

## DRAFT LETTER OF OFFER

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

The Letter of Offer will be sent to you as a Public Shareholder of Xchanging Solutions Limited. If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your Equity Shares, please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement to the member of the Stock Exchange through whom the said sale was effected.

#### Open Offer (“Offer”)

By

**Xchanging Technology Services India Private Limited (“Acquirer”)**  
Registered Office: Rectangle-I, D-4 District Centre, Saket, New Delhi 110019,  
India.  
Tel: +91.124.4339333 Fax: +91.124.4080995

#### ALONG WITH PERSONS ACTING IN CONCERT (“PAC”)

**Computer Sciences Corporation India Private Limited (“PAC 1”)**  
Registered Office: Capital Towers, No.180, Kodambakkam High Road, Nungambakkam,  
Chennai 600034, Tamil Nadu, India.  
Tel: +91.44.22628080/ 22623880 Fax: +91.44.22628171

AND

**DXC Technology Company (“PAC 2”)**  
Registered Office: 1775 Tysons Boulevard, Tysons, Virginia 22102, USA  
Tel: (703) 245-9700

#### TO ACQUIRE

up to **2,36,49,767** fully paid-up equity shares of face value of Rupees Ten each (the “**Equity Share**”) representing 21.23% of the Voting Share Capital from the Public Shareholders (the “**Offer Size**”)

OF

**Xchanging Solutions Limited (“Target Company”)**  
Registered Office: SJR I – Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangaluru – 560066  
Tel: +91-80-30540000 Fax: +91-80-41157394  
Website: [www.xchanging.com](http://www.xchanging.com)


#### AT A PRICE OF

**INR 55.22 per Equity Share (the “Offer Price”)** payable in cash pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**Takeover Regulations**”)

1. This Offer is being made by the Acquirer and PAC pursuant to Regulations 3(1), 4, and 5(1) and other applicable provisions of the Takeover Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the Takeover Regulations.
3. **This Offer is NOT a competing offer in terms of Regulation 20 of the Takeover Regulations.**
4. To the best knowledge of the Acquirer and PAC, no statutory approvals are required by the Acquirer and/or PAC to complete this Offer.
5. If there is any upward revision in the Offer Price at any time prior to 3 Working Days before the

commencement of the Tendering Period in terms of the Takeover Regulations, i.e. January 5, 2018, the Acquirer and PAC shall (i) make corresponding increases to the escrow amounts, as more particularly set out in Part 5 (Offer Price and Financial Arrangements), (b) make a public announcement in the Newspapers in which the detailed public statement (“DPS”) was published, and (c) simultaneously with the making of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

6. **There has been no competing offer as on the date of this DLoF.**
7. Unless otherwise stated, the information set out in this DLoF reflects the position as of the date hereof.
8. A copy of the public announcement in relation to this Offer (“PA”), DPS and Letter of Offer (including Form of Acceptance cum Acknowledgement) is also expected to be available on the website of Securities and Exchange Board of India (“SEBI”) (<http://www.sebi.gov.in>).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
	
<p>JM Financial Institutional Services Limited            7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi,            Mumbai – 400 025, India.            Tel. No.: +91 22 6630 3030            Fax No.: +91 22 6630 3330            Email: <a href="mailto:xchanging.openoffer@jmfl.com">xchanging.openoffer@jmfl.com</a>            Contact Person: Ms. Prachee Dhuri            SEBI Registration Number: INM000010361</p>	<p>Karvy Computershare Private Limited            Karvy Selenium, Tower B, Plot Nos. 31-32            Gachibowli, Financial District Nanakramguda            Hyderabad – 500 032, India.            Tel: +91 (40) 6716 2222            Toll Free Number: 1-800-345-4001            Fax: +91 (40) 2343 1551            Contact Person: M Muralikrishna/ R Williams            E-mail: <a href="mailto:xchanging.openoffer@karvy.com">xchanging.openoffer@karvy.com</a>            Website: <a href="http://www.karisma.karvy.com">www.karisma.karvy.com</a>&lt;<a href="http://www.karisma.karvy.com">http://www.karisma.karvy.com</a>&gt;            SEBI Registration Number: INR000000221</p>

**The Schedule of major activities under this Offer is as follows:**

<b>No.</b>	<b>Activity</b>	<b>Schedule (Day and Date )</b>
1.	Issue of PA.	Friday, November 17, 2017
2.	Date of publishing the DPS in the newspapers.	Friday, November 24, 2017
3.	Date of filing of the DLoF with SEBI.	Thursday, November 30, 2017
4.	Last date for the public announcement of competing offer(s) as per the first detailed public statement. <sup>#</sup>	Monday, December 18, 2017
5.	Last date for SEBI observations on the DLoF (in the event SEBI has not sought clarifications or additional information from the Manager).	Friday, December 22, 2017
6.	Identified Date*	Wednesday, December 27, 2017
7.	Date by which the Letter of Offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date.	Wednesday, January 03, 2018
8.	Last date for upward revision of the Offer Price / Offer Size.	Friday, January 05, 2018
9.	Last Date by which the committee of the independent directors of the Target Company shall give its recommendation to the Public Shareholders of the Target Company for this Offer.	Monday, January 08, 2018
10.	Date of publication of Offer opening public announcement in the newspapers in which this DPS has been published.	Tuesday, January 09, 2018
11.	Date of commencement of the tendering period.	Wednesday, January 10, 2018
12.	Date of closure of the tendering period.	Tuesday, January 23, 2018
13.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders of the Target Company.	Wednesday, February 07, 2018
14.	Last date for issue of post-offer advertisement.	Wednesday, February 14, 2018

<sup>#</sup>There has been no competing offer as of the date of this DLoF.

\*Date falling on the 10th Working Day prior to the commencement of the Tendering Period. The Identified Date is only for the purpose of determining the Public Shareholders (as defined below) as on such date to whom the Letter of Offer would be dispatched / mailed. It is clarified that all the Public Shareholders of the Target Company (registered or unregistered) who own Equity Shares are eligible to participate in this Offer at any time prior to the Offer Close Date.

## RISK FACTORS

The risk factors set forth below pertain to this Offer, the Acquirer and PAC and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by Public Shareholders in this Offer, but are merely indicative. Public Shareholders are advised to consult their stockbrokers, investment consultants and / or tax advisors, for analyzing and understanding all the risks with respect to their participation in this Offer.

For capitalized terms used herein please refer to 'Definitions / Abbreviations' set out below.

Risk factors relating to the Offer

1. To the best knowledge of the Acquirer and PAC, no statutory approvals are required by the Acquirer and / or PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer and / or PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and / or PAC shall make the necessary applications for such approvals. In the event of delay in receipt of such approvals, this Offer may be delayed beyond the schedule of activities indicated in this DLoF. Consequently, the payment of consideration to the Public Shareholders, whose Equity Shares are accepted in this Offer, may be delayed. In case the delay is due to non-receipt of statutory / regulatory approval(s), in accordance with Regulation 18(11) of the Takeover Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer and / or PAC to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the Takeover Regulations, grant an extension of time to the Acquirer and / or PAC to make the payment of the consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer. Where any statutory approval or exemption extends to some but not all of the Public Shareholders, the Acquirer and / or PAC shall have the option to make payment to such Public Shareholder in respect of whom no statutory approvals or exemptions are required in order to complete this Offer. The Acquirer and PAC will have the right not to proceed with this Offer in the event any statutory approval, as may be required, is refused.
2. Non-resident holders and Overseas Corporate Bodies (the "OCBs") holders of Equity Shares must obtain all requisite approvals, if any, to tender the Equity Shares held by them in this Offer. Further, if the Public Shareholders who are not persons resident in India had required any approvals (including from the RBI or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the Form of Acceptance-cum-Acknowledgment and other documents required to be tendered to accept this Offer. In the event such prior approvals are not submitted, the Acquirer and / or PAC reserves its right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder or OCB should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.
3. In the event of any litigation leading to a stay on the Offer by a court of competent jurisdiction, or SEBI instructing that the Offer should not proceed, the Offer may be withdrawn or the Offer process may be delayed beyond the schedule of activities indicated in this DLoF.
4. The Equity Shares tendered in this Offer may be held in trust by the Clearing Corporation / Registrar to the Offer until the completion of the Offer formalities and the Public Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares during such period. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
5. The Public Shareholders should note that, under the Takeover Regulations, once the Public Shareholders

have tendered their Equity Shares, they will not be able to withdraw their Equity Shares from the Offer during the Tendering Period even in the event of a delay in the acceptance of Equity Shares under the Offer and/or the dispatch of consideration.

6. The Public Shareholders may tender their Offer Shares in the Offer at any time from the commencement of the Tendering Period but prior to the closure of the Tendering Period. The Acquirer and / or PAC have up to 10 Working Days from the closure of the Tendering Period to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Offer. The Acquirer and / or PAC will pay such consideration as promptly as practicable and, in any event, within 10 Working Days after closure of the Tendering Period.
7. The Acquirer, PAC and the Manager accept no responsibility for the statements made otherwise than in this DLoF, the DPS, the Public Announcement or in the advertisement or any materials issued by or at the instance of the Acquirer and PAC (excluding all information pertaining to the Target Company, which has been obtained from publicly available sources or provided or confirmed by the Target Company). Any person placing reliance on any other source of information will be doing so at its own risk.
8. This DLoF has not been filed, registered or approved in any jurisdiction outside India. Recipients of this DLoF resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer, PAC or the Manager to the Offer to any new or additional registration requirements.
9. Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, PAC and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this DLoF.

#### **Probable risks involved in associating with the Acquirer and PAC**

1. None of the Acquirer, PAC or the Manager make any assurance with respect to the continuation of past trends in the financial performance of the Target Company.
2. None of the Acquirer, PAC or the Manager can provide any assurance with respect to the market price of the Equity Shares before, during or after the Offer Period and each of them expressly disclaim any responsibility or obligation of any kind with respect to any decision by any Public Shareholder regarding whether or not to participate in the Offer.
3. None of the Acquirer, PAC or the Manager make any assurance with respect to their investment or disinvestment relating to their proposed shareholding in the Target Company.

