

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder(s) of A. F. Enterprises Limited ("AFEL" or "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 your shares in the Company, 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 By

RMS MOSQUITO PRIVATE LIMITED ("RMS" or "Acquirer")

Registered office: House No. 27, Plot No. 19, Kadambari Appts., Sector-9, Rohini, New Delhi- 110085
Tel no: +91-11- 42804171

to the shareholder(s) of A. F. Enterprises Limited

Registered office: 241, Second Floor, RG Mall, Opposite Plot No. 39, Sector- 9, Rohini, New Delhi- 110085
Ph: +91-11- 45566913

To acquire upto 1040000 (Ten Lacs Forty Thousand) Equity Shares of the face value of Rs. 10 each ("Offer Shares"), representing in aggregate 26% of the expanded Equity Share capital of the Target Company at a price of Rs. 10/- (Rupees Ten Only) per fully paid up equity share of Rs. 10 each, payable in cash.

Please Note:

1. This Offer is being made by the Acquirer pursuant to regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations") consequent to the agreement for change in control and management of the Target Company.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of regulation 19(1) of SEBI (SAST) Regulations.
3. There are no statutory approvals required for the purpose of this Offer. If any statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such statutory approvals.
4. **This Open Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.**
5. **There has been no competing offer as on the date of this Letter of Offer.**
6. If there is any upward revision in the Offer Price or the number of Shares sought to be acquired under the Open Offer by the Acquirer, at any time prior to the commencement of the last three working days before the commencement of the tendering period i.e. upto Thursday, December 12, 2013, the same would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement appeared. Such revision in the Open Offer Price would be payable by the Acquirer for all the shares validly tendered anytime during the Tendering Period of the Open Offer.
7. A copy of the Public Announcement, the Detailed Public Statement, Draft Letter of Offer and Letter of Offer (including Form of Acceptance cum Acknowledgment) are also available on SEBI's website: www.sebi.gov.in.

MANAGER TO THE OFFER



SOBHAGYA CAPITAL OPTIONS LIMITED

SEBI Regn. No.: MB/INM000008571

Regd. Off.: B-206, Okhla Industrial Area, Phase- I, New Delhi- 110020.

Tel. No.: +91-11-40777000

Fax No.: +91-11- 40777069

Contact Person: Heemadri Mukerjea and Amit Kumar

Email id: delhi@sobhagyacap.com

Website: www.sobhagyacapital.com

REGISTRAR TO THE OFFER



TOWARDS EXCELLENCE

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

SEBI Regn. No.: INR000003241

Administrative Office: D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020.

Tel No.: +91-11- 26812682 to 83, 64732681 to 88

Fax No.: +91-11-26812682

Contact Person: Mr. Virender Rana

Email id.: viren@skylinerta.com

Website: <http://www.skylinerta.com>

SCHEDULE OF THE ACTIVITIES PERTAINING TO THE OFFER

Nature of Activity	Original Schedule	Revised Schedule
	Day and Date	Day and Date
Date of the Public Announcement	Saturday, October 12, 2013	Saturday, October 12, 2013
Last date of publication of the Detailed Public Statement	Monday, October 21, 2013	Monday, October 21, 2013
Last date of filling of Draft Letter of Offer with SEBI	Monday, October 28, 2013	Monday, October 28, 2013
Last date for a Competing Offer	Tuesday, November 12, 2013	Tuesday, November 12, 2013
Identified Date*	Friday, November 22, 2013	Friday, November 22, 2013
Last Date by which Letter of Offer will be dispatched to the Shareholders	Friday, November 29, 2013	Wednesday, December 11, 2013
Last Date for revising the Offer Price/Offer Size	Monday, December 02, 2013	Thursday, December 12, 2013
Last date by which an independent committee of the Board of Target Company shall give its recommendation	Wednesday, December 04, 2013	Monday, December 16, 2013
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspaper	Thursday, December 05, 2013	Tuesday, December 17, 2013
Date of commencement of tendering period (Offer Opening Date)	Friday, December 06, 2013	Wednesday, December 18, 2013
Date of expiry of tendering period (Offer Closing Date)	Thursday, December 19, 2013	Wednesday, January 01, 2014
Date by which all requirements including payment of consideration would be completed	Friday, January 03, 2014	Wednesday, January 15, 2014

**Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirer and the Seller) are eligible to participate in the Offer any time before the closure of the Offer.*

RISK FACTORS

RISKS RELATED TO THE TRANSACTION, THE PROPOSED OPEN OFFER AND THE PROBABLE RISKS INVOLVED IN ASSOCIATING WITH THE ACQUIRER

(A) Risk relating to the transaction

The Open Offer is subject to (i) the compliance of the terms and conditions as set out under the Share Purchase Agreement dated October 12, 2013; and (ii) receipt of approvals as more particularly set out in Paragraph 7.4 of this Letter of Offer. In accordance with the Share Purchase Agreement, the transaction under the Share Purchase Agreement shall be completed upon the fulfillment of conditions precedent agreed between the Acquirer and the Seller in the Agreement. In terms of and in accordance with regulation 23(1) of the SEBI (SAST) Regulations, lists the circumstances under which offer may stand withdrawn. In the present case, as on the date of the Letter of Offer, there are no apparent circumstances which may warrant a withdrawal of the offer under regulation 23(1) of the SEBI (SAST) Regulations.

If at a later date, any other statutory or regulatory or other approvals/no objections are required, the Offer would become subject to receipt of such other statutory or regulatory or other approvals/no objections.

(B) Risk relating to the Offer

1) In the event that either (a) the regulatory approvals required for implementing the Offer are not received in a timely manner; or (b) there is any litigation to stay/injunction on the Offer or that restricts/restrains the Acquirer from performing its obligations hereunder; or (c) SEBI instructs the Acquirer not to proceed with the Offer; then the offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the eligible shareholders of the Target Company, whose shares have been accepted in the Offer, as well as the return of the Equity Shares not accepted under the Offer by the Acquirer, may be delayed. In case of delay due to non-receipt of any requisite statutory approval(s), then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the offer subject to the Acquirer agreeing to pay interest to the shareholders who have validly tendered their shares under the offer.

2) The Offer is an offer to acquire upto 26% of the expanded Equity Share Capital of the Target Company. In the case of oversubscription in the Offer acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the shareholders in the Offer will be accepted.

3) The Equity Shares tendered in the Offer will lie in trust with the Registrar to the Offer until the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company. Accordingly, the Acquirer makes no assurance with respect to the market price of the shares both during the tendering period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any shareholder of the Target Company on whether to participate or not to participate in the Offer. Accordingly, the acquirer makes no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.

4) The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer (LOF)/Draft Letter of Offer (DLOF)/Detailed Public Statement (DPS)/Public Announcement (PA) and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his/her/its own risk.

(C) Probable risk involved in associating with the Acquirer

1) The Acquirer makes no assurance with respect to the financial performance of the Target Company and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

2) The Acquirer makes no assurance with respect to its investment/disinvestment decisions relating to its proposed shareholding in the Target Company.

3) The Acquirer does not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.

4) The Acquirer does not accept any responsibility for statements made otherwise than in the Letter of Offer (LOF)/Draft Letter of Offer (DLOF)/Detailed Public Statement (DPS)/Public Announcement (PA) and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his/her/its own risk.

