

DRAFT LETTER OF OFFER**“This Document is important and requires your immediate attention”**

This Letter of Offer is sent to you as a shareholder(s) of INTERACTIVE FIANCIAL SERVICES LIMITED. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or the Manager/Registrar to the Offer. In case you have recently sold your equity shares in the INTERACTIVE FIANCIAL SERVICES LIMITED please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was affected.

OPEN OFFER BY

Mr. UDAYAN MANDAVIA R/o 6 Malhar Apartments, Opp. Shraddha Petroleum, Judges Bungalows Road, Ahmedabad-380 015 ,Tel No.09978543500 (**Acquirer No 1**), **Mr. KEDAR MEHTA** R/o 6 Bank of India Society, B/h H. L. Commerce College, Navrangpura, Ahmedabad-380 009, **Tel No. 09824445565 (Acquirer no 2) AND Mr. HITESH JOSHI** R/o 16 Siddhachal Flat, Nr. Doordarshan Tower, Drive in Road, Ahmedabad-380 054, Tel No 09824045589, (**Acquirer No 3**)

(hereinafter referred to as “Acquirers”)

To the existing shareholders of

Interactive Financial Services Limited (hereinafter referred to as “Target Company” or “IFSL”)
Registered Office: 4, Saujanya Row House, Nr. Darpan Six Roads, Navrangpura, Ahmedabad-380 014
Tel No. 079-26427428 Website : www.ifinservices.com E Mail: info@ifinservices.com

To acquire 7,83,406 Equity shares of face value of ₹ 10 each representing 26% of Issued, Subscribed and paid up Share Capital of the Target Company at a price of ₹ 8 (Rupee eight) per fully paid up Equity share of ₹ 10 each (“Offer Price”) payable in Cash

ATTENTION:

1. The Offer is being made by the Acquirers pursuant to Regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments there to (hereinafter referred to as “SEBI (SAST) REGULATIONS, 2011” or “Regulations”) for the purpose of substantial acquisition of Shares and voting rights of the Target Company accompanied with change in control and the management of the Target Company consequent to the acquisition of substantial holding of the existing promoter by the Acquirers.
2. The Offer is not a conditional Offer and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. As on the date of this Draft Letter of offer, to the best of the knowledge of the Acquirers, the offer is not subject to any statutory and regulatory approvals, however, it will be subject to statutory approvals that may become applicable at a later date.
5. The Acquirers can revise the Offer Price or the Size of the Offer upto three working days prior to opening of the Tendering period (as defined hereinafter), i.e. July 28, 2016. Any such upward revision or withdraw would be informed by way of the Offer Opening Public Announcement (as defined hereinafter) in the same newspaper and editions in which the Detailed Public Statement (as defined hereinafter) had appeared. The revised price payable pursuant to such revision of the Offer Price would be payable by the Acquirers for all the Equity Shares validly tendered during the tendering period.
6. **There has been no competing offer as on the date of this Draft Letter of Offer.**
7. **A copy of Public Announcement (as defined hereinafter), Detailed Public Statement and this Draft Letter of Offer (Including Form of Acceptance cum Acknowledgement) are also available on SEBI's web-site: www.sebi.gov.in**

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 CORPORATE STRATEGIC ALLIANZ LIMITED 808, Samedh Complex, Near Associated Petrol Pump, C.G. Road, Ahmedabad – 380 006. Tel No: + 91-079- 40301750 Tele Fax No : + 91-079- 4002 4670 SEBI REGN NO: INM 000011260 Email Id: info@csapl.com Website: www.csapl.com Contact Person: Mr. Nevil R. Savjani	 SATELLITE CORPORATE SERVICES PRIVATE LIMITED B-302, Sony Apartment, Opp. St. Jude High School, 90 ft. Road, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai – 400 072. Tel: +91-22- 28520461/462 Fax:+91-22- 28511809 SEBI REGN NO: INR000003639 Email Id: service@satellitecorporate.com Website: www.satellitecorporate.com Contact Person: Mr. Michael Monteiro

The Schedule of activities under this Offer is as follows:

Activity	Date	Day
Public Announcement (PA)	June 9, 2016	Thursday
Detailed Public Statement (DPS)	June 16, 2016	Thursday
Last date for a competing Offer	July 8, 2016	Friday
Identified Date*	July 19, 2016	Tuesday
Letter of Offer to be dispatched to shareholders	July 26, 2016	Tuesday
Last date for revising the Offer price/ number of shares	July 28, 2016	Thursday
Last Date by which Board of TC shall give its recommendation	July 29, 2016	Friday
Date of publication of Offer Opening Public Announcement	August 1, 2016	Monday
Date of commencement of Tendering Period (Offer Opening Date)	August 2, 2016	Tuesday
Date of closure of Tendering Period (Offer Closing Date)	August 16, 2016	Tuesday
Date by which all the requirements including payment of consideration would be Completed	August 31, 2016	Wednesday
*The Identified Date is only for the purpose of determining the Equity shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all the Equity Shareholders of Target Company (registered or unregistered), except the Acquirer and the parties to the Share Purchase Agreement including persons deemed to be acting in concert with such parties, are eligible to participate in this Offer at any time prior to the closure of this Offer.		

RISK FACTORS

Risk Factors relating to the transaction

1. The Share Purchase Agreement (SPA) dated June 9, 2016 (Thursday) contains a clause to the effect that the SPA is subject to the provisions of the Regulations and in case of non-compliance of any provisions of the Regulations by the Acquirers or the Seller, the SPA shall not be acted upon by the parties.

Risk factors relating to the Proposed Offer

1. In the event that either (a) a regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirers to comply with certain conditions before proceeding with the Offer, 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 public shareholders of Target Company, whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirers 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, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders for the delay, as may be specified by the SEBI.
2. As of the date of this DLOF, to the best of the knowledge of the Acquirers, there are no regulatory or statutory approvals required to make this Offer. However, in case of any regulatory or statutory approval being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirers shall make the necessary applications for such approvals at a later date. The Acquirers reserves the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations in the event the statutory approvals that may be necessary at a later date are refused.
3. In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis.
4. The tendered shares and the documents would be held in trust with the Clearing Corporation/ Registrar to the Offer until the completion of the Offer, and the shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such Equity Shares until the completion of the Offer or withdrawal of the Offer in accordance with the Regulation 23(1) of the SEBI (SAST) Regulations.

Accordingly, the Acquirers make no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.

5. As per Regulation 18(9) of SEBI SAST Regulations, Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the Tendering period, even if the acceptance of shares under the Offer and dispatch of consideration gets delayed.

Probable risks involved in associating with the Acquirers

1. The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement (PA) / Detailed Public Statement (DPS) /this Draft Letter of Offer (DLoF) or in the advertisements or other materials issued by, or at the instance of the Acquirers or the Manager, and anyone placing reliance on any other sources of information would be doing so at his / her / their own risk.
2. The Acquirers expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
3. The Acquirers makes no assurance with respect to the continuation of the past trend in the financial performance of the Target Company. Acquirers taking control of IFSL does not warrant any assurance with respect to the future financial performance of the Target Company.
4. Post this Offer, the Acquirers will have significant equity ownership and control over the Target Company pursuant to Regulations 3 (1) and 4 of Regulations.
5. The Acquirers has no prior experience in business areas of the Target Company.
6. The Acquirers do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer.