#### **NO OFFER / SOLICITATION / REGISTRATION IN OTHER JURISDICTIONS**

##### **General**

This DLoF together with the DPS and the Public Announcement in connection with the Offer, has been prepared for the purposes of compliance with the applicable laws and regulations of India, including the SEBI Act and the Takeover Regulations, as amended, and has not been registered or approved under any laws or regulations of any country outside of India. The disclosures in this DLoF and the Offer particulars including but not limited to the Offer Price, Offer Size and procedures for acceptance and settlement of the Offer is governed by the Takeover Regulations, as amended, and other applicable laws, rules and regulations of India, the provisions of which may be different from those of any jurisdiction other than India. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Acquirer, PAC, the Manager to the Offer are under no obligation to update the information

contained herein at any time after the date of this DLoF.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all Public Shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date, subject to Regulation 18 (2) of the Takeover Regulations, viz. provided that where local laws or regulations of any jurisdiction outside India may expose the Acquirer, any PAC or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the Letter of Offer in its final form were to be sent without material amendments or modifications into such jurisdiction, and the shareholders resident in such jurisdiction hold Equity Shares entitling them to less than five per cent of the voting rights of the Target Company, the Acquirer may refrain from dispatch of the Letter of Offer into such jurisdiction: provided further that, subject to applicable law, every person holding Equity Shares, regardless of whether he, she or it held Equity Shares on the Identified Date or has not received the Letter of Offer, shall be entitled to tender such Equity Shares in acceptance of the Offer. Further, receipt of the Letter of Offer by any public shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such public shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only.

Persons in possession of the Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorised under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer. The final Letter of Offer may include additional country-specific or other disclaimers or provisions on the basis of the applicable facts at that time and advice of international legal counsel.

#### **CURRENCY OF PRESENTATION**

1. In this DLoF, all references to “Rs.”/“INR” are to Indian Rupee(s), the official currency of India. Throughout this DLoF, all figures have been expressed in “million”, “thousand”, “lakh” or “crore” unless otherwise specifically stated.
2. In this DLoF, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.
3. All the data presented in USD in this DLoF has been converted into INR for purpose of convenience translation. The conversion has been assumed at the following RBI reference rate as on November 16, 2017 (unless otherwise stated in this DLoF):
4. 1 USD = INR 65.2969 (Source: Reserve Bank of India: [www.rbi.org.in](http://www.rbi.org.in))

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## DEFINITIONS / ABBREVIATIONS

Sr. No.	Particulars	Details / Definition
1.	Acquirer	Xchanging Technology Services India Private Limited.
2.	Beneficial Owner	Beneficial owners of the Equity Shares, whose names appeared as beneficiaries on the records of their respective DP at the close of business hours on the Identified Date or at any time before the closure of the Tendering Period.
3.	Board	The board of directors of the Target Company.
4.	BSE	BSE Limited.
5.	Buying Broker.	JM Financial Services Limited.
6.	Clearing Corporation	Clearing corporation of the Designated Stock Exchange.
7.	CSC	Computer Sciences Corporation.
8.	CSC Shareholders	The shareholders of CSC as on the record date established for the transactions contemplated under the Merger Agreement..
9.	Designated Stock Exchange	BSE Limited.
10.	DIS	Delivery Instruction Slip.
11.	DPS	The detailed public statement dated November 23, 2017, published on behalf of the Acquirer and PAC in the Newspapers on November 24, 2017 and filed with the BSE, NSE, SEBI and sent to the Target Company on November 24, 2017.
12.	DP	Depository Participant.
13.	DLoF / Draft Letter of Offer	This draft letter of offer filed with SEBI pursuant to Regulation 16(1) of the Takeover Regulations.
14.	Equity Shares	Fully paid up equity shares of the Target Company having a face value of INR 10 each.
15.	Escrow Bank	Standard Chartered Bank.
16.	Form of Acceptance-cum- Acknowledgment	The form of acceptance-cum-acknowledgement, which will be a part of the Letter of Offer.
17.	FII	Foreign Institutional Investor as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995.
18.	FPI	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended, registered with SEBI under applicable laws in India.
19.	GAAP	Generally Accepted Accounting Principles.
20.	HPE	Hewlett Packard Enterprise Company.
21.	HPE Shareholders	The shareholders of HPE as on the record date established for the transactions contemplated under the Merger Agreement.
22.	Identified Date	December 27, 2017 i.e. the date falling on the 10 <sup>th</sup> Working Day prior to the commencement of Tendering Period, for the purposes of determining the Public Shareholders to whom the Letter of Offer shall be sent.
23.	Income Tax Act	The Income Tax Act, 1961, as amended from time to time.
24.	Letter of Offer	The Letter of Offer, duly incorporating SEBI's comments on the DLoF, including the Form of Acceptance-cum-Acknowledgement.



Sr. No.	Particulars	Details / Definition
25.	Maximum Consideration	INR 1,30,59,40,134, being the maximum consideration payable assuming full acceptance of the Offer.
26.	Manager / Manager to the Offer	JM Financial Institutional Securities Limited.
27.	Merger Agreement	The merger agreement dated May 24, 2016 (which was further amended on November 2, 2016 and December 6, 2016) entered into <i>inter alia</i> between HPE, CSC and the PAC 2.
28.	Newspapers	The newspapers wherein the DPS was published on behalf of the Acquirer and PAC as more specifically detailed below in Clause 2.2.2.
29.	NRIs	Non Resident Indians and persons of Indian origin residing abroad.
30.	NSE	National Stock Exchange of India Limited.
31.	NYSE	New York Stock Exchange.
32.	Offer	Open offer being made by the Acquirer along with PAC to the Public Shareholders of the Target Company, to acquire up to 2,36,49,767 Equity Shares at a price of INR 55.22 per Equity Share.
33.	Offer Escrow Account	Account No. 42705569701 with the name "Xchanging Technology Services India Pvt. Ltd – Xchanging Solutions Limited - Open Offer Escrow Account" opened with the Escrow Bank pursuant to the Offer Escrow Agreement.
34.	Offer Escrow Agreement	Agreement dated November 20, 2017 entered into between the Acquirer, Manager to the Offer and the Escrow Bank.
35.	Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period to be made on behalf of the Acquirer and PAC at least 1 Working Day prior to the commencement of Tendering Period.
36.	Offer Opening Date	Date of commencement of the Tendering Period i.e. January 10, 2018.
37.	Offer Closing Date	Date of closure of the Tendering Period i.e. January 23, 2018.
38.	Offer Period	Has the same meaning as ascribed to it under the Takeover Regulations.
39.	Offer Price	INR 55.22 per Equity Share at which the Offer is being made to the Public Shareholders.
40.	Offer Shares	2,36,49,767 Equity Shares representing 21.23% of the Voting Share Capital.
41.	Offer Size	Up to 2,36,49,767 Equity Shares to be purchased in the Offer, assuming full acceptance representing 21.23% of the Voting Share Capital.
42.	PAC	Persons acting in concert with the Acquirer for this Offer, i.e. PAC 1 and PAC 2.
43.	PAC 1	Computer Sciences Corporation India Private Limited.
44.	PAC 2	DXC Technology Company.
45.	PAN	Permanent Account Number.
46.	Public Announcement / PA	Announcement of the Offer made on behalf of the Acquirer and PAC, dated November 17, 2017 and sent to the BSE and NSE on November 17, 2017 sent to the Target Company on November 20, 2017 and filed with SEBI on November 20, 2017.
47.	Public Shareholders	The Public Shareholders of the Target Company, excluding (i) the shareholders forming a part of the promoter / promoter group of the Target Company, (ii)

Sr. No.	Particulars	Details / Definition
		parties to the Merger Agreement and (iii) the persons acting in concert or deemed to be acting in concert with the persons set out in (i) and (ii).
48.	RBI	Reserve Bank of India.
49.	Registrar to the Offer	Karvy Computershare Private Limited, having its registered office at Karvy Selenium, Tower B, Plot Nos. 31-32 Gachibowli Financial District Nanakramguda, Hyderabad – 500 032.
50.	RTA	Karvy Computershare Private Limited, being the registrar and share transfer agent of the Target Company.
51.	SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
52.	SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
53.	SEBI	Securities and Exchange Board of India.
54.	SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
55.	Stock Exchanges	Collectively refers to BSE and NSE.
56.	STT	Securities Transaction Tax.
57.	Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
58.	Target Company	Xchanging Solutions Limited having its registered office at SJR I - Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I, Whitefield, Bangalore – 560066.
59.	Tendering Period	Period commencing from January 10, 2018 and closing on January 23, 2018 (both days inclusive).
60.	TRS	Transaction Registration Slip generated by the Designated Stock Exchange bidding system.
61.	Voting Share Capital	The fully diluted voting share capital of the Target Company as of the 10 <sup>th</sup> working day from the closure of the Tendering Period.
62.	Working Day	Working days of SEBI as defined in the Takeover Regulations, in Mumbai.

*Note: All capitalized terms used in this DLoF and not specifically defined herein, shall have the meanings ascribed to them in the Takeover Regulations.*

## **1 DISCLAIMER CLAUSE**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DLOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DLOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE TAKEOVER REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF XCHANGING SOLUTIONS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, PAC OR THE TARGET COMPANY WHOSE EQUITY SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THIS OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND PAC DULY**

**DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 30, 2017 TO SEBI IN ACCORDANCE WITH THE TAKEOVER REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”**

## **2 DETAILS OF THIS OFFER**

### **2.1 Background of this Offer:**

- 2.1.1 This Offer is being made in accordance with Regulations 3(1), 4, and 5(1) of the Takeover Regulations as a result of an indirect acquisition of 78.77% of the voting rights in and control by PAC 2 over the Target Company.
- 2.1.2 This Offer is a mandatory open offer being made by the Acquirer and PAC to the Public Shareholders pursuant to Regulations 3(1), 4, and 5(1) of the Takeover Regulations. The Offer is being made on account of the Merger Agreement. The transactions contemplated under the Merger Agreement were completed on April 1, 2017.
- 2.1.3 As part of the transactions contemplated in the Merger Agreement, CSC merged with a wholly owned subsidiary of PAC 2 resulting in PAC 2 becoming the parent company of CSC. CSC in turn, indirectly, through various subsidiaries, is the parent company of the Target Company and indirectly owns 8,77,53,949 Equity Shares representing 78.77% of the Voting Share Capital.
- 2.1.4 Accordingly, PAC 2, through CSC, is now the ultimate parent company of the Target Company and has indirectly acquired 78.77% of the Voting Share Capital and control over the Target Company under Regulations 3(1), 4 and 5 of the Takeover Regulations. As part of the consideration under the Merger Agreement, PAC 2 issued equity shares to the CSC Shareholders resulting in the CSC Shareholders owning approximately 49.9% and HPE Shareholders owning approximately 50.1% of the outstanding shares of PAC 2.
- 2.1.5 Some key features of the Merger Agreement are set out below:
- (a) The Merger is a share-for-share merger. No cash was paid to any CSC Shareholder or HPE Shareholder in the Merger (except for cash paid in lieu of fractional shares);
  - (b) The board of directors of PAC 2 comprise 10 directors with 5 directors selected from the CSC board of directors and the other 5 directors selected by HPE;
  - (c) CSC and HPE have given certain customary representations and warranties to each other;
  - (d) The Merger Agreement is governed by the Laws of the State of Delaware and the exclusive jurisdiction of the Chancery Court of the State of Delaware.
- 2.1.6 As per the report prepared by MSKA & Associates, Chartered Accountants, dated November 11, 2017, the criteria as set out under Regulation 5(2) of the Takeover Regulations have been analysed and it has been concluded that the Offer triggered pursuant to an indirect acquisition of voting rights and control over the Target Company by PAC 2 does not meet the parameters prescribed under Regulation 5(2) of the Takeover Regulation and hence the Offer is not a deemed direct acquisition as per the provisions of the Takeover Regulations.
- 2.1.7 The Acquirer and PAC directly and indirectly hold 78.77% of the Voting Share Capital.

