

**DRAFT LETTER OF OFFER (“DLOF”)**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Draft Letter of Offer is being sent to you as Equity Shareholder(s) of Inanna Fashion and Trends Limited [*Formerly known as Frontline Business Solutions Limited*] (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or the Manager to the Offer (as defined herein below) or the Registrar to the Offer (as defined herein below). In the event you have sold your Equity Shares in the Target Company, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, and the transfer deed to the purchaser of the Equity Shares or the member of the stock exchange through whom the said sale was effected.

**OPEN OFFER BY**

**Mr. Rahul Saraf (“Acquirer”)**

**Address:** 503- A, Jaldarshan Ruia Park, Gandhigram Road, Juhu, Mumbai - 400049

To the Shareholder(s) of

**INANNA FASHION AND TRENDS LIMITED (“Target Company”)**

*(Formerly known as Frontline Business Solutions Limited)*

**Registered Office:** A/9, The Parle Colony Co-Operative Housing Society Limited, Sahakar Road, Vile Parle (East), Mumbai- 400057, India.

**Tel:** 91+ 22- 26838689 **Email:** [admin@frontlinegroup.in](mailto:admin@frontlinegroup.in) **Website:** [www.frontlinegroup.in](http://www.frontlinegroup.in)

**Corporate Identification Number:** L17200MH1994PLC076018

To acquire upto **94,44,260** (Ninety Four Lakhs Forty Four Thousand Two Hundred Sixty Only) Equity Shares of the face value of ₹ 5 each (“**Offer Shares**”), pursuant to allotment of 1,50,00,000 Warrants which will be converted in to equal number of Equity Shares, representing **26%** of the total Voting Share Capital of the Target Company on a fully diluted basis, as of the tenth working day from the closure of the tendering period of the open offer (“**Voting Share Capital**”), from the eligible shareholders of the Target Company for cash at a price of **₹ 8** per equity share (“**Offer Price**”).

**Please Note:**

1. This Offer is being made by the Acquirer pursuant to regulations 3(1) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**Takeover Regulations**”).
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of Takeover Regulations.
3. This Open Offer is not a competing offer in terms of regulation 20 of the Takeover Regulations.
4. **There has been no competing offer as on the date of this Draft Letter of Offer.**
5. To the best of the knowledge of the Acquirer, there are no statutory approvals required for the purpose of this Offer. If any statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such statutory approvals.
6. If there is any upward revision in the Offer Price or the number of Shares sought to be acquired under the Open Offer by the Acquirer, at any time prior to the commencement of the last three working days before the commencement of the tendering period i.e. **Tuesday, March 20, 2018** the same would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement appeared. Such revision in the Open Offer Price would be payable by the Acquirer for all the shares validly tendered anytime during the Tendering Period of the Open Offer.
7. A copy of the Public Announcement, the Detailed Public Statement and Letter of Offer (including Form of Acceptance cum Acknowledgment) are also available on SEBI’s website: [www.sebi.gov.in](http://www.sebi.gov.in).



**SAFFRON CAPITAL ADVISORS PRIVATE LIMITED**

605, Sixth Floor, Centre Point, J .B. Nagar, Andheri (East), Mumbai - 400 059, India;

**Tel. No.:** +91 22 4082 0914/915;

**Fax No.:** +91 22 4082 0999;

**Email id:** [openoffers@saffronadvisor.com](mailto:openoffers@saffronadvisor.com);

**Website:** [www.saffronadvisor.com](http://www.saffronadvisor.com);

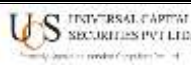
**Investor grievance:**

[investorgrievance@saffronadvisor.com](mailto:investorgrievance@saffronadvisor.com);

**SEBI Registration Number:** INM 000011211;

**Validity:** Permanent

**Contact Person:** Amit Wagle/Shikha Jain



**UNIVERSAL CAPITAL SECURITIES PRIVATE LIMITED**

21/25 Shakil Niwas, Opp Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400093

**Tel. No.:** +91 22 28207203-05 / 28257641;

**Fax No.:** +91 22 28207207;

**E-mail:** [khade@unisec.in](mailto:khade@unisec.in);

**Website:** [www.unisec.in](http://www.unisec.in);

**SEBI Registration Number:** INR000004082

**Validity:** Upto April 17, 2020.

**Contact Person:** Sunil Khade

**SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER**

<b>Activity</b>	<b>Day and Date</b>
Public Announcement (PA)	Tuesday, January 30, 2018
Publication of DPS in the newspapers	Saturday, February 03, 2018
Filing of the draft letter of offer with SEBI	Friday, February 09, 2018
Last date for a competitive bid	Tuesday, February 27, 2018
Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Wednesday, March 07, 2018
Identified Date*	Friday, March 09, 2018
Letter of Offer to be dispatched to shareholders	Friday, March 16, 2018
Last date for revising the Offer price/ number of shares	Tuesday, March 20, 2018
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	Wednesday, March 21, 2018
Date of publication of Offer Opening Public Announcement	Thursday, March 22, 2018
Date of commencement of Tendering Period (Offer Opening Date)	Friday, March 23, 2018
Date of Expiry of Tendering Period (Offer Closing Date )	Monday, April 09, 2018
Last Date for completion of all requirements including payment of consideration	Monday, April 23, 2018

\* *Identified Date is only for the purpose of determining the names of the Shareholders of the Target Company as on such date to whom the Letter of Offer would be sent. It is clarified that all the shareholders holding Equity Shares of the Target Company (registered or unregistered) (except the Acquirer and Promoter group shareholders of the Target Company) are eligible to participate in this Offer any time before the closure of this Offer.*

## **RISK FACTORS**

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### **I. RISK FACTORS RELATING TO THE TRANSACTION**

- The Offer is subject to (i) the compliance of the terms and conditions as set out under the Share Purchase Agreement and (ii) receipt of approvals as more particularly set out in paragraph VII (B) of this Draft Letter of Offer. In accordance with the Share Purchase Agreement, the transaction under the Share Purchase Agreement shall be completed upon the fulfillment of conditions precedent agreed between the Acquirer and the Sellers in the Share Purchase Agreement.
- To the best of the knowledge and belief of the Acquirer there are no other statutory or regulatory approvals required by the Acquirer to complete this Open Offer. However, in case of any statutory or regulatory approvals being required by the Acquirer at a later date, this Open Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. In case of delay in receipt of any such statutory or regulatory approvals, as per Regulation 18(11) of the Takeover 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 to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer agreeing to pay interest to the Public Shareholders for delay beyond 10th Working Day from the date of Closure of Tendering Period, at such rate as may be specified by SEBI. Where the statutory or regulatory approvals extend to some but not all the Public Shareholders, the Acquirer shall have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory or regulatory approvals are required in order to complete this Offer in respect of such Public Shareholders. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 17(9) of the Takeover Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
- In terms of and in accordance with Regulation 23(1) of the Takeover Regulations, if the conditions precedent and other conditions as stated in paragraph VII (B) are not satisfactorily complied with for reasons beyond the control of the Acquirer, the Open Offer would stand withdrawn. The Acquirer reserves the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the Takeover Regulations in the event the requisite statutory approvals that may be necessary at a later date are refused.
- If at a later date, any other statutory or regulatory or other approvals / no objections are required, the Open Offer would become subject to receipt of such other statutory or regulatory or other approvals / no objections.