5) The Acquirer does not accept the responsibility with respect to the information contained in the PA or DPS or DLOF or LOF that pertains to the Target Company and has been compiled from publicly available resources.

The risk factors set forth above, pertain to the Offer and are not in relation to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of Target Company are advised to consult their Stock Brokers or Investment Consultants, if any, for analyzing all the risks with respect to their participation in the Offer.

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1. DEFINITIONS

Acquirer	RMS Mosquito Private Limited
DSE	Delhi Stock Exchange Limited
Date of Closure of Offer	Wednesday, January 01, 2014
Draft Letter of Offer/LOF/DLOO	The Draft Letter of Offer dated October 25, 2013 submitted to SEBI for its observations.
Eligible Person(s)/Eligible Shareholder(s) for the Offer	All shareholders/beneficial owners (registered or otherwise) of the shares of the Target Company except the Acquirer and the Seller.
Expanded Equity Share Capital/Expanded Share Capital	The Paid-up Equity Share Capital of the Company after the proposed Preferential Issue of 37,60,000 Fully Paid up Equity Shares has taken place, the details of which are mentioned on page 3.2.4 of this Letter of Offer.
Form of Acceptance/FOA	Form of Acceptance cum Acknowledgement
Identified Date	Date for the purpose of determining the names of shareholders as on such date to whom the Letter of Offer will be sent.
Letter of Offer/LOO	The final Letter of Offer dated December 03, 2013
Sobhagya/SCOL/Manager to the Offer/MB/Merchant Banker	Sobhagya Capital Options Limited, the Merchant Banker appointed by the Acquirer pursuant to regulation 12 of the SEBI (SAST) Regulations, having registered office at B-206, Okhla Industrial Area, Phase-I, New Delhi-110020.
Offer	Open Offer for acquisition of upto 1040000 (Ten Lacs Forty Thousand) fully paid up Equity Shares of face value of Rs. 10/- each being 26% of the Expanded Paid up Equity Share Capital of Target Company post preferential allotment approved at a meeting of Board of Directors of Target Company dated September 06, 2013 at a price of Rs. 10/- (Rupees Ten Only) per fully paid up Equity Share payable in cash.
Offer Price	Rs. 10/- (Rupees Ten Only) per fully paid up equity share of Rs.10 each.
Detailed Public Statement/DPS	Detailed Public Statement dated October 18, 2013, made by the Manager to the Offer on behalf of the Acquirer to the shareholders of AFEL, which was published on October 21, 2013 in all editions of Business Standard (English) and all editions of Business Standard (Hindi)
Public Announcement/PA	Public Announcement dated October 12, 2013 made by the Manager to the Offer on behalf of the Acquirer on October 12, 2013
Registrar/Registrar to the Offer/RTA	Skyline Financial Services Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its Administrative office at D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020
Regulations/ SEBI (SAST) Regulations /SAST Regulations/Takeover Code	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
SEBI	Securities & Exchange Board of India
SEBI Act	Securities & Exchange Board of India Act 1992
Seller/Promoter	Indodan Industries Limited
Share(s)	Equity shares of A. F. Enterprises Limited
A. F. Enterprises Limited/AFEL/Target Company	A Company incorporated under the Companies Act, 1956 and having its registered office at 241, Second Floor, RG Mall, Opposite Plot No. 39, Sector- 9, Rohini, New Delhi- 110085
SPA/Share Purchase Agreement	Share Purchase Agreement dated October 12, 2013 entered between the Acquirer & Seller.
Tendering period	10 (Ten) working days period from the date of opening of offer on Wednesday, December 18, 2013 to closing of offer on, Wednesday, January 01, 2014

Note: All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meaning ascribed thereto in the SEBI (SAST) Regulations unless specified.

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 A. F ENTERPRISES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, 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 IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS 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 SOBHAGYA CAPITAL OPTIONS LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 24, 2013 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 FROM THE REQUIREMENT OF OBTAINING SUCH A 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 This Open Offer (the "Offer") is being made by the Acquirer to the shareholders of the Target Company in compliance with regulation 4 of the SEBI (SAST) Regulations triggered pursuant to the agreement for change in control and management of the Target Company in terms of the Share Purchase Agreement ("SPA") dated October 12, 2013.
- 3.1.2 The Board of Directors of the Target Company in their meeting held on September 06, 2013 have, subject to the approval of the shareholders of the Target Company and other regulatory approvals, as applicable, agreed to issue and allot, on preferential basis, 37,60,000 fully paid up Equity Shares of Face Value of Rs. 10/- each of the Target Company for cash, at a price of Rs. 10 per equity share aggregating to Rs. 3,76,00,000/- (Rupee Three Crore Seventy Six Lacs only) (hereinafter referred to as the "Preferential Issue") to the Acquirer and other Investors. After the said Preferential Issue, the Acquirer shall hold 19% of the expanded Equity Share Capital of the Target Company. The Shareholders of the Target Company have approved the said Preferential Issue in an Extra Ordinary General Meeting held on November 11, 2013. Further, the Target Company has received the in-principle approval for Issue and Allotment of 37,60,000 Equity Shares of Rs. 10/- each from the Delhi Stock Exchange Limited vide its letter dated December 02, 2013. **(This Proposed Preferential allotment has not triggered the Open Offer but has resulted in expansion of the Capital base on which the open offer has been made by the Acquirer).**
- 3.1.3 If the Equity Shares proposed to be issued under preferential issue are allotted during the offer period, such Equity Shares will be kept in a separate 'Demat Escrow Account' in compliance with Regulation 22(2A) of the SEBI (SAST) Regulations through an 'Escrow Demat Agreement' between the Acquirer, the Manager to the Offer and the Escrow Agent. The Manager to the Offer will have the right to operate the Demat Escrow Account and the Acquirer shall not exercise any voting rights over said shares kept in the Demat Escrow Account. Upon fulfilment of all the Offer related formalities, the said Equity Shares will be transferred to the respective DP accounts of the Acquirer and the Demat Escrow Account will be closed.
- 3.1.4 As per the latest Shareholding Pattern under clause 35 of the Standard Listing Agreement, filed by the Target Company with the Stock Exchange, the Seller M/s. Indodan Industries Limited ("Indodan"/"Seller") is the current Promoter of the Target Company. The Acquirer has entered into a

Share Purchase Agreement ("SPA") on October 12, 2013 with Indodan (through its Authorised Representative Mr. Rakesh Vashist) with the objective of taking complete Management Control of the Target Company along with acquisition of the entire present shareholding of the existing promoter i.e. 47600 (Forty Seven Thousand Six Hundred Only) fully paid up Equity Shares of the Target Company, representing 19.83% of the present paid up capital of the Target Company (1.19% of the expanded paid up capital of the Target Company), presently held by the Seller, at a price of Rs. 1.05/- (Rupee One and Five Paise only) per fully paid Equity Share for cash consideration. **This mandatory Open Offer is being made by the Acquirer in compliance with Regulation 4 of the Regulation, consequent to the agreement for change in control and management of the Target Company contemplated under the SPA.**