- 2.1.8 Acquirer has deposited 25% of the Maximum Consideration in the Offer Escrow Account as more specifically detailed in Clause 5.2 below (Financial Arrangements), in accordance with Regulation 22(2) of the Takeover Regulations.
- 2.1.9 The proposed indirect acquisition of voting rights in and control by PAC 2 over the Target Company is through a Merger Agreement, as described in Clause 2.1 above.
- 2.1.10 The Acquirer and PAC have not been prohibited by SEBI from dealing in securities, in terms of the directions issued under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.
- 2.1.11 The Acquirer and / or PAC may nominate, appoint or cause the appointment of persons to the Board and / or modify the composition of the Board in accordance with applicable law. As of the date of this DLoF, the Acquirer and PAC have not made any decision with regard to the reconstitution of the Board and no persons have been identified for nomination.
- 2.1.12 There are no directors on the Board directly representing the Acquirer or PAC. However, Mr. Suresh Akella, a director on the board of the Acquirer is the chief financial officer of the Target Company.
- 2.1.13 All the Offer Shares validly tendered and accepted in this Offer in accordance with and subject to the terms and conditions contained in the Public Announcement, DPS, and the Letter of Offer, will be acquired by the Acquirer and / or PAC 1.
- 2.1.14 The Manager to the Offer does not hold any Equity Shares.
- 2.1.15 The Offer is a mandatory offer and is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the Takeover Regulations and is not a competitive bid in terms of Regulation 20 of the Takeover Regulations.
- 2.1.16 As per Regulation 26(6) of the Takeover Regulations, the Board is required to constitute a committee of independent directors to provide their written reasoned recommendation on the Offer to the Public Shareholders and such recommendations shall be published, at least 2 Working Days before the commencement of the Tendering Period, in the Newspapers in compliance with Regulation 26(7) of the Takeover Regulations.

## 2.2 Details of the Offer

- 2.2.1 The Public Announcement made on November 17, 2017 announcing the Offer is in compliance with Regulations 3(1), 4, read with Regulation 5(1) and other applicable provisions of the Takeover Regulations pursuant to the indirect acquisition of 78.77% voting rights of and control over the Target Company.
- 2.2.2 The DPS dated November 23, 2017 was published in Newspapers mentioned below on November 24, 2017:

Sr. No.	Newspaper	Language	Editions
1.	Financial Express	English	All
2.	Jansatta	Hindi	All
3.	Navshakti	Marathi	Mumbai
4.	Hosa Digantha	Kannada	Bangaluru

The Public Announcement and the DPS are also available at SEBI's website: [www.sebi.gov.in](http://www.sebi.gov.in).

- 2.2.3 The Offer is being made by the Acquirer and PAC to all the Public Shareholders in terms of Regulations 3(1) and 4 read with Regulations 5(1) of the Takeover Regulations.
- 2.2.4 The date of the opening of the Tendering Period for the Offer is January 10, 2018.
- 2.2.5 Pursuant to the Offer, the Acquirer and / or PAC 1 propose to acquire up to 2,36,49,767 Equity Shares tendered in this Offer at an Offer Price of INR 55.22 per Offer Share, aggregating to INR 1,30,59,40,134 payable by way of cash, subject to the terms and conditions of this DLoF and in accordance with the Takeover Regulations.
- 2.2.6 The Offer Shares represent 21.23% of the Voting Share Capital of the Target Company.
- 2.2.7 The calculation of the Voting Share Capital and the Offer Size is as follows:

Particulars	Issued and Paid up Equity Shares and Voting Rights	% of Total Equity Shares / Voting Share Capital
Fully paid up Equity Shares	11,14,03,716	100%
Partly paid up Equity Shares	Nil	Nil
<b>Total</b>	<b>11,14,03,716</b>	<b>100%</b>

VOTING SHARE CAPITAL	
Equity Shares as on the date of PA	<b>11,14,03,716</b>
Offer Size (21.23 % of the Voting Share Capital)	2,36,49,767

- 2.2.8 All the Equity Shares validly tendered under this Offer to the extent of 21.23% of the Voting Share Capital will be acquired by the Acquirer and/or the PAC 1 in accordance with the terms and conditions set forth in this DLoF. The Public Shareholders who tender their Equity Shares should ensure that the Equity Share are free from all liens, charges, equitable interests and encumbrances and the Equity Shares will be acquired together with the rights attached thereto, including all rights to dividend, bonus and rights offer, if any, declared hereafter, and the tendering Public Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis. All Equity Shares validly tendered by the Public Shareholders will be accepted at the Offer Price by the Acquirer in accordance with the terms and conditions contained in the Public Announcement, DPS and this DLoF.
- 2.2.9 There are no outstanding (i) partly paid-up Equity Shares; (ii) convertible instruments; and (iii) employee stock options in the Target Company.
- 2.2.10 There is no differential pricing for this Offer.
- 2.2.11 This Offer is not a competing offer in terms of Regulation 20 of the Takeover Regulations.
- 2.2.12 This Offer is not subject to any minimum level of acceptance in terms of Regulation 19 of the Takeover Regulations. All Equity Shares validly tendered by the Public Shareholders will be accepted at the Offer Price in accordance with the terms and conditions contained in the Public Announcement, DPS, and the Letter of Offer.
- 2.2.13 To the best of the knowledge of the Acquirer and PAC, there are no statutory or other approvals required to complete the acquisition of the Offer Shares. If, however, any statutory or other approval becomes applicable prior to the completion of the Offer, the Offer would be subject to such statutory or other approval(s) being

obtained. In terms of Regulation 23(1) of the Takeover Regulations, in the event that the approvals which become applicable prior to completion of the Offer are not received, the Acquirer and the PAC shall have the right to withdraw the Offer. In the event of withdrawal of the Offer, the Acquirer and the PAC (through the Manager to the Offer) shall, within 2 Working Days of such withdrawal, make an announcement stating the grounds for the withdrawal in accordance with Regulation 23(2) of the Takeover Regulations.

- 2.2.14 The Acquirer and PAC have not acquired any Equity Shares between the date of the Public Announcement i.e. November 17, 2017 and the date of this DLoF.
- 2.2.15 There has been no competing offers to this Offer.
- 2.2.16 The Equity Shares are listed on the Stock Exchanges.
- 2.2.17 After the acquisition of the Offer Shares (assuming full acceptance of the Offer), the public shareholding in the Target Company will be below the minimum level required for continued listing under Regulation 38 of the SEBI (LODR) Regulations and Rule 19A of the SCRR. The Acquirer and / or PAC undertake to bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the SCRR, Takeover Regulations and as per applicable SEBI guidelines.
- 2.2.18 The Manager to the Offer shall not deal on their own account in the Equity Shares during the Offer Period.

### 2.3 **Object of the Offer**

- 2.3.1 The execution of the Merger Agreement has resulted in an indirect acquisition of the Target Company and this Offer is being made, pursuant to Regulations 3(1), 4 and 5(1) of the Takeover Regulations. PAC 2 through its various subsidiaries is now in a position to exercise voting rights indirectly in the Target Company and exercise control over the Target Company. The Target Company is presently engaged in the business of providing IT services with operations in India and has an international presence established through subsidiaries in USA, Singapore, UK and Malaysia.
- 2.3.2 In terms of Regulation 25(2) of the Takeover Regulations, the Acquirer and PAC have no intention to restructure or alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company or of its subsidiaries or of entities controlled by the Target Company during the period of 2 years following the completion of the Offer except:
  - (a) in the ordinary course of business; or
  - (b) on account of regulatory approvals or conditions, or compliance with any law that is binding on or applicable to the operations of the Target Company; or
  - (c) as has already been disclosed by the Target Company in the public domain.
- 2.3.3 Other than as set out in Clause 2.3.2. above, if the Acquirer and / or PAC intend to alienate any material asset of the Target Company or its subsidiaries, within a period of 2 years from completion of the Offer, the Target Company shall seek the approval of its shareholders as per the proviso to Regulation 25(2) of Takeover Regulations
- 2.3.4 The Acquirer and PAC reserve the right to streamline / restructure its holding in the Target Company and / or the operations, assets, liabilities and / or businesses of the Target Company and /or the Target Company's subsidiaries through arrangements, reconstructions, restructurings, mergers (including but not limited to mergers with or between its subsidiaries), demergers, delisting of the Equity Shares from the Stock Exchanges, sale of assets or undertakings and / or re-negotiation or termination of existing contractual/operating arrangements, at a later date. Such decisions will be taken in accordance with procedures set out by applicable law and pursuant to business requirements and in line with opportunities or changes in the economic scenario,

from time to time.

### **3 BACKGROUND OF THE ACQUIRER AND PAC**

#### **3.1 Acquirer**

3.1.1 The Acquirer is a private limited company and was incorporated on March 24, 1998 as “Rebus Software Private Limited” under the laws of India, having Corporate Identification Number U72200DL1998PTC092908. The name of the Acquirer was changed to “Rebus India Private Limited” on February 5, 2002 and was further changed to “Xchanging Technology Services India Private Limited” on October 18, 2004. Its registered office is located at Rectangle-I, D-4, District Centre, Saket, New Delhi – 110019, India. Tel: +91(0)124.4339333. The Acquirer is engaged in the business of providing IT enabled services and IT services across various industries.

