



September 20, 2021

To
The Manager
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

Dear Sir/Madam,

Subject: Initial public announcement under Regulation 8 of the SEBI (Delisting of Equity shares) Regulations, 2021 ("SEBI Delisting Regulations") expressing the intention to delist the fully paid up equity shares of East India Securities Ltd ("Company")

We wish to inform you, that Mr. Vivek Agarwal, Promoter and Member of the Promoter group of the Company as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "Promoter Group") has expressed his intention that he either individually or collectively or together with one or more members of the Promoter Group as the case may be, (collectively referred to as "**Acquirers**") desires to: (a) acquire all the Equity shares that are held by public Shareholders; and (b) consequently voluntarily delist the Equity Shares from the stock exchange where the Equity Shares are presently listed namely BSE Limited, by making a delisting offer in accordance with the SEBI Delisting Regulations ("**Delisting Proposal**").

With regard to the Delisting Proposal, Finshore Management Services Limited is acting as the manager to the offer pursuant to and in accordance with Regulation 9 of the SEBI Delisting Regulations.

As required under Regulation 8(1) of the SEBI Delisting Regulations, we are enclosing herewith the copy of the initial public announcement dated September 20, 2021 in relation to the Delisting Proposal ("**Initial Public Announcement**").

We request you to kindly disseminate the Initial Public Announcement on your website forthwith.

Capitalized terms used in this letter unless defined herein shall have the same meanings as ascribed to them in the enclosed Initial Public Announcement.

Thanking you

For Finshore Management Services Limited


Srinivas Ramakrishna Iyengar
Whole time Director
DIN: 05255039



CC: East India Securities Ltd
DA-14 Salt lake City Sector-1
Kolkata – 700064,
West Bengal, India

FINSHORE MANAGEMENT SERVICES LIMITED

(CIN : U74900WB2011PLC169377) ● Website : www.finshoregroup.com

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Creating Enterprise Managing Values

**INITIAL PUBLIC ANNOUNCEMENT UNDER REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF EQUITY SHARES)
REGULATIONS, 2021 FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF**

EAST INDIA SECURITIES LTD

Corporate Identity Number: L67120WB1995PLC072026

Registered Office: DA-14 Salt Lake City Sector-1, Kolkata – 700064, West Bengal, India

Tel. No.: +91 033 40205915

This initial public announcement ("**Initial Public Announcement**") is being issued by Finshore Management Services Limited ("**Manager**" or "**Manager to the Offer**") for and on behalf of Mr. Vivek Agarwal, Promoter and member of the Promoter group of the Company as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "Promoter Group") along with other members of the Promoter Group, (collectively referred to as "**Acquirers**"), to the Public Shareholders (*as defined below*) expressing his intention to: (a) acquire all the Equity Shares (*as defined below*) that are held by Public Shareholders, either individually/ collectively or together with other members of the Promoter Group, as the case may be; and (b) consequently, voluntarily delist the Equity Shares from the Stock Exchange (*as defined below*), by making a delisting offer in accordance with the SEBI Delisting Regulations (*as defined below*) ("**Delisting Proposal**").

For the purpose of this Initial Public Announcement, the following terms have the meanings assigned to them as below:

- (a) "**Company**" shall mean East India Securities Ltd;
- (b) "**Board**" shall mean the board of directors of the Company;
- (c) "**SEBI Delisting Regulations**" shall mean the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (d) "**Equity Shares**" shall mean fully paid up equity shares of the Company, each having the face value of Rs. 10/-;
- (e) "**Public Shareholders**" shall mean the public shareholders of the Company as defined under Regulation 2(1)(t) of the SEBI Delisting Regulations;
- (f) "**SEBI**" shall mean the Securities and Exchange Board of India; and
- (g) "**Stock Exchanges**" shall mean the stock exchange where the Equity Shares are presently listed i.e., BSE Limited.
- (h) "**Promoter Group**" shall mean members of the Promoter and Promoter group of the Company as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

1. Details of the Delisting Proposal:

- 1.1. Mr. Vivek Agarwal, member of the Promoter Group pursuant to his letter dated September 20, 2021 *inter alia* expressed his intention to voluntarily delist the Equity Shares of the Company in accordance with the SEBI Delisting Regulations by acquiring Equity Shares that are held by the public shareholders of the Company either individually/collectively or together with one or more members of the promoter group. Pursuant to the said letter, the Acquirers have appointed Finshore Management Services Limited as the manager to the offer as per the requirements of Regulation 9 of the SEBI Delisting Regulations.
- 1.2. As on date, Mr. Vivek Agarwal along with other members of the Promoter Group hold 26,59,000 fully paid-up equity shares of the Company ("**Equity Shares**") aggregating to 72.51 % of the paid-up equity share capital of the Company as on date. The Public Shareholders hold 10,08,000 Equity Shares aggregating to 27.49% of paid-up equity share capital of the Company

2. Rationale for Delisting Proposal:

- 2.1. In terms of Regulation 8(3)(a) of the Delisting Regulations, the rationale for the Delisting Proposal is as follows:
 - (a) the proposed delisting would enable the members of the Promoter Group to obtain full ownership of the Company, which in turn will provide enhanced operational flexibility to support the Company's business. The company had got itself listed with the aspiration that listing will enhance its brand name and visibility and would help attract retail clients for trading and depository accounts and allied services and it had also been hoped that the increased branding will aid in attracting top talent and listing would allow a good platform for grant of options. However, though the treasury operations and proprietary trading division have done reasonably, it has been observed that listing has not brought any benefits in terms of increased branding and visibility and the company's retail trading and depository activities have not performed up to optimum levels as compared to other players in the market. Hence, in a proactive gesture, in keeping with the highest standards of corporate governance, the promoter group would like to provide an exit opportunity to public shareholders based on their independent assessment of the company's future prospects;
 - (b) the proposed delisting will result in reduction of the ongoing substantial compliance costs and dedicated management time being incurred associated with continued listing of equity shares, which can be refocused on its business.

