation 24 of the SEBI (SAST) Regulations). No proposal in this regard has been finalized as on the date of this Letter of Offer.
- 3.1.12 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company have constituted a committee of independent directors to provide their written reasoned recommendation on the Offer to the Public Shareholders and such recommendations shall be published at least two (2) Working Days before the commencement of the Tendering Period in the same newspapers where the DPS related to the Offer was published, in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

### 3.2 Details of the proposed offer

- 3.2.1. The Public Announcement to the Public Shareholders of Target Company was issued on October 24, 2020 through the Stock Exchange by the Manager to the Offer for and on behalf of the Acquirer and the PACs. A copy of the PA was filed with Stock Exchange, SEBI and mailed to the Target Company on October 24, 2020. PA was made as per Regulation 3(1), 4 5(1), 5(2), 13(2)(f) and other applicable regulations of SEBI (SAST) Regulations.
- 3.2.2. Subsequently, in accordance with Regulations 13(4), 14(3) and 15(2) of the SEBI (SAST) Regulation, the Detailed Public Statement was published on November 02, 2020 in the following publications

Publications	Language	Edition(s)
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Mumbai Lakshdeep	Marathi	Mumbai Edition

- 3.2.3. A copy of the PA and DPS is available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).
- 3.2.4. The Acquirer and the PAC's are making this Open Offer in terms of SEBI (SAST) Regulations, 2011 to the public shareholders of Target Company (other than the Parties to the SPA) to acquire up to 4,17,872 equity shares of face value of ₹10/-(Rupees ten only) each, constituting 26% of subscribed and fully paid up equity share capital of the Target Company at Offer Price of ₹ 97/- (Rupees Ninety Seven Only) per equity share aggregating to total consideration of ₹ 4,05,33,584 /- (Rupees Four Crores Five Lakh Thirty-Three Thousand Five Hundred and Eighty-Four only), payable in cash and subject to the terms and conditions set out in the PA, the DPS and this Letter of offer.
- 3.2.5. There are no partly paid up Equity Shares in the Target Company.
- 3.2.6. There is no differential pricing in this Offer.
- 3.2.7. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 3.2.8. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of Regulation 19 of the SEBI (SAST) Regulations.

- 3.2.9. The Acquirer and the PACs have not acquired any Equity Shares of the Target Company between the date of the PA (i.e. October 24, 2020) and the date of this LOF.
- 3.2.10. There has been no competing offer as on the date of this LOF.
- 3.2.11. The Equity Shares of the Target Company to be acquired, pursuant to the Offer, shall be free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid. The Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.
- 3.2.12. There are no conditions in the underlying agreement i.e. Share Purchase Agreement (SPA) dated October 24, 2020 meeting of which are outside the reasonable control of the Acquirer or the PACs, and in view of which the Offer might be withdrawn under Regulation 23 of the SEBI (SAST) Regulations.
- 3.2.13. In the event that the valid shares tendered in the Open Offer by the shareholders are more than the Offer Size, the acquisition of valid shares from the shareholders shall be done on proportionate basis.
- 3.2.14. The Acquirer has appointed Keynote Financial Services Limited as the Manager to the Offer in terms of Regulation 12 of the SEBI (SAST) Regulations.
- 3.2.15. The Manager to the Offer, does not hold any Equity Shares in the Target Company as on the date of this Letter of Offer and is not related to the Acquirer or the PACs and the Target Company in any manner whatsoever. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

### 3.3 **Object of the acquisition**

- 3.3.1 The Acquirer has entered into an agreement with the promoters of MIPL to acquire the entire shareholding of MIPL. Through this acquisition, the Acquirer shall acquire substantial equity shares/voting rights accompanied by control over the Target Company. Post the acquisition, the Acquirer through its designated partners propose to enter into new business lines such as development of software and algorithms used for trading in securities and derivatives and other software consultancy business. The necessary amendments to the objects clause as contained in the Memorandum of Association of the Company and other related matters shall be completed in the normal course of business. The Acquirer may reorganize the present Capital Structure of the Company and also further strengthen the Board.
- 3.3.2 Pursuant to the acquisition of shares under the Offer, the Acquirer and the PACs currently do not have any intention to alienate, whether by way of sale, lease, encumber or otherwise, any material assets of the Target Company, other than in ordinary course of business, for a period of two years following completion of the Offer. The Acquirer and the PACs further undertake that in the event of such alienation of assets of Target Company, such alienation shall not be undertaken without a special resolution passed by shareholders of the Target Company, by way of postal ballot, wherein the notice for such postal ballot shall inter alia contain reasons as to why such alienation is necessary.

## 4. **BACKGROUND OF THE ACQUIRER AND PAC'S**

### **Algoquant Financials LLP (“Acquirer”)**

- 4.1 The Acquirer, a limited liability partnership (“LLP”), was incorporated on April 20, 2018 under the Limited Liability Partnership Act, 2008, with LLP Identification number AAM-4604. The registered office of Algoquant is located at 5th Floor, 503A, WTC GIFT City, Block 51, Road 5E, Gandhinagar, Gujarat, 382355. There has been no change in the name of the Acquirer since its incorporation.
- 4.2 The Acquirer is a technology focused company engaged in the business of derivatives hedging and arbitrage. Algoquant combines mathematics and economics with cutting edge software and hardware to create a unique ecosystem for arbitrage trade management, risk management systems including proprietary trading platforms.

- 4.3 The Designated Partners of the Acquirer are Mr. Dhruv Gupta and Mr. Devansh Gupta.
- 4.4 As on the date of this LOF, the Acquirer has not been prohibited by SEBI from dealing in securities in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.
- 4.5 The Acquirer has entered into a Share Purchase Agreement (“SPA”) dated October 24, 2020 with Shravan Kumar Mandelia, Bal Gopal Mandelia, Shravan Kumar Mandelia HUF, Bal Gopal Mandelia HUF (together hereafter referred to as “Sellers”), Mandelia Investments Private Limited (the “MIPL”) and Hindustan Everest Tools Limited (the “Target Company”). Pursuant to the said SPA, the Acquirer has agreed to acquire 100% of the equity share capital of MIPL. MIPL in turn holds 8,34,470 Equity Shares constituting 51.92% of the Voting Share Capital of the Target Company. Additionally, the Acquirer has also agreed to acquire 405 and 406 Equity Shares of Target Company held by Mr. Shravan Kumar Madelia and Mr. Bal Gopal Madelia, respectively, representing 0.02% and 0.02% of the paid-up share Capital of the Target Company.
- 4.6 Other than as mentioned in the above para, neither the Acquirer, nor its Designated Partners hold any equity share/ interest/ relationship in the Target Company. Further, none of the Designated Partners or the Key Employees of the Acquirer are directors on the Board of the Target Company.
- 4.7 Neither the Acquirer nor any of its partners or key managerial employees have been categorized or declared: (i) a ‘wilful defaulter’ by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India; or (ii) a ‘fugitive economic offender’ under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
- 4.8 Since its incorporation, no equity shares of the Target Company have been acquired by the Acquirer till date.
- 4.9 The Net-worth of the Acquirer is ₹ 768.74 Lakh as on June 30, 2020 as certified vide certificate dated October 22, 2020 by Mr. Vaibhav Gupta (Membership No. 099715), Partner at VGG & Co. Chartered Accountants, (Firm Registration No. 031985N), having their office at M-122, Ground Floor, Greater Kailash Part-1, New Delhi-110048, Phone No.: 011-40421836, Email: vaibhav@vggco.in.
- 4.10 As on the date of this LOF, the Acquirer has no representation on the Board. Further, as on March 31, 2020, the Acquirer do not have any contingent liabilities.
- 4.11 The key financial information of the Acquirer based on audited financial results for the quarter ended June 30, 2020 and audited financial statements for the financial years (FY) ended March 31, 2020 and 2019 are as follows:

**Profit and Loss statement:**

(₹ In Lakh)

