

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is sent to you as a Shareholder(s) of **AKASHDEEP METAL INDUSTRIES LIMITED**. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager or Registrar to the Offer. In case you have recently sold your Shares in the Company, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance-cum-acknowledgement and Transfer Deed to the Member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER ("OFFER")

Pursuant to Regulations 3 (1) and 4 and applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto.

TO THE SHAREHOLDERS OF AKASHDEEP METAL INDUSTRIES LIMITED

(Hereinafter referred as "AMIL" or "the Target Company" or "TC" or "the Company")

Having the Registered Office at 14, Dayanand Vihar, Backside Ground Floor, Vikas Marg, Ext. Delhi, East Delhi, Delhi 110092, India.

Phone No. +91-11-27312176 / 5103 / 47055102,

Email: info.akashdeep14@gmail.com Website: www.akashdeepmetal.in

BY

Acquirer-: Mr. Sunil Kumar Malik S/o Bhusan Lal Malik, aged about 50 years, is residing at 159, Gagan Vihar Main, Delhi-110051, Tel. No. +91-120-4167930, Email: maliksunil5@gmail.com

ALONG WITH

PAC-1*-: Ms. Puja Malik W/o Mr. Sunil Kumar Malik, aged about 46 years, is residing at 159, Gagan Vihar Main, Delhi-110051, Tel. No. +91-9811016867, Email: malikpuja50@gmail.com.

PAC-2*-: Mr. Anshu Agarwal S/o Mr. Ramesh Chandra Agarwal, aged about 44 years, is residing at EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, Tel. No. +91-9958904568, Email: anshuagl@yahoo.com.

PAC-3*-: M/s. Anshu Agarwal HUF having address at EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, Tel. No. +91-9958904568, Email: anshuagl@yahoo.com.

PAC-4*-: Mr. Ramesh Chandra Agarwal S/o Mr. Ram Rkash Pal Agarwal, aged about 73 years, is residing at EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, Tel. No. +91-9958389863, Email: anshuagl@yahoo.com.

PAC-5*-: M/s. R C Agarwal HUF having address at EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, Tel. No. +91-9958389863, Email: anshuagl@yahoo.com.

PAC-6*-: Mrs. Usha Agarwal W/o Mr. Ramesh Chandra Agarwal, aged about 70 years, is residing at EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, Tel. No. +91-9958389863, Email: anshuagl@yahoo.com.

PAC-7*-: Mrs. Namita Agarwal W/o Mr. Anshu Agarwal, aged about 40 years, is residing at EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, Tel. No. +91-9650608161, Email: anshuagl@yahoo.com.

PAC-8*-: Mr. Akhil Bansal S/o Mr. Ramesh Chand Agrawal, aged about 40 years, is residing at EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, Tel. No. +91-9891593967, Email: anshuagl@yahoo.com.

PAC-9*-: Mrs. Reena Agarwal W/o Mr. Ajay Kumar Agarwal, aged about 49 years, is residing at EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, Tel. No. +91-9829530120, Email: anshuagl@yahoo.com.

**hereinafter collectively referred to as "the PACs"/"PACs"*

TO ACQUIRE

Up to 27,30,682 Equity shares of Rs. 10/- each representing 26% of the emerging equity and voting share capital of the Target Company at a price of Rs. 38.00/- (Rupees Thirty Eight Only) per Share. ("Offer Price").

Please Note



1. This Offer is being made pursuant to the Regulation 3(1), Regulation 4, read with Regulation 13(2)(g) of the SEBI (SAST) Regulations, 2011 and subsequent amendments thereof for substantial acquisition of shares / voting rights accompanied with change in control.
2. This Offer is not conditional upon any minimum level of acceptance by the shareholders of the Target Company.
3. As on date of this Draft Letter of Offer, there are certain statutory approvals are required in relation to this offer which are detailed in para 7.7.1 of this Draft Letter of Offer.
4. **This offer is not a competing offer**
5. **There has been no competing offer or revision of Offer Price as on date of this Draft Letter of Offer.**
6. Shareholders who have tendered shares in acceptance of the Open Offer by tendering the requisite documents, in terms of the Public Announcement / Detailed Public Statement/Draft Letter of Offer, shall not be entitled to withdraw such acceptance during the tendering period.
7. The Procedure for acceptance is set out in Para 8 of this DLOF. A Form of Acceptance is enclosed with this DLOF.
8. If there is any upward revision in the Offer Price by the Acquirer at any time prior to commencement of the last one working day before the commencement of the tendering period viz., **Monday, 22nd November, 2021**

you will be informed by way of another Announcement in the same newspapers in which the detailed Public Statement pursuant to Public Announcement was published. The Acquirer shall pay such revised price for all shares validly tendered any time during the Offer and accepted under the Offer or if the Offer is withdrawn pursuant to Regulation 23, the same would be communicated within two working days by an Announcement in the same newspapers in which the Detailed Public Statement was appeared.

9. The Acquirer may acquire Equity Shares pursuant to the SPA until the expiry of 26 (twenty six) weeks after the expiry of the Offer Period, or an extended period granted by SEBI, in accordance with Regulation 22(3) of the SEBI SAST Regulations.

10. A copy of the Public Announcement, Detailed Public Statement and the Draft Letter of Offer (including Form of Acceptance-cum-Acknowledgement) would also be available on SEBI's Website: www.sebi.gov.in.

11. All correspondence relating to this offer, if any, should be addressed to the Manager to the Offer or Registrar to the Offer at the address mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>Navigant NAVIGANT CORPORATE ADVISORS LIMITED 423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai-400 059 Tel No. +91-22-4120 4837 / 4973 5078 Email Id- navigant@navigantcorp.com Investor Grievance Email: info@navigantcorp.com Website: www.navigantcorp.com SEBI Registration Number: INM000012243 Contact Person: Mr. Sarthak Vijlani</p>	 <p>SKYLINE FINANCIAL SERVICES PRIVATE LTD. D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi - 110020. Tel No.: +91 11 40450193-97, Fax No.: +91 11 26812682, Website: www.skylinerta.com, E-mail ID: compliances@skylinerta.com, Investor Grievance Email: grievances@skylinerta.com SEBI Registration No: INR000003241 Contact Person: Mr. Subhash Agarwal</p>
OFFER OPENS ON: TUESDAY, 23RD NOVEMBER, 2021	OFFER CLOSES ON: MONDAY, 06TH DECEMBER, 2021

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Activity	Date	Day
Public Announcement	25.09.2021	Saturday
Publication of Detailed Public Statement in newspapers	01.10.2021	Friday
Submission of Detailed Public Statement to BSE, Target Company & SEBI	01.10.2021	Friday
Last date of filing draft letter of offer with SEBI	08.10.2021	Friday
Last date for a Competing offer	26.10.2021	Tuesday
Receipt of comments from SEBI on draft letter of offer	02.11.2021	Tuesday
Identified date*	08.11.2021	Monday
Date by which letter of offer be posted to the shareholders	15.11.2021	Monday
Last date for revising the Offer Price	22.11.2021	Monday
Comments from Committee of Independent Directors of Target Company	18.11.2021	Thursday
Advertisement of Schedule of activities for open offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchanges and Target Company	22.11.2021	Monday
Date of Opening of the Offer	23.11.2021	Tuesday
Date of Closure of the Offer	06.12.2021	Monday
Payment of consideration for the acquired shares	20.12.2021	Monday
Final report from Merchant Banker	27.12.2021	Monday

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

RISK FACTORS

A. RELATING TO THE OFFER

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

- 1) The Offer involves an offer to acquire up to 26% of the emerging equity and voting share capital of AMIL from the Eligible Persons for the Offer. In the case of over subscription in the Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- 2) In the event that (a) a statutory and regulatory approval is not received in a timely manner, (b) there is any litigation leading to a “stay” of the Offer, or (c) SEBI instructing the Acquirer and PACs not to proceed with the Offer, and then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the shareholders of AMIL whose Shares has been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that the non-receipt of approvals was not due to wilful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders for the delay, as may be specified by SEBI. Without prejudice of Regulation 18(11) of the SEBI (SAST) Regulations, 2011 Acquirer shall pay interest for the period of delay to all such shareholders whose shares have been accepted in the open offer, at the rate of ten per cent per annum, however in case the delay was not attributable to any act of omission or commission of the Acquirer, or due to the reasons or circumstances beyond the control of Acquirer, SEBI may grant waiver from the payment of interest.
- 3) Shareholders should note that Equity Shares once tendered in the Offer with or without “Form of Acceptance-cum- Acknowledgement” (“FOA”) in the Offer, such shareholders will not be entitled to withdraw such acceptances. The acquisition of Open Offer Shares tendered in the Offer by NRIs and OCBs is subject to receipt of approval from RBI. NRIs and OCBs tendering Equity Shares in the Offer must obtain all requisite approvals required to tender the Equity Shares held by them, in this Offer (including without limitation the approval from RBI, since the Shares validly tendered in this Offer will be acquired by non-resident entities) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement (FOA).
- 4) The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer /Buyer’s Broker until the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company. Accordingly, the Acquirer makes no assurance with respect to the market price of the Equity Shares both during the Offer Period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any shareholder of the Target Company on whether to participate or not to participate in the Offer.
- 5) This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. The recipients of this Draft Letter of Offer (“DLOF”) resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. The Offer is not directed towards any person or entity in any jurisdiction or country where the Offer would be contrary to the applicable laws or regulations or would subject the Acquirer, the PACs or the Manager to the Offer to any new or additional registration requirements.
- 6) The Public Shareholders are advised to consult their respective legal and tax advisors for assessing the tax liability pursuant to the Offer, or in respect of other aspects, such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the PACs do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.
- 7) On full acceptances of Open Offer Shares, this Offer will breach minimum public shareholding (“MPS”) as determined in accordance with Securities Contract (Regulations) Rules, 1957 (“SCRR”), on a continuous basis for listing. If the public shareholding in the Target Company falls below the MPS, Acquirer shall reduce their respective shareholding in the Target Company in the manner as set out in

Regulation 7(4) of the Takeover Regulations and, within the time period specified in the SCRR, such that the Target Company complies with the MPS requirement. Any failure to comply with the conditions of the SCRR and the SEBI (LODR) Regulations (“**the Listing Regulations**”) could have an adverse effect on the price and tradability of the Equity Shares.

