

FRONTIER INFORMATICS LIMITED

Registered Office: Plot No.235, Sai Sadan, Survey of India Employees Society, Khanampet, Madhapur, Hyderabad - 500081, Telangana, India.

Tel: 040-65178456; **Email:** frontier@fitlindia.com ; **Website:** www.fitlindia.com. Corporate Identification Number: L72200TG1986PLC006644

OPEN OFFER ("OFFER") FOR ACQUISITION OF UP TO 32,90,352 (THIRTY TWO LACS NINETY THOUSAND THREE HUNDRED AND FIFTY TWO ONLY) FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES"), REPRESENTING 26% OF THE TOTAL EQUITY SHARE CAPITAL OF FRONTIER INFORMATICS LIMITED ("TARGET COMPANY") ON A FULLY DILUTED BASIS, AS OF THE TENTH WORKING DAY FROM THE CLOSURE OF THE TENDERING PERIOD OF THE OPEN OFFER ("VOTING SHARE CAPITAL"), FROM THE ELIGIBLE SHAREHOLDERS OF THE TARGET COMPANY FOR CASH AT A PRICE OF ₹ 1/- PER EQUITY SHARE BY MR. RAMARAO ATCHUTA MULLAPUDI ("ACQUIRER").

THIS DETAILED PUBLIC STATEMENT ("DPS") IS BEING ISSUED BY SAFFRON CAPITAL ADVISORS PRIVATE LIMITED, THE MANAGER TO THE OFFER ("MANAGER"), FOR AND ON BEHALF OF THE ACQUIRER IN COMPLIANCE WITH REGULATION 13(4) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AND SUBSEQUENT AMENDMENTS THERETO, ("TAKEOVER REGULATIONS"), PURSUANT TO THE PUBLIC ANNOUNCEMENT ("PA") FILED WITH BSE LIMITED ("BSE") ("STOCK EXCHANGE") ON DECEMBER 04, 2017 IN TERMS OF REGULATIONS 3(1) AND 4 OF THE TAKEOVER REGULATIONS. THE PA WAS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") AND SENT TO THE TARGET COMPANY ON DECEMBER 04, 2017 BY WAY OF LETTERS DATED DECEMBER 04, 2017, IN TERMS OF REGULATION 14(2) OF THE TAKEOVER REGULATIONS.

I. ACQUIRER, SELLERS, TARGET COMPANY AND OFFER

1. INFORMATION ABOUT THE ACQUIRER – MR. RAMA RAO ATCHUTA MULLAPUDI

- (a) Acquirer, aged 53 years, S/o Mr. Sri Raghunayakulu, is residing at 4588, Kentucky DR Plano, Texas-75024 United States of America; Email: ramara@aol.com.
- (b) Acquirer is an Overseas Citizen of India (OCI Card No. A 022983). Acquirer is holding a Permanent Account Number- **AOTPM9805Q**.
- (c) Acquirer holds a Bachelor's Degree in Science and Master's Degree in Computer Applications from Andhra University. He has completed Owner/President Management Program from Harvard Business School.
- (d) Acquirer is the founder of XT Global, Inc, a Company engaged in providing technology services and IT business services. He has an experience of about 30 years in the field of Operations and Finance.
- (e) The details of the ventures promoted/controlled/managed by the Acquirer in India as well as in the United States of America are as given hereunder:

Sr.No.	Name of the Entities	Country of incorporation	Nature of Interest
1	Xenosoft Technologies (India) Private Limited	India	Non-Executive Director and Shareholder
2	XT Global Inc	USA	Director & CEO
3	Circulus LLC	USA	Partner
4	Mullapudi Ventures LLC	USA	Partner
5	VRM Family Holdings LP	USA	Member
6	Sunnyside Enterprises LLC	USA	Partner