Particulars	3 months period ended on June 30,2020	Financial Year Ended on	
		March 31, 2020	March 31, 2019
Income from operations	3,255.22	1,918.60	400.72
Other Income	89.75	194.82	2.78
<b>Total Revenue</b>	<b>3,344.97</b>	<b>2,113.42</b>	<b>403.50</b>
Total Expenditure	2,702.94	1,363.79	262.51
<b>Profit Before Depreciation, Interest and Tax</b>	<b>642.03</b>	<b>749.63</b>	<b>140.99</b>
Depreciation	10.62	26.87	3.83
Finance costs	207.55	478.66	30.94
<b>Profit Before Tax</b>	<b>423.86</b>	<b>244.10</b>	<b>106.21</b>
Current Tax Expense	150.00	90.00	36.77
Deferred Tax (credit)/ charge	0.37	(1.12)	0.34
Income Tax for the Earlier Year	-	0.12	-

Particulars	3 months period ended on June 30,2020	Financial Year Ended on	
		March 31, 2020	March 31, 2019
Profit After Tax	273.49	155.10	69.10

**Balance Sheet statement:**

(₹ In Lakh)

Particulars	3 months period ended on June 30, 2020	Financial Year Ended on	
		March 31, 2020	March 31, 2019
<b>Sources of funds</b>			
Capital Contribution	0.50	0.50	0.50
Current Account	768.24	494.75	100.90
<b>Net-worth</b>	<b>768.74</b>	<b>495.25</b>	<b>101.40</b>
Secured loans	-	-	-
Unsecured loans	6.02	6.83	-
Deferred Tax Liability	-	-	0.34
<b>Total</b>	<b>774.76</b>	<b>502.08</b>	<b>101.74</b>
<b>Uses of funds</b>			
Net fixed assets	118.08	70.43	21.24
Deferred Tax Asset	0.39	0.77	-
Long-term loans and advances	10.00	10.00	-
Net current assets	646.29	420.88	80.50
<b>Total</b>	<b>774.76</b>	<b>502.08</b>	<b>101.74</b>

**Mr. Dhruv Gupta (“PAC1”)**

- 4.12 Mr. Dhruv Gupta, aged 26 years, is residing at G-190, Preet Vihar, Delhi - 110092. He is a graduate in Economics and also a CFA Level 3 candidate. He has over 6 years of experience in managing risk & technology and is also involved in seed funding of tech-focused early stage start-up.
- 4.13 As on date of this LOF, Mr. Dhruv Gupta does not hold any equity shares in the Target Company.
- 4.14 The Net-worth of Mr. Dhruv Gupta is ₹ 2,715.57 Lakh as on June 30, 2020 as certified vide certificate dated October 28, 2020 by Mr. Vaibhav Gupta (Membership No. 099715), Partner at VGG & Co. Chartered Accountants, (Firm Registration No. 031985N), having their office at M-122, Ground Floor, Greater Kailash Part-1, New Delhi-110048, Phone No.: 011-40421836, Email: vaibhav@vggco.in.
- 4.15 As on the date of this LOF, Mr. Dhruv Gupta has no representation on the Board of any listed company. Further, Mr. Dhruv Gupta does not hold the position of whole-time director in any company.

**Details of Mr. Devansh Gupta (“PAC2”)**

- 4.16 Mr. Devansh Gupta, aged 24 years, is residing at G-190, Preet Vihar, Delhi - 110092. He is a graduate in Commerce He has over 5 years of experience in managing business and trading operations.
- 4.17 As on date of this LOF, Mr. Devansh Gupta does not hold any equity shares in the Target Company.
- 4.18 The Net-worth of Mr. Devansh Gupta is ₹ 527.75 Lakh as on June 30, 2020 as certified vide certificate dated October 28, 2020 by Mr. Vaibhav Gupta (Membership No. 099715), Partner at VGG & Co. Chartered

Accountants, (Firm Registration No. 031985N), having their office at M-122, Ground Floor, Greater Kailash Part-1, New Delhi-110048, Phone No.: 011-40421836, Email: vaibhav@vggco.in.

- 4.19 As on the date of this LOF, Mr. Devansh Gupta has no representation on the Board of any listed company. Further, Mr. Devansh Gupta does not hold the position of whole-time director in any company.

**5. BACKGROUND OF THE TARGET COMPANY – Hindustan Everest Tools Limited (HETL)**

- 5.1 The Target Company was incorporated as Hindustan Dowidat Tools Limited on January 25, 1962 under the Companies Act, 1956. Subsequently, Company changed its name to Hindustan Everest Tools Limited on December 31, 1973.

- 5.2 The registered office of the Target Company is situated at Dohil Chambers, 4th Floor, 46, Nehru Place, New Delhi – 110 019 and its Corporate Identification Number is L74899DL1962PLC003634.

- 5.3 HETL was in the business of manufacturing and exporting quality hand tools like spanners, wrenches, screw drivers, hammers, tool kits, etc. HETL had its manufacturing plant at Sonepat, Haryana. Due to several adverse factors, HETL discontinued its operations w.e.f. December 15, 2016. Presently, the Target Company is not carrying on any business and the revenue derived is from sale of financial assets, interest income on bank deposits, recovered debt and miscellaneous income.

- 5.4 The Authorized share capital of the Target Company comprises of 23,00,000 equity shares of ₹ 10/- each and 20,000 Redeemable Cumulative Preference Shares of ₹ 100/- each, while the Issued, Subscribed and paid-up Equity Share Capital of the Target Company is ₹ 1,60,72,000 comprising of 16,07,200 equity shares of ₹ 10/- each.

- 5.5 Equity Share Capital structure of the Target Company:

<b>Paid up Equity Shares</b>	<b>No. of Shares/ voting rights</b>	<b>% of shares/voting rights</b>
Fully paid up equity shares	16,07,200	100.00
Partly paid up equity shares	0	0.00
Total paid up equity shares	16,07,200	100.00
Total voting rights	16,07,200	100.00

- 5.6 The Equity Shares of the Target Company are listed on BSE (SCRIP CODE: 505725). The ISIN of the Target Company is INE598D01019.

- 5.7 The equity shares of the Target Company were suspended from trading by BSE due to non-compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and delay in the payment of the listing fees for the financial year 2016-17. Subsequently, the Target Company complied with the above-mentioned non-compliances and also paid the penalty for the said non-compliances. BSE vide its notice number 20190118-16 dated January 18, 2019 had revoked the suspension in trading of the equity shares of the Target Company w.e.f. January 28, 2019.

- 5.8 The Equity Shares of the Target Company are frequently traded on BSE within the meaning of explanation provided in regulation 2(1)(j) of the SEBI (SAST) Regulations.

- 5.9 Based on the information available on the website of the Stock Exchange, (i) the entire issued, subscribed and paid up share capital of the Target Company is listed on the Stock Exchange; (ii) there are no outstanding shares of the Target Company that have been issued but not listed on the Stock Exchange; (iii) The trading of the Equity Shares of the Target Company is currently not suspended on Stock Exchange; and (iv) Currently the scrip of the Target Company is under ASM LT: Stage 1.

- 5.10 The Board of Directors of the Target Company, as of the date of this LOF, are as under:

<b>Name of the Director</b>	<b>Designation</b>	<b>DIN</b>
Mr. Shravan Kumar Mandelia	Chairperson & Managing Director	00040532

Name of the Director	Designation	DIN
Mr. Balgopal Mandelia	Managing Director	00040592
Mr. Pradeep Jain	Non-Executive - Independent Director	00108240
Mr. Amitav	Non-Executive - Independent Director	08240143
Ms. Shifa Nagar	Non-Executive - Independent Director	08240119
Mr. Saurabh Kumar Parasramka	Non-Executive – Non-Independent Director	00935199

None of the Board of Directors mentioned above are representing the Acquirer or the PAC's.

