THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as Shareholder(s) of **Hari Om Trades & Agencies Limited (HOTL).** If you require any clarification about the action to be taken, you may consult your Stock Broker or Investment consultant or Manager to the Offer/Registrar to the Offer. In case you have recently sold your Equity Shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

Delma Investments LLC

Unit No. 5, Level 2, Gate Village Building No.1, Dubai International Financial Centre, Dubai, United Arab Emirates
Tel No. 00971 4 3277554, 00971 4 3464414, Fax 00971 4 346 4484, E mail : prateek.s@delmagroup.ae

and

Mrs. Ushadevi Pathiyil

6/466, Dhanya, Naduvakkad, Kannadi, Palakkad District, Kerala State 678 707, Tel: (0491) 2538653, E Mail Id: mohusha@hotmail.com

(hereinafter referred to as "the Acquirers")

MAKES A CASH OFFER AT RS.200/- (RUPEES TWO HUNDRED ONLY)
PER FULLY PAID EQUITY SHARE

to acquire

49,800 Equity Shares of Rs. 10/- each, representing 20 % of the Paid up and Voting Equity Share Capital of

the Target Company
HARI OM TRADES & AGENCIES LIMITED

Regd. Office: 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai 400 009
Tel: (022) 23481083/23484886 Fax : (022) 23433887 , E mail: akarmumbai@gmail.com

Corporate Office: Gut No. 78-81, Pangra Shivar, Paithan Road, Chitegaon, Aurangabad 431 107
Tel: (02431) 251453/251659/251165 Fax : (02431) 251879, E mail: corporate@rlsteels.com

Telephone Number of the Target Company : (022) 23481083/23484886

Notes:

- This Offer is made pursuant to and in compliance with Regulations 10 & 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereof.
- This Offer is not conditional on any minimum level of acceptance.
- This is not a competitive bid.
- There has been no revision of Offer price, till the date of this Letter of Offer
- **Delma Investments LLC, one of the Acquirers, is a foreign Company and is required to obtain approval from Reserve Bank of India under Foreign Exchange Management Act (FEMA)** to acquire the Equity Shares being acquired through the Share Purchase Agreement as well as that are tendered pursuant to the Offer . Necessary application has been submitted to RBI through Authorized Dealer. Clarifications sought by RBI has also been submitted. To the best of knowledge of the Acquirers, no other statutory approvals are required to acquire the Equity Shares that are tendered pursuant to this Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.
- **Shareholders, who have accepted the offer by tendering the requisite documents in terms of the Public announcement/Letter of Offer, can withdraw the same upto 3 working days prior to the date of closure of the Offer. The Last date for such withdrawal is Friday, November 11, 2011.**
- The Acquirers can revise the Offer Price upto 7 working days prior to the date of closure of the Offer. The last date for such revision is Thursday, November 3, 2011. Any upward revision or withdrawal of the Offer would be informed by way of a Public Announcement in the same Newspapers where the original Public Announcement had appeared.
- **Consideration at the same rate will be paid for all Equity Shares tendered anytime during the Offer period**.
- Details of Competitive bids , if any : **There is no competitive bid**
- **If there is a competitive bid; the public offers under all the subsisting bids will close on the same date. As the offer price cannot be revised during 7 working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly**
- The Registration of all the Intermediaries associated with the Offer, viz. Fedex Securities Ltd, Manager to the Offer and Bigshare Services Pvt. Ltd , Registrar to the Offer are valid and no action has been initiated by SEBI or any other Government body against them.
- A copy of this Letter of Offer (including the Form of Acceptance and Acknowledgement & Form of Withdrawal),the Public Announcement and corrigendum to PA are available on SEBI's website: **www.sebi.gov.in**

MERCHANT BANKER TO THE OFFER	REGISTRARS TO THE OFFER
FEDEX SECURITIES LIMITED SEBI Regn. No. INM 000010163 3rd Floor, Jay Chambers Service Road, Adj. Western Express Highway Vile Parle (East), Mumbai 400 057 Tel. Nos. (022) 26136460/61 • Fax No. (022) 2618 6966 E Mail: fedex@vsnl.com **Contact Person: Mr. R. Ramakrishnan**	**BIGSHARE SERVICES PVT.LTD.** SEBI Regn. No. INR000002102 E 2/3, Ansa Industrial Estate Sakivihar Road, Saki Naka Andheri (East), Mumbai 400 072 Tel. No. (022) 40430200 • Fax No. (022) 2847 5207 E mail: ashok@bigshareonline.com **Contact Person: Mr. Ashok Shetty**

The Schedule of activities is as follows:

Activity	As per original PA	Revised
Public Announcement (PA)	Wednesday, July 27, 2011	Wednesday, July 27, 2011
Corrigendum to PA		Wednesday, October 19, 2011
Specified date	Friday, August 19, 2011	Friday, August 19, 2011
Last date for a competitive bid	Wednesday, August 17, 2011	Wednesday, August 17, 2011
Date by which Letter of Offer will be dispatched to Shareholders	Friday, September 09, 2011	Saturday, October 22, 2011
Offer opening date	Friday, September 16, 2011	Friday, October 28, 2011
Last date for revision of Offer price/number of shares.	Monday, September 26, 2011	Thursday, November 03, 2011
Last date for withdrawal by Shareholders	Friday, September 30, 2011	Friday, November 11, 2011
Offer closing date	Wednesday, October 05, 2011	Wednesday, November 16, 2011
Date by which acceptance /rejection would be intimated and the corresponding payment for the acquired Shares and/or the Share Certificate for the rejected Shares will be despatched	Thursday, October 20, 2011	Thursday, December 01, 2011

Specified 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 and all owners (registered or unregistered) of Shares of Hari Om Trades & Agencies Limited anytime before the closure of the Offer, are eligible to participate in the Offer.

Risk Factors relating to the transaction and probable risks involved in associating with the Acquirers

A. Relating to the transaction

1. Delma Investments LLC, one of the Acquirers is a foreign Company and is required to obtain approval from Reserve Bank of India under FEMA for acquisition of the Shares through the Share Purchase Agreement as well as through the Open Offer.

2. The Acquirers propose to take control of the Target Company. The likely change in control of the Target Company in favour of the Acquirers shall be subject to successful completion of the Open Offer formalities, including despatch of consideration for the Shares accepted. The same will also be subject to compliance with Regulation 23(6) of the Regulations.

B. Relating to the proposed Offer

1. Shareholders accepting this Offer will be tendering their Equity Shares before getting payment of consideration as the Acquirers have 15 days time from date of closure of offer to make payment of consideration. Further, they will not be able to take advantage of any favorable price movements in the market.

2. As on date of this Letter of Offer, other than approval from Reserve Bank of India under FEMA, to the best of knowledge of the Acquirers, no other statutory approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all Statutory approvals that may become applicable at a later date. The despatch of consideration can be delayed beyond 15 days from date of closure of Offer, in case any statutory approval is not received in time. In terms of Regulation 22(12) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment, subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from date of closure of Offer.

C. Probable Risks in associating with the Acquirers

1. Association of the Acquirers with HOTL/taking control of HOTL by the Acquirers does not warrant any assurance with respect to the future financial performance of HOTL.

2. One of the Acquirer, Delma Investments LLC is a Foreign Company. Post offer, the operations/activities of the Target Company will be subject to regulations governing Foreign Investment in India, sectoral caps /restrictions and FEMA.

3. Among the Companies/ventures belonging to the Delma Emirates Group, (a) Sam Collections Leather Products Company LLC has been incurring losses continuously and has negative reserves (b) Mabani Company LLC has negative reserves & (c) Delma Emirates Group (Corporate Office) had returned losses in 2008.

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DEFINITIONS/ABBREVIATIONS

1	HOTL/Target Company	Company whose Equity Shares are proposed to be acquired viz. Hari Om Trades & Agencies Ltd
2	Acquirers	**Delma Investments LLC & Mrs. Ushadevi Pathiyil** who are offering to acquire Shares through this Offer
3	PAC/Person acting in Concert	Person who is acting in concert with the Acquirers in connection with the open Offer for acquiring Shares through the Agreement/Open Offer, in this case none.
4	RBI	Reserve Bank of India
5	SEBI/Board	Securities and Exchange Board of India
6	Merchant Banker/ Manager to the Offer	Fedex Securities Limited
7	Registrar to the Offer	Bigshare Services Pvt. Ltd
8	PA/ Public Announcement	Announcement of the Offer made on behalf of the Acquirers, published in the dailies on Wednesday, July 27, 2011.
9	Corrigendum/Corrigendum to PA	Corrigendum to the Public Announcement published in the dailies on Wednesday, October 19, 2011.
10	FEMA	Foreign Exchange Management Act as amended till date
11	Offer	Cash offer being made by the Acquirers to the Public Shareholders of the Target Company, to acquire upto 49,800 Equity Shares at a price of Rs.200/- per Equity Share.
12	ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009
13	Shares	Equity Shares
14	EPS	Earnings Per Equity Share, for the period under reference and annualized
15	Book Value	Book Value of each Equity Share as on the date referred to
16	Regulations/Takeover Regulations/ SEBI(SAST) Regulations	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 as amended till date of Public Announcement.
17	NAV	Net Asset Value per Equity Share
18	Persons not eligible to participate in the Offer	Parties to the Agreement, promoter group Shareholders of the Target Company and the Acquirers.
19	Persons eligible to participate in the Offer	All Equity Shareholders of the Target Company, other than the Acquirers, parties to the Agreement and promoter group Shareholders of the Target Company. Both registered and unregistered Shareholders can participate in the Offer
20	BSE	Bombay Stock Exchange Ltd
21	PNB	Punjab National Bank
22	RNW	Return on Net Worth
23	FIIs	Foreign Institutional Investors
24	NRIs	Non Resident Indians and persons of Indian origin residing abroad
25	FIs	Financial Institutions
26	PAT	Profit After Tax
27	Share Purchase Agreement/ Agreement/SPA	Share Purchase Agreement entered into between the Acquirers and present promoters of the Target Company
28	PE Ratio	Price Earnings Ratio
29	FY	Financial Year
30	US $	United States Dollars being the legal currency of United States of America
31	AED	Arab Emirates Dirham, being legal currency of United Arab Emirates.
32	AD	Authorized Dealer in Foreign Exchange

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SECURITIES AND EXCHANGE BOARD OF INDIA (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 HARI OM TRADES & AGENCIES LIMITED (HOTL), THE TARGET COMPANY, TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS 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 THE ACQUIRERS ARE 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 THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER M/S. FEDEX SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED AUGUST 09, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1. This Offer is in compliance with Regulations 10 & 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereof (hereinafter referred to as the "Regulations").

2.1.2. Delma Investments LLC, a Company registered under the Laws of Dubai and having registered address at Unit No. 5, Level 2, Gate Village Building No.1, Dubai International Financial Centre, Dubai, United Arab Emirates (Tel No. 00971 4 3277554, 00971 4 3464414, fax 00971 4 346 4484, E mail : prateek.s@delmagroup.ae) and Mrs. Ushadevi Pathiyil, residing at 6/466, Dhanya, Naduvakkad, Kannadi, Palakkad District, Kerala State 678 707 (hereinafter referred to as "the Acquirers") are making an Open Offer to the public Shareholders (i.e. Shareholders other than the Acquirers, parties to the Agreement and promoter group Shareholders of HOTL) of Hari Om Trades & Agencies Limited ("HOTL", "the Target Company") to acquire 49,800 Equity Shares of Rs. 10/- each representing 20.00% of present paid up & voting Capital of HOTL ("the Offer"), at a price of Rs. 200/- (Rupees Two Hundred only) ("the Offer Price"), payable in cash, subject to the terms and conditions mentioned hereinafter. There are no partly paid Shares.

2.1.3. There is no Person who is acting in concert with the Acquirers for acquiring Shares through the Agreement/this Open Offer .

2.1.4. As on date of the Public Announcement, the Acquirers do not hold any Equity Shares in HOTL.

2.1.5. The Acquirers have, on July 22, 2011, entered into a Share Purchase Agreement (SPA) with Mr. Raghunandal Lal Gupta, residing at 58-59, N-1, Cidco, Aurangabad, Maharashtra 431 001 (Tel. No. (240) 248 4448, Email ID: Corporate@ rlsteels.com) Mr. Narendra Lal Gupta, 58-59, N-1, Cidco, Aurangabad, Maharashtra 431 001 (Tel. No. (240) 248 4448, Email ID: Corporate@ rlsteels.com), Mrs. Sushila Devi Gupta, residing at 58-59, N-1, Cidco, Aurangabad, Maharashtra 431 001 (Tel. No. (240) 248 4448, Email ID: Corporate@ rlsteels.com) and Mrs. Usha Gupta 58-59, N-1, Cidco, Aurangabad, Maharashtra 431 001 (Tel. No. (240) 248 4448, Email ID: Corporate@ rlsteels.com), the promoters of HOTL representing themselves and other promoter group Shareholders of the Target Company, to acquire 1,84,450 Equity Shares of HOTL, constituting 74.08% of the present paid up and voting Capital of the Target Company at a price of Rs.200/- (Rupees Two Hundred only) per Equity Share for cash consideration(the Negotiated Price). Apart from the consideration @ Rs. 200/- per Equity Shares, no other compensation, directly or indirectly is given to the sellers under the Share Purchase Agreement. The Agreement also provides that the Acquirers will also be given control of HOTL. This Agreement has necessitated the Open Offer in terms of Regulations 10 and 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997. The Offer is subject to the provisions of the Companies Act 1956, SEBI (SAST) Regulations as amended and listing agreement of the Target Company with the Stock Exchanges and other applicable Laws and Regulations in force.

