

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a registered Equity Shareholder(s) of Frontline Securities Limited (the "Company") as on the Record Date in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Buy Back Offer i.e. Sobhagya Capital Options Limited or to the Registrar to the Buy Back Offer i.e. Link Intime India Private Limited.



Frontline Securities Limited

Registered Office: M-6, IInd Floor, M Block Market, Greater Kailash-II, New Delhi-110048.

Corporate Office/Correspondence Address: B-22, Sector-4, Noida-201301

Contact Person: Mr. Avinash Chandra, Company Secretary and Compliance Officer

Tel. No.: 0120-2534066, 67, 68; **Fax No.:** 0120-2534111; **Email:** avinash@fsltechnologies.com

Cash offer to buyback not exceeding 23,75,000 fully paid-up equity shares of face value of Rs.10 each ('Equity Shares' or 'Shares'), at a price of Rs. 32.50/- per Equity Share (Rupees Thirty Two and Paise Fifty only) ("**Buy Back Offer Price**") payable in cash for an aggregate amount of Rs. 7,71,87,500 (Rupees Seven Crores, Seventy One Lakhs, Eighty seven Thousand and Five Hundred only) ("**Buy Back Offer Size**") which represents 24.71% of the aggregate of Company's share capital and free reserves as on March 31, 2013, through the Tender Offer route, on a proportionate basis ("**Buy Back Offer**" or "**Offer**"). The Maximum Number of Equity Shares constitutes 24.99% of issued, subscribed and paid up equity share capital of the Company.

This Letter of Offer is being sent to the shareholder(s) / beneficial owner(s) of Equity Shares of the Company as on the Record Date i.e. Friday, December 13, 2013. The payment of consideration shall be made through NECS (subject to availability of all information for crediting the funds), demand drafts / pay order, or similar instruments payable at par at all the centers where the Company is accepting applications.

The Buy Back is in accordance with the provisions contained in the Article 7A of the Articles of Association of the Company, the provisions of Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956, the provisions of Sections 69 and 70(1) and all other applicable provisions, if any, of the Companies Act, 2013 (The Companies Act, 1956 and The Companies Act, 2013 being collectively hereinafter referred to as the "Companies Act"), the provisions of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Buy Back Regulations"), and all other applicable acts, rules, regulations and statutory provisions including any amendments, statutory modifications or re-enactments thereto, for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions, modifications and observations, if any, as may be prescribed, suggested or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board", which expression shall include any Committee constituted by the Board to exercise its powers).

A copy of the Public Announcement and of this Letter of Offer (including Form of Acceptance cum Acknowledgement) will also be available on SEBI's website at www.sebi.gov.in.

Equity shareholders are advised to refer to Paragraph 17 on Details of the Statutory Approvals and Paragraph 21 on Note on Taxation of this Letter of Offer before tendering their Equity Shares in the Buyback Offer.

BUY BACK OPENS ON THURSDAY, JANUARY 16, 2014

BUY BACK CLOSSES ON WEDNESDAY, JANUARY 29, 2014

LAST DATE/TIME OF RECEIPT OF COMPLETED APPLICATION FORMS: BY 5.P.M. ON WEDNESDAY, JANUARY 29, 2014

MANAGER TO THE BUY BACK OFFER



SOBHAGYA CAPITAL OPTIONS LIMITED

Contact Person: Mr. Amit Kumar and

Ms. Archana Sharma

Regd. Off.: B-206, Okhla Industrial Area, Phase- I, New Delhi- 110020.

Tel. No.: +91-11-40777000

Fax No.: +91-11- 40777069

Email id: delhi@sobhagyacap.com

Website: www.sobhagyacapital.com

SEBI Regn. No.: MB/INM000008571

Validity Period: Permanent unless suspended or cancelled by SEBI

REGISTRAR TO THE BUY BACK OFFER



LINK INTIME INDIA PRIVATE LIMITED

Contact Person: Mr. Pravin Kasare

Regd. Off.: C 13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078

Tel No.: +91 22 25967878

Fax No.: +91 22 25960329

Email id.: fsl.buyback@linkintime.co.in

Website: www.linkintime.co.in

SEBI Regn. No.: INR000004058

Validity Period: Valid till May 05, 2014

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1. SCHEDULE OF THE ACTIVITIES OF THE OFFER

Activity	Date	Day
Date of Board Meeting approving the Buy Back	October 14, 2013	Monday
Date of Equity Shareholders Meeting approving the Buy Back	November 22, 2013	Friday
Date of Publication of Public Announcement for the Buy Back	November 26, 2013	Tuesday
Record Date for determining the Entitlement and the names of Eligible Shareholders	December 13, 2013	Friday
Date of Opening of Buy Back	January 16, 2014	Thursday
Date of Closing of Buy Back	January 29, 2014	Wednesday
Last date of verification	February 07, 2014	Friday
Last date of intimation regarding acceptance / non- acceptance of tendered Equity Shares	February 07, 2014	Friday
Last date of dispatch of consideration / share certificate(s) /demat instruction(s)	February 07, 2014	Friday
Last date of Extinguishment of Equity Shares	February 14, 2014	Friday

2. DEFINITION OF KEY TERMS

Acceptance	Acceptance of Equity Shares, tendered by Eligible Persons in the Buy Back Offer
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Persons over and above the Buy Back Entitlement of such Equity Shareholders.
AOP	Association of Persons
Frontline / Company	Frontline Securities Limited
BSE	BSE Limited
DSE	Delhi Stock Exchange Limited
Board Meeting	Meeting of the Board of Directors held on October 14, 2013 approving the proposal for the Buy Back Offer
Board of Directors	Board of directors of the Company
Buy Back Committee	Buy Back Committee comprising of Mr. Rakesh Kumar Jain, Director and Mr. Gauri Shanker Pandey, Whole-time Director, constituted and authorized for the purposes of the Buy Back Offer vide resolution dated October 14, 2013 of the Board of Directors. Mr. Avinash Chandra, Company Secretary, shall act as secretary to the committee
Buy Back Entitlement	The number of Equity Shares that an Equity Shareholder is entitled to tender in the Buy Back Offer, based on the number of Equity Shares held by that Equity Shareholder on the Record Date and the ratio of Buy Back applicable in the category to which such Equity Shareholder belongs
Buy Back Offer / Buy Back / Offer	Offer by Frontline Securities Limited to Buy Back not exceeding 23,75,000 fully paid-up Equity Shares of face value Rs. 10 each from all the existing shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route at a price of Rs. 32.50 per equity share
Buy Back Regulations/Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended from time to time
CDSL	Central Depository Services (India) Limited
Closing Date	Wednesday, January 29, 2014
Companies Act or Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and/or the provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through an official notification
Company Depository Account	A depository account named LIPL FSL Buyback Offer Escrow Demat Account opened by the Company with Ventura Securities Limited
Depositories	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited
DIN	Director Identification Number
DTAA	Double Taxation Avoidance Agreement
DP	Depository Participant
Eligible Equity Shares	Eligible Equity Shares means the lower of: 1. Total number of Equity Shares held by an Equity Shareholder as on the Record Date; or 2. Total number of Equity Shares tendered by an Eligible Person
Equity Shares / Shares	Fully paid-up equity shares of face value Rs. 10/- each of the Company
Equity Shareholder / Shareholder	Holders of the Equity Shares of the Company
Eligible Person(s)	Person(s) eligible to participate in the Buy Back Offer and would mean all equity shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. Friday, December 13, 2013
Escrow Account	The escrow account opened with IndusInd Bank Limited in terms of the Escrow Agreement
FCNR	Foreign currency Non Resident account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investor(s)
Form / Tender Form	Form of Acceptance-cum-Acknowledgement
FY	Financial Year
HUF	Hindu Undivided Family
Income Tax Act	Income-tax Act, 1961, as amended
Letter of Offer / Offer Document	The Letter of Offer dated January 03, 2014
LTCG	Long-term Capital Gains
Ltd.	Limited
Manager / Manager to the Buy Back Offer /SCOL	Sobhagya Capital Options Limited
NECS	National Electronic Clearing Service
NEFT	National Electronic Funds Transfer
NOC	No Objection Certificate
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s) and erstwhile OCBs
NRE	Non-residents external account

NRI	Non Resident Indian being citizens of India or persons of Indian origin (as defined under section 115C of the Income Tax Act)
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Offer Period / Tendering Period	Period of ten working days from the date of opening of the Buy Back Offer till its closure (both days inclusive)
Offer Price / Buy Back Offer Price	Price at which Equity Shares will be bought back from the Equity Shareholders i.e. Rs. 32.50/- (Rupees Thirty Two and Paise Fifty only) per Equity Share, payable in cash
Offer Size / Buy Back Offer Size	Maximum number of Equity Shares proposed to be bought back (i.e. 23,75,000 Equity Shares of face value of Rs.10/- each) multiplied by the Buy Back Offer Price (i.e. Rs.32.50/- per Equity Share) aggregating to Rs. 7,71,87,500 (Rupees Seven Crores, Seventy One Lakhs, Eighty seven Thousand and Five Hundred only)
Opening Date	Thursday, January 16, 2014
Persons in Control	Promoters, Promoter Group, the Directors of the Promoter and Persons Acting in concert, including such persons as have been disclosed under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Public Announcement / PA	Announcement of the Buy Back dated November 25, 2013, which was published on November 26, 2013
PAN	Permanent Account Number
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom this Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buy Back Offer in accordance with Buy Back Regulations. This date shall be Friday, December 13, 2013
RTGS	Real Time Gross Settlement
Registrar to the Buy Back Offer	Link Intime India Private Limited
SEBI	Securities and Exchange Board of India
STCG	Short-term Capital Gains
Small Shareholder	An Equity Shareholder, who holds Equity Shares of market value not more than two lacs rupees, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. Friday, December 13, 2013
Tender Offer	Method of Buy Back as defined in Regulation 2(1)(o) of the Buy Back Regulations

3. DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI, does not take any responsibility either for the financial soundness of the Company to meet the Buy Back commitments or for the correctness of the statements made or opinions expressed in the Offer Document. The Manager to the Buy Back Offer, M/s. Sobhagya Capital Options Limited, has certified that the disclosures made in the Offer Document are generally adequate and are in conformity with the provisions of Companies Act 1956 and SEBI (Buy Back of Securities) Regulations 1998. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buy Back.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Offer Document, the Manager to the Buy Back Offer is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buy Back Offer, M/s. Sobhagya Capital Options Limited has furnished to SEBI a due diligence Certificate dated November 30, 2013 in accordance with SEBI (Buy Back of Securities) Regulations 1998 which reads as follows:

"We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement and the Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- ***The Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buy Back Offer;***
- ***All the legal requirements connected with the said Offer, including SEBI (Buy Back of Securities) Regulations 1998, have been duly complied with;***
- ***The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the company to make a well informed decision in respect of the captioned Buy Back Offer;***
- ***Funds used for Buy Back shall be as per the provisions of the Companies Act."***

The filing of offer document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 1956, or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buy Back.

Promoters/Directors declare and confirm that no information/material likely to have a bearing on the decision of investors has been suppressed/withheld and/or incorporated in the manner that would amount to mis-statement/misrepresentation and in the event of it transpiring at any point of time that any information/material has been suppressed/withheld and/or amounts to a mis-statement / mis-representation, the Promoters/Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act 1956 and the Buy Back Regulations.

Promoters/Directors also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the Buy Back.

4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buy Back through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on October 14, 2013. The extracts of the minutes of the Board Meeting are as follows:

"RESOLVED THAT pursuant to the provisions of Article 7A of the Articles of Association of the Company, the provisions of Sections 77A, 77AA, 77B, and all other applicable provisions, if any, of the Companies Act, 1956, the provisions of Sections 69 and 70(1) and all other applicable provisions, if any, of the Companies Act, 2013 (The Companies Act, 1956 and The Companies Act, 2013 being collectively hereinafter referred to as the "Companies Act"), the provisions of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Buy Back Regulations"), and all other applicable acts, rules, regulations and statutory provisions including any amendments, statutory modifications or re-enactments thereto, for the time being in force and, subject to the approval of members of Frontline Securities Limited (hereinafter referred to as "the Company") by postal ballot and further, subject to

such other approvals, permissions and sanctions as may be necessary and subject to such conditions, modifications and observations, if any, as may be prescribed, suggested or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board", which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the Buy Back by the Company of its fully paid-up Equity Shares of Rs 10/- each not exceeding 23,75,000 Equity Shares (representing 24.99% of the total number of shares in the paid up share capital of the Company) at a price of Rs. 32.50 per Equity Share (Rupees Thirty Two and Paise Fifty only) ("Buy Back Offer Price") payable in cash for an aggregate amount upto Rs. 7,71,87,500 (Rupees Seven Crores, Seventy One Lakhs, Eighty seven Thousand and Five Hundred only) ("Buy Back Offer Size") being 24.71% of the sum of fully paid-up Equity Share capital and free reserves of the Company as per its latest available audited accounts, which is within prescribed limit of 25% of the fully paid-up Equity Share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2013, from the equity shareholders of the Company, on a proportionate basis through the "Tender Offer" route as prescribed under the Buy Back Regulations ("Buy-Back");

RESOLVED FURTHER THAT the Buy-Back be implemented from current surplus and/or cash balances and/or internal accruals of the Company on such terms and conditions as the Board may decide from time to time in its absolute discretion, as it may deem fit.

RESOLVED FURTHER THAT the approval of the shareholders by way of Postal Ballot for Buy Back be sought and the Buy Back Committee to be formed for the purpose of effecting the Buy-Back be and is hereby authorized inter-alia to finalize the Notice for the Postal Ballot, the accompanying Explanatory Statement, calendar of events and to carry out all incidental activities in connection with obtaining approval of shareholders by way of Special Resolution through Postal Ballot.

RESOLVED FURTHER THAT the Company shall not Buy Back the locked-in shares or other specified securities and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable.

RESOLVED FURTHER THAT the Buy Back from non-resident shareholders, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) and shareholders of foreign nationality, if any, etc. shall be subject to such approvals and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India under the applicable Foreign Exchange Management Act, 1999 and the rules, regulations framed there under, if any.

RESOLVED FURTHER THAT Mr. Avinash Chandra, Company Secretary be and is hereby appointed as the Compliance Officer for the Buy Back.

RESOLVED FURTHER THAT the draft of the Declaration of Solvency prepared in the prescribed form, placed before the meeting and initialled by the Chairman for the purpose of identification be and is hereby approved and Mr. Rakesh Kumar Jain, Director and Mr. Gauri Shanker Pandey, Whole-time Director be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with the Registrar of Companies and the Securities and Exchange Board of India.

RESOLVED FURTHER THAT the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- a) that immediately following the date of this Board Meeting and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company could be found unable to pay its debts;
- b) that as regards the Company's prospects for the year immediately following the date of this Board Meeting as well as for the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buy Back, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be;
- c) that in forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company was being wound up under the provisions of the Companies Act, (including prospective and contingent liabilities).

RESOLVED FURTHER THAT the Board hereby confirms:

- a) All the Equity Shares for Buy Back are fully paid-up.
- b) That the Company shall not issue and allot any Equity Shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares, till the date of closure of this Buy Back.
- c) That the Company, as per provisions of Section 77A(8) of the Companies Act, 1956, shall not make further issue of the same kind of shares or other specified securities within a period of six months after the completion of the Buy Back except by way of bonus shares or Equity Shares issued to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.
- d) That the Company shall not Buy Back its shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buy Back.
- e) That there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
- f) that funds borrowed from Banks and Financial Institutions will not be used for the Buy Back.
- g) that the aggregate amount of the Buy Back i.e. Rs. 7,71,87,500/- (Rupees Seven Crores, Seventy One Lakhs, Eighty seven Thousand and Five Hundred only) does not exceed 25% of the total paid-up capital and free reserves of the Company as on March 31, 2013;
- h) that the maximum number of shares proposed to be purchased under the Buy Back i.e. 23,75,000 Equity Shares, does not exceed 25% of the total number of shares in the paid-up equity capital as per the audited balance sheet as on March 31, 2013;
- i) That the debt equity ratio of the Company after the Buy Back will be well within the limit of 2:1 as prescribed under the Companies Act, 1956.