B. IN ASSOCIATION WITH THE ACQUIRER

- 8) The Acquirer intends to acquire 27,30,682 fully paid-up equity shares of Rs.10/- each, representing 26% of the emerging equity and voting share capital at a price of Rs. 38/- (Rupees Thirty Eight Only) per equity share. AMIL does not have any partly paid-up equity shares as on the date of the DLOF.

The Acquirer makes no assurance with respect to the market price of the shares during the Offer period and upon the completion of the Offer and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer. The Acquirer makes no assurance with respect to the financial performance of the Target Company.

- 9) The Acquirer and the Manager to the Offer accepts no responsibility for the statements made otherwise than in the Public Announcement, Detailed Public Statement or this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.

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1. DEFINITIONS

TERM	DESCRIPTION
Acceptance Date	The date on which bids /Equity Shares tendered in the Offer shall be accepted post verification
Acquirer / The Acquirer	Mr. Sunil Kumar Malik
AOA	Articles of Association
AMIL/Target Company/ TC	Akashdeep Metal Industries Limited
Board	The Board of Directors of Target Company
BSE	BSE Limited
B.A.	Bachelor Degree in Arts
B.com	Bachelor Degree in Commerce
Buying Broker / Member	Anisha Fincap Consultants LLP
CIN	Corporate Identity Number
Detailed Public Statement or DPS	Public Statement of the Open Offer made by The Acquirer, which appeared in the newspapers on 01 st October, 2021
DLoO / DLOF or Draft Letter of Offer	This Draft Letter of offer dated 07 th October, 2021 to be filed with SEBI pursuant to Regulation 16 (1) of SEBI (SAST) Regulations.
Effective Date	The date of certificate by the Merchant banker after filing the final Report with SEBI under SEBI (SAST) Regulations
Existing Share & Voting Capital	Paid up share capital of the Target Company prior to Proposed preferential issue i.e. Rs. 8,50,26,210 divided into 85,02,621 Equity Shares of Rs. 10 Each
Emerging Voting Capital	1,05,02,621 fully paid up equity shares of the face value of Rs. 10/- each of the Target Company being the capital post allotment of 20,00,000 equity shares to the Acquirer on preferential basis.
EGM	Extra Ordinary General Meeting
EPS	Earnings Per Share which is Profit After Tax / No. of Equity Shares.
Form of Acceptance or FOA	Form of Acceptance cum Acknowledgement.
HSC	Higher Secondary Certification
Identified Date	Monday, 8 th November, 2021
Listing Agreement	Listing agreement as entered by the Target Company with the BSE
Manager to the Offer or, Merchant Banker	Navigant Corporate Advisors Limited
MCA	Master of Computer Applications
Negotiated Price	Rs. 38/- (Rupees Thirty Five Only) per fully paid-up Equity Share of face value of Rs. 10/- each.
Stock Exchange	BSE Limited
Offer/Open Offer/ The Offer	Cash Offer to acquire up to 27,30,682 Equity Shares of Rs. 10/- each representing 26.00 % of the total emerging equity and voting share capital of the Target Company, to be acquired by the Acquirer, at a price of Rs. 38/- per Equity share, payable in cash
Offer Price	Rs. 38/- (Rupees Thirty Eight Only) per fully paid up Share of Rs. 10/- each, payable in cash.
PA	Public Announcement
PAC/PACs	Person(s) Acting in Concert
Persons eligible to participate in the Offer/ Shareholders	Registered public category shareholders of Akashdeep Metal Industries Limited and unregistered public category shareholders who own the Shares of Akashdeep Metal Industries Limited on or before the last date of tendering period is eligible to participate in the offer.
Preferential Issue / Pref. Issue/ Pref. Allotment	Shall mean the proposed preferential allotment as approved by Board of Directors of the Target Company at their Board Meeting held on 25 th September, 2021 subject to approval of members and other regulatory approvals of 20,00,000 Equity Shares to Acquirer and 10,00,000 convertible warrants to others carrying face value of Rs. 10 each at a premium of Rs. 28/- per Equity Share.

TERM	DESCRIPTION
RBI	Reserve Bank of India
Registrar or Registrar to the Offer	Skyline Financial Services Private Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations / the Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI Act	Securities and Exchange Board of India Act, 1992.
Shares	Equity shares of Rs. 10/- (Rupees Ten only) each of the Target Company
SPA	Share Purchase Agreement dated 25 th September, 2021 ("the SPA") between Acquirer and Seller
SSC	Senior Secondary Certification

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to "Rs." are to the reference of Indian National Rupees ("INR"). Throughout this Draft Letter of Offer, all figures have been expressed in "Lacs" unless otherwise specifically stated. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF AMIL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE /OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER TO THE OFFER, NAVIGANT CORPORATE ADVISORS LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 07TH OCTOBER, 2021 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 2011. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1. This Offer is a "Mandatory Offer" under the Regulation 3(1) and 4 of the Takeover Regulations being made jointly by the Acquirer and PACs to the equity shareholders of the Target Company for substantial acquisition of Equity Shares and Voting Rights accompanied with change in control of the Target Company.

3.1.2 The Board of Directors of the Target Company, in their meeting held on 25th September, 2021 has subject to the approval of the shareholders of the Target Company and other regulatory approvals, as applicable, agreed to issue and allot, on a preferential basis, 20,00,000 fully paid up equity shares of face value of Rs. 10 each (the "Equity Shares") of the Target Company at a price of Rs. 38/- per Equity Shares aggregating to Rs. 760.00 Lacs representing 19.04% of the Emerging Share & Voting Capital of the Target Company to the Acquirer. The Board of Directors of the Target Company, in the same meeting on 25th September, 2021 has also subject to the approval of the shareholders of the Target Company and other regulatory approvals, as applicable, agreed to issue and allot, on a preferential basis, 10,00,000 convertible warrants of the Target Company at a price of Rs. 38/- per warrant to certain public category investors. Acquirer have also entered in to a Share Purchase Agreement dated 25th September, 2021 ("the SPA") with Mr. Rajesh Gupta ("Selling Shareholder") for acquiring 1,50,000 Equity Shares ("Sale Shares") of Rs. 10 each at a price of Rs. 38/- per Equity Share ("the Negotiated Price") aggregating to Rs. 57.00 Lacs representing 1.43% of Emerging Voting Capital of Target Company.

3.1.3 This offer is made by Acquirer along with the PACs due to:

- (i) the proposed preferential issue of 20,00,000 Equity Shares of face value of Rs. 10 each of the Target Company at a price of Rs. 38/- per Equity Shares, representing 19.04% of the Emerging Equity & Voting Capital of the Target Company, to the Acquirer.
- (ii) the execution of the Share Purchase Agreement dated 25th September, 2021 (the “SPA”) entered into between Acquirer and Seller for acquiring 1,50,000 Equity Shares (the “Sale Shares”) of Rs. 10/- each at a price of Rs. 38/- per Equity Share (the “SPA Price”) aggregating to Rs. 57.00 Lacs representing 1.43% of the Emerging Equity & Voting Capital of the Target Company. The Seller is currently part of Promoter and Promoter Group of the Target Company.

3.1.4 The detailed proposed allotment of Equity Shares of the Target Company at a price of Rs. 38/- per Equity Share are tabled below:

Name of Acquirer / PACs	Pre Transaction Shareholding Number and	Total No. of Equity Shares to be allotted of TC under preferential issue	Shares to be Acquired Under SPA	Total Number of Equity Shares held in TC post Pref. Issue	% of Total Number of Equity Shares on Emerging Share & Voting Capital
Acquirer:					
Mr. Sunil Kumar Malik	5,90,000	20,00,000	1,50,000	27,40,000	26.09%
PACs:					
Mrs. Puja Malik	-	-	-	-	-
Mr. Anshu Agarwal	15,000	-	-	15,000	0.14%
Anshu Agarwal HUF	29,940	-	-	29,940	0.29%
Mr. Ramesh Chandra Agarwal	15,000	-	-	15,000	0.14%
R. C. Agarwal HUF	20,000	-	-	20,000	0.19%
Mrs. Usha Agarwal	10,000	-	-	10,000	0.10%
Mrs. Namita Agarwal	20,000	-	-	20,000	0.19%
Mr. Akhil Bansal	15,000	-	-	15,000	0.14%
Mrs. Reena Agarwal	15,000	-	-	15,000	0.14%
Total	7,29,940	20,00,000	1,50,000	28,79,940	27.42%

3.1.5 The pre and post- preferential allotment capital of the Target Company would be as under:

Particulars	No. of Equity Shares	Nominal Value (Rs.)
Existing equity and voting share capital	85,02,621	8,50,26,210
Proposed preferential allotment of Equity Shares	20,00,000	2,00,00,000
Post Preferential allotment / emerging voting capital	1,05,02,621	10,50,26,210

3.1.6 Details of Parties to the SPA are as follow:

Name and Address of Acquirer entering in to SPA	Name and Address of Seller	Part of the Promoter / Promoter Group (Yes / No)	Details of shares / voting rights held by the Selling Shareholders prior to SPA		Details of shares / voting rights held by the Selling Shareholders post to SPA	
			Pre Transaction		Post Transaction	
			Number	%*	Number	%*
Mr. Sunil Kumar Malik (Acquirer)	Rajesh Kumar Gupta Address: 25,	Yes	10,92,150	10.40%	9,42,150	8.97%

Name and Address of Acquirer entering in to SPA	Name and Address of Seller	Part of the Promoter / Promoter Group (Yes / No)	Details of shares / voting rights held by the Selling Shareholders prior to SPA		Details of shares / voting rights held by the Selling Shareholders post to SPA	
			Pre Transaction		Post Transaction	
			Number	%*	Number	%*
Address: 159, Gagan Vihar Main, Delhi-110051, India	Hargobind Enclave, Delhi-110 092					

* As a percentage of emerging equity and voting share capital of the Target Company.