3.1.5 Detail of the Seller is as follows:

Sr. No.	Name & Address of the Seller	Nature of Entity	Listed/ Unlisted	Shareholding (no. of Equity Shares) of Seller in Target Company	% of paid up and Voting Capital (Present)	% of paid up and Voting Capital (Expanded)
1.	M/s. Indodan Industries Limited having its Registered Office at 138/141 Govt Indl. Estate Kandivli (West), Mumbai-400067 through its Authorised Representative Mr. Rakesh Vashist, R/o M 295, Greater Kailash, Part-II, New Delhi- 110048	Limited Company	Unlisted	47,600	19.83	1.19
	Total			47600	19.83	1.19

3.1.6 **The salient features of the SPA are as follows:**

- The SPA is subject to the compliances of provisions of SEBI (SAST) Regulations and in case of non compliances with the provisions of SEBI (SAST) Regulations, the SPA shall not be acted upon.
- This agreement shall be binding on the parties, their heirs, legal representatives, executors and successors.
- That the Sale Shares under the SPA are free from all charges, encumbrances or liens;
- The Seller shall cause to hand over to the Acquirer the original certificates relating to the Sale Shares together with transfer deeds duly executed by the Seller after the completion of the Open Offer formalities as per regulation 22(1) of SEBI (SAST) Regulations.
- The Acquirer/Seller agrees to diligently provide all information within his power and possession to give true and proper disclosures to SEBI, Stock Exchange and to the shareholders.
- The Acquirer is desirous of acquiring control and management of the Target Company.
- In consideration of the purchase of the Shares, the Acquirer has delivered the Seller Demand Drafts/ Cheques for Rs. 37,500/- (Rupees Thirty Seven Thousand Five Hundred Only) being the part consideration 75% for sale of the said 47600 number of Equity Shares. The remaining amount of Rs. 12,500/- (Rupees Twelve Thousand Five Hundred Only) being 25% of consideration shall be paid after the completion of all the required compliance as contemplated in the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011. The total Consideration to be paid shall be Rs. 50,000/- (Rupees Fifty Thousand Only).

3.1.7 After the completion of this Offer and pursuant to the transfer of the Equity Shares so acquired, the Acquirer shall be in a position to exercise effective management and control over the Target Company.

3.1.8 The Offer is not as a result of Global Acquisition resulting in indirect acquisition of Target Company.

3.1.9 The Acquirer does not hold any Equity Shares in the Target Company.

- 3.1.10 There is no Person Acting in Concert ('PAC') with the Acquirer.
- 3.1.11 There is no separate arrangement for the proposed change in control of the Target Company except for the terms as mentioned in SPA.
- 3.1.12 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 ("SEBI Act") as amended or under any of the SEBI (SAST) Regulations made under the SEBI Act.
- 3.1.13 The Acquirer may, subsequent to the completion of this Open Offer or in accordance with regulation 22(2), reconstitute the Board of Directors of the Company. As on date, the Acquirer has not decided on the names of persons who may be appointed on the Board of Directors of the Target Company.
- 3.1.14 A recommendation of the committee of Independent Directors as constituted by the Board of Directors of the Target Company on the Offer will be published at least two working days before the commencement of the tendering period, in the same newspapers where the DPS was published and a copy whereof shall be sent to SEBI, DSE and Manager to the Offer and in case of a competing offer(s) to the manager(s) to the open offer for every competing offer.

3.2 Details of the Proposed Offer

- 3.2.1 In accordance with regulation 13(4) of the SEBI (SAST) Regulations, the Acquirer has made a Detailed Public Statement within 5 (five) working days from the date of Public Announcement. In accordance with regulation 14(3) of the SEBI (SAST) Regulations, the Detailed Public Statement has been published in the following newspapers:

Name of the Newspaper	Edition	Date
Business Standard (English)	All Editions	October 21, 2013
Business Standard (Hindi)	All Editions	October 21, 2013

- 3.2.2 A copy of the Detailed Public Statement for the Open Offer is also available on the SEBI website (www.sebi.gov.in) and the website of the Manager to the Offer (www.sobhagyacapital.com)
- 3.2.3 The Acquirer is making an offer to acquire upto 1040000 (Ten Lacs Forty Thousand) Equity Shares of the face value of Rs. 10 each ("Offer Shares"), representing in aggregate 26% of the expanded Equity Share capital of the Target Company at a price of Rs. 10/- (Rupees Ten Only) per fully paid up equity share of Rs. 10 each payable in cash.
- 3.2.4 Based on the available information, the Expanded Equity Share Capital as on the date being the tenth Working Day from the closure of the tendering period ("Expanded Equity Share Capital") has been calculated as follows:

Particulars	No. of Equity Shares
Total fully paid-up Shares outstanding as of the date of the PA (A)	2,40,000
Equity Shares proposed to be allotted pursuant to the Preferential Issue approved by the Board of Directors of the Target Company in their meeting held on September 06, 2013 (B)*	37,60,000
Total Expanded Equity Share Capital of the Target Company [(A) + (B)]	40,00,000

* Refer to Paragraph 3.1.2 of this Letter of Offer

- 3.2.5 All the shares of the Target Company are fully paid up and there are no partly paid up shares in the Target Company. There is no differential pricing in the offer.
- 3.2.6 This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations and there have been no competing offers as on the date of this Letter of Offer.
- 3.2.7 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
- 3.2.8 The Acquirer will acquire upto 1040000 (Ten Lacs Forty Thousand) Equity Shares that are validly tendered in accordance with the terms of the Offer at the offer price. In the event that the Equity Shares tendered in the Offer are more than the Equity Shares proposed to be acquired under the Offer, the

acquisition of Equity Shares from the Eligible Shareholders will be on a proportionate basis, as detailed in paragraph 8.6 of this Letter of Offer.

- 3.2.9 The Equity Shares of the Target Company will be acquired by the Acquirer free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.2.10 There are no Persons acting in Concert in relation to this Offer and the equity shares tendered and accepted pursuant to the Offer will be acquired by the Acquirer only.
- 3.2.11 The Acquirer has not acquired any shares of the Target Company from the date of the PA i.e. October 12, 2013, upto the date of this Letter of Offer.
- 3.2.12 Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer has appointed Sobhagya Capital Options Limited as the Manager to the Offer.
- 3.2.13 The Manager to the Offer, Sobhagya Capital Options Limited, does not hold any Equity Shares in the Target Company as at the date of this Letter of Offer and is not related to the Acquirer and the Target Company in any manner whatsoever. The Manager to the Offer further declares and undertakes that it will not deal on its own account in the Equity Shares of the Target Company during the Offer Period.
- 3.2.14 The Offer (assuming full acceptance) would not result in public shareholding in Target Company being reduced below the minimum level required as per the Listing Agreement with the Stock Exchange for the purpose of listing on continuous basis.

3.3 Object of the Acquisition/Offer

- 3.3.1 The main object of this acquisition is to acquire the control over the management and affairs of the Target Company, mobilize funds by way of infusing equity capital to revive, restructure and to meet the operational requirements of the business of the Target Company. Barring unforeseen circumstances, the Acquirer is confident of ensuring sustained growth. The Acquirer intends to improve the operational performance of the Target Company by inducting funds to augment the resources of the Target Company and for the general corporate purpose of the Target Company. The Acquirer may continue the existing business of the Target Company or may diversify its business activities in future with prior approval of Shareholders. The Acquirer intends to carry on his business in an organized and structured manner through a listed company.
- 3.3.2 The Acquirer may reconstitute the Board of Directors of the Target Company upon completion of Open Offer formalities and the Acquirer or its authorized representatives, who will be in control of the management of the Target Company, will take decisions regarding the future course of the Target Company.
- 3.3.3 The Acquirer has no plans to alienate, dispose off or otherwise encumber any significant assets of the Target Company or lay-off its employees for a period of two years except in the ordinary course of business of the Target Company. The Target Company's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders in due compliance with applicable laws.