RESOLVED FURTHER THAT no information/material likely to have a bearing on the decision of investors has been suppressed/withheld and/or incorporated in the manner that would amount to mis-statement/misrepresentation and in the event of it transpiring at any point of time that any information/material has been suppressed/withheld and/or amounts to a mis-statement/misrepresentation, the Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buy Back Regulations.

RESOLVED FURTHER THAT the appointment of Sobhagya Capital Options Limited as Manager to the Buy Back be confirmed and approved in terms of their Offer Letter dated October 05, 2013.

RESOLVED FURTHER THAT a Committee (Buy Back of Shares) ("**Buy Back Committee**") comprising Mr. Rakesh Kumar Jain, Director and Mr. Gauri Shanker Pandey, Whole-time Director be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, as the Buy Back Committee may consider to be in the best interests of the shareholders, including but not limited to:

- a) entering into escrow arrangements as required in terms of the Buy Back Regulations;
- b) opening, operation and closure of all necessary accounts including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorising persons/entities (including the Manager to the Buy-Back offer) to operate the said accounts;
- c) the appointment and finalization of the bankers, escrow agents, registrars, lawyers, depository participants, advertising agencies and other advisors/ consultants/ intermediaries/ agencies, as may be required, in consultation with the Manager to the Buy-Back offer, for the implementation of the Buy Back;
- d) filing of the public announcement, the Draft letter of Offer/Letter of Offer with the Securities and Exchange Board of India, the Stock Exchanges and other appropriate authorities;
- e) Filing response to queries raised by the Manager to the Buy-Back Offer, Securities and Exchange Board of India, the Stock Exchanges and other appropriate authorities, in connection with the proposed Buy-Back
- f) making all applications to the appropriate authorities for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder;
- g) extinguishment of share certificates and filing of certificates of extinguishment required to be filed in connection with the Buy Back on behalf of the Company and/or the Board;
- h) sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Buy Back; execution of documents under the Common Seal of the Company as may be required;

Mr. Avinash Chandra, Company Secretary, shall act as secretary to the committee.

RESOLVED FURTHER THAT the Buy Back Committee be and is hereby authorised to delegate all or any of the authorities conferred on it to any Director(s) / Officer(s) / Authorised Representative(s) of the Company.

RESOLVED FURTHER THAT the quorum for any meeting of the Buy Back Committee for implementing the Buy Back shall be two members;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Buy Back Committee be and is hereby authorised to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buy Back;

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer and/or any obligation on the Company or the Board or the Buy Back Committee to Buy Back any shares, and/or impair any power of the Company or the Board or the Buy Back Committee to terminate any process in relation to such Buy Back, if so permissible by law."

5. DETAILS OF PUBLIC ANNOUNCEMENT

As per Regulation 8(1) of the Buy Back Regulations, the Company has made a Public Announcement (PA) dated November 25, 2013 for the Buy Back of Equity Shares, which was published on November 26, 2013, in the following newspapers which is within two working days from November 22, 2013, i.e. the date of announcement of the results of resolution approved through the postal ballot approving the Buy Back:

Publication/Newspaper	Language	Edition
Business Standard	English	All Editions
Business Standard	Hindi	All Editions

The Public Announcement is available on the SEBI website at www.sebi.gov.in

6. DETAILS OF THE BUY BACK

Frontline Securities Limited has announced the Buy Back of not exceeding 23,75,000 Equity Shares from all the existing shareholders/beneficial owners of Equity Shares, on a proportionate basis, through the Tender Offer route at a price of Rs. 32.50 per Equity Share (Rupees Thirty Two and Paise Fifty only) payable in cash for an aggregate amount of Rs. 7,71,87,500 (Rupees Seven Crores, Seventy One Lakhs, Eighty seven Thousand and Five Hundred only). The maximum number of Equity Shares proposed to be bought back represents 24.99% of the total number of equity shares in the issued, subscribed and paid-up equity share capital of the Company.

The Buy Back is in accordance with the provisions contained in the Article 7A of the Articles of Association of the Company, the provisions of Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956, the provisions of and Sections 69 and 70(1) and all other applicable provisions, if any, of the Companies Act, 2013 (The Companies Act, 1956 and The Companies Act, 2013 being collectively hereinafter referred to as the "Companies Act"), the provisions of Regulation 4(1)(a) and other applicable provisions of the Buy Back Regulations, and all other applicable acts, rules, regulations and statutory provisions including any amendments, statutory modifications or re-enactments thereto, for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions, modifications and observations, if any, as may be prescribed, suggested or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board", which expression shall include any Committee constituted by the Board to exercise its powers).

The Buy Back Offer Size is 24.71% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2013 and is within the statutory limit of 25% of the fully paid-up equity share capital and free reserves as per the last audited accounts of the Company. The Buy Back Offer Size does not include any expenses incurred or to be incurred for the Buy Back like SEBI filing fees, advisors fees, Public Announcement publication expenses, printing & dispatch expenses and other incidental & related expenses.

The aggregate shareholding of the Promoters being individuals and the companies / entities forming part of the Promoter Group and Persons in Control

as on the date of the Public Announcement (i.e. November 25, 2013) is as follows:

Sr. No.	Name	Equity Shares held	% of the total paid up equity capital
1.	Hope Consultants Limited	3,915,043	41.18952
2.	Rakesh Kumar Jain	1,405,910	14.79135
3.	Frontline Capital Services Limited	1,130,000	11.88854
4.	Prema Jain	380,720	4.00549
5.	Vidha Jain	154,510	1.62557
6.	Aridhi Jain	108,310	1.13951
7.	Kamlesh Kumari Jain	200	0.00210
8.	Trishla Jain	100	0.00105
9.	Mahesh Chand Jain	100	0.00105
10.	Anirudh Kumar Jain	50	0.00053
	Total	7,094,943	74.64472

In terms of the Buy Back Regulations, under the Tender Offer route, the Promoters of the Company have the option to participate in the Buy Back. In this regard, two of the Promoters of the Company, Frontline Capital Services Limited and Hope Consultants Limited have expressed their intention (Hereinafter referred to as the "Participating Promoters"), vide their individual letters dated October 16, 2013, as follows, to participate in the Buy Back and offer upto an aggregate maximum of 5,045,043 Equity Shares or such lower number of Equity Shares as required in compliance with the Buy Back Regulations / terms of the Buy Back:

Sr. No.	Name	Equity Shares held on October 18, 2013	Equity Shares intended to be offered in the Buy Back
1.	Frontline Capital Services Limited	1,130,000	1,130,000
2.	Hope Consultants Limited	3,915,043	3,915,043
	Total	5,045,043	5,045,043

The Participating Promoters intend to offer upto their respective shareholding as on the Record Date, or such lower number of equity shares as required in compliance with the Buy Back Regulations / terms of the Buy Back.

Pursuant to the proposed Buy Back and depending on the response to the Buy Back, the voting rights of the Promoters in the Company may increase over the existing 74.64% holding in the total equity capital and voting rights of the Company. The Promoters of the Company are already in control over the Company and therefore such further increase in voting rights of the Promoters will not result in any change in control over the Company. Mr. Rakesh Kumar Jain has undertaken on behalf of the Promoter Group, that in case there is an increase in voting rights of the Promoter Group beyond 75%, necessary steps will be taken to reduce the shareholding of the Promoter Group in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957, so that the Company is in due compliance of the Minimum Public Shareholding requirement. The Company and the Promoters have undertaken to comply with the Minimum Public Shareholding requirements even after the Buyback.

7. AUTHORITY FOR THE BUY BACK

The Buy Back is in accordance with the provisions of Article 7A of the Articles of Association of the Company, the provisions of Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956, the provisions of and Sections 69 and 70(1) and all other applicable provisions, if any, of the Companies Act, 2013 (The Companies Act, 1956 and The Companies Act, 2013 being collectively hereinafter referred to as the "Companies Act"), the provisions of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Buy Back Regulations").

The Board of Directors on October 14, 2013 passed a resolution to Buy Back equity shares of the Company.

The Shareholders approved the Buy Back by special resolution through Postal Ballot, the results of which were announced on November 22, 2013.

8. NECESSITY OF THE BUY BACK

- 8.1 The Buy Back offer is being proposed with an objective to maximize returns to investors, reduce outstanding number of shares and enhance overall shareholder value by returning surplus funds to shareholders in an efficient and investor friendly manner without compromising on the high growth opportunities available to the Company.
- 8.2 The Buy Back will result in reduction in the overall capital employed in the business, which will, in turn, lead to higher earnings per share and enhanced return on equity and return on capital employed, return on net worth, return on assets and other financial ratios subject, however, to the prevailing business conditions.
- 8.3 The Buy Back will also provide a reasonable exit opportunity to those shareholders who so desire.

9. MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUY BACK ON THE COMPANY

- 9.1 The Buy Back is not likely to cause any material impact on the profitability / earnings of the Company.
- 9.2 Participating Promoters have expressed their intention, vide their individual letters dated October 16, 2013, to participate in the Buy Back and offer upto an aggregate maximum of 5,045,043 Equity Shares or such lower number of Equity Shares as required in compliance with the Buy Back Regulations / terms of the Buy Back.
- 9.3 As per the information provided by the promoters vide their individual letters dated October 16, 2013, details of the date and price of acquisition of the equity shares that promoters intend to tender are set-out below:

i. Hope Consultants Limited

Sr. No.	Date of Acquisition/ Disposal	No. of Equity Shares Acquired/(Sold)	Cost of Acquisition/Sale (in Rs. per Share)
1.	Up to August 31, 1994#	47,500	Not Available
2.	January 20, 1995	405,200	10.00

Sr. No.	Date of Acquisition/ Disposal	No. of Equity Shares Acquired/(Sold)	Cost of Acquisition/Sale (in Rs. per Share)
3.	January 21, 1995 to March 31, 1996 [#]	(51,400)	Not Available
4.	August 20, 1996	300,575	12.50
5.	August 21, 1996 to May 07, 1997 [#]	(32,400)	Not Available
6.	October 25, 2000	570,000	14.00
7.	November 21, 2000	430,000	14.00
8.	November 22, 2000 to March 31, 2001 [#]	(70,500)	Not Available
9.	March 31, 2001 to March 31, 2002 [#]	60,000	Not Available
10.	April 01, 2006 ^s	2,256,068	Not Applicable

[#] The exact dates of said acquisition/(sale) are Not Available.

^{\$} Allotted pursuant to Order dated September 18, 2006 of the Hon'ble High Court of Delhi, approving the Scheme of Amalgamation of Hope Consultants Limited with AVI Growth Avenues Private Limited, Ample Consultants Private Limited and Frontcap Securities Private Limited..

ii. Frontline Capital Services Limited

Sr. No.	Date of Acquisition/ Disposal	No. of Equity Shares Acquired/(Sold)	Cost of Acquisition/Sale (in Rs. per Share)
1.	Up to March 31, 1995 [#]	32,800	11.05
2.	April 01, 1995 to March 31, 1996 [#]	(10,000)	10.92
3.	April 01, 1996 to December 15, 1998 [#]	182,500	Not Available
4.	October 25, 2000	2,000,000	14.00
5.	November 27, 2000	(205,300)	Not Available
6.	June 09, 2001	75,000	17.50
7.	June 01, 2011	(470,000)	25.70
8.	July 02, 2012	(475,000)	25.40

[#] The exact dates of said acquisition/(sale) are Not Available.

- 9.4 Presently Promoter and Promoter Group/ Person in control are holding 74.64% of the equity share capital of the Company and assuming response to the Buy Back is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their entitlement, the aggregate shareholding of the Promoter and Promoter Group / Persons in Control, post Buy Back will increase to 78.54% from 74.64% pre Buy Back, and the aggregate shareholding of the public in the Company shall reduce to 21.46% post Buy Back from 25.36% pre Buy Back.
- 9.5 The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.6 Consequent to the Buy Back and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, their shareholding would undergo a change.
- 9.7 The debt-equity ratio post Buy Back will be compliant with the permissible limit of 2:1 prescribed by the Companies Act, even if the response to the Buy Back is to the extent of 100% (full acceptance).
- 9.8 The Buy Back will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.
- 9.9 Salient financial parameters consequent to the Buy Back based on the latest audited results as on March 31, 2013 are as under:

Parameter (based on audited results for year ended)	Pre Buy-back	Post Buy-back
Networth [^] (Rs. Lakhs)	3,764.16	2,992.29
Return on Networth [^] (%)	10.07	12.66
Earnings per Share (Rs.)	3.99	5.31
Book Value per Share (Rs.) [^]	39.60	41.97
P/E as per the latest audited financial results ^{**}	7.89	5.93
Total Debt / Equity Ratio [^]	0.06:1	0.08:1

Notes:

- [^]Excluding revaluation reserves and miscellaneous expenditure to the extent not written off
- Pre and Post-Buy Back calculations are based on financial numbers as on March 31, 2013 except as mentioned under
- The Post-Buy Back numbers are calculated by reducing the net worth by the proposed Buy Back amount (assuming full acceptance). Simultaneously outstanding Equity Shares (for calculating the EPS) have been calculated by reducing the Maximum Number of Equity Shares from the pre-buy back number of shares.
- ^{**} P/E ratio based on the market price as on November 25, 2013 i.e. Rs. 31.50 (BSE)

10. BASIS OF CALCULATING BUY BACK PRICE

- 10.1 The Buy Back Offer Price of Rs. 32.50 per shares has been arrived at after taking into consideration factors including but not limited to the Book Value, the market value of the Equity Share on the Stock Exchanges and the possible impact of the Buy Back on the Company's earning per Equity Share. The Buy Back Offer Price offers a premium of 3.17% over the closing price of the Equity Shares on BSE Limited, as on October 11, 2013, being the last trading day prior to the Board Meeting.
- 10.2 For trends in the market price of the Equity Shares, please refer to paragraph 16 of this Letter of Offer.
- 10.3 The closing market price of the Equity Shares as on the date of intimation to the BSE for the Board Meeting for considering the Buy Back, was Rs. 31.50 on BSE.
- 10.4 The Buy Back Offer price is at discount of about 17.93% to the Company's book value per equity share, which pre Buy Back, as on March 31, 2013 is Rs. 39.60.
- 10.5 The earning per share of the Company pre-Buy Back as on March 31, 2013 was Rs. 3.99 which will increase to Rs. 5.31 post Buy Back based on the assumption mentioned in notes to table on salient financial parameters in paragraph 9.8 of this Letter of Offer.

10.6 The Return of Net-worth of the Company pre Buy Back as on March 31, 2013 was 10.07% which will increase to 12.66% post Buy Back based on the assumption mentioned in notes to table on salient financial parameters in paragraph 9.8 of this Letter of Offer.