3.1.2 The Acquirer is an indirect wholly owned subsidiary of PAC 2.

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

3.1.4 The issued and paid up share capital of the Acquirer is INR 53,63,320 divided into 5,36,332 equity shares of INR 10 each The shareholding pattern of the Acquirer is as under:

<b>No.</b>	<b>Shareholder’s Category</b>	<b>Number of equity shares held</b>	<b>% of equity shares held</b>
1.	Promoter and Promoter Group	5,36,332	100%
2.	FII/ Mutual Funds/ FIs/ Banks	Nil	Nil
3.	Public	Nil	Nil
	<b>Total paid up share capital</b>	<b>5,36,332</b>	<b>100%</b>

3.1.5 The details of the directors of the Acquirer are as follows:-

<b>Name</b>	<b>Date of Appointment</b>	<b>DIN</b>	<b>Qualification and Experience</b>
<b>Manoj Kallangad Puthankalam</b>	<b>October 14, 2014</b> <b>Director</b>	06996171	<ul style="list-style-type: none"> <li>• Mr Manoj has completed the Global Advanced Management Program from ISB Kellogg and holds a Bachelor’s Degree in Computer Applications.</li> <li>• He has more than 24 years of experience across diverse industries including 15 years in the Business Process Management industry in the areas of Service Operations Management, Transition / Implementation Management, Strategic Planning, Governance, Risk &amp; Compliance and Relationship Management</li> <li>• Prior to joining the Acquirer, he worked for HGS and Cognizant leading BPS Health Insurance teams.</li> </ul>
<b>Suresh Akella</b>	<b>October 13, 2017</b> <b>Additional Director</b>	07036542	<ul style="list-style-type: none"> <li>• Mr. Suresh Akella is a Chartered Accountant, Project Management Professional (PMP) and Certified Fraud Examiner (CFE) by qualification.</li> </ul>



Name	Date of Appointment	DIN	Qualification and Experience
			<ul style="list-style-type: none"> <li>• He has 18 years of post-qualification experience, having handled various finance and operational roles including country, regional and worldwide roles. He has a strong background in Corporate Finance, FP&amp;A and other facets of finance, including decision support and brings in the right balance of business acumen, strong leadership, controllership and governance exposure.</li> <li>• He's worked with companies like E&amp;Y, Intel, IBM, HSBC, HPE and currently, he is CFO of Xchanging Solutions Limited.</li> </ul>
<b>Hemlata Nevetia</b>	<b>November 15, 2017</b>  <b>Additional Director</b>	07991590	<ul style="list-style-type: none"> <li>• Ms. Hemlata is a Chartered Accountant and CPA from USA by qualification.</li> <li>• She has over 18 years of experience across diverse industries including 14 years has been in senior management roles in the areas of experience include strategic partnership with business in growing top line, managing costs &amp; business turnaround, Controllership, audit and governance. She has worked with cross cultural teams across the globe (Markets include USA, Europe and APAC &amp; India).</li> <li>• Prior to joining the CSC group, she worked for IBM, Logica, Praxair, Saregama and Whyte &amp; Mackay.</li> </ul>

3.1.6 There are no directors on the board of the Target Company representing the Acquirer. However, Mr. Suresh Akella, a director on the board of the Acquirer is the chief financial officer of the Target Company.

3.1.7 The shares of the Acquirer are not listed on any stock exchange.

3.1.8 The Acquirer holds 2,55,50,000 Equity Shares representing 22.93% of the Voting Share Capital.

3.1.9 The financial information of the Acquirer is as follows:

*(Figures are in INR Lakhs)*

<b>Statement of Profit and Loss</b>				
	<b>Financial year ended December 31, 2014<sup>1</sup> (12 months)</b>	<b>Financial year ended December 31, 2015<sup>1</sup> (12 months)</b>	<b>Period ended March 31, 2017<sup>1</sup> (15 months)</b>	<b>Six Months ended September 30, 2017<sup>2</sup></b>
	<b>Standalone</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Standalone</b>
Income from operations	39,292	42,737	61,116	23,083
Other income	2,339	2,766	1,077	1,610
<b>Total income</b>	<b>41,631</b>	<b>45,503</b>	<b>62,193</b>	<b>24,693</b>
Total Expenditure <sup>3</sup>	28,922	30,814	39,709	14,718
<b>Profit Before Depreciation Interest</b>	<b>12,709</b>	<b>14,689</b>	<b>22,484</b>	<b>9,975</b>



<b>Statement of Profit and Loss</b>				
	<b>Financial year ended December 31, 2014<sup>1</sup> (12 months)</b>	<b>Financial year ended December 31, 2015<sup>1</sup> (12 months)</b>	<b>Period ended March 31, 2017<sup>1</sup> (15 months)</b>	<b>Six Months ended September 30, 2017<sup>2</sup></b>
	<b>Standalone</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Standalone</b>
<b>and Tax</b>				
Depreciation	1,292	1,643	1,997	466
Interest	2,343	2,457	3,068	1,216
<b>Profit before Tax</b>	<b>9,074</b>	<b>10,589</b>	<b>17,419</b>	<b>8,293</b>
Provision for Tax <sup>4</sup>	2,304	(692)	5,088	2,577
<b>Profit for the year before share of results of associates</b>	<b>6,770</b>	<b>11,281</b>	<b>12,331</b>	<b>5,716</b>
Share of net profit of associate	-	556	404	-
<b>Profit after Tax</b>	<b>6,770</b>	<b>11,837</b>	<b>12,735</b>	<b>5,716</b>

(Figures are in INR Lakhs)

<b>Balance Sheet</b>				
	<b>As at December 31, 2014<sup>1</sup></b>	<b>As at December 31, 2015<sup>1</sup></b>	<b>As at March 31, 2017<sup>1</sup></b>	<b>As at September 30, 2017<sup>2</sup></b>
	<b>Standalone</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Standalone</b>
<b>Sources of funds</b>				
Paid up share capital	54	54	54	54
Reserves and Surplus (excluding revaluation reserves)	25,557	37,434	50,712	54,568
<b>Net worth</b>	<b>25,611</b>	<b>37,488</b>	<b>50,766</b>	<b>54,622</b>
Secured loans	76	109	129	58
Unsecured loans	23,009	23,977	23,977	23,009
<b>Total</b>	<b>48,696</b>	<b>61,574</b>	<b>74,872</b>	<b>77,689</b>
<b>Uses of funds</b>				
Net fixed assets <sup>5</sup>	31,104	32,786	31,884	29,124
Investments	952	8,048	27,398	37,978
Net non-current assets <sup>6</sup>	3,482	3,964	4,132	2,915
Net current assets <sup>7</sup>	13,158	16,776	11,458	7,672
<b>Total</b>	<b>48,696</b>	<b>61,574</b>	<b>74,872</b>	<b>77,689</b>

<b>Other relevant information</b>	<b>Financial year ended December 31, 2014<sup>1</sup> (12 months)</b>	<b>Financial year ended December 31, 2015<sup>1</sup> (12 months)</b>	<b>Period ended March 31, 2017<sup>1</sup> (15 months)</b>	<b>Six Months ended September 30, 2017<sup>2</sup></b>
	<b>Standalone</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Standalone</b>
Dividend %	-	-	-	-
EPS (Per share in Rs.)				

<b>Other relevant information</b>	<b>Financial year ended December 31, 2014<sup>1</sup> (12 months)</b>	<b>Financial year ended December 31, 2015<sup>1</sup> (12 months)</b>	<b>Period ended March 31, 2017<sup>1</sup> (15 months)</b>	<b>Six Months ended September 30, 2017<sup>2</sup></b>
	<b>Standalone</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Standalone</b>
Basic	1,262	2,207	2,374	1,066 <sup>8</sup>
Diluted	686	1,156	1,197	528 <sup>8</sup>

Notes:

1. The financial information set forth above has been extracted from the audited financial statements of the Acquirer as at and for the financial years ended December 31, 2014, December 31, 2015 and for the period ended March 31, 2017.
2. Source: Report dated November 20, 2017 issued by Deloitte Haskins and Sells LLP, Chartered Accountants and statutory auditors of the Acquirer.
3. Total expenditure consists of employee benefits expense, project work expenses, exchange loss and other expenses as derived from the financial statements.
4. Provision for tax includes net current tax expense and deferred tax expense as derived from the financial statements.
5. Net Fixed Assets consists of Property, plant & equipment (Tangible assets), Intangible assets and Capital work in progress as derived from the financial statements.
6. Net non-current assets comprise of Deferred tax assets (net), Long-term loans and advances, Other non-current assets less Other long-term liabilities and Long-term provisions as derived from the financial statements.
7. Net current assets include Trade receivables, Cash and cash equivalents, Short-term loans and advances, Other current assets less Trade Payables, Other current liabilities and Short-term provisions as derived from the financial statements.
8. Not Annualised.

3.1.10 The major contingent liabilities for the Acquirer as on March 31, 2017 are as follows:

(Figures are in INR lakhs)

<b>Contingent Liabilities as at March 31, 2017</b>	
Claims against the Acquirer not acknowledged as debts:	
a) Income tax matters	112
b) Share in associate	
(i) Income tax matters	522
(ii) Service tax matters	541
(iii) Claims from Customers	418
<b>Total</b>	<b>1593</b>

## 3.2 PAC 1

3.2.1 PAC 1 is a private company and was incorporated on September 13, 1996 as Policy Management Systems India Private Limited under the laws of India, having Corporate Identification Number U60231TN1996PTC070000. The name of PAC 1 was changed to Computer Sciences Corporation India Private Limited on May 11, 2001. Its registered office is located at Capital Towers, No.180, Kodambakkam High Road, Nungambakkam, Chennai – 600034. Tel: +91-44-22628080/ 22623880. PAC 1 is engaged in the business of providing IT enabled business process services.

