DRAFT LETTER OF OFFER
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Letter of Offer is sent to you as a shareholder of Tasty Bite Eatables Limited. If you require any clarifications about the action to be taken, you may consult your stock broker, investment consultant, the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your shares in Tasty Bite Eatables Limited, please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and transfer deed to the member of stock exchange through whom the said sale was affected.

Open Offer ("Offer")
BY
Kagome Co., Ltd. (“Acquirer”) having its registered office at 3 Chome−14−15, Nishiki, Naka Ward, Nagoya, Aichi Prefecture, Japan 〒460-0003; Tel: +81-52-951-3571

along with

Preferred Brands Foods (India) Private Limited (“PAC”) having its registered office at 48 Ali Chambers, Tamarind Street, Mumbai - 400023, Maharashtra, India; Tel: +91 22 22692512

TO ACQUIRE

up to **6,61,490 (six lakhs sixty one thousand four hundred and ninety)** fully paid-up equity shares of face value of INR 10 (Indian Rupees ten) each **(“Equity Shares”)**, representing 25.78% (twenty five point seven eight percent) of the fully diluted voting equity share capital as of the 10th (Tenth) Working Day (as defined below) from the Closure of the Tendering Period (as defined below) **(“Voting Share Capital”)**

OF

Tasty Bite Eatables Limited (“Target Company”), having its registered office at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune, Maharashtra – 411005, India; Tel: +91 20 30216000 / 25531105 / 25530801; Fax: +91 20 30216035

AT A PRICE OF

INR 662.40 (Indian Rupees six hundred and sixty two and forty paise only) per Equity Share **(“Offer Price”)** payable in cash

pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”).

Note:

1. This Offer is being made by the Acquirer and the PAC pursuant to Regulations 3(1), 4 and 5(1) and other applicable regulations of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer or the PAC to complete this Offer. However, in case of any statutory approval being required by the Acquirer or the PAC at a later date, this Offer will be subject to such approvals and the Acquirer or the PAC shall make the necessary applications for such approvals. Non-resident Indian (“**NRI**”) and overseas corporate body (“**OCB**”) holders of the Equity Shares, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the Reserve Bank of India (“**RBI**”), since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement (as defined below) and other documents required under this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, foreign institutional investors (“**FIIs**”) and foreign portfolio investors (“**FPIs**”)) had required any approvals (including from the RBI or the Foreign Investment Promotion Board (“**FIPB**”) or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer.
4. In the event that any statutory approvals required are not obtained or are finally refused or are otherwise not received for reasons outside the reasonable control of the Acquirer and/or the PAC, the Acquirer and/or the PAC may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations
5. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

6. If there is any upward revision in the Offer Price or the number of Equity Shares sought to be acquired in this Offer, prior to commencement of the last 3 (Three) Working Days prior to the commencement of the Tendering Period, i.e. up to July 02, 2015, it will be informed by way of a public announcement in the same newspapers where the detailed public statement in relation to this Offer ("**DPS**") appeared. Such revised Offer Price would be payable for all the Equity Shares validly tendered anytime during the Tendering Period.
7. In the event of withdrawal of this Offer, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published.
8. If there are competing offers, the public offers under all the subsisting bids shall open and close on the same date. As per the information available with the Acquirer, PAC and the Target Company, no competing bid has been announced as of the date of this Draft Letter of Offer.
9. A copy of the public announcement in relation to this Offer, the detailed public statement and this Draft Letter of Offer are also expected to be made available on SEBI website: www.sebi.gov.in.

Manager to the Offer	Registrar to the Offer
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India Telephone: +91 22 2288 2460 / 70, Fax: +91 22 2282 6580 Email: tbel.openoffer@icicisecurities.com Contact Person: Mr. Mangesh Ghogle / Mr. Vishal Kanjani SEBI Registration Number: INM000011179	**Cameo Corporate Services Limited** Subramanian Building, No.1 Club House Road, Chennai 600 002, India Telephone: +91 44 28460390 Fax: :+91 44 28460129 Email: investor@cameoindia.com Contact Person: Ms. Sreepriya K, Head – RTA & Company Secretary SEBI Registration Number: INR000003753

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

Nature of the Activity	Day and Date
Issue of PA	Tuesday, April 14, 2015
Publication of the DPS in newspapers	Friday, May 22, 2015
Filing of Draft Letter of Offer with SEBI	Friday, May 29, 2015
Last date for public announcement of a competing offer*	Friday, June 12, 2015
Last date for receipt of comments from SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager)	Friday, June 19, 2015
Identified Date**	Tuesday, June 23, 2015
Last date for dispatch of the Letter of Offer to the Eligible Shareholders	Tuesday, June 30, 2015
Last date for upward revision of the Offer Price and/or the Offer Size	Thursday, July 02, 2015
Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Eligible Shareholders of the Target Company for this Offer	Friday, July 03, 2015
Publication of advertisement containing announcement of the schedule of activities of this Offer, status of statutory and other approvals, if any, and procedure for tendering acceptances, in the newspapers where the DPS was published and notification to SEBI, BSE and the Target Company at its registered office	Monday, July 06, 2015
Commencement of tendering period	Tuesday, July 07, 2015
Closure of tendering period	Monday, July 20, 2015
Last date for payment to Eligible Shareholders	Monday, August 03, 2015
Last date for issue of post-offer advertisement	Monday, August 10, 2015
Last date for filing of final report with SEBI	Monday, August 10, 2015

** There has been no competing offer as of the date of this Draft Letter of Offer.*
*** Date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Eligible Shareholders to whom the Letter of Offer shall be sent. It is clarified that all owners (registered or unregistered) of Equity Shares (except the Acquirer, PAC, parties to the Transaction Document, Manager to the Offer and persons deemed to be acting in concert with each of them) are eligible to participate in this Offer at any time prior to the closure of the Tendering Period.*

RISK FACTORS

The risk factors set forth below pertain to this Offer and the Acquirer and the PAC and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by an Eligible Shareholder in this Offer, but are merely indicative. Eligible Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for analyzing all the risks with respect to their participation in this Offer. For capitalized terms used herein, please refer to the section on Definitions and Abbreviations set out below.

A. Risks relating to this Offer

1. To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer or the PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer or the PAC shall make the necessary applications for such approvals. In case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on part of the Acquirer or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 10 (Ten) Working Days, at such rate as may be specified by SEBI. Where the statutory approvals extend to some but not all the Eligible Shareholders, the Acquirer will have the option to make payment of the consideration to such Eligible Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

2. The Acquirer and the PAC will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, if any statutory approvals, as may be required, are refused. Furthermore, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders whose Equity Shares are validly tendered and accepted in this Offer, as well as the return of Equity Shares not validly tendered and accepted in this Offer, may be delayed.

3. NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) and had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such previous approvals and/or the relevant documents are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non repatriable basis.

4. If: (a) there is any litigation that leads to a stay on this Offer or restricts the Acquirer and/or the PAC from performing its obligations hereunder; or (b) SEBI instructs the Acquirer and the PAC not to proceed with this Offer, then this Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders whose Equity Shares are validly tendered and accepted in this Offer as well as the return of the Equity Shares not validly tendered and accepted in this Offer, may be delayed.

5. Eligible Shareholders who have lodged their acceptance to this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Offer and the dispatch of payment consideration are delayed.

6. The Registrar to the Offer will hold in trust the Equity Shares, by holding the share certificates pertaining to the Equity Shares held in physical form and in credit of the Depository Escrow Account (as defined

below) for the Equity Shares held in dematerialized form, along with the documents submitted by the Eligible Shareholders, on behalf of the Eligible Shareholders who have tendered their Equity Shares, till the completion of the formalities of this Offer, and the Eligible Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer, even if the acceptance of the Equity Shares in this Offer and the dispatch of payment consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares that may adversely impact the Eligible Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Eligible Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

7. This Offer is an offer to acquire up to 6,61,490 (six lakhs sixty one thousand four hundred and ninety) Equity Shares, representing 25.78% (Twenty five point seven eight percent) of the Voting Share Capital.

8. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer, the PAC or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.

9. The Eligible Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

10. The Acquirer, the PAC and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and the PAC (excluding all information pertaining to the Target Company, which has been obtained from publicly available sources). Any person placing reliance on any other source of information will be doing so at its own risk.

B. Risks relating to the Acquirer and the PAC

1. The Acquirer and the PAC make no assurances with respect to their investment and/or divestment decisions relating to their shareholding in the Target Company.

2. The Acquirer and the PAC make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.

3. The Acquirer and the PAC make no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaim their responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in this Offer.

4. The Acquirer does not accept responsibility with respect to the information contained in the PA, the DPS, or this Draft Letter of Offer that pertains to the Target Company.

5. As on the date of this Draft Letter of Offer, the total public shareholding in the Target Company is 25.78% of the total paid up equity share capital of the Target Company. In terms of Regulation 7(4) of the SEBI (SAST) Regulations, if as a result of the Equity Shares accepted in the Offer, the shareholding of the Acquirer and the PAC in the Target Company exceeds the maximum permissible non-public shareholding, the Acquirer and the PAC shall be required to bring down their shareholding to the maximum permissible level of non-public shareholding, specified within the time permitted under the SCRR.

6. Further, in accordance with Regulation 7(5) of the SEBI (SAST) Regulations, if as a result of the Equity Shares accepted in the Offer, the shareholding of the Acquirer and the PAC in the Target Company

exceeds the maximum permissible non-public shareholding, then the Acquirer and the PAC shall not be eligible to make a voluntary delisting offer under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended, unless a period of twelve months has elapsed from the date of the completion of the Offer period.