- (f) Acquirer has confirmed that he is not categorized as a "willful defaulter" in terms of regulation 2(1) (ze) of the Takeover Regulations.
- (g) The Network of Acquirer as on November 17, 2017 is ₹ **9,57,80,200** (Rupees Nine Crore Fifty Seven Lakhs Eighty Thousand and Two Hundred Only) and the same is certified by Mr. K. Chiranjeeva Rao, Proprietor of KCR & Associates, Chartered Accountants (Membership No.224275; FRN No. 0127315) having office at H. No. 1-3-176/4/G/6, 1st Floor Gandhi Nagar, Kavadiaguda, Hyderabad- 500080; Email Id: ca.chiranjeevi@yahoo.in, vide certificate dated November 17, 2017.
- (h) Acquirer confirms that he has not been prohibited by SEBI from holding securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.
- (i) Acquirer undertakes not to sell the equity shares of the Target Company held by him during the "Offer Period" in terms of Regulation 25(4) of the Takeover Regulations.
- (j) Acquirer does not belong to any group.
- (k) Acquirer confirms that there are no pending litigations pertaining to securities market where he is made party to.
- (l) Acquirer confirms that he is not related to the Promoters, Directors or key employees of the Target Company in any manner.
- (m) Acquirer has not held and does not hold any Equity Shares of the Company as on the date of this DPS. Therefore the provisions of chapter V of the Takeover Regulations and provisions of chapter II of the SEBI (Sub-stantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto are not applicable as far as the holding of the Acquirer is concerned.

2. INFORMATION ABOUT THE SELLERS : NOT APPLICABLE [Refer note below]

Notes: 1. The Promoter and Promoter Group of Target Company currently holds 3,11,395 Equity Shares representing 2.46% of the Voting Share Capital of the Target Company. They have not entered into any agreement with the Acquirer for selling their shareholding and consequently, upon successful completion of Open Offer and subject to compliance of Regulation 31 A of SEBI Listing Obligations & Disclosure Requirements Regulations, 2015, the shareholding of the Promoter and Promoter Group of Target Company shall be classified under 'Public' category.

2. Mr. V.K Premchand has vide letter dated November 27, 2017 on behalf of Promoter and Promoter Group of the Target Company undertaken to relinquish the management control in favor of the Acquirer, subject to completion of the open offer formalities by the Acquirer, receipt of regulatory approvals and shareholders' approval.
3. All Promoter and Promoter Group Members except Mr. V. K. Premchand have requested the Target Company to denotify them as Promoter and Promoter Group Members. The same is pending for shareholders' approval in the ensuing Annual General Meeting.

3. INFORMATION ABOUT THE TARGET COMPANY

FRONTIER INFORMATICS LIMITED ("Target Company")

- 3.1 The Target Company was incorporated on July 29, 1986 under the Companies Act 1956 as Frontier Information Technologies Private Limited. It was converted to public company and its name was changed to Frontier Information Technologies Limited. A fresh Certificate of Incorporation pursuant to such conversion was issued on January 16, 1995. The name of the company was further changed to Frontier Informatics Limited on October 14, 2011. There has been no change in the name of the Target Company during the last three years.
- 3.2 The registered office of the Target Company is situated Plot No.235, Sai Sadan, Survey Of India Employees Society, Khanampet, Madhapur, Hyderabad - 500081, Telangana, India, Email: frontier@fitlindia.com, Website: www.fitlindia.com (Source: www.mca.gov.in).
- 3.3 Corporate Identification Number of the Target Company is L72200TG1986PLC006644. (Source: www.mca.gov.in)
- 3.4 The objects of the Target Company as per its Memorandum of Association inter-alia include:-
- a) To design, develop, use, implement, lease, purchase, sell import, export, distribute, Maintain and support various kinds of software for any information, processing application.
- b) To design, develop, assemble, manufacture, use, install, purchase , sell, value add and resell, import, export, distribute, maintain and support computers, micro- processors, communication equipment and any other electronic, mechanical, electro- mechanical, optical, electro- magnetic equipment and any combination of these for information processing application.
- c) To design integrated and other electronic circuits and lubricate them.
- 3.5 The Authorized Share Capital of the Target Company is ₹ 18 Crores comprising of 18,00,00,000 Equity Shares of face value ₹ 1 each. The Issued, Subscribed and paid up Share Capital of the Target Company is ₹ 66,55,200 comprising of 66,55,200 Equity Shares of face value ₹ 1 each. (Source: www.mca.gov.in).
- 3.6 The Board of Directors of the Target Company in their meeting held on December 04, 2017 have subject to receipt of shareholders approvals and other applicable approvals, resolved to allot 60,00,000 Equity Shares of face value ₹ 1 each on preferential basis constituting 47.41% on the Voting Share Capital of the Target Company to the Acquirer. Pursuant to the approval of shareholders of the Target Company, the paid up capital of the Target Company shall be ₹ 1,26,55,200 comprising of 1,26,55,200 Equity shares of face value ₹ 1 each.
- 3.7 There are no outstanding partly paid up shares or any other convertible instruments to be converted into Equity Shares of the Target Company at a future date.
- 3.8 The Equity Shares of the Target Company were initially listed on Hyderabad Stock Exchange Limited ("HSE") and BSE pursuant to the maiden Public Issue. Subsequently, HSE got derecognized as a Stock Exchange vide SEBI Order dated January 25, 2013 and the equity shares of the Target Company are currently listed only on BSE (Scrip Code: 531225) (Source: www.bseindia.com)
- 3.9 In 2016, a Scheme of Reduction of Capital ("Scheme") under Section 100 to 104 of the Companies Act, 1956 and Section 66 of the Companies Act, 2013 between the Target Company, its shareholders and creditors was sanctioned by Hon'ble High Court of Telangana and Andhra Pradesh vide order dated June 06, 2016. The synopsis of the Scheme is as under:

- The Target Company's paid up equity capital was reduced by 95% from ₹ 13,31,04,00,000 consisting of 1,33,10,400 Equity Shares of face value ₹ 10 each to ₹ 66,55,200 consisting of 1,33,10,400 Equity Shares of face value ₹ 0.50 each.
 - Every 2 Equity Shares of the reduced face value of ₹ 0.50 each were consolidated into 1 equity share of the face value of ₹ 1 each. Thus making the reduced paid up capital of the Target Company to ₹ 66,55,200 consisting of 66,55,200 Equity Shares of ₹ 1 each.
- 3.10 The trading in Equity Shares of the Target Company was suspended for the period May 15, 2017 to October 15, 2017 due to pendency of approval of reduction of Scheme.
- 3.11 The equity shares of the Target Company are infrequently traded on BSE within the meaning of explanation provided in Regulation 2(j) of the Takeover Regulations. (Source: www.bseindia.com).
- 3.12 The name of the Target Company appeared in the list of 331 shell companies issued by Ministry of Corporate Affairs ("MCA"). Securities and Exchange Board of India ("SEBI") vide its Letter No. **SEBI/HO/ISD/ISD/OW/P/2017/18183** dated August 07, 2017 placed trading restrictions on promoters/directors of the Target Company and also placed the scrip in the Trade to Trade category with limitation on the frequency of trades and imposed a limitation on the buyer by way of 200% deposit on the trade value. The Target Company aggrieved by the notice dated August 07, 2017 issued by SEBI and BSE, filed an appeal No. 218 of 2017 before Hon'ble Securities Appellate Tribunal ("SAT"). SAT vide order dated September 11, 2017 directed SEBI dispose the representation made by the Target Company. The Whole Time Member vide Order No: **SEBI/HO/ISD/OW/P/2017/24643/1** dated October 05, 2017 directed to revoke the actions envisaged in SEBI's Letter dated August 07, 2017 and consequential actions taken by Stock Exchange against the Target Company. The name of the Target Company currently appears in GSM- Stage 1.
- 3.13 The brief standalone audited financial information of the Target Company for the financial years ended March 2017, 2016 and 2015 and unaudited financials for the six months period ended September 30, 2017 are as under:

Particulars	September 30, 2017 Unaudited	Financial Year 2017* Audited	Financial Year 2016 Audited	Financial Year 2015 Audited
Total Revenue (Revenue from Operations + Other Income)	53,000	3,42,139	4,82,860	4,89,280
Net Profit/(Loss) after tax	(10,20,000)	(20,13,386)	(48,23,171)	(25,82,105)
EPS	(0.15)	(0.30)	(0.36)	(0.19)
Net Worth	(2,21,35,000)	(2,06,59,334)	(1,86,45,948)	(1,38,22,777)

* The Financials for the Year ended on 31st March, 2017 have been approved by the Board of Directors of the Target Company vide their resolution dated May 29, 2017 which will be subject to the approval of shareholders in the ensuing AGM. The Registrar of Companies (Hyderabad) vide its order dated September 11, 2017 and November 03, 2017 granted an extension for the period of two months and one month respectively for the purpose of holding AGM of the Target Company.