### **II. RISKS RELATING TO THE OFFER**

- This Open Offer is an offer to acquire not more than 26% of the Voting Share Capital of the Target Company from the Eligible Shareholders. In the case of Equity Shares tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Eligible Shareholders in the Open Offer will be accepted.
- In the event that either: (a) regulatory or statutory approvals are not received in time, (b) there is any litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirer from performing his obligations hereunder, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares not accepted under the Offer by the Acquirer may get delayed. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the Takeover Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer agreeing to pay interest to the validly tendering Shareholders.
- The Equity Shares tendered in the Offer and documents will be held in the special account of the Clearing Corporation till the process of acceptance of tenders and the payment of consideration is completed. The Shareholders will not be able to trade in such Equity Shares

during such period. During such period, there may be fluctuations in the market price of the Equity Shares. The Acquirer makes no assurance with respect to the market price of the Equity Shares both during the period that the Offer is open and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

- The Acquirer and the Manager to the Offer accept no responsibility for the statements made otherwise than in this Draft Letter of Offer / Detailed Public Statement / Public Announcement and anyone placing reliance on any other source of information (not released by the Acquirer, or the Manager to the Offer) would be doing so at his/her/their own risk.
- Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the tendering period even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.
- 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 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.
- The 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 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.
- This Offer is subject to completion risks as would be applicable to similar transactions.

### **III. Risks relating to Acquirer and the Target Company**

- Acquirer makes no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
- The Acquirer cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and the Acquirer expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

*The risk factors set forth above are limited to the Offer and not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer, but are only indicative and are not exhaustive. The risk factors do not relate to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation in the Offer by a Shareholder. The Shareholders are advised to consult their stockbroker, or tax advisor or investment consultant, if any, for further risks with respect to their participation in the Offer.*

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## I. KEY DEFINITIONS

<b>Acquirer</b>	Mr. Rahul Saraf residing at 503- A, Jaldarshan Ruia Park, Gandhigram Road, Juhu, Mumbai - 400049.
<b>Agreement/Share Purchase Agreement/ SPA</b>	Share Purchase Agreement dated January 30, 2018 entered into between the Acquirer and the Sellers.
<b>Board of Directors</b>	Board of directors of the Target company
<b>BSE</b>	BSE Limited
<b>CDSL</b>	Central Depository Services (India) Limited
<b>Companies Act</b>	The Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) as amended, substituted or replaced from time to time.
<b>Depositories</b>	CDSL and NSDL
<b>Detailed Public Statement/ DPS</b>	Detailed Public Statement dated February 02, 2018 issued by the Manager to the Offer, on behalf of the Acquirer, in relation to the Offer and published in all editions of Financial Express (English), Janasatta (Hindi) and Mumbai Lakshadeep (Marathi) on February 03, 2018 in accordance with the regulations 3(1) and 4 read with Regulations 13(4), 14 and 15(2) and other applicable regulations of the Takeover Regulations.
<b>DP</b>	Depository participant
<b>Equity Share(s)/ Share(s)</b>	The fully paid up equity share(s) of the Target Company having a face value of ₹ 5 (Rupees Five) per equity share
<b>Equity Share Capital</b>	The Issued, Subscribed and Paid Up Equity Share Capital of the Target Company is ₹ 10,66,20,390 comprising of 2,13,24,078 Equity Shares of face value ₹ 5 each.
<b>Escrow Agreement</b>	Escrow Agreement entered between the Acquirer, Escrow Agent and Manager to the Offer
<b>Escrow Bank / Escrow Agent</b>	YES BANK LIMITED
<b>FEMA</b>	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
<b>FII(s)</b>	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act, which includes sub-accounts of FIIs and if any Foreign Institutional Investor(s) have been reorganized as Foreign Portfolio Investors, such Foreign Portfolio Investors
<b>FIPB</b>	Foreign Investment Promotion Board
<b>Form of Acceptance-cum-Acknowledgment</b>	Form of Acceptance-cum-Acknowledgement attached to this Draft Letter of Offer
<b>Identified Date</b>	Friday, March 09, 2018 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 Public Shareholders to whom the Letter of Offer shall be sent
<b>Letter of Offer/ LOF</b>	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement
<b>LODR Regulations</b>	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
<b>Manager to the Offer</b>	Saffron Capital Advisors Private Limited
<b>NECS</b>	National Electronic Clearing System
<b>NEFT</b>	National Electronic Funds Transfer
<b>NRI</b>	Non-Resident Indian as defined in Foreign Exchange Management (Deposit) Regulations, 2000, as amended
<b>NSDL</b>	National Securities Depository Limited
<b>OCB</b>	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000

<b>Offer/Open Offer</b>	The Offer being made by the Acquirer for acquiring upto <b>94,44,260</b> (Ninety Four Lakhs Forty Four Thousand Two Hundred Sixty Only) Equity Shares , Pursuant to the allotment of warrants which will be converted into equal number of equity shares, representing 26% of the Voting Share Capital, from the Public Shareholders at the Offer Price payable in cash.
<b>Offer Consideration</b>	The maximum consideration payable under this Offer, assuming full acceptance, is ₹ <b>7,55,54,080</b> (Rupees Seven Crores Fifty Five Lacs Fifty Four Thousand and Eighty Only)
<b>Offer Period</b>	Period commencing from March 23, 2018 till the date on which the payment of consideration to the Public Shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be.
<b>Offer Price</b>	₹ 8 (Rupees Eight Only) per Equity Share
<b>Offer Size</b>	Up to <b>94,44,260</b> (Rupees Ninety Four Lakhs Forty Four Thousand Two Hundred Sixty Only) Equity Shares representing 26% of the Voting Share Capital of the Target Company.
<b>Public Announcement/PA</b>	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirer on January 30, 2018 in accordance with Takeover Regulations
<b>RBI</b>	Reserve Bank of India
<b>Registrar to the Offer</b>	Universal Capital Securities Private Limited
<b>Sale Shares</b>	<b>34,37,798</b> fully paid up Equity Shares, representing <b>9.48%</b> of the Voting Share Capital, proposed to be acquired by the Acquirer from the Sellers pursuant to the SPA
<b>SCRR</b>	Securities Contract (Regulations) Rules, 1957, as amended
<b>SEBI</b>	Securities and Exchange Board of India
<b>SEBI Act</b>	SEBI Act, 1992, as amended
<b>Stock Exchange</b>	BSE Limited
<b>Sellers</b>	Collectively, Seller 1 to Seller 4
<b>Seller 1</b>	Manju Natwar Sureka holding 1,60,000 equity shares representing 0.75% of the Total Paid Up Capital (Pre preferential capital allotment) of the Target Company.
<b>Seller 2</b>	Natwar Sureka holding 6,47,020 equity shares representing 3.03% of the Total Paid Up Capital (Pre preferential capital allotment) of the Target Company.
<b>Seller 3</b>	Tushar Sureka holding 3,57,400 equity shares representing 1.68% of the Total Paid Up Capital (Pre preferential capital allotment) of the Target Company.
<b>Seller 4</b>	Apogee Business Solutions Private Limited holding 22,73,378 equity shares representing 10.66% of the Total Paid Up Capital (Pre preferential capital allotment) of the Target Company.
<b>Target Company</b>	Inanna Fashion and Trends Limited ( <i>Formerly Known as Frontline Business Solutions Limited</i> ) having its registered office at A/9, The Parle Colony Co-Operative Housing Society Limited, Sahakar Road, Vile Parle (East), Mumbai- 400057, India.
<b>Tendering Period</b>	Friday, March 23, 2018 to Monday, April 09, 2018
<b>Voting Share Capital</b>	The Issued, Subscribed and Paid Up Equity Share Capital of the Target Company is ₹ 18,16,20,390 comprising of 3,63,24,078 Equity Shares of face value ₹ 5 each.
<b>Working Day</b>	Working days of SEBI