4. BACKGROUND OF THE ACQUIRER

4.1 Information about the Acquirer: RMS Mosquito Private Limited

- 4.1.1 RMS is a Private Limited Company, having its registered office at House No. 27, Plot No. 19, Kadambari Appts., Sector-9, Rohini, New Delhi- 110085, Tel no: +91-11- 42804171. RMS does not have any subsidiary as on the date of this DPS.
- 4.1.2 RMS was incorporated on March 09, 2012 under the Companies Act, 1956 with Registrar of Companies, NCT of Delhi & Haryana. The main objects of the Acquirer is to carry on the business of manufacturers, processors, formulators, buyers, sellers, importers, exporters, traders, suppliers, agent, services

providers and dealers in all kind of pest controls, mosquito pest controls, mosquito products, pesticides, insecticides and other chemicals.

4.1.3 The present Authorised Capital of RMS is Rs. 26,00,000/- (Rupees Twenty Six Lacs Only) divided into 2,60,000 (Two Lac Sixty Thousand Only) Equity Shares of Rs. 10/- (Rupees Ten only) each. As on the date of this DPS, the paid-up share capital of RMS consists of Rs. 26,00,000/- (Rupees Twenty Six Lacs Only) divided into 2,60,000 (Two Lac Sixty Thousand only) fully paid up Equity Shares of Rs. 10/- each.

4.1.4 RMS is a Private Limited Company and is not listed on any Stock Exchange.

4.1.5 The Current Promoters of RMS are Ms. Charu Aggarwal and Mr. Rajat Choudhary. Their individual shareholding in the Acquirer is as follows:

Name of Promoters	No. of equity shares held in the Acquirer	Percentage of total paid-up capital (in %)
Charu Aggarwal	1,05,000	40.38
Rajat Choudhary	1,05,000	40.38
Total	2,10,000	80.77

4.1.6 As of the date of this Letter of Offer, the Acquirer, its directors and key employees do not have any interest in the Target Company except 760000 Equity Shares proposed to be acquired by the Acquirer by way of Preferential allotment which was approved by the Board of Directors at its meeting held on September 06, 2013.

4.1.7 The Acquirer may acquire shares of the Target Company through preferential issue, subject to:
(i) such shares being kept in an escrow account,
(ii) the acquirer not exercising any voting rights over such shares kept in the escrow account.

4.1.8 The Acquirer does not belong to any group.

4.1.9 As on the date of this Letter of Offer, the Acquirer does hold any Equity Shares in the Target Company, and hence the provisions of the Chapter V of the SEBI (SAST) Regulations are not applicable to the Acquirer. Further, the Acquirer has never held any shares in the Target Company in the past.

4.1.10 The Equity Shareholding Pattern of RMS as on the date of the DPS is as follows:-

Category of the Shareholder	No. of equity shares held	Percentage (in %)
Promoters	2,10,000	80.77
Public and Others	50,000	19.23
Total	2,60,000	100.00

4.1.11 The Board of Directors of Acquirer as on the date of this Letter of Offer, comprises of 2 (Two) Directors. The details of the Board of Directors are as below:

S. No.	Name and D. I. N of the Directors	Experience	Qualification	Date of Appointment
1.	Ms. Charu Aggarwal (DIN: 06632839)	2 years	ACS	02/08/2013
2.	Mr. Rajat Choudhary (DIN: 06675514)	1 year	Graduate	02/08/2013

Note: As on the date of this Letter of Offer, there are no persons representing the Acquirer on the Board of Directors of the Target Company.

4.1.12 Neither RMS nor any of its Directors have been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 ("SEBI Act") as amended or under any of the SEBI (SAST) Regulations made under the SEBI Act.

4.1.13 There is no Person Acting in Concert along with the Acquirer for the purpose of this Open Offer.

4.1.14 The financial information of the Acquirer as per the audited accounts for the last two financial years ended March 31, 2012 and March 31, 2013 and unaudited & certified for the 3 months period ended June 30, 2013 are as follows:

	(Figures in Rupees Lacs.)		
Profit & Loss Statement	3 Months period ending (Un-audited)	12 Months period ending March 31	
	June 30, 2013	2013	2012
Income from Operations	2.92	8.35	0.00
Other Income	0.00	0.00	0.00
Total Income	2.92	8.35	0.00
Total Expenditure	2.64	7.13	0.28
Profit before Depreciation, Interest & Tax	0.28	1.22	(0.28)
Depreciation	0.00	0.00	0.00
Interest	0.00	0.00	0.00
Profit before Tax & Extra Ordinary Items	0.28	1.22	(0.28)
Extra Ordinary Items	0.00	0.00	0.00
Profit Before Tax	0.28	1.22	(0.28)
Provision for Tax Short & Excess	0.08	0.38	0.00
Profit After Tax	0.20	0.84	(0.28)

	(Figures in Rupees Lacs.)		
Balance Sheet Statement	3 Months period ending (Un-audited)	12 Months period ending March 31	
	June 30, 2013	2013	2012
Sources of Funds			
Paid-up Share Capital	26.00	6.00	6.00
Reserves & Surplus (Excluding Revaluation Reserve)	95.76	95.56	94.72
Secured Loan	0.00	0.00	0.00
Unsecured Loan	59.75	0.00	0.00
Current Liabilities	0.08	1.12	0.24
Deferred Tax Liability	0.00	0.00	0.00
Total	181.59	102.68	100.96
Uses of Funds			
Net Fixed Assets	0.00	0.00	0.00
Investments- Long Term	0.00	0.00	0.00
Investments- Current	160.76	91.60	0.00
Current Assets	20.68	10.93	100.76
Miscellaneous Expenses not written off	0.15	0.15	0.20
Total	181.59	102.68	100.96

Other Financial Data	3 Months period ending (Un-audited)	12 Months period ending March 31	
	June 30, 2013	2013	2012
Net Worth (in Rs. Lacs.)	121.76	101.56	100.72
Dividend (in %)	0.00	0.00	0.00
Earning Per Share (in Rs. per Share)	0.08	1.40	(0.46)
Return on Net worth (in %)	0.16	0.82	0.00
Book Value (in Rs. per Share)	46.83	169.26	167.87

(Source- as certified by Mr. Vinod Kumar Bansal (Membership No. 521838) Partner of M/s SMVA & Associates, Chartered Accountants, having office at 314, RG Mall, Sector-9, Rohini, Delhi- 110059, Mobile no. 9891442777 vide certificate dated October 12, 2013.)