The indicative risk factors set forth above are in relation to the Offer and not in relation to the present or future business or operations of Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Offer or in associating with the Acquirers. The Shareholders of IFSL are advised to consult their stock broker or investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

CURRENCY OF PRESENTATION

In this DLOF, all references to “Rs.” / “₹” are to the reference of Indian National Rupee(s) (“INR”). Throughout this DLOF, all figures have been expressed in “Lac” unless otherwise specifically stated. In this DLOF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and / or regrouping.

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1.DEFINITIONS/ABBREVIATIONS

Sr. No.	Terms/Abbreviations	Descriptions
1.	Acquirers	1. Mr. Udayan Mandavia, 2. Mr. Kedar Mehta 3. Mr. Hitesh Joshi
2.	Book Value per share	Net worth / Number of equity shares issued
3.	BSE	Bombay Stock Exchange
4.	CDSL	Central Depository Services (India) Limited
5.	Companies Act	The Companies Act, 1956 and/or The Companies Act, 2013, as amended from time to time.
6.	Detailed Public Statement / DPS	The Detailed Public Statement which appeared in Newspaper on June 16, 2016.
7.	Draft Letter of Offer / DLOF / DLOO	The Draft Letter Of Offer
8.	Equity Shares	The issued and fully paid up Equity Shares of Target Company (i.e. Interactive Financial Services Limited) with a Face value of ₹ 10 (Rupees Ten Only) each.
9.	Equity Shareholders	The Equity shareholders of the Target Company other than the Acquirers and parties to the Share Purchase Agreement.
10.	EPS	Earnings Per Equity Share
11.	Escrow Agreement	Escrow Agreement dated June 14, 2016 between the Acquirers, Escrow Agent and Manger to the Offer.
12.	Escrow Bank / Escrow Agent	IDBI Bank Limited having its branch office at C.G. Road Branch, Ahmedabad.
13.	Form of Acceptance / FOA	Form of Acceptance-cum-Acknowledgement
14.	Identified Date	July 19, 2016 i.e the date falling on the tenth (10 th) Working Day prior to Commencement of Tendering Period, for the purpose of determining the Public Shareholders whom this Letter of offer shall be sent.
15.	IFSL / IFINSER	Interactive Financial Services Limited
16.	Listing Agreement	Unless the Context specifies otherwise, this means the Listing Agreement with the Bombay Stock Exchange Limited signed between Target Company and BSE and Ahmedabad Stock Exchange Limited as amended from time to time.
17.	Manager to the Offer/ Merchant Banker	Corporate Strategic Allianz Limited
18.	N.A.	Not Applicable / Not Available
19.	NEFT	National Electronic Fund Transfer
20.	Net worth	Equity Share capital plus Reserve & Surplus excluding Revaluation Reserve minus Debit Balance of P&L or Misc. Exp. not written off.
21.	NRIs	Non Resident Indians and persons of Indian origin residing abroad
22.	NSDL	National Securities Depository Limited
23.	Offer or Open Offer	The open offer being made by the Acquirers to the Public Shareholders of the Target Company to acquire 7,83,406 Equity Shares, representing not more than 26% of the Issued Subscribed and paid up Capital at a price of ₹ 8 per fully paid up Equity share.
24.	Open Offer Period/Offer Period	From Tuesday, August 2, 2016 to Tuesday, August 16, 2016
25.	Offer Price	₹ 8 (Rupee Eight Only) per fully paid up Equity share

26.	PAN	Permanent Account Number
27.	PAT	Profit After Tax
28.	Persons eligible to participate in the Offer/Members Entitled to the Offer	Registered/unregistered shareholders of the Target Company who own the Equity Shares of the Target Company any time prior to the closure of Offer except the Acquirers and parties to the Share Purchase Agreement dated June 9, 2016.
29.	Persons not eligible to participate in the Offer	Parties to the Share Purchase Agreement, Promoters & Promoters group.
30.	Public Announcement /PA	Public Announcement submitted to Bombay Stock Exchange Limited, Ahmedabad Stock Exchange, SEBI and Target Company on June 9, 2016.
31.	RBI	Reserve Bank Of India
32.	Registrar or Registrar to the Offer	Satellite Corporate Services Private Limited, an entity registered with SEBI under the SEBI (Registrar to Issue and Share Transfer Agents) Regulations, 1993, as amended or modified from time to time.
33.	Return on Net Worth	(Profit After Tax/Net Worth)*100
34.	Rs/Rupee(s)/INR/₹	Indian Rupees, the legal currency of India
35.	SCRR	Security Contract (Regulation) Rules, 1957, as amended from time to time.
36.	SEBI/Board	Securities And Exchange Board Of India
37.	SEBI (SAST) Regulations, 2011 or Regulation	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
38.	SEBI (LODR) Regulations, 2015	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto.
39.	SEBI Act	Securities and Exchange Board of India Act, 1992
40.	Seller(s)	I. Mr. Ashok P.Vithlani, II. M/s Medric Investment and Finance private Limited, III. Mr. Dharmesh B.Somaiya, IV. Ms. Meenaben D.Somaiya, V. Ms.Sheela Hansoti, VI. M/s Polad Traders Private limited and VII. M/s Polad Finance Limited.
41.	Shares	Equity Shares
42.	SPA	Share Purchase Agreement dated June 9, 2016.
43.	Stock Exchange	Bombay Stock Exchange Limited and Ahmedabad Stock Exchange
44.	Target Company or IFSL	Interactive Financial Services Limited having its registered office at 4, Saujanya Raw Houses, Nr. Darpan Six Roads, Navrangpura, Ahmedabad-380009,Gujarat.
45.	Tendering Period	Tuesday, August 2, 2016 to Tuesday, August 16, 2016.

Note: All terms beginning with a capital letter used in this Draft Letter of Offer, and not specifically defined herein, shall have the meanings ascribed to them in the SEBI (SAST) Regulations.

2. DISCLAIMERCLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF INTERACTIVE FINANCIAL SERVICES LIMITED, THE TARGET COMPANY, TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER M/S. CORPORATE STRATEGIC ALLIANZ LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 23, 2016 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. Background of the Offer

- 3.1.1** This Offer is a mandatory offer, being made by Mr. Udayan Mandavia, Mr. Kedar Mehta and Mr. Hitesh Joshi (Collectively referred to as the "Acquirers"). Mr. Udayan Mandavia holds 7,20,000 Equity shares constituting 23.90% in the Target Company. Apart from this, the Acquirers currently do not hold any equity shares in the Target Company. This offer is to acquire 7,83,406 Equity Shares of face value of ₹ 10/- each at a price of ₹ 8 per Equity Share, representing 26% of the Issued, Subscribed and paid up Share Capital of the Target Company is being made in terms of Regulation 3(1) and 4 of SEBI SAST Regulations for the purpose of substantial acquisition of Equity Shares of the Target Company accompanied with the change in control and management. The aggregate equity stake of the Acquirers in the paid up equity share capital of the Target Company will be more than the stipulated threshold limit of 25% consequent to the acquisition of 6,39,050 Equity Shares constituting 21.21% in the Target Company by the Acquirers through the Share Purchase Agreement (SPA) dated June 9, 2016.
- 3.1.2** The Acquirers have entered into SPA on June 9, 2016 with the following shareholders ("Sellers") to acquire in aggregate 6,39,050 Equity Shares of ₹ 10 each constituting 21.21% of the paid-up equity share capital of the Target Company at a price of ₹ 8 per equity share ("Negotiated Price"):

Name of Sellers	Promoter and Promoter Group	Shares	% of Issued, Subscribed, and paid up Share Capital

Mr. Ashok Vithlani	Yes	3,32,600	11.04
Mr. Dharmesh B. Somaiya	Yes	32,000	1.06
Mrs. Meenaben D. Somaiya	Yes	25,500	0.85
M/s. Medrick Investments and Finance Private Limited	Yes	29,950	0.99
M/s, Polad Traders Private Ltd.	Yes	92,500	3.07
M/s. Polad Finance Ltd	Yes	84,600	2.81
Ms. Sheela Hansoti	No	41,900	1.39
Total		6,39,050	21.21

This agreement has necessitated the Open Offer in terms of Regulation 3(1) and 4 of the SEBI SAST Regulations. The total consideration for the shares being acquired under the SPA is ₹ 51,12,400 (Rupees Fifty One lac Twelve Thousand Four Hundred only) to be paid in cash.

The shareholding of the Sellers (Pre and Post SPA) in the Target Company would be as under :

Name of Sellers	Pre-SPA		Post-SPA	
	Shares	%	Shares	%
Mr. Ashok Vithlani	3,32,600	11.04	-	-
Mr. Dharmesh B. Somaiya	32,000	1.06	-	-
Mrs. Meenaben D. Somaiya	25,500	0.85	-	-
M/s. Medrick Investments and Finance Private Limited	29,950	0.99	-	-
M/s, Polad Traders Private Ltd.	92,500	3.07	-	-
M/s. Polad Finance Ltd	84,600	2.81	-	-
Ms. Sheela Hansoti	41,900	1.39	-	-
Total	6,39,050	21.21	-	-

3.1.3 The acquisition of the Sale Shares will result in change in control of the Target Company. The salient features of the SPA dated June 9, 2016 are as follows:

- I. That the Sellers have agreed to transfer its 6,39,050 equity shares in IFSL at ₹ 8/- per share and the Acquirers have agreed to purchase or acquire 6,39,050 equity shares in IFSL at ₹ 8/- per share, amounting to an aggregate cost of ₹ 51,12,400/- (Rupees fifty one lac twelve thousand four hundred only).
- II. The existing Promoter, Promoter Group and Public shareholder of the Company have agreed to transfer 6,39,050 (Six Lacs Thirty Nine Thousand Fifty Only) equity shares in the company @ ₹ 8/- per share belonging to them in favour of new shareholders against the respective payments. The shares will be transferred in the name of new shareholders under the signature of the existing directors.
- III. The Acquirers shall be entitled to appoint their representatives on the Board of Directors of IFSL after expiry of 15 working days from the date of Detailed Public Statement on deposit of 100% of the consideration payable in the Open Offer, assuming full acceptance, in cash, in the Escrow Account in terms of Proviso to regulation 24(1) read with regulation 17 of the SEBI Takeover Regulations.
- IV. The Acquirers shall after the expiry of 21 working days from the date of Detailed Public Statement be entitled to, act upon the agreement and may complete the acquisition of shares or voting rights in, or control over IFSL as contemplated under regulation 22(2) of the SEBI Takeover Regulations on deposit of 100% of the consideration payable in the Open Offer, assuming full acceptance, in cash, in the Escrow Account.
- V. Acquirer has agreed to comply with all the compliances relating to SEBI (SAST) Regulations, 2011, and give an open offer to the public as required under these Regulations. Sellers have

agreed to provide all the information/documents and support as may be required to complete the procedure of Open Offer as per SEBI (SAST) Regulations, 2011.

- VI. The Acquirers after the payment of total consideration of ₹ 51,12,400/- (Rupees Fifty One Lacs Twelve Thousand Four Hundred Only) towards the acquisition of Equity Shares through this Agreement, after the expiry of 21 working days from the date of Detailed Public Statement, be entitled to act upon the agreement and may complete the acquisition of shares or voting rights in, or control over IFSL as contemplated under regulation 22(2) of the SEBI Takeover Regulations on deposit of 100% of the consideration payable in the Open Offer, assuming full acceptance, in cash, in the Escrow Account.

- 3.1.4** There is no Person Acting in Concert with the Acquirers for the purpose of this open offer.
- 3.1.5** There is no separate arrangement for the proposed change in control of the Target Company except for the terms as mentioned in SPA.
- 3.1.6** The Acquirers as mentioned above has not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11B of SEBI Act or under any of the regulations made under the SEBI Act.
- 3.1.7** The Acquirers proposes to appoint its representative on the board of the Target Company subject to the compliance of SEBI (SAST) Regulations, 2011 as may be applicable. Mr. Udyan Mandavia is to be appointed as Director on the Board of the Target Company after expiry of 15 working days from the date of Detailed Public Statement.
- 3.1.8** As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company is required to constitute a Committee of Independent Directors which would provide its written reasoned recommendations 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 newspapers where the DPS of the Offer was published.

3.2 Details of the Proposed Offer

- 3.2.1** The DPS appeared on June 16, 2016 in the following newspapers:

Newspaper	Language	Editions
The Financial Express (English)	English	All Editions
The Financial Express (Gujarati)	Gujarati	Gujarat
Jansatta (Hindi)	Hindi	All Editions
Lakshyadeep	Marathi	Maharashtra

The Public Announcement and the Detailed Public Statement are also available at SEBI's website: www.sebi.gov.in.

- 3.2.2** This offer is for acquiring upto 7,83,406 (Seven Lacs Eighty Three Thousand four Hundred and Six) equity shares of the face value of ₹ 10 each, being 26% of the Issued, subscribed and paid up Share Capital of the Target Company at the price of ₹ 8 (Rupee Eight Only) per fully paid up Equity Shares, in accordance with the provisions of the SEBI (SAST) Regulations, 2011 and subject to the terms and conditions set out in the DPS and this DLOF.
- 3.2.3** The Offer price is ₹ 8 per Equity Share. There are no partly paid up shares.
- 3.2.4** There is no differential pricing for the shares proposed to be acquired under the Offer.
- 3.2.5** This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