- 3.14 The board of directors of the Target Company consists of Mr. Vunnava Purnachandra Rao, (DIN: 01173383), Mr. Vivekananda Sreepakalapati, (DIN:01727971), Mr. Potail Yadav Varun (DIN: 03607817), Ms. Archana Singh (DIN: 07328641), Mr. Rajan Babu Mothe (DIN: 07740978) and Mr. Sambasiva Prasad Mallela, (DIN:07975692), (Source: www.mca.gov.in)
- 3.15 The Acquirer does not have any representative on the Board of Directors of the Target Company as on the date of this DPS.
- 3.16 There have been certain delayed compliances in relation to the applicable provisions of Chapter V of the SAST Regulations, 2011 by the Promoter and Promoter Group of the Target Company. SEBI may take appropriate action against the Promoter and Promoter Group for these delayed compliances.

4. DETAILS OF THE OFFER

- 4.1 Acquirer is making this Offer to all the public shareholders of the Target Company ("**Equity Shareholders**"), to acquire up to **32,90,352** (Thirty Two Lacs Ninety Thousand Three Hundred and Fifty Two Only) Equity Shares of face value ₹ 1/- (Rupee One only) each, representing 26% of the total Voting Share Capital of the Target Company.
- 4.2 This Offer is being made at a price of ₹ **1/-** (Rupee One only) (the "**Offer Price**") per fully paid up Equity Share of face value ₹ 1/- (Rupee One only) each of the Target Company, payable in cash in accordance with Regulation 9(1)(a) of the Takeover Regulations.
- 4.3 This Offer is not conditional on any minimum level of acceptance and is not a competing offer in terms of Regulations 19 and 20 respectively of the Takeover Regulations.
- 4.4 To the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case if any such statutory approvals are required by the Acquirer at a later date before the closure of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals.
- 4.5 The Equity Shares of the Target Company will be acquired by the Acquirer as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereto.
- 4.6 To the best of the knowledge and belief of the Acquirer, as on the date of this DPS, there are no statutory or other approvals required to implement the Offer other than as indicated in section VI of this DPS. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event such statutory approvals are refused in terms of regulation 23 of the Takeover Regulations. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, BSE and to the Target Company at its registered office.
- 4.7 The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer and as on the date of this Detailed Public Statement. The Manager to the Offer further declares and undertakes that it shall not deal in the Equity Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Open Offer.
- 4.8 The Acquirer does not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25(2) of Takeover Regulations.
- 4.9 The acquisition of 26% of the Voting Share Capital under this Offer will not result in the public shareholding in the Target Company falling below the level required for continuous listing. To the extent the post-offer holding of the Acquirer in the Target Company exceeds the maximum permissible non-public shareholding under Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto (the "SCRR"), the Acquirer undertakes to reduce his shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and SEBI LODR Regulations.
- 4.10 If the Acquirer acquires Equity Shares of the Target Company during the period of twenty-six weeks after the 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 shares have been accepted in the 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, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