2.1.6. The major terms and conditions of the Agreement is as follows:

i) The Sellers recognize that the sale of the Sale Shares is the subject matter of SEBI (Takeover) Regulations and Foreign Exchange Management Act(FEMA)and accordingly the sale could be given effect to only after due compliance of the Regulations by the Parties

ii) The Purchaser agrees to comply with the requirements of the Regulations before the sale is given effect to including acquisition of additional Shares in the Company as prescribed in the Regulations

iii) The Sellers shall simultaneously with the execution of the Agreement , hand over to the purchaser the Share Certificates and relevant Share Transfer Deeds, individually signed by each of the shareholders

iv) The payment to be made to the Sellers shall constitute payment to the individual Sellers concerned and shall effectively discharge the Purchaser from his obligation in respect thereto

v) The Sellers also confirm that the price payable by the Purchaser to the Sellers shall not be subject to any change should there be any market quotation higher or lower than the price agreed to by the Purchaser and Sellers or should the acquisition cost of the purchases from the public under the regulations be higher than the said price or for any other reason whatsoever

vi) Closing Date : Closing shall take place at Mumbai on a date at Purchaser's office which date shall be within 2 (two) Business Days of (a) the Purchaser having complied with the provisions of, and fulfilled their obligations under, the SEBI Takeover Regulations for the making and completion of open offers for Shares of the Company & (b) Merchant Banker to the offer having certified the unconditional fulfilment of the provisions of the SEBI Takeover Regulations by the Purchaser, in terms of Regulation 24(7) of the SEBI Takeover Regulations

vii) Obligations of Parties on Closing Date : On the Closing Date, the Parties shall do or cause to be done each of the following acts and deeds viz. The Purchaser shall lodge with the Company share transfer deeds and original physical share certificates instructing the Company to transfer the right, title and interest in the Sale Shares held by each respective Seller's to the extent of its respective shareholding and give effect to the transfer of their respective shareholding in the Register of Members maintained by the Company.

The Company will at the appropriate time and as stipulated by law, file respective filings under the Companies Act, 1956, for (a) recording appointment of Directors of the Company representing the purchasers; (b) recording resignations of the existing directors of Company (c) shift in registered office and such other acts as may be required to effectively enable the buyer to take control of the company. The company will also comply with any other law as may be required for the purpose.

viii) The seller shall not initiate/complete negotiations as regards the target company with any other persons. The seller undertakes and confirms that the seller has not till the closing date entered into any agreement for sale of the target company with any other person other than the purchasers

ix) The Sellers agree and confirm that pending the compliance of the Regulations by the Purchaser, the Sellers shall not create any charge or lien on the Sale Shares nor seek duplicate share Certificates there against the sale shares

x) The Sellers agree that pending the compliance of the Regulations, the Sale Shares shall be held in trust for the Purchaser or their nominees, as the case may be, and all rights, dividend or bonus accruing on Sale Shares shall accrue to the benefit of the Purchaser and shall also be held by the Sellers in trust for the Purchaser

xi) The Sellers confirm having understood that the Purchaser shall proceed with the compliance of the Regulations subsequent to signing of the Agreement and confirm having irrevocably agreed that this Agreement to sell the Sale Shares is irrevocable on their part pending the compliance of the Regulations, and the sale being given effect to.

xii) The Sellers shall ensure that, (a) from the date of execution of the Agreement until completion, the Company will carry on business in all material respects in the ordinary and usual course with due care and diligence and in the manner and scope carried on as at the date of execution of this Agreement and (b) the Sellers shall ensure that the Company provides, to the extent permitted under applicable law; necessary information and reasonable access to information to the Purchaser and/or its representatives, as may be required for or in connection with the open offer.

xiii) The Purchasers confirm that they are competent to contract and to enter into the Agreement and should he nominate any other person or body corporate, in his lieu and stead, such person being a person acting in concert, each of the said individuals or body corporate, as the case may be, shall be competent to contract, but notwithstanding the same, the obligations undertaken by the Purchaser in pursuance of this Agreement shall be performed and continue to be performed by the Purchaser as if the sale has been effected to the Purchaser

xiv) The Purchaser shall, in accordance with the SEBI Takeover Regulations, make open/public offers for Shares of the Company. The Purchaser shall take expeditious steps to comply with the SEBI Takeover Regulations as quickly as possible and undertake not to do or omit from doing anything that might impede, or frustrate the compliance of the provisions relating to open/public offers. The Purchaser shall not apply for the registration of any Shares of the Company, including the Sale Shares to be acquired from the Sellers under this Agreement, in its name unless and until its Merchant Bankers have certified the unconditional fulfilment of the provisions of the SEBI Takeover Regulations by the Purchaser. The Purchaser agrees to obtain such approvals as may be required from Reserve Bank of India for acquisition of the seller's shares

xv) The Purchaser agree that all expenses that may be required to be incurred or incurred for payment of fee to SEBI, payment of fee to the merchant bankers, payment of fee to the bankers, payment of fee to other legal professionals or generally with respect to the acquisition of Sale Shares including by way of stamp duty, or other transfer charges by whatever name called and as may be applicable, shall be to the account of and borne by the Purchaser

xvi) The Purchaser agrees not to seek transfer of the Shares with the Company in their name or any of their nominee(s) by lodging them with the Company, or in any other manner whatsoever, till the completion of their obligations envisaged under the Regulations.

xvii) The Purchaser has undertaken and agreed to pay an aggregate amount of Rs. 3,28,00,000/- to the sellers in proportion of their holdings as interest free deposit to be adjusted against purchase consideration upon completion of the entire process and the balance will be paid on date of closing . The purchaser has undertaken and agreed to transfer the interest free deposit by way of foreign remittance in their favour within a period 72 working hours from date the signing of the agreement.

2.1.7. Apart from the consideration @ Rs. 200/- per Equity Share as stated in Clause 2.1.5 above, no other compensation, directly or indirectly is given to the sellers under the Share Purchase Agreement.

2.1.8. The Acquirers, the Target Company, its promoters/Directors and the sellers under the Share Purchase Agreement have not been prohibited by SEBI from dealing in securities, in terms of directions issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act.

2.1.9. There is no person on the Board of Director of the Target Company representing or having interest in the Acquirers.

2.1.10. The Equity Shares of the Target Company are listed at The Bombay Stock Exchange Ltd (BSE). The Shares are not admitted as permitted Security in any other Stock Exchange.

2.1.11. Subject to satisfaction of the provisions under the Companies Act, 1956 and /or any other Law or Regulation(s), the Acquirers intend to make changes in the management of HOTL. It is proposed to induct new Directors on the Board of HOTL, in place of the Directors representing the present promoters. The names of such persons who will be so inducted have not been decided yet. The change in Board in favor of the Acquirers shall be subject to compliance with Regulation 22(7) of SEBI Regulations. The Transfer of Shares under the Agreement and change in control in favor of Acquirers shall be subject to Reg. 23(6) of the Regulations.

2.1.12. If the number of Equity Shares Offered by the Shareholders is more than the Offer size, then the acquisition from each Shareholder will be as per Regulation 21 (6) of the SEBI (SAST) Regulations, on proportionate basis and 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. It will also be ensured that the acceptance from a Shareholder is not less than marketable lot of 50 or the entire holding, if it is less than the marketable lot. In view of acceptance on proportionate basis as stated above, the number of Shares accepted may marginally exceed the Offer Size.

2.2 **Details of the proposed Offer**

2.2.1. A Public Announcement, as per Regulation 15 (1) of the Regulations, was made in all editions of one English national daily with wide circulation, all editions of one Hindi national daily with wide circulation, one Marati daily published at Mumbai, the place where the Equity Shares of the Target Company are listed/traded and also the place where Registered Office of the Target Company is situated. A Corrigendum to the Public Announcement was also made. The details of Public Announcement & Corrigendum are given below:

Newspaper	Language	Editions	Date of PA	Date of Corrigendum
Business Standard (covers all editions)	English	Mumbai, Delhi, Kolkata, Bangalore, Chennai, Hyderabad, Lucknow, Bhubaneshwar, Chandigarh, Kochi, Pune & Ahmedabad editions	Wednesday, July 27 , 2011	Wednesday, October 19, 2011
Business Standard - Hindi (covers all editions)	Hindi	Mumbai, Delhi, Kolkata, Patna, Lucknow, Bhopal & Chandigarh editions	Wednesday, July 27 , 2011	Wednesday, October 19, 2011
Apla Mahanagar	Marati	Mumbai	Wednesday, July 27 , 2011	Wednesday, October 19, 2011

The Public Announcement & Corrigendum to PA are also available at SEBI's Website: www.sebi.gov.in

2.2.2 The Offer is to acquire 49,800 Equity Shares of Rs. 10/- each, representing 20% of the issued, subscribed and voting Capital of HOTL

2.2.3 The consideration will be paid in Cash. There is no differential price since entire consideration is payable in cash.

2.2.4 The Offer price is Rs. 200/- (Rupees Two Hundred only) per each fully paid up Equity Share. There are no partly paid Equity Shares.

2.2.5 This is not a competitive bid.

2.2.6 This Offer is not conditional on any minimum level of acceptance.

2.2.7 As on date of the Public Announcement, the Acquirers do not hold any Equity Shares in HOTL

2.2.8 Details of competitive bids, if any : **There is no competitive bid**

2.2.9 Fedex Securities Limited, Manager to the Offer does not hold any Equity Shares in the Target Company. In compliance with Reg. 24(5A), they shall not deal in the Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of fifteen days from the date of closure of the Offer.

2.2.10 The Acquirers have not acquired any Equity Share of HOTL after the date of PA till the date of this Letter of Offer. In the event of any further acquisition of Equity Shares from the date of P.A. till 7 days prior to date of closure of the Offer by the Acquirers at a price higher than the Offer Price, then the Offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition. However, the Acquirers will not acquire any Equity Shares of HOTL during the period of 7 working days prior to the date of closure of the Offer.

3. **OBJECTS AND PURPOSE OF ACQUISITION AND FUTURE PLANS OF THE ACQUIRERS WITH RESPECT TO HOTL**

3.1 The objects of the acquisition are substantial acquisition of Shares of HOTL followed by change in control. The

Acquirers are proposing to acquire control from the present promoters.

3.2 Barring unforeseen circumstances, the Acquirers are confident of ensuring sustained growth. HOTL is currently not engaged in any significant business activity, except deployment of surplus resources in Shares, Deposits/ ICDs. The Company has been performing modestly. The Acquirers are not proposing to continue with the present activities and intends to discontinue the present activities. They are proposing to commence activities under the main objects which are permitted under FEMA. The main objects will also be amended so as to commence activities in the Infrastructure sector. The Acquirers are proposing to undertake/carry out infrastructure related activities like development of Roads, bridges, sewage/water pipe lines etc. in India.

3.3 The Offer will result in change in control of HOTL. Subject to satisfaction of the provisions under the Companies Act, 1956 and/or any other Regulation(s), the Acquirers intend to make changes in the management of HOTL. It is proposed to induct new Directors representing the Acquirers on the Board of HOTL but the Acquirers are yet to decide on the name of the persons who will be so inducted to the Board. The understanding among the Acquirers is that in case they do not get approval from RBI before completion of the Offer for the acquisition of Shares by Delma Investments LLC, then the Shares will be acquired by Mrs. Ushadevi Pathiyil. Delma Investments LLC will be appointing their nominees on the Board of Directors of the Target Company even if they do not hold any Shares, subject to compliance with any applicable Laws or Regulations in India and have management control jointly Mrs. Ushadevi Pathiyil.

3.4 The likely changes in the management/taking control by the Acquirers shall be subject to successful completion of the Open Offer formalities, including despatch of consideration for the Shares accepted and shall be subject to compliance with Regulation 23(6) of the Regulations.

3.5 The Acquirers do not have any plans to dispose off or otherwise encumber any assets of HOTL in the succeeding two years from the date of closure of the Offer, except in the ordinary course of business as may be permissible. They undertake that they shall not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.

3.6 There is at present no conflict of interest between the Acquirers/other Companies /ventures promoted by the Acquirers. There is no potential conflict of interest in India as and when the Company commences activities proposed as laid out under 3.2 above.

4. **BACKGROUND OF THE ACQUIRERS**

4.1.1 The Acquirers are (i) Delma Investments LLC, a Company registered under the Laws of Dubai and (ii) Mrs. Ushadevi Pathiyil an Indian national residing in India

4.1.2 The Acquirers have agreed among themselves that Delma Investments LLC will acquire all the Equity Shares covered under the Share Purchase Agreement and those accepted through the Open offer. Delma Investments LLC being a foreign Company is required to obtain approval from Reserve Bank of India under FEMA to acquire Shares in the Target Company. In the unlikely event of Delma Investments LLC not obtaining requisite approval under FEMA, then as per arrangement between the Acquirers, Mrs. Ushadevi Pathiyil will acquire the Shares, meet all obligations under the Share purchase Agreement and Open offer, make payments for the Shares acquired and comply with the Regulations. There is no formal agreement among the Acquirers in this regard but the understanding among them is that in case they do not get approval before completion of the Offer then the Shares will be acquired by Mrs. Ushadevi Pathiyil. Delma Investments LLC will be appointing their nominees on the Board of Directors of the Target Company even if they do not hold any Shares, subject to compliance with any applicable Laws or Regulations in India and have management control jointly Mrs. Ushadevi Pathiyil.

4.1.3 Delma Investments LLC is a limited liability Company incorporated on 4th April 2011 under Companies Law, DIFC Law No. 2 of 2009 of Dubai, United Arab Emirates and is having registered address at Unit No. 5, Level 2, Gate Village Building No.1, Dubai International Financial Centre, Dubai, United Arab Emirates (Tel No. 00971 4 3277554, 00971 4 3464414, fax 00971 4 346 4484, E mail : prateek.s@delmagroup.ae). The Company belongs to the Delma Emirates Group of Dubai which is into several activities such as Road Projects, Building Projects contracting, general transportation, on shore and off shore Oil and gas services, Storm Water Drainage systems, Water distribution Networks, Renting out fleet of machinery, construction activities such as heavy civil works, pipeline systems etc, manufacture of leather products etc.