- 3.2.6** The Offer is not a conditional offer and is not subject to any minimum level of acceptance from the shareholders. Upto 7,83,406 Equity Shares validly tendered by the Equity Shareholders will be accepted at the Offer Price by the Acquirers in accordance with the terms and conditions contained in the PA, DPS and this Draft Letter of Offer.
- 3.2.7** The Acquirers have not made any acquisition of shares after the date of the Public Announcement i.e. June 9, 2016 and upto the date of this Draft LoF.
- 3.2.8** Pursuant to the completion of the Offer, assuming full acceptances in the Offer and acquisition of Sale Shares in accordance with SPA, the Acquirers will hold 21,48,456 (Twenty One lacs Forty Eight Thousand Four Hundred and Fifty Six only) Equity Shares constituting 71.11% of the Issued, Subscribed and paid up Share Capital of the Target Company.
- 3.2.9** Pursuant to this Open Offer, the public shareholding in the Target Company will not reduce below the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and the Listing Agreement or corresponding provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.2.10** The Manager to the Offer, Corporate Strategic Allianz Limited does not hold any Equity Shares in the Target Company as at the date of DPS and this DLOF. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.
- 3.2.11** The Offer is being made to all the equity shareholders of the Target Company (i.e. shareholders other than the Acquirers and the Sellers). The Acquirers will acquire all the equity shares of the Target Company that are validly tendered as per terms of the Offer and up to a maximum of the Offer Size.
- 3.2.12** The Equity Shares will be acquired by the Acquirers free from all liens, charges and encumbrances. and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereafter.
- 3.2.13** There was no competing offer.

3.3 Object of the acquisition/offer

- 3.3.1** The prime objective of the Acquirers behind the Acquisition is to have substantial holding of shares and voting rights accompanied with the change of control and management of the Target Company in accordance with Regulations of SEBI (SAST) Regulations, 2011 as the holding of Acquirers assuming full acceptances in the offer and acquisition of Sale shares in accordance with SPA would be 71.10% of the paid up Equity Share Capital of the Target Company. The Acquirers are highly qualified in computer education filed and presently involved in the Company providing the Healthcare Software Product for the doctors in USA. The target Company has main object of software development and the acquirers intend to start the software related business in India .
- 3.3.2** This Open Offer is for acquisition of 26.00% of the present issued, subscribed, and paid up share capital of the Target Company. After the completion of this Open Offer and pursuant to the acquisition of shares under SPA, the Acquirers shall become the largest Equity Shareholder, by virtue of which it would try to exercise effective control over the management and affairs of Target Company. The Acquirers has deposited an amount of ₹ 63,00,000 (Rupees Sixty Three Lacs Only) in cash in an escrow account, which is excess of the maximum consideration payable under the Open Offer. Hence, in accordance and in compliance with regulation 24(1) read with regulation 17 of the SEBI (SAST) Regulations, the Acquirers is entitled to appoint its representative on the Board of Directors of the Target Company after a period of 15 working days from the date of the

Detailed Public Statement. Further, as stipulated in regulation 22(2) of the SEBI (SAST) Regulations, 2011 after the expiry of 21 working days from the date of the Detailed Public Statement the Acquirers may complete the acquisition of shares or voting rights and control over the Target Company as contemplated in the SPA.

- 3.3.3** The Acquirers do not have any plans to alienate any significant assets of the Target Company except office premises which is unutilized for a long period whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The Target Company's future policy for disposal of its assets, if any, for two years from 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 by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations, 2011 and the notice for such postal ballot shall inter-alia contain reasons as to why such alienation is required.

4 BACKGROUND OF THE ACQUIRERS

4.1.1 There are no 'Persons Acting in Concert' within the meaning of Regulation 2(1)(q)(1) of the Regulations in relation to this Open Offer.

4.2.1 Mr. Udayan Mandavia, son of Mr. Kanubhai Mandavia, (Acquirer No. 1) aged about 54 years, is residing at 6, Malhar Apartments, Opp. Shraddha Petroleum, Judges Bungalows Road, Ahmedabad-380 015. He has done his Bachelor of Engineering in Civil from Birla Vishwakarma Mahavidyalaya, VallabhVidya Nagar, India in the year 1983, Master of Technology in Aeronautical Engineering from Institute of Technology-Bombay, India in the year 1984, and Master of Science in Computer Based Information System from Eastern Michigan University, USA in the year 1987. He has over 30 years of business incubation and leadership experience. He is the chairman and Chief Executive officer of ipatientcare Inc also known as Medical communication System Inc of USA. There is no relation with the other two acquirers except they have joined to acquire the target Company .

4.2.2 Mr. Kedar Mehta, son of Mr. Ranjitbhai Mehta, (Acquirer No. 2) aged about 48 years, is residing at 6, Bank of India Society, B/h H. L. Commerce College, Navarangpura, Ahmedabad - 380 009. He has done his Bachelor in Science with specialization in Mathematics from Gujarat University, India in the year 1989, and Diploma in Computer Application, Gujarat University, India in the year 1992. He has over 25 years of professional experience in IT field. As on the date of this draft letter of offer, he is the Director of ipatientcare Private Limited. There is no relation with the other two acquirers except they have joined to acquire the target Company .

4.2.3 Mr. Hitesh Joshi, son of Mr. Rasiklal Joshi, aged about 42 years, is residing at 16 Siddhachal Flat, Nr. Doordarshan Tower, Drive in Road, Ahmedabad-380 054. He has done his Bachelor of Commerce with Computer Science from Gujarat University, India in the year 1994, and Post Graduate Diploma in Computer Application (PGDCA), Gujarat University, India in the year 2000. He has over 20 years of professional experience in IT and Operations. As on date of this Draft Letter of Offer, he is the Director of ipatientcare Private Limited There is no relation with the other two acquirers except they have joined to acquire the target Company .

4.3.1 The Networth of Mr. Udayan Mandavia as on March 31, 2016 is ₹ 9,96,97,765/- as certified vide certificate dated April 23, 2016 by Mr. Bharat T .Vora Proprietor of B.T.Vora & Co. (Firm Registration No. 123652W and Membership No. 13046), Chartered Accountants having office at 706,Hemkoot,Behind L.I.C. Building, Ashram Road, Ahmedabad-380 009, Tel: 079-26580814/ 40070814, E-Mail Id-btvora@hotmail.com

4.3.2 The Networth of Mr. Kedar Mehta as on March 31, 2016 is ₹ 64,49,622/- as certified vide certificate dated April 27, 2016 by Mr. Bharat T .Vora Proprietor of B.T.Vora & Co. (Firm Registration No. 123652W and Membership No. 13046), Chartered Accountants having office at 706,Hemkoot,Behind L.I.C. Building, Ashram Road, Ahmedabad-380 009, Tel: 079-26580814/ 40070814, E-Mail Id-btvora@hotmail.com

4.3.3 The Networth of Mr. Hitesh Joshi as on March 31, 2016 is ₹ 23,07,755/- as certified vide certificate dated April 23, 2016 by Mr. Bharat T .Vora Proprietor of B.T.Vora & Co. (Firm Registration No. 123652W and Membership No. 13046), Chartered Accountants having office at 706,Hemkoot,Behind L.I.C. Building, Ashram Road, Ahmedabad-380 009, Tel: 079-26580814/ 40070814, E-Mail Id-btvora@hotmail.com

4.4 As on the date of this Draft Letter of Offer, the Acquirer Mr. Udayan Mandavia holds 7,20,000 Equity Shares of the Target Company, which is 23.90% of the total, issued, Subscribed and paid up Share Capital of the Company. The provisions of Chapter V of the SEBI (SAST) Regulations, 2011 / Chapter II of SEBI (SAST) Regulations, 1997 are complied by him regularly in due time. Mr. Kedar Mehta and Mr. Hitesh Joshi, Acquirers of the Company doesn't hold any Equity Shares in

the Target Company. They have not acquired any shares of the Target Company till date. The provisions of Chapter V of the SEBI (SAST) Regulations, 2011 / Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to them till date.