II. BACKGROUND TO THE OFFER

1. The Board of Directors of the Target Company in their meeting held on December 04, 2017 have subject to receipt of shareholders approvals and other applicable approvals, resolved to allot 60,00,000 equity shares on preferential basis to the Acquirer in terms of Section 62 and other applicable provisions of the Companies Act, 2013 and in terms of SEBI (ICDR) Regulations 2009. Pursuant to Preferential allotment the Acquirer shall hold 60,00,000 equity shares representing 47.41% of the Voting Share capital of the Target Company post Preferential Allotment.
2. The pre and post Preferential Allotment capital of the Target Company would be as follows:
- | Particulars | No of Equity Shares | Nominal Value (₹) |
|---------------------------------|---------------------|-------------------|
| Pre Preferential Allotment | 66,55,200 | 66,55,200 |
| Proposed Preferential Allotment | 60,00,000 | 60,00,000 |
| Post Preferential Allotment | 1,26,55,200 | 1,26,55,200 |
3. The Offer Price is payable in cash, in accordance with Regulation 9 (1) of the Takeover Regulations.
4. The object of the acquisition is substantial acquisition of Shares/voting Rights accompanied by control over the Management of the Target Company.
5. The Acquirer has deposited 100% of the total consideration payable to the Equity Shareholders under this Offer in compliance with the Regulation 22(2A) of the Takeover Regulations. Accordingly, the Acquirer intends to obtain management control in the Target Company subsequent to expiry of twenty one working days from the date of this DPS and complete the acquisition of Equity Shares proposed to be allotted to him pursuant to Regulation 74(3) of extant SEBI (ICDR) Regulations, 2009. Further, in accordance with Regulation 24(1) of the Takeover Regulations, the Acquirer may make changes to the current board of directors of the Target Company by appointing either himself and/or his nominees to represent him.
6. At present, the Acquirer does not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business. The Acquirer may continue to support the existing business of the Target Company. However, in case the Acquirer intends to build new business it shall be subject to the prior approval of the Shareholders.

III. SHAREHOLDING AND ACQUISITION DETAILS

The current and proposed Equity Shareholding of the Acquirer in the Target Company and the details of the acquisition are as follows:

Details	Acquirer Number of Shares
Shareholding as on the PA date	NIL*
Shares acquired through Share Purchase Agreement requiring an open offer to be made in accordance with Takeover Regulations	NIL
Shares acquired between the Public Announcement date and the DPS date	NIL
Shares proposed to be acquired in the Offer (assuming full acceptance)	32,90,352
Post Offer Shareholding on diluted basis on 10th working day after closing of Tendering period	92,90,352

* The Board of Directors of the Target Company in their meeting held on December 04, 2017 have subject to receipt of shareholders approvals and other applicable approvals, resolved to allot 60,00,000 equity shares on preferential basis to the Acquirer in terms of Section 62 and other applicable provisions of the Companies Act, 2013 and in terms of SEBI (ICDR) Regulations 2009.

IV. OFFER PRICE

1. The Equity Shares of the Target Company are listed on BSE only.
2. The annualized trading turnover in the Equity Shares of the Target Company on BSE based on trading volume during the twelve calendar months prior to the month of PAs is as given below:

Stock Exchange	Total no. of equity shares traded during the twelve calendar months prior to the month of PA	Total no. of listed equity shares	Annualized trading turnover (as % of shares listed)
BSE	123130	66,55,200	1.85

(Source: www.bseindia.com)

3. Based on the information provided in point above, the equity shares of the Target Company are **infrequently traded** on the BSE within the meaning of explanation provided in regulation 2(1)(j) of the Takeover Regulations.
4. The Offer Price of ₹ 1/- (Rupee One only) is justified in terms of regulation 8 of the Takeover Regulations, **being the highest of the following:**

	## ₹ 1
a) Highest negotiated price per share for acquisition under the agreement attracting the obligations to make a public announcement for the offer;	
b) The volume-weighted average price paid or payable for acquisition(s), whether by the Acquirer or by any person(s) acting in concert, during the fifty two weeks immediately preceding the date of public announcement;	Not Applicable
c) The highest price paid or payable for any acquisition, whether by the Acquirer or by any person(s) acting in concert, during the twenty six weeks immediately preceding the date of the Public Announcement	Not Applicable
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	Not Applicable
e) Where the shares are not frequently traded, the price determined by the Acquirer and the Manager to the Open Offer taking into account valuation parameters per Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares	## ₹ (1.79)
Other Financial Parameters as at March 31, 2017	
Return on Networth (%)	(9.75)
Book Value per share (₹)	(3.10)
Earnings per share (Diluted) (₹)	(0.30)