CURRENCY OF PRESENTATION

1. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

2. In this Draft Letter of Offer, all references to "₹", "Rs", "Rupees", "INR" are references to Indian Rupees.

3. At some places "JPY" or "¥" has been used, which represent the Yen, the currency of Japan. All the data presented in JPY in this Draft Letter of Offer have been converted into INR for purpose of convenience translation. The conversion has been assumed at the following rate as on March 31, 2015 (unless otherwise stated in this Draft Letter of Offer):

   100 JPY = INR 52.11 (Source: Reserve Bank of India - http://www.rbi.org.in)

DEFINITIONS

Term	Definition
Acquirer	Kagome Co., Ltd. having its registered office at 3 Chome−14−15, Nishiki, Naka Ward, Nagoya, Aichi Prefecture, Japan 〒460-0003.
Board / Board of Directors	Board of directors of the Target Company.
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited.
Certificate under Section 197	Certificate issued by the income tax authority for payment of consideration and / or interest either without deduction of tax at source or deduction of tax at a lower rate.
Closure of the Tendering Period	The last day by which the Eligible Shareholders may tender their Equity Shares in acceptance of the Offer, i.e. Monday, July 20, 2015.
Depository Escrow Account	The depository account opened by the Registrar to the Offer with Stock Holding Corporation of India Limited. The DP ID is IN301080 and the beneficiary client ID is 22852322.
Depositories	CDSL and NSDL.
DP	Depository Participant.
DPS / Detailed Public Statement	Detailed Public Statement dated May 22, 2015, issued by the Manager to the Offer, on behalf of the Acquirer and the PAC, in relation to this Offer and published in the newspapers on May 22, 2015.
Draft Letter of Offer	This Draft Letter of Offer dated May 29, 2015.
DTAA	Double Taxation Avoidance Agreement.
EBITDA	Earnings Before Interest, Tax and Depreciation.
ECS	Electronic Clearing Service.
Eligible Shareholders	All public shareholders of the Target Company excluding the Acquirer, the PAC, the Manager to the Offer and persons acting in concert or deemed to be acting in concert with the Acquirer or PAC.
Equity Shares / Shares	Fully paid-up equity shares of the Target Company, having a face value of INR 10 (Indian Rupees Ten) each.
Escrow Agent / Escrow Bank	Barclays Bank PLC
Escrow Amount	The amount deposited by the Acquirer in one or more account(s), having lien marked with an irrevocable right to encash the proceeds in favour of the Manager to the Offer, in compliance with Regulation 17 of the SEBI (SAST) Regulations.
FEMA	Foreign Exchange Management Act, 1999 and subsequent amendments thereto.
FII(s)	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act.
FPI	Foreign Portfolio Investor as defined under Regulation 2 (h) of the SEBI (Foreign Portfolio Investors) Regulations, 2014.
FIPB	Foreign Investment Promotion Board.
Form of Acceptance-cum-Acknowledgement	The form of acceptance-cum-acknowledgement, which will be a part of the Letter of Offer.
GAAP	Generally Accepted Accounting Principles
Identified Date	Tuesday, June 23, 2015 i.e. the date falling on the 10th (Tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Eligible Shareholders to whom the Letter of Offer shall be sent.
Income Tax Act	Income Tax Act, 1961 and subsequent amendments thereto.
Indian GAAP	GAAP, as applicable to Indian companies.
Letter of Offer / LOF	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement.
Manager to the Offer / I-Sec	ICICI Securities Ltd., having its registered office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India.

Term	Definition
Maximum Consideration	The total funding requirement for this Offer assuming full acceptance of this Offer, i.e. INR 43,81,70,976.00 (Indian Rupees forty three crore eighty one lakh seventy thousand nine hundred and seventy six only).
NEFT	National Electronic Funds Transfer.
NRI	Non Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2000.
NSDL	National Securities Depository Limited.
OCB	Overseas Corporate Body, as defined under Foreign Exchange Management (Deposit) Regulations, 2000.
Offer / Open Offer	This open offer, which is being made by the Acquirer and the PAC to the Eligible Shareholders, for acquiring up to 6,61,490 (six lakhs sixty one thousand four hundred and ninety) Equity Shares representing 25.78% (Twenty five point seven eight percent) of the Voting Share Capital of the Target Company.
Offer Escrow Account	A cash escrow account with account number 000004094071 opened by the Acquirer with the Escrow Agent.
Offer Escrow Agreement	The escrow agreement dated May 15, 2015 entered into amongst the Acquirer, the Manager to the Offer and the Escrow Agent.
Offer Period	The period between April 14, 2015 i.e. the date of execution of the Transaction Document and the date on which the payment of consideration to the Eligible Shareholders whose Equity Shares are validly tendered and accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be.
Offer Price	INR 662.40 (Indian Rupees Six hundred and sixty two and forty paise only) consisting of an offer price of 655.57 (Indian Rupees Six hundred fifty five and fifty seven paise) per Equity Share (as disclosed in the PA), enhanced at the rate of 10% (Ten percent) per annum for the period between April 14, 2015 and the date of publication of the DPS, i.e. May 22, 2015, in terms of Regulation 8(12) of SEBI (SAST) Regulations, being INR 6.83 (Indian Rupees six and eighty three paise).
Offer Size	Up to 6,61,490 (six lakhs sixty one thousand four hundred and ninety) fully paid up Equity Shares representing 25.78% (Twenty five point seven eight percent) of the Voting Share Capital.
Overseas Tax	Tax payable under the tax laws applicable in overseas jurisdictions.
PA / Public Announcement	Public announcement dated April 14, 2015 in relation to this Offer sent to BSE on April 14, 2015 and filed with SEBI and sent to the Target Company on April 15, 2015.
PAC	Person acting in concert with the Acquirer for this Offer, i.e. Preferred Brands Foods (India) Private Limited having its registered office at 48 Ali Chambers, Tamarind Street, Mumbai - 400023, Maharashtra, India.
PAN	Permanent Account Number.
PAT	Profit After Tax.
Primary Transaction	The purchase of 70% stake of Preferred Brands International, Inc. (the ultimate parent company of the Target Company) from the existing shareholders, by the Acquirer pursuant to the Stock Purchase Agreement (as defined below).
RBI	Reserve Bank of India.
Registrar to the Offer	Cameo Corporate Services Limited having its address at Subramanian Building, No.1, Club House Road, Chennai 600 002, India.
Rs. / Rupees / INR / ₹	Indian Rupees.
RTGS	Real Time Gross Settlement.
SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto.
SEBI	Securities and Exchange Board of India.

Term	Definition
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto.
Stock Purchase Agreement / SPA / Transaction Document	Stock purchase agreement dated April 14, 2015 pursuant to which the Acquirer had agreed to purchase 70% stake from the existing shareholders of Preferred Brands International, Inc., the ultimate parent company of the Target Company.
Target Company	Tasty Bite Eatables Limited.
Tax Residence Certificate	Certificate to be furnished by any Shareholder claiming benefit under any DTAA.
Tendering Period	Period commencing from Tuesday, July 07, 2015 and closing on Monday, July 20, 2015 (both days inclusive).
Voting Share Capital	Fully diluted voting equity share capital of the Target Company as of the 10th (tenth) working day from the date of closure of the Tendering Period.
Working Day	A working day of SEBI in Mumbai.

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.

1 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT IT HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF TASTY BITE EATABLES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR THE TARGET 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 ACQUIRER AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER, "ICICI SECURITIES LIMITED" HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 29, 2015 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

2 GENERAL DISCLAIMER

This Draft Letter of Offer together with the DPS that was published on May 22, 2015 and the PA dated April 14, 2015 in connection with the Offer, has been prepared for the purposes of compliance with the applicable laws and regulations of the SEBI (SAST) Regulations. Accordingly the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the delivery of this Draft Letter of Offer and/or the Letter of Offer, under any circumstances, create any implication that there has been no change in the affairs of the Target Company and the Acquirer, the PAC and persons deemed to be acting in concert with the Acquirer, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. Nor is it to be implied that the Acquirer, the PAC or any persons deemed to act in concert with the Acquirer are under any obligations to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Letter of Offer by any shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Draft Letter of Offer and/or the Letter of Offer under any local securities laws), shall not be treated by such shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. Accordingly no such shareholder may tender his, her or its Equity Shares in this Offer.

Persons in possession of the Draft Letter of Offer and/or the Letter of Offer are required to inform themselves of any relevant restrictions. Any shareholder who tenders his, her or its equity shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

3 DETAILS OF THIS OFFER

3.1 Background to this Offer

3.1.1 This Offer is a mandatory open offer in compliance with Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations and is being made as a result of an indirect acquisition of voting rights in and control over the Target Company by the Acquirer.

3.1.2 The Acquirer had vide a stock purchase agreement dated April 14, 2015 agreed to purchase 70% stake from the existing shareholders of Preferred Brands International, Inc., the ultimate parent company of the Target Company while the remaining 30% stake shall continue to be held by ASG-OMNI LLC, the existing promoter of Preferred Brands International, Inc..

3.1.3 In terms of Regulation 5(2) of the SEBI (SAST) Regulations, an indirect acquisition where:

(a) the proportionate net asset value of the Target Company, as a percentage of the consolidated net asset value of the entity or business being acquired;

(b) the proportionate sales turnover of the Target Company, as a percentage of the consolidated sales turnover of the entity or business being acquired; or

(c) the proportionate market capitalization of the Target Company, as a percentage of the enterprise value for the entity or business being acquired,

is in excess of 80% (Eighty percent), on the basis of the most recent audited annual financial statements, shall be regarded as a direct acquisition for the purpose of the SEBI (SAST) Regulations.

3.1.4 As per the report prepared by K. J. Sheth & Associates, Chartered Accountants, located at 2nd Floor, Seksaria Chambers, 139, N. M. Road, Fort, Mumbai - 400 001, dated April 14, 2015, the criteria as set out under Regulation 5(2) of the SEBI (SAST) Regulations have been analyzed and it has been concluded that the Primary Acquisition cannot be deemed to be a 'direct acquisition' as per the provisions of the SEBI (SAST) Regulations.

3.1.5 Since the Transaction Document was contracted on April 14, 2015, the PA in respect of the Transaction Document was issued within 4 (Four) Working Days from April 14, 2015, on April 14, 2015 as contemplated under Regulation 13(2)(e) of the SEBI (SAST) Regulations.

The Primary Transaction was completed on May 18, 2015 at Stamford, Connecticut, USA. Upon completion of the Primary Transaction contemplated in the Transaction Document, the Acquirer holds 70% of the issued and paid up share capital of Preferred Brands International, Inc., which in turn, holds 100% of the issued and paid up share capital of the PAC. The PAC, in turn, holds 19,04,510 (nineteen lakhs four thousand five hundred and ten) Equity Shares amounting to 74.22% (Seventy four point two two percent) of the Voting Share Capital of the Target Company. PAC is one of the promoters of the Target Company. Therefore, upon completion of the Primary Transaction, the Acquirer has indirectly acquired 51.95% of the Voting Share Capital of the Target Company, resulting in change of control of the Target Company.

3.1.6 Some key features of the Transaction Document are as follows:

(a) Acquirer has paid USD 80.2 million and has acquired 70% of the stake of Preferred Brands International, Inc.
(b) Preferred Brands International, Inc. has made certain representations and warranties about itself and its subsidiaries as typical in a transaction like the Primary Transaction.
(c) Stockholders of Preferred Brands International, Inc. agreed to indemnify Acquirer, under certain conditions, should there be a breach of Preferred Brands International Inc.'s representations and warranties or other specified event.
(d) After the closing, through ASG-OMNI LLC, Mr. and Mrs. Vasudevan and other executives retain 30% of indirect ownership the Target Company, and the executive structure has not undergone any significant changes.

3.1.7 The proposed indirect acquisition of voting rights in and control by the Acquirer over the Target Company is not through any scheme of arrangement under Indian Laws.

