

**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 Financials 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**

<b>Offer Size</b>	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 <sup>th</sup> 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.
<b>Offer Price / Consideration</b>	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).
<b>Mode of Payment</b>	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.
<b>Type of Offer</b>	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 (“ <b>Indirect Acquisition</b> ”)	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 <b>24<sup>th</sup> October 2020</b> between the Acquirer and Shравan Kumar Mandelia and Bal Gopal Mandelia	811	0.05	<b>77,045.00</b>	<b>Cash</b>	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 Financials LLP	Dhruv Gupta	Devansh Gupta
Address	Unit no. 503A, 5 <sup>th</sup> 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
	<b>Total</b>		<b>811</b>	<b>0.05</b>	Nil	Nil

**5. Target Company**

<b>Name</b>	Hindustan Everest Tools Limited
<b>CIN</b>	L74899DL1962PLC003634
<b>Registered Office</b>	Dohil Chambers 4th Floor, 46 Nehru Place New Delhi -110019
<b>Exchanges where listed</b>	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](http://www.keynoteindia.net);

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

**SEBI Registration No.:** INM 000003606

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

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

**Place: Delhi**

**Date: October 24, 2020**



**DETAILED PUBLIC STATEMENT (DPS) IN TERMS OF REGULATION 3(1), 4, 5(1) AND 5(2) READ WITH REGULATION 13(2)(f), 14(3) AND 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AND SUBSEQUENT AMMENDMENTS THERETO TO THE ELIGIBLE EQUITY 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; Contact Person: Ms. Sonam Gupta - Company Secretary & Compliance Officer; Website: www.everesttools.com

**OPEN OFFER ("OFFER") FOR ACQUISITION OF UPTO 4,17,872 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH REPRESENTING 26% OF THE TOTAL PAID UP EQUITY SHARE CAPITAL ("VOTING SHARE CAPITAL") OF HINDUSTAN EVEREST TOOLS LIMITED ("TARGET COMPANY"/"COMPANY") AT AN OFFER PRICE OF ₹ 97/- PER SHARE TO THE PUBLIC SHAREHOLDERS OF THE COMPANY BY ALGOQUANT FINANCIALS LLP (THE "ACQUIRER") TOGETHER WITH MR. DHURV GUPTA ("PAC1") AND MR. DEVANSH GUPTA ("PAC2") (COLLECTIVELY REFERRED TO AS "PACs") AS THE PERSONS ACTING IN CONCERT WITH THE ACQUIRER.**

This Detailed Public Statement ("DPS") is being issued by Keynote Financial Services Limited the Manager to the Offer ("Manager"), for and on behalf of the Acquirer and the PACs, in compliance with Regulation 3(1), 4, 5(1) & 5(2) read with Regulations 13(2)(f), 14(3) & 15(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations") pursuant to the Public Announcement ("PA") dated October 24, 2020 issued in terms of Regulation 3(1), 4, and 5(2) of SEBI (SAST) Regulations and filed with BSE Limited ("BSE") and with Securities and Exchange Board of India ("SEBI") on October 24, 2020 and sent to the Target Company at its registered office on October 24, 2020.

For the purposes of this DPS, the following terms would have the meaning assigned to them herein below:

"**Equity Shares**" shall mean fully paid up equity shares of face value of ₹ 10/- each of Target Company.

"**Public Shareholders**" shall mean all the equity shareholders of the Target Company who are eligible to tender their shares in the Open Offer, excluding: (i) the promoters, members of the promoter group of the Target Company; (ii) the Acquirer and the PACs; (iii) parties to the SPA (defined below); and (iv) persons deemed to be acting in concert with such parties.

"**SEBI Act**" shall mean Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto.

"**Tendering Period**" has the meaning ascribed to it under the SEBI (SAST) Regulations.

"**Working Day**" means any working day of SEBI.

**ACQUIRER, PACs, SELLERS, TARGET COMPANY AND OFFER**

**A. Details of the Acquirer - Algoquant Financials LLP (Algoquant)**

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.

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.

3 The Designated Partners of the Acquirer are Mr. Dhruv Gupta and Mr. Devansh Gupta.

4 As on the date of this DPS, 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.

5 The Acquirer has entered into a Share Purchase Agreement ("SPA") dated October 24, 2020 with Shrawan Kumar Mandelia, Bal Gopal Mandelia, Shrawan Kumar Mandelia HUF, Bal Gopal Mandelia HUF (together hereinafter 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. Shrawan Kumar Madelia and Mr. Bal Gopal Madelia, respectively, representing 0.02% and 0.03% of the paid-up share Capital of the Target Company.

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.