4.1.4 Mrs. Ushadevi Pathiyil is not related to Delma Investments LLC. She is mother of Shri. Umesh Mohanan, Director, Delma Investments LLC. She does not come under the " Deemed PACs" category

4.1.5 In Delma Investments LLC, Delma Emirates Group, UAE holds 51% of the Capital, Mr. Ahmed Khaleel Khaled Al Meraikhi of UAE holds 24.50% and Mr. Zulfiqur Al Tanveer Haider, a Canadian National holds the balance 24.50%.

4.1.6 Delma Investments LLC is yet to commence any activity. The principal activities of the Company shall be investments, venture capital, treasury and asset management.

4.1.7 The registered office of Delma Investments LLC is Unit No. 5, Level 2, Gate Village Building No.1, Dubai International Financial Centre, Dubai, United Arab Emirates (Tel No. 00971 4 3277554, 00971 4 3464414, fax 00971 4 346 4484, E mail : prateek.s@ delmagroup.ae). The Company at present does not have any other Office.

4.1.8 The Directors of Delma Investments LLC are Mr. Ahmed Khaleel Khaled Al Meraikhi, Mr. Zulfiqur Al Tanveer Haider and Mr. Umesh Mohanan. Mr. Ahmed Khaleel Al Meraikhi, aged 55 years is a UAE national based at Abu Dhabi. He is involved in various businesses such as Infrastructure, construction, Electronic security, automation fire fighting related equipments and services etc. Mr. Zulfiqur Al Tanveer Haider , aged 51 years is a Canadian National of Bangladeshi Origin. He is a Bachelor of Civil Engineering. He is also well versed in Computer programming. He is presently Managing Director of Delma Engineering Projects WLL, Abu Dhabi. Mr. Umesh Mohanan, aged 30 years is Chief Financial Officer of Delma Group. He is Graduate with ACA from India, Certified Public Accountant from University of Dellovaire , USA, MBA in Finance with specialization in US Taxation from USA and now pursuing MBA Finance with Specialization in UK Taxation from London Business School. He is a key managerial person of Delma Emirates Group, actively involved in business planning, execution , negotiation and finalization of ties ups etc..

4.1.9 Delma Investments LLC has, as its main objects, "(1) Treasury and Asset Management (2) Investment and (3) In general to engage in any lawful act or activity for which Companies may be organized under the Law.

4.1.10 Delma Investments LLC belongs to Delma Emirates Group of Dubai, United Arab Emirates. The Group is promoted by Mr. Ahmed Khaleel Khaled Al Meraikhi Mr. Zulfiqur Al Tanveer Haider .The Group had a combined turnover of AED 1444 Million (Equivalent to approx. Rs. 173425 Lacs) in the year ended 31st December 2010. The Group has business interest in several countries and is into several activities such as Road Projects, Building Projects contracting, general transportation, on shore and off shore Oil and gas services, Storm Water Drainage systems, Water distribution Networks, Renting out fleet of machinery, construction activities such as heavy civil works, pipeline systems etc, manufacture of leather products etc. The Group has an existing joint venture agreement with Larsen & Toubro(L&T) for bidding for a project of AED(UAE Dirham) 7.5 billion which has already been tendered and result awaited. The Group is also jointly executing with L&T an interchange project at the new KPIZ under Abu Dhabi Department of transport for a value of AED(UAE Dirham) 525 million. They also propose to jointly tender with Essar Projects for a water transmission line in Northern Emirates. They also have an MOU with Essar Projects to pursue Oil & gas projects jointly.

4.1.11 Delma Investments LLC is promoted by Delma Emirates Group, UAE which holds 51% of the Capital .

4.1.12 The Equity Shares of Delma Investments LLC are not listed at any Stock Exchange outside India. No instrument issued by Delma Investments LLC is listed in any Stock Exchanges in India.

4.1.13 Delma Investments LLC has no Subsidiaries.

4.1.14 Delma Investments LLC has no overdue liabilities to Banks/FIs /Deposit holders. There was no default in the past.

4.1.15 As per Certified Financials as on 23rd June 2011, Delma Investments LLC has total Shareholder's funds of US $ 13,63,711 (net of accumulated losses till date) & Current liabilities of US $ 11,187/-. The Total assets of US $ 13,74,898 is held in Current Assets. The total Shareholder's funds works out to Rs. 613.26 Lacs at then exchange rate of Rs. 44.97 per US$.

4.1.16 Mrs. Ushadevi Pathiyil, aged 52 years, W/o. G. Mohanan, residing at 6/466, Dhanya, Naduvakkad, Kannadi, Palakkad District, Kerala State 678 707 (Tel. No. (0491) 2538653, E Mail Id: mohusha@hotmail.com) is a Graduate. She is proprietor of Rethna packs, engaged in manufacture of corrugated box and packaging materials. She is not on the Board of Director of any listed or unlisted Company.

4.1.17 There are no persons acting in concert with the Acquirers (PACs) for acquisition of Shares under the Share Purchase Agreement/this Offer.

4.1.18 There is no agreement by the Acquirers with any other person/entity, in connection with this Offer. The entire Shares proposed to be acquired under this Offer will be acquired by the Acquirers and no other person/entity proposes to take part in the acquisition.

4.1.19 As per Certificate dated 24th July 2011 from FRG, Chartered Accountants, (signed by Mr. Habib Darwish Al Rahma), P O Box, 113854, Dubai, United Arab Emirates (Tel. No. 0971 4 3295900 Fax No. 0971 4 3295800 , Email ID: frg@emirates.net.ae), the Net worth of Delma Investments LLC as on 20th July 2011 is US$ 1512902/- (Equivalent to Indian Rs. 6,72,18,236 /- at then Exchange rate of Rs. 44.43.

4.1.20 FRG, Chartered Accountants, (signed by Mr. Habib Darwish Al Rahma), P O Box, 113854, Dubai, United Arab Emirates (Tel. No. 0971 4 3295900 Fax No. 0971 4 3295800 , Email ID: frg@emirates.net.ae) have , vide their certificate dated 24th July 2011 certified that Delma Investments LLC has liquid resources of US $ 1407902 as on 20th July 2011 (Equivalent to Indian Rs. 6,25,53,086/- at then Exchange rate of Rs. 44.43). This will be adequate to meet the funds requirements of the Offer. The liquid resources comprise of Bank Deposits, Advances and receivables, other advances and cash balances.

4.1.21 As per Certificate dated 25th July 2011 from G. Suresh Kumar, Partner, FRG & Company, Chartered Accountants, 303, Rattan Galaxie, Near Mehul Cinema, Jawaharlal Nehru Road, Mulund (West), Mumbai 400 080 (Tel. No. (022) 325 4560, Email ID: rajeshtiwarifrgglobal.com), the Net worth of Mrs. Ushadevi Pathiyil as on 25th July, 2011 is Rs. 5,10,00,000/-.

4.1.22 As per Certificate dated 25th July 2011 from G. Suresh Kumar, Partner, FRG & Company, Chartered Accountants, 303, Rattan Galaxie, Near Mehul Cinema, Jawaharlal Nehru Road, Mulund (West), Mumbai 400 080 (Tel. No. (022) 325 4560, Email ID: rajeshtiwarifrgglobal.com), the liquid sources available with Mrs. Ushadevi Pathiyil as on 25th July 2011 is Rs. 5,10,00,000/-. This comprises of Deposits with Banks in Current Account, Advances and receivables, Cash balances, investments and other current assets.

4.1.23 The applicable provisions of Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, are not applicable to the Acquirers as they have not acquired any Equity Shares /voting rights in the Target Company

4.1.24 The Acquirers have not promoted nor have controlling interest in any listed or unlisted Company in India. Mrs. Ushadevi Pathiyil is proprietor of Rethna Packs, engaged in manufacture of corrugated boxes, packaging materials etc. In the year ended March 2011, the activity had a sales turnover of Rs. 26 Lacs and Net Profit of Rs. 2.80 Lacs.

4.1.25 The Acquirers do not have any nominees on the Board of Directors of HOTL. None of the Directors of HOTL represent the Acquirers.

4.1.26 The Acquirers, Companies/Ventures promoted by them are not in securities related business in India and are not registered with SEBI as a Market Intermediary.

4.1.27 No action has been taken by SEBI or Stock Exchanges against the Acquirers or ventures promoted by the Acquirers.

4.1.28 There is no pending litigation against the Acquirers/promoters/Directors of Delma Investments LLC (one of the Acquirers) in India.

4.1.29 The Acquirers & the promoters/Directors of Delma Investments LLC, one of the Acquirers have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act.

4.1.30 The appointment of the nominees of the Acquirers on the Board of Directors of the Target Company shall be subject to compliance with Regulation 22(7) of SEBI Regulations. The Transfer of Shares under the Agreement and change in control in favor of Acquirers shall be subject to Reg. 23(6) of the Regulations.

4.1.31 Acquirer's justification of price under the Share Purchase Agreement : The Acquirer was on the look out for acquiring a listed Company in India for acquisition and wanted a higher stake in the Company as its promoter post acquisition, subject to compliance with Indian Laws and Regulations. The Stake being acquired from present promoters through the Share Purchase agreement is around 74%. The Company is debt free, has no statutory liabilities or any pending matters with Indian Tax authorities or other regulatory bodies, the Assets are liquid and has no past instances of default to Banks etc. The Acquirer is keen to commence proposed activities in India at the earliest and has a goal of commencing activities by the beginning of Calendar 2012 and by acquiring this Company they will be able to achieve this goal. In view of this, the Acquirer is willing to pay a price of Rs. 200/- per Share under the SPA.

4.2.1. BRIEF DETAILS OF THE ACQUIRERS AS ON DATE OF PUBLIC ANNOUNCEMENT ARE TABULATED BELOW:

Name & Contact details	Relationship, if any, with any other Acquirer	Net Worth as certified by Chartered Accountant	Companies in which is a full time Director
Delma Investments LLC Unit No. 5, Level 2, Gate Village Building No.1 Dubai International Financial Centre Dubai, United Arab Emirates Tel No. 00971 4 3277554 00971 4 3464414 Fax : 00971 4 346 4484 E mail : prateek.s@delmagroup.ae	NIL	US$ 1512902/- (Equivalent to Indian Rs. 6,72,18,236 /- at Exchange rate of Rs. 44.43). (As on 20th July 2011)	**Listed** N.A. **Unlisted** N.A.
Mrs. Ushadevi Pathiyil 6/466, Dhanya Naduvakkad, Kannadi Palakkad District, Kerala State 678 707 Tel. No. (0491) 2538653 E Mail Id: mohusha@hotmail.com	NIL	Rs. 510.00 Lacs as on 25-07-2011 (Certificate dated 25-07-2011)	**Listed** NIL **Unlisted** NIL

4.2.2 Brief profile of Board of Directors of Delma Investments LLC as on Wednesday, July 27, 2011, the date of Public Announcement

Name	Date of appointment	Age, Qualification,	Residential Address	Designation
Mr. Ahmed Khaleel Khaled Al Meraikhi	On Incorporation	Age : 55 years Qualification: Graduate	Villa No 11 Shakbut Street Abu Dhabi United Arab Emirates Tel No. 0097125583883 Fax No . 0097125583885 E mail Id: akalmiraikhi@delmagroup.ae	Director
Mr. Zulfiqur Al Tanveer Haider	On Incorporation	Age: 51 years Qualification: Bachelor of Civil Engineering	Apt No 1502, Crescent Towers, Sector W10, Abu Dhabi, United Arab Emirates Tel No. 0097125583883 Fax No . 0097125583885 E mail Id: masdel.zat@delmagroup.ae	Director
Mr. Umesh Mohanan	On Incorporation	Age: 30 years Qualification: B.Com ACA, PGDCA (India) CPA (US) MBA (US)	Emirate Towers Khalidya Corniche, 505 Abu Dhabi United Arab Emirates Tel No. 0097125583883 Fax No . 0097125583885 E Mail Id : umesh@delmagroup.ae	Director

There is no change in Board of Directors after the date of PA.

4.2.3 None of the Acquirers or Directors of Delma Investments LLC is on the Board of Directors of the Target Company.

4.2.4 Shareholding pattern of Delma Investments LLC is as follows:

Category of Shareholders	No. of Shares	% to total paid Up capital
Promoter Group		
Delma Emirate Group	25,500	51
Ahmed Khaleel Khaled Al Meraikhi	12,250	24.50
Zulfiqur Al Tanveer Haider	12,250	24.50
Total	**50,000**	**100**

4.2.5. **AUDITED FINANCIALS OF DELMA INVESTMENTS LLC**

Brief Audited Financial data of Delma Investments LLC since Incorporation till 23rd June 2011, date when accounts were audited is given hereunder:

Profit & Loss Statement	**23.06.2011 (In US $)**	**23.06.2011 (Rs. In Lacs) (@ then Exchange rate of Rs. 44/97)**
Income from main operations	0.00	0.00
Other Income	0.00	0.00
Total Income	**0.00**	**0.00**
Legal & professional charges	84957	38.21
Profit before Depreciation, Interest and Tax (Loss in brackets)	(84957)	(38.21)
Depreciation	0.00	0.00
Interest & Fin charges	0.00	0.00
Profit Before Tax (Loss in brackets)	(84957)	(38.21)
Less: Provision for Taxes	0.00	0.00
Profit After Tax for the period (Loss in brackets)	(84957)	(38.21)
Balance Sheet Statement	**23.06.2011 (In US $)**	**23.06.2011 (Rs. In Lacs) (@ then Exchange rate of Rs. 44/97)**
Sources of funds		
Shareholder's funds	1448668	651.47
Less: Accumulated Losses	84957	38.21
Net Worth	**1363711**	**613.26**
Secured Loans	0.00	0.00
Deferred tax liability	0.00	0.00
Unsecured Loans	0.00	0.00
Total Source of funds	**1363711**	**613.26**
Uses of funds		
Net Fixed Assets	0.00	0.00
Total Current Assets	1374898	618.29
Less: Current Liabilities	11187	5.03
Total	**1363711**	**613.26**

(Rs. in Lacs)

Other Financial Data	**23.06.2011**
Dividend (%)	NIL
Earnings per Share for the year	N.A
Return on Net Worth (%) , annualized (Profit after Tax X100/Net Worth)	N.A

General Notes:

❖ The Financial Statements are made in US $. WE have given the financials in Indian Rupees at an Exchange Rate of Rs. 44/97 per US$, being the rate prevailing on 23rd June 2011, the date of audit of accounts. The Rupees has since appreciated against the US $ and is currently around Rs. 44/- per US$. In view of this, the Shareholder's funds(Net of accumulated losses) will be approx. Rs. 600.03 Lacs.