- 4.5** None of the Acquirers held any positions on the Board of Directors of the Target Company as on date of this Draft Letter of Offer except Mr. Hitesh Joshi as Chief Financial Officer of the target Company. Ms. Sejal Mandavia, sister of Acquirer Mr. Udyan Mandavia who is an independent director on the board of the target Company.
- 4.6** The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B of SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI.

5. BACKGROUND OF THE TARGET COMPANY- INTERACTIVE FINANCIAL SERVICES LIMITED

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

- 5.1 The Target Company was incorporated as Interactive Financial Services Limited on October 24, 1994, under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat. The Corporate Identification Number (CIN) of the Company is L65910GJ1994PLC023393. The registered office of the Company is situated at 4, Saujanya Raw Houses, Nr. Darpan Six Roads, Navrangpura, Ahmedabad, Gujarat, 380009 (Tel No. +91-79-2642 7428; Fax No. +91-79-2642 7428; E Mail: info@ifinservices.com; Website: www.ifinservices.com). The Target Company obtained the Certificate of Commencement of business on November 1, 1994. The Target company came out with the Initial Public Offer (IPO) in January, 1996 for 10,00,000 equity shares having face value of ₹ 10 at a price of ₹ 10 aggregating ₹ 1,00,00,000 (Rupees One crore only).
- 5.2 At present target Company is listed at Ahmedabad Stock Exchange Limited, and Bombay Stock Exchange Limited. The equity shares of the Company are traded on Bombay Stock Exchange and infrequently traded on BSE in term of regulation 2(1)(j) of the SEBI (SAST) Regulations. (Scrip ID :IFINSER, Security Code: 539692). As on the date of this DLOF, the promoters and promoter group holds 5,97,150 (Five Lakh Ninety Seven Thousand One Hundred Fifty Only) Equity shares, constituting 19.82 % of the equity share capital of the Target Company.
- 5.3 Target Company has its main objects as follows:

The main objects as contained in our Memorandum of Association are as follows:

1. To Carry on the business as financiers, merchant bankers, investment factors, liasors, loan syndicators, underwriters, brokers, share transfer agents, securitization, securities, treasury management, manager, acquisition and takeover consultants, project counsellors, finance consultants, management consultants, project evaluators, leasing, hire-purchase and installments, in all of its branches in-respect of movable and immovable property, NRI investment liasors, corporate consultancy, capital restructuring, bill discounting, inter-corporate deposits, placement of securities, financing against securities, taking membership of OTCE, NSE or any other stocks exchange(s), corporate advisory services, trade financing and investment. As the company may deem fit, also to carry out business of Finance, holding an investment company to promote companies, engaged in industrial, manufacturing, trading, exports, finance business, project feasibility study within India/Abroad either singly or jointly in association with any Indian or foreign entity, in addition to entering in to collaboration agreement for the manufacture of items, which the company is entitled to produce in Indian and abroad with the companies, firms, individuals, governments or any body corporate, subject to the provisions of Law.
2. To supply, provide maintain and operate for the benefit of any individual, firm, society, trust, company, body corporate, corporation or Governments, any person, facilities, bureaus, privileges and services including recruitment services, marketing services and to provide executive, supervisory and consultancy services particularly in respect of finance, personnel, administration, accounts, planning, production and research and development.
3. To carry on business of financing and advancing short term and long term loans, credits, to individuals or associations of individuals by whatever named called either on securities such as land, buildings or part thereof, machinery, plants, cattles, shares, debentures, government securities stock certificates, life insurances policies, units, stock-in-trade or on gurantee or clean without securities on such terms as may seem expedient and to release or discharge any debt obligation owing to the company.
4. To carry on the business of dealing in/with, developing, altering, modifying, improving, upgrading, providing, installing, implementing, maintaining, selling, licensing, purchasing, importing,

exporting, marketing, distributing and providing services activities, including Enterprise Resource Planning(ERP) Supply Chain Management Systems(SCM) and Customer Relationship Management Solutions(CRM), call center and telemarketing, Business Process Outsourcing, Distribution Channel Management, Training for CRM solutions, I.T. Education, I.T. Audit, I.T. Research, Database oriented services, modification, improvement or adaptation to the various software packages or computer software, application software, computer operations, application packages, software solutions, networking solutions, internet solutions provider(ISP)solutions, E-commerce software solution and to undertake system study, analysis, design, coding, testing documentation, development and implementation of ERP, SCM, and CRM software relating to commercial and non-commercial usage and to act as advisors and consultants on related matters and to furnish to the users system know-how and impart training and technical assistance and services and to carry on business and activities in web based and web related technologies and other related areas.

- 5.4 The authorized share capital of the target Company is ₹ 8,00,00,000 (Rupees Eight Crores) divided into 80,00,000 (Eighty Lacs) Equity Shares of ₹ 10 (Rupees Ten) each. The issued subscribed and paid up share capital of the Target Company is ₹ 3,01,31,000 (Rupees Three Crore One Lacs Thirty One Thousand Only) divided into 30,13,100 equity shares of the face value of ₹ 10 each. The equity share capital structure of the Target Company is as follows:

Particulars	No. of Shares (Fully Paid Up)	Voting Rights	% of Shares / % of Voting Rights
Total Issued, Subscribed and Paid Up Equity Shares of ₹ 10 each	30,13,100	30,13,100	100

- 5.5 There are no instruments convertible into Equity Shares at a future date, in the books of the Target Company as on the date of this DLOF.

- 5.6 As on the date of this DLOF, the Composition of Board of Directors of Target Company is as under:

Sr. no.	Name	Director Identification Number	Date of appointment
1.	Mr. Ashok Vithalani	00023247	September 30, 1998
2.	Mr. Prashant Parikh	00040591	June 30, 2003
3.	Mr. Ashvin Popat	02510845	September 30, 2000
4.	Ms. Sejalben Kanubhai Mandavia	03468579	September 30, 2015

- 5.6 No merger/ de-merger/ spin off has taken place in the Target Company during last three years.