3.2.2 PAC 1 is an indirect wholly owned subsidiary of PAC 2.

3.2.3 PAC 1 has not been prohibited by SEBI from dealing in securities, in terms of the directions issued under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

3.2.4 The issued and paid up share capital of PAC 1 is INR 6,20,49,080 divided into 62,04,908 equity shares of INR 10 each. The shareholding pattern of PAC 1 as on the date of this DLoF is as under:-

Sr. No.	Shareholding Category	Number of equity shares held	% of holding
1.	Promoter & Promoter Group	62,04,908	100%
2.	FII/ Mutual Funds/ FIs/ Banks	Nil	Nil
3.	Public	Nil	Nil
4.	<b>Total Paid-up Capital</b>	<b>62,04,908</b>	<b>100%</b>

3.2.5 The details of the directors of PAC 1 are as follows:-

Name	Date of appointment	DIN	Qualification & Experience
<b>Mr. Sreekanth Arimanithaya Krishnan</b>	<b>October 17, 2013</b> <b>Director.</b> <b>March 20, 2015</b> <b>Managing Director.</b>	05270906	<ul style="list-style-type: none"> <li>Mr Sreekanth Arimanithaya Krishnan is qualified in TQM, Six Sigma (master black belt), and Change management (Change Acceleration Process).</li> <li>He has over 22 years of experience in global Human Resource management, organization transformation and development, industrial relations, leadership development, compensation, benefits, talent acquisition, shared services, HR outsourcing, analytics and change management.</li> <li>He has worked with Britannia Industries, CA Technologies, Kudremukh Iron Ore Company, TVS Motors, Toyota, Phillips and General Electrics (GE). In his last assignment he was associated with a Britannia Industries as VP and Chief of Human Resources where he transformed the business model, turnaround organization performance and culture.</li> </ul>
<b>Mr. Tej Krishnan Bhat.</b>	<b>July 1, 2016</b> <b>Director</b>	07167228	<ul style="list-style-type: none"> <li>Mr. Tej Krishnan Bhat is an engineer with a degree in Electronics and Telecommunication.</li> <li>He has over 22 years of experience in the technology industry delivery experience, including cloud, data centre operations, contact centers and converged networks, encompassing mission critical services.</li> <li>Prior to joining CSC group, he held progressive leadership roles in global delivery, technology innovation, capability and business development with Accenture Services Private Limited. His last role at Accenture was Managing Director – Network Services.</li> </ul>

3.2.6 There are no directors on the board of the Target Company representing the PAC 1.

3.2.7 The shares of PAC 1 are not listed on any stock exchange.

3.2.8 PAC 1 does not hold any Equity Shares.

3.2.9 The financial information of PAC 1 is as follows:

(Figures are in INR Lakhs)

<b>Statement of Profit and Loss</b>				
	<b>Financial Year ended March 31, 2015<sup>1</sup></b>	<b>Financial Year ended March 31, 2016<sup>1</sup></b>	<b>Financial Year ended March 31, 2017<sup>1</sup></b>	<b>Six Months ended September 30, 2017<sup>3</sup></b>
	<b>Consolidated</b>	<b>Standalone<sup>2</sup></b>	<b>Standalone<sup>2</sup></b>	<b>Standalone<sup>2</sup></b>
Income from operations	317,493	3,880	7,391	4,679
Other income	6,006	382	1,367	161
<b>Total income</b>	<b>323,499</b>	<b>4,262</b>	<b>8,758</b>	<b>4,840</b>
Total Expenditure <sup>4</sup>	265,851	3,069	6,084	3,844
<b>Profit Before Depreciation Interest and Tax</b>	<b>57,648</b>	<b>1,193</b>	<b>2,674</b>	<b>996</b>
Depreciation	10,505	90	91	57
Interest	496	-	-	-
<b>Profit before Tax</b>	<b>46,647</b>	<b>1,103</b>	<b>2,583</b>	<b>939</b>
Provision for Tax <sup>5</sup>	12,108	240	730	310
<b>Profit after Tax</b>	<b>34,539</b>	<b>863</b>	<b>1,853</b>	<b>628</b>

(Figures are in INR Lakhs)

<b>Balance Sheet</b>				
	<b>As at March 31, 2015</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>As at September 30, 2017</b>
	<b>Consolidated</b>	<b>Standalone<sup>1</sup></b>	<b>Standalone<sup>1</sup></b>	<b>Standalone<sup>1</sup></b>
<b>Sources of funds</b>				
Paid up share capital	620	620	620	620
Reserves and Surplus	227,002	8,292	10,165	10,793
<b>Net worth</b>	<b>227,622</b>	<b>8,913</b>	<b>10,785</b>	<b>11,414</b>
Secured loans	-	-	-	-
Unsecured loans	-	-	-	-
<b>Total</b>	<b>227,622</b>	<b>8,913</b>	<b>10,785</b>	<b>11,414</b>
<b>Uses of funds</b>				
Net Fixed Assets <sup>6</sup>	110,150	2,719	2,878	3,212
Investments	-	-	-	-
Net Non-Current Assets <sup>7</sup>	27,100	152	248	171
Net Current Assets <sup>8</sup>	90,372	6,042	7,659	8,030
<b>Total</b>	<b>227,622</b>	<b>8,913</b>	<b>10,785</b>	<b>11,414</b>

<b>Other relevant information</b>				
	<b>Financial Year ended March 31, 2015<sup>1</sup></b>	<b>Financial Year ended March 31, 2016<sup>1</sup></b>	<b>Financial Year ended March 31, 2017<sup>1</sup></b>	<b>Six Months ended September 30, 2017<sup>3</sup></b>
	<b>Consolidated</b>	<b>Standalone<sup>2</sup></b>	<b>Standalone<sup>2</sup></b>	<b>Standalone<sup>2</sup></b>
Dividend %	-	-	-	-
Basic & Diluted EPS (Per share in Rs.)	556.63	13.92	29.86	20.26 <sup>9</sup>

*Notes:*

- The financial information set forth above has been extracted from the audited financial statements of PAC 1 as at and for the financial years ended March 31, 2015, March 31, 2016 and March 31, 2017*
- Pursuant to the Composite Scheme of Amalgamation and Arrangement sanctioned by the High Court of Madras vide an order dated February 19, 2016, the business activities and operations of PAC 1 comprising (i) software development services, (ii) IT Infrastructure services solutions and application services; (iii) software testing and quality management services; and (iv) offshore services with respect to product development for the healthcare division was demerged and transferred to CSC Technologies India Private Limited (“CTIPL”) with effect from April 01, 2015. Investments made in subsidiaries of PAC 1 also have been transferred to CTIPL under the said scheme with effect from April 01, 2015 and accordingly only standalone accounts of PAC 1 are available from the financial year ending March 31, 2016.*
- Source: Report dated November 20, 2017 issued by Deloitte Haskins and Sells LLP, Chartered Accountants and statutory auditors of the PAC 1.*
- Total expenditure consists of employee benefits expense, project work expenses, exchange loss and other expenses as derived from the financial statements*
- Provision for tax includes current tax expense and deferred tax expense as derived from the financial statements*
- Net Fixed Assets consists of Property, plant & equipment (Tangible assets) and Intangible assets (including Goodwill on consolidation) as derived from the financial statements*
- Net non-current assets comprise of Deferred tax assets (net), Long-term loans and advances, Other non-current assets, Other long-term liabilities and Long-term provisions as derived from the financial statements*
- Net current assets include Trade receivables, Cash and cash equivalents, Short-term loans and advances, Other current assets less Trade Payables, Other current liabilities and Short-term provisions as derived from the financial statements*
- Not Annualised*

3.2.10 The major contingent liabilities for PAC 1 as on March 31, 2017 are as follows:

*Figures are in INR Lakhs*

<b>Contingent Liabilities as at March 31, 2017</b>	
(i) Claims against PAC 1 not acknowledged as debts:	
Income tax matters	90
Service tax matters	-
Claims from Customers	-
	<b>90</b>

3.3 **PAC 2**

- 3.3.1 PAC 2 is a public company. It was incorporated on May 19, 2016 as Everett SpinCo, Inc. Thereafter, the name of PAC 2 was changed to DXC Technology Company on April 1, 2017. The principal office of PAC 2 is located at 1775, Tysons Boulevard, Tysons, Virginia 22102, USA. Tel: (703) 245-9675. The website is www.dxc.technology.
- 3.3.2 PAC 2 is engaged in the business of providing end-to-end IT services.
- 3.3.3 PAC 2 has not been prohibited by SEBI from dealing in securities, in terms of the directions issued under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.
- 3.3.4 The issued and paid up share capital of PAC 2 is USD 2,846,895.2 divided into 284,689,520 shares of common stock of USD 0.01 each. PAC 2 is a widely held listed company and has a diverse shareholder base with no entity being in control. As of June 12, 2017, the following persons/groups are known to be holding more than 5% of the voting rights of PAC 2:
- (a) The Vanguard Group, Inc.;
- (b) BlackRock; and
- (c) Dodge and Cox.
- 3.3.5 The details of the directors of PAC 2 are as follows:-

Name	Date of appointment	Qualification and Experience
<b>Mr. J. Micheal Lawrie.</b>	April 1, 2017 Chairman, President & Chief Executive Officer	<ul style="list-style-type: none"> <li>Mr. Lawrie holds a BA in history from Ohio University and an MBA from Drexel.</li> <li>He joined CSC as President and Chief Executive Officer on March 19, 2012 and as a member of its Board of Directors in February 2012. On December 15, 2015, he was appointed chairman of the CSC Board of Directors.</li> <li>Prior to joining CSC, he served as the Chief Executive Officer of U.K.-based Misys plc, a leading global IT solutions provider to the financial services industry, from November 2006 to March 2012. He also served as the Executive Chairman of All scripts-Misys Healthcare Solutions, Inc., from October 2008 to August 2010. From 2005 to 2006, he was a general partner with Value Act Capital, a San Francisco-based private investment firm. He also served as Chief Executive Officer of Siebel Systems, Inc., an international software and solutions company, from 2004 to 2005. He also spent 27 years with IBM where he rose to Senior Vice President and Group Executive, responsible for sales and distribution of all IBM products and services worldwide. From 1998 to 2001, he was General Manager for IBM's business in Europe, the Middle East and Africa, which included operations in 124 countries and 90,000 employees. Prior to that, he served as General Manager of Industries for IBM's business operations in Asia Pacific, based in Tokyo. He is a Trustee of Drexel University, Philadelphia.</li> </ul>
<b>Dr. Mukesh Aghi.</b>	April 1, 2017 Director.	<ul style="list-style-type: none"> <li>Dr. Aghi holds an advanced management diploma from Harvard Business School, an MBA in international marketing</li> </ul>