11. SOURCES OF FUNDS FOR THE BUY BACK

- 11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buy Back of 23,75,000 Equity Shares at a price of Rs. 32.50 per Equity Share would be Rs. 7,71,87,500 (Rupees Seven Crores, Seventy One Lakhs, Eighty Seven Thousand And Five Hundred Only).
- 11.2 The Funds for Buy Back will be financed out of the current surplus and/or cash balances and/or internal accruals of the Company.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN

- 12.1 In accordance with Regulation 10 of the Buy Back Regulations, an escrow agreement dated November 25, 2013 has been entered into between the Company, Sobhagya Capital Options Limited and IndusInd Bank Limited ("**Escrow Agent**") having its branch at C-61, Preet Vihar, Vikas Marg, Delhi 110 092.
- 12.2 In accordance with the Escrow Agreement, the Company has opened an escrow account in the name and style "**Escrow Account – Frontline Securities Limited - Buy Back Offer**" bearing account number 252611640000 with the Escrow Agent. The Company has deposited cash of Rs. 19,700,000 (Rupees One Crore and Ninety Seven Lacs only) in the Escrow Account. This amount of cash deposited is equal to the amount required to be deposited in terms of the Buy Back Regulations. In terms of the Escrow Agreement, the cash as well as any fixed deposit created therefrom will constitute the escrow amount and would form part of the Escrow Account. Sobhagya Capital Options Limited has been empowered to operate the Escrow Account in accordance with the Buy Back Regulations.
- 12.3 M/s J. Jain & Company, Chartered Accountants (Firm Registration number 004208N), located at 202-H, Paras Bazar, Gali Ghante Wali, Chandni Chowk, Delhi-110006, Mobile No. 9810542336, signing through their Partner Ms. Jayanti Jain (Membership Number: 83450) have certified, vide their certificate dated November 29, 2013, that the Company has adequate funds to fulfill its part of obligations for the purposes of Buy Back of 23,75,000 Equity Shares at Rs. 32.50 each.
- 12.4 The Manager to the Buy Back Offer has satisfied itself about the ability of the Company to implement the Buy Back Offer in accordance with the Buy Back Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The capital structure of the Company, as on the date of the Public Announcement, is as follows:

Particulars	No. of shares	Amount (Rs. Lacs)
Authorised Equity Shares	1,00,00,000	1,000.00
Issued, Subscribed and Paid-up Equity Shares	95,04,950	950.50

- 13.2 During the 3 years preceding the date of the Public Announcement, the Company has not bought back any Equity Shares under any Buy Back programme.
- 13.3 As on the date of the Public Announcement, there are no outstanding preference shares, partly paid-up equity shares or outstanding convertible instruments or calls in arrears.
- 13.4 The shareholding pattern of the Company pre-Buy Back, as well as the post Buy Back shareholding, is as shown below:

Particulars	Pre-Buy-back		Post Buy-back [#]	
	No. of Equity Shares	% to the existing equity share capital	No. of Equity Shares	% to post Buy-back equity share Capital
Promoters and persons acting in concert, (collectively "the Promoters")	7,094,943	74.64	5,600,115	78.54
Foreign Investors (including Non Resident Indians FIs and Foreign Mutual Funds)	355,477	3.74	1,529,835	21.46
Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions	-	-	-	-
Others (Public, Public Bodies Corporate etc.)	2,054,530	21.62	-	-
Total	9,504,950	100.00	7,129,950	100.00

Assuming full acceptance of Equity Shares in the Buy Back in the ratio of their entitlement

- 13.5 Assuming 100% response to the Buy Back Offer, the issued, subscribed and paid-up equity share capital of the Company after the completion of the Buy Back Offer would be as follows:

Particulars	No. of Shares	Amount (Rs. Lacs)
Issued, Subscribed and Paid-up Equity Shares	7129950	713.00

- 13.6 Assuming response to the Buy Back is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their entitlement, the aggregate shareholding of the Promoter Group/Persons in Control, post Buy Back will increase to 78.54% of the post Buy Back equity share capital of the Company.
- 13.7 No Equity Shares have been purchased/sold/transferred by any member of the Promoter Group including the Directors of the Companies forming part of the Promoter Group as well as the Persons in Control of the Company from a period of six months preceding the date of the Board Meeting at which the Buy Back was approved till the date of the postal ballot notice.
- 13.8 No Equity Shares have been purchased/sold/transferred by any member of the Promoter Group including the Directors of the Companies forming part of the Promoter Group as well as the Persons in Control of the Company during the period of twelve months preceding the date of the Public Announcement.

14. BRIEF INFORMATION OF THE COMPANY

14.1 Frontline Securities Limited is a public limited company incorporated on May 05, 1994 under the provisions of the Companies Act, 1956, vide certificate of incorporation bearing Registration Number 058837. The Company received certificate for commencement on May 18, 1994 from the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Corporate Identification Number (CIN) of the Company is L74899DL1994PLC058837. The registered office of the Company is situated at M-6, IInd Floor, M Block Market, Greater Kailash-II, New Delhi-110048

14.2 The Company is operating in service industry and is currently engaged in the business of providing financial services to help clients to plan and execute their investment needs based on their risk-return requirements. The Company provides investment advisory services in areas such as Wealth Management, Mutual Fund Distribution, Corporate Advisory, Tax Planning, Mergers and Acquisitions, Life Insurance etc.

14.3 Growth of the Business over a period of time:

The total income of the Company for the year ended March 31, 2011 was Rs. 487.97 Lacs which for the year ended March 31, 2013 has increased to Rs. 612.42 Lacs reflecting a compounded annual growth rate of 7.87% over the period of three years ending March 31, 2013. Similarly the profit after Tax for the year ended March 31, 2011 was Rs. 356.93 Lacs which for the year ended March 31, 2013 has increased to Rs. 378.89 Lacs reflecting a compounded annual growth rate of 2.01% over the period of three years ending March 31, 2013.

14.4 Details of the changes in the share capital of the Company since incorporation is as follows:

S. No	Date of Allotment/(Extinguishment) of Shares	No. of Equity Shares Issued/(Extinguished) of Face Value of Rs. 10 each	Reasons of Allotment/(Extinguishment)	Consideration	Cumulative Equity Share Capital in Rs.
1	May 05, 1994	70	Subscribers to the Memorandum	Cash	700
2	August 31, 1994	2,00,000	Preferential Allotment	Cash	20,00,700
3	January 20, 1995	28,03,230	Public issue	Cash	3,00,33,000
4	August 20, 1996	15,01,650	Right issue	Cash	4,50,49,500
5	October 25, 2000	30,35,000	Preferential Allotment	Cash	7,53,99,500
6	November 21, 2000	19,65,000	Preferential Allotment	Cash	9,50,49,500

14.5 The Equity Shares of the company got listed on The Delhi Stock Exchange Limited (DSE) in terms of DSE's Letter dated February 02, 1995 (Scrip Code 06040) and on BSE Limited (BSE) on July 08, 2010 (Scrip Code 533213) and remains listed till date.

14.6 The details of the Board of Directors of the Company are as follows:

Name, Designation, Occupation and DIN	Age (In Years)	Qualifications	Date of Appointment/ Reappointment	Details of directorships in other companies
RAKESH KUMAR JAIN Designation: Non- Executive & Promoter Director (Chairman) Occupation: Business DIN: 00050524	56 Years	M. Com and FCA	May 05, 1994	1. Hope Consultants Limited. 2. Frontline Capital Services Limited 3. FSL Software Technologies Limited 4. Wonder Buildtech Private Limited 5. Frontline Commodities And Derivatives Private Limited 6. Petal Consultants Private Limited 7. FSL Consultants Private Limited 8. FSL Education Services Private Limited 9. JSA Advisors LLP
ARUN KUMAR JAIN Designation: Non Executive Independent Director Occupation: Service DIN: 00050925	51 Years	B. Tech	August 31, 1994	1. Vardhman Electricals Private Limited
ATUL KUMAR JAIN Designation: Non Executive Independent Director Occupation: Service DIN: 00133750	50 Years	B. Com and FCA	May 05, 1994	1. Frontline Capital Services Limited 2. Frontline Commodities And Derivatives Private Limited 3. Club One Airways Private Limited 4. AR Aerotech Private Limited 5. Niksar Finvest Private Limited 6. AR Airways Private Limited
GAURI SHANKER PANDEY Designation: Whole Time Director Occupation: Service DIN: 00050614	56 Years	B. Com	March 16, 2013	1. FSL Software Technologies Limited 2. Wonder Buildtech Private Limited 3. Frontline Capital Services Limited
SARABJEET KAUR KOCHER Designation: Non Executive Non Independent Director Occupation: Business DIN: 00013395	37 Years	B. Com, LL.B and FCS	March 16, 2013	NIL
CHARANJEET SINGH BEDI Designation: Non Executive Independent Director Occupation: Business DIN: 00095912	58 Years	M.B.B.S	October 19, 1996	1. Abc Telecom Private Limited 2. Three-D Solutions Private Limited
BALJIT SINGH BEDI Designation: Non Executive Independent Director	57 Years	B. Com and FCA	September 11, 2008	1. BSN Financial Services Private Limited

Name, Designation, Occupation and DIN	Age (In Years)	Qualifications	Date of Appointment/ Reappointment	Details of directorships in other companies
Occupation: Business DIN: 00112425				

14.7 The Details of changes in the Board of Directors during the last 3 years are as under:

Name	Appointment/Resignation	Effective Date	Reasons
Gauri Shanker Pandey	Appointment	March 16, 2013	Appointment as Whole Time Director of the Company

14.8 The Buy Back will not result in any benefit to any Promoters, Promoter Group being in control of the Company or to any director or to any group company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as Shareholders of the Company and the change in their shareholding as per the response received in the Buy Back Offer as a result of the cancellation of Equity Shares which will lead to a reduced Equity Share Capital base post Buy Back.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The salient financial information of the Company, as extracted from the audited results for the last three financial years and unaudited results for six months ended September 30, 2013 is given below:

Particulars	(Figures in Rupees Lacs.)			
	6 Months period ending (Un-audited)	12 Months period ending March 31		
	September 30, 2013	2013	2012	2011
Total Income	298.33	612.42	465.92	487.97
Total Expenses	21.96	76.94	52.24	51.72
Interest	-	-	-	-
Depreciation	1.96	3.90	4.08	3.78
Profit before tax	274.41	531.58	409.60	432.47
Provision for tax (including Deferred Tax)	76.12	152.69	90.63	75.54
Profit/(Loss) after tax	198.29	378.89	318.97	356.93
Equity share capital	950.49	950.49	950.49	950.49
Reserves & Surplus*	3012.69	2813.67	2519.37	2288.30
Networth*	3963.18	3764.16	3469.86	3238.79
Total debt (excluding working capital loans)	226.9	225.00	225.00	

*Excluding revaluation reserves and miscellaneous expenditure to the extent not written off

15.2 Financial Ratios for the last three financial years and six months ended September 30, 2013 are as under:

Particulars	(Figures in Rupees Lacs.)			
	6 Months period ending (Un-audited)	12 Months period ending March 31		
	September 30, 2013	2013	2012	2011
Earnings Per Share (Rs.)	2.09	3.99	3.36	3.76
Debt Equity Ratio	0.06	0.06	0.06	
Book Value (Rs. per share)	41.70	39.60	36.51	34.07
Return on Networth (%)	5.00	10.07	9.19	11.02
Total Debt / Networth	0.06	0.06	0.06	

Description of Key Ratios

Key Ratios	Description
Earnings per Equity Share (Rs.)	Net profit attributable to equity shareholders / Number of Equity Shares outstanding during the year
Book value per Equity Share (Rs.)	(Net worth excluding revaluation reserves and miscellaneous expenditure to the extent not written off and adjusted to account for compliance with AS-26) / Number of Equity Shares subscribed
Return on net worth excluding revaluation reserves (%)	Net profit after tax / average net worth excluding revaluation reserves and miscellaneous expenditure to the extent not written off and adjusted to account for compliance with AS-26
Debt-Equity ratio	Total debt / net worth (excluding revaluation reserves and miscellaneous expenditure to the extent not written off and adjusted to account for compliance with AS-26)

15.3 The Company shall comply with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, if applicable.

15.4 The Company hereby declares that it has complied with Section 77A (2) (c), (d), 77B (1) and 77B (2) of the Companies Act, 1956.

16. STOCK MARKET DATA

16.1 The Equity Shares of the Company are listed on BSE Limited ("BSE") and the Delhi Stock Exchange Limited ("DSE").

16.2 The high, low and average market prices for the preceding three years i.e. 2010-11, 2011-12 and 2012-13 during the period April- March of each year and the monthly high and low market prices for the six full months preceding the date of this Public Announcement and also during the period November 01, 2013 to November 22, 2013 and the corresponding volumes on the BSE are as follows:

BSE

Period	High (Rs.)~	Date of High	Number of Shares traded on that date	Low (Rs.)@	Date of Low	Number of Shares traded on that date	Average Price (Rs.) #	Total Volume traded in the period (Shares)		
Preceding 3 years										
Financial Year 2010-11	50	08-Jul-10	141962	21.25	16-Nov-10	26987	25.92	2399678		
Financial Year 2011-12	35	16-Mar-12	100	24.35	02-Jun-11	202	29.42	748418		
Financial Year 2012-13	33.5	07-Mar-13	120	23.15	30-Apr-12	900	29.06	558418		
Preceding 6 months										
May 1, 2013 – May 31, 2013	33.00	06-May-13	2000	32.00	03-May-13	200	32.75	7800		
		07-May-13	2000							
		08-May-13	3600							
June 1, 2013 – June 30, 2013	32.50	18-Jun-13	300	32.00	07-Jun-13	100	32.21	54654		
					13-Jun-13	100				
					24-Jun-13	19100				
					14-Jun-13	100				
					19-Jun-13	300				
July 1, 2013 – July 31, 2013	33.00	16-Jul-13	31	32.00	02-Jul-13	400	32.17	844		
					10-Jul-13	20				
					24-Jul-13	93				
					26-Jul-13	200				
					31-Jul-13	100				
Aug 1, 2013 – Aug 31, 2013	32.00	01-Aug-13	1	32.00	01-Aug-13	1	32.00	8000		
					02-Aug-13	199				
					06-Aug-13	2500				
					07-Aug-13	2500				
					08-Aug-13	2000				
					14-Aug-13	500				
					19-Aug-13	300				
					19-Aug-13	300				
Sep 1, 2013 – Sep 30, 2013	32.00	06-Sep-13	3	31.00	16-Sep-13	1000	31.67	9803		
									11-Sep-13	497
									12-Sep-13	1000
									27-Sep-13	3500
									30-Sep-13	1500
Oct. 1, 2013 – Oct. 31, 2013	32.00	01-Oct-13	1200	31.00	04-Oct-13	1000	31.50	6570		
Nov. 1, 2013 – Nov. 25, 2013	32.00	20-Nov-13	100	31.50	20-Nov-13	100	31.50	1200		
					22-Nov-13	900				
					25-Nov-13	200				

(Source: www.bseindia.com)

~High is the highest price recorded for the equity share of the Company during the said period

@ Low is the lowest price recorded for the equity share of the Company during the said period

Average Price is the arithmetical average of closing prices during the said period

DSE

As confirmed by DSE vide their letter dated November 30, 2013, there has been no trading in the scrip of FSL on the DSE since March 08, 2002. The last traded price was Rs. 14.00 per share on that date.

- 16.3 The closing market price of the Equity Shares on October 11, 2013 being the last trading date before the date of the Board Meeting was Rs. 31.50 on BSE. The closing market price on the date of Board meeting i. e. October 14, 2013, was Rs. 31.50 on BSE. The closing market price of the Equity Shares on October 15, 2013 being the immediate next trading day after the date of Board Meeting was Rs. 31.50 on BSE.

17. DETAILS OF THE STATUTORY APPROVALS

- 17.1 The Buy Back Offer is subject to approval, if any required, under the provisions of the Companies Act, the Buy Back Regulations and/or such other applicable act, rules and regulations in force for the time being.
- 17.2 Non-Resident Shareholders (excluding OCBs) permitted under the automatic route prescribed under applicable FEMA Regulations, read with the consolidated Foreign Direct Investment policy issued by the Government of India, are not required to obtain approvals from RBI.
- 17.3 Erstwhile OCBs are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buy Back Offer. The Company shall not accept Equity Shares from OCB Shareholders in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- 17.4 As of date, there is no other statutory or regulatory approval required to implement the Buy Back Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buy Back Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buy Back Offer, if any, shall be intimated to the BSE.

