

DETAILED PUBLIC STATEMENT (DPS) PURSUANT TO REGULATIONS 3(2) READ WITH REGULATIONS 13(4), 14(3) AND 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 (AS AMENDED) (SEBI (SAST) REGULATIONS) TO THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF

FRONTIER INFORMATICS LIMITED

Registered Office: Plot Nos. 31 (part) & 32, 3rd Floor, Tower-A, Ramky Selenium Financial District
Nanakramguda, Hyderabad – 500 032, Telangana, India

Tel No: 040-23007456; Email: frontier@fitlindia.com; Website: www.fitlindia.com;

Corporate Identity Number: L72200TG1986PLC006644

Open Offer ("Offer") for acquisition of upto 2,46,88,352 (Two crore forty six lacs eighty eight thousand three hundred fifty two) fully paid up equity shares of face value of ₹ 1 each ("equity shares"), representing 26% of the total emerging voting share capital of Frontier Informatics Limited ("Target Company") by Ramarao Atchuta Mullapudi ('Acquirer') together with Harika Vardhani Mullapudi, as person acting in concert with the acquirer (PAC)

This DPS is being issued by Saffron Capital Advisors Private Limited, the manager to the offer ("Manager"), for and on behalf of the Acquirer and PAC in compliance with regulation 3(2) read with regulations 13(4), 14(3) and 15(2) of the SEBI (SAST) Regulations, pursuant to the public announcement in relation to this open offer ("PA") filed with BSE Limited ("BSE") ("Stock Exchange") on September 05, 2019 and sent to the Target Company at its registered office on September 06, 2019. The PA was filed with the Securities and Exchange Board of India ("SEBI") on September 06, 2019.

For the purpose of this DPS, the following terms have the meaning assigned to them herein below:

"Board of Directors" means the board of directors of the Target Company.

"Emerging Voting Share Capital" means the emerging fully diluted voting equity share capital of the Target Company as of the 10th working day from the closure of the tendering period for the Open Offer, computed in the manner set out in paragraph II (3) (Background to the Offer).

"Identified Date" means the date falling on the 10th (tenth) working day prior to the commencement of the tendering period for the Open Offer, for the purposes of determining the Public Shareholders to whom the Letter of Offer shall be sent. It is clarified that all the Public Shareholders (registered or unregistered) who own Offer Shares are eligible to participate in this Open Offer at any time before expiry of the tendering period.

"NRI" means a non-resident Indian, as defined under the FEMA.

"Offer Shares" means 2,46,88,352 (Two crore forty six lacs eighty eight thousand three hundred fifty two only) Shares.

"Public Shareholders" means all the public shareholders of the Target Company other than the Acquirer, PAC, Promoter and promoter group members.

"Shares" means fully paid-up equity shares of the face value of ₹ 1 (Rupee one only) each of the Target Company.

I. ACQUIRER, PAC, TARGET COMPANY AND OFFER

1. INFORMATION ABOUT THE ACQUIRER - RAMARAO ATCHUTA MULLAPUDI

- (a) Acquirer, aged 55 years, S/o Mr. Sri Raghunayakulu, is residing at 4588, Kentucky DR Plano, Texas - 75024, United States of America; Email: ramarao@aol.com
- (b) Acquirer is an Overseas Citizen of India (OCI Card No. A022983) and holds a Permanent Account Number AOTPM9805Q.
- (c) Acquirer holds a Bachelor's Degree in Science and Master's Degree in Computer Applications from Andhra University. He has completed Owner/President Management Program from Harvard Business School.
- (d) Acquirer is the Promoter of the Target Company and is also the founder of XT Global Inc, a Company engaged in providing technology services and IT business services. He has

an experience of about 32 years in the field of Information Technology (IT) and Information Technology Enabled Services (ITES).