Name	Date of appointment	Qualification and Experience
		<p>from Andrews University, Michigan, and a Ph.D. in international relations from Claremont Graduate University in California. He earned a BA in business administration from the Middle East College, Beirut, Lebanon..</p> <ul style="list-style-type: none"> <li>• He is the president of U.S.-India Business Counsel, a business advocacy organization for the U.S. in India.</li> <li>• Prior to his service as president of U.S. – India Business Counsel, he served as Chief Executive Officer of L&amp;T Infotech from 2012 to 2015 and as Chairman and CEO of Steria India Ltd. from 2007 to 2012.</li> </ul>
<b>Ms. Amy Alving</b>	April 1, 2017 Director.	<ul style="list-style-type: none"> <li>• Dr. Alving holds a Bachelor of Science degree in mechanical engineering from Stanford University and a Ph.D. in mechanical and aerospace engineering from Princeton University.</li> <li>• She is the former Senior Vice President and Chief Technology Officer of Leidos Holdings, Inc., (formerly Science Applications International Corporation (SAIC)), one of the nation’s top defense sector providers of hardware, software and services, where she worked from 2005 to 2013. From 2007 to 2013, she was SAIC’s Chief Technology Officer, where she was responsible for the creation, communication and implementation of SAIC’s technical and scientific vision and strategy.</li> <li>• Prior to joining SAIC, she was the director of the Special Projects Office (SPO) at the Defense Advanced Research Projects Agency (DARPA) until 2005, where she was a member of the federal Senior Executive Service. Prior to her time at DARPA, she was a White House Fellow for the Department of Commerce serving as a senior technical advisor to the Deputy Secretary of Commerce from 1997 until 1998. She is a member of the board of directors of Arconic, Inc, and the Federal National Mortgage Association.</li> </ul>
<b>Mr. David L. Herzog</b>	April 1, 2017 Director.	<ul style="list-style-type: none"> <li>• Mr. Herzog holds the designations of Certified Public Accountant and Fellow, Life Management Institute.</li> <li>• He served as the Chief Financial Officer and Executive Vice President of American International Group (AIG) from 2008 to 2016. He served as Senior Vice President and Comptroller of AIG from June 2005 to October 2008, Chief Financial Officer for worldwide life insurance operations from April 2004 to June 2005 and Vice President, Life Insurance from 2003 to 2004. In addition, he has served in other senior officer positions for AIG and its subsidiaries, including as the Chief Financial Officer and Chief Operating Officer of American General Life following its acquisition by AIG.</li> <li>• Previously, he served in various executive positions at GenAmerica Corporation and Family Guardian Life, a Citicorp company, and at a large accounting firm that is now part of PricewaterhouseCoopers LLP. In addition, he also holds the designations of Certified Public Accountant and Fellow, Life Management Institute. He is also a member of</li> </ul>



Name	Date of appointment	Qualification and Experience
		the board of directors of MetLife Inc. and Ambac Financial Group, Inc.
<b>Mr. Sachin Lawande</b>	April 1, 2017 Director.	<ul style="list-style-type: none"> <li>• Mr. Lawande has a Bachelor's degree in electronics and telecommunication from Bombay University in India and a Master's degree in electrical engineering from Southern Illinois University at Edwardsville.</li> <li>• He is currently President and Chief Executive Officer of Visteon Corporation.</li> <li>• From 2013 to 2015, he served as Executive Vice President and President of Harman International Industries, Inc.'s Infotainment Division. From 2011 to 2013, he served the dual role as the Co-President of Harman's Lifestyle and Infotainment Divisions. Prior to that he served as Chief Innovation Officer, Chief Technology Officer, and Co-President of Harman's Automotive Division, responsible for guiding software strategy, development partnerships, and key customer relationships. He was instrumental in launching an offshore development center in India as part of Harman's strategy for optimizing its global engineering footprint. He joined Harman International in 2006, following senior roles at QNX Software Systems and 3Com Corporation.</li> </ul>
<b>Mr. Julio Portalatin.</b>	April 1, 2017 Director.	<ul style="list-style-type: none"> <li>• Mr. Portalatin received a Bachelor of Science degree in business management and honorary doctorate from Hofstra University and is a member of its board of trustees.</li> <li>• He is the President and Chief Executive Officer of Mercer. Prior to joining Mercer in February 2012, he was the President and CEO of Chartis Growth Economies, and Senior Vice President, American International Group (AIG). In that role, he had responsibility for operations in Asia Pacific, South Asia, Latin America, Africa, the Middle East and Central Europe. He began his career with AIG in 1993 and thereafter held a number of key leadership roles, including President of the Worldwide Accident &amp; Health Division at American International Underwriters (AIU) from 2002-2007. From 2007-2010, he served as President and CEO of Chartis Europe S.A. and Continental European Region, based in Paris, before becoming President and CEO of Chartis Emerging Markets. Prior to AIG, he spent 12 years with Allstate Insurance Company in various executive roles in product underwriting, distribution and marketing.</li> </ul>
<b>Mr. Peter Rutland.</b>	April 1, 2017 Director.	<ul style="list-style-type: none"> <li>• Mr. Rutland earned an MA in economics and management from the University of Cambridge and an MBA from INSEAD.</li> <li>• He is currently a partner and Global Co-Head of Financial Services at CVC Capital Partners. He joined CVC Capital Partners in 2007, having previously worked for Advent International since 2002. Prior to working at Advent, he worked for The Goldman Sachs Group, Inc. in its Investment Banking Division. He served as a director of the NYSE-listed Avolon Holdings Ltd. from 2014 until the company's sale in</li> </ul>



Name	Date of appointment	Qualification and Experience
		2016. He has also served on a number of private company boards, including Domestic & General and Brit Insurance.
<b>Mr. Manoj Singh.</b>	April 1, 2017 Director.	<ul style="list-style-type: none"> <li>• Mr. Singh holds a Bachelor’s degree in engineering from Indian Institute of Technology and an MS in Industrial Administration from the Carnegie Mellon University.</li> <li>• He is the former Chief Operating Officer and Global Managing Partner of Deloitte Touche Tohmatsu, Ltd. Prior to his mandatory retirement from that position in June 2015, his responsibilities included leading various Deloitte initiatives, including setting global strategy, directing investments globally, leading areas such as finance, global technology, knowledge management and branding, and guiding country leadership in high-growth markets such as China, India, Africa, Southeast Asia, Mexico and Germany. He has been a Director at Abt Associates Inc. since December 24, 2015. He served on the board of directors of Deloitte U.S. and the boards of Deloitte member firms in China, Mexico and Southeast Asia. Over his 36-year career with Deloitte, he held numerous other positions, including leading the company’s Asia-Pacific region and consulting in the Americas.</li> </ul>
<b>Ms. Meg Whitman</b>	April 1, 2017 Director.	<ul style="list-style-type: none"> <li>• Ms. Whitman holds a bachelor’s degree from Princeton University and an MBA from Harvard University.</li> <li>• She has served as President and Chief Executive Officer of HPE since November 2015. Prior to that, she served as President, Chief Executive Officer, and Chairman of Hewlett-Packard Company from July 2014 to November 2015 and President and Chief Executive Officer of Hewlett-Packard Company from September 2011 to November 2015. From March 2011 to September 2011, she served as a part-time strategic advisor to Kleiner Perkins Caufield &amp; Byers, a private equity firm. Previously, she served as President and Chief Executive Officer of eBay Inc., an online marketplace, from 1998 to 2008. Prior to joining eBay, she held executive-level positions at Hasbro Inc., a toy company, FTD, Inc., a floral products company, The Stride Rite Corporation, a footwear company, The Walt Disney Company, an entertainment company, and Bain &amp; Company, a consulting company.</li> </ul>
<b>Mr. Robert Woods</b>	April 1, 2017 Director.	<ul style="list-style-type: none"> <li>• Mr. Woods became a Certified Public Accountant in 1979, and holds a BS in accounting from Villanova University and an MBA from Widener University.</li> <li>• He served as Senior Vice President—Finance and Chief Financial Officer of SunGard Data Systems, Inc., a financial software solutions and services public company, from 2010 to 2012. Prior to that, from 2004 to 2009, he served as Senior Vice President and Chief Financial Officer of IKON Office Solutions, Inc., a document management systems and services public company. He served as a director of Insight Enterprises, Inc. from 2009 to 2011.</li> </ul>

- 3.3.6 There are no directors on the board of the Target Company representing the PAC 2.
- 3.3.7 The compliance officer of PAC 2 is Chris DePippo and his Email ID is [cdepippo@dx.com](mailto:cdepippo@dx.com).
- 3.3.8 The shares of the PAC 2 are listed on NYSE.
- 3.3.9 PAC 2 indirectly holds 100% of the total shareholding of the Acquirer and PAC 1.
- 3.3.10 PAC 2 is in compliance with the corporate governance rules and regulations to which it is subject under applicable laws. PAC 2 is required to comply *inter alia* with the listing requirements of the NYSE and the rules of the U.S. Securities and Exchange Commission.
- 3.3.11 The financial information of PAC 2 for the six months ended September 30, 2017 is as follows:

Particulars	Six months ended September 30, 2017 <sup>(1) (2)</sup> (Consolidated)	
	USD Million	INR Lakhs
Income from operations	12,076	78,85,254
Other Income	112	73,133
Total Income	12,188	79,58,387
Total Expenditure <sup>3</sup>	10,564	68,97,965
Profit Before Depreciation Interest and Tax	1,624	10,60,422
Depreciation	898	5,86,366
Interest	154	1,00,557
Profit Before Tax	572	3,73,499
Provision for Tax <sup>4</sup>	134	87,498
Profit After Tax	438	2,86,001

Balance Sheet	As at September 30, 2017 <sup>(1) (2)</sup> (Consolidated)	
	USD Million	INR Lakhs
<b>Sources of funds</b>		
Paid up share capital	12,467	81,40,565
Reserves and Surplus (excluding revaluation reserves)	40	26,119
<b>Net worth</b>	<b>12,507</b>	<b>81,66,684</b>
Secured loans	6,325	41,30,029
Unsecured loans	-	
<b>Total of Sources of funds</b>	<b>18,832</b>	<b>1,22,96,713</b>
<b>Uses of funds</b>		
Net Fixed Assets <sup>5</sup>	20,907	1,36,51,623
Investments	-	
Net Current Assets <sup>7</sup>	3	1,960
Net Non-Current Assets <sup>6</sup>	2,078	13,56,870
<b>Total of Uses of funds</b>	<b>18,832</b>	<b>1,22,96,713</b>

Other Financial Data	Six months ended September 30, 2017 <sup>(1) (2)</sup> (Consolidated)	
	Dividend <sup>8</sup> (%)	0.42%
Earnings Per Share		

Other Financial Data	Six months ended September 30, 2017 <sup>(1) (2)</sup> (Consolidated)	
	Basic	\$1.46 Per Share
Diluted	\$1.43 Per Share	INR 93.37 Per Share

**Notes:**

1. Report dated November 07, 2017 issued by Deloitte and Touche LLP, Chartered Accountants and statutory auditors of PAC 2.
2. Since the financials of PAC 2 are presented in USD, a conversion of such financials into Indian Rupees has been adopted. The USD to INR conversion has been assumed at the rate of 1 USD = Rs. 65.2969 as on November 16, 2017 i.e. 1 working day prior to the date of the PA (Source: www.rbi.org.in)
3. Total Expenditure consists of employee benefit expenses, project work expenses and other expenses as derived from the financial statements
4. Provision for tax includes current tax expense and deferred tax expense as derived from the financial statements
5. Net Fixed Assets is an aggregation of Property, Plant and Equipment, Goodwill and other Intangible Assets
6. Net Non-Current Assets comprise of Deferred tax assets (net), Long term loans and advances, Other non-current assets, Other Long Term Liabilities and Long-term provisions as derived from the financial statements
7. Net Current Assets include Trader receivables, cash and cash equivalents, short term loans and advances, other current assets less Trade Payables, Other Current Liabilities and Short term provisions as derived from the financial a statements
8. Dividend Yield Percentage has been computed on market stock price of PAC 2 as on September 29, 2017 that was \$85.88 per share.

