FSL FRONTLINE SECURITIES LIMITED

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Contact Person : Ms. Richa Arora, Whole Time Director and Company Secretary

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF THE EQUITY SHARES OF FRONTLINE SECURITIES LIMITED FOR THE BUY BACK OF EQUITY SHARES THROUGH A TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF SECURITIES) REGULATIONS, 2018

This Public Announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended thereto (the "SEBI Buyback Regulations") and contains the disclosures as specified in Schedule II to the SEBI Buyback Regulations read with Schedule I of SEBI Buyback Regulations.

OFFER FOR BUYBACK OF UPTO 18,90,027 (EIGHTEEN LAKHS NINETY THOUSAND TWENTY SEVEN ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 5/- (RUPEES FIVE ONLY) EACH ("EQUITY SHARES") OF FRONTLINE SECURITIES LIMITED (THE "COMPANY")AT A PRICE OF RS.40/- (RUPEES FORTY ONLY) PER FULLY PAID-UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.

1. DETAILS OF THE BUYBACK OFFER

1.1 The Board of Directors of the Company, at its meeting held on March 26, 2019 had, subject to the approval of the Members of the Company by way of special resolution and approval of statutory, regulatory or governmental authorities as may be required under applicable laws, approved a buyback of upto an aggregate amount not exceeding Rs. 7,56,01,080 (Rupees Seven Crores Fifty Six Lakhs One Thousand and Eighty only)(representing 24.99% of the Paid up share capital and free reserves as on March 31, 2018) at a price of Rs. 40/- per equity share from the existing Members / Shareholders holding equity shares of the Company on a proportionate basis through the "Tender Offer" route as prescribed under the SEBI Buyback Regulations read with SEBI Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular bearing number CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and in accordance with the Act & the Rules made thereunder (the **"Buyback"**). The consent of the shareholders was received by way of Special Resolution for the said buyback on the terms mentioned above by means of Postal Ballot, the results of which were declared on May 09, 2019.

1.2 Pursuant to the Shareholders approval, the Board in its meeting held on March 26, 2019 have approved the Buyback Price of Rs. 40/- (Rupees Forty Only) (the **"Buyback Price"**) and the amount for Buyback to be Rs. 7,56,01,080 (Rupees Seven Crores Fifty Six Lakhs One Thousand and Eighty only) (the **"Buyback Size"**) excluding transaction cost, viz., brokerage, applicable taxes such as Securities Transaction Tax, Service Tax, Stamp duty, etc., cost for the intermediaries appointed and other incidental costs. With the Buyback Price of Rs. 40/- (Rupees Forty Only) and Buyback Size of Rs. 7,56,01,080 (Rupees Seven Crores Fifty Six Lakhs One Thousand Eighty Only), the total number of shares to be bought back in the Buyback shall be 18,90,027 (Eighteen Lakhs Ninety Thousand Twenty Seven) Equity Shares, representing 15.94% of the total issued and paid-up equity capital of the Company as on May 09, 2019.

1.3 The Buyback shall be undertaken on a proportionate basis from the Shareholders as on May 24, 2019 (the **"Record Date"**) through the Tender Offer route prescribed under Regulation 4(iv)(a) of the SEBI Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/ CFD/POLICY CELL/1/2015 dated April 13, 2015 read with circular bearing number CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 (the **"SEBI Circulars"**).

1.4 In terms of the SEBI Buyback Regulations, under Tender Offer route, the Promoters of the Company has the option to participate in the Buyback. In this regard, The Promoters, vide letter dated March 26, 2019 have informed the Company regarding their intention to participate in the Buyback.

1.5 The Buyback is in accordance with the provisions contained in the Article 134 of the Articles of Association of the Company, Section 68, 69, 70, 110 and 179 and all other applicable provisions, if any of the Companies Act 2013, Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable, the Companies (Management and Administration) Rules, 2014 and the provisions of the SEBI Buyback Regulations to the extent applicable. The Buyback is subject to the approvals, permissions and sanctions of statutory, regulatory or Governmental authorities as may be required under applicable laws from time to time, including but not limited to the approvals of SEBI and BSE, wherever applicable.