3.1.8 The Acquirer and the PAC have not been prohibited by SEBI, from dealing in securities, in terms of Section 11 B of the SEBI Act or under any of the regulations made under the said act.

3.1.9 The Acquirer reserves the right to appoint its nominee(s) on the Board of Directors during the Offer Period in accordance with the SEBI (SAST) Regulations by depositing 100% of the Maximum Consideration payable under the Offer in the Offer Escrow Account as required under Regulation 24(1) of the SEBI (SAST) Regulations.

3.1.10 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors is required to constitute a committee of independent directors to provide its reasoned recommendation on this Offer to the Eligible Shareholders. Such recommendation shall be published at least 2 (Two) Working Days before the commencement of the Tendering Period in the same newspapers where the DPS was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

3.2 **Details of this Offer**

3.2.1 The Acquirer and the PAC have published the DPS on May 22, 2015 which appeared in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Mumbai Lakshadeep	Marathi	Mumbai edition
Loksatta	Marathi	Pune edition

A copy of the DPS is also available on SEBI website: www.sebi.gov.in

3.2.2 This Offer is made by the Acquirer and the PAC to all Eligible Shareholders, to acquire up to 6,61,490 (six lakhs sixty one thousand four hundred and ninety) Equity Shares, representing 25.78% (Twenty five point seven eight percent) of the Voting Share Capital, at a price of INR 662.40 (Indian Rupees Six hundred and sixty two and forty paise) per Equity Share, to be paid in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, the DPS and the Letter of Offer.

3.2.3 This Offer is being made to all the Eligible Shareholders.

3.2.4 As of the date of this Draft Letter of Offer, there are no: (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (warrants / fully convertible debentures / partially convertible debentures) issued by the Target Company. (*Source: BSE website*). Further, there is no differential pricing for the Offer.

3.2.5 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer as of the date of this Draft Letter of Offer.

3.2.6 To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer or the PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer or the PAC shall make the necessary applications for such approvals.

3.2.7 The Acquirer and the PAC will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event such statutory approvals are refused. In the event of withdrawal of this Offer, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to BSE, SEBI and the Target Company at its registered office.

3.2.8 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.

3.2.9 The Acquirer and the PAC have not acquired any Equity Shares after the date of PA, i.e. April 14, 2015 and up to the date of this Draft Letter of Offer.

3.3 **Object of the Primary Transaction and this Offer**

3.3.1 The Primary Transaction has resulted in an indirect acquisition of voting rights in and control by the Acquirer over the Target Company for the purposes of the SEBI (SAST) Regulations, requiring the Acquirer to make this Offer to the Eligible Shareholders in accordance with the SEBI (SAST) Regulations.

3.3.2 The Acquirer proposes to continue the existing business of the Target Company as on the date of this Draft Letter of Offer.

3.3.3 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer and/or the PAC do not currently have any intention to alienate, restructure, dispose off or otherwise encumber any assets of the Target Company or any of its subsidiaries in the succeeding 2 (Two) years from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed and/or publicly announced by Target Company. The Acquirer and/or the PAC undertake that they will not restructure, sell, lease, dispose off or otherwise encumber any substantial assets of the Target Company or any of its subsidiaries other than in the ordinary course of business and other than as already agreed, disclosed and/or publicly announced by the Target Company in the succeeding 2 (Two) years from the completion of this Offer, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot.

3.3.4 As on the date of this Draft Letter of Offer, the total public shareholding in the Target Company is 25.78% (Twenty five point seven eight percent), of the total paid up equity share capital of the Target Company.

3.3.5 In terms of Regulation 7(4) of the SEBI (SAST) Regulations, if as a result of the Equity Shares accepted in the Offer, the non-public shareholding in the Target Company exceeds the maximum permissible non-public shareholding, the Acquirer and/or PAC shall be required to bring down the non-public shareholding to the level specified within the time permitted under the SCRR.

3.3.6 Further, in accordance with Regulation 7(5) of the SEBI (SAST) Regulations, if as a result of the Equity Shares accepted in the Offer, the shareholding of the Acquirer and the PAC in the Target Company exceeds the maximum permissible non-public shareholding, then the Acquirer and the PAC shall not be eligible to make a voluntary delisting offer under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended, unless a period of twelve months has elapsed from the date of the completion of the Offer period.

4 BACKGROUND OF THE ACQUIRER AND THE PAC

4.1 <u>Acquirer- Kagome Co., Ltd.</u>

4.1.1 The Acquirer was incorporated on August 1, 1949 under the laws of Japan with Corporate Registration Number 1800-01-035109. The registered office of the Acquirer is located at 3 Chome−14−15, Nishiki, Naka Ward, Nagoya, Aichi Prefecture, Japan 〒460-0003. Its telephone number is +81-52-951-3571+81-3-5623-8501 and fax number is +81-52-968-2510. The Acquirer can conduct any business which is considered a lawful act or activity for which a corporation may be organized under the laws of Japan.

4.1.2 The Acquirer is party to the Transaction Document, pursuant to which there has been a change in the indirect shareholding and control of the Target Company. The relationship of the Acquirer with PAC is further detailed in paragraph 3.1 of this Draft Letter of Offer. The Acquirer does not belong to any business group.

4.1.3 The Acquirer is engaged in the business of: (i) Manufacture and sale of condiments, foods and beverages; (ii) Purchase, manufacture and sale of seeds, seedlings, fruits and vegetables.

4.1.4 The Acquirer is a public listed company and does not have any controlling shareholder or promoter. As of December 31, 2014, following are the major shareholders of the Acquirer, holding more than 5.0% of the total issued equity shares:

S. No.	Name of the shareholder	% holding
1	Asahi Group Holdings	10.03%
2	Japan Trust Services Bank Ltd.	6.87%
3	Dynapack Co., Ltd.	5.90%

4.1.5 The shareholding pattern of the Acquirer as of December 31, 2014 is as follows:

Sr No.	Shareholder's Category	No. of shares held	Percentage of shares held
1	Japanese Institutions	3,49,272	35.10%
2	Japanese Securities Companies	4,776	0.48%
3	Foreign Institutions	27,915	2.81%
4	Foreign Individuals	72	0.01%
5	Japanese Individuals	6,13,104	61.61%
	TOTAL	**9,95,139**	**100.00%**

4.1.6 The Acquirer is listed on the Tokyo Stock Exchange with the code 2811.

4.1.7 Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the Acquirer, are as follows:

Sr No	Name of Director, Designation	Experience	Qualification	Date of Appointment
1	Hidenori Nishi Designation: Chairman of the Board & Representative Director	• 40 Years of work experience at Kagome Co., Ltd. • Previously served as Head of Tokyo Head Office,	• Bachelor Degree from Kansai Gakuin University, School of Business Administration	March 27, 2015

		Head of Staff Department and Corporate Brand Strategy Office and also as President		
2	Naoyuki Terada Designation: President & Representative Director	• 37 Years of work experience at Kagome Co., Ltd. • Previously served as Head of Corporate Development Department, Head of Tokyo Head Office, Head of Consumer Business Department	• Bachelor Degree from Waseda University, School of Commerce	March 27, 2015
3	Hirohito Kodama Designation: Director & Managing Executive Officer	• 34 Years of work experience at Kagome Co., Ltd. • Previously served as Head of Business Development Office, Head of Integrated Research Center	• Bachelor Degree from Nagoya Institute of Technology School of Engineering	March 27, 2015
4	Yoshihide Watanabe Designation: Director & Managing Executive Officer	• 8 Years of work experience at Kagome Co., Ltd. • Previously served as Special Advisor, Head of Business Planning Office, Head of Business Planning Department • Also worked with Aozora Bank, Cerberus (a private equity investment firm based in USA), Industry Restructuring Institution prior to joining Kagome Co., Ltd.	• Master of Business Administration from Kellogg School of Management, Northwestern University; • Bachelor Degree from Tokyo Institute of Technology, School of Engineering	March 27, 2015
5	Kunihiko Sato Designation: Director & Managing Executive Officer	• 40 Years of work experience at Kagome Co., Ltd. • Previously served as Head of Nasu Plant, Deputy Head of Procurement Department.	• Bachelor Degree from Tohoku University, Faculty of Science	March 27, 2015
6	Katsuyuki Miwa Designation: Director & Managing Executive Officer	• 36 Years of work experience at Kagome Co., Ltd. • Previously served as President of Kagome Labio, Head of Komuki Plant, Director of Production in the Production and Procurement Department, Director of Procurement in the Production and Procurement Department.	• Bachelor Degree from • Tohoku University, Faculty of Agricultural	March 27, 2015
7	Seiichi Kondo Designation: External Director	• Total 43 years of experience in public service • Worked for 34 years at Japan Foreign Ministry as Ministry official	• Bachelor Degree from University of Tokyo, School for Law • Graduate study at	March 27, 2015

		• Worked for 4 years at OECD Served as Japan Ambassador to UNESCO and Denmark • Commissioner for Cultural Affairs at the Agency for Cultural Affairs • Chairman of Board of Trustees of Tokyo Metropolitan Symphony Orchestra	Oxford University, England	
8	Takayuki Hashimoto Designation: External Director	• 37 Years of work experience at IBM Japan • Current and Previous position include Head of General Business, Executive for Business Process and System Product Business, Executive Director for Global Technology Service Business, President, Chairman of the Board	• Bachelor Degree from Nagoya University, School of Engineering	March 27, 2015
9	Miyo Myouseki Designation: External Director	• 11 Years of work experience at Marutomo, a fish based food product company • Current and previous position include Executive Director and President at Marutomo Co., Ltd.	• Bachelor Degree from Hitotsubashi University, Faculty of Economics	March 27, 2015

4.1.8 As of the date of this Draft Letter of Offer, neither the Acquirer nor its directors and/or key managerial personnel have any interest in the Target Company, save and except the indirect shareholding and control acquired over the Target Company pursuant to the Primary Transaction. As of the date of this Draft Letter of Offer, there are no directors representing the Acquirer on the Board of Directors of the Target Company.

4.1.9 As on the date of this Draft Letter of Offer, the Acquirer has not purchased any equity shares of the Target Company.