- (e) The details of the ventures promoted/controlled/managed by the Acquirer in India as well as in the United States of America are as given hereunder:

Sr. No.	Name of the Entities	Country of incorporation	Nature of Interest	Percentage stake/holding
1.	Frontier Informatics Limited	India	Shareholder, Promoter; Director and Non-Executive Chairman	50.04%*
2.	Xenosoftware Technologies (India) Private Limited	India	Non-Executive Director and Shareholder	77.49%
3.	XT Global Inc	USA	Director & CEO	--
4.	Circulus LLC	USA	Partner	--
5.	Mullapudi Ventures LLC	USA	Partner	50%
6.	VRM Family Holdings LP	USA	Member	50%
7.	Sunnyside Enterprises LLC	USA	Partner	50%

* As a % of existing share capital of the Target Company

(Source: www.mca.gov.in and letter dated September 05, 2019 received from the Acquirer)

- (f) Except as stated in this para, none of the entities mentioned under point (e) above are interested with the Acquirer in this Open Offer. The Acquirer is a majority shareholder and a Director in Xenosoftware Technologies (India) Private Limited, whose shares are being acquired by the Target Company, as detailed in para 4.6.
- (g) Except as mentioned under point (e) above, Acquirer confirms that he does not hold directorships in any company, including any other listed company.
- (h) The Net Worth of Acquirer and PAC as on September 05, 2019 is ₹ 63.82 crores (Rupees Sixty three crores eighty two lacs), which is certified by C Ramachandram, Partner of C Ramachandram & Co, Chartered Accountants (Membership Number 025834; Firm Registration Number 002864S; Email: crcooca@gmail.com) having his office at 3-6-237, Unit #606, Lingapur La Builde Complex, Himayatnagar, Hyderabad – 500 029, Telangana, India, vide a certificate dated September 05, 2019, bearing Unique Document Identification Number (UDIN) 19025834AAAAPO1586.
- (i) As on the date of this DPS, Acquirer holds 2,55,00,125 Shares representing 50.04% of the existing Voting Share Capital of the Target Company and constitutes 26.85% of the Emerging Voting Share Capital of the Target Company.
- (j) There has been a delayed compliance in relation to the applicable provision of Chapter V, of the SEBI (SAST) Regulations by the Acquirer. SEBI may take appropriate action against the Acquirer for the delayed compliance.
- (k) Acquirer undertakes not to sell the Shares of the Target Company held by him during the "Offer Period" in terms of Regulation 25(4) of the SEBI (SAST) Regulations.
- (l) Acquirer does not belong to any group. He is the promoter of the Target Company.
- (m) Harika Vardhani Mullapudi, being the daughter of the Acquirer and also a shareholder of Xenosoftware Technologies (India) Private Limited is considered as a person acting in concert for the purpose of this open offer.
- (n) Acquirer confirms that he has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.

3. INFORMATION ABOUT THE SELLERS : NOT APPLICABLE

4. INFORMATION ABOUT THE TARGET COMPANY

FRONTIER INFORMATICS LIMITED ("Target Company")

- 4.1 The Target Company was incorporated on July 29, 1986 under the Companies Act 1956 as Frontier Information Technologies Private Limited. It was converted to public company and its name was changed to Frontier Information Technologies Limited. A fresh Certificate of Incorporation pursuant to such conversion was issued on January 16, 1995. The name of the Target Company was further changed to Frontier Informatics Limited on October 14, 2011. There has been no change in the name of the Target Company during the last three years.
- 4.2 The registered office of the Target Company is situated at Plot Nos. 31 (part) & 32, 3rd Floor, Tower-A, Ramky Selenium Financial District Nanakramguda, Hyderabad – 500 032, Telangana, India; Email: frontier@fitlindia.com; Website: www.fitlindia.com
- 4.3 Corporate Identity Number of the Target Company is L72200TG1986PLC006644.
- 4.4 The objects of the Target Company as per its Memorandum of Association inter-alia include:-
- a) To design, develop, use, implement, lease, purchase, sell import, export, distribute, Maintain and support various kinds of software for any information, processing application.
 - b) To design, develop, assemble, manufacture, use, install, purchase , sell, value add and resell, import, export, distribute, maintain and support computers, micro-processors, communication equipment and any other electronic, mechanical, electro-mechanical, optical, electro- magnetic equipment and any combination of these for information processing application.
 - c) To design integrated and other electronic circuits and lubricate them.

Frontier Informatics Limited (FIL) is engaged in Onsite Consultancy Services, Offshore Software Development, Product Development and Internet Enabled Services. FIL has undertaken offshore development projects for clients in USA, UK, Switzerland and Sri Lanka. It has also provided onsite consultancy services for many prestigious clients in USA. FIL's project teams use development aids for design, development and testing. FIL was the second company in the undivided state of Andhra Pradesh to obtain ISO 9001 certification from BVQI, UK.