5.7 The Financial details of Target Company are as under:

STATEMENT OF BALANCE SHEET

(Amount ₹ In lacs)

PARTICULARS	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share capital	301.31	301.31	301.31
b) Reserves and surplus	(8.77)	7.10	3.93
Total	292.54	308.41	305.24
2. Share application money pending allotment	-	-	-
3. Non-current liabilities			
a) Long-term borrowings	-	-	-
b) Deferred tax liabilities (Net)	-	-	0.74
Total			0.74
4. Current liabilities			
a) Short-term borrowings		82.49	38.87
b) Trade payables	6.06	0.61	0.52
c) Other current liabilities	31.59	5.16	5.81
d) Short-term provisions		-	0.65
Total	37.65	88.26	45.84
Total (₹)	330.19	396.67	351.82
II. ASSETS			
1. Non-current assets			
a) Fixed assets			5.33
(i) Tangible assets	3.37	3.67	-
b) Deferred tax Assets (Net)		-	340.91
c) Long-term loans and advances	321.89	383.61	0.65
d) Other Non-current Assets	0.72	0.69	
2. Current assets			
Cash and Bank Balances	3.81	8.70	4.87
Short-term loans and advances	0.40	-	0.05
Total (₹)	330.19	396.67	351.82

STATEMENT OF PROFIT AND LOSS ACCOUNT

PARTICULARS	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
INCOME			
I Revenue from operation	46.36	22.80	20.95
II other income	0.69	0.04	0.03
III Total Revenue	47.05	22.83	20.98
IV EXPENDITURE			
Employee benefits expenses	9.66	8.92	8.53
Financial costs	2.91	5.47	0.20
Depreciation and amortization expense	0.30	0.09	0.28
other expenses	50.05	5.94	6.68
Total expenses	62.93	20.42	15.69
VI Profit /(Loss)before tax	(15.88)	2.41	5.29
VII Tax expense:			
1.Current tax expenses for current year	0.00	0.46	1.10
2.Less: MAT credit for current year			
3.Short/(Excess) Pro. of I. Tax (Earlier Year)	0.00	(0.46)	(1.10)
4.Net Current Tax Expenses		(0.03)	-
5.Deferred tax			
NET TAX EXPENSES/(BENEFIT)		(0.03)	-
		(0.74)	-
	0.00	(0.77)	-
VIII Profit /(loss)for the period	(15.88)	3.18	5.29

Other Financial Data

PARTICULARS	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Dividend (%)	Nil	Nil	Nil
Earnings Per Share (₹)	(0.53)	0.11	0.18
Networth (₹ In Lacs)	292.54	308.41	305.24
Return on Networth (%)	-5.43	1.03	1.73
Book Value Per Share (₹)	9.71	10.24	10.13

Source: Audited Financial Statement for the year ended March 31, 2016, 2015, and 2014 duly certified by Statutory Auditors, Mr. N.R Pandit, partner of M.R. Pandhi & Associates. (Firm Registration No. 112360W and Membership No. 033436), Chartered Accountants having office at 101, Panchdeep Complex, Mayur Colony, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad - 380009, Tel: 079-26565949, E-Mail Id: mrpandhi@gmail.com.

5.8 Pre and Post-offer shareholding pattern of the Target Company as per the following table as on June 10, 2016 :

Shareholders Category	Shareholding prior to the Agreement/Acquis ition and offer		Shares agreed to be acquired which triggered off the regulation		Shares to be acquired in open offer (assuming full acceptance)		Shareholding after the acquisition and offer (assuming full acceptance)	
	No.	%	No.	%	No	%	No	%
(1) Promoter Group								

(a) Parties to agreement								
Mr. Ashok P. Vithlani	332600	11.04	(332600)	(11.04)	0	0	0	0
Mr. Dharmesh B. Somaiya	32000	1.06	(32000)	(1.06)	0	0	0	0
Ms. Meenaben D. Somaiya	25500	0.85	(25500)	(0.85)	0	0	0	0
Medrick Investment & Finance P. Ltd.	29950	0.99	(29950)	(0.99)	0	0	0	0
Polad Traders Pvt. Ltd.	92500	3.07	(92500)	(3.07)	0	0	0	0
Polad Finance Ltd.	84600	2.81	(84600)	(2.81)	0	0	0	0
(b) Promoters other than (a) above								
Total 1 (a+ b)	597150		(597150)	(19.82)				
(2) Acquirers								
(a) Main acquirers								
Mr. Udayan Mandavia	720000	23.90	455000	15.10	676000	22	1851000	61.43
Mr. Kedar Mehta	0		147350	4.89	85800	3	233150	7.74
Mr. Hitesh Joshi	0		36700	1.22	21606	1	58306	1.94
(B) PAC								
Total 2 (a+b)	720000	23.90	639050	21.21	783406	26	2142456	71.11
(3) Parties to agreement other than (1)(a) & (2)								
Ms. Sheela Hansoti	41900	1.39	(41900)	(1.39)			0	0
Total 3	41900							
(4) Public (other than parties to agreement, acquirers & PACs)								
(a) FIs/MFs/FIIs/Banks, SFIs								
(b) Body corporate	69862	2.32					67200	2.23
(C) Individual	1583887	52.57			(783406)	(26)	803444	26.67
(d) HUF	301	0.01					0	0.00
Total (4) (a+b+c+d)	1654050	54.90			(783406)	(26)	870644	28.90
Grand Total (1+2+3+4)	3013100	100.0					3013100	100

Note: As on the date of DLOF, there are 1667 shareholders in the Target Company.

- 5.09 The Promoters of the Target Company have complied with all the provision of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation 1997, and chapter V of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011.

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 ("BSE") and Ahmedabad Stock Exchange Limited ("ASE") under Scrip code: 539692 and Scrip ID: IFINSER at BSE Limited ("BSE"). The Company was listed on Ahmedabad Stock Exchange but the Company had made an application under Direct Listing norms of BSE and got the listing and trading approval of shares from BSE on March 03, 2016. The Equity shares are traded on BSE Only.
- 6.1.2 The shares of the Company are infrequently Traded shares as per the definition of "Frequently Traded shares under clause (j) of sub regulation (1) of Regulation 2 SEBI (SAST) Regulations.
- 6.1.3 The annualized trading turnover during the preceding twelve calendar months prior to April, 2016 (the month in which the Public Announcement was made) in the Stock Exchanges is as under:

Name of the Stock Exchange	Total No. of Equity Shares traded during the 12 months prior to April, 2016	Total No. of equity shares listed	Annualised Turnover (in terms of % to total no. of shares)
BSE	30	30,13,100	-
ASE	Nil	30,13,100	-

Source:www.bseindia.com

- 6.1.4 The Offer price of ₹ 8.00 (Rupee Eight only) per fully paid equity share of ₹ 10 each is justified in terms of regulation 8(2) of SEBI (SAST) Regulations in view of the following:

Sr. No	Particular	Amount
A	Negotiated price as per SPA	₹ 8
B	The volume-weighted average price paid or payable for acquisition by the Acquirers during 52 weeks immediately preceding the date of PA	₹ 1
C	Highest price paid or payable for acquisitions by the Acquirers during 26 weeks immediately preceding the date of PA	₹ 1
D	The Volume-Weighted Average Market Price of shares for a period of sixty trading days immediately preceding the date of the PA as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period, provided such shares are frequently traded.	NA
E	Other financial Parameters	For ended at March 31, 2016
	I PAT	(15.88)
	II Net Worth	292.54
	I Return on Net Worth (%)	(5.43)
	ii Book value per share (₹)	9.71
	iii Earnings per Share (₹)	(0.53)

Mr. Shankar Bhagat partner of Bhagat & Co. (Firm Registration No. 127250W and Membership No. 52725), Chartered Accountants having office at 24 Laxmi Chambers, Navjeevan Press Road, Nr. Old

High Court, Income Tax, Ahmedabad - 380 014 Tel: 079/27541551, E-Mail Id- bhagatco2014@gmail.com has certified vide certificate dated June 9, 2016 that the offer price of ₹ 8 (Rupee One only) per fully paid up equity share of ₹10 each justified in terms of regulation 8(2) of SEBI (SAST) Regulations and keeping in the view the Hon'ble Supreme Court's decision in the Hindustan Lever Employee's Union vs. Hindustan Lever Limited, 1995 (83 Com Case 30).