1.6 In terms of Section 68 of the Act, the aggregate Paid-up equity capital and Free Reserves of the Company as on March 31, 2018 was Rs. 30.25 crores (Rupees Thirty Crores Twenty Five Lakhs Only) and the funds deployed for Buyback shall not exceed 25% of the Paid-up capital and Free Reserves of the Company under shareholder maximum amount that can be utilized in the present Buyback, i.e. 24.99% of the net worth, is Rs. 7,56,01,104 crores (Rupees Seven Crores and Fifty Six Lakhs One thousand and One Hundred Four Only). The aggregate amount proposed to be utilised for the Buyback is Rs. 7,56,01,080 (Rupees Seven Crores and Fifty Six Lakhs One thousand and Eighty Only) excluding transaction cost, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., cost for the intermediaries appointed and other incidental costs, which is within the maximum amount as aforesaid.

1.7 Further, under the Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity share capital of the Company in that financial year. Since the Company proposes to Buyback upto 18,90,027 Equity Shares through this buyback in the financial year 2019-20, which represents 15.94% of the total number of equity shares in the total paid up equity share capital of the Company as on May 09, 2019 (i.e. the date of declaration of the results of the postal ballot), the same is within the aforesaid 25% limit.

1.8 The Buyback Price of Rs. 40/- represents (a) a premium of approx. 23.08% over the closing price of the Equity Shares on BSE, as on Tuesday, March 19, 2019, being the trading day prior to the date on which the Company intimated BSE Limited of the date of the meeting of the Board of Directors, wherein the proposal of the Buyback was considered ; (b) a premium of approx. 22.03% and 34.32% over the volume weighted average price of the Equity Shares on the BSE during the last three months and last two weeks preceding March 20, 2019, being the day on which Company intimated the Stock Exchange of the date of meeting of the Board of Directors wherein the proposal for Buyback was considered.

1.9 Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoters in the Company may increase or decrease from the existing shareholding of 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 or decrease in voting rights of the Promoters will not result in any change in control over the Company.

1.10 A copy of this Public Announcement is available on the Company's website i.e., www.fslindia.com, and is expected to be made available on the website of SEBI i.e., www.sebi.gov.in and on the website of Stock Exchange, i.e., www.bseindia.com during the period of the Buyback.

2. NECESSITY OF THE BUYBACK

Buyback is the purchase of its own Equity Shares by the Company. The objective is to maximize returns to investors, to reduce total number of shares and enhance overall shareholders value by returning cash to shareholders in an efficient and investor friendly manner. The Board of Directors of the Company at its meeting held on March 26, 2019 considered the accumulated Free Reserves as well as cash liquidity reflected in the audited accounts for the Financial Year ended March 31, 2018 and decided to allocate a sum of Rs. 7,56,01,080 (Rupees Seven Crores Fifty Six Lakhs One Thousand and Eighty only) for returning to the members holding Equity shares through Buyback (which is 24.99% of the total Paid up share capital and Free Reserves as per the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2018) excluding transaction cost, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc.

The Company's management strives to increase Shareholder's value and the Buyback would result in, amongst other things:

(a) The Buyback 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, etc and long term increase in shareholders' value;

(b) The Buyback will help the Company to distribute surplus cash to its Members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to Members;

(c) The Buyback, which is being implemented through the Tender Offer route as prescribed under the SEBI Buyback Regulations, would involve allocation of 15% of the outlay to Small Shareholders. The Company believes that this reservation of 15% for Small Shareholders would benefit a large number of public shareholders, who would get classified as "Small Shareholder"; and

(d) The Buyback gives an option to the Members holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment.