3.1.7 Salient features of SPA are as follow:

- (i) The Seller agreed to sell 1,50,000 fully paid Equity Shares of Rs. 10/- each at a price of Rs. 38/- (Rupees Thirty Eight only) per fully paid-up Equity Share of the Target Company to Acquirer.
- (ii) Apart from the total consideration of Rs. 57,00,000/- for the Sale Shares, no separate fees, payment, premium such as non-competing fee etc. shall be paid by Acquirer to the Seller for acquisition of the Sale Shares and management control of the Target Company.
- (iii) Acquirer and the Seller recognize that the sale of Sale Shares is the subject matter of the Takeover Regulations and accordingly the Seller will transfer the Sale Shares only after due compliance with the Takeover Regulations by Acquirer or comply escrow mechanism in terms of Regulation 22 (2A) of the SEBI SAST Regulations.
- (iv) Acquirer and the Seller agree that in the event of non-compliance of any of the provisions of the Takeover Regulations pursuant to the execution of the Agreement, this Agreement shall not be acted upon by any of them.
- (v) The Sale Shares held by the Seller are in dematerialised form and are free from any lien, claim, pledge, charge, mortgage and encumbrance as on the date of the Agreement. The Sale Shares shall be transferred to Acquirer post completion of Offer Period in accordance with Regulation 22 (3) of SEBI (SAST) Regulations.
- (vi) Seller will continue to be part of Promoter group of Target Company along with Acquirer.

3.1.8 Consequent upon acquiring the shares pursuant to the preferential allotment and 1,50,000 Sale Shares, the post preferential shareholding of the Acquirer and PACs will be 28,79,940 equity shares constituting 27.42% of the emerging capital. Pursuant to proposed allotment and SPA the Acquirer will be holding substantial stake and will be in control over the Target Company. Accordingly, this offer is being made in terms of Regulation 3(1) and Regulation 4 read with Regulation 13(2A)(i) and other applicable provisions of the Takeover Regulations. Acquirer also confirms that proposed preferential shares to Acquirer if allotted prior to completion of open offer will be credited to DP Escrow Account and will be transferred to depository account of Acquirer only after completion of open offer formalities.

3.1.9 The Manager to the Open Offer i.e. Navigant Corporate Advisors Limited does not hold any Shares in the Target Company as on the date of appointment as Manager to the Open Offer. They declare and undertake that they shall not deal on their own account in the Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.

3.1.10 The Acquirer and PACs intend to assume control over the Target Company & may at its discretion seek to effect changes to the board of directors of the Target Company, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the LODR Regulations and Regulation 24 of the SEBI SAST Regulations). No proposal in this regard has been finalised as on the date of this Draft Letter of Offer.

- 3.1.11 The Acquirer and PACs propose to continue existing business of the Target Company. The main purpose of this acquisition is to acquire complete management control of the Target Company. The Acquirer & PACs shall be classified as part of Promoter & Promoter group of Target Company. Seller will also continue to be part of Promoter group in the Target Company.
- 3.1.12 Simultaneously, by virtue of triggering of Regulation 3(1) and 4 of the Regulations due to substantial acquisition alongwith the management control; the PA was submitted with BSE on 25th September, 2021 in compliance with Regulation 13(1) of the Regulations by the Acquirer. The PA was also submitted with SEBI and the Target Company in compliance with the Regulation 14(2) of the Regulations.
- 3.1.13 Pursuant to completion of this offer, assuming full acceptance to this Offer, the public shareholding in the Target Company will fall below the minimum public shareholding requirement as per the Securities Contract (Regulation) Rules, 1957 as amended, the Acquirer and PACs undertake that they will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Securities Contract (Regulation) Rules, 1957 as amended, provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and the Regulation 7(4) and 7(5) of the SEBI (SAST) Regulations and will reduce the non-public shareholding within the period mentioned therein.
- 3.1.14 In case the shareholding of the Acquirer and PACs exceeds maximum permissible non-public shareholding pursuant to the Offer, none of the Acquirer and PACs be eligible to make a voluntary delisting offer, unless a period of 12 (twelve) months has elapsed from the date of the completion of the Offer Period.
- 3.1.15 As per regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company will constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published.

3.2 Details of the Proposed Offer

- 3.2.1 The Public Announcement in connection with the Offer was made by the Managers to the Offer on behalf of the Acquirer to the Stock Exchange on 25th September, 2021 and submitted to SEBI on 27th September, 2021 and sent to the Target Company on 25th September, 2021.
- 3.2.2 The DPS in connection with the Offer was published on behalf of the Acquirer on 1st October, 2021 in the following newspapers: (a) Financial Express - English Daily (all editions); (b) Jansatta - Hindi Daily (all editions) and (c) Mumbai Lakshadeep - Marathi Daily (Mumbai edition). The DPS was also submitted to SEBI and the Stock Exchanges and sent to the Target Company on 1st October, 2021. The DPS is available on the SEBI website (www.sebi.gov.in).
- 3.2.3 The Acquirer and PACs are making this Open Offer under the SEBI (SAST) Regulations, to acquire up to 27,30,682 Equity Shares of Rs. 10/- each representing up to 26.00% of the total emerging equity and voting share capital of the Target Company from the Public Shareholders of Target Company on the terms and subject to the conditions set out in this Draft Letter of Offer, at a price of Rs. 38/- per equity share, payable in cash. These Shares are to be acquired by the Acquirer, free from all liens, charges and encumbrances and together with all voting rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.2.4 There are no partly paid up Shares in the Target Company.
- 3.2.5 The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI SAST Regulations.
- 3.2.6 The Offer is not subject to any minimum level of acceptances from the Shareholders i.e. it is not a conditional offer.

- 3.2.7 The Offer is not as a result of any exercise regarding global acquisition which culminates in the indirect acquisition of control over, or acquisition of equity shares or voting rights in, the Target Company.
- 3.2.8 The Acquirer and PACs have not acquired any Shares in the Target Company after the date of PA i.e. 25th September, 2021, up to the date of this Draft Letter of Offer. The Acquirer & PACs shall disclose during the Offer Period any acquisitions made by the Acquirer & PACs of any Equity Shares of the Target Company in the prescribed form, to the Stock Exchange and to the Target Company at its registered office within 24 (twenty four) hours of such acquisition, in accordance with Regulation 18(6) of the SEBI SAST Regulations.
- 3.2.9 The Offer is not a competing offer under Regulation 20 of SEBI (SAST) Regulations.
- 3.2.10 There has been no competing offer as of the date of this Draft Letter of Offer.
- 3.2.11 The Offer is subject to the terms and conditions set out herein and the PA and the DPS made by the Acquirer from time to time in this regard.

3.3 Object of the Offer:

- 3.3.1 The Acquirer and PACs shall achieve substantial acquisition of Equity Shares and voting capital, accompanied with effective management control over the Target Company after completion of the proposed preferential issue, acquisition of the Sale Shares and the Open Offer.
- 3.3.2 The prime object of this acquisition is to acquire management control of the Target Company. Upon successful completion of open offer, Acquirer shall achieve substantial acquisition of Equity Shares and voting capital and intending to acquire control over Target Company in terms of Regulation 4 of SEBI (SAST) Regulations, 2011 and will be identified as part of Promoter and Promoter group of the Target Company along with existing promoter.
- 3.3.3 The Board of Directors of the Target Company, in their meeting held on 25th September, 2021 have approved the issue of equity shares on preferential basis, subject to such approvals as required and also subject to the provisions of SEBI (ICDR) Regulations 2018. Pursuant to the resolution passed by the Board of Directors of the Target Company at their meeting held on 25th September, 2021, the Acquirer has agreed to subscribe to 20,00,000 equity shares, to be issued to them on preferential basis at an issue price of Rs. 38/- each subject to compliance of applicable Statutory and Regulatory norms.
- 3.3.4 The Acquirer intend to continue the existing business of the Target Company. The main purpose of takeover is to expand the Company's business activities in the same line through exercising the effective management and control over the Target Company.
- 3.3.5 The Acquirer may at its discretion seek to effect changes to the board of directors of the Target Company, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the LODR Regulations and Regulation 24 of the SEBI SAST Regulations). No proposal in this regard has been finalised as on the date of this Draft Letter of Offer.
- 3.3.6 The Acquirer do not have any plans to dispose off or otherwise encumber any significant assets of AMIL in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirer undertake that it shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of regulation 25(2) of SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.