18. DETAILS OF THE REGISTRAR TO THE BUY BACK AND COLLECTION CENTRES

Eligible Persons who wish to tender their Equity Shares in the Buy Back Offer can 'hand deliver' the Tender Form along with all the relevant documents at any of the below mentioned collection centres of the Registrar to the Buy Back Offer in accordance with the procedure as set out in this Letter of Offer. All centres mentioned herein below would be open during the period of the Buy Back Offer i.e. (Thursday, January 16, 2014 to Wednesday, January 29, 2014) on all working days (except Saturdays, Sundays and Bank Holidays) during business hours as shown below. Equity Shareholders are advised to ensure that the Tender Form and other documents are complete in all respects; otherwise the same are liable to be rejected.

Sr. No.	City	Address of Collection Centre	Contact Person	Contact details	Mode of delivery
1.	New Delhi	Link Intime India Private Limited 44 Community Centre, 2nd Floor, Nariana Industrial Area, Phase I, Near PVR Nariana, New Delhi- 110 028	Mr. Swapan Naskar	Tel : 011-41410592/93/94 Fax: 011-41410591 Email: delhi@linkintime.co.in	Hand Delivery & Registered Post/ Speed Post
2.	Mumbai	Link Intime India Private Limited C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.	Mr. Pravin Kasare	Tel : 022 25967878 Fax: 022-25960329 Email: pravin.kasare@linkintime.co.in	Hand Delivery & Registered Post/ Speed Post
3.	Ahmedabad	Link Intime India Private Limited 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380009	Mr. Hitesh Patel	Tel : 079-2646 5179 Fax: 079-2646 5179 Email: ahmedabad@linkintime.co.in	Hand Delivery

Working Hours: Monday to Friday 10:00 AM to 4:30 PM ;
On Buy Back Closing Date the collection centres will be open till 5.00 PM;
Holidays: Saturdays, Sundays and Bank Holidays

Equity Shareholders who cannot hand deliver the Tender Form and other documents at any of the collection centres referred above, may send the same by registered post / speed post, at their own risk, by super-scribing the envelope as “**FRONTLINE SECURITIES LIMITED – BUY BACK**”, to the Registrar to the Buy Back Offer at their offices mentioned at serial no. 1 or 2 above, so that the same are received before the close of business hours on the Buy Back Closing Date.

THE TENDER FORM AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUY BACK OFFER.

19. PROCESS AND METHODOLOGY FOR THE BUY BACK

- 19.1 The Company proposes to Buy Back not exceeding 23,75,000 Equity Shares from all the existing shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route in accordance with the provisions of Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956, the provisions of Sections 69 and 70(1) and all other applicable provisions, if any, of the Companies Act, 2013 and the Buy Back Regulations at a price of Rs. 32.50 (Rupees Thirty Two and Paise Fifty only) per Equity Share, payable in cash for an aggregate amount of Rs. 7,71,87,500 (Rupees Seven Crores, Seventy One Lakhs, Eighty seven Thousand and Five Hundred only). The maximum number of Equity Shares proposed to be bought back represents 24.99% of the total paid-up equity share capital of the Company. The Buy Back Offer Size is 24.71% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2013.
- 19.2 The aggregate shareholding of the Promoter Group / Persons in Control is 7,094,943 Equity Shares, which represents 74.64 % of the existing Equity Share capital of the Company. In terms of the Buy Back Regulations, under the Tender Offer route, the promoters of a company have the option to participate in the Buy Back. In this regard, two of the Promoters of the Company, Frontline Capital Services Limited and Hope Consultants Limited as listed in paragraph 6 of this Letter of Offer have expressed their intention, vide their individual letters dated October 16, 2013 to participate in the Buy Back and offer upto an aggregate maximum of 5,045,043 Equity Shares or such lower number of Equity Shares as required in compliance with the Buy Back Regulations / terms of the Buy Back.
- 19.3 Assuming response to the Buy Back Offer is to the extent of 100% from all the Shareholders upto their entitlement (full acceptance), post Buy Back the aggregate shareholding of the Promoter Group will be 560,015 Equity Shares, representing 78.54% of the post Buy Back equity share capital of the Company i.e. an increase of 3.90% from their present holding of 74.64% of the pre Buy Back equity share capital of the Company.

19.4 Record Date, Ratio of Buy Back and Entitlement of each Shareholder

- The Buy Back Committee in its meeting held on December 02, 2013 announced Friday, December 13, 2013 as Record Date for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buy Back Offer.
- The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
 - Reserved category for Small Shareholders (“Reserved Category”); and
 - General category for all shareholders other than Small Shareholders (“General Category”)
- As defined in the Buy Back Regulations, a “Small Shareholder” is a shareholder who holds Equity Shares having market value, on the basis of closing price on BSE as on Record Date, of not more than Rs. 2,00,000 (Rupees Two Lacs). As on Record Date, the closing price on BSE was Rs. 32.50 per Equity Share.
- Based on the above definition, there are 4,174 Small Shareholders with aggregate shareholding of 643,039 Equity Shares, as on Record Date, which constitutes 6.77 % of the outstanding paid up equity capital of the Company and 27.08% of the number of Equity Shares which are proposed to be bought back as part of this Buy Back Offer.
- In compliance with Regulation 6 of the Buy Back Regulations, the reservation for the Small Shareholders, will be higher of:
 - Fifteen percent of the number of Equity Shares which the Company proposes to Buy Back i.e. 15% of 23,75,000 Equity Shares which works out to 356,250 Equity Shares; or
 - The number of Equity Shares entitled as per their shareholding as on Record Date [i.e. (643,039/7,455,050)*2,375,000] which works out to 204,857 Equity Shares.

All the outstanding Equity Shares⁵ have been used for computing the entitlement of Small Shareholders since the Promoters Group also intends to offer Equity Shares held by them in the Buy Back.

\$ Shares of the Non-Participating Promoters have been excluded from the calculations.

- Based on the above and in accordance with Regulation 6 of the Buy Back Regulations, 356,250 Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of 2,018,750 Equity Shares.

- g) Based on the above entitlements, the ratio of Buy Back for both categories is decided as below:

Category of Shareholders	Ratio of Buy Back
Reserved Category for Small Shareholders	159 Equity Shares for every 287 Equity Shares held on the Record Date
General Category for other Shareholders	8 Equity Shares for every 27 Equity Shares held on the Record Date

19.5 Fractional Entitlements

If the entitlement under Buy Back, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buy Back Offer, for both categories of Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 1 Equity Share as on Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buy Back Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

19.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buy Back Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Full acceptance of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buy Back Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.6 (a) above, in case, there are any Shares left to be bought back in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in paragraph 19.6 (a) and (b) above, in case, there are any validly tendered unaccepted Shares in the Reserved Category ("**Reserved Category Additional Shares**") and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buy Back Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 19.6 (b) above, shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.6 (c) above, will be made as follows:
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.7 Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buy Back Offer by Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a) Full Acceptance of Shares from Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buy Back Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.7 (a) above, in case, there are any validly tendered unaccepted Shares in the General Category ("**General Category Additional Shares**") and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buy Back Regulations, i.e. valid acceptances per Shareholder shall be equal to the General Category Additional Shares by the Shareholder divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7 (b) above, will be made as follows:

For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.8 Basis of Acceptance of Equity Shares between the two categories

- a) After acceptances of tenders, as mentioned in 19.6 and 19.7 above, in case, there are any Shares left to be bought back in one category ("**Partially Filled Category**") and there are additional unaccepted validly tendered Shares ("**Further Additional Shares**") in the second category ("**Over Tendered Category**"), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid acceptances per shareholder shall be equal to Further Additional Shares validly tendered by the shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially Filled Category.
- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buy Back Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in paragraph 19.8(a) above out of the Shares left to be bought back in the Partially Filled Category provided no

acceptance could take place from such Shareholder in accordance with paragraph 19.6.

- c) Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.8 (a) above:
- For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.9 For avoidance of doubt, it is clarified that the Shares accepted under the Buy Back Offer from each Shareholder, in accordance with paragraph 19.4, 19.6, 19.7 and 19.8 above, shall be lower of the following:

- the number of Shares tendered by the respective Shareholder and
- the number of Shares held by the respective Shareholder, as on the Record Date.

19.10 For the avoidance of doubt, it is clarified that the Shares tendered by any Shareholder over and above the number of Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with paragraph 19.4, 19.6, 19.7, 19.8 and 19.9 above.

20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- 20.1 The Buy Back is open to all Eligible Person(s) holding Equity Shares as on the Record Date.
- 20.2 The Company proposes to effect the Buy Back through Tender Offer route, on a proportionate basis. This Letter of Offer and Tender Form, outlining the terms of the Buy Back Offer as well as the detailed disclosures as specified in the Buy Back Regulations, will be mailed to Equity Shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date.
- 20.3 The Company will not accept any Equity Shares offered for Buy Back where there exists any restraint order of a Court for transfer/disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 20.4 The Company shall comply with Regulation 19(5) of the Buy Back Regulations which states that the Company shall not Buy Back the locked-in Equity Shares and non-transferrable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- 20.5 The Buy Back Offer shall be open for the period as shown in the proposed timeline. Equity Shareholders who propose to tender their Shares in the Buy Back Offer must ensure that their Tender Form(s), along with the requisite documents, reach the collection centres before 5:00 PM on the Closing Date. Equity Shareholders must also ensure that the credit of dematerialised Equity Shares in the Company Depository Account must take place before 5:00 PM on the Closing Date.
- 20.6 The tender in the Buy Back Offer should be unconditional, on the enclosed Tender Form and sent along with other documents duly filled and signed by all the Equity Shareholder(s). The process of acceptance shall be as disclosed in paragraph 19.
- 20.7 Shareholders may submit the Tender Form duly signed (by all shareholders in case the Equity Shares are in joint names) at the specified Collection Centres along with the share certificate(s) / copy of DP instruction slip and other relevant documents as specified in this Letter of Offer.
- 20.8 Each Equity Shareholder should submit only one Tender Form irrespective of the number of folios he/she holds. Multiple applications tendered by any Equity Shareholder shall be liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected.
- 20.9 Shareholders to whom the Offer is made, are free to tender Shares to the extent of their Buy Back Entitlement, in whole or in part or in excess of their Buy Back Entitlement subject to a maximum of their full holding, as on the Record Date. Acceptance of any Shares tendered in excess of the Buy Back Entitlement of the Shareholder, shall be in terms of procedure outlined in paragraph 19.
- 20.10 Equity Shareholders who have accepted the Buy Back Offer by tendering their Equity Shares and requisite documents in terms of the Public Announcement and this Letter of Offer are not entitled to withdraw such tenders either during the Tendering Period or thereafter.
- 20.11 **Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form**

The Company has opened a depository account named LIPL FSL Buyback Offer Escrow Demat Account with Ventura Securities Limited in NSDL ("Company Depository Account"). The beneficial owners are required to execute an off-market trade by submitting delivery instructions for debiting his/her beneficiary account with their concerned depository participant. The date of execution entered in the delivery instruction should be within the Tendering Period and before the date of mailing / submission of the Tender Form to the Registrar to the Buy Back Offer. The beneficial owner may note that the Delivery Instructions to be made to their Depository Participant should be in the "Off-market trade" mode, and as per the details provided below:

NSDL Client ID	11280701
DP Name	Ventura Securities Limited
DP ID	IN303116
Client Account name	LIPL FSL Buyback Offer Escrow Demat Account
Depository	NSDL

Beneficial owners having their beneficiary accounts with CDSL have to use inter-depository delivery instruction slip for the purposes of crediting their Equity Shares in favour of the special depository account with NSDL.

Please note that the Company Depository Account will stop accepting credits from 5:00 PM on the Closing Date and beneficial owners should execute the off-market trade well in time to ensure credit of their tendered Shares to the aforementioned account before this time limit.

Shareholders must ensure that the Tender Form, along with the requisite documents given below, reach the collection centres before 5:00 PM on the Closing Date:

- Duly signed Tender Form. The Tender Form must be signed by all Shareholders, in case the Shares are held in joint names, in the same order in which they hold the Equity Shares.

- If the signature(s) of the Equity Shareholders provided in the Tender Form / plain paper application (unless attested by a Notary Public or a Special Executive Magistrate under his/her official seal) differs from the specimen signature(s) recorded with the Company / Depositories or are not in the same order, such applications are liable to be rejected under this Buy Back Offer.
- A photocopy of the delivery instructions or counterfoil of the delivery instructions duly acknowledged by their DP in favour of the Company Depository Account.
- Where the Tender Form is signed under power of attorney or by an authorized signatory(ies) on behalf of a company / body corporate, a copy of the power of attorney/signing authority along with the specimen signatures duly certified by a notary / gazetted officer should be enclosed with the Tender Form along with the specimen signature of authorized signatory(ies). In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions) should also be enclosed.
- In case one or more of the joint holders is deceased, the Tender Form must be signed by all surviving holder(s) and submitted along with a certified true copy of the death certificate(s) of the deceased. If the sole shareholder is deceased, the Tender Form must be signed by the legal representatives of the deceased and submitted along with the certified true copy of probate / letters of administration / succession certificate and all other relevant documentation, while tendering their Equity Shares for the Buy Back.
- No objection certificate from any lender, if the Equity Shares in respect of which the Tender Form is sent, are under any charge, lien or encumbrance.

In case of any lacunae and / or defect, incomplete information, late receipt or modifications in the documents / Tender Form submitted, the Tender Form is liable to be rejected.

The Tender Forms and other documents should be submitted at the designated collection centres so as to reach before close of business hours on Closing Date. Please refer to paragraph 18 for details of the collection centres.

In case of non receipt of the aforesaid documents, but receipt of the Equity Shares in the Company Depository Account, the Buy Back Offer shall be deemed to have been rejected. The Tender Form of demat shares not credited in favor of the Company Depository Account, on or before the Buy Back Closing Date will be rejected.

The Company shall accept / return the tendered dematerialised Equity Shares from the Eligible Persons in the following manner:

- a) In case all the Equity Shares tendered for the Buy Back Offer are accepted by the Company, the consideration will be paid to the concerned Equity Shareholder for all the Equity Shares tendered and accepted.
- b) Equity Shares, to the extent tendered but not accepted, will be credited back to the beneficial owners' depository account with the respective DPs from which the dematerialised Equity Shares were tendered. The Equity Shares which are not accepted shall be transferred not later than Friday, February 07, 2014. It will be the responsibility of the Equity Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the DP where the Company Depository Account is opened. Equity Shareholders holding Equity Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account.

In the event, that any Equity Shares have to be returned to the shareholders and if the returned Equity Shares are not credited to the shareholder's beneficiary account for any reason whatsoever, the said Equity Shares will be rematerialized and a single certificate for the unaccepted shares will be issued and sent to the Equity Shareholder at the address recorded against the demat account with the DP. In the event, the share certificates are returned undelivered then they will be kept with the Company in trust for the concerned Equity Shareholder until the Company receives specific directions from the Equity Shareholder with regard to these Equity Shares.

20.12 Procedure to be followed by Registered Equity Shareholders holding Equity Shares in the Physical form

Shareholders must ensure that the Tender Form, along with the requisite documents given below, reach the collection centres before 5:00 PM on the Closing Date:

- Duly signed Tender Form. The Tender Form must be signed by all Shareholders, in case the Shares are held in joint names, in the same order in which they hold the Equity Shares.
- If the signature(s) of the Equity Shareholders provided in the Tender Form / plain paper application (unless attested by a Notary Public or a Special Executive Magistrate under his/her official seal) differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order, such applications are liable to be rejected under this Buy Back Offer.
- The original share certificate(s)
- A copy of PAN card(s) of all holders
- Where the Tender Form is signed under power of attorney or by an authorized signatory(ies) on behalf of a company / body corporate, a copy of the power of attorney/signing authority along with the specimen signatures duly certified by a notary / gazetted officer should be enclosed with the Tender Form along with the specimen signature of authorized signatory(ies). In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions) should also be enclosed.
- In case one or more of the joint holders is deceased, the Tender Form must be signed by all surviving holder(s) and submitted along with a certified true copy of the death certificate(s) of the deceased. If the sole shareholder is deceased, the Tender Form must be signed by the legal representatives of the deceased and submitted along with the certified true copy of probate / letters of administration / succession certificate and all other relevant documentation, while tendering their Equity Shares for the Buy Back.
- No objection certificate from any lender, if the Equity Shares in respect of which the Tender Form is sent, are under any charge, lien or encumbrance.