3. DETAILS OF THE PROMOTER SHAREHOLDING

3.1 The aggregate shareholding of the Promoter and the Promoter Group of the Company as on the Date of this Public Announcement is as follows:

Sr. No.	Name of the Shareholder	No. of Equity shares held	No. of Equity Shares in Demat Form	Percentage of Shareholding
1.	Hope Consultants Limited	8,20,886	8,20,886	6.92
2.	Rakesh Kumar Jain	49,91,820	49,91,820	42.10
3.	Prerna Jain	27,77,008	27,77,008	23.42
4.	Vidha Jain	49,020	49,020	0.41
5.	Aridhi Jain	16,620	16,620	0.14
	Total	**86,55,354**	**86,55,354**	**73.01**

3.2 Except the equity shares held by Mr. Rakesh Kumar Jain in the Capacity of promoter of the Company, as mentioned in Clause 3.1 above, the shareholding of the Director and Key Managerial Personnel of the Company is stated below:.

Sr. No.	Name	Designation	No. of Equity Shares	Percentage of shareholding
1.	Mr. GauriShanker Pandey	Whole Time Director	-	-
2.	Dr. Charanjeet Singh Bedi	Independent Director	-	-
3.	Mr. Atul Kumar Jain	Independent Director	20	0.00
4.	Mr. Arun Kumar Jain	Independent Director	420	0.00
5.	Mr. Baljit Singh Bedi	Independent Director	1,200	0.01
6.	Ms. Sarabjeet Kaur Kocher	Women Director	-	-
7.	Ms. Richa Arora	Whole Time Director and Company Secretary	-	-
8.	Mr. Mayank Agarwal	Chief Financial Officer	-	-
	Total		**1,640**	**0.01**

3.3 Except the equity shares held by Mr. Rakesh Kumar Jain in the Capacity of promoter of the Company, as mentioned in Clause 3.1 above, the shareholding of the Directors of Hope Consultants Limited in our Company is stated below:

Sr. No.	Name	Designation	No. of Equity Shares	Percentage of shareholding
1.	Mr. Rajeev Kumar Jain	Director	400	0.00
2.	Mr. Sharad Jain	Director	67,070	0.46
	Total		**67,470**	**0.46**

3.4 During the Financial Year 2018-19, the company in its Annual General Meeting held on September 25, 2018 has approved the sub-division of the fully paid up equity shares of Rs. 10/- each (Rupees Ten Each) into 2 Equity shares of Rs. 5/- each (Rupees Five) each. The above number of shares are after taking consideration of the said sub-division of Equity Shares.

3.5 No shares were either purchased or sold by the Promoters during the period of 6 months preceding the date of the Board Meeting at which the proposal for Buyback was approved, i.e. March 26, 2019 and from the date of the Board Meeting till date of Postal Ballot Notice except transfer of 800 shares (after sub-division) 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. Prior to the Scheme of Amalgamation, said 800 shares were held by Ample Consultants Private Limited, another Promoter Group Entity.

4. INTENTION OF THE PROMOTERS OF THE COMPANY TO TENDER EQUITY SHARES FOR BUYBACK INDICATING THE NUMBER OF SHARES, DETAILS OF ACQUISITION WITH DATES AND PRICE

4.1 In terms of the SEBI Buyback Regulations, under Tender Offer route, the Promoters have the option to participate in the Buyback. In this regard, the Promoters vide their letter dated March 26, 2018 have informed the Company regarding their intention to participate in the Buyback and offer to tender their pro rata entitlement against the shares held by them as on the Record Date and may also tender such additional number of shares, as they may decide subsequently depending upon publicly available information at the time of such decision making, in compliance with the SEBI Buyback Regulations. However, the Promoters will not tender more than 86,55,354 Equity Shares under the Buyback, being the total number of Equity Shares held by them.