4.1.10 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

4.1.11 The key financial information of the Acquirer, as derived from its consolidated audited financial statements as at and for the financial years ended December 31, 2014, March 31, 2014 and March 31, 2013 is as follows:

Profit and Loss Statement

Particulars	**December 31, 2014** (1)		**March 31, 2014**		**March 31, 2013**	
	in JPY Mn	**in INR Mn**	**in JPY Mn**	**in JPY Mn**	**in JPY Mn**	**in INR Mn**
Net Sales	**159,360**	**83,042**	**193,004**	**100,574**	**196,233**	**102,257**
Other Income & Extraordinary Gain	3,562	1,856	2,541	1,324	2,253	1,174
Total Income	**162,922**	**84,899**	**195,545**	**101,898**	**198,486**	**103,431**
Total Expenditure	152,155	79,288	182,050	94,866	182,499	95,100
Profit Before Depreciation, Interest and Tax	**10,767**	**5,611**	**13,495**	**7,032**	**15,987**	**8,331**

Depreciation	4,635	2,415	5,214	2,717	5,453	2,842
Net Interest Expenses	(45)	(23)	(49)	(26)	(6)	(3)
Income Before Tax & Minority Interest	**6,175**	**3,218**	**8,329**	**4,340**	**10,539**	**5,492**
Provision for Tax	1,806	941	3,276	1,707	4,120	2,147
Minority Interest	1	1	(52)	(27)	(60)	(31)
Profit After Tax	**4,366**	**2,275**	**5,105**	**2,660**	**6,480**	**3,377**

Balance Sheet Statement

Particulars	December 31, 2014 [(1)]		March 31, 2014		March 31, 2013	
	in JPY Mn	in INR Mn	in JPY Mn	in JPY Mn	in JPY Mn	in INR Mn
Sources of Funds						
Shareholders' Equity (net of Treasury Stock)	19,468	10,145	19,282	10,048	19,773	10,304
Reserves and Surplus*	100,158	52,192	89,222	46,494	81,765	42,608
Minority Interest	4,939	2,574	4,518	2,354	2,892	1,507
Networth	**124,566**	**64,911**	**113,023**	**58,896**	**104,432**	**54,420**
Current Liabilities	42,380	22,084	39,689	20,682	41,848	21,807
Long Term Liabilities	36,466	19,002	30,908	16,106	22,684	11,821
Total	**203,413**	**105,999**	**183,621**	**95,685**	**168,965**	**88,048**
Uses of Funds						
Net fixed assets	56,775	29,585	55,286	28,810	49,447	25,767
Investments & Other Assets	23,794	12,399	20,948	10,916	20,683	10,778
Net current assets	122,843	64,013	107,385	55,958	98,835	51,503
Total	**203,413**	**105,999**	**183,621**	**95,685**	**168,965**	**88,048**

* Includes Capital Surplus, Retained Earnings, Accumulated other comprehensive income and Subscription rights to shares

Other Financial Data

Particulars	December 31, 2014 [(1)]		March 31, 2014		March 31, 2013	
	in JPY	in INR	in JPY	in INR	in JPY	in INR
Dividend	16.50	8.60	22.00	11.46	20.00	10.42
Dividend payout ratio (%)*	37.50%	37.50%	42.80%	42.80%	30.70%	30.70%
Earnings per share						
Basic	44.01	22.93	51.39	26.78	65.15	33.95
Diluted	44.00	22.93	51.39	26.78	65.15	33.95

* Calculated as Total Dividend Paid/Net Income after Minority Interest

[(1)] *Due to change in fiscal year from March 31 to December 31, the year ended on December 31, 2014 represents the nine month period from April 1, 2014 to December 31, 2014*

4.1.12 As on December 31, 2014, as per the consolidated audited financials, the Acquirer had contingent liabilities equal to JPY 341 million or INR 177.70 Mn.

4.1.13 The relevant provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations are not applicable to the Acquirer with respect to the Target Company since the Acquirer has not directly acquired or sold any Equity Shares.

4.1.14 The closing price of the equity shares of the Acquirer as quoted on the Tokyo Stock Exchange on May 28, 2015 was JPY 1,892.

4.2 PAC - Preferred Brands Foods (India) Private Limited

4.2.1 PAC was incorporated on February 27, 1998 under the laws of India with CIN No - U15400MH1998PTC113768. The registered office of the PAC is located at 48 Ali Chambers, Tamarind Street, Mumbai - 400023, Maharashtra, India. Its telephone number is +91 22 22692512 and fax number is +91 22 22692513. The name of the PAC has not been changed since the date of its incorporation. PAC can conduct any business which is considered a lawful act or activity for which a corporation may be organized under the laws of India.

4.2.2 PAC is the holding company of the Target Company.

4.2.3 PAC is a 100% subsidiary of Preferred Brands International, Inc. and its equity shares are not listed on any stock exchange.

4.2.4 The PAC does not belong to any business group.

4.2.5 Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the PAC, are as follows:

Sr No	Name of Director, Designation, DIN	Experience	Qualification	Date of Appointment
1	Sohel Khuzem Shikari Designation: Director DIN: 00024466	• Co-founder of ASG-Omni, a US and India based consulting, financial services and venture capital advisory firm • ASG-Omni worked with companies in emerging sectors such as media, telecommunications, food processing and the quick service restaurant industry • Previously, he worked with Goldman Sachs in New York in the Global Controls and Information Technology Group and also worked as a research assistant at the MIT Sloan School of Management and the Volpe National Transportation Center.	• BS - Civil Engineering (Mumbai University) • Masters in Civil and Environment Engineering (Massachusetts Institute of Technology)	27/02/1998
2	Ravi Birendrakumar Nigam Designation: Director DIN: 00024577	• He has domestic and international experience of over 31 years in food processing and agriculture commodities. • He was the Chief General Manager of Ballarpur Industries Ltd - Commodity Foods Group. • He started his career with Britannia Industries and also worked for Pepsi India. • He set up his own business providing Agri-exports consultation and worked with clients such as Pepsi, L&T, Proctor & Gamble, Tata Exports and Ballarpur Industries	• Bachelor's Degree in Chemistry • Master's Degree in Rural Management from the Institute of Rural Management, Anand • Owner/President Management (OPM) from the Harvard Business School.	17/01/2001
3	Meera Vasudevan Designation: Director DIN: 00470081	• She co- founded Quantum Market Research, a qualitative research company in India • She has conducted global brand research for leading consumer companies such as Unilever, Colgate, Cadbury, Mars, Citibank, Pepsi, Estee Lauder, Johnson & Johnson.	• Bachelor's Degree in English • Post Graduate qualifications in Marketing and Advertising from the University of Madras, India	31/03/1999

		• She has also worked closely with Government departments and UNICEF on social research projects.		
4	Ashok Ramamoorthi Vasudevan Designation: Director DIN: 00575574	• Total experience of over 30 years • He has worked with multinational companies like PepsiCo and Unilever in various functions including Management Development, Sales & Marketing and International Business • He is co-founder of Preferred Brands International, Inc.	• Bachelor of Science (Agriculture) from Bangalore • Management degree from Jamnalal Bajaj Institute of Management Studies, Mumbai • Owner/President Management (OPM) from the Harvard Business School	27/02/1998
5	Hans Taparia Designation: Director DIN: 00653968	• Associated with Preferred Brands International, Inc. since 2001 • He is also co-founder of ASG-Omni	• Bachelor of Science from the Massachusetts Institute of Technology	18/03/1998

4.2.6 As on the date of the DPS, the PAC holds 19,04,510 Equity Shares representing 74.22% of the Voting Share Capital of the Target Company and 59,530 preference shares of the Target Company. Further, Mr. Ashok Vasudevan, Ms. Meera Vasudevan and Mr. Ravi Nigam are on the boards of directors of both, the PAC and the Target Company.

4.2.7 In the past, the PAC has complied with all the relevant provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations with respect to the Target Company.

4.2.8 Except as disclosed below, none of the directors or key managerial personnel of the PAC hold any Equity Shares or have any interest in the Target Company:

Sr No	Name	Director / Key Managerial Personnel	No of shares	% of Voting Share Capital
1	Mr. Ravi Nigam	Director	200 (100 Equity Shares as the first holder and 100 Equity Shares as the second joint holder)	0.00%

4.2.9 Post the issue of the PA on April 14, 2015, till the date of this Draft Letter of Offer, the PAC has not acquired any equity shares of the Target Company.

4.2.10 The PAC has not been prohibited by SEBI from dealing in securities in terms of Section 11 B of SEBI Act or under any of the regulations made under the SEBI Act.

4.2.11 The key financial information of the PAC, as derived from its standalone audited financial statements as at and for the financial years ended March 31, 2015, March 31, 2014 and March 31, 2013 is as follows:

Profit and Loss Statement

(in INR Mn)

Particulars	For financial year ended on		
	March 31, 2015	**March 31, 2014**	**March 31, 2013**
Income from Operations	Nil	Nil	Nil
Other Income	1.96	2.19	1.96
Total Income	**1.96**	**2.19**	**1.96**
Total Expenditure	0.05	0.03	0.51
Profit Before Depreciation, Interest and Tax	**1.92**	**2.16**	**1.46**

Depreciation	Nil	Nil	Nil
Interest	Nil	Nil	Nil
Profit Before Tax	**1.92**	**2.16**	**1.46**
Provision for Tax	0.08	Nil	Nil
Profit After Tax	**1.84**	**2.16**	**1.46**

Balance Sheet Statement

(in INR Mn)

Particulars	For financial year ended on		
	March 31, 2015	March 31, 2014	March 31, 2013
Sources of Funds			
Paid Up Share Capital	44.61	44.61	44.61
Reserves and Surplus (excluding revaluation reserves)	13.25	11.41	9.25
Networth	**57.86**	**56.02**	**53.87**
Current liabilities	0.05	0.03	0.24
Total	**57.92**	**56.06**	**54.11**
Uses of Funds			
Net fixed assets	Nil	Nil	Nil
Non-current Investments	48.84	48.84	48.84
Current assets	9.08	7.22	5.27
Total	**57.92**	**56.06**	**54.11**

Other Financial Data

(in INR, except percentages)

Particulars	For financial year ended on		
	March 31, 2015	March 31, 2014	March 31, 2013
Dividend (%)	Nil	Nil	Nil
Earnings per share			
Basic	0.41	0.48	0.35
Diluted	0.41	0.48	0.35

4.2.12 PAC confirms that as of March 31, 2015, it has no major contingent liabilities.

4.3 **<u>Details of Selling Shareholders, if applicable</u>**

Details of selling shareholders is not applicable as this Offer is an indirect acquisition being made on account of the Transaction Document and not as a result of any direct acquisition of Equity Shares, voting rights or control of the Target Company.

5 DETAILS OF THE TARGET COMPANY

5.1 The Target Company, a public limited company and having its registered office at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune, Maharashtra – 411005, India, was incorporated on September 2, 1985 under the laws of India. The telephone number of the Target Company is +91 20 30216000 / 25531105 / 25530801 and fax number is +91 20 30216035. The CIN No for the Target Company is L15419PN1985PLC037347.