- (c) it would enhance Company's operational, financial and strategic flexibility including but not limited to corporate restructurings, acquisitions, exploring new financing structures including financial support from the members of the Promoter Group; and
- (d) the proposed delisting is in the interest of the Public Shareholders as it will provide them an opportunity to exit from the Company at a price determined in accordance with the SEBI Delisting Regulations, providing immediate liquidity.

3. Undertakings/ Confirmations:

3.1. In terms of Regulation 8(3)(b) of the Delisting Regulations, we hereby undertake and confirm that none of the members of the Promoter Group:

- (a) have sold the Equity Shares during the period of 6 months prior to the date of this Initial Public Announcement; and
- (b) will not directly or indirectly, in connection with proposed delisting,
 - (i) employ any device, scheme or artifice to defraud any shareholder or other person; or
 - (ii) engage in any transaction or practice that operates as a fraud or deceit upon any shareholder or other person; or
 - (iii) engage in any act or practice that is fraudulent, deceptive or manipulative.

4. Price/ Consideration:

4.1. The discovered price will be determined through the reverse book building process specified in Schedule II of the SEBI Delisting Regulations, after fixation of the 'floor price' which will be determined in terms of Regulation 20(2) of the Delisting Regulations read with Regulation 8 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. We will separately inform the floor price determined in accordance with the aforesaid provisions, in due course.

4.2. In terms of the SEBI Delisting Regulations, the discovered price will be determined as the price at which shares are accepted through eligible bids, that takes the shareholding of the members of the Promoter Group (along with persons acting in concert), collectively referred to as Acquirers, to 90% of the total issued shares excluding the shares which are held by following:

- (a) custodian(s) holding shares against which depository receipts have been issued overseas;
- (b) a trust set up for implementing an employee benefit scheme under the SEBI (Share Based Employee Benefits) Regulations, 2014; and

(c) inactive shareholders such as vanishing companies, struck off companies, shares transferred to Investor Education and Protection Fund account and shares held in terms of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

4.3. The Acquirers (and/ or other members of the Promoter Group, as the case may be) shall have the sole discretion to accept or reject the discovered price or make a counter-offer in accordance with SEBI Delisting Regulations.

5. Conditions:

5.1. The acquisition of Equity Shares by the Acquirers, individually/ collectively or together with other members of the Promoter Group, as the case may be, from the Public Shareholders will be conditional upon the following:

- (a) approval of the board of directors of the Company towards the delisting proposal;
- (b) approval of the shareholders of the Company by way of a special resolution through postal ballot and / or e- voting in accordance with the SEBI Delisting Regulations and other applicable laws wherein the number of votes cast by the Public Shareholders in favour of the Delisting Proposal is at least two times the number of votes cast by the Public Shareholders against the Delisting Proposal.
- (c) receipt of the approval of the Stock Exchanges in accordance with the SEBI Delisting Regulations and/ or any other statutory/ regulatory approvals and third party consents, as may be required, in relation to the Delisting Proposal;
- (d) the acceptance by the Acquirers (and/ or other members of the Promoter Group, as the case may be) of the discovered price determined by the reverse book building process including other rights and obligations in terms of the SEBI Delisting Regulations;
- (e) the number of Equity Shares being validly tendered in the delisting offer is sufficient enough to result in the delisting offer being successful in accordance with the SEBI Delisting Regulations; and
- (f) such other terms and conditions as may be set out in the 'detailed public announcement' or the 'letter of offer' to be made/ dispatched to the Public Shareholders in accordance with the SEBI Delisting Regulations.

6. Other Details:

- 6.1. The Acquirers hereby confirm that they have firm financial arrangements for fulfilling the payment obligations under the delisting offer and they are able to implement the delisting offer, subject to any statutory approvals for the delisting offer that may be necessary.
- 6.2. The Acquirers accept full responsibility for the information contained in this Initial Public Announcement and confirm that such information is true, fair and adequate in all material aspects. The Acquirers are aware of and will comply with the obligations under the Delisting Regulations.
- 6.3. All the information pertaining to the Company contained in this Initial Public Announcement has been obtained from publicly available sources, and the accuracy thereof has not been independently verified by the Manager to the Offer.

ISSUED BY THE MANAGER TO THE OFFER ON BEHALF OF THE ACQUIRERS:

Finshore Management Services Ltd

Anandlok Block A, Room-207,
227, AJC Bose Road, Kolkata-700020

Tel: +91 33 22895101 www.finshoregroup.com

Investor Grievance email id: ramakrishna@finshoregroup.com

Contact Person: Mr. S Ramakrishna Iyengar

SEBI Registration No: INM000012185

For and on behalf of Acquirers



Vivek Agarwal (Promoter/Acquirer)

Place: Kolkata

Date: September 20, 2021