4. BACKGROUND OF THE ACQUIRER AND PACS

4.1 The details of the Acquirer is as follows:

Acquirer: Mr. Sunil Kumar Malik:

1. Mr. Sunil Kumar Malik (Acquirer) S/o Mr. Bhusan Lal Malik, is a 50 years old Resident Indian currently residing at 159, Gagan Vihar Main, Delhi-110051, Tel. No. +91-120-4167930, Email: maliksunil5@gmail.com; He has qualified bachelor degree in commerce from Ram Lal Anand College, Delhi University. He has not changed / altered his name at any point of time.
2. Acquirer carries a valid passport of Republic of India and also holds a Permanent Account Number (PAN) AANPM1288P. Acquirer is engaged in the business of trading in textile products for over 30 years and is having network with manufacturers and dealers.
3. Acquirer does not belong to any group.
4. CA Nikita Agarwal (Membership No. 538545), partner of M/s. NJGS & Associates., Chartered Accountants (Firm Registration No. 030738N) having their office located at Office No. 21, SCO 45, Sector 11, Panchkula, Haryana - 134109, Tel: +91-172-4616425, Email: Abhishekaggarwal.ica@gmail.com has certified vide its certificate dated 18th September, 2021 (UDIN: 21538545AAAAIE5542) that Rs. 3,151.05 Lacs as on 15th September, 2021.
5. Acquirer holds 5,90,000 Equity Shares of Target Company as on the date of the DLOF, he has also agreed to buy 1,50,000 Equity Shares (Sale Shares) from Seller which is part of promoter and promoter group of Target Company through Share Purchase Agreement (SPA) dated 25th September, 2021 and agreed to subscribe 20,00,000 Equity Shares by way of Proposed Preferential Issue.
6. As on the date of this DLOF, Acquirer does not have any interest in Target Company, save and except the present shareholding as well as proposed shareholding to be acquired in the Target Company pursuant to proposed preferential issue and SPA.
7. The details of the companies in which Acquirer holds directorship is tabled as below:

Name of Company	Designation	CIN
Race Eco Chain Limited	Managing Director	L37100DL1999PLC102506
Sunstar Share Brokers Private Limited	Director	U08031DL2005PTC140530
Vista Furnishing Private Limited	Director	U17291DL2015PTC311388
Gin Spin Private Limited	Director	U17299DL2021PTC385489
Malik Ayurved And Pharmaceuticals Private Limited	Director	U24230UP2019PTC119991
Anisha Exim Private Limited	Director	U51909DL2005PTC137869
R P M Exim Private Limited	Director	U51909DL2009PTC195207
Edge Wood Hospitality Private Limited	Director	U55101UP2021PTC144991
Aniaryan Farms And Resorts Private Limited	Director	U70200DL2018PTC341066
Anisha Dazzle Films Private Limited	Director	U74999DL2015PTC282025

4.2 The details of PACs are as follows:

1. The Persons Acting in Concert (“PACs”) with the Acquirer within the meaning of Regulation 2(1)(q)(2) of the Takeover Regulations in relation to this Offer is disclosed in a tabular format with their respective details:

Name of PAC	Address, Contact No. and Email	Age of PAC	Nationality of PAC	Qualification	Experience	No. of Equity Shares held as of the PA	Net Worth (Rs. Lacs)*	Relation with Acquirer
Mrs. Puja Malik	159, Gagan Vihar Main, Delhi- 110051, +91-9811016867, malikpuja50@gmail.com	46 Years	Indian	Graduate	In stock broking and trading activities for over 10 years	1,895.25	Nil Nil	Wife of Acquirer
Mr. Anshu Agarwal	EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, +91-9958904568, anshuagl@yahoo.com	44 Years	Indian	Graduate	10 Years of experience in the field of stock market	36.76	15,000 Nil	Director of Company under same management with Acquirer
Anshu Agarwal HUF	EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, +91-9958904568, anshuagl@yahoo.com	N.A.	Indian	N.A.	N.A.	91.15	29,940 Nil	Associates of director of Company under same management with Acquirer
Mr. Ramesh Chandra Agarwal	EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, +91-9958389863, anshuagl@yahoo.com	73 years	Indian	H.S.C.	In Banking Sector - Retired from State Bank of India in January 2001	34.43	15,000 Nil	Associates of director of Company under same management with Acquirer
R. C. Agarwal HUF	EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, +91-9958389863, anshuagl@yahoo.com	N.A.	Indian	N.A.	N.A.	49.86	20,000 Nil	Associates of director of Company under same management with Acquirer
Mrs. Usha Agarwal	EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, +91-	70 years	Indian	S.S.C.	Housewife	175.62	10,000 Nil	Associates of director of Company under

Name of PAC	Address, Contact No. and Email	Age of PAC	Nationality of PAC	Qualification	Experience	No. of Equity Shares held as of the PA	Net Worth (Rs. Lacs)*	Relation with Acquirer
	9958389863, anshuagl@yahoocom							same management with Acquirer
Mrs. Namita Agarwal	EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, +91-9650608161, anshuagl@yahoocom	40 years	Indian	Bachelor degree in Arts	10 Years of experience in the field of stock Broking	194.00	20,000 Nil	Associates of director of Company under same management with Acquirer
Mr. Akhil Bansal	EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, +91-9891593967, anshuagl@yahoocom	40 years	Indian	Master of Computer Applications	10 Years of experience in the field of web developer	16.18	15,000 Nil	Associates of director of Company under same management with Acquirer
Mrs. Reena Agarwal	EE-106, Avantika Extn., Ghaziabad (U.P.) - 201 002, +91-9829530120, anshuagl@yahoocom	49 years	Indian	Post Graduate Diploma in Business Management	Housewife	63.50	15,000 Nil	Associates of director of Company under same management with Acquirer

* As certified by CA Nitika Agarwal (Membership No. 538545), partner of M/s. NJGS & Associates, Chartered Accountants (Firm Registration No. 030738N) vide certificate dated 18th September, 2021.

- The PACs have not changed / altered her names at any point of time during their lives.
- The PACs has undertaken that they do not intend to acquire any Open Offer Shares. The Open Offer Shares under this Offer will be solely acquired by the Acquirer. Further all expenses related to the Open Offer will be borne by the Acquirer.
- As on the date of this DLOF, PACs does not holds directorship in any Company except as detailed below:

Name of PAC	Name of Company	Designation	CIN
Mr. Anshu Agarwal (PAC-2)	Race Eco Chain Limited	Whole Time Director	L37100DL1999PLC102506
	J.S. Finlease Private Limited	Director	U65910DL1996PTC076363

4.3 Joint Undertakings / Confirmation by the Acquirer and the PACs

- The Acquirer and PACs have complied w.r.t. Chapter V of the Takeover Regulations, 2011 in respect of acquisition and sale of Equity Shares in the Target Company till the date of this DLOF, however there have been delayed compliance. SEBI may take appropriate action against the Acquirer and PACs for such delay compliance, The details of delayed compliance by Acquires and PACs is tabled in the following format:

Sr. No	Regulation	Due date of Compliance	Actual Compliance date	Delay, If any	Status of Compliance with Takeover Regulations	Remarks, If any
1	29 (1)	08/12/2018	25/11/2020	718	Complied with 718 days delay	Delay compliance by Acquirer and PACs for reporting of acquisition of shares.
2	29 (2)	08/02/2021	03/03/2021	23	Complied with 23 days delay	Delay compliance by Acquirer and PACs for reporting of sale of shares.
3	29 (2)	16/02/2021	03/03/2021	15	Complied with 15 days delay	Delay compliance by Acquirer and PACs for reporting of sale of shares.
4	29 (2)	05/03/2021	10/03/2021	5	Complied with 5 days delay	Delay compliance by Acquirer and PACs for reporting of sale of shares.

2. The Acquirer and PACs do not have any relations with the Target Company nor have any interest in the Target Company save and except the present & proposed shareholding, which is to be acquired in the Target Company pursuant to SPA and preferential issue by the Acquirer. Neither the Acquirer, PACs nor their representatives are on the board of the Target Company.
3. The Equity Shares tendered in this Offer will be solely acquired by Acquirer.
4. The Acquirer and PACs have not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act (the “SEBI Act”).
5. Acquirer and PACs have confirmed that they are not categorized as a “Willful Defaulter” in terms of Regulation (1)(ze) of the SEBI (SAST) Regulations, 2011 nor they are categorized as a “Fugitive Economic Offender” in terms of Regulation (1)(ja) of the SEBI (SAST) Regulations, 2011.
6. The Acquirer and PACs have not entered into any non-compete arrangement and/or agreement with the Target Company or its management.
7. As on date of the DLOF, the Acquirer and PACs are in compliance with Regulation 6A & Regulation 6B of the Takeover Regulations.