4.1.15 There are no contingent liabilities of RMS.

5. BACKGROUND OF A. F. ENTERPRISES LIMITED

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

- 5.1 A. F. Enterprises Limited (bearing CIN No. L65993DL1983PLC016354) was incorporated on August 18, 1983 in the name and style of A. F Investment Private Limited under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana. The name of the Target Company was changed to A. F. Investment Limited with effect from November 24, 1983 and thereafter to its present name A. F. Enterprises Limited with effect from October 08, 1991.
- 5.2 Presently, the registered office of the Target Company is situated at 241, Second Floor, RG Mall, Opposite Plot No. 39, Sector- 9, Rohini, New Delhi- 110085.
- 5.3 As on the date of this Letter of Offer, the main object of the Target Company is to carry on the business of Investment and Finance.
- 5.4 The authorized share capital of the Target Company as on date of PA is Rs. 45,000,000/- (Rupees Four Crore Fifty Lacs Only), comprising of 45,00,000 Equity Shares bearing a face value of Rs 10/- each. As on the date of PA the Paid-up Equity Share Capital of the Target Company is Rs. 24,00,000/- (Rupees Twenty Four Lacs Only) divided into 2,40,000 Equity Shares of Rs. 10/- each.
- 5.5 The share capital structure of the Target Company is as under:

Paid up Equity shares of Target Company	No. of shares/ voting rights	% of shares/ voting rights
Fully Paid up Equity Shares	2,40,000	100
Partly Paid up Equity shares	Nil	Nil
Total Paid up Equity shares	2,40,000	100
Total voting rights in the Target Company	2,40,000	100

- 5.6 The entire present paid up Equity Share Capital of the Target Company is currently listed on the Delhi Stock Exchange Limited (DSE) (Scrip Code: 4272). The Equity Shares of the Target Company are not traded on the Delhi Stock Exchange Limited. The shares of the Company are not currently suspended.

In the past, the trading of shares of the Target Company had been suspended by the DSE. However, DSE, vide letter no. DSC/LIST/4272/SA/9005, dated November 02, 2010 had revoked the suspension in trading of the Equity Shares of the Target Company w.e.f. November 04, 2010.

- 5.7 Target Company does not have any partly paid Equity Shares. There are no outstanding warrants or options or similar instrument, convertible into Equity Shares at a later stage. As on the date of this Letter of Offer, there are no locked in shares in the Target Company.

Further, the Equity Shares to be allotted pursuant to the proposed Preferential Issue would be subject to Lock in requirements in terms of Regulation 78 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.

- 5.8 As per the information provided by the Target Company, the Promoters of the Target Company have complied with the provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011.
- 5.9 As per the information provided, the Target Company has made disclosures under the provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 with considerable delays.

However, the Target Company has filed a consent application dated August 26, 2013 with SEBI seeking condonation of delay and settlement of the enforcement actions that may be initiated by SEBI for the aforesaid failures. Further, SEBI vide its letter dated October 09, 2013 has advised the Company to comply with the requirements set forth under circular ref. no. CIR/EFD/1/2012 dated May 25, 2012.

SEBI may initiate appropriate action against the Target Company in terms of the Regulations and Provisions of the SEBI Act for non-compliance of Chapter II of SEBI (Substantial

Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- 5.10 The Board of Directors of the Target Company as on the date of this Letter of Offer, comprises of 3 (Three) Directors. The details of the Board of Directors are as below:

Name of Directors	DIN	Designation	Date of Appointment
Rakesh Vashist	00516784	Director	25/06/1996
Navneet Mangal	06632840	Director	22/07/2013
Rahul Yadav	06678715	Additional Director	06/09/2013

Note: As on the date of this Letter of Offer, there are no persons representing the Acquirer on the Board of Directors of the Target Company.

- 5.11 There has been no merger, de-merger and spin off in the last three years involving the Target Company.
- 5.12 The financial information of the Target Company as per the audited accounts for the last three financial years ended March 31, 2011, March 31, 2012, March 31, 2013 and unaudited & certified for the 3 months period ended June 30, 2013 are as follows:

Profit & Loss Account

<i>(Figures in Rupees Lacs.)</i>				
Profit & Loss Statement	3 Months period ending (Un-audited)	12 Months period ending March 31		
	June 30, 2013	2013	2012	2011
Income from Operations	6.50	10.90	9.00	1.00
Other Income	0.00	0.00	0.01	0.00
Total Income	6.50	10.90	9.01	1.00
Total Expenditure	6.21	9.53	7.17	21.27
Profit before Depreciation, Interest & Tax	0.29	1.37	1.84	(20.27)
Depreciation	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00
Profit before Tax & Extra Ordinary Items	0.29	1.37	1.84	(20.27)
Extra Ordinary Items	0.00	0.00	0.00	0.00
Profit Before Tax	0.29	1.37	1.84	(20.27)
Provision for Tax Short & Excess	0.09	0.26	0.35	0.00
Profit After Tax	0.20	1.11	1.49	(20.27)

Balance Sheet Statement

<i>(Figures in Rupees Lacs.)</i>				
Balance Sheet Statement	3 Months period ending (Un-audited)	12 Months period ending March 31		
	June 30, 2013	2013	2012	2011
Sources of Funds				
Paid-up Share Capital	24.00	24.00	24.00	24.00
Reserves & Surplus (Excluding Revaluation Reserve)	(118.85)	(118.68)	(119.79)	(121.28)
Secured Loan	0.00	0.00	0.00	0.00
Unsecured Loan	0.00	0.00	0.00	97.95
Current Liabilities	99.42	102.98	100.12	0.46
Deferred Tax Liability	0.00	0.00	0.00	0.00
Total	4.57	8.30	4.33	1.13
Uses of Funds				
Net Fixed Assets	0.00	0.00	0.00	0.00
Investments- Long Term	0.11	0.11	0.11	0.35
Investments- Current	0.00	0.00	0.00	0.68
Current Assets	4.46	8.20	4.22	0.10

(Figures in Rupees Lacs.)				
Balance Sheet Statement	3 Months period ending (Un-audited)	12 Months period ending March 31		
	June 30, 2013	2013	2012	2011
Miscellaneous Expenses not written off	0.00	0.00	0.00	0.00
Total	4.57	8.30	4.33	1.13

Other Financial Data

Other Financial Data	3 Months period ending (Un-audited)	12 Months period ending March 31		
	June 30, 2013	2013	2012	2011
Net Worth (in Rs. Lacs.)	(94.85)	(94.68)	(95.79)	(97.28)
Dividend (in %)	0.00	0.00	0.00	0.00
Earning Per Share (in Rs. per Share)	0.08	0.46	0.62	(8.44)
Return on Net worth (in %)	-	-	-	-
Book Value (in Rs. per Share)	(39.52)	(39.45)	(39.91)	(40.53)

(Source- as certified by Mr. Gaurav Joshi (Membership No. 516027) Partner of M/s V. N. Purohit & Co., Chartered Accountants, having office at 214, New Delhi House, 2nd Floor, 27 Barakhamba Road, New Delhi- 110001, Ph: +91-11- 43596011 vide certificate dated October 12, 2013.)