## **II. 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 THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF INANNA FASHION AND TRENDS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES HIS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 8, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”**



### III. DETAILS OF THE OFFER

#### A) Background of the Offer

1. This mandatory offer (the “Offer” or “Open Offer”) is being made by the Acquirer in compliance with Regulations 3(1) and 4 of and other applicable provisions of the Takeover Regulations, to acquire 26% of the voting rights accompanied with management control of the Target Company.
2. Acquirer has entered into a Share Purchase Agreement dated January 30, 2018 (“SPA”) with the existing Promoters of the Target Company having its registered office at A/9, The Parle Colony Co-Operative Housing Society Limited, Sahakar Road, Vile Parle (East), Mumbai- 400057, India, comprising Mrs. Manju Natwar Sureka, Mr. Natwar Sureka, Mr. Tushar Sureka, and Apogee Business Solutions Private Limited (“Sellers”), for the acquisition of 34,37,798 equity shares (“Sale Shares”) of face value ₹ 5/- each representing 9.46% of the Voting Share Capital of the Target Company for cash at a price of ₹ 2/- (Rupees Two Only) per Sale Share aggregating to ₹ 68,75,596/- (Rupees Sixty Eight Lacs Seventy Five Thousand Five Hundred and Ninety Six Only) payable in cash (“Transaction”).
3. A summary of some of the salient features of the SPA which are all subject to detailed terms in the SPA, is as follows:
  - a) The Acquirer intends to buy from the Sellers and the Sellers intends to sell to the Acquirer 34,37,798 (Thirty Four Lacs Thirty Seven Thousand Seven Hundred and Ninety Eight Only) fully paid-up Equity Shares constituting 9.46% of the total Voting Share Capital of the Target Company for an aggregate sale consideration of ₹ 68,75,596/- (Rupees Sixty Eight Lacs Seventy Five Thousand Five Hundred and Ninety Six only) (“SPA Consideration”) through an off market transaction;
  - b) The Acquirer shall pay the SPA Consideration to the Sellers by Cheque or in such other manner as may be specified by the Sellers;
  - c) Consummation of SPA shall be subject to conditions mentioned in Article 2.5 of the SPA;
  - d) The Sale Shares shall be free and clear of all liens to the Acquirer;
4. The Board of Directors of the Target Company in their meeting held on January 30, 2018 have subject to receipt of shareholders approvals and other applicable approvals, resolved to allot 1,50,00,000 warrants which will be convertible into equal number of Equity shares on preferential basis to the Acquirer in terms of Section 62 and other applicable provisions of the Companies Act, 2013 and in terms of SEBI (ICDR) Regulations 2009. Pursuant to SPA and Preferential allotment the Acquirer shall hold 34,37,798 equity shares and 1,50,00,000 warrants representing 9.46% and 41.29% respectively of the Voting Share capital of the Target Company post Preferential Allotment.
5. The pre and post Preferential Allotment capital of the Target Company would be as follows:

Particulars	No of Equity Shares	Nominal Value (₹)
Pre Preferential Allotment	2,13,24,078	10,66,20,390
Proposed Preferential Allotment	1,50,00,000	7,50,00,000
Post Preferential Allotment	3,63,24,078	18,16,20,390
6. The Acquirer hereby make this Offer to shareholders of the Target Company (other than Acquirer and Promoter and Promoter Group members) to acquire Offer Shares, representing in aggregate 26% of the Voting Share Capital of the Target Company at a price of ₹ 8/- (Rupees Eight only) per fully paid up equity share (“Offer Price”) payable in cash subject to the terms and conditions mentioned in the PA and in the letter of offer that will be circulated to the shareholders in accordance with the Takeover Regulations (“Letter of Offer”).
7. The object of the acquisition is substantial acquisition of Shares/voting Rights accompanied by takeover of control over the Management of the Target Company.
8. The Offer Price is payable in cash, in accordance with Regulation 9 (1) of the Takeover Regulations.
9. This Offer is not made pursuant to any indirect acquisition, arrangement or agreement and is not a conditional offer.
10. This Offer is not a result of a global acquisition or an open market purchase.

11. The Acquirer confirms that he is not prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.
12. The Sellers shall cease to be the Promoters of Target Company and relinquish the management control of the Target Company in favor of the Acquirer. The Acquirer will acquire control of the Target Company, and shall be classified as promoter subject to the approval of the shareholders of the Company in accordance with the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“**SEBI LODR Regulations**”). The reclassification shall also be subject to the compliance of the conditions specified in Regulation 31A of the SEBI LODR Regulations
13. The Committee of Independent Directors on the Board of the Target Company, will come out with their recommendations for the Offer and the same shall be published in the newspapers where the Detailed Public Statement appeared latest by Friday, March 23, 2018.

**B) Details of the proposed Offer:**

1. The Public Announcement announcing the Open offer, under Regulation 3(1) and Regulation 4 was made on January 30, 2018 to BSE and a copy thereof was also filed with SEBI and sent to the Target Company at its registered office
2. The Acquirer has published the DPS on Saturday, February 03, 2018 which appeared in the following newspapers:-

<i>Sr. no.</i>	<i>Newspapers</i>	<i>Language</i>	<i>Editions</i>
1	Financial Express	English	Nation wide
2	Jansatta	Hindi	Nation wide
3	Mumbai Lakshadeep	Marathi	Regional

A copy of the DPS is also available on the SEBI's website: [www.sebi.gov.in](http://www.sebi.gov.in)

3. On January 30, 2018, the Acquirer entered into Share Purchase Agreement (“SPA”) with the Sellers for purchase of up to 34,37,798 Equity Shares representing 9.46% of the Voting Share Capital (“Sale Shares”) at a price of ₹ 2/- (Rupees Two Only) per equity share payable in cash (the purchase of the Sale Shares under the SPA is referred to as the “Transaction”).
4. The Acquirer is making this Offer to acquire upto **94,44,260** Equity Shares, pursuant to the allotment of warrants which will be converted in to equal number of equity shares representing 26% of the fully paid up Voting Share Capital of the Target Company, as of the tenth (10th) working day from the closure of the tendering period, at the Offer Price of ₹ 8, (Rupees Eight only) per Equity Share, to be paid in cash, in accordance with the Takeover Regulations and subject to the terms and conditions set out in the Draft Letter of Offer.
5. Upon completion of Transaction under the SPA and relinquishment of control by the Promoter and Promoter Group of the Target Company, the Acquirer will acquire control of the Target Company and shall be classified as a promoter subject to the approval of the shareholders of the Company by way of a special resolution in accordance with the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”).
6. The Offer is being made to all the Public Shareholders of the Target Company (other than the Promoter and Promoter Group Members and the Acquirer). All Equity Shares validly tendered in the Open Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this Draft Letter of Offer. The Equity Shares to be acquired under the Offer must be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
7. There are no partly paid-up Equity Shares in the Target Company.
8. The Offer is not a competing offer in terms of Regulation 20 of the Takeover Regulations.
9. The Manager to the Offer does not hold any Equity Shares as on the date of this Draft Letter of Offer. The Manager to the Offer further declares and undertakes that it will not deal on its own account in the Equity Shares of the Target Company during the Offer Period.
10. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the Takeover Regulations.
11. As on the date of this Draft Letter of Offer, the Acquirer does not hold any Equity Shares in the Target Company
12. The Acquirer confirms that he has not acquired any Equity Shares of Target Company after the date of PA i.e. January 30, 2018, and up to the date of this Draft Letter of Offer.
13. In the event that the Shares tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, the acquisition of Shares from the Eligible Shareholders will be on a proportionate basis, as detailed in paragraph VIII of this Draft Letter of Offer.
14. There are no Persons Acting in Concert with the Acquirer in the Open Offer.