4.2 The details of the date and price of acquisition of the Equity Shares that Promoters intends to tender are set out below:

Sr. No.	Date of Acquisition	No. of Equity Shares Acquired	Cost of Acquisition (in Rs. per Share)
Hope Consultants Limited			
1.	April 01, 2006#	8,20,086	Not Applicable
2.	February 25, 2019$	800	Not Applicable
Sub Total (A)		**8,20,886**	
Rakesh Kumar Jain			
1.	May 02, 2012	4,31,820	12.20
2.	July 30, 2015	12,00,000	13.75
3.	July 08, 2016	5,80,000	8.70
4.	August 19, 2016	24,80,000	9.51
5.	April 17, 2017	3,00,000	26.50
Sub Total (B)		**49,91,820**	**-**
Prerna Jain			
1.	April 04, 2016	4,27,008	13.50
2.	July 08, 2016	23,00,000	8.70
3.	April 17, 2017	50,000	26.50
Sub Total (C)		**27,77,008**	**-**
Vidha Jain			
1.	Up to April 01, 1999#	49,020	2.00
Sub Total (D)		**49,020**	**-**
Aridhi Jain			
1.	Up to January 01, 2003#	16,620	3.50
Sub Total (E)		**16,620**	**-**
Total (A+B+C+D+E)		**86,55,354**	**-**

5. NO DEFAULTS

There are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

6. CONFIRMATION BY BOARD OF DIRECTORS

The Board of Directors has confirmed that it has made a full enquiry into the affairs and prospects of the Company and after taking into account the financial position of the company including the projections and also considering all contingent liabilities, the Board has formed an opinion:

I. That immediately following the date of the Board Meeting held on Tuesday, March 26th, 2019 and the date of passing of Shareholder's Resolution approving the proposed Buyback, there will be no grounds on which the company can be found unable to pay its debts;

II. That as regards the company's prospects for the year immediately following the date of the Board Meeting held on Tuesday, March 26th, 2019 as well as the year immediately following the date of passing of the shareholder's resolution approving the proposed Buyback, and having regard to Board's intension 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 that year, the company will be able to meet its liabilities as and when they fail due and will not be rendered insolvent within a period of one year from the date of Board Meeting approving the Buyback held on Tuesday, March 26th, 2019, as also from the date of the shareholder's resolution approving the proposed Buyback;

III. That in forming their opinion for the above purpose, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if company is being wound up under the provisions of the Act, and the Insolvency and Bankruptcy Code, 2016 (to the extend notified and in force).

7. REPORT BY COMPANY'S AUDITOR

The text of the Report addressed by the Statutory Auditor dated March 26, 2019 received from M/s Walecha Inder & Associates, Chartered Accountants, Statutory Auditors of the Company, addressed to the Company is reproduced below:

QUOTE

Independent Auditor's Report on Buyback of shares pursuant to the requirement of Schedule I to the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended

The Board of Directors
Frontline Securities Limited
M-6, IInd Floor, M Block Market, Greater Kailash-II
New Delhi 110048

Subject: Statutory Auditor's report in respect of proposed Buyback of equity shares by Frontline Securities Limited ("the Company") in terms of the clause (xi) of Schedule I of Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018 (as amended)

In connection with the proposal of Frontline Securities Limited ("the Company") to Buyback its equity shares in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended ('the Regulations'), and in terms of the resolution passed by the directors of the Company in their meeting held on March 26th, 2019, which is subject to the approval of the shareholders of the Company, we have been engaged by the Company to perform a reasonable assurance engagement on the Statement of Determination of the Amount of Permissible Capital Payment (the "Statement"), which we have initialed for identification purposes only.