- 5.13 As on the date of this Letter of Offer, shareholding in the Target Company before and after the Offer (assuming full acceptances in the Offer) is given in the table below:

Shareholders' Category	Shareholding & voting rights prior to the agreement/ acquisition and offer		Shareholding & voting rights prior to the agreement/ acquisition and offer but after considering the proposed Preferential Allotment		Shares /voting rights agreed to be acquired 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)		(E)=(B)+(C)+(D)	
	No.	%	No.	%*	No.	%*	No.	%*	No.	%*
(1) Promoter Group										
a. Parties to agreement, if any	47,600	19.83%	47,600	1.19%	(47,600)	(1.19)%	-	-	-	-
M/s. Indodan Industries Limited										
b. Promoters other than (a) above	-	0.00%	-	0.00%	-	-	-	-	-	-
Total 1(a+b)	47,600	19.83%	47,600	1.19%	(47,600)	(1.19)%	-	-	-	-
(2) Acquirer										
a. Main Acquirer (RMS Mosquito Private Limited)	-	0.00%	7,60,000	19.00%	47,600	1.19%	10,40,000	26.00%	18,47,600	46.19%
b. PACs	-	0.00%	-	0.00%	-	-	-	-	-	-
Total 2(a+b)	-	0.00%	7,60,000	19.00%			10,40,000	26.00%	18,47,600	46.19%
(3) Parties to agreement other than (1)& (2)										
(4) Public (other than parties to agreement, Acquirer)										

Shareholders' Category	Shareholding & voting rights prior to the agreement/ acquisition and offer		Shareholding & voting rights prior to the agreement/ acquisition and offer but after considering the proposed Preferential Allotment		Shares /voting rights agreed to be acquired 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)		(E)=(B)+(C)+(D)	
	No.	%	No.	%*	No.	%*	No.	%*	No.	%*
a) Bodies Corporate	-	0.00%	-	0.00%	-	-	(10,40,000)	(26.00)%	21,52,400	53.81%
b) Individuals	1,92,400	80.17%	31,92,400	79.81%	-	-				
c) Non Resident Indian	-	0.00%	-	0.00%	-	-				
Total (4)(a+b+c)	1,92,400	80.17%	31,92,400	79.81%	-	-	(10,40,000)	(26.00)%	21,52,400	53.81%
Total No. of Shareholders in Public category (except the Acquirer)	43									
GRAND TOTAL (1+2+3+4)	2,40,000	100%	40,00,000	100.00%					40,00,000	100.00%

*As a percentage of the expanded paid up capital of the Target Company after taking into account the capital base after the proposed preferential allotment of 37,60,000 shares that was approved by the Board of Directors at their meeting held on September 06, 2013.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of offer price

- 6.1.1 The acquisition of shares which triggered the Open Offer in terms of Regulation 4 of the SEBI (SAST) Regulations is a direct acquisition.
- 6.1.2 The Equity shares of the Target Company are currently listed on the Delhi Stock Exchange Limited ("DSE").
- 6.1.3 The total trading turnover in the Equity Shares of the Target Company on the stock exchanges based on trading volume during the twelve calendar months prior to the month of Public Announcement (October 01, 2012 to September 30, 2013) is as under:

Name of the Stock Exchanges	Total No. of Equity Shares traded during the Twelve months prior to the month of PA	Total No. of Equity Shares listed	Total Trading Turnover (as % of total Equity Shares listed)
DSE	Not Available	2,40,000	Not Available

- 6.1.4 Based on the above information, equity shares of Target are not traded on DSE within the meaning of explanation provided in regulation 2(1)(j) of the SEBI (SAST) Regulations. The Offer price has been determined taking into account the parameters as set out under regulation 8(2) of SEBI (SAST) Regulations, as under:

1	Negotiated Price under the SPA	Rs. 1.05 per Share
2	Proposed Preferential Allotment Price	Rs. 10 per Share
3	The volume-weighted average price paid or payable for acquisition by the Acquirer during 52 weeks immediately preceding the date of PA	Not Applicable
4	Highest price paid or payable for acquisitions by the Acquirer during 26 weeks immediately preceding the date of PA	Not Applicable
5	The Volume-Weighted Average Market Price of shares for a period of	Not Applicable

	sixty trading days immediately preceding the date of the PA as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	
6	Other financial Parameters	Year ended March 31, 2013
A	Return on Net Worth (%)	N.A
B	Book value per share (Rs.)	(39.52) per share
C	Earnings per Share (Rs.)	0.08
D	Industry Average P/E Multiple*	9.7
	Price based on Earnings per Share and Industry Average P/E Multiple (C*D)	Rs. 0.77
7	Price calculated using the HLL formula	Rs. 2.36 [#]
	Fair Price (Highest of the above)	Rs. 10

* Source: Capital Market, Volume No. XXVII-15, dated Sep 16 – Sep 29, 2013; Sector- Finance & Investments

[#] In the case of Hindustan Lever Employees' Union versus Hindustan Lever Limited (1995), the Hon'ble Supreme Court upheld the use of the following three bases of valuation: (i) the yield method; (ii) the net asset value method; and (iii) the market value method.

In the case of A. F. Enterprises Limited, since the Company has a negative book value based on the Balance Sheet as at March 31, 2013, hence the same has not been considered for the purpose of computation of value of the Equity Shares. Further, the price under Market Value method is not ascertainable as the Equity Shares of A. F. Enterprises are listed only on the Delhi Stock Exchange Limited and the same are not traded on the said Exchange and hence the market value method has been ignored for the purpose of computation of value of the Equity Shares. The Equity Value under Profit Earning Capacity Value (PECV) Method based on average of the Profit After Tax for the financial years March 31, 2012, March 31, 2013 and Annualized Profit After Tax for the three months period ended June 30, 2013, after capitalizing the same at 20% comes to Rs. 2.36. We are of the opinion that based on the information as referred to hereinabove, the Value of Equity Shares of A. F. Enterprises Limited in terms of the Hon'ble Supreme Court's decision in the Hindustan Lever Employees' Union vs. Hindustan Lever Limited (1995) reported at (83 Companies Cases 30), is Rs. 2.36 per Equity Share

Mr. Gaurav Joshi (Membership No. 516027) Partner of M/s V. N. Purohit & Co., Chartered Accountants, having office at 214, New Delhi House, 2nd Floor, 27 Barakhamba Road, New Delhi- 110001, Ph: +91-11-43596011 has certified vide certificate dated November 26, 2013 that the fair value per Equity Share of the Target company is Rs. 10/- per share considering the book value, earning capitalization, earning per share and Price Earning Multiple per share.

In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Rs. 10/- per Equity Share being the highest of the prices mentioned above is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.

6.1.5 The relevant price parameters have not been adjusted for any corporate actions.

6.1.6 As on date there is no revision in offer price or offer size. In case of any revision in the open offer price or open offer size, the Acquirer shall comply with regulation 18 of SEBI (SAST) Regulations and all the provisions of SEBI (SAST) Regulations which are required to be fulfilled for the said revision in the offer price or offer size.

6.1.7 If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to three (3) working days before the date of commencement of the tendering period and would be notified to shareholders.

6.2 Financial Arrangements:

6.2.1 The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of upto 1040000 (Ten Lac Forty Thousand Only) Equity Shares at a price of Rs. 10/- (Rupees Ten only) per Equity Share is. Rs. 1,04,00,000/- (One Crore Four Lac Only) ("Maximum Consideration").