7 The Net-worth of the Acquirer is ₹ 768.74 Lakhs 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.

8 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:

(₹ in lakhs)				
Particulars	Quarter ended June 30, 2020	FY 2020	FY 2019	
Total Revenue	3,344.98	2,113.43	403.51	
Net Income (Net Profit after tax)	273.49	155.08	69.11	
Total Partners' Capital	768.74	495.25	101.41	

**B. Details of Mr. Dhruv Gupta ("PAC1")**

1 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 managing risk & technology and is also involved in seed funding of tech-focused early stage start-ups.

2 As on date of DPS, Mr. Dhruv Gupta does not hold any equity shares in the Target Company.

3 The Net-worth of Mr. Dhruv Gupta is ₹ 2,715.57 Lakhs 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 Mr. Dhruv Gupta does not hold any position as a director in any listed entity.

**C. Details of Mr. Devansh Gupta ("PAC2")**

1 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 managing business and trading operations.

2 As on date of DPS, Mr. Devansh Gupta does not hold any equity shares in the Target Company.

3 The Net-worth of Mr. Devansh Gupta is ₹ 527.75 Lakhs 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, (Membership No. 099715) (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 Mr. Devansh Gupta does not hold any position as a director in any listed entity.

**D. Details of Sellers**

There is no sale of equity shares of the Target Company, by the Sellers to the Acquirer. However the Sellers (Shrawan Kumar Mandelia, Bal Gopal Mandelia, Shrawan Kumar Mandelia HUF, Bal Gopal Mandelia HUF) have sold 100% holding of MIPL to the Acquirer, which resulted 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. Shrawan 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.

**E. Details of the Target Company - Hindustan Everest Tools Limited (HETL)**

1 The Target Company was incorporated as Hindustan Dovidat 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.

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.

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 Sonapat, 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.

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 The Target Company does not have any partly paid up equity shares (including warrants), fully / partly convertible securities or employee stock options.

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

7 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.

8 The key financial information of the Target Company 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:

(₹ in Lakhs)				
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
Total Revenue (including other income)	15.15	160.78	61.99	5,886.74 <sup>(1)</sup>
Profit/ Loss After Tax	95.82 <sup>(2)</sup>	(1,462.87) <sup>(3)</sup>	(103.15)	5,176.89
Earnings Per Share (EPS in ₹)	7.01	24.12	6.42	322.11
Equity Share Capital	160.72	160.72	160.72	160.72
Other Equity	1,573.54	1,477.72	2,940.59	3,043.73
Net-worth / Shareholders Funds	1,734.26	1,638.44	3,101.31	3,204.45

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 lakhs as MAT credit entitlement. As in the financial year ended 31st March 2019 and 31st 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 Lakhs was recorded in these financial results and it was disclosed as exceptional item.

**F. Details of the Offer**

1 This Offer is a mandatory offer being made under Regulation 3(1), 4, 5(1) and 5(2) of the SEBI (SAST) Regulations. This Offer is triggered pursuant to an indirect acquisition of the Equity Shares, voting rights and control of the Target Company by the Acquirer. The thresholds specified under Regulation 5(2) of the SEBI (SAST) Regulations are being met.

2 The Acquirer and PACs are making this Open Offer to acquire 4,17,872 Equity Shares of ₹ 10/- each of the Target Company, representing 26% of the Equity Share Capital of the Target Company at a price of ₹ 97/- (Rupees Ninety Seven only) per Equity Share ("Offer Price"). Assuming full acceptance of the Offer, the aggregate consideration payable to the Public Shareholders will be ₹ 4,05,33,584/- (Rupees Four Crores Five Lakhs Thirty-Three Thousand Five Hundred and Eighty Four only), payable in cash.

3 All the owners of the Equity Shares of the Target Company registered or unregistered except the Acquirer, the Selling Shareholders and Person acting in concert with them (if any) are eligible to participate in the Offer in terms of Regulation 7(6) of the SEBI (SAST) Regulations.

4 The Offer Price is payable in cash, in accordance with Regulation 9(1)(a) of SEBI (SAST) Regulations.

5 All the Equity Shares validly tendered by the Public Shareholders in this Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this DPS and the terms and conditions which will be set out in the letter of offer to be sent to all public shareholders in relation to this Offer ("Letter of Offer"), the relevant provisions of the SEBI (SAST) Regulations, and applicable law.

6 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 right 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.

7 To the best of the knowledge of the Acquirer and the PACs, as on date of DPS there are no statutory approvals or other approvals required to implement the Open Offer other than that indicated in section VI of this DPS. 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 other statutory approvals. The Acquirer and the PACs will not proceed with the Offer in the event such statutory approvals are refused in terms of regulation 23 of SEBI (SAST) Regulations. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which this DPS has been published.