- 5.11 The Target Company has not been involved in any merger/de-merger or spin off in last three years.
- 5.12 As on date of this LOF, MIPL is the holding company of the Target Company. Further, there is no subsidiary of the Target Company.
- 5.13 The financial information of Hindustan Everest Tools Limited based on the unaudited limited review financial results for the quarter ended June 30, 2020 and audited financial statements for the financial years (FY) ended March 31, 2020, 2019 and 2018 are as follows:

**Profit and Loss statement**

(₹ in Lakh)

Particulars	Quarter ended June 30, 2020	Financial Year ended on March 31, 2020	Financial Year ended on March 31, 2019	Financial Year ended on March 31, 2018
Income from operations	-	-	13.22	
Other Income	15.15	160.78	48.77	5,886.74
<b>Total Income</b>	<b>15.15</b>	<b>160.78</b>	<b>61.99</b>	<b>5,886.74<sup>(1)</sup></b>
Total Expenditure (Excluding Depreciation & Interest)	47.50	354.35	58.62	594.51
<b>Profit/ (Loss) Before Depreciation, Interest, Exceptional item and Tax</b>	<b>(32.36)</b>	<b>(193.57)</b>	<b>3.37</b>	<b>5,292.23</b>
Exceptional Item	145.09			
Depreciation	-	20.92	3.94	25.85
Interest	-	18.68	-	89.49
Profit / (Loss) Before Tax	112.74	(233.17)	(0.57)	5,176.89
Tax Expense (Current & Deferred)	14.23	1075.19	-	-
<b>Profit/(Loss) for the year from continuing operations</b>	<b>98.51</b>	<b>(1,308.36)</b>	<b>(0.57)</b>	<b>5,176.89</b>
<b>Loss from discontinued operations</b>	<b>(2.69)</b>	<b>(154.51)</b>	<b>(102.57)</b>	<b>-</b>
<b>Profit / (Loss) for the period/year</b>	<b>95.82<sup>(3)</sup></b>	<b>(1,462.87)<sup>(2)</sup></b>	<b>(103.14)</b>	<b>5,176.89</b>

Notes:

- (1) The operations of HETL was discontinued w.e.f. December 2016. The revenue reported in FY 2018, was mainly from sale of property, plant and equipment and intangible assets.
- (2) The Company had paid tax under MAT in the FY 2018 as per the provisions of Income Tax Act, 1961. The Company had recorded a MAT credit of ₹ 1,075 Lakh as MAT credit entitlement. As in the financial year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020, the Company was not able to generate profits to take benefit of the MAT credit recorded as the operations of the Company have not yet been started and management has not been able to finalize a new line of business. The recoverability of the deferred tax asset, due to lack of certainty of realization, is low. Consequently, the aforementioned credit has been written-off as at FY 2020 due to lack of certainty of realization.
- (3) During the quarter ended June 30, 2020, the Company has sold its assets (office flats). Consequently, a gain of ₹ 145.09 Lakh was recorded in these financial results and it was disclosed as exceptional item.

**Balance sheet statement:**

(₹ in Lakh)

Particulars	Quarter ended June 30, 2020	FY March 31, 2020	FY March 31, 2019	FY March 31, 2018
<b>Sources of funds</b>				
Paid up Share capital	160.72	160.72	160.72	160.72
Reserves and Surplus	1,573.54	1,477.72	2,940.59	3,043.73
<b>Net-worth</b>	<b>1,734.26</b>	<b>1,638.44</b>	<b>3,101.31</b>	<b>3,204.45</b>
Secured loans	-	-	-	-
Unsecured loans	-	-	-	-
<b>Total</b>	<b>1,734.26</b>	<b>1,638.44</b>	<b>3,101.31</b>	<b>3,204.45</b>
<b>Uses of funds</b>				
Net fixed assets	-	-	116.17	132.11
Investment	-	-	13.47	14.36
Deferred Tax Assets	-	-	1,075.19	1,089.76
Income tax Assets	19.13	19.13	19.13	19.64
Net current assets	1,715.13	1619.31	1,877.55	1,948.58
<b>Total</b>	<b>1,734.26</b>	<b>1,638.44</b>	<b>3,101.31</b>	<b>3,204.45</b>

**The other financial data is as follows:**

Particulars	Quarter ended June 30, 2020	FY March 31, 2020	FY March 31, 2019	FY March 31, 2018
Dividend (%)	-	-	-	-
Earnings Per Share (₹)	6.85	(24.12)	(6.42)	322.11
Return on Net worth (%)	5.53	(89.28)	(3.33)	161.55
Book Value Per Share (₹)	107.90	101.94	192.96	199.38

Net worth = Equity Share Capital + Reserves and Surplus - Misc. Expenses

EPS = Profit after Tax / No. of shares outstanding

Return on Net Worth = (Profit after Tax / Net Worth)\*100

Book Value per Share = Net Worth / No. of shares outstanding

5.14 Pre and Post Shareholding of Target Company is as under:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer		Shares /voting rights agreed to be acquired/ (sold) which triggered off the Regulations.		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer.	
	(A)		(B)		(C)		(D)=(A)+(B)+(C)	
	No.	%	No.	%	No.	%	No.	%
<b>(1) Promoter group</b>								
Mandelia Investments Private Limited (MIPL)	8,34,470	51.92	-	-	-	-	8,34,470	51.92
Shravan Kumar Madelia	405	0.25	(405)	(0.025)	-	-	-	-
Bal Gopal Madelia	406	0.25	(406)	(0.025)	-	-	-	-
<b>Total (1)</b>	<b>8,35,281</b>	<b>51.97</b>	<b>(811)</b>	<b>(0.050)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(2) Acquirer &amp; PACs</b>								
Algoquant Financials LLP	-	-	8,35,281*	51.97*	64,288	4.00	65,099	4.05
Mr. Dhruv Gupta	-	-	-	-	1,76,792	11.00	1,76,792	11.00
Mr. Devansh Gupta	-	-	-	-	1,76,792	11.00	1,76,792	11.00
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>8,35,281*</b>	<b>51.97*</b>	<b>4,17,872#</b>	<b>26.00#</b>	<b>4,18,683</b>	<b>26.05</b>
<b>(3) Parties to agreement other than (2) above</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer		Shares /voting rights agreed to be acquired/ (sold) which triggered off the Regulations.		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer.	
<b>(4) Public (other than parties to agreement, Acquirer &amp; PACs)</b>								
a. FIs/MFs/FIIs/Banks, SFIs	-	-	-	-	(4,17,872)	(26.00)	3,54,047	22.03
b. Others	-	-	-	-				
<b>Total (4) (a+b)</b>	<b>7,71,919</b>	<b>48.03</b>	-	-	-	-	-	-
<b>GRAND TOTAL (1+2+3+4)</b>	<b>16,07,200</b>	<b>100.00</b>	-	-	-	-	<b>16,07,200</b>	<b>100.00</b>

\* a) Pursuant to the said SPA, the Acquirer has agreed to acquire 100% equity share capital of MIPL. MIPL in turn holds 8,34,470 Equity Shares of the Target Company constituting 51.92% of its Voting Share Capital. Thus, the Acquirer would indirectly acquire control of 51.92% of the Target Company.

b) Additionally, the Acquirer has also agreed to acquire 405 and 406 Equity Shares of Target Company held by Shravan Kumar Madelia and Bal Gopal Madelia, respectively, representing 0.02% and 0.03% of the paid-up share Capital of the Target Company.

Thus, as per point a and b mentioned above, the Acquirer would indirectly and directly acquire 8,35,281 Equity Shares of the Target Company constituting 51.97% of the Voting Share Capital of the Target Company.

# Assuming successful completion of Open Offer i.e. acquisition of 4,17,872 equity shares representing 26.00%, the Acquirer and the PACs will collectively hold 12,53,153 representing 77.97% of the total share capital in the Target Company.

Total number of shareholders in Public category as on September 30, 2020 is 1,736.

- 5.15 After the acquisition of the Offer Shares (assuming full acceptance of the Offer), the public shareholding in the Target Company will fall below the minimum level required for continued listing under Regulation 38 of the SEBI (LODR) Regulations and Rule 19A of the Securities Contracts (Regulation) Rules, 1957. In this event, it shall be ensured that the non-public shareholding in the Target Company shall be brought down to the level specified within the time prescribed in the Securities Contracts (Regulation) Rules, 1957, SEBI (SAST) Regulations and as per applicable SEBI guidelines.

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1. Justification of Offer Price

- 6.1.1. The Equity Shares of Hindustan Everest Tools Limited are listed on BSE (Scrip Code: 505725)
- 6.1.2. The trading turnover in the Equity Shares of Hindustan Everest Tools Limited on BSE based on the trading volume during the twelve calendar months preceding the calendar month in which the PA is made (October 01, 2019 to September 30, 2020) is as given below:

Name of Stock Exchange	Total Number of Equity Shares traded during twelve calendar months prior to month of PA	Total Number of Equity Shares Listed	Trading Turnover (as a % of Total Equity Shares Listed)
BSE	3,12,204	16,07,200	19.43

(Source: www.bseindia.com)

Therefore, in terms of the Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity shares of the Company are frequently traded.