- The Company is in the first year of operations.
- As is prevalent in UAE , the Shareholder's funds comprises of Capital as well as balance held in Shareholder's Current Accounts

NOTES TO THE FINANCIAL STATEMENTS BY THE AUDITORS

1 LEGAL STATUS AND ACTIVITY :

Delma Investments LLC (" the Company") is a limited liability company incorporated under the Companies Law, DIFC Law No 2 of 2009. The Company is operating under License No. CL1040 issued on 4 April 2011 by Dubai International Financial Centre, Dubai. The Company is a subsidiary of Delma Emirates Group holding 51% of the share capital of the Company.

Activity: The principal activity of the Company is investment and venture capital. The principal place of business of the Company is located at Unit No 05, Gate Village Building No01, Dubai International Financial Centre, Dubai, United Arab Emirates.

Shareholding pattern : The shareholding pattern of the Company at end of the period under review was as follows:-

	Name of the shareholder	Nationality	% of Share
1)	M/s Delma Emirates Group	UAE	51.00%
2)	Mr. Ahmed Khaleel Khaled Al Meraikhy	UAE	24.50%
3)	Mr. Zulfiqur Al Tanveer Haider	Canadian	24.50%
	TOTAL		**100%**

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1 Basis of preparation

The accounting policies adopted have been applied in dealing with items considered material to the Company's financial statements.

Basis of measurement

The financial statements are prepared under the historical cost convention.

2.2 Changes in accounting policies

There have been new and revised standards and Interpretations issued by IASB and IFRIC that are applicable for accounting periods commencing 1 January 2010. Considering the operations of the Company, the aforesaid standards and interpretations have no effect on accounting and presentation of these financial statements.

The following Standards, have resulted in revised disclosure requirements for the current period:

- Amendments to IAS 24 'Related party disclosures' has simplified the definition of a related party, clarifying its intended meaning and eliminated inconsistencies from the definition. The amendments have also provided a partial exemption from the disclosure requirements for government-related entities. An entity shall apply this IFRS for annual periods beginning on or after 1 January 2011, though earlier application is permitted.
- IFRS 9 'Financial Instruments' was issued partially in November 2009 and will eventually replace IAS 39 'Financial Instruments: Recognition and Measurement'. The chapters issued in November 2009 related to the classification and measurement of financial assets. An entity shall apply this IFRS for annual periods beginning on or after 1 January 2013, though earlier application is permitted.

2.3 Significant accounting policies

a Employees' terminal benefits

Provision is not made for employees' terminal benefits on the basis prescribed under the U.A.E. Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment.

b Foreign currencies

Functional and presentation currency

The financial statements are presented in United State Dollars (US Dollars), which is the Company's functional and presentation currency.

Transaction and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the income statement.

c Finance charges

Finance charges that are directly attributable to the acquisition and constructing of property and equipment are capitalized as part of the cost of those assets. Other finance charges are recognized as an expense in the year in which they are incurred.

d Cash and cash equivalents

Cash and cash equivalents consist of unrestricted cash and bank balances.

e Financial instruments

Financial assets and financial liabilities are recognized on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

f Impairment

Financial assets

At each balance sheet date, the Company assesses if there is any objective evidence indicating impairment of financial assets or non collectability of receivables.

An impairment loss, if any, arrived at as a difference between the carrying amount and the recoverable amount, is recognized in the statement of income. The recoverable amount represents the present value of expected future cash flows discounted at original effective interest rate. Cash flows relating to short term receivables are not discounted.

Non financial assets

At each balance sheet date, the Company assesses if there is any indication of impairment of non financial assets. If an indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of income. The Company also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of income.

g Financial liabilities

All financial liabilities are initially measured at cost and are subsequently measured at amortized cost

h Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

2.4 Significant accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognized in the income statement.

FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. The identified key risks are:

a) Currency risk

The majority of the Company's financial assets and financial liabilities are either denominated in United States Dollars (USD) or currencies fixed to the USD. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weakens or strengthens against the USD with all over variables held constant.

b) Credit risk

The Company is not exposed to any significant concentration of credit risk because its exposure is spread over financial institutions and a large number of customers.

c) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due.

Capital management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the shareholders' funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholders' funds, the Company may adjust the amount of dividends paid to shareholders, return funds to shareholders, issue new shares, or sell assets to reduce its exposure to debt.

CAPITAL COMMITMENTS

There were no material capital commitments at the balance sheet date.

CONTINGENT LIABILITIES

There are no material contingent liabilities at the balance sheet date.

LEVEL OF PRECISION

All figures are rounded off to nearest United States Dollars (US Dollars).

COMPARATIVE FIGURES

Since this is the first period of operations of the Company, there are no comparative figures.

4.2.6. **The Acquirers have not promoted/nor are in control of any listed Company in India**

4.2.7. **BRIEF DETAILS OF VENTURES/UNLISTED COMPANIES PROMOTED BY THE ACQUIRERS /BELONGING TO DELMA EMIRATES GROUP**

(i) **Name of the Company/Entity** : Delma Engineering Projects Company WLL Abu Dhabi, UAE

Date of Incorporation : 21-10-2003

Name of Directors : Mr. Mohammed Khaleel Khaled Al Meraikhi

Mr. Ahmed Khaleel Khaled Al Meraikhi

Mr. Zulfiqur Al Tanveer Haider

Nature of activities : Road Works, Storm Water drainage Works, water distribution Net works, Sewage Networks & Renting out of fleet of Machinery

Brief financials based on Audited Accounts for the last three years and certified financials interim period ended 31st March 2011are given below:

(In Indian Rs. in Lacs)

Details	31-03-2011 (3 months)	31-12-2010	31-12-2009	31-12-2008
Share Capital	360	360	360	360
Shareholder's Current A/c.	3533	3433	4510	5486
Reserves & Surplus	19467	17734	11351	5570
Total Shareholder's Funds	23360	21528	16221	11416
Total Income	14178	51297	36187	22581
Profit after Tax	1733	6383	5781	3170

The Currency in which Financials are reported by the Company is UAE Dirhams. The same has been converted at current Exchange rate of Indian Rupees @ Rs. 12/- per UAE Dirham

(ii) **Name of the Company/Entity** : Delma Emirates General Transport Abu Dhabi, UAE

Sole Proprietary concern of Mr. Ahmed Khaleel Khaled Al Meraikhi

Date of Establishment : 28-07-2008

Nature of activities : Building project contracting, general transportation, on shore and off shore oil and gas field services

Brief financials based on Audited Accounts for the last three years and certified financials interim period ended 31st March 2011are given below:

(In Indian Rs. in Lacs)

Details	31-03-2011 (3 months)	31-12-2010	31-12-2009	31-12-2008
Proprietor's Capital	360	360	360	360
Proprietor's Current A/c. (Negative figure in brackets)	(61)	(123)	148	113
Retained earnings	3680	3330	2042	298
Total Proprietor's Funds	3980	3567	2550	771
Total Income	3994	14435	9888	2659
Profit after Tax	350	1288	1745	298

The Currency in which Financials are reported by the Company is UAE Dirhams. The same has been converted at current Exchange rate of Indian Rupees @ Rs. 12/- per UAE Dirham

(iii) Name of the Company/Entity : Mabani Delma General Contracting Company LLC Dubai, UAE

Date of Incorporation : 04-02-1997

Names of Directors : Mr. Ahmed Khaleel Khaled Al Meraikhi

Mr. Diab Ahmed Khaleel Al Meraikhi

Nature of activities : Sewage, drainage contracting, water pipe lines, desalination plant contracting, stations, air conditioning, ventilations, air filtration systems installation, maintenance, electromechanical equipment installation and maintenance

Brief financials based on Audited Accounts for the last three years and certified financials interim period ended 31st March 2011are given below:

(In Indian Rs. in Lacs)

Details	31-03-2011 (3 months)	31-12-2010	31-12-2009	31-12-2008
Share Capital	36	36	36	36
Shareholder's Current A/c.	1548	2243	1790	1093
Reserves & Surplus (Net of revaluation reserves)	10937	9619	7120	1929
Total Shareholder's Funds	12521	11898	8946	3057
Total Income	7530	27096	18273	8354
Profit after Tax	1107	2289	4981	2167

The Currency in which Financials are reported by the Company is UAE Dirhams. The same has been converted at current Exchange rate of Indian Rupees @ Rs. 12/- per UAE Dirham

(iv) Name of the Company/Entity : Mabani Company LLC Abu Dhabi, UAE

Date of Incorporation : 08-01-1998

Name of Directors : Mr. Al Anoud Ahmed K Al Meraikhi

Mr. Diab Ahmed Khaleel Al Meraikhi

Ms. Noura Ahmed K Al Meraikhi

Ms. Sharifah Ahmed K Al Meraikhi

Ms. Mariam Ahmed K Al Meraikhi

Nature of activities : Construction Company with diverse operations, mainly in heavy civil works, Sewage & water pipeline Schemes and Infrastructure

Brief financials based on Audited Accounts for the last three years and certified financials interim period ended 31st March 2011are given below:

(In Indian Rs. in Lacs)

Details	31-03-2011 (3 months)	31-12-2010	31-12-2009	31-12-2008
Share Capital	18	18	18	18
Shareholder's Current A/c.	7742	8391	9706	4529
Reserves & Surplus (Net of revaluation reserves) (Negative figure in brackets)	(879)	(1202)	(2332)	(3129)
Total Shareholder's Funds	6881	7207	7392	1417
Total Income	2044	7330	4820	2491
Profit after Tax	323	1130	797	327

The Currency in which Financials are reported by the Company is UAE Dirhams. The same has been converted at current Exchange rate of Indian Rupees @ Rs. 12/- per UAE Dirham.

(v) Name of the Company/Entity : Sam Collections Leather Products Company LLC Abu Dhabi, UAE

Date of Incorporation : 17-04-2005

Name of Directors : Mr. Sameer Ata Salem Sharabati

Ms. Al Anoud Ahmed K Al Meraikhi

Mr. Diab Ahmed Khaleel Al Meraikhi

Ms. Noura Ahmed K Al Meraikhi

Ms. Sharifah Ahmed K Al Meraikhi

Ms. Mariam Ahmed K Al Meraikhi

Nature of activities : Manufacturing Hand bags, wallets, belts and footwear

Brief financials based on Audited Accounts for the last three years and certified financials interim period ended 31st March 2011are given below:

(In Indian Rs. in Lacs)

Details	**31-03-2011 (3 months)**	**31-12-2010**	**31-12-2009**	**31-12-2008**
Share Capital	30	30	30	30
Shareholder's Current A/c.	662	639	559	531
Reserves & Surplus (Negative figure in brackets)	(726)	(678)	(609)	(528)
Total Shareholder's Funds (Negative figure in brackets)	(34)	(10)	(20)	33
Total Income	65	202	293	180
Profit after Tax (Loss in brackets)	(47)	(69)	(80)	(160)

The Currency in which Financials are reported by the Company is UAE Dirhams. The same has been converted at current Exchange rate of Indian Rupees @ Rs. 12/- per UAE Dirham

(vi) Name of the Company/Entity : Al Dhafra Trading Enterprises Establishment Abu Dhabi, UAE

Sole Proprietary concern of Mr. Theyad Ahmed Khaeel

Date of Establishment : 04-08-1993

Nature of activities : On shore and off shore oil gas fields services, new cars spare parts trading, commercial agencies, and trading in several other merchandize

Brief financials based on Audited Accounts for the last three years and certified financials interim period ended 31st March 2011are given below:

(In Indian Rs. in Lacs)

Details	**31-03-2011 (3 months)**	**31-12-2010**	**31-12-2009**	**31-12-2008**
Proprietor's Capital	120	120	120	120
Proprietor's Current A/c.	0	0	0	0
Retained earnings	3518	3302	2452	1386
Total Proprietor's Funds	3638	3422	2571	1506
Total Income	2021	8061	11137	10452
Profit after Tax	216	849	1066	571

The Currency in which Financials are reported by the Company is UAE Dirhams. The same has been converted at current Exchange rate of Indian Rupees @ Rs. 12/- per UAE Dirham

(vii) Name of the Company/Entity : Capital Survey Abu Dhabi, UAE

Sole Proprietary concern of Mr. Ahmed Khalil Khaled Al Meraikhi

Date of Establishment : 09-04-1996

Nature of activities : Soil testing, Engineering surveying services and on shore and off shore oil gas fields services

Brief financials based on Audited Accounts for the last three years and certified financials interim period ended 31st March 2011are given below:

(In Indian Rs. in Lacs)

Details	31-03-2011 (3 months)	31-12-2010	31-12-2009	31-12-2008
Proprietor's Capital	72	72	72	72
Proprietor's Current A/c.	0	0	0	0
Retained earnings	3431	3293	2645	2104
Total Proprietor's Funds	3504	3365	2717	2176
Total Income	847	3389	3001	3169
Profit after Tax	139	648	541	1084

The Currency in which Financials are reported by the Company is UAE Dirhams. The same has been converted at current Exchange rate of Indian Rupees @ Rs. 12/- per UAE Dirham

(viii) Name of the Company/Entity : Heliopolis Electric Company WLL Abu Dhabi, UAE

Date of Incorporation : 07-01-1991

Name of Directors : Mr. Abdul Rauf Sami

Mr. Diab Ahmed Khaleel Al Meraikhi

Nature of activities : Building contracting, steel construction contracting, installation and repairing cooling systems, air conditioning contracting, power transmission and distribution net work contracting etc.