(Source: <http://www.fitlindia.com/corporate-vision.php>)

- 4.5 The Authorized Share Capital of the Target Company is ₹ 18 Crores comprising of 18,00,00,000 Equity Shares of face value ₹ 1 each. The current Issued, Subscribed and paid up Share Capital of the Target Company is ₹ 5,09,55,198 comprising of 5,09,55,198 Equity Shares of face value ₹ 1 each.
- 4.6 The Board of Directors of the Target Company in their meeting held on September 05, 2019, have decided to acquire around 33.94% of total equity of Xenosoft Technologies (India) Private Limited (Xenosoft) from its existing shareholders by allotting 4,40,00,000 Shares of ₹ 1 each at a premium of ₹ 2.50 per Share amounting to ₹ 15,40,00,000 on a preferential basis (Preferential Allotment) to the shareholders of Xenosoft in proportion to their respective shareholding in the Xenosoft for consideration other than cash. subject to

30, 2019, and statutory / regulatory approvals. The Acquirer, being a majority shareholder in Xenosoft, along with PAC (daughter of the Acquirer), who is also a shareholder in Xenosoft, have therefore triggered Regulation 3(2) of the SEBI (SAST) Regulations.

- 4.7 Pursuant to the above, the paid up capital of the Target Company shall be ₹ 9,49,55,198 comprising of equivalent number of equity shares of face value ₹ 1 each.
- 4.8 There are no outstanding partly paid up shares or any other convertible instruments to be converted into Shares of the Target Company at a future date.
- 4.9 The Shares of the Target Company were initially listed on Hyderabad Stock Exchange Limited (HSE) and BSE pursuant to its Initial Public Issue. Subsequently, after HSE was derecognized as a Stock Exchange *vide* SEBI Order dated January 25, 2013, the equity shares of the Target Company are listed only on BSE with scrip code: 531225 and scrip id: FRONTIER and are placed under Graded Surveillance Measure- Stage 4.
- 4.10 The trading in Shares of the Target Company was suspended from the period May 15, 2017 to October 15, 2017 due to pendency of approval of reduction of Scheme.
- 4.11 The Shares of the Target Company are infrequently traded on BSE within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations.
- 4.12 The name of the Target Company appeared in the list of 331 shell companies issued by Ministry of Corporate Affairs ("MCA"). Securities and Exchange Board of India ("SEBI") *vide* its Letter No. SEBI/HO/ISD/ISD/OW/P/2017/18183 dated August 07, 2017 placed trading restrictions on promoters/ directors of the Target Company and also placed the scrip in the Trade to Trade category with limitation on the frequency of trades and imposed a limitation on the buyer by way of 200% deposit on the trade value.

The Target Company aggrieved by the notice dated August 07, 2017 issued by SEBI and BSE, filed an appeal No. 218 of 2017 before Honorable Securities Appellate Tribunal (SAT). SAT *vide* its order dated September 11, 2017 directed SEBI dispose the representation made by the Target Company. The Whole Time Member of SEBI, *vide* order number SEBI/HO/ISD/OW/P/2017/24643/1 dated October 05, 2017 revoked the actions envisaged in SEBI's letter dated August 07, 2017 and the consequential actions taken by Stock Exchange against the Target Company.

- 4.13 The brief standalone audited financial information of the Target Company for the financial years ended March 2019, 2018 and 2017 and the stub period are detailed as under:

(Amount in ₹ Lacs, except EPS)

Particulars	Q1 FY 2020	FY 2019*	FY 2018	FY 2017
	Unaudited Reviewed	Audited	Audited	Audited
Total Income (Income from Operations + Other Income)	56.64	41.77	4.72	3.42
Net Profit/(Loss) after tax	19.68	2.87	(31.63)	(20.13)
Earnings per Share (EPS)	0.06	0.02	(0.25)	(0.30)
Net Worth	227.33	(175.35)	(178.22)	(206.59)

* The Financials for the Year ended on 31st March, 2019 have been approved by the Board of Directors of the Target Company *vide* their resolution dated May 27, 2019 which will be subject to the approval of shareholders in the ensuing AGM to be held on September 30, 2019.

- 4.14 There have been certain delayed compliances in relation to the applicable provisions of Chapter V of the SAST Regulations, 2011 by the Promoter and Promoter Group (excluding the Acquirer) of the Target Company. SEBI may take appropriate action against the Promoter and Promoter Group for these delayed compliances.