CA S. Ramesh Kumar Rao, proprietor of Ramesh Kumar Rao & Co, Chartered Accountants (Membership No.212769, FRN: 01030751) having office at 6-410, Near Rajiv Gandhi E/M School, Porter's Lane, Guntakal-515801; Email id: itssrkr@rediffmail.com, vide certificate dated November 27, 2017, has certified that he has in terms of Supreme Court decision in the case of Hindustan Lever Employee Union V/s. Hindustan Lever Limited (1995) (83 Companies Cases 30), considered the (i) Net Assets Value ("NAV") Method and (ii) Market Price Method and accorded weights of 2 and 1 respectively to the values arrived at under each methodology for the purpose of arriving at the fair value for the Shares of the Target Company. As per the certification given, the Fair Value has been arrived at Rs. (1.79) per Equity Share.

The Board of Directors of the Target Company in their meeting held on December 04, 2017 have subject to receipt of shareholders approvals and other applicable approvals, resolved to allot 60,00,000 equity shares on preferential basis to the Acquirer in terms of Section 62 and other applicable provisions of the Companies Act, 2013 and in terms of SEBI (ICDR) Regulations 2009.

The Open Offer is being made at a price of ₹ 1 which is higher of the Fair Market Valuation arrived hence, justified.

5. In view of the above parameters considered and in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 1/- per equity share is justified in terms of regulation 8 of the Takeover Regulations.
6. There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.
7. There has been no revision in the Offer Price or to the size of this Offer as on the date of this DPS.
8. An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last three working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the Takeover Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraph V(4) of this DPS, (ii) make a public announcement in the same newspapers in which this DPS has been published, and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company at its registered office of such revision.

V. FINANCIAL ARRANGEMENTS

1. Assuming full acceptance, the total funds requirement to meet this Offer is ₹ **32,90,352** (Rupees Thirty Two Lacs Ninety Thousand Three Hundred and Fifty Two Only).
2. The Network of Acquirer as on November 17, 2017 is ₹ **9,57,80,200** (Rupees Nine Crore Fifty Seven Lakh Eighty Thousand and Two Hundred Only) and the same is certified by Mr. K. Chiranjeeva Rao, Proprietor of KCR & Associates, Chartered Accountants (Membership No.224275; FRN No. 0127315) having office at 1st Floor D. No. 1-3-176/4/G/6, Kavadiaguda, Hyderabad- 500080; Email Id: ca.chiranjeevi@yahoo.in, vide certificate dated **November 17, 2017**.
3. In accordance with Regulation 17(1) of the Takeover Regulations, the Acquirer has opened an escrow cash account bearing Account No: **000405115821 ("Escrow Cash Account")** with ICICI Bank Limited, a banking company duly incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949 and having its registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodra-390007, Gujarat, India and acting for the purpose of this agreement through its branch situated at ICICI Bank Limited, Capital Markets Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai - 400020, and have made a cash deposit of ₹ **32,90,352** (Rupees Thirty Two Lacs Ninety Thousand Three Hundred and Fifty Two Only) in the Escrow Cash Account. The cash deposited in Escrow Cash Account represents 100% of the total consideration payable to the Equity Shareholders under this Offer. The Acquirer has empowered the Manager to the Offer to operate and to realize the value of the Escrow Account in terms of the Takeover Regulations.

4. In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the Takeover Regulations.

5. Based on the above, Saffron Capital Advisors Private Limited, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to implement the offer in full accordance with the Takeover Regulations.

VI. STATUTORY AND OTHER APPROVALS

1. As of the date of this DPS, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case of any such statutory approvals are required by the Acquirer at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals.
2. If any of the public shareholders of the Target Company that are not resident in India (such NRIs, OCBs and FIs) require any approvals interalia from the Reserve Bank of India, the Foreign Investment Promotion Board or any regulatory body for the transfer of any Equity Shares to the Acquirer, they shall be required to submit such approval along with the other documents required to be tendered to accept this Offer. If such approval is not submitted, the Acquirer reserve the right to reject the Equity Shares tendered by such shareholders that are not resident in India.
3. The Acquirer shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
4. In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or the 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 the SEBI, in terms of regulation 18(11) of the Takeover Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 17(9) of the Takeover Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
5. In terms of Regulation 23(1) of the Takeover Regulations, if the approvals mentioned in paragraph VII B(1) are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirer have a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be filed with SEBI, the Stock Exchanges and the registered office of the Target Company.