6.1.5 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

6.1.6 As on date there is no revision in Offer price or Offer size. In case of any revision in the open offer price or open offer size, the Acquirers shall comply with regulation 18 of SEBI (SAST) Regulations, 2011 and all the provisions of SEBI (SAST) Regulations, 2011 which are required to be fulfilled for the said revision in the Offer price or Offer size.

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

6.2 Financial Arrangements:

6.2.1 The total funds required for implementation of the Offer (assuming full acceptance), i.e. for the acquisition of 7,83,406 Equity Shares at a price of ₹ 8.00 (Rupee Eight only) per fully paid up equity share is ₹ 62,67,248 (Rupees Sixty Two Lacs Sixty Seven Thousand Two Hundred Forty Eight Rupees only) ("**Maximum Consideration**").

6.2.2 The Acquirers has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of its own sources/ net worth and no borrowings from any Bank and/ or Financial Institutions are envisaged.

6.2.3 In accordance with regulation 17 of the SEBI (SAST) Regulations, 2011 the Acquirers has opened a "Cash Escrow Account" in the name and style as "IFSL Open Offer Escrow Account" bearing accounting no. 201000542543 with IndusInd Bank Limited, Fort Branch, Mumbai, ('Escrow Bank') and made a cash deposit of amount of ₹ 63,00,000 (Rupees Sixty Three lacs only) ("Cash Deposit"). The cash deposit is more than 100% of the maximum consideration payable under the offer.

6.2.4 The acquirers duly empowers Corporate Strategic Allianz Limited, Manager to the Offer to operate the above mentioned Escrow account and has been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

6.2.5 Mr. Bharat T .Vora Proprietor of B.T.Vora & Co. (Firm Registration No. 123652W and Membership No. 13046), Chartered Accountants having office at 706,Hemkoot,Behind L.I.C. Building, Ashram Road, Ahmedabad-380 009 Tel: 079-26580814/40070814, E-Mail Id- btvora@hotmail.com has certified that the total Net worth of Acquirers as on March 31, 2016 is ₹ 1084.55 Lakhs and the Acquirers have sufficient means to fulfill the obligations under this open offer.

6.2.6 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the offer in accordance with the SEBI (SAST) Regulations, 2011. Further, the Manager to the Offer confirms that firm arrangement for funds and money are in place to fulfill the Open Offer obligations.

7. Terms and Condition of the Offer

- 7.1.1 The Offer is not subject to any minimum level of acceptances from shareholders of IFINER. The Acquirers will acquire all the equity shares of the Target Company that are validly tendered and accepted in terms of this Offer upto 7,83,406 equity shares of ₹ 10 each representing 26 % of the issued subscribed and paid up capital of the Target Company. Thus, the Acquirers will proceed with the Offer even if they are unable to obtain acceptance to the full extent of the equity shares of the Target Company for which this Offer is made.
- 7.1.2 The DLOF will be dispatched to all the equity shareholders of IFINER whose name appears in its register of members on July 19, 2016 the Identified Date.
- 7.1.3 The Acquirers refrain themselves to send the DLOF to non-resident shareholders in accordance with Regulation 18(2) of the Regulations since the local laws or regulations of any jurisdiction outside India may expose them or the Target Company to material risk of civil, regulatory or criminal liabilities in case the DLOF is sent in its original form. However, non-resident can participate in the Offer even if DLOF is not sent to them.
- 7.1.4 The Offer is subject to the terms and conditions set out in this DLOF, the Form of Acceptance, the PA, the DPS and any other public announcements that may be issued by the Manager on behalf of the Acquirers with respect to the Offer.
- 7.1.4 The DLOF along with the Form of Acceptance cum acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and equity shareholders can also apply by downloading such forms from the website.
- 7.1.5 Accidental omission to dispatch this DLOF or any further communication to any person to whom this Offer is made or the non-receipt of this DLOF by any such person shall not invalidate the Offer in any way. The instructions, authorizations and provisions contained in the Form of Acceptance constitute an integral part of the terms of this Offer.
- 7.1.6. The acceptance of the Offer must be unconditional and should be sent in the enclosed Form of Acceptance along with the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at the collection centers mentioned in Para 8 under "Procedure for Acceptance and Settlement" on or before the Closure of the Tendering Period.
- 7.1.7. The Acquirers will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.
- 7.1.8. In terms of the Regulation 18(9) of the Regulations, Shareholders who tender their equity shares in acceptance of this Offer shall not be entitled to withdraw such acceptance.
- 7.1.9. Kindly note that the Registrar to the offer is M/s Satellite Corporate Services Private Limited. For any transfer, issuance of new share certificate, conversion of physical shares into demat or rematerialisation of shares Shareholders are advised to contact to the RTA of the Target Company. No documents should be sent to the Sellers, the Acquirers, the Target Company or the Manager to the Offer.
- 7.2 LOCKED IN SHARES : There are no lock in shares in the Company.
- 7.3 ELIGIBILITY FOR ACCEPTING THE OFFER**

This Offer is being made by the Acquirers to (i) all the Shareholders, whose names appear in the register of members of the Target Company as of the close of business on July 19, 2016, i.e. the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on July 19, 2016, i.e. the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the Closure of the Tendering Period for this Offer, i.e. August 16, 2016 but who are not the registered Shareholders.

7.4 STATUTORY APPROVALS

- 7.4.1. As on date of this DLOF, to the best of the knowledge of the Acquirers, there are no statutory approvals is required to implement this Offer. However, in case of any regulatory or statutory or other approval being required, the Offer shall be subject to all such approvals and the Acquirers shall make the necessary applications for such approvals.
- 7.4.2. The Acquirers, in terms of Regulation 23(1)(a) of the Regulations, will have a right not to proceed with the Offer in case of any regulatory or statutory or other approval being required are refused. 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.
- 7.4.3. In case of delay in receipt of the statutory approvals, if any required, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the shareholders of the Target Company whose equity shares have been accepted in the Offer, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 18(11) of the Regulations.