- 4.15 The Board of the Target Company met on December 04, 2017 and resolved to allot 60,00,000 Shares on a preferential basis to Acquirer, which triggered the mandatory open offer. In the said open offer, which was completed on March 16, 2018, 125 Shares were tendered and thereafter 60,00,000 Shares as stated above were allotted on a preferential basis by the Target Company on March 20, 2018. Basis the same, the Acquirer has been classified as a promoter of the Target Company thereafter and is currently the Chairman on the Board of the Target Company. The Acquirer was on April 22, 2019 allotted 1,95,00,000 Shares of the Target Company on a preferential basis along with others, taking his total shareholding in the Target Company to its current number of 2,55,00,125 Shares. The Board of Directors of the Target Company in its meeting held on September 05, 2019, have appointed the Acquirer as a Chairman and Managing Director for a period of Five (5) years, subject to the approval of the shareholders at the ensuing Annual General Meeting scheduled on September 30, 2019.
- 4.16 Mr. Velchala Premchand Krishna Rao and Ms. V Radhabai forming part of the current Promoter and Promoter Group of the Target Company holding 7,61,275 Shares representing 1.49% of the current Paid up Share Capital of the Target Company have *vide* their letter dated August 13, 2019 expressed their intention to be denotified as a shareholder in the "Promoter Category" subject to compliance with Regulation 31A of the SEBI (LODR) Regulations, 2015, as amended, and receipt of shareholders and regulatory approvals as may be applicable. The same was tabled in the meeting of the Board of Directors of the Target Company held on September 05, 2019 and was approved, subject to shareholders approval at a later date.

5. DETAILS OF THE OFFER

- 5.1 This Open Offer is a mandatory offer in compliance with Regulation 3(2) of the SEBI (SAST) Regulations pursuant to the proposed Preferential Allotment of Shares by the Target Company as elucidated in para 4.6 above.
- 5.2 The PA announcing the Open Offer, under Regulation 3(2) read with Regulations 13, 14 and 15(1) of the SEBI (SAST) Regulations, was released to the Stock Exchanges on September 05, 2019 and filed with the SEBI on September 06, 2019.
- 5.3 This Open Offer is being made by the Acquirer and the PAC to all the Public Shareholders of the Target Company, for the acquisition of up to a maximum of 2,46,88,352 (Two crore forty six lacs eighty eight thousand three hundred fifty two) Shares, representing upto 26% (Twenty six per cent) of the Emerging Voting Share Capital (Offer Size) of the Target Company.
- 5.4 This Offer is being made at a price of ₹ 3.50 (Rupees three and paise fifty only) (the "Offer Price") per fully paid up Share of face value ₹ 1 (Rupee One only) each of the Target Company, payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- 5.5 This Offer is not conditional on any minimum level of acceptance and is not a competing offer in terms of Regulations 19 and 20 respectively of the SEBI (SAST) Regulations.
- 5.6 As of the date of this DPS, there are no partly paid-up Shares issued by the Target Company.
- 5.7 As of the date of this DPS, there are no outstanding (i) instruments convertible into Shares issued by the Target Company that would be converted into Shares by the 10th (Tenth) working day from the closure of the tendering period for the Open Offer, or (ii) employee stock options that have vested or shall vest by the 10th (tenth) working day from the closure of the tendering period of the Open Offer.

- 5.8 The Acquirer will acquire only Offer Shares that are fully paid up, free from all liens, charges and encumbrances and the Offer Shares shall be acquired together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereon.
- 5.9 As on date of this DPS, the Acquirer has not acquired any Shares during the 12 (Twelve) month period preceding the date of the PA, except for 1,95,00,000 (One crore ninety five lac only) Shares allotted on a preferential basis at a price of ₹ 1 (Rupee one only) per Share on April 22, 2019.
- 5.10 To the best of the knowledge and belief of the Acquirer and PAC, as on the date of this DPS, there are no statutory or other regulatory approvals required to implement the Offer other than as indicated in section VI of this DPS. If any other statutory or regulatory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer and PAC will not proceed with the Offer in the event such statutory approvals are refused in terms of regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, BSE and to the Target Company at its registered office.
- 5.11 The Manager to the Offer does not hold any Shares in the Target Company as on the date of appointment as Manager to the Offer and as on the date of this Detailed Public Statement. The Manager to the Offer further declares and undertakes that it shall not deal in the Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Open Offer.
- 5.12 The Acquirer does not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot and the notice for such postal ballot shall contain reasons as to why such alienation is necessary in terms of Regulation 25(2) of SEBI (SAST) Regulations.
- 5.13 In accordance with Regulation 38 of the LODR Regulations read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended (SCRR), the Target Company is required to maintain at least 25% (Twenty five per cent) public shareholding (Minimum Public Shareholding), as determined in accordance with the SCRR, on a continuous basis for listing. However, if as a result of the purchase of the Offer Shares tendered under the Open Offer and the Shares allotted pursuant to the Preferential Allotment, during the Open Offer period, the public shareholding in the Target Company falls below the Minimum Public Shareholding, the Acquirer and PAC undertake to reduce their shareholding in the Target Company in accordance with Regulation 7(4) of the SEBI (SAST) Regulations, within the time period specified in the SCRR, such that the Target Company complies with the Minimum Public Shareholding requirement.