5.2 The Target Company has not changed its name in the last three years.

5.3 The Target Company manufactures ethnic food products, which are marketed by its ultimate parent company, Preferred Brands International, Inc., mainly in North America, Australia and other international markets under the brand name, Tasty Bite. Target Company also serves the Indian food service industry through sales of products to leading quick service restaurants as well as to hotels, restaurants and the catering sectors. Target Company's products comprise ready-to-serve ethnic Indian and other Asian food, Frozen Formed Products (FFP) and Culinary Sauces. Its manufacturing facility, located near Pune in India, manufactures products in multiple formats (shelf-stable, frozen), and also caters to multiple packaging (pouches, trays), cuisines and pack sizes. The Target Company primarily operates through 2 business verticals – Consumer Business internationally and the Food Service Business domestically. Under Consumer Business, the Target Company manufactures ethnic foods, which are imported, marketed and distributed by Preferred Brands International, Inc. mainly in North America, Australia and other international markets under the brand name, Tasty Bite, through a wide distribution channel covering the majority of supermarket chains in North America, Australia and other international markets. Products are either sold directly by Preferred Brands International, Inc. to retail chains or through distributors that service several retailers and independent grocery stores. In India, the Target Company develops and manufactures a range of products for institutional users, such as quick service restaurants, hotels, and other retail and corporate customers which forms part of Food Service Business.

5.4 The Equity Shares are currently listed on BSE (Scrip Code: 519091) (Scrip ID: TASTYBIT) (Source: www.bseindia.com) and are currently not suspended from trading on BSE. As on the date of this Draft Letter of Offer, there are no partly paid up equity shares or any other instruments outstanding or convertible into Equity Shares at a future date.

5.5 The Equity Shares are frequently traded on BSE in terms of Regulation 2(1)(j) of SEBI (SAST) Regulations. (Further details provided in Part IV below (Offer Price)).

5.6 As of the date of this Draft Letter of Offer, the total authorised share capital of the Target Company consists of 44,00,000 Equity Shares of INR 10 each amounting to INR 4,40,00,000 and 60,000 1% non-cumulative, non-convertible, redeemable preference shares of INR 100 each ("Preference Shares") amounting to INR 60,00,000. The total issued, subscribed and paid-up share capital of the Target Company is INR 3,16,13,000 consisting of 2,566,000 Equity Shares amounting to INR 2,56,60,000 and 59,530 Preference Shares amounting to INR 59,53,000. As of date, the Target Company does not have any outstanding partly paid-up shares.

5.7 The key financial information of the Target Company, as derived from its audited financial statements as at and for the financial years ended March 31, 2015, March 31, 2014 and March 31, 2013, is as follows.

Profit & Loss Statement

(in INR Mn)

Particulars	Financial Year Ended on March 31,		
	2015	2014	2013
Income from Operations	1,667	1,374	1,057
Other Income	114	85	62
Total Income	**1,782**	**1,459**	**1,119**
Total Expenditure	1,520	1,340	989
Profit/(Loss) before Depreciation, Interest & Tax	**262**	**119**	**131**
Depreciation	69	40	27
Interest	28	17	11
Profit/ (Loss) Before Tax	**165**	**63**	**94**
Provision for Tax	57	19	30
Profit/ (Loss) After Tax	**108**	**43**	**64**

Balance Sheet

(in INR Mn)

Particulars	As on March 31,		
	2015	2014	2013
Sources of Funds			
Paid up Share Capital	32	32	32
Reserves & Surplus (excluding Revaluation Reserves)	416	313	273
Net worth	**447**	**345**	**305**

Non-current Liabilities	264	286	318
Current Liabilities	415	457	311
Total	**1127**	**1088**	**934**
Uses of funds			
Net fixed assets	610	642	441
Long term loans & advances	6	12	52
Net Current Assets	511	435	440
Total	**1,127**	**1,088**	**934**

Other Financial Data

(In INR, except percentages)

Particulars	Financial Year Ended March 31,		
	2015	**2014**	**2013**
Dividend (%)	10%	10%	10%
Earnings Per Share (EPS) [1] - Basic & Diluted	42.04	16.84	24.62
Return on Net Worth (%)	24.1%	12.6%	20.8%
Book Value per Equity Share	10	10	10

(1) Earnings Per Share is calculated after extraordinary items

5.8 Details of the Voting Share Capital as of the date of this Draft Letter of Offer are as follows:

(Source: BSE website)

Paid up equity shares of Target Company	No. of Equity Shares/voting rights	Percentage of Equity Shares/ voting rights
Fully paid up Equity Shares	25,66,000	100%
Partly paid up Equity Shares	Nil	Nil
Total paid up Equity Shares	25,66,000	100%
Voting Share Capital	**25,66,000**	**100%**

5.9 The details of the Board of Directors are set forth below. As on the date of this Draft Letter of Offer, there are no directors representing the Acquirer on the Board of Directors of the Target Company.

S. No.	Name	Date of appointment	Designation	Director Identification Number
1.	Kavas Dara Patel	29/05/2009	Director	00002634
2.	Sohel Khuzem Shikari	22/04/2015	Alternate Director	00024466
3.	Ravi Birendrakumar Nigam	20/07/2001	Managing Director	00024577
4.	Vallampadugai Arunachalam	26/07/2002	Director	00400857
5.	Meera Vasudevan	31/03/1999	Director	00470081
6.	Ashok Ramamoorthi Vasudevan	31/03/1999	Director	00575574

5.10 The Target Company has not been involved in any merger, de-merger, spin-off or hiving off during the last 3 (three) years.

5.11 The Target Company has no Equity Shares that are currently locked-in. (*Source: BSE website*)

5.12 The shareholding pattern of the Target Company before and after this Offer, based on the latest shareholding data as of May 22, 2015, is as follows:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and Offer		Shares /voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/voting rights to be acquired in Offer (Assuming full acceptance)		Shareholding / voting rights after the acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C) = (D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group including Acquirer								
a. Parties to the SPA								
Kagome Co., Ltd. (Acquirer)	Nil	Nil	N.A	N.A	6,61,490	25.78%	6,61,490	25.78%
b. Promoters other than (a) above								
Preferred Brands Foods India Pvt Ltd (PAC)	19,04,510	74.22%	N.A	N.A	Nil	Nil	19,04,510	74.22%
Total 1 (a+b)	**19,04,510**	**74.22%**	**N.A**	**N.A**	**6,61,490**	**25.78%**	**25,66,000**	**100.00%**
(2) Parties to the SPA other than(1) (a) & (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(3) Public (other than parties to agreement, Acquirer & PAC)								
a. FIs/MFs/FIIs/Banks/ SFIs	1,500	0.06%	Nil	Nil	Nil	Nil	Nil	Nil
b. Others (Individuals/ NRIs/Bodies Corporate/ Clearing Members)	6,59,990	25.72%	Nil	Nil	Nil	Nil	Nil	Nil
No of shareholders in "Public" – 1,903								
Total (3)(a+b)	**6,61,490**	**25.78%**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
GRAND TOTAL (1+2+3+4)	**25,66,000**	**100.00%**	**Nil**	**Nil**	**6,61,490**	**25.78%**	**25,66,000**	**100.00%**

6 OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 The Equity Shares are listed on BSE.

6.1.2 The trading turnover of the Equity Shares, based on the trading volume in the Equity Shares on the BSE during April 1, 2014 to March 31, 2015 (12 calendar months preceding the month in which the PA ought to be issued) was as under:

Stock Exchange	Number of Equity Shares traded	Total number of listed Equity Shares	Trading turnover (as a percentage of the total listed Equity Shares)
BSE	2,68,022	25,66,000	10.45%

(Source: www.bseindia.com)

For the purpose of determining whether or not the Equity Shares are frequently traded, share trading data has been taken for the twelve month period prior to the month in which the public announcement has been made under Regulation 13(2)(e) of the SEBI (SAST) Regulations.

6.1.3 Therefore, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity Shares are frequently traded on BSE.

6.1.4 The offer price of INR 655.57 (Indian Rupees Six hundred fifty five and fifty seven paise) per Equity Share is justified in terms of Regulations 8(3) of SEBI (SAST) Regulations, in view of the following *(see Note 1 below):*

(a)	Highest negotiated price per Equity Share, if any, of the Target Company for any acquisition under the Primary Transaction	Not Applicable
(b)	Volume-weighted average price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, during the fifty-two weeks immediately preceding April 14, 2015 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain)	Not Applicable
(c)	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, during the twenty-six weeks immediately preceding April 14, 2015 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain)	Not Applicable
(d)	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, between April 14, 2015 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain) and the date of the PA.	Not Applicable
(e)	Volume-weighted average market price of the Equity Shares for a period of 60 trading days immediately preceding April 14, 2015 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain) as traded on the BSE.	INR 652.04 per Equity Share
(f)	Per Equity Share value, as required under Regulation 8(5) of SEBI (SAST) Regulations. *(See Note 2 below)*	INR 655.57 per Equity Share*

** Source: Report dated April 14, 2015 from Haribhakti & Co. LLP, Chartered Accountants*

Note 1:
In terms of regulation 8(12) of the SEBI (SAST) Regulations, in case of an indirect acquisition other than indirect acquisition referred in Regulation 5(2) of SEBI (SAST) Regulations, the offer price shall stand enhanced by an amount equal to 10% per annum for the period between April 14, 2015, being the earlier of the date on which the Primary Transaction is contracted or the date on which the intention or the decision to make the Primary Transaction is announced in the public domain, and the date of the detailed public statement, i.e. May 22, 2015, provided that such period is more than 5 (Five) working days.

*The Transaction Document was executed on April 14, 2015 and the first announcement with respect to the Primary Agreement was made on April 14, 2015. The Primary Transaction contemplated in the Transaction Document closed on May 18, 2015 at Stamford, Connecticut, USA. The offer price of INR 655.57, as disclosed in the PA, shall be enhanced at a rate of 10% per annum, calculated for the period from April 14, 2015 to May 22, 2015, being the date of publication of this DPS, which works out to INR 6.83 (Indian Rupee six and eighty three paise only) per Equity Share ("**Enhancement Amount**"). Accordingly, the Offer Price works out to INR 662.40 (Indian Rupees Six hundred and sixty two and forty paise only). Therefore, in terms of Regulations 8(3) and 8(12) of the SEBI (SAST) Regulations, the Offer Price of INR 662.40 per Equity Share is justified.*

Note 2:
In terms of Regulation 8(5) of the SEBI (SAST) Regulations, an indirect acquisition where:

1. *the proportionate net asset value of the Target Company, as a percentage of the consolidated net asset value of the entity or business being acquired;*
2. *the proportionate sales turnover of the Target Company, as a percentage of the consolidated sales turnover of the entity or business being acquired; or*
3. *the proportionate market capitalization of the Target Company, as a percentage of the enterprise value for the entity or business being acquired,*

is in excess of 15%, on the basis of the most recent audited financial statements, the Acquirer is required to compute and disclose the per Equity Share value of the Target Company.