8. The Acquirer and PACs have undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the SPA and its related conditions.
9. The Acquirer and PACs have undertaken that that if they acquire any equity shares of the Target Company during the Offer Period, they shall disclose such acquisition to the Stock Exchange where the equity shares of the Target Company are listed and to the Target Company at its registered office within 24 hours of such acquisition in compliance with regulation 18(6) of the SEBI (SAST) Regulations. Further, they have also undertaken that they will not acquire or sell any equity shares of the Target Company during the period between three working days prior to the commencement of the Tendering Period and until the expiry of the Tendering Period as per regulation 18(6) of the SEBI (SAST) Regulations.
10. The Acquirer and PACs undertake that they will not sell the equity shares of the Target Company held by them during the Offer period in terms of regulation 25(4) of the SEBI (SAST) Regulations, 2011.
11. Mr. Sunil Kumar Malik (Acquirer) is Managing Director and Anshu Agarwal (PAC-2) is Whole Time Director of M/s. Race Eco Chain Limited (RECL), which is listed on SME Platform of BSE Limited and its details are as mentioned below:

- RECL was incorporated on 22nd November, 1999 under the Companies act 1956. The corporate identification number (CIN) of the RECL is L37100DL1999PLC102506. The Registered office of RECL is presently situated at Unit No.203, Plaza- P 3, Central Square Bara Hindu Rao, Delhi Central Delhi - 110006; Phone No. +91- 011-22046604, Email id: cs@racecochain.com.
- Main object of the RECL is to carry on the business of import, export and trading and marketing of cosmetics of all kind and varieties and also plant and machinery and equipment for any kind of purpose and use.
- The Authorised Capital of RECL is Rs. 2,500.00 Lacs divided in to 2,50,00,000 Equity Shares of Face Value of Rs. 10/- each. The Issued, Subscribed and Paid-up capital of RECL is Rs. 1,643.22 Lacs divided in to 1,64,32,200 Equity Shares of Face Value Rs. 10/- each.
- RECL is listed on SME Platform of BSE Limited ("BSE-SME").
- As on date of this DLOF, the Board of Directors of RECL are as follows:

Name	Designation	DIN	Date of Appointment
Sunil Kumar Malik	Managing Director	00143453	22/11/1999
Anshu Agarwal	Whole-time Director	08192908	20/07/2019
Nisha Jain	Director	00270098	26/02/2020
Puneet Bhawaker	Director	06971183	03/09/2014
Pranav Vasan	Director	07631095	12/04/2019
Sanjay Kukreja	Director	08506956	20/07/2019

- Brief financial information of RECL for the quarter ended 30th June, 2021 and financial year ended on 31st March, 2021, 31st March, 2020, and 31st March, 2019 are given below:

(Rs. in Lacs)

Profit & Loss Statement	For the year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)
Revenue from Operations	5,871.63	1,582.66	5,018.58
Other Income	250.13	140.88	118.21
Total Income	6,121.76	1723.54	5,136.79
Total Expenditure (Excluding Depreciation and Interest)	5,887.67	1,619.22	5,034.54
Profit (Loss) before Depreciation, Interest & Tax	234.09	104.32	102.25
Depreciation	23.31	29.96	37.90
Interest	63.44	72.58	57.20
Profit / (Loss) before Tax	147.34	1.78	7.15
Tax Expenses	47.69	(1.90)	2.07
Profit / (Loss) after Tax	99.65	3.68	5.08

(Rs. in Lacs)

Balance Sheet Statement	For the year ended March 31,2021 (Audited)	For the year ended March 31,2020 (Audited)	For the year ended March 31,2019 (Audited)
Sources of Funds			
Paid up Share Capital	1,643.22	1,643.22	1,643.22
Reserves & Surplus (Excluding Revaluation Reserve)	168.27	68.63	64.95
Non Current Liabilities	33.00	32.40	25.34
Current Liabilities	1,373.47	943.97	1,790.80
TOTAL	3,217.96	2,688.22	3,524.31
Uses of Funds			
Fixed Assets	103.33	161.20	176.85
Non Current Assets	618.99	892.35	1,024.13
Current Assets	2,495.64	1,634.67	2,323.33
TOTAL	3,217.96	2,688.22	3,524.31

Other Financial Data	For the year ended March 31,2021 (Audited)	For the year ended March 31,2020 (Audited)	For the year ended March 31,2019 (Audited)
Net Worth (Rs. in Lacs)	1,811.49	1,711.85	1,708.17
Dividend (%)	-	-	-
Earning Per Share (Rs.)	0.61	0.02	0.03
Return on Net worth (%)	5.50	0.21	0.30
Book Value Per Share (Rs.)	11.02	10.42	10.40

- RECL is not a sick Company.

5. BACKGROUND OF THE TARGET COMPANY

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

- 5.1 AMIL was originally incorporated on 20th December, 1983 under the Companies act 1956 and obtained certificate for commencement of business from the Registrar of Companies with the Registrar of Companies, Delhi and Haryana on 27th December, 1983. The corporate identification number (CIN) of the Target Company is L28998DL1983PLC017150. The Registered office of AMIL is presently situated at 14, Dayanand Vihar, Backside Ground Floor, Vikas Marg Ext. Delhi East, Delhi - 110092 Phone No. +91-11-27312176 / 5103 / 47055102, Email id: info.akashdeep14@gmail.com.
- 5.2 Authorised Capital of AMIL is Rs. 851.00 Lacs divided in to 85,10,000 Equity Shares of Face Value of Rs. 10/- each. AMIL has proposed to increase its Authorised Share Capital to Rs. 1,151.00 Lacs in Extra Ordinary General Meeting scheduled to be held on 25th October, 2021. The Issued, Subscribed and Paid-up capital of AMIL is Rs. 850.26 Lacs divided in to 85,02,621 Equity Shares of Face Value Rs. 10/- each. AMIL has established its connectivity with both the National Securities Depositories Limited and Central Depositories Services (India) Limited. The ISIN of AMIL is INE149Q01013.
- 5.3 The Target Company is RBI registered NBFC vide NBFC Registration No. 14.00270 and presently engaged in to business as finance company and financial services. The company is engaged in the business of lending and investments.
- 5.4 As on date, the Target Company does not have any partly paid-up equity shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. However, the Board of Directors of the Target Company, in their meeting held on 25th September, 2021 has subject to the approval of the shareholders of the Target Company and other regulatory approvals, as applicable, agreed to issue and allot, on a preferential basis, 10,00,000 warrants convertible in to

equity shares of face value of Rs. 10 each (the "Equity Shares") of the Target Company at a price of Rs. 38/- per Equity Shares. The warrants are proposed to be allotted to certain public category investors.

5.5 No shares are under any lock in obligations.

5.6 The entire present and paid up Equity Shares of the Target Company is currently listed on BSE Limited ("BSE"). The Equity Shares were initially listed only on Delhi Stock Exchange (DSE) pursuant to the Initial Public Offerings ("IPO") in the year 1984. The Equity Shares of the Target Company were later on listed on BSE w.e.f. 18th November, 2014 under the direct listing norms.

5.7 The Equity Shares of Target Company are frequently traded on BSE in terms of Regulation 2 (1) (j) of the Takeover Regulations.

5.8 The Company has complied with the requirements of the Listing Agreement with BSE and as on date no penal action has been initiated by the BSE.

5.9 The details of Share Capital of Target Company is as follows:

Paid up Equity Shares of AMIL	No. of Equity Shares/ Voting rights	% of Shares / voting rights
Fully paid-up Equity Shares	85,02,621	100.00
Partly paid-up Equity Shares	NIL	NIL
Total Equity Shares	85,02,621	100.00
Total Voting Rights in the Target Company	85,02,621	100.00

5.10 The details of pre and post- preferential allotment capital of the Target Company would be as under:

Particulars	No. of Equity Shares	Nominal Value (Rs.)
Existing equity and voting share capital	85,02,621	8,50,26,210
Proposed preferential allotment of Equity Shares	20,00,000	2,00,00,000
Post Preferential allotment / emerging voting capital	1,05,02,621	10,50,26,210

5.11 As on date of this DLOF, the Board of Directors of AMIL are as follows:

Name	Designation	DIN	Date of Appointment
Rajesh Gupta	Managing Director	00006056	02/05/2018
Yash Pal Gupta	Director	00013872	02/05/2018
Prachi Gupta	Director	08118203	02/05/2018
Janardan Tiwari	Director	08157090	30/11/2019
Sanjeev Kumar	Director	08693790	27/05/2020

5.12 There has been no merger / demerger or spin off involving AMIL during the last 3 years. The company has not changed its name since inception.

5.13 Brief financial information of AMIL for the quarter ended 30th June, 2021 and financial year ended on 31st March, 2021, 31st March, 2020, and 31st March, 2019 are given below:

Standalone Financial Statements

Profit & Loss Statement	(Rs. in Lacs)			
	For the quarter ended June 30, 2021 (Unaudited)	For the year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)
Revenue from Operations	69.18	39.25	46.76	42.23
Other Income	-	0.20	-	21.50
Total Income	69.18	39.45	46.76	63.73
Total Expenditure (Excluding Depreciation and Interest)	49.32	23.61	22.26	23.64
Profit (Loss) before Depreciation, Interest & Tax	19.86	15.84	24.50	40.09
Depreciation	3.78	8.37	-	0.31

Profit & Loss Statement	For the quarter ended June 30, 2021 (Unaudited)	For the year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)
Interest	-	6.37	0.00	0.07
Profit / (Loss) before Tax	16.08	1.10	24.50	39.71
Tax Expenses	0.45	0.21	6.42	10.49
Profit /(Loss) after Tax	15.63	0.89	18.08	29.22

(Rs. in Lacs)

Balance Sheet Statement	For the year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)
Sources of Funds			
Paid up Share Capital	850.26	850.26	850.26
Other Equity	1,205.88	1,204.93	1,186.85
Net Worth	2,056.14	2,055.19	2,037.11
Financial Liabilities	502.43	-	-
Non Financial Liabilities	5.53	9.77	12.87
TOTAL	2,564.10	2,064.96	2,049.98
Uses of Funds			
Net Fixed Assets	18.43	-	-
Investments	1,340.27	1,648.26	1,648.26
Current Tax Assets (Net)	7.75	8.47	9.93
Deferred Tax Assets (Net)	3.19	1.60	1.45
Other Non-Current Assets	-	-	-
Net Current Assets	1193.94	406.63	388.32
Other Financial Assets	0.50	-	-
Other Non- Financial Assets	0.02	0.00	2.02
TOTAL	2,564.10	2,064.96	2,049.98

Other Financial Data	For the quarter ended June 30, 2021 (Unaudited)	For the year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)
Net Worth (Rs. in Lacs)	2,071.77	2,056.14	2,055.19	2,037.11
Dividend (%)	-	-	-	-
Earning Per Share (Rs.)	0.18	0.01	0.21	0.34
Return on Net worth (%)	0.76%	0.04%	0.88%	1.43%
Book Value Per Share (Rs.)	24.37	24.18	24.17	23.96

There are no contingent liabilities for the year ended 31st March, 2021 as well as on the date of this Draft Letter of Offer.

