

KEYNOTE

Ref# HETL/Let-SEBI & SE/Am(01)

October 24, 2020

BSE Ltd.

Corporate Relation Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Dear Sir,

**Reg.: Open Offer to the Public Equity Shareholders of Hindustan Everest Tools Limited (“Target Company”)
[Scrip Code: 505725]**

We are pleased to inform you that our services have been retained by Algoquant Financials LLP (“Acquirer”) to act as Manager to the proposed Open Offer being made to the public equity shareholders of Hindustan Everest Tools Limited (“Target Company”) in terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“SAST Regulations”).

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 and Mandelia Investments Private Limited (the “MIPL”). Pursuant to the said SPA, the Acquirer and the PAC’s have 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 Mandelia and Mr. Bal Gopal Mandelia, respectively, representing 0.02% and 0.03% of the paid-up share Capital of the Target Company.

Consequent to the entering of the said SPA, 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.

The Open Offer is being made to acquire up to 4,17,872 Equity Shares of face value ₹ 10/- each constituting 26% of the paid up equity share capital at an offer price of ₹ 97/- (“Offer Price”) per equity share aggregating to ₹4,05,33,584/- (Offer Size) in cash from the Public Shareholders of the Target Company, subject to terms and conditions mentioned in the Public Announcement and the Detailed Public Statement (“DPS”) and Letter of Offer (“LOO”) proposed to be issued in accordance with SAST Regulations.

We are enclosing herewith the Public Announcement issued on behalf of the Acquirer and PACs as required in terms of the Regulation 12(2) and 14(1) of SAST Regulations. We request you to take the same on record and do the needful.

Should you require any further information we shall be pleased to furnish the same.

Thanking you and assuring you of our best co-operation at all times.

Yours Sincerely,
For **KEYNOTE FINANCIAL SERVICES LIMITED**



Uday S. Patil
Director – Investment Banking

Encl.: a/a

Keynote Financial Services Limited

(formerly Keynote Corporate Services Limited)

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (W), Mumbai – 400028

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CIN: L67120MH1993PLC072407

**PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF
HINDUSTAN EVEREST TOOLS LIMITED**

(Under Regulations 3(1), 4, 5(1) and 5(2) read with Regulation 13(2)(f), 14 and 15(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereto as amended)

Open Offer for acquisition of up to 4,17,872 fully paid up Equity Shares representing 26.00% of the paid up Equity Share Capital (“Voting Share Capital”) of face value ₹ 10/- each at a price of ₹ 97/- (Rupees Ninety Seven only) aggregating to ₹ 4,05,33,584/- (Rupees Four Crores Five Lakh Thirty Three Thousand Five Hundred and Eighty Four only) from the public shareholders of Hindustan Everest Tools Limited (the “Target Company”/ “HETL”) by Algoquant Financial LLP (“Acquirer”) together with Mr. Dhruv Gupta (“PAC1”) and Mr. Devansh Gupta (“PAC2) (collectively referred to as “PACs”) as the persons acting in concert with the Acquirer (“Open Offer” or “Offer”).

This Public Announcement (“PA”) is being issued by Keynote Financial Services Limited, the Manager to the Offer (“Manager”), for and on behalf of Acquirer and the PACs to the equity shareholders of the Target Company excluding the promoters and members of the promoter group of the Target Company, the Acquirer, parties to the Share Purchase Agreement (“SPA” / “Agreement”) and any persons acting or deemed to be acting in concert with any of them, pursuant to and in compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“SEBI (SAST) Regulations”).

1. Offer Details

Offer Size	This offer is being made for acquisition of up to 4,17,872 equity shares of face value ₹ 10/- each, representing 26.00% of the Paid Up Equity Share Capital of the Target Company, as of the 10 th working day from the closure of the Tendering Period of the Offer, subject to the terms and conditions as mentioned in this PA, Detailed Public Statement (“DPS”) and the Letter of Offer (“LOF”) to be issued in accordance with the SEBI (SAST) Regulations.
Offer Price / Consideration	The offer price is ₹ 97/- (Rupees Ninety Seven only) per fully paid up equity share (“Offer Price”), which has been determined in accordance with Regulations 8(2) and 8(5) of the SEBI (SAST) Regulations. Assuming full acceptance in the Open Offer, the aggregate consideration payable by the Acquirer in accordance with the SEBI (SAST) Regulations will be ₹ 4,05,33,584/- (Rupees Four Crores Five Lakh Thirty Three Thousand Five Hundred and Eighty Four only).
Mode of Payment	The Offer Price is payable in cash by the Acquirer and /or PACs in accordance with the provision of regulation 9(1)(a) of the SEBI (SAST) Regulations.
Type of Offer	This is a mandatory open offer made by the Acquirer and the PACs in compliance with Regulations 3(1), 4, 5(1) and 5(2) of the SEBI (SAST) Regulations. This Offer is not subject to minimum level of acceptance.

2. Transaction which has triggered the open offer obligations

- (a) 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”) and Mandelia Investments Private Limited (the “MIPL”).
- (b) Pursuant to the said SPA, the Acquirer has agreed to acquire 100% of the issued 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.
- (c) Additionally, the Acquirer has also agreed to acquire 405 and 406 equity shares of Target Company held by Shravan Kumar Mandelia and Bal Gopal Mandelia, respectively, representing 0.02% and 0.03% of the paid-up share Capital of the Target Company.