II. BACKGROUND TO THE OFFER

1. The Board of Directors of the Target Company in their meeting held on September 05, 2019, have decided to acquire around 33.94% of total equity of Xenosoft Technologies (India) Private Limited (Xenosoft) from the existing shareholders of Xenosoft. Accordingly a resolution has been passed to allot 4,40,00,000 Equity shares of ₹ 1 each at a premium of ₹ 2.50 per share amounting to ₹ 15,40,00,000 on a preferential basis (Preferential

Allotment) to the shareholders of Xenosoft in proportion to their respective shareholding in the Xenosoft for consideration other than cash, subject to approval by shareholders at the ensuing Annual General Meeting and statutory / regulatory approvals.

2. The Acquirer, being a majority shareholder in Xenosoft, along with PAC (daughter of the Acquirer), who is also a shareholder in Xenosoft, have therefore triggered Regulation 3(2) of the SEBI (SAST) Regulations.
3. The pre and post Preferential Allotment capital of the Target Company would be as follows:

Particulars	No of Shares	Nominal Value (₹)
Pre Preferential Allotment	5,09,55,198	5,09,55,198
Proposed Preferential Allotment	4,40,00,000	4,40,00,000
Emerging Voting Share Capital	9,49,55,198	9,49,55,198

4. The Offer Price is payable in cash, in accordance with Regulation 9 (1) of the SEBI (SAST) Regulations.
5. The Acquirer is one of the Promoters of the Target Company and exercises significant degree of control over the Target Company. After the completion of this Open Offer, and pursuant to preferential allotment of Shares the Acquirer along with PAC will continue to exercise a significant degree of control over the Target Company.

III. SHAREHOLDING AND ACQUISITION DETAILS

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

Details	Acquirer		PAC	
	Number of Shares	% of Emerging Voting Share Capital	Number of Shares	% of Emerging Voting Share Capital
Shareholding as on the PA date	2,55,00,125	26.85	--	--
Shares acquired between the Public Announcement date and the DPS date	--	--	--	--
Shares proposed to be acquired in the Offer (assuming full acceptance)	2,46,88,352	26.00	--	--
* Post Offer Shareholding on diluted basis on 10th working day after closing of Tendering period	8,42,82,171	88.76	*29,24,942	3.08%

* The Board of Directors of the Target Company in their meeting held on September 05, 2019 have subject to receipt of shareholders approvals and other applicable approvals, resolved to allot 4,40,00,000 Shares to the Acquirer, PAC and others shareholders of Xenosoft (as detailed in para 4.6) on preferential basis in terms of Section 62 and other applicable provisions of the Companies Act, 2013 and in terms of SEBI (ICDR) Regulations 2018. Of the same, the Acquirer and the PAC shall be allotted 3,40,93,694 and 29,24,942 equity shares respectively.

Post offer shareholding includes shares acquired by the Acquirer, assuming full acceptance in the open offer.

In case the public shareholding in the Target Company falls below the Minimum Public Shareholding, the Acquirer and PAC hereby undertake to reduce their shareholding in the Target Company in accordance with Regulation 7(4) of the SEBI (SAST) Regulations, within the time period specified in the SCRR, such that the Target Company complies with the Minimum Public Shareholding requirement.

- Other than the above as disclosed, the Acquirer and the PAC do not hold any other Shares in the Target Company.