Auditor's Responsibility

1. Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":
   i. whether the amount of capital payment for the buyback is within the permissible limit and computed in accordance with the provisions of Section 68 of the Act;
   ii. whether the Board of Directors, in their meeting held on March 26th, 2019, have formed the opinion, as specified in Clause (X) of Schedule I to the Regulations, on a reasonable ground that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date and from the date on which the results of the postal ballot with regard to the proposed Buyback will be declared; and
   iii. whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned therein is unreasonable in the circumstances as at the date of the declaration.
2. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 1 above. The procedures selected depend on the auditor's judgment, including an assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
   i. we have inquired into the state of affairs of the Company in relation to its audited financial statements for the year ended March 31, 2018.
   ii. examined the authorization for Buyback as per the Articles of Association of the Company;
   iii. examined that the amount of capital payment for the Buyback, as detailed in Annexure A, is within the permissible limits computed in accordance with Section 68 of the Act;
   iv. examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such Buyback ;
   v. examined that all shares for Buyback are fully paid-up;
   vi. examined resolutions passed in the meetings of the Board of Directors in this regard;
   vii. examined the Director's declarations for the purpose of Buyback and solvency of the Company;
   viii. obtained necessary representations from the management of the Company.
3. The financial statements for the year ended March 31, 2018, referred to in paragraph 2 (i) above, have been audited by us, on which we issued an unmodified audit report vide our report dated May 28, 2018. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143 of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Opinion

4. Based on our examination as above, the information and explanations given to us, and based on representation provided to us, in our opinion,
   i. the Statement of Permissible Capital Payment towards Buyback of Equity Shares, as contained in Annexure A, is in our view properly determined in accordance with Section 68 of the Act; and
   ii. the Board of Directors, in their meeting held on March 26th, 2019, have formed the opinion, as specified in clause (x) of Schedule I of the Regulations (Refer Annexure B attached), on reasonable grounds that the Company will not be rendered insolvent within a period of one year from the aforesaid date and from the date on which the results of the postal ballot with regard to the proposed Buyback will be declared; and
   iii. we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned therein is unreasonable in the circumstances as at the date of declaration.
   iv. Apart from the audited financials for the year ended March 31, 2018, we have also considered unaudited (Limited Reviewed) financial statements for the Quarter ended December 31, 2018.

For **Walecha Inder & Associates**
Chartered Accountants
Registration Number: 014205N

Inderjeet Walecha
Partner
Membership Number: 093694
Place of Signature: New Delhi, India
Date: March 26th, 2019

Annexure A

Statement of determination of the maximum amount of permissible capital payment for buyback of Equity Shares in accordance with the provisions of the Act and the Regulations (the "Statement")

a) Permissible limit for Buyback under Section 68(2)(c) of the Companies Act, 2013		
Particulars	**Amount in Rs.**	
Paid-up capital as at March 31, 2018*		
(59,27,846 Equity Shares of Rs. 10 each fully paid-up) (A)		5,92,78,460
Free Reserves as on March 31, 2018		
Securities Premium Account	NIL	
Surplus in Statement of Profit and Loss	23,81,99,114	
General Reserve	50,47,852	
Total Free Reserves as on March 31, 2018 (B)		24,32,46,966
Total (A+B)		30,25,25,426
Maximum amount permissible for the Buyback (i.e. 24.99% of total paid-up equity capital and free reserves		7,56,01,104
Amount approved by the Board of Directors for Buyback		7,56,01,080

b) Maximum limit of Buyback of Equity Shares in a financial year	
Particulars	**No. Of Shares**
Paid-up capital as at March 31, 2018	59,27,846
Paid up shares as on December 31, 2018	1,18,55,692*
25% thereof being maximum equity capital eligible for Buyback	29,63,923
Maximum shares approved by the Board of Directors for Buyback	18,90,027

**Calculation in respect to Buyback is done on the basis of Audited Financial Statements of the Company for the year ended March 31, 2018. While doing such calculation, the company has taken effect of the sub-division of the equity shares that was approved by the shareholders in its meeting held on 25th September, 2018.*

For **Walecha Inder & Associates**
Chartered Accountants
Registration Number: 014205N