In case of any lacunae (including missing share certificate) and / or defect, incomplete information, late receipt or modifications in the documents / Tender Form submitted, the Tender Form is liable to be rejected. Tenders received after 5:00 PM on the Closing Date are liable to be rejected.

The Tender Forms and other documents should be submitted at the designated collection centres so as to reach before close of business hours on Closing Date. Please refer to paragraph 18 for details of the collection centres.

The Company shall accept / return the tendered physical Equity Shares from the Eligible Persons in the following manner:

- a) In case all the Equity Shares tendered for the Buy Back Offer are accepted by the Company, the consideration will be paid to the concerned Equity Shareholder for all the Equity Shares tendered and accepted.
- b) In respect of Equity Shares, to the extent tendered but not accepted, the Company will issue a new single share certificate and return the same to

the sole/first shareholder (in case of joint shareholders).

Share Certificates in respect of unaccepted / rejected Shares and other documents, if any, will be sent by Registered Post / Speed Post at the shareholders' sole risk to the sole/first shareholder (in case of joint shareholders), at the address recorded with the Company, not later than Friday, February 07, 2014.

20.13 Additional requirements in respect of tenders by Non-resident shareholders

- a) While tendering their Equity Shares under the Buy Back Offer, all Non-Resident Equity Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all shareholders in case the Equity Shares are held in joint names) Tender Forms. In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.
- b) FII shareholders should also enclose a copy of their SEBI registration certificate.
- c) Erstwhile OCBs are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buy Back Offer. OCBs are required to obtain and enclose RBI approval for tendering Shares in the Buy Back Offer. The Company shall not accept Equity Shares from OCBs in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- d) Where non-resident shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the non-resident shareholder to avail the beneficial provisions, if any, under the DTAA. If the non-resident shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F, along with all the other prescribed information, as also a copy of the self-certified declaration for non-existence of a permanent establishment should be submitted along with the Tender Form.
- e) If the non-resident shareholder requires the Company not to deduct tax, or to deduct tax at a lower rate, or on a lower amount, for any reason, they would need to obtain a certificate from the Income- tax authorities, either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Company while submitting the Tender Form. In absence of such certificate from the Income-tax authorities, the Company shall deduct tax on gross consideration at the prescribed rate of tax.
- f) It is recommended that the Non-Resident shareholders submit a copy of the PAN card along with the Tender Form as PAN verification is necessary for the Company to deduct taxes at the appropriate rate as well as to avoid queries regarding availability of tax credit on the TRACES website. In the absence of PAN, a different rate may be applicable as per the provisions of the Indian tax laws.
- g) Non-Resident Shareholders who have acquired Equity Shares of the Company under the approval route of the RBI and erstwhile OCBs are required to submit copies of earlier RBI approvals along with their respective Tender Forms.
- h) In case the Equity Shares are held on repatriation basis, the Non-Resident Shareholders should enclose documents in support of the same. Such documents could include:
 - a copy of the permission received by them from RBI at the time of the original acquisition of Shares
 - a letter from the Shareholder's authorized dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the Non-Resident shareholder from the appropriate account as specified by RBI in its approval.
 - Any other document which evidences repatriability of sale proceeds in respect of the tendered Shares.In case the Non-Resident shareholder is not in a position to produce supporting documents towards enabling repatriation, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Offer i.e. by way of credit to a non-repatriation bank account or issuance of Rupee demand draft.
- i) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buy Back Offer are liable to be rejected.

20.14 The Company will make the payment of consideration to all Shareholders validly participating in the Buy Back Offer in Indian National Rupees. It is mandatory for the Shareholders to indicate, in the Tender Form, the bank account where the consideration would be payable. For Shareholders tendering Shares in dematerialised mode, unless specified in the Tender Form, the bank account details, which is linked to the demat account from where the Shares are tendered, will be obtained from the beneficiary position download to be provided by the Depositories will be considered for payment of consideration. By participating in the Buy Back Offer, demat Equity Shareholders are deemed to have provided consent to the Company, the Registrar to the Buy Back Offer and the Manager to the Buy Back Offer to obtain details of their bank accounts linked to the respective demat accounts, from the Depositories. As regards the Shareholders holding Shares in physical form, the bank details indicated in the Tender Form will be used for payment of consideration under the Buy Back Offer.

20.15 Equity Shareholders who have made an investment in the Company under the FDI route shall have an option to receive the payment consideration in foreign currency in their respective foreign bank account(s). If any such Shareholder opts to receive the payment consideration in foreign currency, then the Shareholder would be deemed to have provided consent to the Company to convert the Indian National Rupee consideration into equivalent foreign currency, at the exchange rate prevailing at the time of payment. The actual currency conversion rate shall be decided by the Company at its sole discretion, and remittance costs will be borne by the Shareholder seeking foreign remittance. Shareholders opting for this option will be required to furnish all such documents, undertakings etc as may be required by the RBI authorised dealer handling the remittance.

20.16 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 the credit of the Equity Shares to the Company Depository Account is completed on or before the close of business hours on the Closing Date, failing which such a Tender Form will be rejected. Once the dematerialisation process is complete the Shareholder is required to follow the tendering process outlined in paragraph 20.11.

20.17 Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any Eligible Person, shall not invalidate the Buy Back Offer in any way. Shareholders not receiving this Letter of Offer, if they so desire, may also apply on the Tender Form downloaded from SEBI website (www.sebi.gov.in) or obtain a duplicate copy of the same by writing to the Registrar to the Buy Back Offer. Please note that the Company shall accept Equity Shares validly tendered for the Buy Back Offer on the basis of their holding and entitlement as appearing in the records of the Company as on the Record Date.

20.18 The acceptance of the Buy Back Offer made by the Company is entirely at the discretion of the Equity Shareholders of the Company. The Company does not accept any responsibility for the decision of any Equity Shareholder to either participate or to not participate in the Buy Back Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Equity Shareholders are advised to adequately safeguard their interest in this regard.

20.19 The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buy Back Offer.

20.20 In case of non-receipt of this Letter of Offer / Tender Form:

- a) In case the Equity Shares are in dematerialised form: An Equity Shareholder may send an application in writing on plain paper signed by all Equity Shareholders stating name, address, number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buy Back, bank account particulars for payment of Buy Back consideration, enclosing a photocopy of the delivery instruction in "Off-market" duly acknowledged by the DP, in favour of the depository account (along with the necessary documents mentioned in paragraph 20.11 and 20.13). The Tender Form along with necessary documents should reach the collection centres before 5:00 PM on the Closing Date. Equity Shareholders must also ensure that credit of dematerialised Shares in the Company Depository Account takes place before 5:00 PM on the Closing Date.
- b) In case the Equity Shares are in physical form: A registered Equity Shareholder may send an application in writing on a plain paper signed by all Equity Shareholders stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buy Back Offer and the distinctive numbers thereof, bank account particulars for payment of consideration, enclosing the original share certificate(s), copy of Equity Shareholders' PAN card(s) and other necessary documents. Equity Shareholders must ensure that the Tender Form, along with the requisite documents (mentioned in paragraph 20.12 and 20.13), reach the collection centres before 5:00 PM on the Closing Date. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buy Back Offer.

20.21 Mode of Payment of Consideration to the Shareholders

Shareholders, while tendering their Equity Shares in the Buy Back Offer may indicate an option to receive the payment of Buy Back Offer consideration through electronic form by indicating in the space provided in the Tender Form. The Company will pay the consideration to the Equity Shareholders in respect of the Equity Shares bought back within seven working days of Closing Date i.e. by Friday, February 07, 2014, in accordance with the Buy Back Regulations.

- a) The payment of consideration for accepted tenders shall be made by the Company to the sole / first shareholder, the details of whom are recorded with the Company / DP as applicable. For Shareholders who have opted for electronic mode of transfer, payment shall be made electronically through Direct Credit / NEFT / RTGS / NECS (subject to availability of all information for crediting the funds) and other permissible modes.
 - **Direct Credit:** Shareholders having bank accounts with the Escrow Agent (i.e Deutsche Bank AG in India), shall be eligible to receive payments through direct credit. Charges, if any, levied by the Bank for the same would be borne by the Company.
 - **National Electronic Fund Transfer ('NEFT'):** Payment shall be undertaken through NEFT wherever the Shareholder's bank has been assigned the Indian Financial System Code ('IFSC'), which can be linked to a MICR, if any, available to that particular bank branch. This mode of payment of consideration amount would be subject to IFSC registered by the Equity Shareholder in his / her demat account with the respective DP and availability of complete bank account details including the MICR code, bank account number and account type, bank name and branch address, as appearing on a cheque leaf.
 - **National Electronic Clearing System ('NECS'):** Shareholders having a bank account with the Bank branch enrolled under Core Banking System (CBS) are eligible to receive payment through NECS. This mode of payment of consideration amount would be subject to availability of complete bank account details including the MICR code, CBS bank account number and account type, bank name and branch address, as appearing on a cheque leaf.
 - **Real Time Gross Settlement ('RTGS'):** Shareholders having a bank account at any of the RBI mandated centres and whose Buy Back consideration amount exceeds Rs. 2 Lacs are eligible to receive the payment through RTGS. Such eligible Shareholders are required to provide the bank account details including name of the beneficiary, bank account number, bank name, branch address and IFSC code in the Tender Form. Charges, if any, levied by the Escrow Agent for the same would be borne by the Company. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholder.
- b) For Equity Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected / not credited through Direct Credit / NECS / NEFT / RTGS, due to technical errors or incomplete / incorrect bank account details, payment of consideration shall be made through Demand drafts / Pay Order / similar physical instruments payable at par or payable at nearest branch. Such physical instruments will be dispatched through registered / speed post at the Equity Shareholder's sole risk to the address recorded with the Company / DP.
- c) Shareholders holding Equity Shares in dematerialised form are requested to ensure that any change in their bank details is registered against the account with their respective DP before tendering the Equity Shares for the Buy Back. The Company / Registrar & Share Transfer Agent will not act on any direct request(s) received from Shareholders holding Equity Shares in dematerialised form for change / deletion of such bank details.
- d) In case of Shareholder holding Shares in physical form, if the bank account details are not provided, then the consideration through Demand drafts / Pay Order / similar physical instruments payable at par, or payable at nearest branch, will be dispatched in the name of the sole / first holder at her / his registered address (at their own risk). In the event that the amount payable to a Shareholder exceeds Rs. 1,500, the instrument for such payment shall be sent by registered post.
- e) In order to avail NECS, Shareholders holding Shares in physical form are requested to submit the enclosed NECS mandate form duly filled in and signed while submitting the Tender Form if the same has not been submitted earlier to the Company / Registrar & Share Transfer Agent or if there is a change in bank account details.
- f) All Equity Shareholders are requested to determine the tax implications of participating in the Buy Back Offer and are advised to consult their tax advisors for the applicable tax provisions including the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take including submitting any documents to the Company for the purpose of deduction of tax. Any change to Indian tax laws from time to time will be applicable.
- g) The Equity Shares lying to the credit of the Company Depository Account, after return of unaccepted / rejected Shares, will be extinguished in the manner specified in the Regulations.
- h) All documents sent by shareholders and all remittances to Equity Shareholders will be at their own risk. Equity Shareholders are advised to adequately safeguard their interests in this regard.

21. NOTE ON TAXATION

Following is the extract of the view on "applicable sections of Income Tax Act, 1961 relating to treatment of income tax in case of Buy Back of Shares" given by M/s J. Jain & Company, Chartered Accountants vide their letter dated November 29, 2013.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING 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 COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Given below is a broad summarization of the applicable sections of the Income Tax Act relating to treatment of income-tax in case of buyback of listed equity shares, which is provided only as a guidance.

1.1. CLASSIFICATION OF SHARES AND SHAREHOLDERS

- 1.1.1. Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:
- Shares held as investment (Income from transfer taxable under the head "Capital Gains")
 - Shares held as stock-in-trade (Income from transfer taxable under the head "Profits and Gains from Business or Profession")

- 1.1.2. Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:

- Resident shareholders being:
 - Individuals or Hindu Undivided Family (HUF),
 - Domestic Company
 - Other Resident
- Non-resident shareholders being:
 - Non Resident Indians (NRIs)
 - Foreign Institutional Investors (FIIs)
 - Others:
 - Company
 - Other than Company

1.2. SHARES HELD AS INVESTMENT

- 1.2.1. Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act. As per the provisions of section 46A, buyback of shares held as investment, would attract capital gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act. However for shares traded through Stock Exchanges and Securities Transaction Tax (STT) is paid on such transfer, Long Term Capital Gains are exempt from tax under section 10(38) of Income Tax Act 1961.

1.2.2. Resident Shareholders

1.2.2.1. For Individuals or HUF:

- Long Term Capital Gain (LTCG) would be taxable at the lower of the following:
 - @ 20% (with indexation)
 - @ 10% (without indexation)
- Short Term Capital Gain (STCG) would be taxable at applicable slab rates
For computing capital gains, the benefit of basic exemption limit is allowable in case of resident individuals and HUF.

Provided that where the total income as reduced by such long term capital gains is below the maximum amount which is not chargeable to income tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the balance of such long term capital gains shall be computed at the respective rates.

In addition to the above, surcharge @ 10% is leviable where the total income exceeds Rs. 1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

1.2.2.2. In the case of a Domestic Company

- Long Term Capital Gain (LTCG) would be taxable at lower of following:
 - @ 20% (with indexation)
 - @ 10% (without indexation)
- Short Term Capital Gain (STCG) would be taxable @ 30%

1.2.2.3. In any other case of a resident :

- Long Term Capital Gain (LTCG) would be taxable at lower of following:
 - @ 20% (with indexation)
 - @ 10% (without indexation)
- Short Term Capital Gain (STCG) would be taxable @ 30%

In addition to the above, in the case of domestic companies, surcharge @ 5% is leviable where the total income exceeds Rs. 1 crores and @ 10% where the total income exceeds Rs. 10 crore.

Further, in the case of assesses (other than domestic companies), surcharge @ 10% is leviable where the total income exceeds Rs. 1 crore.

Also, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

1.2.3. Non-resident shareholders

1.2.3.1. In case of FIIs:

FIIs are taxable in accordance 115AD of the Income Tax Act, as under.

- LTCG would be taxable @ 10%
- STCG would be taxable @ 30% (15% in case STCG is covered under section 111A)

It may further be noted that for FIIs, both -first proviso to section 48 of the Income Tax Act (providing for foreign exchange fluctuation benefit) and second proviso to section 48 of the Income Tax Act (providing for indexation benefit) would not apply.

1.2.3.2. For NRIs:

- LTCG would be taxable @ 10% (without indexation)

However, it is pertinent to note that for section 115E to apply, it is imperative that the Shares of the Company were acquired in convertible foreign exchange and such Shares were held for at least twelve months prior to the date of acceptance of the Shares tendered in the Buyback Offer.

b. STCG would be taxable at slab rates

In addition to the above, surcharge @ 10% is leviable where the total income exceeds Rs. 1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

Please note that in case of NRIs not covered within the ambit of the above, their taxation shall be as applicable for other non-resident shareholders (i.e. paragraph 1.2.3.4 below).