#### **IV. OBJECT OF THE ACQUISITION/ OFFER**

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1. At present, the Acquirer does not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business. The Acquirer may continue to support the existing business of the Target Company. However, in case the Acquirer intends to build new business it shall be subject to the prior approval of the Shareholders
2. The Acquirer does not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25 (2) of Takeover Regulations.
3. The object of acquisition is to acquire substantial shares/voting rights accompanied with change in management and control of the Target Company.

#### 4. BACKGROUND OF THE ACQUIRER

##### A. MR. RAHUL SARAF (“Acquirer ”)

- (a) Acquirer, aged 33 years, S/o Mr. Rajendra Prasad Saraf, is residing at 503- A, Jaldarshan Ruia Park, Gandhigram Road, Juhu, Mumbai - 400049 ; Email:. rahul@maxgrowgroup.com
- (b) Acquirer holds a Bachelor’s Degree in Commerce from University of Pune.
- (c) Acquirer is holding a Permanent Account Number- AXWPS8240B.
- (d) Acquirer is the founder of Maxgrow Group which is involved in various business activities like Agri Commodities, Edible Oils, Ferrous & Non Ferrous Metals and Alkalies & Fatty Acids. (Source: www.maxgrowgroup.com)
- (e) The details of the ventures promoted/controlled/managed by the Acquirer in India are as given hereunder:

Sr. No.	Name of the Entities	Country of incorporation	Nature of Interest
1	Maxgrow Overseas Limited	India	Wholetime Director
2	Maxgrow Industries Limited	India	Director
3	Maxgrow Agri Commodities Limited	India	Director
4	Vistavally Developers LLP	India	Nominee-Body Corp Partner

- (f) Acquirer has confirmed that he is not categorized as a “willful defaulter” in terms of regulation 2(1)(ze) of the Takeover Regulations.
- (g) The Networth of Acquirer as on January 16, 2018 is ₹ 40,71,61,000 (Rupees Forty Crores Seventy One Lacs Sixty One Thousand Only) and the same is certified by Mr. B N Kedia, Partner, M/s B N Kedia & Co. Chartered Accountants (Membership No. 052579; FRN No. 001652N) having office at 623, Midas, Sahar Plaza, Andheri Kurla Road, Near J B Nagar Metro Station, Andheri East, Mumbai- 400 059; Email Id: kediaskk@gmail.com, vide certificate dated January 17, 2018.
- (h) Acquirer confirms that he has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (the “SEBI Act”) or under any other Regulation made under the SEBI Act.
- (i) Acquirer undertakes not to sell the equity shares of the Target Company held by him during the “Offer Period” in terms of Regulation 25(4) of the Takeover Regulations.
- (j) Acquirer confirms that there are no pending litigations pertaining to securities market where he is made party to.
- (k) Acquirer confirms that he is not related to the Promoters, Directors or key employees of the Target Company in any manner.
- (l) Acquirer does not hold any Equity Shares of the Target Company as on the date of this DPS. Therefore the provisions of chapter V of the Takeover Regulations and provisions of chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto are not applicable as far as the holding of the Acquirer is concerned.
- (m) There are no PACs along with the Acquirer in this Offer.

## 5. BACKGROUND OF THE TARGET COMPANY

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

1. The Target Company was incorporated on January 12, 1994 under the Companies Act 1956 as Apeego Private Limited. It was converted to public company and its name was changed to Apeego Limited. A fresh Certificate of Incorporation pursuant to such conversion was issued on February 11, 1994. The name of the company was changed to Frontline Business Solutions Limited on August 01, 2008. Thereafter the name of the company was further changed to Inanna Fashion and Trends Limited on January 12, 2015. An application dated January 30, 2015 was made to BSE pursuant to change in the name of the Target Company. The same is still pending.
2. The registered office of the Target Company is situated at A/9, The Parle Colony Co-Operative Housing Society Limited, Sahakar Road, Vile Parle (East), Mumbai- 400057, India, **Email:** [admin@frontlinegroup.in](mailto:admin@frontlinegroup.in), **Website:** [www.frontlinegroup.in](http://www.frontlinegroup.in).
3. Company Identification Number of the Target Company is L17200MH1994PLC076018. (Source: [www.mca.gov.in](http://www.mca.gov.in))
4. The main object of the Target Company as per its Memorandum of Association inter-alia includes:-
  - i. To carry on the business of providing solutions and services globally in the fields of human resources, advertising, marketing, sales, investment, management consultancy, corporate finance, manpower planning, recruitment and training, e-business solutions, software development, e-commerce, information technology products and services, web-site design & development, mailing solutions, quality control, data processing, Banking, insurance, communications, media & Entertainment, amalgamations, mergers, acquisitions, takeovers, corporate planning & restructuring, capital market, merchant banking, KPO & BPO solutions, Call Centre, back office process, head-hunting & leasing and to provide professional solutions in the areas of investment planning, tax planning, estate planning, loan syndication, revival scheme, management information system, shares, securities, Portfolio Management Services to global customers and to assist foreign companies to set up their business in India.
  - ii. To carry on the business of manufacturers, importers and exporters, whole sale and retail dealers of and in men's, women's and children clothing and wearing apparel of every kind, nature and description including shirts, bush – shirts, pyjama suits, vests, underwears, suits, foundation garments for ladies dresses, brassiers, maternity belts, knee caps, coats, panties, nighties and so on and to carry on the business of manufacturers, importers and exporters, whole sale and retail dealers of and in hosiery goods of every kind, nature and description for men, women, and children including vest, underwears, socks, stockings, sweaters, laces and so on and of all or anything which is used in hosiery goods.
  - iii. To carry on the business of manufacturers, processors, producers, purchasers, sellers, blenders, makers, researchers and dealers in cosmetics, perfumes, scents, sprays, nail polish, fragrances, powders, lavenders, tooth pastes, tooth powder, hair oils, herbals, creams, pomades, ayurvedic and intermediates and their raw materials.
5. The Authorized Share Capital of the Target Company is ₹ 12,50,50,000 comprising of 2,50,10,000 Equity Shares of face value ₹ 5 each. The Issued, Subscribed and paid up Share Capital of the Target Company is ₹ 10,66,20,390 comprising of 2,13,24,078 Equity Shares of face value ₹ 5 each. (Source: [www.mca.gov.in](http://www.mca.gov.in)).
6. The Board of Directors of the Target Company in their meeting held on January 30, 2018 have subject to receipt of shareholders approvals ,other applicable provisions of the Companies Act, 2013 and in terms of SEBI (ICDR) Regulations 2009 and other applicable approvals, resolved to allot 1,50,00,000 Warrants of face value ₹ 5 to the Acquirer, convertible in to equal number of Equity Shares on preferential basis constituting 41.29% of the Voting Share Capital of the Target Company to the Acquirer. Pursuant to the approval of shareholders of the Target Company, the paid up capital of the Target Company shall be ₹ 18, 16, 20, 390 comprising of 3,63,24,078 Equity shares of face value ₹ 5 each.
7. There are no outstanding partly paid up shares of the Target Company.