- 6.2.2 The Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of its own sources/ networth and no borrowings from any Bank and/ or Financial Institutions are envisaged. Mr. Vinod Kumar Bansal (Membership No. 521838), Partner of SMVA & Associates., Chartered Accountants, having Office at 314, RG Mall, Sector-9, Rohini, New Delhi- 110085, Mobile no. 9891442777, e-mail id: vinodbansal2006@yahoo.co.in has certified, vide certificate dated October 12, 2013 that sufficient resources are available with the Acquirer for fulfilling the obligations under this Offer in full.
- 6.2.3 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an Escrow Account in the name of "Escrow Account – AFEL – Open Offer" bearing number 200999243550, with IndusInd Bank Limited, C-61, Preet Vihar, Vikas Marg, Delhi 110 092 (herein after referred to as the "Escrow Banker"), and deposited an amount of Rs. 26,00,000/- (Rupees Twenty Six Lac only), in cash, being 25% of the Maximum Consideration payable under the Offer.
- 6.2.4 The Manager to the Offer is authorized to operate the above mentioned Escrow Account and has been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.5 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the offer in accordance with the SEBI (SAST) Regulations. Further, the Manager to the Offer confirms that firm arrangement for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational terms and conditions

- 7.1.1 The Offer is not conditional and is not subject to minimum level of acceptances.
- 7.1.2 Letter of Offer along with Form of Acceptance cum Acknowledgement will be dispatched to all the Equity Shareholders of the Target Company, except the Seller, whose names appear in its Register of Members on Friday, November 22, 2013, the Identified Date.
- 7.1.3 The Offer is subject to the terms and conditions set out in the Letter of Offer, the Form of Acceptance, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.
- 7.1.4 The Letter of Offer alongwith the Form of Acceptance cum Acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the website.
- 7.1.5 This Offer is subject to the receipt of the statutory and other approvals as mentioned in paragraph 7.4 of this Letter of Offer. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- 7.1.6 Accidental omission to dispatch the Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.1.7 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).
- 7.1.8 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/ restriction from other statutory authorities wherein the shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions/ orders regarding these Equity Shares are not received along with the equity shares tendered under the Offer.
- 7.2 **Locked in shares:** As on the date of this Letter of Offer, there are no locked in shares in the Target Company. Further, the Equity Shares to be allotted pursuant to the proposed Preferential Issue would also be subject to Lock in requirements in terms of Regulation 78 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.
- 7.3 **Persons eligible to participate in the Offer**
All owners of Equity Shares, registered or unregistered, are eligible to participate in the Offer (except the Acquirer and Seller) anytime before closure of the Offer.

7.4 Statutory approvals and other approvals required for the offer

- 7.4.1 As on the date of this Letter of Offer, there are no statutory approvals required to acquire the Equity Shares tendered pursuant to this Offer. If any statutory approvals are required or become applicable, the Offer would be subject to the receipt of such statutory approvals also. The Acquirer will not proceed with the Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI (SAST) Regulations. This Offer is subject to all other statutory approvals that may become applicable at a later date before the completion of the Offer.
- 7.4.2 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
- 7.4.3 There are no conditions stipulated in the SPAs between the Sellers and the Acquirer, the meeting of which would be outside the reasonable control of the Acquirer and in view of which the offer might be withdrawn under Regulation 23 of the SEBI (SAST) Regulations.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1 The following collection centre would be accepting the documents by Hand Delivery /Regd. Post/Courier as specified below.

Name and Address of the Collection Centre	Working days and timings	Mode of delivery
Skyline Financial Services Private Limited, D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020 Contact person: Virender Rana Ph No: + 91-11- 26812682 to 83, 64732681 to 88 Fax No: +91-11-26812682 E-mail: viren@skylinerta.com	During the Business Hours from Monday to Saturday	Registered Post/ Courier/ Hand Delivery

- 8.2 Shareholders who hold equity shares of the Target Company and wish to tender their equity share pursuant to the Offer will be required to submit the duly completed Form of acceptance cum acknowledgement, original Share Certificate(s), valid Transfer Deed(s) duly signed and witnessed and other documents as may be specified in the LoF, to the Registrar to the Offer either by Registered Post/Courier, at their own risk or by hand delivery so as to reach on or before the date of closing of the business hours on the date of closure of the Offer i.e. Wednesday, January 01, 2014.
- 8.3 Unregistered owners or shareholders who have not received the Letter of Offer may send their consent, to the Registrar to the Offer, on a plain paper stating the name, address, folio number, distinctive numbers, number of shares held, number of shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer. No Indemnity is required from the unregistered owners. A copy of the Letter of Offer (including Form of acceptance cum acknowledgment) will be available on SEBI's website www.sebi.gov.in during the period the Offer is open and may also be downloaded from the website.
- 8.4 In case of (a) shareholders who have not received the Letter of Offer, (b) unregistered shareholders, (c) owner of the Equity Shares who have sent the Equity Shares to the Target Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of Equity Shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such Equity Shares such as succession certificate, original share certificate/original letter of allotment and valid share transfer deeds (one per folio), duly signed by such shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with Target Company), and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be, shall need to be provided, so as to reach the Registrar to the Offer on or before the date of closing of the business hours on the date of closure of the Offer i.e. Wednesday, January 01, 2014. Such shareholders can also obtain the Letter of Offer from the Registrar to the Offer by giving an application in writing to that effect.

- 8.5 No indemnity is needed from unregistered shareholders.
- 8.6 Where the number of Equity Shares offered for sale by the shareholders are more than the Equity Shares agreed to be acquired by Acquirer, the Acquirer will accept the offers received from the share holders 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 or the entire holding if it is less than the marketable lot. The marketable lot of Target Company is 50{Fifty} Equity Share.
- 8.7 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
- 8.8 The consideration to the shareholders whose shares have been accepted will be paid by crossed account payee cheques/demand drafts/Electronic Clearance Service (ECS) wherever applicable. Such payments through account payee cheques/demand drafts, will be made by registered post at the registered shareholders'/unregistered owners' sole risk to the sole/first shareholder/unregistered owner.
- 8.9 Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered shareholders'/unregistered owners' sole risk to the sole/first shareholder/unregistered owner.
- 8.10 The Registrars to the Offer will hold in trust the Equity Shares and Share Certificate(s), Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of Target Company who have accepted the Offer, until the cheques/drafts for the consideration and/or the unaccepted Equity Shares/Share Certificates are dispatched/returned.
- 8.11 Shareholders who have tendered shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the tendering period.

9. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at B- 206, Okhla Industrial Area, Phase-I, New Delhi- 110020 from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

- a) Copy of Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer;
- b) Copy of certificate dated October 12, 2013 issued by Mr. Vinod Kumar Bansal (Membership No. 521838), Partner of SMVA & Associates, Chartered Accountants, having Office at 314, RG Mall, Sector-9, Rohini, New Delhi- 110085, certifying that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full;
- c) Copy of audited annual reports of the Acquirer for the financial year ended March 31, 2013 and March 31, 2012;
- d) Certificate dated October 12, 2013 issued by Mr. Vinod Kumar Bansal (Membership No. 521838), Partner of SMVA & Associates, Chartered Accountants, certifying the financial data of the Acquirer based on un-audited results for the 3 (three) months period ended June 30, 2013 and audited results for the years ended March 31, 2013, 2012 and 2011.
- e) Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- f) Copy of audited annual reports of the Target Company for the years ended March 31, 2013, 2012 and 2011.
- g) Certificate dated October 12, 2013 issued by Mr. Mr. Gaurav Joshi (Membership No. 516027) Partner of M/s V. N. Purohit & Co., Chartered Accountants,, certifying the financial data of the Target Company based on un-audited results for the 3 (three) months period ended June 30, 2013 and audited results for the years ended March 31, 2013, 2012 and 2011.