1.2.3.3. In case of Foreign Companies:

a. Long Term Capital Gain (LTCG)¹ would be taxable, depending on whether the transaction is in foreign currency or in Indian currency:

- i. Where transaction is in foreign currency, LTCG would be taxable @ 20% (without indexation) – however, benefit of foreign exchange fluctuation as per first proviso to section 48 of the Income Tax Act shall be available.
- ii. Where transaction is not in foreign currency, then benefit of indexation would apply and tax would be calculated at lower of:
 - @ 20% (with indexation)
 - @ 10% (without indexation)

b. Short Term Capital Gain (STCG) would be taxable @ 40%

In addition to the above, surcharge @ 2% is leviable where the total income exceeds Rs. 1 crores and @ 5% where the total income exceeds Rs. 10 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

1.2.3.4. In case of all other non-resident assesses, except those mentioned in paragraph 1.2.3.1, 1.2.3.2 and 1.2.3.3 above:

a. Long Term Capital Gain (LTCG)² would be taxable, depending on whether the transaction is in foreign currency or in Indian currency:

- i. Where the Shares are purchased in foreign currency, LTCG would be taxable @ 20% (without indexation) – however, benefit of foreign exchange fluctuation as per first proviso to section 48 of the Income Tax Act shall be available in such a case.
- ii. Where the Shares are not purchased in foreign currency, then benefit of indexation would apply in case of LTCG and tax would be calculated at lower of:
 - @ 20% (with indexation)
 - @ 10% (without indexation)

b. Short Term Capital Gain (STCG) would be taxable as per the slab rates or maximum marginal rate as applicable. In addition to the above, surcharge @ 10% is leviable where the total income exceeds Rs. 1 crore.

Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

1.2.4. **Where the gross total income of an assessee includes any income arising from the transfer of a long term capital asset, the gross total income shall be reduced by the amount of such income and the deduction under Chapter VI-A shall be allowed as if the gross total income as so reduced were the gross total income of the assessee.**

1.2.5. **Where the total income of an assessee includes any income arising from the transfer of a long term capital asset, the total income shall be reduced by the amount of such income and the rebate under Section 88 shall be allowed from the income tax on the total income as so reduced.**

1.3. SHARES HELD AS STOCK-IN-TRADE

1.3.1. If the Shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.

1.3.2. Resident Shareholders:

1.3.2.1. For individuals or Hindu Undivided Family (HUF), and in any other case of a resident profits would be taxable at slab rates.

1.3.2.2. However for domestic companies profits would be taxable @ 30%.

No benefit of indexation by virtue of period of holding would be available in any case. In addition to the above, in the case of domestic companies, surcharge @ 10% is leviable where the total income exceeds Rs. 10 crores and @ 5% where the total income exceeds Rs. 1 crore. In all other cases, surcharge @ 10% is leviable where the total income exceeds Rs. 1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

1.3.3. Non-Resident Shareholders:

1.3.3.1. For non-residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.

1.3.3.2. Where DTAA provisions are not applicable:

- For non-resident individuals or Hindu Undivided Family (HUF), profits would be taxable at slab rates
- For foreign companies, profits would be taxed in India @ 40%
- or other non-resident shareholders profits would be taxed in India @ 30%

In addition to the above, in the case of foreign companies, surcharge @ 2% is leviable where the total income exceeds Rs.1 crores and @ 5% where the total income exceeds Rs. 10 crore. In all other cases, surcharge @ 10% is leviable where the total income exceeds Rs. 1 crore.

Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

1.4. NOTE

1.4.1. The second proviso to section 112 of the Income Tax Act provides for beneficial tax rate on LTCG of 10%, without giving indexation benefit (as per second proviso to section 48 of the Act).

1.4.2. In the case of Non-Resident Shareholders [referred to in paragraph 1.2.3.3(a)(i) and 1.2.3.4(a)(i) above] (other than NRIs covered under the provisions of section 115E of the Income Tax Act and FIs), the first proviso to section 48 (providing for foreign exchange fluctuation benefit) would apply, where Shares are purchased in foreign currency.

1.4.3. In this regard, it is pertinent to note that there are conflicting views on the applicability of the second proviso to section 112 (providing for a beneficial rate of 10% when indexation is not applied) to nonresidents in case where the first proviso to section 48 (providing for foreign exchange fluctuation benefit) is applicable. We understand that the matter is presently sub-judice.

¹ This has to be read in conjunction with paragraph 1.4 on Note on Taxation

² This has to be read in conjunction with paragraph 1.4 on Note on Taxation

1.4.4. All the above rates (especially for non-residents) are to be read subject to the provisions of Section 206AA of the Act.

1.5. TAX DEDUCTION AT SOURCE

1.5.1. In case of Resident Shareholders

1.5.1.1. In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

1.5.2. In case of Foreign Institutional Investors (FIIs)

1.5.2.1. As per the provisions of Section 196D(2) of the Income Tax Act, no deduction of tax at source is required to be made by the Company, from income by way of capital gains arising from transfer of listed securities payable to a FIIs as defined in section 115AD of the Income Tax Act.

1.5.2.2. For this purpose, the FIIs should provide the information as requested in the Tender Form, stating the following:

- It's residential status
- It does not have a permanent establishment in India
- The amount received by it as a part of the Buyback constitutes capital gains and does not constitute business income for it
- Similar gains, if any, have been assessed as capital gains by the income-tax authorities in India in the past.

1.5.2.3. In absence of certification to the effect that the income of the FIIs from sale of Shares is in the nature of capital gains, the Company shall deduct tax at the prescribed rate (including applicable surcharge and education cess) under the Income Tax Act, on the gross consideration payable.

1.5.3. In case of Non-Resident Shareholders, including NRIs

1.5.3.1. As per the provisions of section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at the prescribed rate (including applicable surcharge and education cess).

1.5.3.2. The consideration payable under the Buyback Offer would be chargeable to tax as capital gains or business profits, as the case may be.

In order to determine the tax implications of Buyback Offer, it is advised to consult your tax advisors for the applicable tax provisions including the treatment that may be given by your respective assessing officers in your case, and the appropriate course of action that you should take including submitting any documents to the Company for the purpose of deduction of tax.

The Company shall deduct tax at the prescribed rates (including applicable surcharge and education cess) for each category of Shareholder, on the gross consideration payable to such non-resident shareholders, based on the information submitted along with the Tender Form.

1.5.3.3. In case of any ambiguity, incomplete or conflicting information or information not being provided to the Company by the Non-Resident Shareholder, the tax shall be deducted at the maximum rate prescribed for such non-resident shareholder.

1.5.3.4. If the Non-Resident Shareholder requires the Company not to deduct tax, or to deduct tax at a lower rate, or on a lower amount, for any reason, they would need to obtain a certificate from the Income-tax authorities, either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Company while submitting the Tender Form. In absence of such certificate from the Income-tax authorities, the Company shall deduct tax on gross consideration at the prescribed rate of tax.

1.5.3.5. Where Non-Resident Shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the Non-Resident Shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non-Resident Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F, along with all the other prescribed information, should be submitted along with the Tender Form. In absence of such certificate, the Company shall deduct the tax as per paragraph 1.5.3.1 to 1.5.3.4 above.

1.5.3.6. In case of a NRI, where it is claimed that he is governed by the provisions of section 115E of the Income Tax Act, he should submit the relevant information as requested in the Tender Form, along with documents in support thereof and to the satisfaction of the Company. In case the information and documents are not submitted or the Company is not satisfied regarding the same, then the rate of tax would be that as applicable to any other non-residents.

These can either be documents proving that the Shares were purchased by the Shareholders either from foreign remittances or from funds lying in the NRE account or FCNR account and that these Shares have been declared as such in the return of income filed by the shareholders.

1.5.4. Other Information

1.5.4.1.1. For the purpose of determining as to whether the capital gains are short-term or long-term in nature:

- As per the provisions of the Income Tax Act, where a capital asset (being equity shares of the Company being bought back in the instant case) is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains.
- Similarly, where a capital asset is held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains.
- The Company will rely on the information provided by the Equity Shareholder as to whether the capital asset being equity shares of the Company constitute short-term or long-term capital asset for the Shareholder, for the purpose of deduction of taxes at source.
- Where the information provided by the Equity Shareholder is ambiguous, incomplete or conflicting or the information is not available with the Company regarding the same, the capital gain shall be assumed to be short-term in nature

1.5.4.2. If the Company becomes liable to pay interest for delay in release of Buyback consideration to nonresident shareholders, such shareholders will be required to submit a certificate for deduction of tax at Nil/ lower rate from the Income-tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Company before remitting the interest, failing which the Company will arrange to deduct tax at the applicable rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, on the interest payment.

1.5.4.3. If the Company becomes liable to pay interest for delay in release of Buyback consideration to resident shareholder, tax will be deducted on the interest component exceeding Rs 5,000/-at the applicable rates. If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholders will be required to submit a certificate for deduction of tax at Nil/ lower rate from the Income-tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Company.

1.5.4.4. Non-Resident Shareholders (including FIIs) are required to submit their PAN for income-tax purposes. In case of Non-Residents (including FIIs), if PAN is not submitted or is invalid or does not belong to the Shareholder, Company will deduct tax @ 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act, whichever is higher, in accordance with provisions of section 206AA of the

- Income Tax Act.
- 1.5.4.5. The Company shall issue a certificate in the prescribed form to the Shareholders (resident and nonresident) who have been paid the consideration after deduction of taxes on the same certifying the amount of tax deducted and other prescribed particulars.
- 1.5.4.6. For the purpose of computing the tax deduction at source, Shareholders who wish to tender their Shares must submit the information as required along with the Tender Form.
- 1.5.4.7. The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharge the obligation of Shareholders to disclose the amount received in pursuant to this Buyback Offer.
- 1.5.4.8. If for any reasons, the income-tax department raises a vicarious liability on the Company and seeks to recover the tax on the transaction (which is actually tax liability of the Shareholder) from the Company, the Shareholder agrees to indemnify the Company for the same.
- 1.5.4.9. **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 PURCHASER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.**

THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buy Back Regulations:

- i. The Board of Directors of the Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
- ii. The Board of Directors of the Company confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion:
 - a) that immediately following the date of this Board Meeting and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company could be found unable to pay its debts;
 - b) that as regards the Company's prospects for the year immediately following the date of this Board Meeting as well as for the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buy Back, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be;
 - c) that in forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company was being wound up under the provisions of the Companies Act, (including prospective and contingent liabilities).

This declaration is made and issued under the authority of the Board of Directors in terms of the resolution passed at the meeting held on October 14, 2013.

For and on behalf of the Board of Directors of Company

Sd/-
RAKESH KUMAR JAIN
Director

Sd/-
GAURI SHANKER PANDEY
Whole-Time Director

23. AUDITORS CERTIFICATE

Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:

The text of the report dated October 14, 2013 received from M/s. J. Jain & Company, Chartered Accountants, the Company's Statutory Auditors addressed to the Board of Directors is reproduced below:

The Board of Directors

Frontline Securities Limited
M-6, IInd Floor
M-Block Market
Greater Kailash-II
New Delhi - 110 048

Dear Sirs,

In connection with the proposed Buy Back of Equity Shares which has been granted subjective approval by the Board of Directors of Frontline Securities Limited (the "Company") at its meeting held on October 14, 2013 (the "Proposed Buy Back"), in pursuance of the provisions of Article 7A of the Articles of Association of the Company, and the provisions of Sections 77A, 77AA, 77B, and all other applicable provisions, if any, of the Companies Act, 1956, the provisions of and Sections 69 and 70(1) and all other applicable provisions, if any, of the Companies Act, 2013 (The Companies Act, 1956 and The Companies Act, 2013 being collectively hereinafter referred to as the "Companies Act"), and in compliance with the provisions of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Buy Back Regulations"), and all other applicable acts, rules, regulations and statutory provisions including any amendments, statutory modifications or re-enactments of the Companies Act and/or the Buy Back Regulations thereto, for the time being in force and based on the information, explanations and representations given to us and on the basis of such verification of relevant record as we considered appropriate, we report that:

1. We have enquired into the state of affairs of the Company in relation to its audited financial statements for the year ended March 31, 2013, which were approved by the Board of Directors at their meeting held on May 30, 2013.
2. The Board of Directors in their meeting held on October 14, 2013 has proposed to Buy Back 23,75,000 Equity Shares of the Company at a price of Rs. 32.50/- per Equity Share ("Buy Back Offer Price") aggregating to Rs. 7,71,87,500/- (Rupees Seven Crores, Seventy One Lakhs, Eighty seven Thousand and Five Hundred only) ("Buy Back Offer Size"). In our view, the amount of permissible capital payment (including premium) towards Buy Back of equity shares as computed below has been properly determined in accordance with Section 77A(2)(c) of the Companies Act, 1956 and is within the permissible amount of 25% of the paid up equity capital and free reserves of the Company:

a) Permissible limit for Buy Back under Section 77A(2)(c)	
Particulars	Amount (Rs. in Lacs)
Total Paid up capital as on March 31, 2013	
9504950 Equity Shares of Rs. 10 each fully paid up	950.49
Free Reserves as on March 31, 2013 (excluding RBI Reserve) comprising of	
Securities Premium Account	237.54
General Reserve	50.48
Profit and Loss Account	1884.74
Total of Paid up capital and Free Reserve as at March 31, 2013	3123.25
25% thereof, being permissible limit for Buy Back of equity shares with members' approval	780.81
Amount approved by the Board for Buy Back	771.88

b) Maximum limit of Buy Back of Equity Shares in a financial year	
Particulars	No. of Shares
Total Paid up capital as at March 31, 2013	95,04,950
25% thereof being maximum equity capital eligible for Buy Back	23,76,237
Maximum shares approved by the Board for Buy Back	23,75,000

3. The Board of Directors, at their meeting held on October 14, 2013, has formed an opinion as specified in Clause (x) in Part A of Schedule II of the Buy Back Regulations on reasonable grounds and that the company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buy Back or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be.
4. This certificate has been prepared only for the Company and is in reference [including disclosing in the Public Announcement and Letter of offer (including the draft letter of offer) as required under the Buy Back Regulations] to proposed Buy Back and for no other purpose. We do not accept any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For J. JAIN & COMPANY

Chartered Accountants

Firm's Registration No. 004208N

Sd/-

(JAYANTI JAIN)

Partner

M.No-83450

Place : New Delhi

Date : October 14, 2013

24. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of Frontline Securities Limited at the Corporate Office of the Company at B-22, Sector-4, Noida-201301, from 11:00 a.m. to 4:00 p.m. on any day, except Saturdays, Sundays and public holidays, during the Tendering Period.

- i. Copy of the Certificate of Incorporation and the Memorandum and Articles of Association of Frontline Securities Limited;
- ii. Copy of the annual reports of Frontline Securities Limited for the years ended March 31, 2011, March 31, 2012 and March 31, 2013;
- iii. Copy of the resolution passed by the Board of Directors at the meeting held on October 14, 2013 approving proposal for Buy Back;
- iv. Copy of the postal ballot notice to the Equity Shareholders dated October 18, 2013, along with Explanatory Statement;
- v. Copy of Certificate dated October 14, 2013 received from M/s. J. Jain & Company, the Statutory Auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buy Back Regulations;
- vi. Copy of special resolution passed by the Equity Shareholders of the Company by Postal Ballot, the results of which were announced on November 22, 2013;
- vii. Copy of Declaration of solvency and an affidavit verifying the same as per Form 4A of the Companies (Central Governments) General Rules and Forms, 1956;
- viii. Copy of Escrow Agreement dated November 25, 2013 between Frontline Securities Limited, IndusInd Bank Limited and Sobhagya Capital Options Limited confirming lien has been marked on the escrow amount in favour of the Manager to the Buy Back Offer
- ix. Certificate dated January 03, 2014 from IndusInd Bank Limited confirming the balance credit of Escrow Account;
- x. Copy of the certificate from M/s. J. Jain & Company, Chartered Accountant dated November 29, 2013 certifying that the Company has adequate funds for the purposes of Buy Back of 23,75,000 Equity Shares at the price of Rs. 32.50 per Equity Share;
- xi. Copy of Public Announcement published in the newspapers on November 26, 2013 regarding Buy Back of Equity Shares;
- xii. Certificate from M/s. J. Jain & Company, Chartered Accountant dated November 29, 2013 regarding view applicable sections of Income Tax Act, 1961 relating to treatment of income tax in case of Buyback of Shares;
- xiii. Copy of SEBI observation letter no. CFD/DCR2/BB/33509/2013 dated January 01, 2014.