8. The Equity Shares of the Target Company are currently listed only on BSE (Scrip Code: 521167) (Source: [www.bseindia.com](http://www.bseindia.com))
9. In 2010, a Scheme of Arrangement (“**Scheme**”) under Section 391 to Section 394 of the Companies Act, 1956 read with section 78 and section 100 of the Companies Act, 1956 read with relevant rules, between Frontline Business Solutions Limited and its shareholders was sanctioned by Hon’ble High Court of Bombay vide order dated June 25, 2010. The synopsis of the Scheme is as under:
- The Target Company’s paid up equity capital was reduced by from ₹ 12,01,00,000 consisting of 1,20,10,000 Equity Shares of face value ₹ 10 each to ₹ 1,20,10,000 consisting of 12,01,000 Equity Shares of face value ₹ 10 each.
  - Target Company’s accumulated losses were set off against the amount resulting from the reduction in paid up equity capital, Capital Reserve and Security Premium of the Target Company
10. On January 8, 2013, the consent of shareholders of the Target Company was obtained for conversion/subdivision of each equity share of the face value of ₹10/- each fully paid up in the capital of the Company into two fully paid up equity shares of ₹5/- each.
11. The trading in Equity Shares of the Target Company was suspended on BSE with the effect from March 31, 2016 for surveillance measure. The suspension was revoked by BSE with effect from March 01, 2017 vide notice dated February 23, 2017.
12. The Equity Shares of the Target Company are frequently traded on BSE within the meaning of explanation provided in Regulation 2(j) of the Takeover Regulations. (Source: [www.bseindia.com](http://www.bseindia.com)).
13. There have been certain delayed compliances in relation to the applicable provisions of Chapter II of SAST Regulations, 1997 and Chapter V of the SAST Regulations, 2011 by the Promoter and Promoter Group of the Target Company. SEBI may take appropriate action against the Promoter and Promoter Group for these delayed compliances.
14. Pursuant to regulation 12 of the Takeover Code, 1997 and after obtaining shareholders approval through postal ballot, Mr. Natwar Sureka obtained management control of the Target Company and was classified as new Promoter of the Target Company. The Target Company is currently promoter by Mr. Natwar Sureka, Mrs. Manju Natwar Sureka, Mr. Tushar Surekha and Apogee Business Solutions Private Limited.
15. The capital structure of the Target Company as of the date of this Draft Letter of Offer is:

<i>Issued and Paid-up Equity Share Capital</i>	<i>Pre- Offer</i>		<i>§ Post- Offer</i>	
	<i>Number of Equity Shares (Face Value - ₹ 5/-)/Voting Rights</i>	<i>Percentage of Equity Shares/Voting Rights</i>	<i>Number of Equity Shares (Face Value - ₹ 5/-)/Voting Rights</i>	<i>Percentage of Equity Shares/Voting Rights</i>
Fully paid-up equity shares	2,13,24,078	100	3,63,24,078	100
Partly paid-up equity shares	NIL	NIL	NIL	NIL
Total paid-up equity shares	2,13,24,078	100	3,63,24,078	100
Total Voting Rights in Target Company	2,13,24,078	100	3,63,24,078	100

*§ The Board of Directors of the Target Company in their meeting held on January 30, 2018 have subject to receipt of shareholders approvals and other applicable approvals, resolved to allot 1,50,00,000 warrants of face value ₹5 each on preferential basis constituting 41.29% of the Voting Share Capital of the Target Company to the Acquirer. Pursuant to the approval of shareholders of the Target Company, the paid up capital of the Target Company shall increase to ₹ 18, 16, 20, 390 ₹comprising of 3,63,24,078 Equity shares of face value ₹ 5 each.*

16. As on the date of this Draft Letter of Offer, the composition of the Board of Directors of the Target Company is as follows:

<i>Sr. No.</i>	<i>Name, PAN and Address</i>	<i>Designation</i>	<i>DIN</i>	<i>Date of Appointment</i>
1.	Natwar Sureka PAN: AAGPS3739J Address: 85, Bhaweshwar Terrace, R.No. 6, 2 <sup>nd</sup> floor, Worli, Mumbai- 400018, India	Managing Director	01296522	April 06, 2008
2.	Manju Sureka PAN: AJNPS9191A Address: 85, Bhaweshwar Terrace, R.No. 6, 2 <sup>nd</sup> floor, Worli, Mumbai- 400018, India	Director	01362461	April 06, 2008
3.	Sandeep Mhaske PAN: ALJPM1802G Address: 109, Rajendrakumar Maniklal Compound, Khokra, FSX 1/2, T.J. Road, Shivadi Mumbai- 400015, India.	Independent Director	03000052	April 10, 2017
4.	Brijkishore Ruia PAN: AAHPR3144B Address: 75, Juhu Lane, Andheri (West), Mumbai- 400058, India.	Independent Director	00309420	April 12, 2011

(Source: [www.mca.gov.in](http://www.mca.gov.in))

17. None of the members on the Board of Directors of the Target Company represent the Acquirer.
18. No merger / demerger / spin off have taken place in the Target Company during the last three years.
19. Brief financial details of the Target Company, as obtained from its audited standalone financial statements as at and for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 and the unaudited standalone financials for the six month period ended September 30, 2017 are as follows:

(in Lakhs)

<b>Profit &amp; Loss Statement</b>	<b>Unaudited Financials for Six Months Ended on September 30, 2017</b>	<b>Audited Financials for the year ended March 31, 2017</b>	<b>Audited Financials for the year ended March 31, 2016</b>	<b>Audited Financials for the year ended March 31, 2015</b>
Total Income	97.42	213.90	908.21	1,780.14
Total Expenditure	101.30	342.28	935.99	1,732.85
Profit Before Depreciation Interest and Tax	(3.88)	(128.38)	(27.78)	47.29
Depreciation	1.32	1.97	1.98	7.14
Interest	-	-	-	-
Profit / (Loss) before Exceptional items and Tax	(5.20)	(130.35)	(29.76)	40.14



<b>Profit &amp; Loss Statement</b>	<b>Unaudited Financials for Six Months Ended on September 30, 2017</b>	<b>Audited Financials for the year ended March 31, 2017</b>	<b>Audited Financials for the year ended March 31, 2016</b>	<b>Audited Financials for the year ended March 31, 2015</b>
Exceptional Items	-	-	-	-
Profit Before Tax	(5.20)	(130.35)	(29.76)	40.14
Provision for Tax	-	0.20	0.08	6.32
Profit After Tax	(5.20)	(130.15)	(29.67)	33.82
<b>Balance Sheet Statement</b>	<b>Unaudited Financials for Six Months Ended on September 30, 2017</b>	<b>Audited Financials for the year ended March 31, 2017</b>	<b>Audited Financials for the year ended March 31, 2016</b>	<b>Audited Financials for the year ended March 31, 2015</b>
Paid up share capital	1,066.20	1,066.20	1,066.20	1,066.20
Reserves and Surplus	115.05	120.25	250.41	280.08
Networth	1,181.25	1,186.46	1,316.61	1,346.28
Long Term Borrowings	63.17	72.67	59.28	53.88
Deffered Tax Liabilities	-	-	-	0.00
Trade Payables	200.12	103.38	119.34	315.91
Other Current Liabilities	0.81	79.77	78.02	33.39
Total Liabilities	1,445.36	1,442.28	1,573.25	1,749.46
Net fixed assets	6.01	7.32	9.30	11.39
Non-current investments	556.60	587.22	556.60	556.60
Long Term Loans & Advances	519.20	516.19	593.99	656.83
Deferred Tax Asset	0.28	0.28	0.08	-
Trade Receivables	140.93	39.85	94.91	263.57
Cash and Bank Balances	2.92	12.83	147.72	258.74
Short Term Loans and Advances	219.42	278.59	170.60	1.59
Other current assets	-	-	0.06	0.74
Total Assets	1,445.36	1,442.28	1,573.25	1,749.46
<b>Other Financial Data</b>	<b>Unaudited Financials for Six Months Ended on September 30, 2017</b>	<b>Audited Financials for the year ended March 31, 2017</b>	<b>Audited Financials for the year ended March 31, 2016</b>	<b>Audited Financials for the year ended March 31, 2015</b>
Earnings Per Share (Rs.)	(0.02)	(0.61)	(0.14)	0.16
Return on Net worth (%)*	(0.44%)	(9.89%)	(2.20%)	2.56%
Book Value per share (Rs.)	5.54	5.56	6.17	6.31