- 6.1.3. This is an indirect acquisition of the Target company in terms of Regulation 5(1) of the SEBI (SAST) Regulations, and such indirect acquisition falls within the parameters prescribed under Regulation 5(2) of the SEBI (SAST) Regulations.

6.1.4. The Offer Price of ₹ 97/- (Rupees Ninety-Seven only) per equity of the Target Company is arrived in terms of Regulation 8(2) and 8(5) of the SEBI (SAST) Regulations. Further, the Offer Price shall be the highest of the following:

(i)	the highest negotiated price per share of the Target Company for acquisition under the Agreement (SPA) attracting the obligation to make a public announcement of an Open Offer	:	₹ 95/- per equity share
(ii)	the volume-weighted average price paid or payable for acquisitions, whether by the acquirer or by any person acting in concert with it, during the fifty-two weeks immediately preceding the date of the public announcement	:	Not Applicable
(iii)	the highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with it, during the twenty six weeks immediately preceding the date of the public announcement	:	Not Applicable
(iv)	the volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period, provided such shares are frequently traded	:	₹ 81.94 (Refer Note i)
(v)	where the shares are not frequently traded, the price determined by the Acquirer and the Manager to the Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies.	:	Not Applicable
(vi)	The per equity share value computed under Regulation 8(5), if applicable	:	₹ 96.80 per equity share (Refer Note ii & iii)

Notes:

- i) Volume- weighted average market price of the Equity Shares for a period of 60 (sixty) trading days immediately preceding October 24, 2020 (being the date of Public Announcement), as traded on BSE.
- ii) In terms of Regulation 8(5) of the SEBI (SAST) Regulations, an indirect acquisition where; (a) the proportionate net asset value of the target company as a percentage of the consolidated net asset value of the entity or business being acquired; (b) the proportionate sales turnover of the target company as a percentage of the consolidated sales turnover of the entity or business being acquired; or (c) the proportionate market capitalization of the target company as a percentage of the enterprise value for the entity or business being acquired, is in excess of 15%, on the basis of the most recent audited annual financial statements, the Acquirer is required to compute and disclose the per equity share value of the Target Company. As per the certificate dated October 24, 2020 from SCV & Co. LLP, Chartered Accountant (Membership No.: 092783), the proportionate net asset value of the Target Company as a percentage of the consolidated net asset value of the entity or business being acquired is in the excess of 15%.
- i) SCV & Co. LLP, Chartered Accountant (**‘Valuer’**) (Address: B-41, Panchsheel Enclave, New Delhi-110017; Tel No.: +91-11-26499111; Firm Registration No.: 000235N/N500089), in its valuation report dated October 24, 2020 has arrived at the fair value of Equity Share of ₹ 96.80. The Valuer has adopted weighted average of NAV Method under Cost Approach and Market Price Method under Market Approach as appropriate methods to arrive at fair value of equity shares for the above-mentioned purpose of valuation. The Valuer has applied 50% weight each to the Equity value from both Market Approach and Cost Approach.
- ii) On the basis of the above, the Acquirer has considered a price of ₹ 97/- per equity shares for the acquisition of equity shares of the Target Company for the Open Offer and the same is justified.

6.1.5. There has been no corporate action in the Target Company warranting adjustment of relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split, etc. where the record date for effecting such corporate actions falls within 3 (three) Working Days prior to the commencement of Tendering Period of the Offer.

- 6.1.6. There has been no revision in the Offer Price or to the size of this Offer as on date.
- 6.1.7. The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PACs at any time prior to one working day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall make corresponding increase to the escrow amounts. Also, an announcement will be made in the same newspapers in which the DPS had appeared. The Acquirer shall simultaneously also inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision. Such revised offer price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.
- 6.1.8. If the Acquirer and the PACs acquire or agree to acquire any Equity Shares or voting rights in the Target Company during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations, 2011. Provided that no such acquisition (including increase in the offer price due to the competing offers) shall be made after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
- 6.1.9. If the Acquirer or the PACs acquire Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all Public Shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an Open Offer under the SEBI (SAST) Regulations or pursuant to Delisting Regulations, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of shares of the Target Company in any form.

## **6.2. Financial Arrangements**

- 6.2.1. Assuming full acceptance, the maximum consideration payable under this Offer shall be ₹ 4,05,33,584 /- (Rupees Four Crores Five Lakh Thirty-Three Thousand Five Hundred and Eighty-Four only).
- 6.2.2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer is required to create an escrow for an amount equal to 25% of the consideration payable to the public shareholders, and, in the event the escrow account is being created by deposit of freely transferable securities, then at least 1% of the total consideration payable is to be deposited in cash with a scheduled commercial bank.
- 6.2.3. Accordingly, as a security for the performance of its obligations under Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has created a Share Escrow account by depositing frequently traded and freely transferable equity shares with adequate margin and has empowered the Manager to the Offer to realize the value of securities kept in the Share Escrow account for fulfilment of the obligations under Regulation. In case there is any deficit on realization of value of the securities kept in Share Escrow account, the Manager shall make good any such deficit. Further, the Acquirer has also opened an Escrow Account with IndusInd Bank Limited having its branch office at Andheri, Mumbai (hereinafter referred to as the “**Escrow Bank**”) in the name and the style “**HINDUSTAN EVEREST TOOLS LIMITED - OPEN OFFER - ESCROW ACCOUNT**” (the “**Escrow Account**”) and has deposited an amount of ₹4,06,000/- (Rupees Four Lakh Six Thousand only) and an additional amount of ₹5,00,000/- (Rupees Five Lakh only) totaling to ₹9,06,000/- (Rupees Nine Lakh Six Thousand only) being more than 1% of the total consideration payable under this Offer (assuming full acceptance).
- 6.2.4. In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
- 6.2.5. The Acquirer and PACs have made adequate and firm financial arrangements to implement the Offer in accordance with the Regulations. The Open Offer obligations shall be met by the Acquirer and PACs through Internal sources and no borrowings from any bank and/ or financial institutions are envisaged.

- 6.2.6. Mr. Vaibhav Gupta, Partner at VGG & Co. Chartered Accountants, (Membership No. 099715) (Firm Registration No.031985N), having their registered office at M-122 Ground Floor, Greater Kailash Part I, New Delhi 110048, Phone No.: 011-40421836, Email: vaibhav@vggco.in; vide their certificates dated October 28, 2020 have certified that the Acquirer and the PACs have adequate financial resources to fulfill all the obligations under SEBI (SAST) Regulations.
- 6.2.7. Based on the aforesaid financial arrangements and on the confirmation received from the Escrow Banker and the certificate received from the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligation.

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

### **7.1. Operational Terms and Conditions**

- 7.1.1. The Offer is not conditional upon any minimum level of acceptances from shareholders in terms of Regulation 19 of SEBI (SAST) Regulations, 2011.
- 7.1.2. The Company shall dispatch the Letter of Offer through electronic means (to the Eligible Shareholders who have registered their email ids with the depositories). The Company shall also dispatch the Letter of offer through physical mode by Registered post/ speed post who are Shareholders of the Target Company as on Identified Date. In case of non-receipt of Letter of Offer please follow the procedure as mentioned in section 8 of this LOF.
- 7.1.3. The marketable lot for Equity Shares for the purpose of this offer shall be 1 (one).
- 7.1.4. The Offer is subject to the terms and conditions set out in this Letter of Offer, the PA, the DPS and any other Public Announcement(s) that may be issued with respect to the Offer.
- 7.1.5. This Letter of Offer would also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in).
- 7.1.6. This Offer is subject to the receipt of the statutory and other approvals as mentioned in Para 7.4 of this Letter of Offer. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, if the statutory approvals are refused, the Offer would stand withdrawn.
- 7.1.7. Accidental omission to dispatch this Letter of Offer to any Equity Shareholder entitled under this Open Offer or non- receipt of this Letter of Offer by any Equity Shareholder entitled under this Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Equity Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer. Alternatively, this Letter of Offer will also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in).
- 7.1.8. The acceptance of the Offer must be unconditional.
- 7.1.9. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 7.1.10. The Equity Shares tendered under this Offer shall be fully paid-up and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 7.1.11. The Equity shares offered under the offer should be free from all lien, charges, equitable interests, encumbrances.