8 The Offer is not conditional on any minimum level of acceptance by the Public Equity Shareholders of the Target Company in terms of Regulation 19(1) of the SEBI (SAST) Regulations.

9 This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

10 There are no conditions in the underlying agreement i.e. Share Purchase Agreement (SPA) dated October 24, 2020 between the Selling Shareholders and the Acquirer, the meeting of which are outside the reasonable control of Acquirer, and in view of which the Offer might be withdrawn under regulation 23 of the SEBI (SAST) Regulations.

G. The Acquirer currently does 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 further undertakes 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.

H. The Manager to the Offer i.e. Keynote Financial Services Limited does not hold any Equity Shares in the Target Company as on date of their appointment as Manager to the Offer. They declare and undertake that they shall not deal in the Equity Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date on which the payment of consideration to the shareholders who have accepted the Open Offer is made, or the date on which the Open Offer is withdrawn as the case may be.

I. Pursuant to completion of this Open Offer, if the shareholding of the Public Shareholders in the Target Company falls below the minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Acquirer and/ or the PACs will ensure compliance with the minimum public shareholding requirements in such manner and timelines prescribed under applicable law.

**II. BACKGROUND TO THE OFFER**

A. The Acquirer has entered into a SPA dated October 24, 2020 with Mr. Shrawan Kumar Mandelia, Mr. Bal Gopal Mandelia, Shrawan Kumar Mandelia HUF, Bal Gopal Mandelia HUF (together hereinafter referred to as "**Sellers**"), Mandelia Investments Private Limited ("MIPL") and Hindustan Everest Tools Limited (the "**Target Company**"). 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.

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

Accordingly, pursuant to the 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 by the Acquirer and the PACs to the Public Shareholders of the Target Company in accordance with Regulations 3(1), 4, 5(1) and 5(2) of the SEBI (SAST) Regulations. The thresholds specified under Regulation 5(2) of the SEBI (SAST) Regulations are being met. The Open Offer is being made in terms of Regulation 3(1), 4 & 5(2) of SEBI (SAST) Regulations to the Eligible Shareholders of the Target Company to acquire 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, this DPS and the Letter of Offer that will be sent to the Public Shareholders of the Target Company.

B. The Offer Price is payable in cash, in accordance with Regulation 9(1)(a) of SEBI (SAST) Regulations.

C. 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 0.06% 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.

**D. OBJECT AND PURPOSE OF ACQUISITION**

The Acquirer has entered into an agreement with the promoters of MIPL to acquire its entire shareholding. 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.

**III. SHAREHOLDING AND ACQUISITION DETAILS**

The present and proposed shareholding of the Acquirer and the PAC's in the Target Company and details of their acquisition are as follows:

Details	Algoquant Financials LLP ("Acquirer")		Dhruv Gupta ("PAC1")		Devansh Gupta ("PAC2")		Total	
	No. of Equity Shares	% of Paid Up Equity Share Capital	No. of Equity Shares	% of Paid Up Equity Share Capital	No. of Equity Shares	% of Paid Up Equity Share Capital	No. of Equity Shares	% of Paid Up Equity Share Capital
Shareholding as on PA date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shares agreed to be acquired under SPA	8,34,470	51.92	Nil	Nil	Nil	Nil	8,34,470	51.92
• Pursuant to the acquisition of 100% of shareholding in MIPL, indirect acquisition of voting rights in Target company								
• Pursuant to the acquisition of shares from Shrawan Kumar Madelia and Bal Gopal Madelia, the Acquirer would directly hold	811	0.05	Nil	Nil	Nil	Nil	811	0.05
Shares acquired between the PA date and the DPS date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shares proposed to be acquired in the Open Offer*	64,288	4.00	1,76,792	11.00	1,76,792	11.00	4,17,872	26.00
Post Offer shareholding (On diluted basis as on 10 <sup>th</sup> working day after closing of tendering period)	8,99,569	55.97	1,76,792	11.00	1,76,792	11.00	12,53,153	77.97

\*Assuming full acceptance in the Open Offer.

Neither the Acquirer nor PACs hold any Equity Shares of the Target Company.

**IV. OFFER PRICE**

1) The Equity Shares of Hindustan Everest Tools Limited are listed on BSE (Scrip Code: 505725).

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 (12) calendar month prior to (PA)	Total Number of Equity Shares Listed	Trading Turnover (as % 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.

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.