(\*On the basis of Opening Networth)

20. Pre and Post Offer Shareholding Pattern of the Target Company as on date of this Draft Letter of Offer is and shall be as follows:

Shareholders' Category	Shareholding & voting rights prior to the acquisition and Open Offer		Equity Shares/Warrants voting rights agreed to be acquired which has triggered the Regulations		Equity Shares/voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after and Open Offer (Assuming full acceptances)	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter/promoter group								
a. Parties to agreement, if any	34,37,798	16.12	34,37,798	9.46% <b>Note 1</b>	-	-	-	-
b. Promoters than (a) above	-	-	-	-	-	-	-	-
<b>Total (1)</b>	<b>34,37,798</b>	<b>16.12</b>	<b>34,37,798</b>	<b>9.46</b>	-	-	-	-
(2) Acquirer	-	-	1,50,00,000 <b>Note 3</b>	41.29	94,44,260	26	2,78,82,058	<b>76.76</b>
(3) Parties to Agreements other than (1) & (2)	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, Acquirer)	1,78,86,280	83.88	-	-	-	-	<b>84,42,020</b>	<b>23.24</b>
<b>Total (4)</b>	<b>1,78,86,280</b>	<b>83.88</b>	-	-	-	-	<b>84,42,020</b>	<b>23.24</b>
<b>Grand Total (1+2+3+4)</b>	<b>2,13,24,078</b>	<b>100</b>	<b>1,84,37,798</b>	<b>50.76</b>	<b>94,44,260</b>	<b>26</b>	<b>3,63,24,078</b> <b>Note 2</b>	<b>100</b>

Note 1: on Voting Share Capital- Post Preferential Allotment

Note 2: on Voting Share Capital- Post Preferential Allotment, assuming full conversion

Note 3: (The Board of Directors of the Target Company in their meeting held on January 30, 2017 have subject to receipt of shareholders approvals and other applicable approvals, resolved to allot 1,50,00,000 warrants on preferential basis to the Acquirer in terms of Section 62 and other applicable provisions of the Companies Act, 2013 and in terms of SEBI (ICDR) Regulations 2009).

Note 4: Promoter and Promoter Group shareholding will be classified as part of Public after approval of shareholders and subject to the conditions specified in Regulation 31A of the SEBI (LODR) Regulations, 2015

## 21. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### A) JUSTIFICATION FOR THE OFFER PRICE

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

<i>Stock Exchange</i>	<i>Total no. of equity shares traded during the twelve calendar months prior to the month of PA</i>	<i>Total no. of listed equity shares</i>	<i>Annualized trading turnover (as % of shares listed)</i>
BSE	19047395	2,13,24,078	<b>89.32</b>

(Source: [www.bseindia.com](http://www.bseindia.com))

- Based on the information provided in point above, the Equity Shares of the Target Company are **frequently traded** on the BSE within the meaning of explanation provided in regulation 2(1)(j) of the Takeover Regulations.
- The Offer Price of ₹ 8 (Rupees Eight only) is justified in terms of regulation 8 of the Takeover Regulations, **being the highest of the following:**

a)	Highest negotiated price per share for acquisition under the SPA;	₹ 2
b)	The volume-weighted average price paid or payable for acquisition(s), whether by the Acquirer or by any person(s) acting in concert, during the fifty two weeks immediately preceding the date of public announcement;	Not Applicable
c)	The highest price paid or payable for any acquisition, whether by the Acquirer or by any person(s) acting in concert, during the twenty six weeks immediately preceding the date of the Public Announcement	Not Applicable
d)	The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period	<sup>^</sup> <b>Rs. 7.29</b>

<sup>^</sup> ( Source: [www.bseindia.com](http://www.bseindia.com))

The Open Offer is being made at a price of ₹ 8 which is higher of the Fair Market Valuation arrived and the negotiated price, hence, justified.

- In view of the above parameters considered and in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 8 per equity share is justified in terms of regulation 8 of the Takeover Regulations.
- The price and volume data of the Equity Shares on BSE for a period of 60 trading days immediately preceding the date of the PA, as per Regulation 8(2) of the Regulations, is set forth below:

<i>Sr No.</i>	<i>Date</i>	<i>Weighted Average Price (WAP)-{A}</i>	<i>No .of Shares Traded-{B}</i>	<i>Product-{C}={A}*{B}</i>
1	02 November 2017	6.9	29195	201445.50
2	03 November 2017	6.44	232503	1497319.32
3	06 November 2017	6.03	405	2442.15
4	07 November 2017	6.48	157	1017.36
5	08 November 2017	6.76	638968	4319423.68

<b>Sr No.</b>	<b>Date</b>	<b>Weighted Average Price (WAP)-{A}</b>	<b>No .of Shares Traded-{B}</b>	<b>Product-{C}={A}*{B}</b>
6	09 November 2017	6.59	1635	10774.65
7	10 November 2017	6.88	12472	85807.36
8	13 November 2017	6.72	2828	19004.16
9	14 November 2017	6.84	19	129.96
10	15 November 2017	6.18	2295	14183.10
11	16 November 2017	6.37	2252	14345.24
12	17 November 2017	6.34	7271	46098.14
13	20 November 2017	6.26	21802	136480.52
14	21 November 2017	6.45	12915	83301.75
15	22 November 2017	6.5	360247	2341605.50
16	23 November 2017	6.5	3562	23153.00
17	24 November 2017	6.44	98495	634307.80
18	27 November 2017	6.5	17249	112118.50
19	28 November 2017	6.53	79310	517894.30
20	29 November 2017	6.47	14714	95199.58
21	30 November 2017	6.34	16137	102308.58
22	01 December 2017	6.1	31675	193217.50
23	04 December 2017	7.18	397060	2850890.80
24	05 December 2017	7.38	608932	4493918.16
25	06 December 2017	7.79	59479	463341.41
26	07 December 2017	7.52	110087	827854.24
27	08 December 2017	7.27	9317	67734.59
28	11 December 2017	7.23	2146	15515.58
29	12 December 2017	7.42	514313	3816202.46
30	13 December 2017	7.5	2586	19395
31	14 December 2017	7.48	517199	3868648.52
32	15 December 2017	7.59	2603	19756.77
33	18 December 2017	7.49	5798	43427.02
34	19 December 2017	7.58	557	4222.06
35	20 December 2017	7.57	808187	6117975.59
36	21 December 2017	7.68	111053	852887.04
37	22 December 2017	7.59	11310	85842.9
38	26 December 2017	7.27	5006	36393.62
39	27 December 2017	7.54	8810	66427.4
40	28 December 2017	7.61	13722	104424.42
41	29 December 2017	7.87	3101	24404.87
42	01 January 2018	7.86	6713	52764.18
43	02 January 2018	7.77	4503	34988.31
44	03 January 2018	8	4770	38160
45	04 January 2018	7.78	125651	977564.78
46	05 January 2018	7.8	102524	799687.2
47	08 January 2018	7.77	5390	41880.3
48	09 January 2018	7.57	7	52.99