Inderjeet Walecha
Partner
Membership Number: 093694
Date: March 26th, 2019

ANNEXURE-B

Declaration of the Board of Directors

It is hereby declared that the Board of Directors has made a full enquiry into the affairs and prospects of the Company and after taking into account the financial position of the company including the projections and also considering all contingent liabilities, the Board has formed an opinion:

I. That immediately following the date of the Board Meeting held on Tuesday, March 26th, 2019 and the date of passing of Shareholder's Resolution approving the proposed Buyback, there will be no grounds on which the company can be found unable to pay its debts;

II. That as regards the company's prospects for the year immediately following the date of the Board Meeting held on Tuesday, March 26th, 2019 as well as the year immediately following the date of passing of the shareholder's resolution approving the proposed Buyback, and having regard to Board's intension 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 that year, the company will be able to meet its liabilities as and when they fail due and will not be rendered insolvent within a period of one year from the date of Board Meeting approving the Buyback held on Tuesday, March 26th, 2019, as also from the date of the shareholder's resolution approving the proposed Buyback;

III. That in forming their opinion for the above purpose, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if company is being wound up under the provisions of the Act, and the Insolvency and Bankruptcy Code, 2016 (to the extend notified and in force).

For and on behalf of the Board of Directors of
FRONTLINE SECURITIES LIMITED

Rakesh K. Jain
(Director)
DIN: 00050524

Richa Arora
(Company Secretary and Whole Time Director)
DIN: 07825684

Place : Noida
Date : March 26th, 2019

UNQUOTE

8. RECORD DATE AND SHAREHOLDER ENTITLEMENT

8.1 As required under the SEBI Buyback Regulations, the Company has fixed Friday, May 24, 2019, as the Record Date for the purpose of determining the entitlement and the names of the Eligible Shareholders.

8.2 The Equity Shares to be bought back, as part of the Buyback is divided in to two categories:

a. reserved category for Small Shareholders (defined under Regulation 2(i)(n) of the SEBI Buyback Regulations as a shareholder, who holds shares or other specified securities whose market value, on the basis of closing price on the recognized stock exchange in which the highest trading volume, as on record date, is not more than INR 2,00,000 (Rupees two lakhs only); and

b. the general category for all other shareholders.

8.3 The reserved category for Small Shareholders shall be 15% of the number of Equity Shares which the Company proposes to Buyback, or number of Equity Shares entitled as per shareholding of Small Shareholders, whichever is higher.

8.4 Based on the shareholding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity Shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

8.5 In order to ensure that the same Eligible Shareholder with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common PAN shall be clubbed together for determining the category (Small Shareholder or General Category) and the Buyback Entitlement. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar to the Buyback will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/ sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar to the Buyback as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of "clearing members" or "corporate body margin account" or "corporate body - broker"as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to beheld on behalf of clients.

8.6 The Eligible Shareholders participation in the Buyback will be voluntary. The Eligible Shareholders can choose to participate, in full or in part, and get cash in lieu of Equity Shares to be accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. The Eligible Shareholders may also tender a part of their entitlement. The Eligible Shareholders also have the option of tendering additional Equity Shares (over and above their entitlement) and participate in the short fall created due to non-participation of some other shareholders, if any.

8.7 The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held bythe shareholders as on the Record Date.

8.8 The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in SEBI Buyback Regulations.

8.9 Detailed instructions for participation in the Buyback (tendering of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible shareholders as on Record Date.

9. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

9.1 The Buyback is open to all Equity Shareholders / beneficial owners of the Company holding Equity Shares either in physical and/or dematerialized form on the Record Date.

9.2 The Company proposes to affect the Buyback through Tender Offer, on a proportionate basis. The Letter of Offer, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the SEBI Buyback Regulations, will be mailed/couriered 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.

9.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court/ any other competent authority 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.

9.4 The Company shall comply with Regulation 24(v) of the SEBI Buyback Regulations which states that the Company shall not Buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.