- (d) Accordingly, pursuant to the above mentioned points, 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. (“**Underlying Transaction**”)

Details of Underlying Transaction						
Type of Transaction	Mode of Transaction	Equity Shares or Voting Rights acquired/ proposed to be acquired		Total consideration for shares / Voting Rights (VR) acquired (₹)	Mode of Payment	Regulation which has triggered
		Number	% vis a vis total equity / voting capital			
Indirect acquisition of the shares of the Target Company by the Acquirer pursuant to the Underlying Transaction. This indirect acquisition will be regarded as a deemed direct acquisition under Regulation 5(2) of SEBI (SAST) Regulations (“ Indirect Acquisition ”)	The Acquirer has entered into a SPA for the Underlying Transaction. Pursuant to the SPA, the Acquirer will, upon completion of the underlying transaction, exercise substantial control and management of the Target Company	Pursuant to the SPA, the Acquirer has agreed to acquire 100% of the shareholding of MIPL. The above will, inter alia, result in the indirect acquisition of 8,34,470 equity shares which are held by MIPL in the Target Company, constituting 51.92% of voting share capital.		Not applicable as this is an indirect acquisition (*)	Not applicable as this is an indirect acquisition.	Regulation 3(1), 4, 5(1) and 5(2) of the SEBI (SAST) Regulations
Direct Acquisition	Share Purchase Agreement dated 24th October 2020 between the Acquirer and Shравan Kumar Mandelia and Bal Gopal Mandelia	811	0.05	77,045.00	Cash	N.A.

**As per the SPA, the Acquirer has taken into account a per share price of ₹95/- for the acquisition of the shares of the Target Company for the underlying transaction.*

3. Acquirer(s)/PAC

Details	Acquirer	PAC 1	PAC 2
Name of Acquirer(s)/PACs	Algoquant Financial LLP	Dhruv Gupta	Devansh Gupta
Address	Unit no. 503A, 5 th Floor, Tower A, World Trade Centre Block no. 51, Road 5E, Zone 5, Gift City, Gandhinagar, Gujarat	G-190, Preet Vihar, New Delhi – 110092	
Name(s) of persons in control/promoters of acquirer/ PACs where Acquirer/PACs are companies	Designated Partners: a) Dhruv Gupta b) Devansh Gupta	N.A.	N.A.
Name of the Group, if any, to which the Acquirer/PACs belongs to	The Acquirer and PACs does not belong to any group		
Pre-Transaction shareholding • Number % of total share capital	Nil		
Proposed shareholding after the acquisition of shares which triggered the Open Offer (Including Open Offer shares assuming full acceptance) • Number % of total share capital	See Note Below		
Any other interest in the Target Company	Nil		

Note:

Apart from the 811 equity shares (representing 0.05% of the voting share capital in the Target Company) to be acquired directly under the SPA the Acquirer has agreed to acquire 100% of the shareholding of MIPL. The above will, inter alia, result in the indirect acquisition of 8,34,470 equity shares which are held by MIPL in the Target Company, constituting 51.92% of voting share capital.

Collectively, on the completion of the underlying transaction as per the SPA and assuming successful completion of Open Offer of 26.00% (4,17,872 equity shares), the Acquirer and the PACs will hold 12,53,153 representing 77.97% of the total share capital in the Target Company.

4. Details of selling shareholders, if applicable

(a) Indirect Acquisition

Not Applicable - Pursuant to the SPA, the Acquirer has agreed to acquire 100% of the equity share capital of Mandelia Investments Private Limited. 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 be entitled to indirectly exercise 51.92% of Voting Share Capital of the Target Company.

(b) Direct Acquisition

Sr. No.	Name	Part of promoter group (Yes/ No)	Details of shares/ voting rights held by the selling shareholders			
			Pre-Transaction		Post Transaction	
			Number of shares	%	Number of shares	%
1.	Shravan Kumar Mandelia	Yes	405	0.025	Nil	Nil
2.	Bal Gopal Mandelia	Yes	406	0.025	Nil	Nil
	Total		811	0.05	Nil	Nil

5. Target Company

Name	Hindustan Everest Tools Limited
CIN	L74899DL1962PLC003634
Registered Office	Dohil Chambers 4th Floor, 46 Nehru Place New Delhi -110019
Exchanges where listed	BSE Limited (Scrip Code - 505725)

6. Other details:

- 6.1. The details of the Open Offer would be published in the newspapers vide a Detailed Public Statement on or before **October 30, 2020** in compliance with Regulation 13(4) and Regulation 14(3) of the SEBI (SAST) Regulations, 2011.
- 6.2. The Acquirer and PACs jointly and severally undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations. The Acquirer and PACs have confirmed that they have adequate financial resources to meet the obligations under the Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI SAST Regulations.
- 6.3. Completion of the Open Offer and the underlying transactions as envisaged under the SPA is subject to receipt of statutory approvals, if any, and satisfaction of the other condition's precedent set out in the DPS and the LOF.
- 6.4. This Public Announcement is not being issued pursuant to a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 6.5. This Offer is not conditional upon any minimum level of acceptance as per Regulation 19 of the SEBI (SAST) Regulations.
- 6.6. All information stated in this Public Announcement relating to the Target Company has been obtained from publicly available sources.

6.7. The Acquirer and the PACs accept full responsibility for the information contained in the Public Announcement.

Issued by the Manager to the Open Offer

KEYNOTE

Keynote Financial Services Limited

(formerly Keynote Corporate Services Limited)

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400028;

Tel: +91-22- 6826 6000-3; **E-mail:** mbd@keynoteindia.net; **Website:** www.keynoteindia.net;

Contact Person: Ms. Pooja Sanghvi/ Mr. Akhil Mohod

SEBI Registration No.: INM 000003606

For and on behalf of Algoquant Financial LLP (Acquirer)

Designated Partners	
Sd/- Dhruv Gupta (PAC 1)	Sd/- Devansh Gupta (PAC2)

Place: Delhi

Date: October 24, 2020