Reason for fall/rise in total income and profit after tax are as follows:

FY 2020-2021 Compared to 2019-2020

During the financial year 2020-21, the company has earned total income to the tune of Rs. 39.45 Lacs in comparison of total income accounted for Rs. 46.76 Lacs of fiscal 2019-20 with a decrease of 15.64%. Such decrease is mainly attributed to decrease in interest income. The profit after tax in the financial year 2020-21 has stood at Rs. 0.89 Lacs from Rs. 18.08 Lacs in the financial year 2019-20.

FY 2019-2020 Compared to 2018-2019

During the financial year 2019-20, the company has earned total income to the tune of Rs. 46.76 Lacs in comparison of total income accounted for Rs. 63.73 Lacs of fiscal 2018-19 with a decrease of 26.63%. Such decrease is mainly attributed to decrease in other income. The profit after tax in the financial year 2019-20 has stood at Rs. 18.08 Lacs from Rs. 29.22 Lacs in the financial year 2018-19.

Consolidated Financial Statements

(Rs. in Lacs)

Profit & Loss Statement	For the quarter ended June 30, 2021 (Unaudited)	For the year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)
Revenue from Operations	165.37	406.97	405.87	415.34
Other Income	-	5.67	117.95	85.88
Total Income	165.37	412.64	523.82	501.22
Total Expenditure (Excluding Depreciation and Interest)	21.23	137.15	119.53	109.79
Profit (Loss) before Depreciation, Interest & Tax	144.14	275.49	404.29	391.43
Depreciation	5.75	15.28	11.00	10.96
Interest	74.28	123.90	117.85	156.27
Profit / (Loss) before Tax	64.11	136.31	275.44	224.20
Tax Expenses	11.23	38.29	53.19	49.16
Profit / (Loss) after Tax	52.88	98.02	222.25	175.04

(Rs. in Lacs)

Balance Sheet Statement	For the year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)
Sources of Funds			
Paid up Share Capital	850.26	850.26	850.26
Other Equity	1,910.12	1,878.57	1,652.02
Non-Controlling Interest	374.20	-	-
Net Worth	3,134.58	2,728.83	2,502.28
Financial Liabilities	1653.34	1012.59	1,126.07
Non Financial Liabilities	64.80	158.43	125.40
TOTAL	4,852.72	3,899.85	3,753.75
Uses of Funds			
Net Fixed Assets	278.33	268.78	343.74
Loans	4,345.03	3,223.08	2,788.96
Investments	0.06	171.57	441.23
Current Tax Assets (Net)	79.91	85.99	84.68
Deferred Tax Assets (Net)	32.95	27.07	25.01
Other Non-Current Assets	-	-	-
Net Current Assets	-	-	-
Other Financial Assets	23.19	67.55	27.48
Other Non- Financial Assets	93.25	55.81	42.65
TOTAL	4,852.72	3,899.85	3,753.75

Other Financial Data	For the quarter ended June 30, 2021 (Unaudited)	For the year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)
Net Worth (Rs. in Lacs)	3,187.46	3,134.58	2,728.83	2,502.28
Dividend (%)	-	-	-	-
Earning Per Share (Rs.)	0.62	1.15	2.61	2.34
Return on Net worth (%)	1.66	3.13	8.14%	7.00
Book Value Per Share (Rs.)	37.49	36.87	32.09	29.43

There are no contingent liabilities for the year ended 31st March, 2021 as well as on the date of this Draft Letter of Offer.

Reason for fall/rise in total income and profit after tax are as follows:

FY 2020-2021 Compared to 2019-2020

During the financial year 2020-21, the company has earned total income to the tune of Rs. 412.64 Lacs in comparison of total income accounted for Rs. 523.82 Lacs of fiscal 2019-20 with a decrease of 21.22%. Such decrease is mainly attributed to decrease in other income. The profit after tax in the financial year 2020-21 has stood at Rs. 98.02 Lacs from Rs. 222.25 Lacs in the financial year 2019-20.

FY 2019-2020 Compared to 2018-2019

During the financial year 2019-20, the company has earned total income to the tune of Rs. 523.82 Lacs in comparison of total income accounted for Rs. 501.22 Lacs of fiscal 2018-19 with a increase of 4.51%. Such decrease is mainly attributed to increase in other income. The profit after tax in the financial year 2019-20 has stood at Rs. 222.25 Lacs from Rs. 175.04 Lacs in the financial year 2018-19.

5.14 The Shareholding pattern of the AMIL, as on the date of DLOF is as follows:

Shareholder Category	Number Of Equity Shares Of The Target Company	Percentage of Existing Equity Share Capital (%)
Promoter & Promoter Group	49,85,236	58.63
Public	35,17,385	41.37
Total	85,02,621	100.00

5.15 The current capital structure of the Company has been build up since inception, are as under:

Date of allotment	No. of shares issued	No. of shares issued in % (% of then issued capital)	Cumulative paid up capital (in Rs.)	Mode of Allotment	Identity of allottees (whether promoters or public,)	Status of Compliance
27.12.1983	70	100	700	Cash	Subscription to MOA (Promoters)	Capital Issued prior to IPO
14.04.1984	38,430	99.82	3,85,000	Cash	Promoters	Capital Issued prior to IPO
14.04.1984	2,10,000	84.51	24,85,000	Cash	Public Issue	N.A.
31.03.2014	28,50,000	91.98	3,09,85,000	Cash	Preferential Issue (Promoter & Public)	Complied With
27.02.2018	54,04,121	63.56	8,50,26,210	Other Than Cash	Promoter & Public	Complied With
Total	85,02,621				---	

5.16 There are delay in compliance of Regulations 30 (1) & 30 (2) of SEBI (SAST) Regulations, 2011 by the Promoter and Promoter Group of Target Company in the Financial Year 2018-2019. SEBI may take appropriate action against the Promoter and Promoter Group for such non- delay compliance.

5.17 Pre- and Post-Offer shareholding pattern of the AMIL is as per the following table:

Sr. No.	Shareholder category	Shareholding & voting rights prior to the agreement/acquisition and offer (A)		Shares/voting rights agreed to be acquired pursuant to SPA and allotment under Pref. Issue which triggered off the Takeover Regulations (B)		Shares/Voting rights to be acquired in the open offer (assuming full acceptances) (C)		Shareholding/voting rights after the acquisition and Offer	
		No.	% \$	No.	%^	No.	%^	No.	%^
1.	Promoter & Promoter Group								
	a. Parties to Agreement	10,92,150	12.84	(1,50,000)	(1.43)	-	-	9,42,150	8.97
	b. Promoters Other than (a) above	38,93,086	45.79	-	-	-	-	38,93,086	37.07
	Total 1 (a+b)	49,85,236	58.63	(1,50,000)	(1.43)	-	-	48,35,236	46.04
2.	Acquirer and PACs								
	a) Acquirer								
	Acquirer	5,90,000	6.94	21,50,000	20.47	27,30,682	26.00	54,70,682	52.09
	b) PACs								
	PAC-1	-	-	-	-	-	-	-	-
	PAC-2	15,000	0.18	-	-	-	-	15,000	0.14
	PAC-3	29,940	0.35	-	-	-	-	29,940	0.29
	PAC-4	15,000	0.18	-	-	-	-	15,000	0.14
	PAC-5	20,000	0.24	-	-	-	-	20,000	0.19
	PAC-6	10,000	0.12	-	-	-	-	10,000	0.10
	PAC-7	20,000	0.24	-	-	-	-	20,000	0.19
	PAC-8	15,000	0.18	-	-	-	-	15,000	0.14
	PAC-9	15,000	0.18	-	-	-	-	15,000	0.14
	Total (2)	7,29,940	8.58	21,50,000	20.47	27,30,682	26.00	56,10,622	53.42
3.	Parties to agreement other than (1)	-	-	-	-	-	-	-	-
4.	Parties (other than promoters / acquirers & PACs)								
	a. FIs/MFs/FIIs/Banks/SFI	-	-	-	-	-	-	-	-
	b. Others	27,87,445	32.78	-	-	(27,30,682)	(26.00)	56,763	0.54
	Total no. of shareholders i.e. 214 in "Public Category"								
	Total	85,02,621	100.00	20,00,000	19.04	Nil	Nil	10502621	100.00

\$ Computed as a %age of existing equity and voting share capital of AMIL.

^ Computed as a %age of Emerging Voting Capital of AMIL.