Brief financials based on Audited Accounts for the last three years and certified financials interim period ended 31st March 2011are given below:

(In Indian Rs. in Lacs)

Details	31-03-2011 (3 months)	31-12-2010	31-12-2009	31-12-2008
Share Capital	360	360	360	360
Shareholder's Current A/c.	0	0	0	0
Reserves & Surplus	6885	6404	4613	3440
Total Shareholder's Funds	7245	6764	4973	3800
Total Income	8182	29751	19105	15801
Profit after Tax	481	1791	1173	978

The Currency in which Financials are reported by the Company is UAE Dirhams. The same has been converted at current Exchange rate of Indian Rupees @ Rs. 12/- per UAE Dirham

(ix) Name of the Company/Entity : Delma Emirates Group (Corporate Office) Abu Dhabi, UAE

Sole Proprietary concern of Mr. Ahmed Khalil Khaled Al Meraikhi

Date of Establishment : 19-08-2008

Nature of activities : Investments, Establishment management, consultancy etc.

Brief financials based on Audited Accounts for the last three years and certified financials interim period ended 31st March 2011are given below:

(In Indian Rs. in Lacs)

Details	31-03-2011 (3 months)	31-12-2010	31-12-2009	31-12-2008
Proprietor's Capital	1908	1908	1908	192
Proprietor's Current A/c. (Negative figure in brackets)	9226	9867	8975	(172)
Retained earnings	12014	9447	160	(4)
Total Proprietor's Funds	23149	21221	11043	16
Total Income	4301	15498	914	0
Profit after Tax (Loss in brackets)	2568	9286	164	(4)

The Currency in which Financials are reported by the Company is UAE Dirhams. The same has been converted at current Exchange rate of Indian Rupees @ Rs. 12/- per UAE Dirham

4.3 OBJECT AND PURPOSE OF ACQUISITION AND FUTURE PLANS OF THE ACQUIRERS WITH RESPECT TO HOTL

4.3.1 The objects of the acquisition are substantial acquisition of Shares of HOTL followed by change in control. The Acquirers are proposing to acquire control from the present promoters.

4.3.2 Barring unforeseen circumstances, the Acquirers are confident of ensuring sustained growth. HOTL is currently not engaged in any significant business activity, except deployment of surplus resources in Shares, Deposits/ ICDs. The Company has been performing modestly. The Acquirers are not proposing to continue with the present activities and intend to discontinue the present activities. They are proposing to commence activities under the main objects which are permitted under FEMA.. The main objects will also be amended so as to commence activities in the Infrastructure sector. The Acquirers are proposing to undertake/carry out infrastructure related activities like development of Roads, bridges, sewage/water pipe lines etc. in India.

4.3.3 The Offer will result in change in control of HOTL. Subject to satisfaction of the provisions under the Companies Act, 1956 and/or any other Regulation(s), the Acquirers intend to make changes in the management of HOTL. It is proposed to induct new Directors representing the Acquirers on the Board of HOTL but the Acquirers are yet to decide on the name of the persons who will be so inducted to the Board. The understanding among the Acquirers is that in case they do not get approval from RBI before completion of the Offer for the acquisition of Shares by Delma Investments LLC, then the Shares will be acquired by Mrs. Ushadevi Pathiyil. Delma Investments LLC will be appointing their nominees on the Board of Directors of the Target Company even if they do not hold any Shares, subject to compliance with any applicable Laws or Regulations in India and have management control jointly Mrs. Ushadevi Pathiyil.

4.3.4 The likely changes in the management/taking control by the Acquirers shall be subject to successful completion of the Open Offer formalities, including despatch of consideration for the Shares accepted and shall be subject to compliance with Regulation 23(6) of the Regulations.

4.3.5 The Acquirers do not have any plans to dispose off or otherwise encumber any assets of HOTL in the succeeding two years from the date of closure of the Offer, except in the ordinary course of business as may be permissible. They undertake that they shall not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.

4.3.6 There is at present no conflict of interest between the Acquirers/other Companies /ventures promoted by the Acquirers. There is no potential conflict of interest in India as and when the Company commences activities proposed as laid out under 4.3.2 above.

5. COMPLIANCE WITH REGULATION 21(2) & CLAUSE 40A OF THE LISTING AGREEMENT

The acquisition of 20 % of the voting capital of HOTL under this Offer(assuming full acceptance) , the Shares being acquired through the Share Purchase Agreement will result in public Shareholding falling below the level required for continued Listing. Assuming full acceptance under this Offer, the post offer holding of the Public shall be 5.98% , below the level required for continued listing. If consequent to the Shares being acquired through the Share Purchase Agreement, this offer and any further acquisitions by the Acquirers till 7 days prior to closure of the Offer, the public holding falls below the level required for continued listing, then the Acquirers/Target Company will comply with the relevant provisions of Clause 40A of the listing agreement in this regard. The Acquirers/ Target Company will ensure and maintain the public holding at the stipulated level of 25% within a time frame of one year in the manner as prescribed under Clause 40A of the listing agreement with the Stock Exchange where the Equity Shares of the Target Company are listed. The Acquirers undertake and declare that they do not have any intention to delist the Equity Shares of the Target Company for a period of three years succeeding this Open Offer.

6 BACKGROUND OF THE TARGET COMPANY

6.1.1 Hari Om Trades & Agencies Ltd (CIN :L51100MH1985PLC035147) was incorporated on 23rd January 1985 in the State of Maharashtra under the Companies Act, 1956. The Company obtained Certificate for commencement of business on 4th February 1985. HOTL made public issue of Equity Shares which opened for subscription on 3rd June 1985 and closed on 17th June 1985 and got its Equity Shares listed at The Bombay Stock Exchange Ltd.

6.1.2 The Registered Office is situated at 304, Abhay Steel House, Baroda Street, Carnac Bunder, Mumbai 400 009 (Tel: (022) 23481083/23484886, Fax: 022) 23433887, E mail: akarmumbai@gmail.com)

6.1.3 The Corporate Office is located at Gut No. 78-81, Pangra Shivar, Paithan Road, Chitegaon, Aurangabad 431 107 (Tel: (02431) 251453/251659/251165 Fax : (02431) 251879, E mail: corporate@rlsteels.com)

6.1.4 HOTL was initially engaged in trading activities in Steel and allied products. At present HOTL is engaged in Investments in Shares, Deposits/ICDs by deploying surplus resources.

6.1.5 HOTL was originally promoted by Shri. Champa Lal Hirawat, Shri. Amit Kumar Jain, Shri. Kailash Chandra Poddar and Shri. Samir M Sinha. On 30-05-1986, Shri. R L Gupta, Shri. Narendra Kumar Gupta and Smt. Sushiladevi Gupta were appointed as Directors and took over control of the Company. The Gupta family acquired Equity Shares of the Company on various dates from 03-09-1986 to 12-03-1995 and are presently holding 1,84,450 Equity Shares, constituting 74.08% of the paid up and voting Capital.

6.1.6 HOTL do not hold any Fixed Assets as on 31-03-2011, date of last audit. There has not been any sale of Fixed Assets in the last three years.

6.1.7 The Directors of HOTL are Shri. Raghunandan Lal Gupta(Managing Director) (DIN:00061861), Shri. Narendra Kumar Gupta (Non Executive) (DIN: 00062628) and Smt. Sushila Devi Gupta (Non Executive) (DIN:02442013).

6.1.8 The Authorized Capital of HOTL is Rs.25 Lacs, divided into 2,50,000 Equity Shares of Rs 10/- each. The paid up and voting Equity Share Capital is 2,49,000 Equity Shares of Rs. 10/- each, aggregating to Rs. 24.90 Lacs. All the outstanding Equity Shares are fully paid up, listed and admitted for trading at the Stock Exchanges

6.1.9 There are no Warrants, Options or any convertible instruments, convertible into Equity Shares at a later stage.

6.1.10 As on date of this Public Announcement, the promoters/promoter group/persons in control hold 1,84,450 Equity Shares, constituting 74.08% of the paid up and voting Capital.

6.1.11 HOTL has not entered into agreement with Depositories for offering Shares in demat form since the Net Worth is inadequate. The Equity Shares are traded in physical form only. The Market lot is 50(Fifty) only.

6.1.12 HOTL has, as its main objects, (1) To carry on the business of exporters, importers, retailers, merchants, buyers, sellers, brokers, buying agents, selling agents, packers, re-packers, commission agents, factors, distributors, stockiests, agents, dealers and suppliers of all kinds of chemicals, intermediates, pesticides, insecticides, all types of commodities, goods, personal products, accessories, scientific equipments of all description etc. (2)To carry on all kinds of agency including that of clearing agents, freight contractors, steamer agent, forwarding agent, licensing agents and general brokers.

6.1.13 HOTL has no Subsidiaries.

6.1.14 HOTL is not a Sick Company. HOTL does not have any overdue liabilities to Banks/FIs/Deposit holders.

6.1.15 There has not been any merger or demerger or spin-off of activity in the preceding 3 years.

6.1.16 There are no pending litigations against HOTL.

6.1.17 None of the Directors of HOTL represent the Acquirers.

6.1.18 The Marketable lot for the Shares of HOTL for the purpose of this Offer is 50 (Fifty only).

6.1.19 The Equity Shares of HOTL are listed at The Bombay Stock Exchange Ltd, Mumbai (BSE). All the outstanding issued Equity Shares of HOTL are listed and admitted for trading. There are no partly paid Equity Shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. The Promoter group holding of 1,84,450 Equity Shares (74.08%) were under lock in upto 30-06-2011, in pursuance of condition for Revocation of Suspension by BSE.

6.1.20 Trading in Equity Shares of the Company was suspended by BSE w.e.f from 27-01-2004 for non compliance with various clauses of the listing agreement. The suspension has been revoked vide notice dated 18-03-2011 from BSE and commencement of trading was announced to take place from 24-03-2011. Apart from this, no other action has been taken against the Target Company by SEBI or Stock Exchanges.

6.1.21 HOTL has no arrears of listing fee to BSE.

6.1.22 As per Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004 issued by SEBI, the provisions under Clause 49 of the Listing Agreement is not applicable to the Target Company since the Paid up Capital is less than Rs. 300 Lacs and Net Worth less than Rs. 2500 Lacs, at any time in the history of the Target Company.

6.1.23 The filing under Regulation 6(2) and 6(4) for 1997 and 8(3) from 1998 to 2010, were done late by the Target Company. For violation of the provisions under Chapter II of the Regulations for the years 1997 to 2010, SEBI may initiate suitable action against HOTL. As per information received from the Target Company, the promoters have complied with filing requirements under Chapter II of the Regulations in time except filing under Reg. 7(1A) for sale of Shares on 24-12-2009 in excess of 2% of the paid up and voting capital. For the said delay in filing under Reg. 7(1A), SEBI may initiate suitable action against the Promoters/promoter group Shareholders.

6.1.24 The Compliance Officer of HOTL is Shri. Narendrakumar Gupta, Director, residing at 58-59, N-1, Cidco, Aurangabad, Maharashtra 431 001 (Tel. No. (240) 248 4448, Email ID: Corporate@ rlsteels.com), who will be available at the Corporate Office address of HOTL, i.e.. Gut No. 78-81, Pangra Shivar, Paithan Road, Chitegaon, Aurangabad 431 107 (Tel: (02431) 251453/251659/251165 Fax : (02431) 251879, E mail: corporate@rlsteels.com) and shall attend to all investor grievances.

6.2 Equity Share Capital History

6.2.1 Equity Share Capital Structure of HOTL as on the date of Letter of Offer

Paid up Equity Shares	No. of Shares	% of Shares	Voting Rights	% of voting rights.
Fully paid up Equity Shares	2,49,000	100	2,49,000	100
Partly paid up Equity Shares	0	0	0	0
Total paid up Equity Shares	2,49,000	100	2,49,000	100
Total voting rights in Target Company	2,49,000	100	2,49,000	100

6.2.2 Build Up of Current Capital

6.2.2.1 Build up of Authorized Capital

(In Rs.)

Date	From	To	Authorized Capital after enhancement
On Incorporation	0	1,00,000	1,00,000
21.02.1985	1,00,000	25,00,000	25,00,000

The Authorized Capital consists of Equity Shares only.