25. COMPLIANCE OFFICER

Mr. Avinash Chandra, Company Secretary and Compliance Officer

Frontline Securities Limited

Corporate Office: B-22, Sector-4, Noida-201301

Tel. No.: 0120-2534066, 67, 68, Fax No.: 0120-2534111
Email: avinash@fsltechnologies.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 a.m. till 5:00 p.m. on all working days except Saturdays, Sundays and Public holidays.

26. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS / BENEFICIAL OWNERS

- In case of any grievances relating to the Buy Back (i.e. non-receipt of the Buy Back consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Manager to the Buy Back and/or Registrar to the Buy Back for redressal.
- If the Company makes any default in complying with the provisions of Section 77A of the Companies Act or any rules made there-under, or any regulation or under clause (f) of sub-section (2) of Section 77A of the Companies Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act.
- The address of the concerned office of the Registrar of Companies is as follows:
Registrar of Companies, NCT of Delhi & Haryana
4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019

27. INVESTOR SERVICE CENTRES

In case of any query, the shareholders may contact the Registrar & Share Transfer Agent on any day except Saturdays, Sundays and Public holidays between 10:00 AM till 4:30 PM at the following address:

Link Intime India Private Limited
Unit: FSL Buyback Offer
C 13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078
Tel No.: +91 22 25967878
Fax No.: +91 22 25960329
Contact Person: Mr. Pravin Kasare
Email id.: fsl.buyback@linkintime.co.in
Website: www.linkintime.co.in
SEBI Regn. No.: INR000004058

28. MANAGER TO THE BUY BACK OFFER



Sobhagya Capital Options Limited
B-206, Okhla Industrial Area, Phase- I, New Delhi- 110020
Tel: +91-11-40777000; Fax: +91-11- 40777069
Email: delhi@sobhagyacap.com
SEBI Registration No: MB/INM000008571
Contact Person: Mr. Amit Kumar and Ms. Archana Sharma
Website: www.sobhagyacapital.com

29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE OFFER DOCUMENT

As per Regulation 19(1)(a) of the Buy Back Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Letter of Offer. The Letter of Offer is issued under the authority of the Board of Directors by the Buy Back Committee through Resolution passed by the Buy Back Committee meeting held on January 03, 2014.

For and on behalf of the Board of Directors of
Frontline Securities Limited

Sd/-
Rakesh Kumar Jain
Director

Sd/-
Gauri Shanker Pandey
Whole-time Director

Sd/-
Avinash Chandra
Company Secretary and Compliance Officer

Date: January 03, 2014
Place: New Delhi

Enclosure:

1. Form of Acceptance-cum-Acknowledgement
2. NECS Mandate Form for Equity Shareholders holding Equity Shares in physical form

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALIZED FORM)

Date:

BUY BACK OPENS ON	THURSDAY, JANUARY 16, 2014
BUY BACK CLOSSES ON	WEDNESDAY, JANUARY 29, 2014

For Registrar / Collection Centre Use

To
The Board of Directors
Frontline Securities Limited
C/o Link Intime India Private Limited
C 13 Pannalal Silk Mills Compound
LBS Marg, Bhandup (West), Mumbai 400058
Tel No: +91 22 25967878, Fax No: +91 22 25960329

Status: Please tick appropriate box		
<input type="checkbox"/> Individual	<input type="checkbox"/> Foreign Institutional Investors	<input type="checkbox"/> Insurance Company
<input type="checkbox"/> Foreign Company	<input type="checkbox"/> Non Resident Indian / OCB	<input type="checkbox"/> Foreign National
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank / Financial Institution	<input type="checkbox"/> Others (specify)

India Tax Residency Status : Please tick appropriate box
 Route of Investment (For NR Shareholders only)

<input type="checkbox"/> Resident in India	<input type="checkbox"/> Non-Resident in India
<input type="checkbox"/> Portfolio Investment Scheme	<input type="checkbox"/> Foreign Direct Investment

Dear Sirs,

Sub: Letter of Offer dated January 03, 2014 to Buy Back not exceeding 23,75,000 Equity Shares of Frontline Securities Limited (the "Company") at a price of Rs. 32.50 (Rupees Thirty Two and Paise Fifty only) per Equity Share ("Buy Back Offer Price"), payable in cash

- I / We (having read and understood the Letter of Offer dated January 03, 2014) hereby tender/offer my/our Equity Shares in response to the Buy Back on the terms and conditions set out below and in the Letter of Offer.
- I / We authorize the Company to Buy Back the Equity Shares offered (as mentioned below) and to issue instruction(s) to Link Intime India Private Limited to extinguish the Equity Shares.
- I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buy Back by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buy Back and that I / we am / are legally entitled to tender the Equity Shares for Buy Back.
- I / We agree that the Company will pay the Buy Back Offer Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.
- I/We agree to receive, at my own risk, the invalid / unaccepted Equity Shares under the Buy Back in the demat a/c from where I / we have tendered the Equity Shares in the Buy Back Offer. In case if for any reason the Shares cannot be credited to the above demat account, I/we agree to receive a single share certificate for the unaccepted Shares in physical form.
- I / We undertake to return to the Company any Buy Back consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buy Back in accordance with the Companies Act and the Buy Back Regulations.
- I / We hereby give our consent to the Company / Registrar / Manager to obtain my / our bank account details from the Depositories for the purpose of crediting the consideration for the Equity Shares accepted in the Buy Back.
- Details of Equity Shares held and tendered / offered for Buy Back:

	In Figures	In Words
Number of Equity Shares held as on Record Date		
Number of Equity Shares Entitled for Buy Back (Buy Back Entitlement)		
Number of Equity Shares offered for Buy Back		

Note: An Equity Shareholder may tender Equity Shares over and above his / her Buy Back Entitlement. Number of Equity Shares validly tendered by any Equity Shareholder up to the Buy Back Entitlement of such Equity Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Equity Shareholder over and above the Buy Back Entitlement of such Equity Shareholder shall be accepted in accordance with Paragraph 19.6, 19.7, 19.8, 19.9 and 19.10 of the Letter of Offer. Equity Shares tendered by any Equity Shareholder over and above the number of Equity Shares held by such Equity Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

11. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NSDL	<input type="checkbox"/> CDSL
Name of the Depository Participant		
DP ID No.:		
Client ID with the DP		

----- Tear along this line -----

Acknowledgement Slip: Frontline Securities Limited – Buy Back
 (to be filled by the Equity Shareholder) (subject to verification)

Folio No./DP ID

Client ID

Received from Mr./Ms./M/s. _____

Form of Acceptance-cum-Acknowledgement along with:

No. of Equity Shares offered for Buy Back (In Figures) _____ (In Words) _____

STAMP OF COLLECTION CENTRE

Please quote Client ID No. & DP ID No. for all future correspondence

12. I / We hereby declare that we have instructed the above-mentioned DP, with whom, I / We hold an account to transfer the number of Equity Shares offered by me/us for Buy Back and as mentioned under serial number 10 above to Frontline Securities Limited (NSDL Client Id No. 11280701) held with Ventura Securities Limited (DP ID No. IN303116). **A copy of delivery instruction issued to the DP, duly endorsed by the DP is enclosed.**
13. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:
- | | |
|---|---|
| <input type="checkbox"/> Power Of Attorney | <input type="checkbox"/> Succession Certificate |
| <input type="checkbox"/> Death Certificate | <input type="checkbox"/> Corporate authorisation |
| <input type="checkbox"/> Permanent Account Number (PAN Card) (required for Non-Resident Shareholders) | <input type="checkbox"/> Previous RBI approvals for acquiring the Equity Shares of Frontline Securities Limited hereby tendered in the Buy Back |
| <input type="checkbox"/> NECS Mandate Form | <input type="checkbox"/> Others (please specify): _____ |
14. Tax Certification (NRIs / OCBs / FIIs / Other Non-Resident Equity Shareholders only)

NRI, OCB or an FII or a non-resident Equity Shareholder should certify whether the Equity Shares held by them are held on investment / capital account or on trade account. Please refer to the Letter of Offer regarding withholding tax. Equity Shareholders are also advised to consult their tax advisors for the applicable tax provisions including the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take including submitting any documents to the Company for the purpose of deduction of tax.

I / We certify that the Equity Shares referred to in serial number 10 of this Form of Acceptance cum Acknowledgment are held:

- on Investment / Capital account on trade account / to be taxed as Business Profits

I/We certify that the Equity Shares referred to in serial number 10 of this Form of Acceptance cum Acknowledgment were acquired by me in:

- in convertible foreign exchange other than convertible foreign exchange

I / We certify that the tax deduction on the Equity Shares referred to in serial number 10 of this Form of Acceptance cum Acknowledgment is to be deducted on account of:

- Short Term Capital Gain Long Term Capital Gains Business Profits

I / We certify that we have a Permanent Account Number (PAN) obtained from the Indian Revenue authorities which is _____ and have enclosed a copy of the PAN card.

Order from Income-tax authorities enclosed specifying (if applicable):

- Non deduction of tax at source Deduction at lower rate – _____ please mention rate specified in order

I / We have enclosed the following (if applicable):

- Evidence of eligibility for claiming any double tax treaty benefit:
 Tax Residency Certificate
 Form 10F
 Any others, please specify - _____
 Declaration for no-permanent establishment of non-resident in India

Applicable only for FII Equity Shareholders

- The FII hereby undertakes that: (a) it has a valid tax residency certificate; (b) it is registered with the Securities and Exchange Board of India ('SEBI') Foreign Institutional Investor ('FII') SEBI Registration No _____ not have a permanent establishment in India; and (d) the amount received by it as a part of the Buy Back constitutes capital gains and does not constitute business income for it and that similar gains (if any) have been taxed as capital gains by the tax authorities in India in the past (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents)

The FII hereby also undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the FII in relation to the consideration paid by the Company to the FII in the Buy Back.

Applicable only for non-residents other than FIIs:

- The Equity Shareholder hereby undertakes that the Double Taxation Avoidance Agreement between India and _____ (please insert the applicable jurisdiction) is applicable to it (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents)

The Equity Shareholder hereby also undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the Equity Shareholder in relation to the consideration paid by the Company to such Equity Shareholder in the Buy Back.

----- **Tear along this line** -----

15. Details of Bank Account of the Sole / First Equity Shareholder to be incorporated in the consideration warrant. (to be mandatorily filled):

		INDICATE CHANGES, IF ANY
Name of the Bank		
Branch & Address of the Branch		
City & Pincode		
Account Number		
Type of Account		
MICR No. (9 Digit code No. appearing on the MICR band of the Cheque supplied by your Bank)		
IFSC code (for RTGS/NEFT)		
SWIFT code		

Mode of Payment (Please Tick) :

Electronic

Physical

16. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of The Holder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID				

* Corporate must affix rubber stamp

Applicable for all Non-Resident Shareholders:

Under FEMA, form FC-TRS has to be filed within 60 days from the date of remittance of the payment consideration and in order to facilitate the filing of FC-TRS, the Company would file the same on behalf of Non-Resident Shareholders and any other Regulatory Reportings, wherever required. By agreeing to participate in the Buy Back, Non-Resident Shareholders holding Equity Shares in the Company hereby, give an irrevocable mandate to the Company as given below. This Letter of Mandate may be used by the Company to file FC-TRS with Authorised Dealer Bank as per Regulatory requirements.

Letter of Mandate:

I/We hereby authorise the Company to execute and perform all or any of the acts, deeds, matters and things, as may be necessary, desirable or appropriate for and in relation to the sale and transfer of the Equity Shares tendered and accepted under the Buy Back, fully and effectively in favour of the Company, in terms of the Buy Back Regulations, including the power to make, sign, execute, deliver, acknowledge and perform all applications to file, Regulatory Reportings and any such information demanded from time to time by any regulatory or statutory authorities in India including FEMA Regulations of Reserve Bank of India, that may be necessary or proper to be made, signed, sealed, executed, delivered, acknowledged and performed on my/our behalf and for such or any of the purposes of these powers. Further, I / We hereby declare that:

i. I/ We, was/were holding the Equity Shares as per under FERA/ FEMA Regulations on repatriation non repatriation basis

ii. I/We bought/hold Equity Shares within the sectoral limits under FDI Policy PIS Purchased shares with approval from RBI during approval regime under FERA/FEMA

(Please tick the appropriate applicable box above)

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Signature(s)*				

*Corporate must affix rubber stamp

INSTRUCTIONS

This Tender / Offer Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

1. This Offer will open on Thursday, January 16, 2014 and close on Wednesday, January 29, 2014.
2. For the purpose of Buy Back Offer, the Company has designated a Depository account with a Depository Participant (DP) as detailed below:

NSDL Client ID	11280701
DP Name	Ventura Securities Limited
DP ID	IN303116
Client Account name	LIPL FSL Buyback Offer Escrow Demat Account
Depository	NSDL

Beneficial owners having their beneficiary accounts with CDSL have to use inter-depository delivery instruction slip for the purposes of crediting their Equity Shares in favour of the special depository account with NSDL.

3. Equity Shareholders of the Company who wish to tender their Equity Shares in response to the Buy Back should deliver the following documents so as to reach before the close of business hours at the respective Collection Centers (as mentioned in the Letter of Offer) on or before Wednesday, January 29, 2014 by 5.00 PM. Equity Shareholders residing at locations where there are no collection centres should send their response to the Registrar to the Buy Back, Link Intime India Private Limited:
 - a. The relevant Tender Form duly signed (by all Equity Shareholders in case the shares are in joint names) in the same order in which they hold the shares.
 - b. Copy of delivery instruction issued by Equity Shareholders to their DP for transferring the Equity Shares tendered for Buy Back, to the Company's DP account with Ventura Securities Limited. **Copy of the delivery instruction should be duly endorsed by the DP of the Equity Shareholder**, to whom the original delivery instruction should be handed over.
4. In the delivery instruction please use the "For Off-Market Trades (Receiver Details)" box. Fill in "Ventura Securities Limited" against DP Name, "IN303116" against the DP ID and "11280701" against Client ID. The date of execution entered in the delivery instruction should be after the date of opening of the Buy Back Offer and on or before the last date of submission of the Tender Form to the Collection Centres or on or before the date of mailing of the Tender Form to the Registrar to the Buy Back, as the case may be, but not in any case later than the date of Closing of the Buy Back.
5. In case of non-receipt of the aforesaid documents, but receipt of shares in the designated depository account, the offer shall be deemed to be rejected.
6. The Share holders 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 Buy Back as decided by the Company.
7. In case of non-receipt of the Letter of Offer, Equity Shareholders may send their application in plain paper in terms of the procedure disclosed in paragraph 20.20 of the Letter of Offer.
8. Equity Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
 - Duly attested Power of Attorney, if any person other than the Equity Shareholder has signed the relevant Tender Form.
 - Duly attested death certificate / succession certificate in case any Equity Shareholder has expired.
 - Necessary corporate authorizations, such as Board Resolutions, etc. in case of companies.
 - Previous RBI approval for holding the Equity Shares of Frontline Securities Limited hereby tendered in the Buy Back.
9. Equity Shareholders to whom the Offer is made are free to tender shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
10. It is mandatory for Equity Shareholders to indicate the bank account details to which the consideration would be payable at the appropriate place in Tender Form.
11. All documents sent by Equity Shareholders will be at their own risk. Equity Shareholders of the Company are advised to safeguard adequately their interests in this regard.
12. Non Resident Shareholders are requested to submit documents as mentioned in paragraph 20.13 of the Letter of Offer.
13. **Note: Any Equity Shareholder should tender only one form, irrespective of the number of folios he holds. Multiple applications tendered by any Equity Shareholder shall be liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected.**