Note: Post-completion of the Offer, the Existing Promoters and Promoters group will also continue to be part of promoters and Promoters group along with Acquirer and PACs, hence there is no requirement of compliance of Regulation 31A of SEBI LODR Regulations, 2015 w.r.t reclassification of existing promoters and Promoters group as public shareholders.

5.18 The number of Shareholders in AMIL in public category is 2,169 as on date of PA.

5.19 The Company is not a sick Company.

5.20 Status of corporate governance compliances by AMIL: -

The Corporate Governance clauses as enumerated in Regulation 17 to 27 in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to Target Company.

5.21 Mrs. Kesha Ankit Choksi is the Compliance Officer of the Company, her address is 14, Dayanand Vihar, Backside Ground Floor, Vikas Marg Ext. Delhi East, Delhi - 110092 Phone No. +91-11-27312176 / 5103 / 47055102, Email id: info.akashdeep14@gmail.com.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 The Equity Shares of the Target Company are listed on BSE Limited, Mumbai (BSE). The shares are placed under group 'X' having a Scrip Code "538778" Scrip ID: "AKASHDEEP" on the BSE. The company has been listed on BSE Limited we.f. 18th November, 2014.

6.1.2 The equity shares of the Target Company are frequently traded within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations on BSE.

The annualized trading turnover of the equity shares of the Target Company on BSE during Twelve calendar months of PA (September, 2020 - August, 2021) is as given below:

Name of the Stock Exchange	Total number of equity shares traded during the preceding 12 months prior to the month of PA	Total Number Equity Shares listed	Annualized Trading Turnover (as % of total Listed Equity Shares)
BSE	77,16,461	85,02,621	90.75%

6.1.3 The Offer Price of Rs. 38/- (Rupees Thirty Eight only) is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations on the basis of the following:

SR. NO.	PARTICULARS	PRICE (IN RS. PER SHARE)
(a)	Highest of Negotiated price per Equity Share of SPA/ The price at which equity shares allotted to the Acquirer and PACs on preferential basis	38.00
(b)	The volume- weighted average price paid or payable for acquisitions by the Acquirer and PACs during 52 weeks immediately preceding the date of PA.	35.37
(c)	Highest price paid or payable for acquisitions by the Acquirer and PACs during 26 weeks immediately preceding the date of PA.	N.A.
(d)	the volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period. (in case of frequently traded shares only)	36.74
(e)	Other Financial Parameters as at 30 th June, 2021:	
	Return on Net worth (%)	0.17%
	Book Value per share	Rs. 24.22
	Earnings per share	Rs. 0.04

In view of the parameters considered and presented in table above, in the opinion of the Acquirer, PACs and Manager to the Offer, the Offer Price of Rs. 38/- (Rupees Thirty Eight Only) per share being the highest of the prices mentioned above is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.

6.1.4 There has been no corporate action requiring the price parameters to be adjusted.

6.1.5 In the event of any further acquisition of Equity Shares of the Target Company by Acquirer or PACs during the offer period, whether by subscription or purchase, at a price higher than offer price, then offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8 (8) of the SEBI (SAST) Regulations. However it shall not be acquiring any equity shares of Target Company after the third working day prior to commencement of tendering period and until the expiry of tendering period.

6.1.6 If the Acquirer and the PACs acquire Equity Shares of the Target Company during the period of twenty-six weeks after the closure of Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose Equity Shares have been accepted in this Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the Takeover Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of Equity Shares of the Target Company in any form.

6.1.7 As on date of this DLOF, there is no revision in the Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirer and PACs will comply with all the provisions of the Regulation 18(5) of the Takeover Regulations which are required to be fulfilled for the said revision in the Offer Price or Offer Size.

6.1.8 If there is any revision in the Offer Price on account of future purchases / competing offers, it will be done only upto one working day prior to the date of commencement of the Tendering Period in accordance with Regulation 18(4) of the Takeover Regulations and would be notified to the shareholders by way of another public announcement in the same newspapers where the DPS has appeared. The same will also be informed to SEBI and BSE.

6.2 Financial Arrangements

6.2.1 Assuming full acceptance under the offer, the maximum consideration payable by the Acquirer under the offer would be Rs. 10,37,65,916/- (Rupees Ten Crores Thirty Seven Lacs Sixty Five Nine Hundred Sixteen Only) ("maximum consideration") i.e. consideration payable for acquisition of 27,30,682 equity shares of the target Company at offer price of Rs. 38.00/- per Equity Share.

6.2.2. The Acquirer has adequate resources to meet the financial requirements of the Open Offer. No funds are being borrowed from any bank or financial institution for the purpose of this Open Offer by the Acquirer.

6.2.3 The Acquirer, the Manager to the Offer and RBL Bank Limited, a banking corporation incorporated under the laws of India, have entered into an escrow agreement for the purpose of the Offer (the "Escrow Agreement") in accordance with regulation 17 of the SEBI (SAST) Regulations, 2011. Pursuant to the Escrow Agreement, the Acquirer has deposited cash of an amount of Rs. 260.00 Lacs in an escrow account opened with RBL Bank Limited, which is in excess of 25% of the Offer Consideration

6.2.4 The Acquirer has duly empowered Navigant Corporate Advisors Limited, the Manager to the Open Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 2011.

6.2.5 Further, in order to ensure that the funds that are payable to the Eligible Public Shareholders who tender in the Offer are managed more efficiently, the Acquirer has opened the Offer Special Account with the RBL Bank Limited under the Offer Escrow Agreement, for the purpose of Regulation 21 of the SEBI (SAST) Regulations. The Manager to the Offer has been authorized by the Acquirer to operate and realize the monies lying to the credit of the Offer Special Escrow Account, in accordance with the SEBI (SAST) Regulations.

- 6.2.6 The Manager to the Offer, M/s Navigant Corporate Advisors Limited, hereby confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligation under the SEBI (SAST) Regulations.
- 6.2.7 CA Nitika Agarwal (Membership No. 538545), partner of M/s. NJGS & Associates, Chartered Accountants (Firm Registration No. 030738N) has certified that the Acquirer and PACs have sufficient resources to make the fund requirement for fulfilling all the obligations under the Offer.
- 6.2.8 The Manager to the Offer, M/s. Navigant Corporate Advisors Limited, hereby confirms that the Acquirer is capable to implement the Offer obligations in accordance with the SEBI (SAST) Regulations.
- 6.2.9 Acquirer hereby undertakes that in case of any upward revision of offer price, Acquirer shall correspondingly increase the escrow amount.

7. TERMS AND CONDITIONS OF THE OFFER:

- 7.1. The Draft Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those public category shareholders of AMIL (except the Acquirer, PACs & Seller) whose name appear on the Register of Members, at the close of business hours on 08.11.2021 ("**Identified Date**").
- 7.2. All owners of the shares, Registered or Unregistered (except the Acquirer, PACs, Seller and existing promoters of AMIL) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer as per the procedure set out in Para 8 below. Eligible Persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.
- 7.3. The Draft Letter of Offer will be dispatched to all the eligible shareholders of the Target Company as of the Identified Date. While it would be insured that the Draft Letter of Offer is dispatched by the due date to all the eligible shareholders as on the Identified Date, non-receipt the Draft Letter of Offer by any member entitled to this open offer will not invalidate the Offer in any manner whatsoever.
- 7.4. Subject to the conditions governing this Offer, as mentioned in the Draft Letter of Offer, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

7.5. Locked-in Shares:

There are no shares are under lock-in of AMIL.

7.6. Eligibility for accepting the Offer:

The Offer is made to all the public shareholders (except the Acquirer, PACs, Seller existing promoters of AMIL) whose names appeared in the register of shareholders at the close of the business hours on 08.11.2021 and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

7.7. Statutory Approvals and conditions of the Offer:

- 7.7.1. To the best of knowledge and belief of the Acquirer, as of the date of this DLOF, except below mentioned approvals, there are no other statutory approvals required for this Offer. However, if any statutory approval that become applicable prior to completion of this Offer, this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.
- Approval of BSE in accordance with Regulation 28 of SEBI (LODR) Regulations, 2015 in respect of Proposed Preferential Issue. (Target Company has not yet made the said application with BSE and same will be filed in due course of time.)
 - Approval of Reserve Bank of India in terms of Paragraph 59 of Master Direction DNBR.PD.007/03.10.119/2016-17, September 01, 2016 [Master Direction -Non Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions,

2016]. (Target Company has not yet made the said application with RBI and same will be filed in due course of time.)