6.2.2.2. Build up of Current Paid up Capital

Date of allotment	No. and % of Shares Issued	Cumulative paid up capital (Rs.)	Mode of allotment	Identity of allottees (e.g.-promoters /others	Status of compliance With SEBI (SAST) Regulations other Regulations under SEBI Act 1992 and other Statutory provisions.
On Incorporation	70 (100% of then paid up capital)	700	Signatories to the Memorandum , for cash	Signatories to the Memorandum being the promoters	Provisions of Companies Act, complied with. SEBI(SAST) Regulations as well as other Regulations/provisions under SEBI Act, not applicable
10-06-1985	98,930 (99.929% of then paid up capital)	9,90,000	Allotted to promoters, relatives & associates for cash as part of Public Issue	Promoters, relatives & associates.	Provisions of Companies Act, complied with SEBI(SAST) Regulations as well as other Regulations / provisions under SEBI Act, not applicable
10-06-1985	1,50,000 (60.24% of then paid up capital)	24,90,000	Allotted to Public through Prospectus Public Issue	Public through Prospectus .	Provisions of Companies Act, complied with SEBI(SAST) Regulations as well as other Regulations / provisions under SEBI Act, not applicable

6.2.2.3. Change in holding of present promoters/persons in control and position of Compliance

Date	Opening Balance - Promoter group	Opening Capital - Target Company	Opening % holding -promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum/IPO /FPO/Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	No of shares sold	Closing Capital - Target Company	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Compliance status of SEBI(SAST) Regulations.
3-Sep-86	0	249000	0.00%	Raghunandan Lal Gupta	19040	Market Purchase	0	249000	19040	7.65%	7.65%	Not Applicable
3-Sep-86	19040	249000	7.65%	Narendra Kumar Gupta	250	Market Purchase	0	249000	19290	7.75%	0.10%	Not Applicable
3-Sep-86	19290	249000	7.75%	Sushila Devi Gupta	250	Market Purchase	0	249000	19540	7.85%	0.10%	Not Applicable
3-Sep-86	19540	249000	7.85%	Usha Gupta	250	Market Purchase	0	249000	19790	7.95%	0.10%	Not Applicable
1-Dec-92	19790	249000	7.95%	Raghunandan Lal Gupta	140430	Market Purchase	0	249000	160220	64.35%	56.40%	Not Applicable
4-Mar-93	160220	249000	64.47%	Raghunandan Lal Gupta	17000	Market Purchase	0	249000	177220	71.17%	6.83%	Not Applicable
12-Mar-95	177220	249000	71.29%	Raghunandan Lal Gupta	700	Market Purchase	0	249000	177920	71.45%	0.28%	Not Applicable
12-Mar-95	177920	249000	71.57%	Raghunandan Lal Gupta		Market sale	200	249000	177720	71.37%	-0.08%	Not Applicable
12-Mar-95	177720	249000	71.49%	Narendra Kumar Gupta	15750	Market Purchase	0	249000	193470	77.70%	6.33%	Not Applicable
12-Mar-95	193470	249000	77.82%	Narendra Kumar Gupta		Market sale	370	249000	193100	77.55%	-0.15%	Not Applicable
12-Mar-95	193100	249000	77.67%	Usha Gupta	350	Market Purchase	0	249000	193450	77.69%	-0.01%	Not Applicable
24-Dec-09	193450	249000	77.81%	Raghunandan Lal Gupta		Market sale	9000	249000	184450	74.08%	-3.61%	Not reported under Reg 7(1A) in time

Mraket purchase includes shares acquired/sold through “Off Market “deals i.e. other than through Stock Exchanges.

The 9,000 Equity shares sold through an “Off Market” deal on 24th December 2009 by Shri. Raghunandanlal Gupta, one of the present promoters is at a price of Rs. 10/- only per Equity Share and the buyer is Shri. C.P.

Patel, residing at N5, E-39/1-4, Gulmohar Colony, Aurangabad

6.3 As on date of this Letter of Offer, there are no outstanding Warrants, Options or Convertible instruments, convertible into Equity Shares at a later date.

6.4 All the outstanding Equity Shares of HOTL are listed and admitted for trading at BSE.

6.5 Trading in Equity Shares of the Company was suspended by BSE w.e. from 27-01-2004 for non compliance with various clauses of the listing agreement. The suspension has been revoked vide notice dated 18-03-2011 from BSE and commencement of trading was announced to take place from 24-03-2011. Apart from this, no other action has been taken against the Target Company by SEBI or Stock Exchanges.

6.6.1 **Board of Directors as on Wednesday, July 27, 2011, the date of PA**

Name	Date of appointment	Residential Address	Designation
Shri. Raghunandan Lal Gupta (DIN: 00061861)	30-05-1986	58-59, N-1, CIDCO, Aurangabad Maharashtra 431 003 Mumbai 400 066 Tel. No. (0240) 2484448 E mail ID: corporate@rlsteels.com	Managing Director (Non Executive)
Shri. Narendra Kumar Gupta (DIN: 00062268)	30-05-1986	58-59, N-1, CIDCO, Aurangabad Maharashtra 431 003 Mumbai 400 066 Tel. No. (0240) 2484448 E mail ID: corporate@rlsteels.com	Director (Non Executive)
Smt. Sushila Devi Gupta (DIN: 02442013)	30-05-1986	58-59, N-1, CIDCO, Aurangabad Maharashtra 431 003 Mumbai 400 066 Tel. No. (0240) 2484448 E mail ID: corporate@rlsteels.com	Director (Non Executive)

There has not been any change in Directors after the date of PA.

6.6.2 Experience, Qualification etc. of the Board of Directors

Name	Age, Qualification, Occupation	Experience, in brief
Shri. Raghunandan Lal Gupta (DIN: 00061861)	Age: 79 years Qualification: B.Com Occupation: Business	Over 50 years' experience in Steel trading, trading in other mercantile, casting industry etc.
Shri. Narendra Kumar Gupta (DIN: 00062268)	Age: 52 years Qualification: B.Com Occupation: Business	Over thirty 30 years experience family business of trading in Steel, General mercantile trade, casting etc.
Smt. Sushila Devi Gupta (DIN: 02442013)	Age: 75 years Qualification: Undergraduate Occupation: NIL	No significant experience other than as Director of Target Company

None of the Directors represent the Acquirers.

6.6.3 There has been no change in Board of Directors in the last three years.

6.7 There has not been any mergers/demergers involving the Target Company nor was there any spin off of activity during the last three years. There have not been any changes in name since Incorporation.

6.8 Brief Audited Financial data of HOTL for the last three years are given hereunder:

(Rs. In Lacs)

Profit & Loss Statement	31.03.2011	31.03.2010	31.03.2009
Income from Main operations	0.00	0.00	0.00
Other Income	2.82	2.66	3.17
Total Income	**2.82**	**2.66**	**3.17**
Expenditure			
Administrative Expenses	5.29	1.02	2.67
Personnel Expenses	0.00	0.12	0.00
Profit before Depreciation, Interest and Tax (Loss in brackets)	(2.48)	1.52	0.50
Depreciation	0.00	0.00	0.00
Interest & Fin charges	0.00	0.00	0.01
Profit Before Tax	(2.48)	1.52	0.49
Less: Provision for Current Taxes	0.00	0.00	0.00
Profit After Tax for the year	**(2.48)**	**1.52**	**0.49**
Prior period taxes	**0.00**	**0.00**	**0.00**
Balance of profit carried to Reserves& surplus	**(2.48)**	**1.52**	**0.49**
Balance Sheet Statement	**31.03.2011**	**31.03.2010**	**31.03.2009**
Sources of funds			
Paid up Equity Share Capital	24.90	24.90	24.90
Reserves & Surplus	19.32	21.79	20.28
Net Worth	**44.22**	**46.69**	**45.18**
Secured Loans	0.00	0.00	0.00
Unsecured Loans	0.00	0.00	0.00
Total Source of funds	**44.22**	**46.69**	**45.18**
Uses of funds			
Net Fixed Assets	0.00	0.00	0.00
Net Current Assets	18.84	19.31	19.40
Investments	25.38	27.38	25.78
Total	**44.22**	**46.69**	**45.18**
	31.03.2011	**31.03.2010**	**31.03.2009**
Other Financial Data			
Dividend (%)	0.00%	0.00%	0.00%
Earnings per Share (Rs.) for the year for the year (Negative figure in brackets)	(1.00)	0.61	0.20
Return on Net Worth (%) (Profit after Tax X100/Net Worth) (Negative figure in brackets)	(5.60%)	3.25%	1.08%
Book Value Per Share (Rs.) (Net Worth/No. of Shares)	17.76	18.75	18.14

Details of Investments **(Rs. In Lacs)**

	31.03.2011	31.03.2010	31.03.2009
Quoted			
120400 Equity Shares of Akar Tools Ltd	10.43	10.43	10.43
Unquoted			
R L Steels Ltd (59600 Eq. Shares in all other years and 60,000 Shares in 2009)	14.90	16.90	14.90
Gupta Concast Ltd (100 Eq. Shares)	0.001	0.001	0.001
BMC Bank Ltd (498 Eq. Shares)	0.05	0.05	0.05
Ellora Steels Ltd	0.00	0.00	0.40
Total Investments	**25.38**	**27.38**	**25.78**

DETAILS OF OTHER INCOME DURING ABOVE PERIOD

(Rs. In Lacs)

	31.03.2011	31.03.2010	31.03.2009
Commission & Interest	0.90	0.98	1.36
Dividend	1.92	1.68	1.81
Total	**2.82**	**2.66**	**3.17**

Notes:

❖ There is no change in accounting policies during the above period

❖ There is no Revaluation Reserves

❖ There is no Extra Ordinary Income or Expenditure during the above period

❖ **Reason for significant fall in Total Income and PAT:** The Company is not carrying out its main activity and the entire income comprises of interest earned and Dividend Income from Investments made. In view of this, the Income for above period come down each year as Dividend Income has declined since same is contingent on Dividend declared by Investee Companies. Interest income has also come down slightly because of rate variations. Expenses in the year 2009-10 is less than the previous year mainly because in the year 2008-09, there was write off of bad debts of Rs. 2.11 Lacs. In the year 2010-11, administrative expenses has increased , compared to previous year on account of compliance related expenses, mainly on account of payment of arrears of listing fee of Rs. 2.91 Lacs to BSE, Write off of sundry balances Rs. 0.90 Lacs and professional charges of Rs. 0.85 Lacs. The net effect of these variations in Income and expenditure is reflected in Net Profit or Loss reported for the respective years.

❖ **Significant Accounting policies as on 31-03-2011, date of last audit:**

a. Revenue Recognition: The Books of Accounts are maintained on accrual basis except where stated otherwise

b. Investments: Investments are valued at cots. Gain/Loss on Investments are accounted for, at the time of sale/disposal

c. Expenditure is accounted on accrual basis.

d. Transactions with related parties : NIL

e. The liabilities in respect of Retirement benefits to employees are accounted for on actual payment basis. No provision is being made for liabilities on actuarial valuation

❖ There are no significant audit qualifications

❖ There are no contingent liabilities not provided for.

6.9 **Pre and Post Offer Shareholding pattern of HOTL shall be as follows:**

Shareholder's Category	Shareholding prior to Agreement/PA which triggered the Regulations (A)		Shares acquired which triggered off the Regulations (B)		Shares to be acquired in Open Offer (Assuming full acceptance) (C)		Shareholding after the acquisition and the Offer (D)	
	Number	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
1. Promoter Group Parties to the Agreement								
Mr.Raghunandan Lal Gupta	167970	67.46	-167970	-67.46			0	0
Mr.Narendra Kumar Gupta	15630	6.28	-15630	-6.28			0	0
Mrs. Sushila Devi Gupta	250	0.10	-250	-0.10			0	0
Mrs. Usha Gupta	600	0.240	-600	-0.240			0	0
Total (1)	**184450**	**74.08**	**-184450**	**-74.08**			**0**	**0**
2. Acquirers								
Delma Investments LLC Mrs. Ushadevi Pathiyil	0	0	} 184450 } }	74.08	} 49800 } }	20.000	234250	94.08
Total of Acquirers(2)	**0**	**0**	**184450**	**74.08**	**49800**	**20.00**	**234250**	**94.08**
3. Public Holding								
Indian Public	64550	25.92			- 49800	-20.00	14750	5.92
Total of Public (3)	**64550**	**25.92**			**-49800**	**-20.00**	14750	5.92
Grand Total (1+2+3)	**249000**	**100.000**					**249000**	**100.000**

Notes:

a. There are no partly paid Equity Shares.

b. There are no warrants, options or convertible instruments, convertible at a later stage.

c. No Shares are subject to lock in

d. The Acquirers has not acquired any Shares from the date of the Public Announcement till date of this Letter of Offer.

e. The number of Shareholders under Public Category, i.e. under 3 above, on the Specified Date is 35

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer price

7.1.1 The Equity Shares of HOTL are listed at The Bombay Stock Exchange Ltd, Mumbai (BSE). The Shares are not admitted as permitted Security in any other Stock Exchange.

7.1.2 The annualized trading turnover of Shares of HOTL, at BSE during the preceding 6 calendar months prior to the month in which Public Announcement was made (i.e. during the months January 2011 to June 2011) is given hereunder:

The trading data is given below:

Name of Stock Exchange(s)	Total no. of Shares traded during the 6 calendar months prior to the month in which the P A was made.	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed Shares)
The Bombay Stock Exchange Ltd (BSE)	0	2,49,000	0.00

The trading volume data in respect of BSE has been taken from the BSE's website www.bseindia.com.

The Equity Shares are thus infrequently traded in terms of Regulation 20 (5), explanation (i) at BSE.

7.1.3 Since the Equity Shares of the Target Company has been infrequently traded as per explanation (i) to Regulation 20(5) at BSE during the 6 calendar months preceding the month in which the Public Announcement is made, the Offer price has been justified, taking into account, the following parameters, as set out under Regulations 20(5)©:

1	Negotiated price paid by the Acquirer under the any Agreement referred to in Regulation 20(4)(a).	Rs. 200/-
2	Highest price paid by the Acquirer for acquisition including by way of allotment in a Public or Rights issue, if any, during the twenty-six week period prior to the date of Public Announcement.	N.A.
3	Price paid by the Acquirer under any Preferential allotment made to them any time during the twenty six weeks preceding the date of PA	N.A.
4	Book Value of the Equity Shares as on 31.03.2011 (audited)	Rs.17.76
5	Earnings Per Share (EPS) as on 31.03.2011 (audited)	- Rs. 1.00
6	Return on Net Worth during the preceding Financial year ended 31.03.2011	-5.60%
7	**Offer Price**	**Rs. 200/-**

(**Source of Information:** (a) Audited Accounts as on 31.03.2011 published by HOTL (b)Share Purchase Agreement dated 22nd July 2011

7.1.4. This is not an indirect acquisition/control.

7.1.5 Non Compete Fee: There is no non-compete agreement for payment to any person.

7.1.6 The Offer price is justified in terms of Regulation 20 (11) of the Regulations.

7.1.7 The Offer price is justified in terms of Regulation 20 (11) of the Regulations. In the opinion of the Manager to the Offer and the Acquirers, the Offer price is justified. The Offer price of Rs. 200/- per fully paid Equity Share is higher than the Book Value as on 31-03-2011. The Offer price is also justified considering EPS, Return on Net Worth, PE etc. In the year ended March 2011, the Company returned Net losses. There are no partly paid Shares.