9.5 Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar, and such tendered shares may be accepted subject to appropriate verification and validation by the Registrar.

9.6 The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.

9.7 After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in any other category.

9.8 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI circular No.CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and following the procedure prescribed in the Companies Act and the SEBI Buyback Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.

9.9 Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Shareholder Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Shareholder Broker or broker in the electronic platform to be made available by BSE before the Closing Date.

9.10 The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement.

9.11 For implementation of the Buyback, the Company has appointed Farsight Securities Limited as the registered broker to the Company the **"Company's Broker"** through whom the purchases and settlements in respect of the Buyback would be made by the Company. The details of the Company's Broker are as follows:

Farsight Securities Limited
SEBI Registration No.: INZ000169935
17-A/55, Triveni Plaza, Gurudwara Road Karol Bagh, New Delhi - 110 005
Tel.: +91 11 4504 4444 (Extn. 342, 339)
Fax: +91 11 4504 4434
E-mail: newaccount1@farsightshares.com
Website: www.farsightshares.com
Contact Person: Mr. Pawan Joshi & Mr. Joji Joseph

9.12 The Company will use the Acquisition Window of BSE to facilitate placing of sell orders by Shareholders who wish to tender their Equity Shares in the Buyback. The details of the platform will be as specified by the BSE from time to time.

9.13 At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company's Broker. During the tendering period, the order for selling the Equity shares will be placed by the shareholders through their respective stock brokers ("Shareholder Broker") during normal trading hours of the secondary market. In the tendering process, the Company's Broker may also process the orders received form the Shareholders.

9.14 Modification/cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the tendering period of the Buyback. Multiple bids made by single Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.

9.15 The cumulative quantity tendered shall be made available on BSE website - www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

9.16 **Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form:**

- Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Shareholder Broker by indicating to their broker the details of Equity Shares they intend to tender under the Buyback.
- The Shareholder Broker would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. **("Clearing Corporation")** for the transfer of the Equity Shares to the Special Account of the Clearing Corporation before placing the bids/ orders and the same shall be validated at the time of order entry.
- The details of the Special Account of Clearing Corporation shall be informed in the issue opening circular that will be issued by BSE / Clearing Corporation.
- Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, number of Equity Shares tendered etc.
- Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
  a) Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
  b) Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
  c) In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the clearing corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Eligible Shareholders.
- The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buyback decided by the Company.

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9.17 **Procedure to be followed by Shareholders holding Equity Shares in the Physical form:**

- As per the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with the SEBI's press releases dated December 03, 2018, and March 27, 2019, effective from April 01, 2019, transfers of securities shall not be processed unless the securities are held in the dematerialized form with a depository.
- Therefore any of the Eligible Shareholder who is desirous of tendering their Equity Shares held in physical form can do so only after the shares are dematerialized. Such Eligible Shareholders are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

9.18 **In case of non-receipt of the Letter of Offer:**

a) An Eligible Shareholder may participate in the Buyback Offer by downloading the Tender Form from the website of the Company i.e. www.fslindia.com or by providing their application in writing on plain paper, signed by all Eligible Shareholders (in case of joint holding), stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback.

b) The non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any person who is eligible to receive the same to participate in the Buyback, shall not invalidate the offer to any person who is eligible to receive this offer under the Buyback.

9.19 **Acceptance of orders**

The Registrar shall provide details of order Acceptance to Clearing Corporation of India Limited **(the "Clearing Corporation")** within specified timelines.