IV. OFFER PRICE

- The Shares of the Target Company are listed on BSE only.
- The annualized trading turnover in the Shares of the Target Company on BSE based on trading volume during the twelve calendar months prior to the month of PA (obtained from www.bseindia.com) is as given below:

Stock Exchange	Total no. of equity shares traded during the twelve calendar months prior to the month of PA	Total no. of listed equity shares	Annualized trading turnover (as % of shares listed)
BSE	99,897	5,09,55,198	0.20

- Based on the information provided in point above, the Shares of the Target Company are infrequently traded on the BSE within the meaning of explanation provided in regulation 2(1)(j) of the SEBI (SAST) Regulations.
- The Offer Price of ₹ 3.50 (Rupees three and paise fifty only) is justified in terms of regulation 8 of the SEBI (SAST) Regulations, being the highest of the following:

a)	Highest negotiated price per share for acquisition under the agreement attracting the obligations to make a public announcement for the offer	Not Applicable
b)	The volume-weighted average price paid or payable for acquisition(s), whether by the Acquirer or by any person(s) acting in concert, during the fifty two weeks immediately preceding the date of public announcement	₹ 1.00
c)	The highest price paid or payable for any acquisition, whether by the Acquirer or by any person(s) acting in concert, during the twenty six weeks immediately preceding the date of the Public Announcement	₹ 1.00
d)	The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded	Not Applicable
e)	[^] Where the shares are not frequently traded, the price determined by the Acquirer and the Manager to the Open Offer taking into account valuation parameters per Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares	₹ 0.23
Other Financial Parameters as at March 31, 2019		
	- Return on Net Worth (%)	(0.02)
	- Book Value per share (₹)	(1.39)
	- Earnings per share (Diluted) (₹)	0.02
	- Price Earnings Multiple (w.r.t offer price of ₹ 3.50 per share)	175

[^]Rajesh Shah, proprietor of S R R & Co, Chartered Accountants (Membership No. 104961, FRN: 119254W) having office at 102, Sai Astha, 29, Ashok Nagar, Cross Road No.1, Kandivli (East), Mumbai – 400 101, Maharashtra, India; Email: ca.rsshah@gmail.com, vide certificate dated September 05, 2019, has certified that the fair value of the Share of Frontier Informatics Limited as on March 31, 2019 is ₹ 0.23 (Paise twenty three only) based on the Supreme Court decision in the case of Hindustan Lever Employee Union Vs. Hindustan Lever Limited (1995) (83 Companies Cases 30).

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5. In view of the above parameters considered and in the opinion of the Acquirer, PAC and the Manager to the Offer, the Offer Price of ₹ 3.50 (Rupees three and paise fifty only) per Share is justified in terms of regulation 8(2) of the SEBI (SAST) Regulations.
 6. There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.
 7. There has been no revision in the Offer Price or to the size of this Offer as on the date of this DPS.
 8. An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last one working day before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraph V(5) of this DPS; (ii) make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company at its registered office of such revision.
 9. In the event of acquisition of the Shares by the Acquirer and/or the PAC during the Open Offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and/or the PAC shall not acquire or sell any Shares after the 3rd working day prior to the commencement of the tendering period of this Open Offer and until the expiry of the tendering period of this Open Offer.

V. FINANCIAL ARRANGEMENTS

1. Assuming full acceptance, the total funds requirement to meet this Offer is ₹ 8,64,09,232 (Rupees Eight crore sixty four lacs nine thousand two hundred thirty two only).
2. The Acquirer and PAC have confirmed that they have adequate financial resources to meet the obligations under the Open Offer.
3. The Net Worth of Acquirer and PAC as on September 05, 2019 is ₹ 63.82 crores (Rupees Sixty three crores eighty two lacs), which is certified by C Ramachandram, Partner of C Ramachandram & Co, Chartered Accountants (Membership Number 025834; Firm Registration Number 002864S; Email: crcoca@gmail.com) having his office at 3-6-237, Unit #606, Lingapur La Builde Complex, Himayatnagar, Hyderabad – 500 029, Telangana, India, *vide* a certificate dated September 05, 2019, bearing Unique Document Identification Number (UDIN) 19025834AAAPO1586.
4. As a part of their Net Worth, the Acquirer and the PAC have liquid assets of ₹ 11.09 crores (Rupees eleven crores nine lacs only) as on September 05, 2019, which is certified by C Ramachandram, Partner of C Ramachandram & Co, Chartered Accountants (Membership Number 025834; Firm Registration Number 002864S; Email: crcoca@gmail.com) having his office at 3-6-237, Unit #606, Lingapur La Builde Complex, Himayatnagar, Hyderabad – 500 029, Telangana, India, *vide* a certificate dated September 05, 2019, bearing UDIN 19025834AAAAPP2185.
5. In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer and PAC have opened an escrow cash account (“Escrow Cash Account”) with ICICI Bank