- 7.7.2 Non-resident equity shareholders who wish to tender their equity shares in the Target Company in this Offer will be required to submit all the applicable Reserve Bank of India (hereinafter referred to as “RBI”) approvals that they would have obtained for acquiring, the equity shares of the Target Company. In the event such RBI approvals are not submitted, the Acquirer reserves the sole right to reject the equity shares tendered in the Offer”.
- 7.7.3. The Acquirer and PACs, in terms of regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a PA will be made within 2 working days of such withdrawal, in the same newspapers in which the DPS has appeared.
- 7.7.4. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any wilful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 18(11) of SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations, will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.
- 7.7.5. No approval is required from any bank or financial institutions for this Offer.
- 7.7.6. The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

- 8.1. The Open offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by the Stock Exchanges in the form of separate window (“Acquisition Window”) as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI.
- 8.2. BSE Limited (‘BSE’) shall be the Designated Stock Exchange for the purpose of tendering equity shares in the Open Offer.
- 8.3. The facility for Acquisition of shares through Stock exchange Mechanism pursuant to an Open Offer shall be available on the BSE in the form of Separate Window (“Acquisition Window”).
- 8.4. The Acquirer have appointed Anisha Fincap Consultants LLP, Stock Broker for the open offer through whom the purchases and settlement of the Offer Shares tendered under the Open Offer shall be made. The contact details of the buying broker are as mentioned below:

Anisha Fincap Consultants LLP
56/33, Site-4, Industrial Area,
Sahibabad, Ghaziabad,
U.P. - 201 010
Tel: +91-120-4543708
E-mail: contact@anishafincap.com
Website: www.anishafincap.com
SEBI Registration No.: INZ000102764

- 8.5. All the shareholders who desire to tender their equity shares under the Open Offer will have to intimate their respective stock brokers (“Selling Brokers”) within the normal trading hours of the Secondary Market, during the Tendering period.
- 8.6. Such shares would be transferred to a special account of the clearing corporation specifically created for this purpose prior to placing the bid. The stock brokers shall also forward to the Clearing Corporation such details regarding the shares tendered as may be required by the Merchant Banker.
- 8.7. A separate Acquisition Window will be provided by the BSE to facilitate placing of sell orders. The Selling broker can enter orders for dematerialized as well as physical Equity shares.

- 8.8. The cumulative quantity tendered shall be displayed on the Exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering period.
- 8.9. Shareholders can tender their shares only through a broker with whom the shareholder is registered as client.
- 8.10. **Procedure for tendering shares held in Dematerialized Form.**
- a) The Equity shareholders who are holding the equity shares in demat form and who desire to tender their Equity shares in this offer shall approach their broker indicating to their broker the details of equity shares they intend to tender in Open Offer.
 - b) The Selling Broker shall provide early pay-in of demat shares (except for custodian participant orders) to the Clearing Corporation before placing the orders and the same shall be validated at the time of order entry.
 - c) For custodian participant, orders for demat equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
 - d) The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges/ Clearing Corporation, before the opening of the Offer.
 - e) Upon placing the order, the Selling Broker(s) shall provide transaction registration slip ("TRS") generated by the Exchange bidding system to the shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of equity shares tendered etc.
 - f) The shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.

The shareholders holding Equity shares in demat mode are not required to fill any Form of Acceptance-cum Acknowledgement. The shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period.

8.11. Procedure to be followed by the registered Shareholders holding Equity Shares in physical form:

- a) Shareholders who are holding physical equity shares and intend to participate in the offer will be required to approach their respective Selling Broker alongwith the complete set of documents for verification procedures to be carried out including the:
 - i. The form of Acceptance-cum-Acknowledgement duly signed (by all equity Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares;
 - ii. Original Share Certificates;
 - iii. Valid shares transfer form(s) duly filled and signed by the transferors (i.e., by all registered Shareholders in same order and as per the specimen signatures registered with the Target Company and duly witnessed at the appropriate place authorizing the transfer in favor of the Acquirer;
 - iv. Self-attested copy of the Shareholder's PAN card;
 - v. Any other Relevant documents such as (but not limited to):
 - Duly attested power of attorney if any person other than the equity shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement;
 - Notarized Copy of death Certificate/ succession certificate or probated will, if the original Shareholder has deceased;
 - Necessary corporate authorizations, such as Board Resolutions etc, in case of companies.
 - vi. In addition to the above, if the address of the Shareholders has undergone a change from the address registered in the register of members of the Target Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: Valid Adhar Card, Voter Identity card or Passport.
- b) Selling Broker should place order on the Acquisition Window with the relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling broker shall provide a TRS

generated by the Exchange bidding system to the Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity shares tendered etc.

- c) After placement of order, the Selling Broker must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, Original share certificate(s), valid share transfer form(s) and other documents (as mentioned in the paragraph 7.11(a)) either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscripted as **"Akashdeep Metal Industries Limited Open Offer"**. One copy of the TRS will be retained by the Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
 - d) Shareholders holding physical Equity shares should note that the physical equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical equity shares by the Acquirer shall be subjected to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and till such time the BSE shall display such orders as "unconfirmed physical Bids". Once, Registrar to the Offer confirms the order it will be treated as "Confirmed Bids".
 - e) In case any person has submitted Equity shares in physical form for dematerialization, such shareholders should ensure that the process of getting the equity shares dematerialized is completed well in time so that they can participate in the offer before the Offer Closing Date.
- 8.12. Modification/Cancellation of orders will not be allowed during the period the Offer is open.
- 8.13. The cumulative quantity tendered shall be made available on the website of the BSE throughout the trading session and will be updated at specific intervals during the tendering period
- 8.14. Procedure for Tendering the Shares in case of Non-Receipt of this Draft Letter of Offer:**
- Persons who have acquired equity shares but whose names do not appear in the register of members of the Target Company on the Identified date, or those who have not received the Draft Letter of Offer, may also participate in this Offer. A shareholder may participate in the Offer by approaching their broker and tender Equity shares in the Open Offer as per the procedure mentioned in this Draft Letter of Offer or in the Form of Acceptance-cum-Acknowledgement. The Draft Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the eligible shareholders of the Target Company as on the Identified date. In case of non-receipt of this Draft Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or BSE website (www.bseindia.com) or Merchant Banker website (www.navigantcorp.com) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity shares of the Target Company. Alternatively in case of non-receipt of this Draft Letter of Offer, shareholders holding shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder, stating name, address, number of shares held, client Id number, DP name, DP ID number, number of shares tendered and other relevant documents such as physical share certificates and Form SH-4 in case of shares being held in physical form. Such Shareholders have to ensure that their order is entered in the electronic platform to be made available by the BSE before the closure of the Offer.
- 8.15. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the shareholders of the Target Company. The Acquirer do not accept any responsibility for the decision of any Shareholder to either participate or to not participate in this Offer. The Acquirer will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the shareholders are advised to adequately safeguard their interest in this regard.
- 8.16. Acceptance of Equity**
- Shares Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares (including demat Equity Shares, physical Equity Shares and locked-in Equity Shares) validly tendered by the Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot.

8.17. Settlement Process

- a) On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchange to facilitate settlement on the basis of Shares transferred to the Clearing Corporation. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favor of Clearing Corporation.
- b) The shares shall be directly credited to the pool account of the Buying Broker. For the same, the existing facility of client direct pay-out in the capital market segment shall be available. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the pool account of the Buying Broker. In case of partial or non-acceptance of orders or excess pay-in, demat Shares shall be released to the securities pool account of the Selling Broker / custodian, post which, the Selling Broker would then issue contract note for the shares accepted and return the balance shares to the Shareholders. Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned to the Shareholder(s) directly by Registrar to the Offer.

8.18. Settlement of Funds/ Payment Consideration

The settlement of fund obligation for demat and physical Equity Shares shall be effected through existing settlement accounts of Selling Broker. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Selling Broker / Custodian Participant will receive funds payout in their settlement bank account. The Selling Brokers / Custodian participants would pay the consideration to their respective clients. The funds received from Buying Broker by the Clearing Corporation will be released to the Selling Broker(s) as per secondary market pay-out mechanism. Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling Shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholder. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

9. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at Navigant Corporate Advisors Limited, 423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri-Kurla Road, Andheri East, Mumbai-400-059 from 11.30 a.m. to 2.30 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer. Shareholders have option to verify below mentioned records electronically by placing a request on the email i.e. navigant@navigantcorp.com by providing details such as DP-ID-Client ID and Folio No etc.

- 9.1 Certificate of Incorporation, Memorandum and Articles of Association of Akashdeep Metal Industries Limited.
- 9.2 CA Certificates, certifying the Net worth of Acquirer and PACs.
- 9.3 Annual Reports of Akashdeep Metal Industries Limited for years ended on March 31, 2021, 2020 and 2019.
- 9.4 Statement from RBL Bank Limited having corporate office at One Indiabulls Centre, Tower 2B, 6th Floor, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation.

- 9.5 Copy of the Resolution passed by the Board of Directors of the Target Company on 25th September, 2021 approving issue of equity shares on preferential basis and Copy of the notice dated 25th September, 2021 for considering the issue of equity shares on preferential basis.
- 9.6 Copy of Public Announcement dated 25th September, 2021.
- 9.7 Published copy of the Detailed Public Statement, which appeared in the newspapers on 1st October, 2021.
- 9.8 Published Copy of Recommendation made by Committee of Independent Directors of AMIL dated [.]
- 9.9 Observation letter no [.] dated [.] on the Draft Letter of Offer filed with the Securities and Exchange Board of India.
- 9.10 Memorandum of Understanding between Lead managers i.e. Navigant Corporate Advisors Limited. & Acquirer.

10. DECLARATION BY THE ACQUIRER AND PACs

We have jointly & severally made all reasonable inquiries, accept responsibility for, and confirm that this DLOF contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this DLOF is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

We are jointly & severally responsible for ensuring compliance with the Takeover Regulations and the obligations as stated under the Takeover Regulations. All information contained in this document is true and correct as on date of the PA, DPS and this DLOF, unless stated otherwise.

We hereby jointly & severally declare and confirm that all the relevant provisions of Companies Act, 2013 and all the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 2013 and SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

Signed By:

On Behalf of Acquirer and PACs

Sunil Kumar Malik

(Acting on behalf of self and other Acquirer and PACs as Authorised Signatory)

Place: Delhi

Date: 07.10.2021

ENCLOSURES :

1. Form of Acceptance cum Acknowledgement
2. Blank Share Transfer Deed(s) in the case of shares held in physical mode.