## **7.2. Locked in shares:**

There are no locked in Equity Shares in the Target Company.

## **7.3. Eligibility for Accepting the Offer**

- 7.3.1. This Letter of Offer shall be dispatched to all Equity Shareholders/Beneficial Owners holding Equity Shares (except the present promoter group shareholders, parties to the Agreements, Acquirer and PACs) whose names appear in register of Target Company as on Thursday, December 17, 2020, the Identified Date.
- 7.3.2. This Offer is also open to persons who own Equity Shares in Target Company but are not registered Shareholders as on the Identified date.
- 7.3.3. All Equity Shareholders/Beneficial Owners (except the present Promoter Group, parties to the Agreement, the Acquirer and the PACs) who own Equity Shares of Target Company any time before the closure of the Offer are eligible to participate in the Offer.
- 7.3.4. The acceptance of this Offer by the Equity Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 7.3.5. The acceptance of this Offer is entirely at the discretion of the Equity Shareholder(s)/Beneficial owner(s) of Target Company.
- 7.3.6. The acceptance of Shares tendered in the Offer will be made by the Registrar in consultation with the Manager to the Offer.

## **7.4. Statutory and Other Approvals**

- 7.4.1. As on date of this LOF, to the best of the knowledge of the Acquirer and the PACs, there are no statutory approvals or other approvals required to implement the Offer. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory approvals. The Acquirer and the PACs will not proceed with the Offer in the event that such statutory approvals becoming applicable prior to completion of the Offer are refused in terms of Regulation 23 (1) of SEBI (SAST) Regulations. In the event of withdrawal, the Acquirer and the PACs (through the Manager to the Offer) shall within 2 Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of SEBI (SAST) Regulations.
- 7.4.2. As on date of LOF, to the best of the Knowledge of the Acquirer and the PACs, no approval will be required from any Bank/Financial Institutions for the purpose of this offer.
- 7.4.3. Non-Resident Indians (“NRIs”) and Overseas Corporate Bodies (“OCBs”) holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to the Offer (including without limitation, the approval from the Reserve Bank of India (“RBI”) or the Foreign Investment Promotion Board (“FIPB”)) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, Foreign Portfolio Investors (“FPIs”), Qualified Foreign Investors (“QFIs”) and Foreign Institutional Investors (“FIIs”)) require any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to the Offer, along with the other documents required to be tendered to accept the Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in the Offer.

- 7.4.4 Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer and the PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 7.4.5 Subject to the receipt of statutory and other approvals, if any, the Acquirer and the PACs shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Public Shareholders whose documents are found valid and are in order and are accepted for acquisition by the Acquirer and the PACs.
- 7.4.6 In terms of Regulation 18(11) of the SEBI (SAST) Regulations, the Acquirer and the PACs shall be responsible to pursue all statutory approvals required by the Acquirer and the PACs in order to complete the Open Offer without any default, neglect or delay, including RBI approval under FEMA regulations for shares tendered by non-resident shareholders.
- 7.4.7 In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer and the PACs or the failure of the Acquirer and the PACs to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer and the PACs agreeing to pay interest to the Eligible Shareholders as directed by the SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations. Further, in event of non-fulfillment of obligations under the SEBI (SAST) Regulation by the Acquirer or the PACs, Regulation 17(9) of SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
- 7.3.7. The Acquirer will have the right not to proceed with the Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of the Offer, a public announcement will be made (through the Manager to the Offer) stating the grounds and reasons for the withdrawal of the Offer in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, within two working days of such withdrawal in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

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

### **8.1 Acquisition Window Facility or Offer to Buy (OTB)**

- 8.1.1 Pursuant to SEBI (SAST) Regulations, the Acquirer is required to facilitate tendering of the Equity Shares by the Public Shareholders of the Company and the Settlement of the same, through the stock exchange mechanism provided by SEBI. Also, SEBI vide its circular dated April 13, 2015 on 'Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Pursuant to the Delisting Regulations, the Acquirer is required to facilitate tendering of the Equity Shares by the Public Shareholders and the settlement of the same, through the Stock Exchange Mechanism (*defined below*) provided by BSE. SEBI has further vide its circular dated December 9, 2016 on 'Streamlining the process for Acquisition of Shares pursuant to Tender-Offers made for Takeovers, Buyback and Delisting of Securities (the "**SEBI Circulars**") has set out the procedure for tendering and settlement of Equity Shares through the Stock Exchange (the "**Stock Exchange Mechanism**"). Further, it provides that the BSE shall take steps and put in place the necessary infrastructure and systems for implementation of the Stock Exchange Mechanism and to ensure compliance with requirements of the SEBI Circulars. Pursuant to the SEBI Circulars, BSE has issued guidelines detailing the mechanism for acquisition of shares through Stock Exchange.
- 8.1.2 The Acquirer and the PACs have chosen Acquisition Window Facility or OTB (offer to buy) provided by the BSE.
- 8.1.3 The cumulative quantity tendered shall be displayed on the website of BSE at specific intervals during Offer Period.

**8.2 Procedure to be followed by Public Shareholders in respect of Equity Shares held in dematerialised form:**

- 8.2.1 Public Shareholders who desire to tender their Equity Shares in the electronic form under the Offer would have to do so through their respective Seller Member by indicating the details of the Equity Shares they intend to tender under the Offer. Public Shareholders should tender their Equity Shares through stock-brokers registered with BSE only. **Public Shareholders should not place orders through Company, Acquirer, PACs, Manager to the Offer or the Registrar to the Offer.** In the event Selling Member of any Shareholder is not registered with BSE trading member/ stock broker, then that Shareholder can approach any BSE registered stock broker and can register himself by using quick unique client code (“UCC”) facility through that BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable law).
- 8.2.2 The Seller Member would be required to place an order on behalf of the Shareholders who wish to tender Equity Shares in the Offer using the Acquisition Window of BSE. Before placing the order, the Shareholder would need to transfer the Equity Shares to the respective Seller Member’s pool account, who will in-turn tender the Equity Shares to the early pay-in mechanism/ special account of the Clearing Corporation of India Limited (“**Clearing Corporation**”), by using the settlement number and the procedure prescribed by the Clearing Corporation. This shall be validated at the time of order/ bid entry.
- 8.2.3 After the orders have been placed by the Public Shareholders through their broker member using the Acquisition Window of BSE, the Bids will be transferred to the respective Seller Member’s pool account, who will in-turn tender the Equity Shares to the early pay-in mechanism of the Clearing Corporation
- 8.2.4 The details of settlement number shall be informed in the offer opening circular/ notice that will be issued by BSE/ Clearing Corporation before the Offer Opening Date.
- 8.2.5 For custodian participant orders for Equity Shares in dematerialised form, early pay-in is mandatory prior to confirmation of the relevant order by the custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the Offer Closing Date. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any modification to an order shall be deemed to revoke the custodian confirmation relating to such order and the revised order shall be sent to the custodian again for confirmation.
- 8.2.6 Upon placing the order, the Seller Member shall provide a Transaction Registration Slip (“**TRS**”) generated by the exchange bidding system to the Public Shareholder. The TRS will contain the details of the order submitted such as Order/ Bid ID No., Depository Participant ID, Client ID, No. of Equity Shares tendered, etc.
- 8.2.7 ***Please note that submission of Form of Acceptance and TRS is not mandatorily required in case of Offer Shares held in dematerialised form.***
- 8.2.8 The Clearing Corporation will hold the Equity Shares until the Acquirer completes its obligations under the Offer in accordance with SEBI (SAST) Regulations.
- 8.2.9 In case of non-receipt of the Letter of Offer/ Form of Acceptance, a copy may be obtained by writing (on plain paper, signed by the respective Public Shareholder, stating name and address, client ID number, Depository Participant name/ ID, beneficiary account number to the Registrar to the Offer/ Manager to the Offer, clearly marking the envelope “Hindustan Everest Tools Limited - Open Offer”. Alternatively, such Public Shareholder may download the Form of Acceptance from the websites of BSE Limited, Hindustan Everest Tools Limited, Keynote Financial Services Limited and MAS Services Limited at [www.bseindia.com](http://www.bseindia.com), [www.everesttools.com](http://www.everesttools.com), [www.keynoteindia.net](http://www.keynoteindia.net) and [www.masserv.com](http://www.masserv.com), respectively.
- 8.2.10 Public Shareholders will be required to approach their respective Seller Member and have to ensure that their order is entered by their Seller Member in the electronic platform to be made available by the BSE before the Offer Closing Date.
- 8.2.11 The Shareholders will have to ensure that they keep the depository participant account active and unblocked to receive credit in case of return of Equity Shares due to rejection/ non acceptance of Offer.