PAC 2 was formed through the spin-off of the Enterprise Services business of HPE on March 31, 2017, and the Merger of a wholly-owned subsidiary of PAC 2 with CSC on April 1, 2017, which resulted in CSC becoming a wholly owned subsidiary of PAC 2. Hence, there are no audited financial statements of PAC 2 for the period ended March 31, 2017.

CSC was deemed the accounting acquirer in this combination for accounting purposes prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission for periodic reports and accounting principles generally accepted in the United States. Hence, CSC is considered PAC 2's accounting predecessor and the historical financial statements of CSC prior to April 1, 2017, are reflected as PAC 2's historical financial statements.

In light of the above the key financial information of CSC are disclosed as follows:

Particulars	FY 2015 <sup>(1) (2)</sup>		FY 2016 <sup>(1) (2)</sup>		FY 2017 <sup>(1) (2)</sup>	
	Consolidated		Consolidated		Consolidated	
	USD Million	INR Lakhs	USD Million	INR Lakhs	USD Million	INR Lakhs
Income from operations	8,117	53,00,149	7,106	46,39,998	7,607	49,67,135
Other Income	10	6,530	47	30,690	45	29,384
<b>Total Income</b>	<b>8,127</b>	<b>53,06,679</b>	<b>7,152</b>	<b>4,670,034</b>	<b>7,652</b>	<b>49,96,519</b>
Total Expenditure <sup>3</sup>	7,832	51,14,053	6,361	41,53,536	7,062	46,11,267
<b>Profit Before Depreciation and Tax</b>	<b>295</b>	<b>1,92,626</b>	<b>791</b>	<b>5,16,498</b>	<b>590</b>	<b>3,85,252</b>
Depreciation	840	5,48,494	658	4,29,654	647	42,2471

Particulars	FY 2015 <sup>(1) (2)</sup>		FY 2016 <sup>(1) (2)</sup>		FY 2017 <sup>(1) (2)</sup>	
	Consolidated		Consolidated		Consolidated	
	USD Million	INR Lakhs	USD Million	INR Lakhs	USD Million	INR Lakhs
Interest	126	82,274	123	80,315	117	76,397
<b>Profit Before Tax</b>	<b>(671)</b>	<b>(4,38,142)</b>	<b>10</b>	<b>6,529</b>	<b>(174)</b>	<b>(1,13,616)</b>
Provision for Tax <sup>4</sup>	464	(3,02,978)	(62)	(40,484)	(74)	(48,320)
<b>Profit After Tax</b>	<b>(207)</b>	<b>(1,35,164)</b>	<b>72</b>	<b>47,014</b>	<b>(100)</b>	<b>(65,296)</b>

Balance Sheet	FY 2015 <sup>(1) (2)</sup>		FY 2016 <sup>(1) (2)</sup>		FY 2017 <sup>(1) (2)</sup>	
	Consolidated		Consolidated		Consolidated	
	USD Million	INR Lakhs	USD Million	INR Lakhs	USD Million	INR Lakhs
<b>Sources of funds</b>						
Paid up share capital	2,016	13,16,386	2,110	13,77,765	2,498	16,31,117
Reserves and Surplus (excluding revaluation reserves)	949	6,19,668	(78)	(50,932)	(332)	(2,16,786)
<b>Net worth</b>	<b>2,965</b>	<b>19,36,054</b>	<b>2,032</b>	<b>13,26,833</b>	<b>2,166</b>	<b>14,14,331</b>
Secured loans	1,635	10,67,604	1,934	12,62,842	2,225	14,52,856
Unsecured loans	-	-	-	-	-	-
<b>Total of Sources of funds</b>	<b>4,600</b>	<b>30,03,657</b>	<b>3,966</b>	<b>25,89,675</b>	<b>4,391</b>	<b>28,67,187</b>
<b>Uses of funds</b>						
Net Fixed Assets <sup>5</sup>	2,667	17,41,468	3,630	23,70,277	4,553	29,72,968
Investments	-	-	-	-	-	-
Net Current Assets <sup>6</sup>	641	4,18,553	(468)	(3,05,589)	(459)	(2,99,713)
Net Non-Current Assets <sup>7</sup>	1,292	8,43,636	804	5,24,987	297	1,93,932
<b>Total of Uses of funds</b>	<b>4,600</b>	<b>30,03,657</b>	<b>3,966</b>	<b>25,89,675</b>	<b>4,391</b>	<b>28,67,187</b>

Other Financial Data	As at Financial Year Ended					
	FY 2015 <sup>(1) (2)</sup>		FY 2016 <sup>(1) (2)</sup>		FY 2017 <sup>(1) (2)</sup>	
	Per Share (\$)	Per Share (INR)	Per Share (\$)	Per Share (INR)	Per Share (\$)	Per Share (INR)
Dividend (%)	1.50%	1.50%	1.39%	1.39%	1.56%	1.56%
Basic and Diluted EPS	(1.45)	(95)	0.51	33	(0.88)	(57)

**Notes:**

1. The financial information set forth above has been extracted from the audited financial statements of CSC as at and for the financial years 2015, 2016 and 2017
2. Since the financials of CSC are presented in USD, a conversion of such financials into Indian Rupees has been adopted. The USD to INR conversion has been assumed at the rate of 1 USD = Rs. 65.2969 as on November 16, 2017 i.e. 1 working day prior to the date of the PA (Source: www.rbi.org.in)
3. Total Expenditure consists of employee benefit expenses, project work expenses and other expenses as derived from the financial statements
4. Provision for tax includes current tax expense and deferred tax expense as derived from the financial statements
5. Net Fixed Assets is an aggregation of Property, Plant and Equipment, Goodwill and other Intangible Assets

6. *Net Non-Current Assets comprise of Deferred tax assets (net), Long term loans and advances, Other non-current assets, Other Long Term Liabilities and Long-term provisions as derived from the financial statements*
7. *Net Current Assets include Trader receivables, cash and cash equivalents, short term loans and advances, other current assets less Trade Payables, Other Current Liabilities and Short term provisions as derived from the financial a statements*

3.3.12 PAC 2 has no major contingent liabilities as on September 30, 2017.

#### **4 BACKGROUND OF THE TARGET COMPANY**

- 4.1. The Target Company was incorporated on February 1, 2002 as Scandent Network Private Limited under the provisions of the Companies Act, 1956, as amended. The name of the Target Company has been changed on multiple occasions. The details of the name change of the Target Company are provided below:

<b>Original Name</b>	<b>Changed Name</b>	<b>Date of certificate of the Registrar of Companies</b>
Scandent Network Private Limited.	Scandent Solutions Corporation Private Limited	October 1, 2004
Scandent Solutions Corporation Private Limited	Scandent Solutions Corporation Limited	October 13, 2004
Scandent Solutions Corporation Limited	Cambridge Solutions Limited	June 19, 2006
Cambridge Solutions Limited	Xchanging Solutions Limited	June 11, 2012

There has been no change in the name of the Target Company in the last three years.

- 4.2. The Corporate Identification Number of the Target Company is L72200KA2002PLC030072. The registered office of the Target Company is located at SJR I-Park, Plot 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bengaluru, Karnataka, India. Tel.: +91-80-30540000.
- 4.3. The Target Company is an IT services provider with operations in India and an international presence established through subsidiaries in USA, Singapore, UK and Malaysia.
- 4.4. The Equity Shares are currently listed on the BSE (Scrip Code: 532616) (Scrip ID: XCHANGING) and the NSE (Symbol: XCHANGING). The ISIN of Equity Shares is INE692G01013.
- 4.5. The Acquirer and PAC, directly and indirectly hold 8,77,53,949 Equity Shares representing 78.77% of the Voting Share Capital.
- 4.6. The composition of the Board is as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Date of Appointment</b>
1.	Henry D' Souza	Independent Director	00276157	29/02/2012
2.	Ashok Kumar Ramanathan	Independent Director	02055559	29/02/2012
3.	Rekha Murthy	Independent Director	07825183	29/05/2017
4.	Ramaswamy Sankaranarayanan Kavalapara	Interim Managing Director cum Interim Chief Executive Director	03591123	14/10/2017

4.7. The total authorized share capital of the Target Company is INR 1,25,00,00,000 consisting of 12,50,00,000 Equity Shares of face value of INR 10 each. The total paid-up share capital of the Target Company is INR 1,11,40,37,160 consisting of 11,14,03,716 Equity Shares of face value of INR 10 each.

4.8. The share capital structure of the Target Company as on date of this DLoF is set forth below:

<b>Paid Up Equity Shares of the Target Company</b>	<b>No. of Equity Shares / voting rights.</b>	<b>% of Equity Shares / voting rights.</b>
Fully Paid Up Equity Shares	11,14,03,716	100%
Partly Paid Up Equity Shares	Nil	Nil
<b>Total Paid Up Equity Shares</b>	<b>11,14,03,716</b>	<b>100.00%</b>
<b>Total Voting Rights in the</b>	<b>11,14,03,716</b>	<b>100.00%</b>

4.9. There are no outstanding shares of the Target Company that have been issued but not listed on the Stock Exchanges.

4.10. There are no outstanding (i) partly paid-up Equity Shares; (ii) convertible instruments; and (iii) employee stock options.