As per the report prepared by K. J. Sheth & Associates, Chartered Accountants, located at 2nd Floor, Seksaria Chambers, 139, N. M. Road, Fort, Mumbai - 400 001, dated April 14, 2015, the 15% threshold as set out under Regulation 8(5) of the SEBI (SAST) Regulations is met.

Note 3:

Calculation of the volume-weighted average market price of Equity Shares for a period of sixty trading days immediately preceding April 14, 2015 as traded on the BSE as per Regulation 8(3)(e) of the SEBI (SAST) Regulations is as follows:

Sr. No.	**Date**	**Total Traded Equity Shares**	**Total Turnover (INR)**	**VWAP (INR)**
1	January 14, 2015 to April 13, 2015	39,326	2,56,42,187	652.04

Source: www.bseindia.com

6.1.5 K. J. Sheth & Associates, Chartered Accountants, located at 2nd Floor, Seksaria Chambers, 139, N.M. Road, Fort, Mumbai – 400 001, in their report dated April 14, 2015, has confirmed the above mentioned computation of the Offer Price as mentioned in the PA.

6.1.6 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. (Source: www.bseindia.com)

6.1.7 There has been no revision in the Offer Price or to the Offer Size as of the date of this Draft Letter of Offer.

6.1.8 In the event of acquisition of the Equity Shares by the Acquirer and/or PAC during the Offer period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and PAC shall not acquire any Equity Shares after the 3rd (Third) Working Day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer.

6.1.9 An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 3 (Three) Working Days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and PAC shall: (i) make a public announcement in the same newspapers in which the DPS has been published; and (ii) simultaneously with the issue of such announcement, inform BSE, SEBI and the Target Company at its registered office of such revision.

6.2 **Financial Arrangement**

6.2.1 The total funding requirement for this Offer assuming full acceptance of this Offer is INR 43,81,70,976.00 (Indian Rupees forty three crore eighty one lakh seventy thousand nine hundred and seventy six only).

6.2.2 The Acquirer has made firm financial arrangements for fulfilling the payment obligations under this Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, and the Acquirer is able to implement this Offer. The Equity Shares validly tendered and accepted under the Offer shall be acquired by the Acquirer.

6.2.3 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer, Escrow Agent, and the Manager have entered into the Offer Escrow Agreement. Pursuant to the Offer Escrow Agreement, the Acquirer has opened the Offer Escrow Account with the Escrow Agent and deposited a sum of INR 11,10,00,000 in the Offer Escrow Account on May 20, 2015, which is more than the amount required under Regulation 17(1) of the SEBI (SAST) Regulations (i.e. 25% of the Maximum Consideration). The Manager to the Offer has been authorized by the Acquirer to operate and realize the monies lying to the credit of the Offer Escrow Account in terms of the SEBI (SAST) Regulations.

6.2.4 In case of any upward revision in the Offer Price or the Offer Size, the cash in the Offer Escrow Account shall be enhanced as per the revised consideration calculated at such revised offer price by the Acquirer and/or PAC, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

6.2.5 K. J. Sheth & Associates, Chartered Accountants, located at 2nd Floor, Seksaria Chambers, 139, N.M. Road, Fort, Mumbai – 400 001 has confirmed, by way of a certificate dated May 20, 2015, that the Acquirer has adequate financial resources through verifiable means available for meeting its obligations under the SEBI (SAST) Regulations for a value up to the Maximum Consideration.

6.2.6 On the basis of the aforesaid financial arrangements and the Chartered Accountants' Certificate, the Manager is satisfied about the ability of the Acquirer to implement this Offer in accordance with the SEBI (SAST) Regulations and confirms that adequate funds are available with the Acquirer through verifiable means to implement this Offer.

7 TERMS AND CONDITIONS OF THIS OFFER

7.1 This Offer is being made by the Acquirer and the PAC to (i) all the Eligible Shareholders, whose names appear in the register of members of the Target Company as of the close of business on June 23, 2015, 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 June 23, 2015, 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, July 20, 2015, but who are not the registered Eligible Shareholders.

7.2 This Offer is being made by the Acquirer and the PAC to all the Eligible Shareholders, to acquire up to 6,61,490 (six lakhs sixty one thousand four hundred and ninety) Equity Shares, representing 25.78% (Twenty Five point seven eight percent) of the Voting Share Capital, subject to the terms and conditions mentioned in the PA, DPS and this Draft Letter of Offer.

7.3 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.

7.4 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

7.5 There has been no revision in the Offer Price or the Offer Size as of the date of this Draft Letter of Offer. In the event of acquisition of the Equity Shares by the Acquirer or the PAC during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and the PAC shall not acquire any Equity Shares after the 3rd (Third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

7.6 An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PAC shall: (i) make a public announcement in the same newspapers in which the DPS has been published; and (ii) simultaneously with the issue of such announcement, inform the BSE, SEBI and the Target Company at its registered office.

7.7 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgment constitute an integral part of the terms of this Offer.

7.8 Accidental omission to dispatch this Draft Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of this Draft Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.

7.9 Each Eligible Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.

7.10 The Eligible Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances. The Acquirer or the PAC shall acquire the Equity Shares that are validly tendered and accepted in this Offer, together with all rights attached thereto, including the rights to dividends, bonuses and rights offers declared thereof.

7.11 The acceptance of this Offer is entirely at the discretion of the Eligible Shareholders. The Acquirer and the PAC will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Eligible Shareholders are advised to adequately safeguard their interests in this regard.

7.12 The acceptance of this Offer must be unconditional, absolute and unqualified and should be sent with the attached Form of Acceptance-cum-Acknowledgement duly filled in, signed by the applicant Shareholder(s), which should be received by the Registrar to the Offer at the address mentioned below on or before 5:00pm on July 20, 2015, i.e. Closure of the Tendering Period. If any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by the Shareholder, the Manager to the Offer, the Acquirer and the PAC reserve the right to reject the acceptance of this Offer by such Shareholder.

7.13 The Eligible Shareholders who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of the PA, DPS and this Draft Letter of Offer, are not entitled to withdraw such acceptance during the Tendering Period for this Offer.

8 STATUTORY AND OTHER APPROVALS

8.1 To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer or the PAC to complete this Offer. In case of any statutory approvals being required by the Acquirer or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and/or the PAC shall make the necessary applications for such approvals. If however such statutory approvals are not obtained within the prescribed time, the Acquirer and the PAC shall follow the process set out under Regulation 23 of the SEBI (SAST) Regulations and withdraw the Offer in the manner prescribed.

8.2 NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, if the Eligible Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to accept this Offer. If, the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity

Shares are held under general permission and whether on repatriable basis or non repatriable basis. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer.

8.3 In case of delay in receipt of any such statutory approvals which may be required by the Acquirer and/or the PAC at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Eligible Shareholders for delay beyond 10 (ten) Working Days at such rate, as may be specified by SEBI. Provided where the statutory approvals extend to some but not all Eligible Shareholders, the Acquirer and the PAC will have the option to pay consideration to such Eligible Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

8.4 The Acquirer and the PAC have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event that the statutory approvals indicated above are refused. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to SEBI, BSE and the Target Company at its registered office.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

9.1 The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to the Eligible Shareholders, whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective Depositories, as of the close of business on June 23, 2015, i.e. the Identified Date.

9.2 The Eligible Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI website at www.sebi.gov.in or obtain it from the Registrar to the Offer, and send in their acceptances to the Registrar to the Offer by filling the same.

9.3 The Eligible Shareholders who wish to accept this Offer can hand-deliver the Form of Acceptance-cum-Acknowledgement along with the other documents required to accept this Offer, at any of the collection centers mentioned below so as to reach the Registrar to the Offer during business hours on or before 5 pm on July 20, 2015, i.e. Closure of the Tendering Period, in accordance with the procedure as set out in this Draft Letter of Offer.

S. No.	City	Name and Address of Collection Centre	Contact Person	Mode of Delivery	Tel. No.	Fax No.	E-mail ID
1	Mumbai	Cameo Corporate Services Ltd, 3rd Floor, 304, Sai Sadan, 76-78 Mody Street, Fort, Mumbai - 400 001	Mr. Prashant Sanil	Hand Delivery	022 22644325	022 22644325	prashant@cameoindia.com
2	New Delhi	Cameo Corporate Services Ltd, C/o Sterling Services, F-63 1st Floor, Bhagat Singh Market, Near gole Market, Opp Jain Bhawan, New Delhi - 110 001	Mr. R Sridhar	Hand Delivery	011 4353 3256 / 9312546905	-	sterlingincorporation@gmail.com
3	Bangalore	Cameo Corporate Services Ltd , No.9, KRV Tower, 4th Floor, T C Palya Main Road, Akshaya Nagar, Near Rammurthy Nagar, (Above SBI, Akshay	Mr. Janardhana	Hand Delivery	9740266722	-	janardhana@cameoindia.com

		Nagar branch), Bangalore - 560 016					
4	Pune	Cameo Corporate Services Limited, C/o. Make in India Advisory Services Pvt Ltd (Formerly known as Kanj Corporate Consultants Private Limited), 1-2, Aishwarya Sankul, Opposite Joshi Railway Museum, G A Kulkarni Path, Kothrud, Pune - 411038	Mr. Nishikant Hiray	Hand Delivery	020 25461561 / 25466265	020 25461561	nishikant.hiray@kanjcs.com
5	Hyderabad	Cameo Corporate Services Limited, Plot no.21 & 22, Meena Arcade, Second Floor, Goel Corporate Housing Society, Motti Valley, Trimulgerry, Secunderabad - 500015	Mr.Ch. Ramesh	Hand Delivery	9989902345	-	admin.ap@cameoindia.com / arun@cameoindia.com
6	Kolkatta	Cameo Corporate Services Ltd, C/o Ms.Sireen, 80 Vivekananda Road, Near Girish Park, Kolkata - 700 006	Ms. Nirmala Sadhu	Hand Delivery	9163315657 / 9830763224	-	Sireen15@gmail.com
7	Ahmedabad	Cameo Corporate Services Ltd, C/o Shree Vidhya Consultancy, No.4, II Floor, Prasiddhi Complex - 1, Opp. Ambedkar Hall, Saraspur, Ahmedabad – 380018	Mr. M. Bala Subramanian	Hand Delivery	079 22920024 / 9327055153	-	bhavani0811@gmail.com
8	Chennai	Cameo Corporate Services Ltd, Subramanian Building, No.1, Club House Road, Chennai - 600 002	Ms. Sreepriya K	Post and Hand delivery	044 28460390	044 2846 1989	investor@cameoindia.com

All of the centers mentioned above will be open on business hours from 10 am to 5 pm (except Saturdays, Sundays and Public Holidays)

9.4 The Equity Shares and all other relevant documents should only be sent to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer, the PAC or the Target Company.