8 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1 The Open Offer will be implemented by the Acquirers 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 shall be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
- 8.3 The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available on the BSE in the form of a separate window - Acquisition Window.
- 8.4 The Acquirers has appointed M/s Religare Securities Limited ("Buying Broker") to the Open offer through whom the purchases and settlement of Open Offer shall be made during the Tendering Period.
- 8.5 All Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers ("**Selling Broker**"), during the normal trading hours of the secondary market during the Tendering Period.
- 8.6 Separate Acquisition window will be provided by the stock exchange to facilitate placing of sell orders. The Selling Brokers can enter orders for demat shares as well as physical shares.
- 8.7 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.
- 8.8 Shareholders can tender their share only through a broker with whom the shareholder is registered as client(KYC Compliant)

8.9 Procedure for tendering Equity Shares held in dematerialised form:

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) 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.

8.10 Procedure for tendering Equity Shares held in Physical Form:

- (i) Shareholders who are holding physical Equity Shares and intend to participate in the Offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out including the:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s).
 - Original share Certificates
 - Valid share transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place.
 - Self attested copy of PAN Card
 - Any other Relevant Document such as (but not limited to) :
 - a. Duly attested Power of Attorney if any person other than Equity Shareholder has signed the relevant form of Acceptance -cum-acknowledgement
 - b. Notarized copy of death Certificate /succession certificate or probated will,if the original shareholder has deceased.
 - c. Necessary corporate authorisations, such as Board Resolutions etc. in case of Companies.
 - In addition to the above, if the address of the shareholder 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 : Adhar Card, Passport, Voter identity card.
- (ii) The Selling broker should place bids on the Acquisition window with relevant details as mentioned on 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. Dist. Nos., No. of shares tendered etc.
- (iii) The Selling Broker must ensure delivery of the Form of Acceptance -cum-Acknowledgement ,TRS, Original Share Certificate(s), Valid Share transfer Forms and Other documents to the Registrar and Transfer Agent ("**RTA**") (at the address mentioned on the cover page not later than 2(Two) days from the offer closing date. The envelop should be super scribed as "**Interactive Financial Services Limited -Open Offer**". One Copy of TRS will be retained by Registrar to Offer and it will provide acknowledgement of the same to the selling broker.
- (iv) Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical shares in Open Offer shall be subject to verification by RTA. Registrar to the offer will verify such orders based on the documents submitted on daily basis and till such time the BSE shall display such order as "unconfirmed Physical Bids". Once Registrar to the offer confirms the order it will be treated as "confirmed Bids"
- (v) In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date.

8.11 Modification/cancellation of orders will not be allowed during the period the offer is open.

8.12 Procedure for tendering the shares in case of non receipt of 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 unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the 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 Letter of Offer or in the Form of Acceptance–cum-Acknowledgement. The Letter of Offer along with Form of Acceptance cum-Acknowledgement will be dispatched to all the eligible shareholders of the Target Company as of the Identified Date. In case of non-receipt of the 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.csapl.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 the 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 certificate 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 BSE before the closure of the Offer.

8.13 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) validly tendered by the Shareholders under this Offer is more than the number of Offer Shares, the Acquirers 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.

8.14 Settlement Process:

- (i) 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 Exchanges to facilitate settlement on the basis of Shares transferred to the account of clearing Corporation.
- (ii) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- (iii) 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 broker / Custodian Participants would pay the consideration to their respective clients.
- (iv) Trading Members should use the settlement number to be provided by the Clearing Corporation to transfer the Shares in favour of Clearing Corporation.
- (v) Excess demat shares or unaccepted demat Shares, if any, tendered by the Shareholders would be returned to the respective the Selling broker by Clearing Corporation as part of the exchange payout process. In case of Custodian Participant orders, excess demat shares or unaccepted demat Shares, if any, will be returned to the respective Custodian Participant.

The the Selling broker / Custodian Participants would return these unaccepted shares to their respective clients on whose behalf the bids have been placed.

- (vi) Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholders directly by RTA.
- (vii) Every the Selling broker, who puts in a valid bid on behalf of an eligible Person, would issue a contract note & pay the consideration for the Equity Shares accepted under the Open Offer and return the balance unaccepted demat Equity Shares to their respective clients. Buying Broker would also issue a contract note to the Acquirers for the Equity Shares accepted under the Open Offer.
- (viii) Shareholders who intend to participate in the Offer should consult their respective the 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 the Selling broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers accept no responsibility to bear or pay such additional cost, charges and expenses((including brokerage) incurred solely by the selling shareholder.

9. DOCUMENT FOR INSPECTION

The following documents are regarded as Material document and which are available for inspection at the office of Manager to the offer **Corporate Strategic Allianz Limited**, 808 Samedh Complex, Near Associated Petrol Pump, C.G. Road, Ahmedabad – 380006. (Tel No: +91-079-40301750 / 4002 4670, Tele Fax No: +91-079- 4002 4670) during normal business hours (11:00 A.M to 4:00 P.M) on any working day (except Saturdays, Sundays and Bank Holidays) during the period from the date of the Draft Letter of Offer, till date of expiry of the Tendering Period;

- 9.1 Certificate of incorporation, Memorandum and Article of Association of Interactive Financial Services Limited. ("Target Company")
- 9.2 Copy of Certificate from C.A. for Net worth of the Acquirers.
- 9.3 Certificate from the C.A. for the adequacy of financial resources with acquirers to fulfill the offer obligation.
- 9.4 Audited Annual Reports of Interactive Financial Services Limited. ("Target Company") for the financial year ended March 31, 2014, March 31, 2015 and March 31, 2016 of Target Company.
- 9.5 Copy of Escrow Agreement between the Acquirers, Escrow Bank Indusind Bank Limited and Manager to the offer i.e. Corporate Strategic Allianz Ltd on June 14, 2016.
- 9.6 Letter from Escrow Bank i.e Indusind Bank dated June 20 ,2016 confirming the amount kept in the escrow account.
- 9.7 Copy of Share Purchase Agreement dated June 9, 2016 entered into between the Acquirers and Target Company.
- 9.8 Copy of Memorandum of Understanding between the Acquirers and Registrar to the Offer.
- 9.9 Copy of Public Announcement dated June 9, 2016
- 9.10 Published copy of Detailed Public Announcement which appeared in the newspapers on June 16, 2016.
- 9.11 Copy of the recommendation made by the Target Company' s committee of independent directors, as required under Regulation 26(7) of the SEBI (SAST) Regulations;
- 9.13 Copy of Due Diligence Certificate dated June 23, 2016 submitted to SEBI by Corporate Strategic Allianz Limited, Manager to the Offer.
- 9.14 Copy of the Letter from SEBI Dated [•]

10. DECLARATION

- 10.1 The Acquirers accept full responsibility for the information contained in this Draft Letter of Offer and also for the fulfillment of the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations, 2011 and subsequent amendments made thereof. All information contained in this document is as on date of the Public Announcement, unless stated otherwise.
- 10.2 We hereby declare and confirm that all the provisions of SEBI (SAST) Regulations, 2011 have been complied with and no statements in the Offer document is contrary to the provisions of SEBI (SAST) Regulations.

We have made all reasonable inquiries, accept responsibility for, and confirm that this draft Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Draft Letter of Offer 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.

Signed by All Acquirers

Udayan Mandavia

Kedar Mehta

Hitesh Joshi

Place: Ahmedabad

Date: June 23, 2016

11. Encl:

(1) Form of Acceptance cum Acknowledgement.