VII. TENTATIVE SCHEDULE OF ACTIVITY

Activity	Day and Date
Public Announcement (PA)	Monday, December 04, 2017
Publication of DPS in the newspapers	Monday, December 11, 2017
Filing of the draft letter of offer with SEBI	Monday, December 18, 2017
Last date for a competitive bid	Tuesday, January 02, 2018
Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Tuesday, January 09, 2018
Identified Date*	Thursday, January 11, 2018
Letter of Offer to be dispatched to shareholders	Thursday, January 18, 2018
Last date for revising the Offer price/ number of shares	Monday, January 22, 2018
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	Tuesday, January 23, 2018
Date of publication of Offer Opening Public Announcement	Wednesday, January 24, 2018
Date of commencement of Tendering Period (Offer Opening Date)	Thursday, January 25, 2018
Date of Expiry of Tendering Period (Offer Closing Date)	Thursday, February 08, 2018
Last Date for completion of all requirements including payment of consideration	Tuesday, February 26, 2018

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

ELIGIBILITY TO PARTICIPATE IN THE OFFER AND PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER

1. All the shareholders of the Target Company, whether holding the shares in physical form or dematerialized form, registered or unregistered, are eligible to participate in this Offer at any time during the tendering period of this Offer.
2. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Draft Letter of Offer, may also participate in this Offer.
3. The Open Offer will be implemented by the Company through Stock Exchange Mechanism made available by BSE Limited (BSE) in the form of separate window (Acquisition Window) as provided under the SEBI SAST Regulations and SEBI Circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI.
4. BSE shall be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
5. The Acquirer has appointed Buying Broker for the Open Offer through whom the purchases and the settlement of the Open Offer shall be made during the tendering period. The contact details of the Buying Broker are as mentioned below:

Name: Choice Equity Broking Private Limited

Address: Shree Shakambhari Corporate Park, Plot No. 156-158, J.B Nagar, Andheri (East), Mumbai-400099

Contact Person: Mr. Devendra Gaikwad

Tel.: 022-67079879

E-mail ID: compliance@choiceindia.com; devendra.gaikwad@choiceindia.com

6. The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available to the Stock Exchange in the form of a separate window ("**Acquisition Window**").

7. All the shareholders who desire to tender their shares under the Open Offer would have to intimate their respective stock broker ("**Selling Broker**") during the normal trading hours of the secondary market during tendering period.

8. In the event Seller Broker of shareholder is not registered with BSE then that shareholder can approach the Target Company's Broker as defined in the Point # 5 above and tender the shares through the Target Company's Broker after submitting the details as may be required by the Target Company's Broker to be in compliance with the SEBI regulations.

VIII. THE DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THIS OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER.

IX. OTHER INFORMATION

1. The Acquirer accepts the full and final responsibility for the information contained in the Public Announcement and the DPS and for the obligations of the Acquirer laid down in the Takeover Regulations.
2. The Public Announcement, the DPS and the Letter of Offer would also be available on the SEBI website: www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 SAFFRON CAPITAL ADVISORS PRIVATE LIMITED 605, Sixth Floor, Centre Point, J.B. Nagar, Andheri (East), Mumbai - 400 059; Tel. No.: +91 22 4082 0914/906; Fax No.: +91 22 4082 0999; Email id: openoffers@saffronadvisor.com; Website: www.saffronadvisor.com; Investor Grievance: investorgrievance@saffronadvisor.com SEBI Registration Number: INM000011211; Contact Person: Amit Wagle/ Varsha Gandhi	 KARVY COMPUTERSHARE PRIVATE LIMITED Karvy Selenium, Tower-B, Plot No. 31 & 32, Financial district, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana,500032 Tel. No.: +91 40- 67161600/18003454001; Fax No.: +91 40- 23001153/ 23420814; E-mail: einward.ris@karvy.com ; Website: www.karvycomputershare.com ; SEBI Registration Number: INR000000221 Contact Person: B Srinivas