7.1.8 In the event of any further acquisition of Equity Shares by the Acquirers upto 7 working days prior to the closure of the Offer at a price higher than the Offer price, then the Offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition. However, the Acquirers shall not be acquiring any Equity Shares of HOTL during the period of 7 working days, prior to the date of closure of the Offer.

7.2 Financial arrangements

7.2.1 The Acquirers have adequate resources to meet the financial requirements of the Offer. The funds requirements will be met from own sources/Net Worth and no borrowings from Banks/FIs is envisaged.

7.2.2 Assuming full acceptance, the total funds requirements to meet this Offer is Rs. 99,60,000/- (Rupees Ninety nine Lacs sixty thousand only).

7.2.3 In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirers have created an Escrow Account in the form of Bank Deposit for Rs. 25,00,000/- (Rupees Twenty five Lacs only), which is more than 25 % of the total consideration payable under the Offer, with The Federal Bank Ltd, 93,94 & 95 EMP-17, Venus CHS, Thakur Village, Kandivli East, Mumbai 400 101 on July 23 , 2011 and lien has been marked on the said account in favor of Fedex Securities Ltd., Manager to the Offer.

7.2.4 The Acquirers have authorized Fedex Securities Ltd., Managers to the Offer to realize the value of the Escrow Account in terms of the Regulations.

7.2.5 As per Certificate dated 24th July 2011 from FRG, Chartered Accountants, (signed by Mr. Habib Darwish Al Rahma), P O Box, 113854, Dubai, United Arab Emirates (Tel. No. 0971 4 3295900 Fax No. 0971 4 3295800 , Email ID: frg@emirates.net.ae), the Net worth of Delma Investments LLC as on 20th July 2011 is US$ 1512902/- (Equivalent to Indian Rs. 6,72,18,236 /- at Exchange rate of Rs. 44.43.)

7.2.6 FRG, Chartered Accountants, (signed by Mr. Habib Darwish Al Rahma), P O Box, 113854, Dubai, United Arab Emirates (Tel. No. 0971 4 3295900 Fax No. 0971 4 3295800 , Email ID: frg@emirates.net.ae) have , vide their certificate dated 24th July 2011 certified that Delma Investments LLC has liquid resources of US $ 1407902 as on 20th July 2011 (Equivalent to Indian Rs. 6,25,53,086/-) This will be adequate to meet the funds requirements of the Offer. The liquid resources comprise of Bank Deposits, Advances and receivables other advances and cash balances. This Acquirer, being a Foreign Company, the funds requirements with them to meet the Offer will be met from foreign source only.

7.2.7 As per Certificate dated 25th July 2011 from G. Suresh Kumar(Membership No. 207977), Partner, FRG & Company, Chartered Accountants, 303, rattan Galaxie, Near Mehul Cinema, Jawaharlal Nehru Road, Mulund (West), Mumbai 400 080 (Tel. No. (022) 325 4560, Email ID: rajeshtiwarifrgglobal.com), the Net worth of Mrs. Ushadevi Pathiyil as on 25th July 2011 is Rs. 5,10,00,000/-.

7.2.8 As per Certificate dated 25th July 2011 from G. Suresh Kumar(Membership No. 207977), Partner, FRG & Company, Chartered Accountants, 303, Rattan Galaxie, Near Mehul Cinema, Jawaharlal Nehru Road, Mulund (West), Mumbai 400 080 (Tel. No. (022) 325 4560, Email ID: rajeshtiwarifrgglobal.com), the liquid sources available with Mrs. Ushadevi Pathiyil as on 25th July 2011 is Rs. 5,10,00,000/-. This comprises of Deposits with Banks in Current Account, Advances and receivables, Cash balances, investments and other current assets. This Acquirer will meet the funds requirements from domestic source only.

7.2.9 The liquid resources are (1) Delma Investments LLC: Deposit with bank in Current Account Us$ 817440/-, Advances and receivables US $ 326975/-, Cash Balances US $ 163487/- and Other advances US $ 100000/- Total US $ 1407902 equivalent to Indian Rs.62553086/- (2) Mrs. Ushadevi Pathiyil : Deposit with banks in Current Account Rs. 26,00,000/-, Advances and receivables Rs. 5400000/- , Cash balances Rs. 10,00,000/-, Investments Rs. 380,00,000/- and Other Assets Rs. 40,00,000/-.

7.2.10 The liquid resources available with the Acquirers are sufficient to meet the cost of Acquisition of Shares through the Agreement, the Open Offer and expenses thereof.

7.2.11 Based on the above, Fedex Securities Limited, Manager to the Offer certify and confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

8. TERMS AND CONDITIONS OF THE OFFER

8.1

a. This Offer will open on Friday, October 28 , 2011 and will close on Wednesday, November 16, 2011. The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.

b. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.

c. The Specified date for this Offer is Friday, August 19, 2011.

d. Specified 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 and all owners (registered or unregistered) of Shares of HOTL anytime before the closure of the Offer are eligible to participate in the Offer.

e. The Acquirers will comply with the Takeover Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Share Purchase Agreement and its related conditions.

f. In case of non-compliance with any of the provisions of the Takeover Regulations, the Share Purchase Agreement shall not be acted upon by the Seller or the Acquirers.

g. HOTL has not signed agreements with Depositories. The Shares are traded in physical Form only

h. The Marketable lot for the Shares of HOTL for the purpose of this Offer shall be 50(Fifty only).

8.2 **Locked in Shares:** As on date of Public Announcement, no Shares are subject to lock in.

8.3. Eligibility for accepting the Offer

8.3.1 The Letter of Offer shall be mailed to all Equity Shareholders (except the present promoters, promoter group shareholders, parties to the agreement and the Acquirers) whose names appear in register of Target Company as on Friday, August 19, 2011, the Specified Date.

8.3.2 This Offer is also open to persons who own Equity Shares in HOTL but are not registered Shareholders as on the "Specified date".

8.3.3 All Equity Shareholders (except the present promoters, promoter group shareholders, parties to the agreement and the Acquirers) who own Equity Shares of Target Company anytime before the closure of the Offer are eligible to participate in the Offer.

8.3.4 The Form of acceptance and other documents required to be submitted, herewith, will be accepted by Registrar to the Offer, M/s. Bigshare Services Pvt. Ltd., E 2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072 (Telephone No. (022) 40430200, Fax No. (022) 2847 5207 email: ashok@bigshareonline.com (**Contact Person: Shri. Ashok Shetty**) between 10 a.m. to 4 p.m. on working days and between 10. a.m. to 2 p.m. on Saturdays, during the period the Offer is open.

8.3.5 The Public Announcement, Corrigendum to PA, the Letter of Offer, the Form of Acceptance and Form of Withdrawal will also be available on the **SEBI website: www.sebi.gov.in**. In case of non-receipt of the Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance or Form of Withdrawal from the SEBI's website for applying in the Offer or to withdraw from the Offer.

8.3.6 Unregistered Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Shareholders.

8.3.7 The acceptance of this Offer by the Equity Shareholders of HOTL must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

8.3.8 The acceptance of this Offer is entirely at the discretion of the Equity Shareholders of HOTL.

8.3.9 The Acquirers, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Withdrawal Form, Share Transfer Deed etc. during transit and the Equity Shareholders of HOTL are advised to adequately safeguard their interest in this regard.

8.3.10 The acceptance of Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.

8.3.11 The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute part of the terms of the Offer.

8.3.12 The Manager to the Offer shall submit a final report to SEBI within 45 days of closure of the Offer in accordance with Regulation 24 (7) of the Regulations.

8.3.13 For any assistance please contact Fedex Securities Limited, Manager to the Offer or the Acquirers or the Registrar to the Offer.

8.4 **Statutory Approvals :**

8.4.1 As on the date of this Public Announcement, approval from Reserve Bank of India under Foreign Exchange

Management Act (FEMA) is required to acquire the Equity Shares being acquired through the Share Purchase Agreement as well as that are tendered pursuant to the Offer. Necessary application has been submitted to RBI through an authorized Dealer on August 6, 2011. Clarifications sought by RBI has also been submitted. To the best of knowledge of the Acquirer, no other Statutory approvals are required as on date of this letter of Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.

8.4.2 Barring unforeseen circumstances, the Acquirers would endeavor to obtain all the approvals within 15 days from the date of closure of the Offer. In terms of Regulation 22(12) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment, subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from the date of closure of Offer. In case the Acquirers fail to obtain requisite Statutory approvals in time, on account of any willful default or neglect or inaction or no-action, then action in terms of Regulation 22(13) will be initiated by SEBI.

8.4.3 No approval is required to be obtained from Banks/Financial Institutions for the Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

ACCEPTANCE OF THE OFFER

9.1.1 Name and Address of the persons (Registrars to the Offer) to whom the Equity Shares along with documents required to be submitted therewith, should be sent.

Registrars to the Offer	Working days and timings	Mode of delivery
BIGSHARE SERVICES PVT.LTD. SEBI Regn. No. INR000002102 E 2/3, Ansa Industrial Estate Sakivihar Road, Saki Naka Andheri (East), Mumbai 400 072 Tel. No. (022) 40430200 Fax No. (022) 2847 5207 email: ashok@bigshareonline.com **Contact Person: Mr. Ashok Shetty**	**Monday to Friday** 11.00 a. m. to 4.00 p.m. **Saturday** 11.00 a. m. to 2.00 p m	By Post/Courier/ Hand delivery

9.1.2 Shareholders holding Shares in physical form and wishing to tender their Equity Shares will be required to send their form of acceptance, original Share certificates and transfer deeds to the Registrar to the Offer: M/s. Bigshare Services Pvt. Ltd., E 2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072 (Telephone No. (022) 40430200, Fax No. (022) 2847 5207 email: ashok@bigshareonline.com (**Contact Person: Shri. Ashok Shetty**) either by hand delivery or by Registered Post, to reach them on or before the closure of the Offer, i.e. Wednesday, November 16, 2011. in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance. In case the Share Certificate(s) and Transfer Deeds are lodged with HOTL /its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by BSL/its transfer agents for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of the Memorandum & Articles of Association and copy of the Board Resolution authorizing the signatory, shall also be sent.

9.1.3 The Acceptance Form along with Share Certificates and other relevant documents shall be sent to the Registrars only. The same shall not be sent to the Acquirers, Target Company or Manager to the Offer.

9.2. Procedure for acceptance of the Offer by unregistered Shareholders/owners of Shares who have sent them for transfer or those who did not receive the Letter of Offer

9.2.1. Accidental omission to despatch the Letter of Offer to any person will not invalidate the Offer in any way.

9.2.2 In case of non-receipt of the letter of Offer, the eligible person(s), holding Equity Shares of HOTL in physical form, may send his/her/their consent on plain paper stating the name, address, number of Shares held, distinctive numbers, certificate numbers and the number of Equity Shares offered along with the Share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the date of closure of the Offer.

9.2.3 In case the Share Certificate(s) and Transfer Deeds are lodged with HOTL /its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by HOTL /its Share Transfer Agent, for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of Memorandum & Articles of Association shall also be sent.

9.2.4 Unregistered owners holding Equity Shares in physical Form should enclose

a. Form of Acceptance-cum-acknowledgement duly completed and signed in accordance with instructions contained therein, by all Shareholders whose names appear on the Share certificates.

b. Original Share Certificates.

c. Original broker contract note of a registered broker of a recognized Stock Exchange

d. Valid Share transfer form as received from the market. The details of the buyer should be left blank. If the details of buyer are filled in, the tender will not be valid under the Offer. All other requirements for valid transfer will be pre-conditions for acceptance.

9.3 The Acquirers shall accept all valid fully paid up Shares tendered (except those which are withdrawn, within the date specified for withdrawal).

9.4 If the number of Equity Shares offered by the Shareholders are more than the Offer size, then the acquisition from each Shareholder will be as per Regulation 21 (6) of the SEBI (SAST) Regulations, on proportionate basis and 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. It will also be ensured that the acceptance from a Shareholder is not less than marketable lot or the entire holding, if it is less than the marketable lot.. The market lot for HOTL's Shares is 50(fifty) only.

9.5 In terms of Regulation 22(12) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, in case of non receipt of statutory approvals, SEBI has the power to grant extension of time beyond 15 days from the date of closure of offer, for the purpose of making payment, subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from date of closure of the Offer.

9.6 The Equity Shares Certificate(s) and the transfer form (s) together with the Acceptance Form submitted by the acceptors of the Offer, will be held by the Registrars in trust for the acceptors of the Offer until the Acquirers pays the Offer Price.

9.7 In case of acceptance on proportionate basis/or rejection for any reason, the unaccepted Share Certificates, Transfer deeds and other documents, if any, will be returned by Registered Post at the Share holder's / unregistered holder's sole risk as per the details furnished in the form of acceptance-cum-acknowledgement.

9.8 Shareholders who are desirous of withdrawing their acceptances tendered in the Offer can do so upto three working days prior to the date of closure of the Offer, in terms of Regulation 22(5A).