### **8.3 Procedure to be followed by Public Shareholders in respect of shares held in physical form:**

- 8.3.1 SEBI vide their Circular SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 has allowed shareholders holding shares in physical form to tender their shares in the Open Offer. The procedure for the same is as mentioned below:
- 8.3.2 Public Shareholders who hold shares in physical form and intend to participate in the Offer will be required to do so through Seller Member. Public Shareholders should submit their orders through stock brokers registered with BSE only. In the event Selling Member of any Shareholder is not registered with BSE trading member/ stock broker, then that Shareholder can approach any BSE registered stock broker and can register himself/ herself by using quick unique client code (UCC) facility through that BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable laws). Public Shareholders holding Shares in physical form and intending to participate in the Offer should approach their Seller Member along with the following complete set of documents to allow for verification procedure to be carried out:
- i. Original share certificate(s);
  - ii. Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered shareholders in the same order and as per the specimen signatures registered with the Company and Registrar to the Offer) and duly witnessed at the appropriate place authorizing the transfer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate/notary public/bank manager under their official seal;
  - iii. Self-attested PAN card copy (in case of joint holders, PAN card copies of all transferors);
  - iv. Form of Acceptance duly signed (by all Public Shareholders in cases where shares are held in joint names) in the same order in which they hold the shares;
  - v. Any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Company, the Public Shareholder would be required to submit a self-attested copy of proof of address consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
  - vi. Declaration by joint holders consenting to tender Equity Shares in the Offer, if applicable, and upon placing the order, the Seller Member shall provide a TRS generated by the Exchange bidding system to the Public Shareholder. The TRS will contain the details of the order submitted such as Folio No., Certificate No., Distinctive No., No. of Offer Shares tendered, etc.
- 8.3.3 The Seller Member/Public Shareholder should ensure the documents are delivered along with TRS either by registered post or courier or by hand delivery to the Registrar to the Offer at the address given in this LOF within 2 (two) days of bidding by the Seller Member. The envelope should be marked as “Hindustan Everest Tools Limited - Open Offer”.
- 8.3.4 Public Shareholders holding shares in physical form should note that the Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the shares by the Acquirer shall be subject to verification of documents. The Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and until such time as the BSE shall display such orders as ‘unconfirmed physical orders’. Once, the Registrar to the Offer confirms the orders it will be treated as ‘Confirmed orders’. Orders of Public Shareholders whose original share certificate(s) and other documents along with TRS are not received by the Registrar to the Offer two days after the Offer Closing date shall be liable to get rejected.
- 8.3.5 In case of non-receipt of the Letter of Offer/ Form of Acceptance, Public Shareholders holding Equity shares in physical form can make an application in writing on plain paper, signed by the respective Public Shareholder, stating name and address, folio number, share certificate number, distinctive number and number of Equity shares tendered for the Offer thereof, enclosing the original share certificates and other documents. Public Shareholders will be required to approach their respective

Seller Member and have to ensure that their order is entered by their Seller Member in the electronic platform to be made available by the BSE before the Offer Closing Date.

- 8.3.6 The Registrar to the Offer will hold the share certificate(s) and other documents until the Acquirer complete their obligations under the Offer in accordance with the SEBI (SAST) Regulations.

#### **8.4 Mode of Settlement**

Upon finalization of the basis of acceptance as per the SEBI (SAST) Regulations:

- 8.4.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 8.4.2 The Acquirer / PACs will pay the consideration payable towards purchase of the Equity Shares to the Buyer Broker who in turn will transfer the funds to the Clearing Corporation, on or before the pay-in date for settlement as per the secondary market mechanism. For the dematerialised Equity Shares acquired in the Offer, the Public Shareholders will receive the consideration in their bank account attached to the depository account from the Clearing Corporation. If bank account details of any Public Shareholder are not available or if the fund transfer instruction is rejected by the RBI or relevant bank, due to any reasons, then the amount payable to the relevant Public Shareholder will be transferred to the concerned Seller Members for onward transfer to such Public Shareholder. In case of physical shares, the Clearing Corporation will release the funds to the Seller Member as per the secondary market mechanism for onward transfer to Public Shareholders.
- 8.4.3 In case of certain client types viz. non-resident Indians, non-resident clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out will be given to their respective Seller Member's settlement accounts for releasing the same to their respective Public Shareholder's account onward. For this purpose, the client type details will be collected from the depositories whereas funds payout pertaining to the orders settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Stock Exchange and the Clearing Corporation from time to time.
- 8.4.4 The Equity Shares acquired in dematerialised form shall be transferred by the Buyer Broker to the accounts of the Acquirer / PACs on receipt of the Equity Shares pursuant to the clearing and settlement mechanism of the Stock Exchange. Offer Shares acquired in physical form will be transferred directly to the Acquirer by the Registrar to the Offer.
- 8.4.5 In case of rejected dematerialised offer shares, if any, tendered by the Public Shareholders, the same would be transferred by the Clearing Corporation directly to the respective Shareholder's Depository Participant account, as part of the exchange payout process. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the respective Shareholder. The Seller Member/ custodian participants would return these unaccepted Offer Shares to their respective clients (i.e. the relevant Public Shareholder(s)) on whose behalf the orders have been placed. Equity Shares tendered in physical form will be returned to the respective Public Shareholders directly by Registrar to the Offer.
- 8.4.6 Public Shareholders who intend to participate in the Offer should consult their respective Seller Member for payment of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Public Shareholders for tendering their Equity Shares in the Delisting Offer (secondary market transaction).
- 8.4.7 In case of delay/ non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders as directed by SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations, 2011.

8.4.8 Shareholders of the Target Company who are either non-resident Indians or Overseas Corporate Bodies and wish to tender their Equity Shares in this Open Offer shall be required to submit all the applicable Reserve Bank of India ("RBI") approvals (specific and general) which they would have obtained at the time of their acquisition of the Equity Shares of the Target Company. In the event such RBI approvals are not submitted, the Acquirer reserves the sole right to reject the Equity Shares tendered by such Shareholders in the Open Offer. This Open Offer is subject to receipt of the requisite RBI approvals, if any, for acquisition of Equity Shares by the Acquirer from NRIs and OCBs. While tendering the Equity Shares under the Open Offer, NRIs/OCBs/foreign shareholders will also be required to submit a Tax Clearance Certificate from Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the Consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire Consideration amount payable to such Shareholder.

## 8.5 Other Details

8.5.1 Persons who have acquired the Equity Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired the Equity Shares of the Target Company after the Identified Date or those who have not received this Letter of Offer, may also participate in this Offer.

8.5.2 BSE shall be the Designated Stock Exchange for the purpose of tendering Equity Shares in the Offer.

8.5.3 The Acquirer has appointed Keynote Capitals Limited ("**Buying Broker**") as its broker for the Offer through whom the purchases and settlement of Offer shall be made during the tendering period. The contact details of the Buying Broker are as mentioned below:

# KEYNOTE

## Keynote Capitals Limited

Address: The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (W), Mumbai – 400 028

Contact Person: Mr. Alpesh Mehta.

Email: [alpesh@keynoteindia.net](mailto:alpesh@keynoteindia.net)

Tel.: +91-22-6826 6000

8.5.4 Modification/ Cancellation of orders will not be allowed during the tendering period of the Open Offer.

8.5.5 Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares offered, the Acquirer shall accept those Equity Shares validly tendered by the Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot.

8.5.6 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Equity Shares that are the subject of litigation, wherein the Public Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. The Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

8.5.7 This Letter of Offer will be mailed/dispatched to all the eligible shareholders of the Target Company. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. The Letter of Offer would also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in).