<b>Sr No.</b>	<b>Date</b>	<b>Weighted Average Price (WAP)-{A}</b>	<b>No .of Shares Traded-{B}</b>	<b>Product-{C}={A}*{B}</b>
49	10 January 2018	7.7	102554	789665.8
50	11 January 2018	7.7	106277	818332.9
51	12 January 2018	7.63	63228	482429.64
52	15 January 2018	7.71	120902	932154.42
53	16 January 2018	7.5	40	300
54	17 January 2018	7.86	11380	89446.8
55	19 January 2018	7.6	10000	76000
56	22 January 2018	7.76	11710	90869.6
57	23 January 2018	7.79	410598	3198558.42
58	24 January 2018	7.73	6301	48706.73
59	25 January 2018	7.55	49173	371256.15
60	29 January 2018	7.81	200501	1565912.81
		<b>Total Volume</b>	61,19,594.00	4,46,39,571.13
		<b>Volume Weighted Average Market Price</b>		<b>7.29</b>

(Source: www.bseindia.com)

- Volume weighted average market price based on the above is ₹ **7.29/-** (Rupees Seven and Twenty Nine Paise Only) per Equity Share.
- There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.
- There has been no revision in the Offer Price or to the size of this Offer as on the date of this Draft Letter of Offer.
- An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last three working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the Takeover Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraph V(4) of the DPS; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company at its registered office of such revision.

## **B) FINANCIAL ARRANGEMENTS**

- Assuming full acceptance, the total funds requirements to meet this Offer is ₹7,55,54,080 (Rupees Seven Crores Fifty Five Lacs Fifty Four Thousand and Eighty Only).
- The Networth of Acquirer as on January 16, 2018 is ₹ 40,71,61,000 (Rupees Forty Crores Seventy One Lacs Sixty One Thousand Only) and the same is certified by Mr. B N Kedia, Partner, M/s B N Kedia & Co. Chartered Accountants (Membership No. 052579; FRN No. 001652N) having office at 623, Midas, Sahar Plaza, Andheri Kurla Road, Near J B Nagar Metro Station, Andheri East, Mumbai- 400 059; Email Id: kediaskk@gmail.com, vide certificate dated January 17, 2018.
- In accordance with Regulation 17(1) of the Takeover Regulations, the Acquirer has opened an escrow cash account bearing Account No: 041966200000173 (“**Escrow Cash Account**”) with Yes Bank Limited, a banking company duly incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949 and having its registered office at Nehru Centre, 9th Floor, Discovery of India Bldg., Dr. Annie Besant Road, Worli, Mumbai-400018 and acting for the purpose of this agreement through its branch situated at 4th Floor, Nehru Centre, Discovery of India, Worli, Mumbai-400018 and have made a cash deposit of ₹ 1,99,00,000 (Rupees One Crores Ninety Nine Lacs Only) in the Escrow Cash Account. The cash deposited in Escrow Cash Account represents **26.34%** of the total consideration payable to the Equity Shareholders under this Offer. Escrow Bank vide email dated February 01, 2018 has confirmed the credit balance of Rs. 1,99,00,000 (Rupees One Crores Ninety Nine Lacs Only). The

Acquirer has empowered the Manager to the Offer to operate and to realize the value of the Escrow Account in terms of the Takeover Regulations.

4. In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the Takeover Regulations.
5. The funds required in relation to the Offer have been met from funds from the own funds of the Acquirer.
6. Based on the above, Saffron Capital Advisors Private Limited, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to implement the offer in full accordance with the Takeover Regulations.

## **6. TERMS AND CONDITIONS OF THE OFFER**

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1. The tendering period will commence on Friday, March 23, 2018 and will close on Monday, April 09, 2018.
2. The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.
3. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
4. The Identified date for this Offer is Friday, March 09, 2018
5. Target Company has signed agreements with Depositories for offering Shares in dematerialized form. The ISIN Number is INE485D01035. (Source: [www.bseindia.com](http://www.bseindia.com))
6. The Marketable lot for the Shares of the Target Company for the purpose of this Offer shall be 01. (Source: [www.bseindia.com](http://www.bseindia.com))
7. The Equity Shares proposed to be allotted to the Acquirer pursuant to conversion of Warrants shall be subject to Lock-in as per applicable regulation of SEBI (ICDR) Regulations, 2009. Except as aforesaid, none of the other Equity Shares are subject to Lock-in.

### **A) ELIGIBILITY FOR ACCEPTING THE OFFER**

1. The Letter of Offer shall be mailed to all Equity Shareholders/Beneficial Owners holding Equity Shares in dematerialized form (except the present promoter group shareholders, parties to the Agreements and Acquirer) whose names appear in register of Target Company as on Friday, March 09, 2018, the Identified Date.
2. This Offer is also open to persons who own Equity Shares in Target Company but are not registered Shareholders as on the Identified date.
3. All Equity Shareholders/Beneficial Owners (except the present Promoter Group, parties to the Agreements and the Acquirer) who own Equity Shares of Target Company any time before the closure of the Offer are eligible to participate in the Offer.
4. The Form of acceptance and other documents required to be submitted, herewith, will be accepted by Registrar to the Offer Universal Capital Securities Private Limited, 21/25 Shakil Niwas, Opp Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400093; Tel. No.: +91 22 28207203-05 / 28257641; Fax No.: +91 22 28207207; E-mail: [khade@uniseq.in](mailto:khade@uniseq.in); Contact Person: Sunil Khade between 10.00 am to 5.00 pm on working days (except Saturdays, Sundays and all public holidays), during the period the Offer is open.
5. The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance will also be available on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of the Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance from the SEBI's website for applying in the Offer.
6. Unregistered Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Shareholders.
7. The acceptance of this Offer by the Equity Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
8. The acceptance of this Offer is entirely at the discretion of the Equity Shareholder(s)/Beneficial owner(s) of Target Company.
9. The Acquirer, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Share Transfer Deed etc. during transit and the Equity Shareholders of Target Company are advised to adequately safeguard their interest in this regard.
10. The acceptance of Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.

11. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.

**B) STATUTORY AND OTHER APPROVALS**

1. To the best of the knowledge of the Acquirer, there are no other statutory approvals required to implement the Offer. However, in case of any regulatory or statutory approval being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary applications for such approval.
2. If any of the public shareholders of the Target Company that are not resident in India (such NRIs, OCBs and FIIs) require any approvals inter alia from the Reserve Bank of India, the Foreign Investment Promotion Board or any regulatory body for the transfer any Equity Shares to the Acquirer, they shall be required to submit such approval along with the other documents required to be tendered to accept this Offer. If such approval is not submitted, the Acquirer reserves the right to reject the Equity Shares tendered by such shareholders that are not resident in India. Subject to the receipt of statutory and other approvals, if any, the Acquirer shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
3. The Acquirer shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
4. In terms of Regulation 18(11) of the Takeover Regulations, the Acquirer shall be responsible to pursue all statutory approvals required by the Acquirer in order to complete the Open Offer without any default, neglect or delay. In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by the SEBI, in terms of regulation 18(11) of the Takeover Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 17(9) of the Takeover Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
5. In terms of Regulation 23(1) of the Takeover Regulations, if the approvals mentioned in paragraph VII B(1) are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirer have a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be filed with SEBI, the Stock Exchanges and the registered office of the Target Company.