9.5 Applicants who cannot hand deliver their documents at any of the collection centers referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: Cameo Corporate Services Limited, Unit: Tasty Bite Eatables Limited - Open Offer, Subramanian Building, No.1 Club House Road, Chennai 600 002, so as to reach the Registrar to the Offer on or before 5 pm on July 20, 2015, i.e. Closure of the Tendering Period.

9.6 **<u>Eligible Shareholders who are holding Equity Shares in physical form:</u>**

9.6.1 The Eligible Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer will be required to duly complete, sign and send the Form of Acceptance-cum-Acknowledgement in accordance with the instructions contained therein, by sole/joint Eligible Shareholders whose name(s) appears on the Equity Share certificate(s) and in the same order and as per the specimen signature(s) lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer. Original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgement along with self-attested copy of PAN Card of all the transferors are required to be submitted.

9.6.2 Valid transfer deed(s) should be duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The transfer deed(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer deed(s)) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank.

9.6.3 Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected in this Offer.

9.6.4 For Equity Shares held in physical mode by resident Eligible Shareholders, in case of non-receipt of the duly completed Form of Acceptance-cum-Acknowledgement, but receipt of other documents including the original share certificates, valid share transfer deeds and PAN, prior to the Closure of the Tendering Period, the Acquirer may, in its sole discretion, deem the Equity Shares to have been accepted under the Offer.

9.7 **<u>Eligible Shareholders who are holding Equity Shares in dematerialized form:</u>**

9.7.1 Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with the photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein, by the sole/joint Shareholder(s) whose name appears in the beneficiary account and in the same order therein. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder of the Equity Shares only.

9.7.2 The Registrar to the Offer has opened a special depository account with Stock Holding Corporation of India Limited called “TBEL OPEN OFFER ESCROW DEMAT ACCOUNT”. The Eligible Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Depository Escrow Account:

Depository Participant Name	Stock Holding Corporation of India Limited
DP ID	IN301080
Client ID	22852322
Account Name	TBEL OPEN OFFER ESCROW DEMAT ACCOUNT
Depository	NSDL

9.7.3 It is the sole responsibility of the Shareholder to ensure credit of its Equity Shares in the Depository Escrow Account, on or before 5 pm on July 20, 2015, i.e. Closure of the Tendering Period.

9.7.4 The Eligible Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Depository Escrow Account with NSDL.

9.7.5 The Form of Acceptance-cum-Acknowledgement in respect of dematerialized Equity Shares not credited to the Depository Escrow Account before the Closure of the Tendering Period is liable to be rejected.

9.7.6 For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.

9.7.7 For Equity Shares held in dematerialized form by resident Eligible Shareholders, in case of non-receipt of the duly completed Form of Acceptance-cum-Acknowledgement/photocopy of the delivery instruction/other documents required, but receipt of the Equity Shares in the Depository Escrow Account prior to the Closure of the Tendering Period, the Acquirer may, in its sole discretion, deem the Equity Shares to have been accepted under the Offer.

9.8 **Eligible Shareholders who have sent their Equity Shares for dematerialization:**

9.8.1 The Eligible Shareholders who have sent their Equity Shares for dematerialization who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Shareholder's DP, in accordance with the instructions mentioned in this Draft Letter of Offer. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/joint Shareholder(s) whose name appears on the share certificates and in the same order and as per the specimen signature lodged with the Target Company.

9.8.2 Such Eligible Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Depository Escrow Account, to be received on or before 5 pm on July 20, 2015, i.e. Closure of the Tendering Period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Shareholder's DP, the Shareholder can withdraw its dematerialization request and tender the Equity Share certificate(s) in this Offer as per the procedure mentioned in this Draft Letter of Offer.

9.9 Unregistered Eligible Shareholders can also send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, distinctive numbers, folio number, together with the original Equity Share certificates, valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired their Equity Shares, either by hand delivery or by registered post, so that the same are received on or before 5 pm on July 20, 2015, i.e. Closure of the Tendering Period. Valid share transfer deeds, as received from the market, duly executed in favour of the unregistered owner(s) as the proposed transferee(s) along with self-attested copy of PAN card of all the transferees, should be submitted along with the application. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance. An additional valid share transfer deed should be duly signed by the unregistered owner(s) as transferor(s) by the sole/joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer form should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. No indemnity is required from the unregistered Eligible Shareholders. In case the Equity Share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the Equity Share certificate(s) and the transfer deed(s). The Eligible Shareholders should ensure that the Equity Share certificate(s) and above documents reach the designated collection centre on or before 5 pm on July 20, 2015 i.e. Closure of the Tendering Period.

9.10 The Eligible Shareholders should also provide all relevant documents, which are necessary to ensure transfer of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

9.10.1 duly attested death certificate and succession certificate/probate/letter of administration (in case of single Shareholder) if the original Shareholder is no more;

9.10.2 duly attested power of attorney if any person apart from the Shareholder has signed the application form and/or transfer deeds;

9.10.3 in case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;

9.10.4 banker's certificate certifying inward remittances of funds for acquisition of Equity Shares; and

9.10.5 any other relevant documents.

9.11 In case of non-receipt of this Draft Letter of Offer, the eligible persons may send their acceptance to this Offer to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the documents as mentioned above so as to reach the Registrar to the Offer on or before 5 pm on July 20, 2015, i.e. Closure of the Tendering Period, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account, so as to reach the Registrar to the Offer, on or before 5 pm on July 20, 2015, i.e. Closure of the Tendering Period. In case of physical Equity Shares, original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, will also have to be submitted. The Eligible Shareholders who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of the Equity Shares. Eligible Shareholders who have sent their Equity Shares for dematerialization/ re-materialization need to ensure that the process of getting Equity Shares dematerialized/ rematerialized is completed well in time so that the credit in the Depository Escrow Account is received or physical Equity Share certificates are received by the Registrar to the Offer on or before 5 pm on July 20, 2015, i.e. Closure of the Tendering Period, else their application would be rejected.

9.12 NRI and OCB holders of the Equity Shares, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly tendered and accepted in this Offer shall be acquired by a non-resident entity) and submit such approvals along with the Form of acceptance-cum-Acknowledgement and other documents required to accept this Offer.

9.13 Further, if the Eligible Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If, the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and whether on repatriable basis or non repatriable basis. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer and the PAC, as on date, for the Offer.

9.14 In case of delay in receipt of any statutory approvals, which may be required by the Acquirer and/or the PAC at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Eligible Shareholders for delay beyond 10 (ten) Working Days at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all the Eligible Shareholders, the Acquirer will have the option to pay consideration to such Eligible Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

9.15 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Applications in respect of the Equity Shares that are the subject of litigation, wherein the Eligible Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer.

9.16 The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Depository Escrow Account, the Form of Acceptance-cum-Acknowledgement, if any, the transfer form(s) and other documents submitted on behalf of the Eligible Shareholders whose Equity Shares have been validly tendered and accepted in this Offer, till completion of formalities relating to this Offer. In case of Equity Shares tendered in physical form, where the original Equity Share certificates are required to be split, all the documents will be returned only upon receipt of the Equity Share certificates from the Target Company.

9.17 Unaccepted Equity Share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Eligible Shareholders'/unregistered Eligible Shareholders' sole risk to the sole/first Shareholder. The unaccepted Equity Shares held in dematerialized form will be credited back to the same account from which they were tendered. It will be the responsibility of the Eligible Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The Eligible Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the demat account is maintained till the completion of the Offer formalities.

9.18 Payment to those Eligible Shareholders whose Equity Share are validly tendered and accepted, will be by way of a bankers' cheque/demand draft/NEFT/RTGS/ECS/Direct Credit. The Eligible Shareholders who opt for receiving consideration through NEFT/RTGS/ECS/Direct Credit are requested to give the authorization for the same in the Form of Acceptance-cum-Acknowledgement and enclose a photocopy of cheque along with the Form of Acceptance-cum-Acknowledgement. In case of the Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares and/or (ii) the Equity Share certificates for any rejected Equity Shares, will be dispatched to the Eligible Shareholders by registered post/speed post or by ordinary post as the case may be, at the Shareholder's sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.

9.19 For Eligible Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through NEFT/RTGS/ECS/Direct Credit, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered/speed post at the Shareholder's sole risk.

9.20 All bankers' cheques/demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Eligible Shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the bankers' cheque/demand draft.

10 COMPLIANCE WITH TAX REQUIREMENTS:

10.1 **Compliance with tax requirements:**

General

(a) As per the provisions of Section 195(1) / Section 196D of the Income Tax Act, 1961 ("**Income Tax Act**"), as amended by the Finance (No. 2) Act, 2014, any person responsible for paying to a non-resident, other than to an FII (including its sub – account) or an FPI registered under the SEBI (Foreign Portfolio

Investors) Regulations, 2014, as consideration for acquisition of shares, any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable to the Shareholders whose Equity Shares are validly accepted in this Offer would be chargeable to capital gains under Section 45 of the Income Tax Act or as business profits, as the case may be, the Acquirer / PAC are required to deduct taxes at source (including surcharge and education cess) at the applicable rates to such non-resident Shareholders (other than to an FII (including its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014).

(b) In case of delay in receipt of statutory approvals, as provided in paragraph 8 herein, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer and the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond 10 Working Days at such rate, as may be specified by SEBI from time to time.

(c) As per the provisions of Section 194A and 195 of the Income Tax Act, read with the Finance Act, 2015, a body corporate responsible for paying to residents and non-residents (including FIIs (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014) any income by way of interest, is required to deduct tax at source (including, in the case of non-residents, surcharge and education cess as applicable). Since the interest payable to the Shareholders on being directed by SEBI under Regulation 18(11) of the SEBI (SAST) Regulations will be chargeable to income tax, the Acquirer / PAC will be required to deduct tax at source under section 194A or 195 of the Income Tax Act (including, in the case of non-residents, surcharge and education cess as applicable) on such interest income.

(d) In view of provisions of section 206AA of Income Tax Act, resident and non-resident Shareholders (including FIIs (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014) are required to submit their PAN. In case PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer / PAC will arrange to deduct tax at the rate of 20% (twenty per cent) or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act, whichever is higher.

(e) In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer / PAC, it would be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted at the maximum rate, as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, on the entire consideration and interest if any, payable to such Shareholder.