## 9. COMPLIANCE WITH TAX REQUIREMENTS

- 9.1 Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain (in excess of ₹ 1 lakh) realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to capital gains tax in India @ 10% if Securities Transaction Tax (“STT”) has been paid on the transaction.
- 9.2 STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less which are sold, will be subject to short term capital gains tax @ 15% provided the transaction is chargeable to STT.
- 9.3 The above tax rates are subject to applicable rate of surcharge, Health and Education cess. The tax rate and other provisions may undergo changes.
- 9.4 In case of Resident Shareholders: In absence of any specific provision under the Income-Tax Act, 1961, the Acquirer shall not deduct tax on the consideration payable to resident shareholders pursuant to the Offer.
- 9.5 In case of Non-Resident Shareholders: Under the existing Indian tax laws, any gains paid to a non-resident is subject to deduction of tax at source, unless capital gains are realized by the FPIs or such gains which are exempt from tax. Since the offer is through the stock exchange mechanism, the Acquirer will not be able to withhold any taxes, and thus, the Acquirer believes that the responsibility of withholding / discharge of the taxes due on such gains (if any) is solely on the custodians / authorized dealers / non-resident shareholders – with no recourse to the Acquirer or the PACs.
- 9.6 It is therefore important that the non-resident shareholders consult their custodians / authorized dealers/ tax advisors appropriately and immediately pay taxes in India (either through deduction at source or otherwise). In the event the Acquirer or the PACs are held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer or the PACs are entitled to be indemnified.

**PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER OR THE PACS DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.**

## 10. DOCUMENTS FOR INSPECTION

In light of the SEBI Circular - SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020 providing Relaxations relating to procedural matters – Takeovers and Buy-back, in view of the impact of the COVID19 pandemic and the lockdown measures undertaken by Central and State Governments, the documents will be available for inspection electronically. The mail requesting documents should be done on [mbd@keynoteindia.net](mailto:mbd@keynoteindia.net) any day during the period from the Date of Commencement of the Tendering Period till the Date of Closing of the Tendering Period.

- 10.1. Incorporation Certificate of Algoquant Financial LLP (Acquirer).
- 10.2. MOU between Acquirer and Keynote Financial Services Limited dated October 24, 2020.
- 10.3. Letter from Registrar to the Offer i.e. MAS Services Limited dated September 30, 2020 duly accepted by Acquirer.
- 10.4. Share Purchase Agreement dated October 24, 2020 entered into between the Acquirer and the Sellers.
- 10.5. Public Announcement submitted to the Stock Exchange on October 24, 2020.
- 10.6. Copy of the Detailed Public Statement published by the Manager to the Offer on behalf of the Acquirer on November 02, 2020.

- 10.7. Net-worth Certificate dated October 22, 2020, issued by Mr. Vaibhav Gupta (Membership No. 099715), Partner at VGG & Co. Chartered Accountants, (Firm Registration No. 031985N) certifying net worth of the Acquirer.
- 10.8. Net-worth Certificates dated October 28, 2020, issued by Mr. Vaibhav Gupta (Membership No. 099715), Partner at VGG & Co. Chartered Accountants, (Firm Registration No. 031985N) certifying net worth of the PACs.
- 10.9. Certificates dated October 28, 2020, issued by Mr. Vaibhav Gupta (Membership No. 099715), Partner at VGG & Co. Chartered Accountants, (Firm Registration No. 031985N) certifying the adequacy of financial resources of the Acquirer and PACs to fulfill the obligations under this Offer.
- 10.10. Escrow Agreement dated October 23, 2020 between the Acquirer, the Manager to the Offer and the Escrow Bank.
- 10.11. Confirmation Letter received from the Escrow Bank confirming the receipt of the cash deposit in the Escrow Account.
- 10.12. Share Escrow Agreement dated October 24, 2020 between the Acquirer, the Manager to the Offer and the Depository Participant: Keynote Capitals Limited.
- 10.13. Audited financial results of the Acquirer for the quarter ended June 30, 2020 and for the financial years (FY) ended March 31, 2020 and 2019.
- 10.14. Unaudited limited review financial results for the quarter ended June 30, 2020 and audited financial statements for the financial years (FY) ended March 31, 2020, 2019 and 2018 of the Target Company.
- 10.15. Copy of the recommendation made by the committee of the Independent Directors of the Target Company.
- 10.16. SEBI observation letter no. SEBI/HO/CFD/DCR-1/OW/P/2020/21886/1 dated December 15, 2020 on the Draft Letter of Offer.

## **11. DECLARATION BY THE ACQUIRER AND THE PACS**

- 11.1. Unless stated otherwise, the Acquirer and the PACs accept full responsibility for the information contained in the LOF, including the attached form of acceptance cum acknowledgement (other than such information relating to the Target Company which has been obtained from public sources and sellers or the Target Company).
- 11.2. The Acquirer and the PACs accept full responsibility for their obligations under the Offer and shall be responsible for ensuring compliance with the SEBI (SAST) Regulations.
- 11.3. The Manager to the Offer hereby states that the person signing this Letter of Offer on behalf of Acquirer and the PACs has been duly authorized by the Acquirer and the PACs to sign this Letter of Offer.

**For and on behalf of Algoquant Financials LLP (Acquirer)**

**Sd/-**

Dhruv Gupta  
**Designated Partner/ PAC1**

**Sd/-**

Devansh Gupta  
**Designated Partner/ PAC2**

**Date:** December 17, 2020

**Place:** Delhi

**FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT (FOA)**

**(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)**

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

**(Please send this Form of Acceptance with enclosures to the Registrar to the Offer)**

<b>OFFER OPENS ON:</b>	Friday, January 1, 2021
<b>OFFER CLOSES ON:</b>	Friday, January 15, 2021

Please read the Instructions overleaf before filling-in this Form of Acceptance

FOR OFFICE USE ONLY	
Number of Equity Shares Offered	
Number of Equity Shares accepted	
Purchase Consideration (₹)	
Cheque/Demand Draft/Pay Order No.	

**Shareholders Details**

Shareholder's details. (Please use BLOCK CAPITALS)				
Holder	Full Name	PAN	Signature	
First/ Sole				
Second				
Third				
<i>Note: In case of joint holdings, full name of all the joint holders must appear in the same order as appearing in the demat account.</i>				
Contact details	Tel No:			
	Mobile No:			
	Email Id:			
Address of the First/Sole holder (with pin code)				
Type of investor (Please tick (✓) the box to the right of the appropriate category)	Individual(s)	<input type="checkbox"/>	NRI (non-repatriable)	<input type="checkbox"/>
	Hindu Undivided Family	<input type="checkbox"/>	NRI (repatriable)	<input type="checkbox"/>
	Body Corporate	<input type="checkbox"/>	FPI	<input type="checkbox"/>
	Mutual Fund	<input type="checkbox"/>	Insurance Company	<input type="checkbox"/>
	Banks/ Financial Institution	<input type="checkbox"/>	Other (please specify)	<input type="checkbox"/>
Date and Place of Incorporation of the holder (if applicable)				

To,  
The Acquirer & PACs  
C/o **MAS Services Limited**  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II, New Delhi – 110 020

**Sub.: Open Offer for acquisition of up to 4,17,872 equity shares of face value of ₹10/- (Rupees Ten only) each of Hindustan Everest Tools Limited (the ‘Target Company’) representing 26.00% of total fully paid up equity share capital (“voting share capital”) of Target company for cash, at price of ₹ 97/- (Rupees Ninety Seven Only) per equity share by Algoquant Financials LLP (“Acquirer”) together with Mr. Dhruv Gupta (“PAC 1”) and Mr. Devansh Gupta (“PAC 2”) (collectively referred to as “PACs”) as the persons acting in concert with the acquirer under SEBI (SAST) Regulations, 2011.**

Dear All,

1. I/We refer to the Letter of Offer dated December 17, 2020 for acquiring the Equity Shares held by me/us of Hindustan Everest Tools Limited. I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
2. I/We, unconditionally Offer to sell to the Acquirer & PACs the following Equity Shares in the Target Company held by me/ us at a price of ₹ 97/- (Rupee Ninety Seven only) per Equity Share.
3. Details of Equity Shares held and tendered/ offered under the offer:

Particulars	In figures	In words
Equity Shares held		
Number of Equity Shares Offered under the Open Offer		

FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM				
Depository Participant’s Name:				
DP ID Number:			NSDL <input type="checkbox"/>	<input type="checkbox"/>
Client ID Number:				
Number of Equity Shares offered:				
FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM				
Certificate Numbers	Registered Folio No.	Distinctive Numbers		No. of shares offered
		From	To	
<b>Total No. of Equity Shares:</b> <i>(If the space provided is inadequate please attach a separate continuation sheet)</i>				

4. I/We authorize the Acquirer & PACs to accept the Equity Shares so offered or such lesser number of Equity Shares that the Acquirer & PACs may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I/we further authorize the Acquirer & PACs to apply and obtain certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer & PACs to return to me/ us, Equity Share in respect of which the Offer is not found/ not accepted, specifying the reasons thereof.
5. I/ We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer & PACs make payment of

Consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be.