in the Escrow Cash Account and have provided a Bank Guarantee of ₹ 1,78,00,000 (Rupees one crore seventy eight lacs only) issued by ICICI Bank Limited in favor of Manager to the Offer dated August 31, 2019, collectively being more than 25% of the maximum consideration payable under the Offer, for the purposes of the Open Offer. The Acquirer and PAC have empowered the Manager to the Offer to operate and to realize the value of the Escrow Cash Account and Bank Guarantee in terms of the SEBI (SAST) Regulations.

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

VI. STATUTORY AND OTHER APPROVALS

1. As of the date of this DPS, to the best of the knowledge of the Acquirer and PAC, there are no statutory approvals required to complete this Offer. However, in case of any such statutory approvals are required by the Acquirer and PAC at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirer and PAC shall make the necessary applications for such statutory approvals.
2. All Public Shareholders, including non-residents holders of Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Shares tendered in this Offer. Further, if the holders of the Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Offer Shares.
3. The Acquirer and PAC shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those shareholders who have tendered Shares and are found valid and are accepted for acquisition by the Acquirer and PAC.
4. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer and PAC or the failure of the Acquirer and PAC to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer and PAC agreeing to pay interest to the shareholders as directed by the SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirer and PAC in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if the approvals mentioned in paragraph VI (1) are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirer and PAC have a right to withdraw the Offer. In the event of

withdrawal, the Acquirer and the PAC (through the Manager), shall within two (2) working days of such withdrawal, make an announcement stating the grounds for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations, in the same newspapers in which the DPS was published and such announcement will also be sent to SEBI, the Stock Exchanges and the Target Company at its registered office.

6. The Acquirer and PAC may withdraw the Open Offer under Regulation 23 of the SEBI (SAST) Regulations.

VII. TENTATIVE SCHEDULE OF ACTIVITY

Sr. No	Activity	Day and Date
1.	Issue of PA	Thursday, September 05, 2019
2.	Publication of DPS in the newspapers	Friday, September 13, 2019
3.	Filing of the draft letter of offer with SEBI	Friday, September 20, 2019
4.	Last date for a competitive bid	Monday, October 07, 2019
5.	Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Tuesday, October 15, 2019
6.	Identified Date*	Thursday, October 17, 2019
7.	Last date by which the Letter of Offer, duly incorporating SEBI's comments to the Draft Letter of Offer, is required to be dispatched to shareholders	Thursday, October 24, 2019
8.	Last date for upward revision of the Offer price/ Offer size	Thursday, October 31, 2019
9.	Last Date by which the committee of the independent directors of the Target Company shall give its recommendation on the Open Offer to the Public Shareholders	Wednesday, October 30, 2019
10.	Last date of publication of the Open Offer opening public announcement, announcing the schedule of activities of this Open Offer, status of statutory and other approvals, if any, and procedure for tendering acceptances	Thursday, October 31, 2019
11.	Date of commencement of tendering period (Offer Opening Date)	Friday, November 01, 2019
12.	Date of expiry of tendering period (Offer Closing Date)	Friday, November 15, 2019
13.	Date by which all requirements including payment of consideration, rejection/acceptance and return of Shares to the Public Shareholders of the Target Company whose Shares have been rejected in this Open Offer	Friday, November 29, 2019
14.	Last date for issue of post-offer advertisement	Friday, December 06, 2019

* The Identified Date is only for the purpose of determining the Equity Shareholders as on such date to whom the Letter of Offer would be posted.

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

1. All Public Shareholders, registered or unregistered, holding the shares in dematerialized form or holding locked-in shares are eligible to participate in this Open Offer at any time during the tendering period for this Open Offer. Please refer to para 10 below of this part, for details in relation to tendering of Offer Shares held in physical form.
2. Persons who have acquired Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer.