(f) Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

(g) In the case of non – resident shareholders, the rate of deduction of tax and the quantum of amount on which tax rate is to be applied is dependent on several factors. Since the Acquirer / PAC do not have in-house information in respect of various non-resident Shareholders, such Shareholders must specify the details requested in the Form of Acceptance-cum-Acknowledgement, including but not limited to the following information: (i) Residential status of the Public Shareholder; (ii) Category to which the non-resident Public Shareholder belongs i.e., Non Resident Indian, Overseas Corporate Body, Non-domestic company, FII being a company, FII other than a company, FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014 or any other non-resident; (iii) Date of acquisition of Equity Shares (to be supported by evidence); (iv) Cost of acquisition (to be supported by evidence) (v) In case of an individual shareholder, who is either a citizen of India or a person of Indian Origin, who claims to be holding shares for more than twelve months, whether shares were acquired by him / her out of convertible foreign exchange (to be supported by evidence) (vi) Whether any concession in the matter of TDS is claimed based on certificate u/s. 195 / 197 (to be supported by evidence) (vii) Whether any concession in the matter of TDS is claimed under any DTAA (to be supported by evidence).

Further, for the purpose of determining whether the capital gains are short-term or long-term, the Acquirer / PAC shall, if required, cross verify the details provided by the shareholder with the information obtained from the Company.

(h) Any non – resident shareholder claiming benefit under any Double Taxation Avoidance Agreement ("**DTAA**") between India and any other foreign country should furnish 'Tax Residence Certificate' provided to him / it by the income tax authority of such other foreign country of which he / it claims to be a tax resident. In addition, such shareholder will also be required to provide (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any shareholder other than an individual (iii) Tax identification number / unique number by which the shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate'.

(i) In case the non – resident / resident shareholder furnishes certificate from the Income Tax authorities under Section 195 or under section 197 of the Income Tax Act, 1961 tax will be deducted at source in accordance with the certificate.

For all non – resident shareholders except (i) Foreign Institutional Investors ("FII") and (ii) Foreign Protfolio Investors (in respect of the consideration payable under the Open Offer):

(j) In computing the amount of TDS, to be eligible for (a) deduction for cost of acquisition and (b) lower rate of Tax Deduction at Source as applicable to Long Term Capital Gain the shareholder will need to provide following documents:

(1) Document evidencing price at which shares were acquired e.g. broker invoice / contract note

(2) Document evidencing the date on which the shares were acquired e.g. broker invoice / contract note

(3) To be eligible for lower rate of tax deduction, (as envisaged in section 115E of the Income Tax Act, 1961) an individual shareholder, who is either an Indian Citizen or a Person of Indian Origin, document evidencing twin facts namely (i) shares are held for more than twelve months and (ii) shares were acquired by the individual himself / herself using convertible foreign exchange. The document can be in the form of either (a) extract of relevant pages of demat account or (b) bank certificate.

(k) In absence of the above documents, the tax will be deducted at source on the entire consideration payable to the shareholder treating the nature of gain as short-term capital gains or business profits as the case may be. In their absence, no deduction will be made in computing taxable gain and no concessional rate of TDS (as applicable to Long Term Capital Gains) will be applied.

For (i) Foreign Institutional Investors ("FII") and (ii) Foreign Protfolio Investors (FPI) (in respect of the consideration payable under the Open Offer):

(l) In view of the recent change in the definition of 'Capital Asset' provided in section 2 (14) of the Income Tax Act, shares held by all FII (and their sub – account) or FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014 are to be treated as 'Capital Asset'. The Acquirer / PAC will not deduct tax at source on the consideration payable under the open offer since no tax is required to be deducted at source on income by way of 'Capital Gain' arising to an FII (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014 from the transfer of securities as per the provisions of section 196D (2) of the Income Tax Act.

Tax to be deducted in case of resident Shareholders

(m) In absence of any specific provision under the Income Tax Act, the Acquirer / PAC will not deduct tax on the consideration payable to resident Shareholders for acquisition of Equity Shares.

(n) The Acquirer / PAC will deduct the tax at the stipulated rates on interest, if any, payable to resident Shareholders, if the amount of interest payable is in excess of Rs. 5,000.

(o) The resident Shareholder claiming that no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance-cum-Acknowledgement any of the following documents, as may be applicable:

(i) Certificate under Section 197 of the Income Tax Act from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer / PAC

(ii) In the case of resident Shareholder not being a company or firm, a self declaration in Form 15G or Form 15H, as may be applicable. The self declaration in Form 15G or Form 15H would not be valid unless the Shareholder furnishes PAN in such declaration.

(iii) SEBI Registration Certificate as a mutual fund since no tax is to be deducted on interest amount in the case of resident Shareholder being a mutual fund as per Section 10(23D) of the Income Tax Act.

(iv) Documentary evidence in support of the claim that no tax should be deducted at source on interest payable if the shareholder bank or entity are covered by exception provided in Section 194A(3)(iii) of the Income Tax Act.

(v) SEBI Registration Certificate issued as Category I or Category II Alternative Investment Fund if the shareholder claims exemption from tax deduction at source on the basis of any notification that may be issued under section 197A (1F) of the Income Tax Act.

Issue of tax deduction at source certificate

(q) The Acquirer / PAC will issue a certificate in the prescribed form to the Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

Withholding taxes in respect of overseas jurisdictions

(r) Apart from the above, the Acquirer / PAC will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdictions where the non-resident Shareholder is a resident for tax purposes ("**Overseas Tax**").

For this purpose, the non-resident Shareholder shall duly represent in the Form of Acceptance-cum-Acknowledgement, the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident and the Acquirer / PAC will be entitled to rely on this representation at their/its sole discretion.

(s) Shareholders who wish to tender their Equity Shares must submit the following information along with the Form of Acceptance-cum-Acknowledgement:

1. Documents required from non-resident Shareholders (except FII (and its sub – account) / or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014):

   a. Self attested copy of PAN card
   b. Document evidencing price at which shares were acquired e.g. broker invoice / contract note
   c. Document evidencing the date on which the shares were acquired e.g. broker invoice / contract note
   d. An individual shareholder, who is either an Indian Citizen or a Person of Indian Origin, and claiming concessional rate of TDS u/s. 115E, document evidencing twin facts namely (i) shares are held for more than twelve months and (ii) shares were acquired by the individual himself / herself using convertible foreign exchange. The document can be in the form of either (a) extract of relevant pages of demat account or (b) bank certificate.
   e. Certificate u/s. 195 or 197, in case any concession is claimed on that basis
   f. Tax Residence Certificate where the non resident claiming any benefit under a DTAA

   In addition, such shareholder will also be required to provide (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any shareholder other than an individual (iii) Tax identification number / unique number by which the shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate'

2. Documents required from FIIs (and its sub – account) / or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014):

   a. Self Attested copy of PAN Card
   b. Self Attested copy of SEBI Registration Certificate as FII (including sub–account of FII) / or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014)
   c. Certificate u/s. 195 or 197, in case any concession is claimed on that basis(applicable only for the interest payment, if any)
   d. Tax Residence Certificate where the FII (including sub–account of FII) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014) claiming any benefit under a DTAA(applicable only for the interest payment, if any)

   In addition, FIIs (including sub–account of FII) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014) will also be required to provide (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any shareholder other than an individual (iii) Tax identification number / unique number by which the shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate'(applicable only for the interest payment, if any)

3. Documents required from resident Shareholders:

   a. Self attested copy of PAN card
   b. Certificate u/s. 197, in case any concession is claimed on that basis (applicable only for the interest payment, if any)
   c. If applicable, self declaration form in Form 15G Form 15H (in duplicate) (applicable only for interest payment, if any).
   d. SEBI Registration Certificate as a mutual fund (applicable only for the interest payment, if any)
   e. Documentary evidence in support of the claim that no tax should be deducted at source on interest payable if the shareholder bank or entity are covered by exception provided in Section 194A(3)(iii) of the Income Tax Act (applicable only for the interest payment, if any)
   f. SEBI Registration Certificate issued as Category I or Category II Alternative Investment Fund (applicable only for the interest payment, if any)

(t) Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

The Acquirer / PAC will be statutorily required to apply the rates and other provisions related to tax deduction at source as applicable at the time of acceptance of shares under open offer / payment to shareholders.

Taxes once deducted will not be refunded under any circumstances.

11 DOCUMENTS FOR INSPECTION

11.1 The following documents are available for inspection to the Eligible Shareholders at the office of the Manager to the Offer at **ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India**, between 10 am and 5 pm on all Working Days (except Saturdays, Sundays and bank holidays) till July 20, 2015 i.e. the Closure of the Tendering Period:

11.1.1 Certified true copies of the certificates of incorporation and constitution documents of the Acquirer and the PAC;

11.1.2 Certified true copies of the certificates of incorporation, memorandum and articles of association of the Target Company;

11.1.3 Copy of the certificate dated May 20, 2015, issued by K. J. Sheth & Associates, Chartered Accountants having its office at 2nd Floor, Seksaria Chambers, 139, N.M. Road, Fort, Mumbai – 400 001 certifying the adequacy of financial resources of the Acquirer to fulfill the Offer obligations.

11.1.4 Copy of the Report dated April 14, 2015, issued by K. J. Sheth & Associates, Chartered Accountants confirming that this indirect acquisition cannot be deemed as a direct acquisition in accordance with the Regulation 5(2) of the SEBI (SAST) Regulations.

11.1.5 Copy of the Report dated April 14, 2015, issued by K. J. Sheth & Associates, Chartered Accountants confirming offer price is justified in terms of the SEBI (SAST) Regulations.

11.1.6 Copy of the audited Annual reports of the Target Company for the last 3 (three) financial years;

11.1.7 Copy of the letter issued by Escrow Agent confirming the amount kept in the Offer Escrow Account;

11.1.8 Copy of the audited annual reports of the Acquirer and PAC for the last 3 (three) financial years;

11.1.9 Copy of the Transaction Document dated April 14, 2015;

11.1.10 Copy of the PA and DPS;

11.1.11 Copy of the recommendation made by the Target Company's committee of independent directors, as issued under Regulation 26(7) of the SEBI (SAST) Regulations;

11.1.12 Copy of the observation letter from SEBI dated [●] containing its comments on the Draft Letter of Offer;

11.1.13 Copy of the Offer Escrow Agreement.

12 DECLARATION BY THE ACQUIRER AND THE PAC

12.1 The Acquirer, the PAC and their respective directors accept full responsibility for the obligations of the Acquirer and the PAC as laid down in terms of the SEBI (SAST) Regulations and for the information contained in this Draft Letter of Offer except information pertaining to the Target Company.

12.2 The Acquirer and the PAC shall be jointly and severally responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations laid down in the SEBI (SAST) Regulations.

12.3 The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer, unless expressly stated otherwise.

For and on behalf of the Acquirer and PAC

For Kagome Co. Ltd. (Acquirer)	**For Preferred Brands Foods (India) Private Limited (PAC)**
Sd/-	Sd/-
Name: Mr. Naoyuki Terada **Designation:** President	**Name:** Mr. Sohel Shikari **Designation:** Director

Place: Mumbai
Date: May 29, 2015