## **7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER**

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1. The Open Offer shall be implemented by using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09,2016.
2. The facility for acquisition of shares through Stock Exchange Mechanism pursuant to the Offer shall be available on the BSE, which shall be the Designated Stock Exchange, in the form of a separate window (“**Acquisition Window**”)
3. For implementation of the Open Offer, the Acquirer has appointed (the “**Buying Broker**”) through whom the purchases and settlements on account of the Open Offer would be made by the Acquirer. The contact details of the Buying Broker are as follows:

**Name:** Choice Equity Broking Private Limited

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

**Contact Person:** Mr. Bhavik Gandhi

**Tel.:** 022-67079855

**E-mail ID:** bhavik.gandhi@choiceindia.com

4. All Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers (“**Selling Broker**”), during the normal trading hours of the secondary market during the Tendering Period.
5. The Acquisition Window provided by BSE shall facilitate placing of sell orders. The Selling Brokers can enter orders for demat equity shares as well as physical equity shares.
6. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during Tendering Period.
7. Shareholders can tender their shares only through a broker with whom they are registered as client (KYC Compliant).

### **PROCEDURE TO BE FOLLOWED BY SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN PHYSICAL FORM:**

1. The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Broker and submit complete set of documents for verification procedure as mentioned below:
  - i. The Form of Acceptance-cum-Acknowledgement duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares;
  - ii. Original share certificates;
  - iii. Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Target Company and duly witnessed at the appropriate place authorizing the transfer in favor of the Acquirer;
  - iv. Self-attested copy of the Shareholder's PAN Card;
  - v. Any other relevant documents such as (but not limited to):
    - Duly attested power of attorney if any person other than the Equity Shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement;
    - Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased;
    - Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
  - vi. Self attested copy of address proof such as valid Adhaar Card, Voter ID, Passport or Driving License.
2. The Selling Broker shall place order on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling Broker shall provide a TRS generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
3. After placement of order, as mentioned above, the Seller Broker/shareholder shall deliver the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer

form(s) and other documents either by registered post or courier or hand delivery to the Registrar to the Offer not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as “Inanna Fashion and Trends Limited – Open Offer”.

4. Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Open Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA the bid will be accepted else rejected and accordingly the same will be displayed on BSE’s Website.
5. In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date.

**SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN DEMATERIALIZED FORM:**

1. The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Selling Broker, indicating details of Shares they wish to tender in Open Offer.
2. The Selling Broker shall provide early pay-in of demat shares (except for Custodian Participant orders) to the Clearing Corporation before placing the bids / orders and the same shall be validated at the time of order entry.
3. For Custodian Participant, orders for demat equity shares early pay-in is mandatory prior to confirmation of order by the Custodian. The Custodians shall either confirm or reject orders not later than close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
4. The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by BSE / Clearing Corporation, before the opening of the Offer.
5. Upon placing the bid, the seller member(s) shall provide Transaction Registration slip (“TRS”) generated by the Exchange Bidding System to the shareholder. TRS will contain details of order submitted like Bid ID No. DP ID, Client ID, No of Shares tendered etc.
6. The Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.

**The Public Shareholders holding Shares in Demat mode are not required to fill any Form of Acceptance. Shareholders holding Equity Shares in physical mode will be required to fill the Form of Acceptance. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance.**

## **ACCEPTANCE OF SHARES**

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

In the event that the number of Equity Shares (including Demat Shares and Physical Shares) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot.

## **PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF THE LETTER OF OFFER**

Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

A Shareholder may participate in the Offer by approaching their broker / Selling Broker and tender Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Acceptance Form.

The Letter of Offer will be dispatched to all the eligible shareholders of the Target Company. Public Shareholders holding Equity Shares in physical mode will be sent Form of Acceptance along with the Letter of Offer. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the equity shares of the Target Company.

The Letter of Offer along with the Form of Acceptance would also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in), and shareholders can also apply by downloading such forms from the said website.

## **SETTLEMENT PROCESS**

On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.

The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation.

The direct credit of shares shall be given to the demat accounts of the Acquirer indicated by the Acquirer's Buying Broker. For the same, the existing facility of client direct payout in the capital market segment shall be available.

Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the Buying Broker's pool account.

In case of partial or non-acceptance of orders or excess pay-in, Demat Shares shall be released to the securities pool account of the Selling Broker(s) / Custodian, post which, the Seller Broker(s) would then issue contract note for the shares accepted and return the balance shares to the Shareholders.

Any excess Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholder(s) directly by Registrar to the Offer.

## **SETTLEMENT OF FUNDS / PAYMENT CONSIDERATION**

### **For Equity Shareholders holding Equity Shares in demat and physical mode:**

The settlement of fund obligation for demat and physical shares shall be effected by clearing corporation. For the equity shares accepted under the open offer, the payment will be made by the Clearing Corporation to the shareholders directly to their bank account.

The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Public Shareholder will receive funds payout in their settlement bank account.

The funds received from Buyer Broker by the Clearing Corporation will be released directly, to Public Shareholder.

Shareholders who intend to participate in the Offer should consult their respective Seller Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the Selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling Shareholders from their respective Seller Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.

#### **NOTE ON TAXATION**

##### **For Equity Shareholders holding Equity Shares in demat and physical mode:**

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 (twelve) months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realised on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are sold will be subject to short term capital gains tax provided the transaction is chargeable to STT.

**SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A REASON OF THIS OFFER.**

## 8. DOCUMENTS FOR INSPECTION

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Copies of the following documents will be available for inspection to the Shareholders at the office of the Manager to the Offer at Centre Point, 605, 6<sup>th</sup> floor, J.B. Nagar, Andheri-Kurla Road, Andheri (East), Mumbai- 400 059 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 a.m. to 1:00 p.m. from the date of opening of the Offer until the closure of this Offer:

- Certificate dated January 16, 2018 issued by Mr. B N Kedia, Partner, M/s B N Kedia & Co. Chartered Accountants (Membership No. 052579; FRN No. 001652N) having office at 623, Midas, Sahar Plaza, Andheri Kurla Road, Near J B Nagar Metro Station, Andheri East, Mumbai- 400 059; Email Id: kediaskk@gmail.com, certifying the net worth of the Acquirer;
- Certificate dated January 16, 2018 issued by Mr. B N Kedia, Partner, M/s B N Kedia & Co. Chartered Accountants (Membership No. 052579; FRN No. 001652N) having office at 623, Midas, Sahar Plaza, Andheri Kurla Road, Near J B Nagar Metro Station, Andheri East, Mumbai- 400 059; Email Id: kediaskk@gmail.com, confirming that the Acquirer has adequate financial resources available for meeting their obligations under the Open Offer;
- Annual reports of the Target Company for the financial years ending March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014;
- Unaudited Financial Results and Limited Review Report for the Half Year ended on September 30, 2017.
- Email dated February 1, 2018 from Yes Bank Limited confirming the cash deposit of ₹ 19,900,000 (Rupees One Crore Ninety Nine Lacs Only) in the Escrow Account with a lien marked in favor of the Manager to the Offer;
- Copy of Escrow Agreement between the Acquirer, Manager to the Offer and Escrow Bank;
- Copy of Share Purchase Agreement - between the Acquirer and Sellers dated January 30, 2018;
- Copy of Public Announcement dated January 30, 2018, published copy of the Detailed Public Statement dated February 06, 2018;
- Copy of the comments letter from SEBI; and
- Copy of the Recommendation of the Independent Directors

## **9. DECLARATION BY THE ACQUIRER**

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For the purpose of disclosures in this Draft Letter of Offer relating to the Target Company the Acquirer have relied on the information provided by the Target Company and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirer, accepts full responsibility for the information contained in this Draft Letter of Offer and also accept responsibility for the obligations of the Acquirer as laid down in the Takeover Regulations. The Acquirer shall be solely responsible for ensuring compliance with the Takeover Regulations.

**Acquirer**

Sd/-

**RAHUL SARAF**

**Place:** Mumbai

**Date:** February 08, 2018

Encl: 1) Form of Acceptance-cum-Acknowledgement