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 volume, 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



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

#### VIII. PROCEDURE FOR TENDERING THE EQUITY SHARES (INCLUDING IN CASE OF NON RECEIPT OF LETTER OF OFFER)

- All Public Shareholders (except the Acquirer, PACs, Promoter, Promoter Group and the Sellers), holding Equity Shares whether in dematerialized form or physical form, registered or unregistered, are eligible to participate in this Offer at any time during the tendering period of this offer. The process for tendering the equity shares by the Public Shareholders will be elaborated in the Letter of Offer.
- A Letter of Offer specifying the detailed terms and conditions of this Offer along with the Form of Acceptance-cum-Acknowledgement ("**Form of Acceptance**") will be mailed/dispensed to all the Public Shareholders whose names appear in the register of members of the Target Company at the close of business hours on the Identified Date, i.e. Friday, December 04, 2020.
- Persons who have acquired Equity Shares 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 Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer by submitting an application on the plain paper giving details regarding their shareholding and confirming the consent to participate in this Offer as per the terms and conditions of this Offer as set out in this DPS and to be set out in the Letter of Offer. In the alternate, such eligible shareholders may apply in the form of Acceptance-cum-Acknowledgement in relation to the Offer that would be annexed to the Letter of Offer, which may also be obtained from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or from the website of MAS Services Limited ("**Registrar to the Offer**") at [www.masserv.com](http://www.masserv.com). The application along with all the other relevant documents required to be submitted shall be sent only to the Registrar to the Offer at the address mentioned below, so as to reach the Registrar to the Offer during business hours on or before the date of closing of the tendering period.
- The Offer will be implemented by the Acquirer and the PACs through Stock Exchange Mechanism made available by BSE in the form of separate window (Acquisition Window) as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI as amended by SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and BSE notices no. 20170202-34 dated February 02, 2017 and notice no. 20170210-16 and 20170210-23 dated February 10, 2017. A separate window would be provided by the Stock Exchange for this purpose.
- BSE shall be the Designated Stock Exchange for the purpose of tendering Equity Shares in the Offer.

- The Acquirer and the PACs have 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

- All Public Shareholders who desire to tender their Equity Shares under the Offer would have to approach their respective stock brokers ("**Selling Broker**"), during the normal trading hours of the secondary market during tendering period. The selling brokers can enter orders for demat shares as well as physical shares.
- The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender their Equity Shares in the Open Offer using the acquisition window of the BSE. Before placing the bid, the concerned Public Shareholder/Selling Broker would be required to transfer the tendered Equity Shares to the special account of Clearing Corporation of India Limited ("**Clearing Corporation**"), by using the settlement number and the procedure prescribed by the Clearing Corporation.
- The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during tendering period.
- Public Shareholders holding Equity shares in physical form:**
  - shall submit - Form of Acceptance duly signed (by all Public Shareholders in case Equity Shares are in joint names in the same order in which they hold the Equity Shares), Original share certificates, Valid shares transfer form(s) (Form SH-4), Self-attested copy of the Public Shareholder's PAN card and any other relevant documents to the Seller Broker, who shall in turn after placing the bid, forward the above mentioned documents along with the transaction registration slip generated by the Seller Broker to the Registrar to the Offer for their verification.
  - should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares shall be subject to verification as per the SAST Regulations and any further directions issued in this regard. Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and till such time the BSE shall display such orders as "unconfirmed physical bids". Once Registrar to the Offer confirms the orders, it will be treated as "Confirmed Bids".
- The detailed procedure for tendering the shares in the Offer will be available in the Letter of Offer, which shall**

**be available on SEBI's website at ([www.sebi.gov.in](http://www.sebi.gov.in))**

#### IX. OTHER INFORMATION

- The Acquirer and the PACs accept full responsibility for the information contained in the PA and this DPS and also for the obligations of the Acquirer and the PACs laid down in SEBI (SAST) Regulations and subsequent amendments made thereof.
- The PA and this DPS would also be available on SEBI's Website at ([www.sebi.gov.in](http://www.sebi.gov.in)).
- The Acquirer has appointed Keynote Financial Services Limited as the Manager to the Offer in terms of regulation 12 of the SEBI (SAST) Regulations and MAS Services Limited as Registrar to the Open Offer. The contact details are as mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
<h1>KEYNOTE</h1> <p><b>Keynote Financial Services Limited</b> <i>(formerly Keynote Corporate Services Limited)</i> The Ruby, 9th 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. S. K. 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>

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

**Sd/-**  
Dhruv Gupta  
**Designated Partner/ PAC1**

**Date:** October 30, 2020

**Place:** Delhi

**Sd/-**  
Devansh Gupta  
**Designated Partner/ PAC2**