3. The Open Offer will be implemented by the Target Company through Stock Exchange Mechanism made available by BSE in the form of separate window (Acquisition Window) as provided under the SEBI SAST Regulations read with SEBI Circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 as may be amended from time to time, issued by SEBI.
4. BSE shall be the Designated Stock Exchange for the purpose of tendering of Offer Shares in the Open Offer.
5. The Acquirer has appointed Choice Equity Broking Private Limited as the registered broker (Buying Broker) for the Open Offer, through whom the purchases and the settlement of the Open Offer shall be made.
6. The contact details of the Buying Broker are as mentioned below:
Name: Choice Equity Broking Private Limited
SEBI Registration No: INZ000160131
Address: Shree Shakambhari Corporate Park,
Plot No. 156-158, J B Nagar,
Andheri (East), Mumbai-400099
Contact Person: Sheetal Murarka
Tel No: +91 22 6707 9999
Email: sheetal.murarka@choiceindia.com
7. All Public shareholders who desire to tender their shares under the Open Offer would have to intimate their respective stock broker ("Selling Broker") during the normal trading hours of the secondary market during tendering period for this Open Offer.
8. In the event Selling Broker of the Public shareholder is not registered with BSE then that shareholder can approach the Acquirer's Broker as defined in the para 6 above and tender the shares through the Acquirer's Broker after submitting the details as may be required by the Acquirer's Broker to be in compliance with the SEBI regulations.
9. Such Offer Shares would be transferred to the respective Selling Broker's pool accounts prior to placing the bid.
10. As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), effective from April 01, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In this Open Offer, considering the timelines of activities prescribed under the SEBI (SAST) Regulations, the acceptance of tendered shares will be undertaken after April 01, 2019. Accordingly, the Public Shareholders who are holding Shares in physical form and are desirous of tendering their Shares in the Open Offer can do so only after the Shares are dematerialized. Such Public Shareholders are advised to approach any depository participant to have their Shares dematerialized.

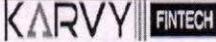
VIII.A DETAILED PROCEDURE FOR TENDERING THE SHARES IN THIS OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER.

IX. OTHER INFORMATION

1. The Acquirer and PAC accept the accept full and final responsibility for the information contained in the Public Announcement and the DPS and for their obligations as laid down in SEBI (SAST) Regulations.

2. The Acquirer and the PAC accept full responsibility for the information contained in this DPS that relates to them. All information pertaining to the Target Company has been obtained from (i) publicly available sources; or (ii) any information provided or confirmed by the Target Company, and the accuracy thereof has not been independently verified by the Manager.
3. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer and PAC have appointed Saffron Capital Advisors Private Limited as the Manager.
4. This DPS will be available on the website of the Manager to the Offer (www.saffronadvisor.com) and is also expected to be available on the website of SEBI (www.sebi.gov.in) and BSE (www.bseindia.com).

X. DETAILS OF MANAGER AND REGISTRAR TO THE OPEN OFFER

Manager to the Offer	Registrar to the Offer
	
<p>Saffron Capital Advisors Private Limited CIN: U67120MH2007PTC166711 605, 6th Floor, Centre Point, J.B. Nagar Andheri (East), Mumbai - 400 059 Maharashtra, India Tel +91 22 4082 0906 Fax +91 22 4082 0999 Email: openoffers@saffronadvisor.com Website: www.saffronadvisor.com Investor grievance email: investorgrievance@saffronadvisor.com Contact Person: Varsha Gandhi SEBI Registration Number: INM000011211 SEBI Registration Validity: Permanent</p>	<p>Karvy Fintech Private Limited CIN: U72400TG2017PTC117649 Karvy Selenium Tower B, Plot no.31 & 32, Financial District, Nanakramguda, Hyderabad – 500 032 Telangana, India Tel No. +91 40 6716 2222 Fax +91 40 2343 1551 Email: einward.ris@karvy.com Investor grievance email: fil.openoffer@karvy.com Website : www.karisma.karvy.com Contact Person: M. Muralikrishna SEBI Registration No: INR000000221 SEBI Registration Validity: Permanent</p>

Issued by the Manager for and on behalf of Ramarao Atchuta Mullapudi (as Acquirer) together with Harika Vardhani Mullapudi (as PAC), being person acting in concert with the Acquirer.

(through their duly constituted Special Power of Attorney Holder, VSRR Prasad)

Place: Hyderabad, Telangana, India

Date: September 12, 2019