6. I/ We hereby warrant that the Equity Shares comprised in this Tender Offer are offered under open Offer free from all liens, equitable interest, charges and encumbrance.
7. I/We declare that there is no restraints/injunctions or other covenants of any nature which limits/restricts in any manner my/ our right to tender Equity Shares under the Open Offer and that I/ We am/are legally entitled to tender the Equity Shares.
8. I/We agree that the Acquirer & PACs will pay the Offer price as per the Stock Exchange mechanism
9. Details of the other Documents (duly attested) (Please ✓ as appropriate, if applicable) enclosed:

DEMAT SHAREHOLDERS			PHYSICAL SHAREHOLDERS		
1.	Copy of Acknowledged Demat Slip		1.	Original Share Certificate of Hindustan Everest Tools Limited.	
2.	Copy of Transaction Registration Slip		2.	Share Transfer Form (SH-4)	
3.	Other Documents, as applicable		3.	Copy of Transaction Registration Slip	
			4.	Self-attested copy of PAN Corporate Authorizations	
			5.	Other Documents, as applicable	

10. Bank Details

Bank Account Details	
<b>Name of the Account Holder</b>	
<b>Name of the Bank</b>	
<b>Branch</b>	
<b>IFSC Code</b>	
<b>Account Number</b>	
<b>Savings/Current/Others (please specify)</b>	
<b>9 Digit MICR Code</b>	

Yours faithfully,

Signed and Delivered:

	Full Name(s) of the Holders	Signature(s)*
<b>First/Sole Shareholder</b>		
<b>Joint Holder 1</b>		
<b>Joint Holder 2</b>		

\*Corporate must also affix rubber stamp and sign.

## **INSTRUCTIONS:**

1. This Offer will open on Friday, January 1, 2021 and close on Friday, January 15, 2021.
2. This Form of Acceptance has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Form of Acceptance.
3. The Public Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach their respective stock brokers and submit the following set of documents for verification procedure as mentioned below:
  - a) The relevant Form of Acceptance duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares.
  - b) Original share certificates.
  - c) Copy of the Permanent Account Number (PAN)Card.
  - d) Transfer deed (Form SH-4) duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares. (in case of physical shares)
  - e) A self-attested copy of address proof consisting of any one of the following documents i.e., valid Aadhaar Card, Voter Identity Card, Passport or driving license.
  - f) A Original cancelled cheque (name should be printed on it).
  - g) Other documents, if any.
4. Public Shareholders holding physical shares should note that such Equity Shares will not be accepted unless the complete set of documents is submitted.
5. All documents / remittances sent by or to Eligible Persons will be at their own risk and the Eligible Persons are advised to adequately safeguard their interests in this regard.
6. All documents as mentioned above shall be enclosed with the valid Form of Acceptance otherwise the shares will be liable for rejection. The shares shall be liable for rejection on the following grounds amongst others:
  - a) If share certificates of any other company are enclosed with the Form of Acceptance instead of the share certificate of the Company;
  - b) Non-submission of notarized copy of death certificate / succession certificate / probated/Will, as applicable in case any Eligible Person has deceased.
  - c) If the Eligible Person(s) bid the shares but the Registrar does not receive the share certificate; or
  - d) In case the signature in the Form of Acceptance and Form SH-4 doesn't match as per the specimen signature recorded with the Target Company /Registrar.

----- Tear along this line -----  
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**Acknowledgement Slip**

**Sub.: Open Offer for acquisition of up to 4,17,872 equity shares of face value of ₹10/- (Rupees Ten only) each of Hindustan Everest Tools Limited (the ‘Target Company’) representing 26.00% of total fully paid up equity share capital (“voting share capital”) of Target company for cash, at price of ₹ 97/- (Rupees Ninety Seven only) per equity share by Algoquant Financials LLP (“Acquirer”) together with Mr. Dhruv Gupta (“PAC 1”) and Mr. Devansh Gupta (“PAC 2”) (collectively referred to as “PACs”) as the persons acting in concert with the acquirer under SEBI (SAST) Regulations, 2011.**

Received from Mr./ Ms. ....

Address: .....

Form of Acceptance-cum-Acknowledgement for \_\_\_\_\_ Shares along with:

- Physical Shares:** Share Certificate(s) along with \_\_\_\_\_ number of Form SH 4- Securities Transfer Form(s) under Folio Number (s) \_\_\_\_\_
- TRS No.:** \_\_\_\_\_
- Other Documents, please specify:** \_\_\_\_\_

*(Tick whichever is applicable)*

Stamp of Registrar to the Offer:		Signature of the Official:		Date of Receipt:	
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**Note: All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:**

**C/o MAS Services Limited**  
T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi – 110 020  
**Tel:** 011 – 2638 7281, 82 & 83  
**Fax:** 011 – 2638 7384  
**E-mail:** info@masserv.com  
**Contact Person:** Mr. Sharwan Mangla  
**Website:** www.masserv.com  
**SEBI Registration No.:** INR 000000049  
**CIN:** U74899DL1973PLC006950

Business Hours (Except Public Holidays): Monday to Friday: 9:30 a.m. to 5:30 p.m. and on Saturday: 9:30 a.m. to 1:30 p.m.

**Form No. SH-4 - Securities Transfer Form**

**[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]**

Date of execution: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**FOR THE CONSIDERATION** stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: L74899DL1962PLC003634

Name of the company (in full): Hindustan Everest Tools Limited

Name of the Stock Exchange where the company is listed, (if any): BSE Limited

**DESCRIPTION OF SECURITIES:**

Kind/ Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares	₹ 10/-	₹ 10/-	₹ 10/-
No. of Securities being Transferred		Consideration received (Rs.)	
In figures	In words	In words	In figures
<b>Distinctive Number</b>	<b>From</b>		
	<b>To</b>		
<b>Corresponding Certificate Nos.</b>			

**Transferors' Particulars**

Registered Folio Number:

Name(s) in full

Signature(s)

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

I, hereby confirm that the transferor has signed before me.

Signature of the Witness: \_\_\_\_\_

Name of the Witness: \_\_\_\_\_

Address of the Witness: \_\_\_\_\_

Pincode: \_\_\_\_\_

**Transferee's Particulars**

<b>Name in full</b>	<b>Father's/ mother's / Spouse Name</b>	<b>Address &amp; E-mail id</b>	<b>Occupation</b>	<b>Existing folio No., if any.</b>	<b>Signature</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>

**Folio No. Transferee**

**Specimen Signature of Transferee**

\_\_\_\_\_

\_\_\_\_\_

**Value of stamp affixed: Rs.** \_\_\_\_\_

**Enclosures:**

- (1) Certificate of shares or debentures or other securities**
- (2) If no certificate is issued, letter of allotment.**
- (3) Others, specify** \_\_\_\_\_

**Stamps**

**For office use only**

**Checked by** \_\_\_\_\_

**Signature tallied by** \_\_\_\_\_

**Entered in the Register of Transfer on** \_\_\_\_\_ **vide Transfer No** \_\_\_\_\_

**Approval Date** \_\_\_\_\_

**Power of attorney/Probate /Death Certificate/ Letter of Administration**

**Registered on** \_\_\_\_\_ **at No.** \_\_\_\_\_

**On the reverse page of the certificate**

**Name of the Transferor**

**Name of the Transferee**

**No. of shares**

**Date of Transfer**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Signature of the authorized signatory**