9.9 The Withdrawal option can be exercised by submitting the Form of Withdrawal attached to the Letter of Offer duly filled in, with relevant particulars, so as to reach the Registrar to the Offer on or before Friday, November 11, 2011.

9.10 The Withdrawal option can also be exercised by making an application on plain paper along with the following details:

Name, Address, Distinctive numbers, Folio nos., No. of Shares tendered/ withdrawn, if held in physical form

9.11. The Shares withdrawn by Shareholders, which are in physical form will be returned by Registered Post.

9.12 SETTLEMENT/ PAYMENT OF CONSIDERATION

9.12.1 The Acquirers shall arrange to pay the consideration on or before Thursday, December 1, 2011.

9.12.2 Consideration for Equity Shares accepted will be paid as given hereinafter: Acceptors of this Offer, having their Bank accounts at any of the Centres where Clearing Houses are managed by the Reserve Bank of India (RBI) will get payment of consideration through Electronic Credit Service **(ECS),** except where the acceptor is otherwise eligible to get payments through Direct Credit ("**DC**"), National Electronic Funds Transfer ("**NEFT**") or Real Time Gross Settlement ("**RTGS**"). In case of other applicants, the consideration of value up to Rs. 1,500/- will be despatched "Under Certificate of Posting" and those of Rs. 1,500 and above by Registered Post or Speed Post, by Demand Drafts/Banker's Pay Order. Applicants to whom payments are made through Electronic transfer of funds will be sent a letter (Payment advice) "Under Certificate of Posting" intimating them about the mode of credit/payment within 15 days from the date of closure of the Offer. The Registrars to the Offer shall ensure despatch of Consideration/payment advice, if any, "Under Certificate of Posting" or Registered Post or Speed Post or Electronic Clearing Service or Direct Credit or RTGS, only in the name of the Sole or First shareholder and all communication will be addressed to the person whose name appears on Acceptance Form within 15 days of the date of Closure of the Offer and adequate funds for making payments as per the mode(s) disclosed above shall be made available to the Registrar by the Acquirers. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

9.12.3 In terms of Regulation 22(12) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, in the case of non receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to the Acquirers agreeing to pay interest to the Shareholders for delay beyond the last date mentioned for payment of consideration.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at 6/466, Dhanya, Naduvakkad, Kannadi, Palakkad District, Kerala State 678 707 (Tel: (0491) 2538653) place of residence of one of the Acquirers The documents can be inspected during normal business hours (10.00 A.M. to 5.00 P.M.) on all working days (except Saturdays and Sundays) during the period from the date of this Letter of Offer, till date of closure of the Offer.

1. Copy of Certificate dated 24th July 2011 from FRG, Chartered Accountants, P O Box, 113854, Dubai, United Arab Emirates (Tel. No. 0971 4 3295900 Fax No. 0971 4 3295800, Email ID: frg@emirates.net.ae) certifying the Net worth of Delma Investments LLC as on 20th July 2011

2. Copy of Certificate from FRG, Chartered Accountants, P O Box, 113854, Dubai, United Arab Emirates (Tel. No. 0971 4 3295900 Fax No. 0971 4 3295800 , Email ID: frg@emirates.net.ae) dated 24th July 2011 certifying the liquid sources available with Delma Investments LLC

3. Copy of Certificate dated 25th July 2011 from G. Suresh Kumar, Partner, FRG & Company, Chartered Accountants, 303, Rattan Galaxie, Near Mehul Cinema, Jawaharlal Nehru Road, Mulund (West), Mumbai 400 080 (Tel. No. (022) 325 4560, Email ID: rajeshtiwarifrgglobal.com), certifying the Net worth of Mrs. Ushadevi Pathiyil as on 25th July 2011

4. Copy of Certificate dated 25th July 2011 from G. Suresh Kumar, Partner, FRG & Company, Chartered Accountants, 303, Rattan Galaxie, Near Mehul Cinema, Jawaharlal Nehru Road, Mulund (West), Mumbai 400 080 (Tel. No. (022) 325 4560, Email ID: rajeshtiwarifrgglobal.com), certifying the liquid sources available with Mrs. Ushadevi Pathiyil as on 25th July 2011

5. Copy of Certificate of Incorporation issued on 23rd January 1985 by Registrar of Companies, Maharashtra, Mumbai of HOTL, the Target Company.

6. Copy of Certificate for commencement of business dated 4th February 1985 issued by Registrar of Companies, Maharashtra, Mumbai of HOTL, the Target Company.

7. Audited Balance Sheet, Profit and Loss Account, Report of Auditors, Directors etc. of HOTL as on 31.03.2009, 31.03.2010 & 31.03.2011

8. Copy of Share Purchase Agreement dated July 22, 2011 between the Acquirers & present promoter of HOTL for purchase of Shares and change in control of HOTL.

9. Copy of Board Resolution dated 21-07-2011 adopted by Board of Directors of Delma Investments LLC, authorizing Mr. Umesh Mohanan, Director to sign and execute all documents relating to the Acquisition/ Offer

10. Ledger copy of ONR CA Account No. 16224200000014 opened with The Federal Bank Ltd, Branch Kandivli East, 93,94 & 95 EMP-17, Venus CHS, Thakur Village, Kandivli East, Mumbai 400 101 in which Escrow amount of Rs. 25.00 Lacs is deposited.

11. Copy of Letter dated August 4, 2011 from The Federal Bank Ltd, Branch Kandivli East, 93,94 & 95 EMP-17, Venus CHS, Thakur Village, Kandivli East, Mumbai 400 101 , certifying opening of Escrow Deposit Account and noting of lien in favour of Fedex Securities Ltd, Manager to the Offer.

12. Copy of Letter from the Acquirers, authorizing Fedex Securities Ltd, to realize the value of Escrow Account, in terms of the Regulations.

13. Audited Accounts/Certified Accounts, Memorandum & Articles of Association, Certificate of Incorporation & Certificate for Commencement of Business etc., as applicable, of all Companies/Ventures promoted by the promoters of the Acquirers, details of which are given in this Letter of Offer.

14. Published Copies of the Public Announcement made in newspapers on July 27, 2011.

15. Published Copy of Corrigendum to PA, made in Newspapers on October 19, 2011

16. Copy of MOU dated July 25, 2011 between the Acquirers and Manager to the Offer.

17. Copy of MOU dated July 27, 2011 between the Acquirers and the Registrar to the Offer.

18. Copy of application dated August 6, 2011 submitted to Punjab National Bank on August 6, 2011 for approval under FEMA from Reserve Bank of India.

19. Copy of acknowledgement for application dated August 6, 2011 submitted to Reserve Bank of India , Mumbai on August 8, 2011 for approval under FEMA.

20. Due Diligence Certificate dated August 09, 2011 submitted to SEBI by Fedex Securities Ltd., Manager to the Offer

21. Undertaking dated 25-07-2011 by the Acquirers, agreeing to maintain public holding as per Clause 40A of listing agreement.

22. Undertaking dated 25-07-2011 by the Acquirers, expressing their intention not to delist the Equity Shares of HOTL after the Offer.

23. Undertaking dated 25-07-2011, 2011 by the Acquirers agreeing that they shall not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.

24. SEBI Observation letter No. CFD/DCR/TO/SA/OW/32009/11 dated October 12, 2011

11. DECLARATION

The Acquirers and each of the Directors of Delma Investments LLC, one of the Acquirers, jointly and severally accept full responsibility for the information contained in this Letter of Offer and Form of Acceptance. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

The Acquirers shall be responsible for ensuring compliance of the Regulations.

The Acquirers
For Delma Investments LLC

Mr. Umesh Mohanan
Director & authorized signatory in this behalf

P. Ushadevi

Mrs. Ushadevi Pathiyil

Place : Mumbai

Date : October 20, 2011

Encl.:

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal
3. Share Transfer Deed

(Tear here)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrars to the Offer)

Offer opens on	Friday, October 28, 2011
Offer closes on	Wednesday, November 16, 2011

From:

Unique identification No. under MAPIN, if applicable __________

To

BIGSHARE SERVICES PVT.LTD.
UNIT: Hari Om Trades & Agencies Ltd – Open Offer
E 2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka
Andheri (East), Mumbai 400 072
Tel. No. (022) 40430200
Fax No. (022) 2847 5207
email: ashok@bigshareonline.com
Contact Person: Mr. Ashok Shetty

Dear Sir,

Sub: Open Offer to acquire 49,800 Equity Shares representing 20 % of the paid up and voting Equity Capital of Hari Om Trades & Agencies Limited

by Delma Investments LLC & another

I/We refer to the Letter of Offer dated October 20, 2011 for acquiring the Equity Shares held by me/us in Hari Om Trades & Agencies 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, hold Equity Shares of Hari Om Trades & Agencies Limited in physical form, accept the offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below:

Sl. No	Ledger Folio No.	No. of Shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Numbers	
					From	To

(In case of insufficient space, please attach a separate sheet.)

I/We confirm that the Equity Shares of Hari Om Trades & Agencies Limited which are being tendered herewith by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original Share certificate(s) and valid Share transfer deed will be held in trust for me/us by the Registrars to the Offer until the time the Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the consideration only after verification of the documents and signatures.

(Tear here)

Acknowledgement Receipt

Received from Mr./Ms./M/s.________________________________Form of acceptance cum acknowledgement in connection with open offer to Shareholders of **Hari Om Trades & Agencies Limited**

Ledger Folio No. _______________ No. of Share Certificates for ___________Shares of Hari Om Trades & Agencies Limited.

Stamp of Registrar	In case of physical Shares, verify the number of Share certificates / number of Shares

I/We confirm that the Equity Shares of Hari Om Trades & Agencies Limited which are transferred by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirers to accept the Shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, Equity Share certificate(s) in respect of which the offer is not found valid /not accepted, specifying the reasons thereof. I/We authorize the Acquirers or the Manager to the Offer or the Registrars to the Offer to send by registered post/under certificate of posting, the payment/payment advice as the case may be, in settlement of the amount to the sole/first holder at the address mentioned below:

Name	
Address	
Pin Code	

The permanent Account No. (PAN/GIR No.) Allotted under the Income Tax Act 1961 is as under

	PAN / GIR No.
1st Shareholder	
2nd Shareholder	
3rd Shareholder	
4th Shareholder	

Yours faithfully

Signed and delivered

	Full Name	Holder's Signature
Sole/ First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place : ________________

Date : ________________

So as to avoid fraudulent encashment in transit, and also to enable payment through ECS/RTGS etc, the applicants are requested to provide details of Bank account of the sole/first Shareholder .

Name of the Bank	
Full address of the Branch	
Nature of Account	
Account Number	
Payment through RTGS	
IFSC Code of the Branch	
MICR Code of the Branch	

(Tear here)

(Tear here)

Note : All future correspondence, if any, should be addressed to the Registrars to the Offer, at the following address:

BIGSHARE SERVICES PVT.LTD.

UNIT: Hari Om Trades & Agencies Ltd – Open Offer

E 2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka
Andheri (East), Mumbai 400 072
Tel. No. (022) 40430200
Fax No. (022) 2847 5207
email: ashok@bigshareonline.com
Contact Person: Mr. Ashok Shetty

FORM OF WITHDRAWAL

Offer opens on	Friday , October 28, 2011
Offer closes on	Wednesday, November 16, 2011
Last date for withdrawal	Friday, November 11, 2011

From:

Unique identification No. under MAPIN, if applicable __________

To

BIGSHARE SERVICES PVT.LTD.
UNIT: Hari Om Trades & Agencies Ltd – Open Offer
E 2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka
Andheri (East), Mumbai 400 072
Tel. No. (022) 40430200
Fax No. (022) 2847 5207
email: ashok@bigshareonline.com
Contact Person: Mr. Ashok Shetty

Dear Sir,

Sub: Open Offer to acquire 49,800 Equity Shares representing 20 % of the paid up and voting Equity Capital of Hari Om Trades & Agencies Limited

by Delma Investments LLC & another

I/We refer to the Letter of Offer dated October 20, 2011 for acquiring the Equity Shares held by me/us in **Hari Om Trades & Agencies Limited**

I/We, hereby consent to unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorize the Acquirers to return to me/us, the tendered Equity Shares at my/our sole risk.

I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirers/ Manager to the Offer/Registrar to the Offer.

I/We note that the Acquirers/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay /loss in transit of the Share Certificate(s) due to incomplete or inaccurate particulars.

I/We also note and understand that the Acquirers will return the original Share Certificate(s) , Share Transfer Deed(s) only completion of verification of the documents .

The particulars of Share Certificate(s) tendered and duly signed Transfer Deeds which are wished to be withdrawn from the Offer are as given below:

Sl. No	Ledger Folio No.	No. of Shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Numbers	
					From	To

I/We confirm that the Equity Shares of Hari Om Trades & Agencies Limited, which were tendered by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

— — — — — — — — — — — — — — — (Tear here) — — — — — — — — — — — — — — —

Acknowledgement Receipt

Received from Mr./Ms./M/s.____
Form of withdrawal.

Ledger Folio No. ______________ No. of Share Certificates for ______________ Shares of **Hari Om Trades & Agencies Limited**

Stamp of Registrar		In case of physical Shares, verify the number of Share certificates / number of Shares

(Tear here)

I/We confirm that the particulars given above are true and correct.

Yours faithfully,

Signed and delivered

	Full Name	Holder's Signature
Sole/ First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place : ________________

Date : ________________

(Tear here)

(Tear here)

Note : All future correspondence, if any, should be addressed to the Registrars to the Offer, at the following address:

BIGSHARE SERVICES PVT.LTD.

UNIT: Hari Om Trades & Agencies Ltd – Open Offer

E 2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka

Andheri (East), Mumbai 400 072

Tel. No. (022) 40430200

Fax No. (022) 2847 5207

email: ashok@bigshareonline.com

Contact Person: Mr. Ashok Shetty

CRYSTAL (022) 6614 0900