9.20 **Method of Settlement**

Upon finalization of the basis of Acceptance as per SEBI Buyback Regulations:

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

b. The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Shareholder Broker/ Custodian Participant will receive funds payout in their settlement bank account. The Shareholder Broker/ Custodian Participants would pay the consideration to their respective clients. The payment of consideration to all Shareholders validly participating in the Buyback will be made in Indian National Rupees.

c. The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the **"Demat Escrow Account"**) provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.

d. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to the respective Shareholder Broker by Clearing Corporation. In case of Custodian Participant orders, excess demat Equity Shares or unaccepted demat Equity Shares, if any, will be returned to the respective Custodian Participant. The Shareholder Broker / Custodian Participants would return these unaccepted Equity Shares to their respective clients on whose behalf the bids have been placed.

e. Any equity share tendered under the Buyback in physical form will be rejected.

f. Every Shareholder Broker, who puts in a valid bid on behalf of an Eligible Shareholder, would issue a contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted demat Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

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

The Equity Shares lying to the credit of the Company Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the SEBI Buyback Regulations.

9.21 **Settlement of Funds/Payment Consideration**

The settlements of fund obligation for dematerialised and physical Equity Shares shall be effected through existing settlement accounts of trading members. Funds shall be made to the settlement account of the trading members who have entered the sell order for Eligible Shareholders.

9.22 **Special Account opened with the Clearing Corporation**

The details of transfer of the dematerialised Equity Shares to the special account by trading member or custodians shall be informed in the issue opening circular that will be issued by the Stock Exchange or Clearing Corporation.

9.23 **Non-resident shareholders**

All non-resident Shareholders (excluding FIIs) should also enclose a copy of the permission received by them from the Reserve Bank of India, if any, to acquire the Equity Shares held by them in the Company.

Any Eligible Shareholder who tenders his / her / its Equity Shares in the Buyback offer shall be deemed to have declared, represented, warranted and agreed that he / she / it is authorized under the provisions of any applicable local news, rules, regulations and statutes to participate in the Buyback.

10. COMPLIANCE OFFICER

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10 am to 5 pm on all working days except Saturday, Sunday and Public holidays at the following:

Name: Richa Arora
Designation: Whole Time Director and Company Secretary
Address: B-22, Sector-4, Noida- 201301
Tel: +911202534066 - 68;
Fax: +91 1202534111
Email:secretarial@fsltechnologies.com

11. REGISTRAR TO THE OFFER AND INVESTOR SERVICE CENTRE

In case of any query, the Shareholders may also contact the Registrar to the Buyback during working hours i.e. 10 am to 5 pm on all working days except Saturday, Sunday and Public holidays.

LINK Intime

Link Intime India Private Limited
C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083, Maharashtra, India
Tel No.: +91 22 49186200
Fax No.: +91 22 49186195
Email id.: fsl.buyback2019@linkintime.co.in
Website: www.linkintime.co.in
SEBI Regn. No.: INR000004058
Validity Period: Perpetual
Contact Person: Sumeet Deshpande

12. MANAGER TO THE BUYBACK

The Company has appointed Sundae Capital Advisors Private Limited as the Manager to the Buyback and their contact details are given below:

SUNDAE

Sundae Capital Advisors Private Limited
611, Shahpuri Tirath Singh Tower 58, C - Block, Community Centre
Janak Puri, New Delhi - 110 058
Tel. No. +91 11 4914 9740
Email: fsl.buyback@sundaecapital.com
Investor Grievance e-mail id: grievances.mb@sundaecapital.com
Website: www.sundaecapital.com
SEBI Regn. No.: INM000012494
Validity Period : Perpetual
Contact Person: NitiN Somani/ Anchal Lohia.

13. DIRECTORS RESPONSIBILITY STATEMENT

As per Regulations 24(i)(a) of the SEBI Buyback Regulations, the Board of Directors of the Company accepts responsibility for the information contained in this Public Announcement. This Public Announcement is issued under the authority of the Board in terms of the resolution passed by the Board on March 26, 2019.

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

Sd/-	Sd/-	Sd/-
Rakesh Kumar Jain	**Arun Kumar Jain**	**Richa Arora**
Director	**Director**	**Whole Time Director and Company Secretary and Compliance Officer**

Place : Noida
Date : May 09, 2019