COLLECTION CENTERS

Sr. No.	City	Address of Collection Centre	Contact Person	Contact details	Mode of delivery
1.	New Delhi	Link Intime India Private Limited 44 Community Centre, 2nd Floor, Nariana Industrial Area, Phase I, Near PVR Nariana, New Delhi- 110 028	Mr. Swapan Naskar	Tel : 011-41410592/93/94 Fax: 011-41410591 Email: delhi@linkintime.co.in	Hand Delivery & Registered Post/ Speed Post
2.	Mumbai	Link Intime India Private Limited C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.	Mr. Pravin Kasare	Tel : 022 25967878 Fax: 022-25960329 Email: pravin.kasare@linkintime.co.in	Hand Delivery & Registered Post/ Speed Post
3.	Ahmedabad	Link Intime India Private Limited 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad – 380009	Mr. Hitesh Patel	Tel : 079-2646 5179 Fax: 079-2646 5179 Email: ahmedabad@linkintime.co.in	Hand Delivery

Working Hours: Monday to Friday 10:00 AM to 4:30 PM ; On Buy Back Closing Date the collection centres will be open till 5.00 PM;

Holidays: Saturdays, Sundays and Bank Holidays

Note: All future correspondence in connection with this Buy Back, if any, should be addressed to Registrar to the Buyback Offer at the following address quoting your Client ID No. & DP ID No.:

**Link Intime India Private Limited, Unit: FSL Buyback Offer
C 13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078**

Tel No.: +91 22 25967878, Fax No.: +91 22 25960329, Email id.: fsl.buyback@linkintime.co.in, Contact Person: Mr. Pravin Kasare

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)

Date:

BUY BACK OPENS ON	THURSDAY, JANUARY 16, 2014
BUY BACK CLOSSES ON	WEDNESDAY, JANUARY 29, 2014

For Registrar / Collection Centre Use

To
The Board of Directors
Frontline Securities Limited
C/o Link Intime India Private Limited
C 13 Pannalal Silk Mills Compound
LBS Marg, Bhandup (West), Mumbai 400058
Tel No: +91 22 25967878, Fax No: +91 22 25960329

Status: Please tick appropriate box		
<input type="checkbox"/> Individual	<input type="checkbox"/> Foreign Institutional Investors	<input type="checkbox"/> Insurance Company
<input type="checkbox"/> Foreign Company	<input type="checkbox"/> Non Resident Indian / OCB	<input type="checkbox"/> Foreign National
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank / Financial Institution	<input type="checkbox"/> Others (specify)

India Tax Residency Status : Please tick appropriate box
Route of Investment (For NR Shareholders only)

<input type="checkbox"/> Resident in India	<input type="checkbox"/> Non-Resident in India
<input type="checkbox"/> Portfolio Investment Scheme	<input type="checkbox"/> Foreign Direct Investment

Dear Sirs,

Sub: Letter of Offer dated January 03, 2014 to Buy Back not exceeding 23,75,000 Equity Shares of Frontline Securities Limited (the "Company") at a price of Rs. 32.50 (Rupees Thirty Two and Paise Fifty only) per Equity Share ("Buy Back Offer Price"), payable in cash

- I / We (having read and understood the Letter of Offer dated January 03, 2014) hereby tender/offer my/our Equity Shares in response to the Buy Back on the terms and conditions set out below and in the Letter of Offer.
- I / We authorize the Company to Buy Back the Equity Shares offered (as mentioned below) and as a consequence to extinguish the Share Certificates.
- I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buy Back by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buy Back and that I / we am / are legally entitled to tender the Equity Shares for Buy Back.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buy Back where loss of share certificates has been notified to the Company.
- I / We agree that the Company will pay the Buy Back Offer Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.
- I / We undertake to return to the Company any Buy Back consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buy Back in accordance with the Companies Act and the Buy Back Regulations.
- I / We authorize the Company to split the Share Certificate and issue new consolidated Share Certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback
- Details of Equity Shares held and tendered / offered for Buy Back:

	In Figures	In Words
Number of Equity Shares held as on Record Date		
Number of Equity Shares Entitled for Buy Back (Buy Back Entitlement)		
Number of Equity Shares offered for Buy Back		

Note: An Equity Shareholder may tender Equity Shares over and above his / her Buy Back Entitlement. Number of Equity Shares validly tendered by any Equity Shareholder up to the Buy Back Entitlement of such Equity Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Equity Shareholder over and above the Buy Back Entitlement of such Equity Shareholder shall be accepted in accordance with Paragraph 19.6, 19.7, 19.8, 19.9 and 19.10 of the Letter of Offer. Equity Shares tendered by any Equity Shareholder over and above the number of Equity Shares held by such Equity Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

Acknowledgement Slip: Frontline Securities Limited – Buy Back
(to be filled by the Equity Shareholder) (subject to verification)

Received from Mr./Ms./M/s. _____

Form of Acceptance-cum-Acknowledgement along with:

Ledger Folio No.: _____ No. of Share Certificates submitted: _____

No. of Equity Shares offered for Buy Back (In Figures) _____ (In Words) _____

STAMP OF COLLECTION CENTRE

Please quote Ledger Folio No. for all future correspondence

11. Details of Share Certificate(s) enclosed

Total No. of Share Certificates Submitted

Sr. No.	Folio No.	Share Certificates	Distinctive Nos.		No. of Shares
			From	To	
1.					
2.					
3.					
4.					

In case the number of folios and share certificates enclosed exceed 4 nos., Please attach a separate sheet giving details in the same format as above

12. Tax Certification (NRIs / OCBs / FIIs / Other Non-Resident Equity Shareholders only)

NRI, OCB or an FII or a non-resident Equity Shareholder should certify whether the Equity Shares held by them are held on investment / capital account or on trade account. Please refer to the Letter of Offer regarding withholding tax. Equity Shareholders are also advised to consult their tax advisors for the applicable tax provisions including the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take including submitting any documents to the Company for the purpose of deduction of tax.

I / We certify that the Equity Shares referred to in serial number 10 of this Form of Acceptance cum Acknowledgment are held:

on Investment / Capital account on trade account / to be taxed as Business Profits

I/We certify that the Equity Shares referred to in serial number 10 of this Form of Acceptance cum Acknowledgment were acquired by me in:

in convertible foreign exchange other than convertible foreign exchange

I / We certify that the tax deduction on the Equity Shares referred to in serial number 10 of this Form of Acceptance cum Acknowledgment is to be deducted on account of:

Short Term Capital Gain Long Term Capital Gains Business Profits

I / We certify that we have a Permanent Account Number (PAN) obtained from the Indian Revenue authorities which is _____ and have enclosed a copy of the PAN card.

Order from Income-tax authorities enclosed specifying (if applicable):

Non deduction of tax at source Deduction at lower rate – _____ please mention rate specified in order

I / We have enclosed the following (if applicable):

- Evidence of eligibility for claiming any double tax treaty benefit:
- Tax Residency Certificate
- Form 10F
- Any others, please specify - _____
- Declaration for no-permanent establishment of non-resident in India

Applicable only for FII Equity Shareholders

The FII hereby undertakes that: (a) it has a valid tax residency certificate; (b) it is registered with the Securities and Exchange Board of India ('SEBI') Foreign Institutional Investor ('FII') SEBI Registration No _____ not have a permanent establishment in India; and (d) the amount received by it as a part of the Buy Back constitutes capital gains and does not constitute business income for it and that similar gains (if any) have been taxed as capital gains by the tax authorities in India in the past (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents)

The FII hereby also undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the FII in relation to the consideration paid by the Company to the FII in the Buy Back.

Applicable only for non-residents other than FIIs:

The Equity Shareholder hereby undertakes that the Double Taxation Avoidance Agreement between India and _____ (please insert the applicable jurisdiction) is applicable to it (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents)

The Equity Shareholder hereby also undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the Equity Shareholder in relation to the consideration paid by the Company to such Equity Shareholder in the Buy Back.

----- Tear along this line -----

13. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

- | | |
|---|---|
| <input type="checkbox"/> Power of Attorney | <input type="checkbox"/> Succession Certificate |
| <input type="checkbox"/> Death Certificate | <input type="checkbox"/> Corporate authorisation |
| <input type="checkbox"/> Permanent Account Number (PAN Card) (required for Non-Resident Shareholders) | <input type="checkbox"/> Previous RBI approvals for acquiring the Equity Shares of Frontline Securities Limited hereby tendered in the Buy Back |
| <input type="checkbox"/> NECS Mandate Form | <input type="checkbox"/> Others (please specify): _____ |

14. Details of Bank Account of the Sole / First Equity Shareholder to be incorporated in the consideration warrant. (to be mandatorily filled):

		INDICATE CHANGES, IF ANY
Name of the Bank		
Branch & Address of the Branch		
City & Pincode		
Account Number		
Type of Account		
MICR No. (9 Digit code No. appearing on the MICR band of the Cheque supplied by your Bank)		
IFSC code (for RTGS/NEFT)		
SWIFT code		

Mode of Payment (Please Tick) : Electronic Physical

15. In order to avail NECS, Equity Shareholders holding Shares in physical form are requested to submit the NECS mandate form duly filled in and signed while submitting the Form, if the same has not been submitted earlier to the Company / Registrar & Share Transfer Agents or if there is a change in Bank details.

16. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of The Holder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID				

* Corporate must affix rubber stamp

Applicable for all Non-Resident Shareholders:

Under FEMA, form FC-TRS has to be filed within 60 days from the date of remittance of the payment consideration and in order to facilitate the filing of FC-TRS, the Company would file the same on behalf of Non-Resident Shareholders and any other Regulatory Reportings, wherever required. By agreeing to participate in the Buy Back, Non-Resident Shareholders holding Equity Shares in the Company hereby, give an irrevocable mandate to the Company as given below. This Letter of Mandate may be used by the Company to file FC-TRS with Authorised Dealer Bank as per Regulatory requirements.

Letter of Mandate:

I/We hereby authorise the Company to execute and perform all or any of the acts, deeds, matters and things, as may be necessary, desirable or appropriate for and in relation to the sale and transfer of the Equity Shares tendered and accepted under the Buy Back, fully and effectively in favour of the Company, in terms of the Buy Back Regulations, including the power to make, sign, execute, deliver, acknowledge and perform all applications to file, Regulatory Reportings and any such information demanded from time to time by any regulatory or statutory authorities in India including FEMA Regulations of Reserve Bank of India, that may be necessary or proper to be made, signed, sealed, executed, delivered, acknowledged and performed on my/our behalf and for such or any of the purposes of these powers. Further, I / We hereby declare that:

- iii. I/ We, was/were holding the Equity Shares as per under FERA/ FEMA Regulations on repatriation non repatriation basis
- iv. I/We bought/hold Equity Shares within the sectoral limits under FDI Policy PIS Purchased shares with approval from RBI during approval regime under FERA/FEMA

(Please tick the appropriate applicable box above)

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Signature(s)*				

*Corporate must affix rubber stamp

INSTRUCTIONS

This Tender / Offer Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

1. This Offer will open on Thursday, January 16, 2014 and close on Wednesday, January 29, 2014.
2. Equity Shareholders of the Company who wish to tender their Equity Shares in response to the Buy Back should deliver the following documents so as to reach before the close of business hours at the respective Collection Centers (as mentioned in the Letter of Offer) on or before Wednesday, January 29, 2014 by 5.00 PM. Equity Shareholders residing at locations where there are no collection centres should send their response to the Registrar to the Buy Back, Link Intime India Private Limited:
 - a. The relevant Tender Form duly signed (by all Equity Shareholders in case the shares are in joint names) in the same order in which they hold the shares.
 - b. Original Share Certificates
 - c. Copy of Permanent Account Number (PAN) Card
3. Equity Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
 - Duly attested Power of Attorney, if any person other than the Equity Shareholder has signed the relevant Tender Form.
 - Duly attested death certificate / succession certificate in case any Equity Shareholder has expired.
 - Necessary corporate authorizations, such as Board Resolutions, etc. in case of companies.
 - Previous RBI approval for holding the Equity Shares of Frontline Securities Limited hereby tendered in the Buy Back.
4. Equity Shareholders to whom the Offer is made are free to tender shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
5. In case of non-receipt of the Letter of Offer, Equity Shareholders may send their application in plain paper in terms of the procedure disclosed in paragraph 20.20 of the Letter of Offer.
6. It is mandatory for Equity Shareholders to indicate the bank account details to which the consideration would be payable at the appropriate place in Tender Form.
7. All documents sent by Equity Shareholders will be at their own risk. Equity Shareholders of the Company are advised to safeguard adequately their interests in this regard.
8. Non Resident Shareholders are requested to submit documents as mentioned in paragraph 20.13 of the Letter of Offer.
9. **Note: An Equity Shareholder should tender only one form, irrespective of the number of folios he holds. Multiple applications tendered by any Equity Shareholder shall be liable to be rejected. Also, multiple tenders from the same registered folio shall also be liable to be rejected.**

COLLECTION CENTERS

Sr. No.	City	Address of Collection Centre	Contact Person	Contact details	Mode of delivery
1.	New Delhi	Link Intime India Private Limited 44 Community Centre, 2nd Floor, Nariana Industrial Area, Phase I, Near PVR Nariana, New Delhi- 110 028	Mr. Swapan Naskar	Tel : 011-41410592/93/94 Fax: 011-41410591 Email: delhi@linkintime.co.in	Hand Delivery & Registered Post/ Speed Post
2.	Mumbai	Link Intime India Private Limited C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.	Mr. Pravin Kasare	Tel : 022 25967878 Fax: 022-25960329 Email: pravin.kasare@linkintime.co.in	Hand Delivery & Registered Post/ Speed Post
3.	Ahmedabad	Link Intime India Private Limited 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380009	Mr. Hitesh Patel	Tel : 079-2646 5179 Fax: 079-2646 5179 Email: ahmedabad@linkintime.co.in	Hand Delivery

Working Hours: Monday to Friday 10:00 AM to 4:30 PM ; On Buy Back Closing Date the collection centres will be open till 5.00 PM;

Holidays: Saturdays, Sundays and Bank Holidays

Note: All future correspondence in connection with this Buy Back, if any, should be addressed to Registrar to the Buyback Offer at the following address quoting your Ledger Folio:

**Link Intime India Private Limited, Unit: FSL Buyback Offer
C 13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078**

Tel No.: +91 22 25967878, Fax No.: +91 22 25960329, Email id.: fsl.buyback@linkintime.co.in, Contact Person: Mr. Pravin Kasare

NECS MANDATE FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

REF. FOLIO NO.

Name of the Shareholder : _____
Address of the Shareholder: _____

To,
Link Intime India Private Limited
C 13 Pannalal Silk Mills Compound
LBS Marg, Bhandup (West), Mumbai 400058

UNIT: FSL BUYBACK OFFER

Dear Sirs,

RE: CASH PAYMENTS THROUGH NECS / NEFT / BANK MANDATE

I wish to receive my dividend / buyback consideration amount and other cash proceeds electronically and accordingly, I give below the details of my bank details, to which you may electronically credit the payment due to me against the reference folio number mentioned against point 1.

1. REF. FOLIO NO. :
2. Particulars of Bank :
 - a. Name of the Bank :
 - b. Branch Address :
 - c. 9 Digit MICR Code No. :

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 - d. 11 Digit IFSC :

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 - e. CBS A/c No. * :

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 - f. Account Type : Savings Current Cash Credit
 - g. Ledger Folio No. (if any) on your bank account :

I hereby declare that the particulars given above are correct and complete, I undertake to inform any subsequent changes in the above particulars from time to time. If the payment transaction is delayed or not effected at all for any reason(s), beyond the control of the Company, I would not hold the Company responsible.

E-mail Id: _____ Telephone No.: _____

Date: _____

Signature of the first holder

** Please attach a photocopy of your cheque featuring your new CBS Account Number*