- h) Certificate dated November 26, 2013 issued by Mr. Gaurav Joshi (Membership No. 516027) Partner of M/s V. N. Purohit & Co., Chartered Accountants, certifying the fair value per Equity Share of the Target Company.
- i) Copy of Escrow Agreement dated October 12, 2013 entered between RMS Mosquito Private Limited (the "Acquirer"), Sobhagya Capital Options Limited (the "Manager to the Offer") and IndusInd Bank Limited.
- j) Letter dated October 14, 2013 from IndusInd Bank Limited confirming the cash deposit of Rs. 26,00,000/- (Rupees Twenty Six only) in the escrow account with a lien marked in favour of the Manager to the Offer.
- k) Copy of Agreement between the Acquirer and the Registrar to the Offer for the purpose of the Offer.
- l) Copy of Memorandum of Understanding between the Acquirer and Manager to the Offer.
- m) Copy of the SPA dated October 12, 2013 which triggered the Open Offer.
- n) Copy of the PA dated October 12, 2013, the DPS dated October 18, 2013, Advertisement of Schedule of Activities for Open Offer.
- o) Copy of the recommendation made by the Target Company's committee of independent directors, as required under Regulation 26(7) of the SEBI (SAST) Regulations.
- p) Copy of the letter from SEBI dated December 02, 2013 containing its comments on the Draft Letter of Offer.

10. DECLARATION BY THE ACQUIRER

- 10.1 The Acquirer and its Board of Directors accepts full responsibility for the information contained in this Letter of Offer. However, in respect of information relating to the Target Company, the Acquirer has relied on information obtained from the Target Company/publicly available sources.
- 10.2 The Acquirer shall be responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations.
- 10.3 The person(s) signing this Letter of Offer are duly and legally authorised by the Acquirer to sign the Letter of Offer.

For and on behalf of **RMS Mosquito Private Limited** (Acquirer)

Sd/-
Authorised Signatory

Date: December 03, 2013
Place: New Delhi

Encl.:

- 1) Form of Acceptance-cum-Acknowledgement
- 2) Blank Transfer Deed(s)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(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)

OFFER OPENS ON	:	WEDNESDAY, DECEMBER 18, 2013
OFFER CLOSES ON	:	WEDNESDAY, JANUARY 01, 2014
Please read the Instructions overleaf before filling-in this Form of Acceptance		
FOR OFFICE USE ONLY		
Acceptance Number		
Number of equity shares Offered		
Number of equity shares accepted		
Purchase consideration (Rs.)		
Cheque/Demand Draft/Pay Order No.		

From:

Tel. No.: Fax No.: Email:

To,
RMS Mosquito Private Limited
C/o Skyline Financial Services Private Limited

(Unit: A. F. Enterprises Limited)
D-153 A, 1st Floor, Okhla Industrial Area,
Phase - I, New Delhi - 110 020

Dear Sir/s,

REG.: OPEN OFFER TO THE SHAREHOLDERS OF M/S A. F. ENTERPRISES LIMITED (TARGET COMPANY/ AFEL) BY RMS MOSQUITO PRIVATE LIMITED (ACQUIRER) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011.

I / we, refer to the Letter of Offer dated _____ for acquiring the equity shares held by me / us in **M/s A. F. Enterprises Limited.**

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

I / We, unconditionally Offer to sell to the Acquirer the following equity shares in the Target Company held by me/ us at a price of Rs. 10/- (Rupees Ten Only) per fully paid-up equity share.

1. I/We enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my / our equity shares as detailed below (please enclose additional sheet(s), if required).

Ledger Folio No.....				
Number of share certificates attached.....				
Representing Equity Shares				
Number of equity shares held in Target Company			Number of equity shares Offered	
In figures		In words	In figures	
			In words	
Sr. No.	Share Certificate No.	Distinctive Nos.		No. of Equity
		From	To	
1				

2				
3				
Total No. of Equity Shares				

2. I/We confirm that the Equity Shares of the Target Company which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
3. I/We authorize the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares that the Acquirer 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 authorise the Acquirer to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer to return to me / us, Equity Share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
4. My/Our execution of this Form of Acceptance shall constitute my / our warranty that the Equity Shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said Equity Shares, I / we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these Equity Shares. I / We agree that the Acquirer may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.
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 makes 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 note and understand that the Shares would held in trust by the Registrar until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
7. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my/ our agreeing to sell the said equity shares.
8. I/We irrevocably authorise the Acquirer to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with the Target Company:

Name and complete address of the Sole/ First holder(in case of member(s), address as registered with the Target Company:

Place:..... Date.....

Tel. No(s):..... Fax No.:.....

So as to avoid fraudulent encashment in transit, the shareholder(s) have an option to receive the sale consideration through RTGS/ECS mode and requested to kindly provide following information compulsorily in order to received payment through RTGS/ECS

Bank Account No. Type of Account:

(Savings /Current /Other (please specify)

Name of the Bank:

Name of the Branch and Address:

MICR Code of Bank.....

IFCS Code of Bank.....

The Permanent Account Number (PAN / GIR No.) allotted under the Income Tax Act, 1961 is as under:

	1 st Shareholder	2 nd Shareholder	3 rd Shareholder
PAN / GIR No.			

Yours faithfully,
Signed and Delivered:

	FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all the holders must sign. In case of body corporate, stamp of the Company should be affixed and necessary Board Resolution should be attached.

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.
2. The Form of Acceptance should be filled-up in English only.
3. Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.
4. **Mode of tendering the Equity Shares Pursuant to the Offer:**
 - I. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Equity Shareholder of the Target Company.
 - II. Shareholders of the Target Company to whom this Offer is being made, are free to Offer his / her / their shareholding in the Target Company for sale to the Acquirer, in whole or part, while tendering his / her / their Equity Shares in the Offer.

**ACKNOWLEDGEMENT
SLIP**

**OPEN OFFER TO THE SHAREHOLDERS OF M/S A. F. ENTERPRISES LIMITED (TARGET COMPANY/
AFEL) BY RMS MOSQUITO PRIVATE LIMITED (ACQUIRER) PURSUANT TO SEBI (SUBSTANTIAL
ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011**

Received from Mr. / Ms.....

Ledger Folio No..... Number of certificates enclosed..... under the Letter of
Offer dated, Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s)
as detailed hereunder:

Sr. No.	Share Certificate No.	Distinctive Nos.		No. of Equity Shares
		Fro	To	
1.				
2.				
3.				
Total no. of Equity Shares				

Authorised Signatory

Stamp

Date

Note: All future correspondence, if any, should be addressed to **Registrar to the Offer**

Skyline Financial Services Private Limited

(Unit: A. F. Enterprises Limited)

D-153 A, 1st Floor, Okhla Industrial Area,

Phase - I, New Delhi - 110 020

Contact Person: Mr. Virender Rana

Ph No: + 91-11- 26812682 to 83, + 91-11- 64732681 to 88

Fax No: +91-11-26812682

Email: viren@skylinerta.com

SEBI Regn. No.: INR000003241

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