4.11. The financials of the Target Company are as follows:

*(Figures are in INR Lakhs)*

<b>Statement of Profit and Loss</b>				
	<b>Financial year ended December 31, 2014<sup>1</sup> (12 months)</b>	<b>Financial year ended December 31, 2015<sup>1</sup> (12 months)</b>	<b>Period ended March 31, 2017<sup>1</sup> (15 months)</b>	<b>Three months ended June 30, 2017<sup>2</sup></b>
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Standalone</b>
Income from operations	28,695	27,948	30,727	1,509
Other income	2,367	1,521	1,390	180
<b>Total income</b>	<b>31,062</b>	<b>29,469</b>	<b>32,117</b>	<b>1,689</b>
Total Expenditure <sup>3</sup>	28,660	25,167	29,881	1,420
<b>Profit Before Depreciation Interest and Tax</b>	<b>2,402</b>	<b>4,302</b>	<b>2,236</b>	<b>269</b>
Depreciation	477	420	305	35
Interest	20	19	15	2
<b>Profit before exceptional items and tax</b>	<b>1,905</b>	<b>3,863</b>	<b>1,916</b>	<b>232</b>
Exceptional items - Gain	1,268	-	-	-
<b>Profit before Tax</b>	<b>3,173</b>	<b>3,863</b>	<b>1,916</b>	<b>232</b>
Provision for Tax <sup>4</sup>	662	943	156	127
<b>Profit after Tax</b>	<b>2,511</b>	<b>2,920</b>	<b>1,760</b>	<b>105</b>

*(Figures are in INR Lakhs)*

<b>Balance Sheet</b>				
	<b>As at December 31, 2014<sup>1</sup></b>	<b>As at December 31, 2015<sup>1</sup></b>	<b>As at March 31, 2017<sup>1</sup></b>	<b>As at June 30, 2017<sup>2</sup></b>
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Standalone</b>
<b>Sources of funds</b>				
Paid up share capital	11,140	11,140	11,140	11,140
Reserves and Surplus (excluding revaluation reserves)	19,286	22,157	23,788	7,183
<b>Net worth</b>	<b>30,426</b>	<b>33,297</b>	<b>34,928</b>	<b>24</b>
Secured loans	158	91	46	-
<b>Total</b>	<b>30,584</b>	<b>33,388</b>	<b>34,974</b>	<b>18,347</b>
<b>Uses of funds</b>				
Net fixed assets <sup>5</sup>	16,609	16,358	16,071	149
Investments	-	-	10,099	15,829
Net non-current assets <sup>6</sup>	4,648	4,494	4,988	4,590
Net current assets <sup>7</sup>	9,327	12,536	3,816	(2,221)
<b>Total</b>	<b>30,584</b>	<b>33,388</b>	<b>34,974</b>	<b>18,347</b>

<b>Other relevant information</b>	<b>Financial year ended December 31, 2014<sup>1</sup> (12 months)</b>	<b>Financial year ended December 31, 2015<sup>1</sup> (12 months)</b>	<b>Period ended March 31, 2017<sup>1</sup> (15 months)</b>	<b>Three months ended June 30, 2017<sup>2</sup></b>
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Standalone</b>
Dividend %	-	-	-	-
EPS (Per share in Rs.)- Annualised				
Basic	2.25	2.62	1.58	0.09 <sup>10</sup>
Diluted	2.25	2.62	1.58	0.09 <sup>10</sup>
Return on Net Worth <sup>8</sup>	8%	9%	5%	1%
Book Value Per Share <sup>9</sup>	27.31	29.89	31.35	16.45

**Notes:**

1. The financial information set forth above has been extracted from the audited financial statements of the Target Company as at and for the financial years ended December 31, 2014, December 31, 2015 and for period ended March 31, 2017.
2. Source: Report dated November 20, 2017 issued by Deloitte Haskins and Sells LLP, Chartered Accountants and statutory auditors of the Target Company.
3. Total expenditure consists of employee benefits expense, project work expenses, exchange loss and other expenses as derived from the financial statements
4. Provision for tax includes current tax expense and deferred tax expense as derived from the financial statements
5. Net Fixed Assets consists of Property, plant & equipment (Tangible assets) and Intangible assets (Including Goodwill on consolidation) as derived from the financial statements
6. Net non-current assets comprise of Deferred tax assets (net), Long-term loans and advances, Other non-



current assets less Other long-term liabilities and Long-term provisions as derived from the financial statements

7. Net current assets include Trade receivables, Cash and cash equivalents, Short-term loans and advances, Other current assets less Trade Payables, Other current liabilities and Short-term provisions as derived from the financial statements
8. Return on Net worth has been calculated as Net Income/Net worth
9. Book value per share has been calculated as Net worth/No of shares
10. Not Annualised

4.12. Pre and post Offer Shareholding pattern of the Target Company is as provided below:

Shareholders Category	Shareholding and voting rights prior to the agreement / acquisition and Offer		Shares/voting rights agreed to be acquired which the triggered Takeover Regulations		Shares/voting rights to be acquired in Offer full (Assuming acceptance)		Shareholding/ voting rights after the acquisition and Offer <sup>#</sup>	
	(A)		(B)		(C)		(A) + (B) + (C)	
	Number	%	Number	%	Number	%	Number	%
<b>1.Promoter Group</b>								
<b>(a) Parties to the Merger Agreement.</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>(b) Promoters other than (a) above (i.e.)</b>			-	-	-	-		
Xchanging Technology Services India Pvt Ltd.	2,55,50,000	22.93 %	Nil	Nil	2,36,49,767	21.23 %	4,91,99,767	44.16 %*
DXC Technology India Private Limited	42,01,162	3.77%	Nil	Nil	Nil	Nil	42,01,162	3.77%
Xchanging (Mauritius) Limited	5,80,02,787	52.07 %	Nil	Nil	Nil	Nil	5,80,02,787	52.07 %
<b>Total (1)(a+b)</b>	8,77,53,949	78.77 %	Nil	Nil	2,36,49,767	21.23 %	11,14,03,716	100%
<b>2. Acquirers</b>								
<b>(a) Acquirer</b>	2,55,50,000	22.93 %	Nil	Nil	2,36,49,767	21.23 %	4,91,99,767	44.16 %*
<b>(b) PAC 1</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>(c) PAC 2**</b>	Nil	Nil	8,77,53,949	78.77 %	2,36,49,767	21.23%	11,14,03,716	100%
<b>Total 2 (a+b+c)</b>	2,55,50,000	22.93 %	8,77,53,949	78.77 %	2,36,49,767	21.23 %	11,14,03,716	100%



Shareholders Category	Shareholding and voting rights prior to the agreement / acquisition and Offer		Shares/voting rights agreed to be acquired which triggered the Takeover Regulations		Shares/voting rights to be acquired in Offer full (Assuming acceptance)		Shareholding/ voting rights after the acquisition and Offer <sup>#</sup>	
<b>3. Parties to the agreement other than (1)(a) and (2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>4. Public (other than parties to the agreement, Acquirer and PAC)</b>								
<b>(a) FIs/MFs/Banks/S FIs</b>	4,34,957	0.39 %	Nil	Nil	Nil	Nil	Nil	Nil
<b>(b) Others</b>	2,32,14,810	20.84 %	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total (4)(a+b)</b>	2,36,49,767	21.23 %	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (1+2+3+4)</b>	11,14,03,716	100.00 %	Nil	Nil	2,36,49,767	21.23 %	11,14,03,716	100.00 %

\*Assuming all the Offer Shares are acquired by the Acquirer only.

\*\*PAC 2 has indirectly holds Equity Shares in the Target Company.

4.13. The Target Company has not been party to any scheme of amalgamation, restructuring, merger / demerger and spin off during the last 3 years.

## 5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 5.1. Justification of Offer price

5.1.1. The Equity Shares of the Target Company are currently listed on the BSE (Scrip Code: 532616) (Scrip ID: XCHANGING) and the NSE (Symbol: XCHANGING). The ISIN of Equity Shares is INE692G01013.

5.1.2. The annualized trading turnover of the Equity Shares of the Target Company during 12 calendar months preceding the month when the public announcement ought to have been made on the Stock Exchanges on which the Equity Shares of the Target Company are listed (i.e. May 1, 2015 to April 30, 2016 ) is detailed below:

Name of the Stock Exchange	Total Number of shares traded during the preceding 12 calendar months prior to the month of Public Announcement ("A")	Total Number of Equity Shares listed ("B")	Trading turnover (as % of total number of listed Equity Shares) (A/B)
BSE	45,15,519	11,14,03,716	4.05%
NSE	64,78,468	11,14,03,716	5.82%

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

Note: The Merger Agreement was contracted on May 24, 2016. The PA in respect of the Merger Agreement ought to have been issued within 4 Working Days from May 24, 2016 in terms of Regulation 13(2)(e) of the Takeover Regulations. However, such PA was actually made on November 17, 2017. For the purpose of determining whether or not the Equity Shares are frequently traded, share trading data has been taken for the twelve month period prior to the month in which the public announcement ought to have been made under Regulation 13(2)(e) of the Takeover Regulations.

5.1.3. Based on the above, the Equity Shares are infrequently traded on the BSE and NSE, in terms of Regulation 2(1)(j) of the Takeover Regulations.

5.1.4. The Offer Price of INR 55.22 per Offer Share is justified in terms of Regulation 8 of the Takeover Regulations in view of the following:-

Sr. No.	Particulars	Price (In INR Per Share)
(a)	The highest negotiated price per share, if any, of the Target Company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer.	Not Applicable
(b)	The volume-weighted average price paid or payable for any acquisition, whether by the Acquirer or by PAC, during the 52 weeks immediately preceding May 24, 2016 (being the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain).	Not Applicable
(c)	The highest price paid or payable for any acquisition, whether by the Acquirer or by PAC, during the 26 weeks immediately preceding May 24, 2016 (being the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain).	Not Applicable (See Note 1 below)
(d)	The highest price paid or payable for any acquisition, whether by the Acquirer or by PAC, between May 24, 2016 (being the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain), and the date of the PA.	Not Applicable (See Note 1 below)
(e)	The volume-weighted average market price of the Equity Shares for a period of 60 trading days immediately preceding May 24, 2016 (being the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain), as traded on the stock exchange where the maximum volume of trading in the Equity Shares are recorded during such period, provided such Equity Shares are frequently traded.	Not Applicable
(f)	The price determined by the Acquirer, PAC and the Manager taking into account valuation parameters including book value comparable trading multiples and such other parameters as are customary for valuation of shares of such companies.	INR 48.00 (See Note 2 below)
(g)	Price at (f) above including interest in terms of Regulation 8(12) of the Takeover Regulations.	INR 55.22 (See Note 3 below)
(h)	Price determined in accordance with Regulation 8(5) of the	Not Applicable

Sr. No.	Particulars	Price (In INR Per Share)
	Takeover Regulations.	(See Note 4 below)

Source: Certificate dated November 11, 2017 issued by Banssi S. Mehta & Co., Chartered Accountants

**Note 1:**

CSC Technologies India Private Limited (now known as DXC Technology India Private Limited "DXCTIPL") acquired 42,01,162 Equity Shares (amounting to 3.77% of the Voting Share Capital) at a price of INR 41.01 per Equity Share pursuant to an open offer vide a public announcement dated December 15, 2015 under Regulation 3 and 4 read with Regulation 5(1) of the Takeover Regulations. However, as on the date of the said public announcement, DXCTIPL and PAC 2 were not persons acting in concert. Accordingly, the price of INR 41.01 has not been considered. In any event, even if the aforementioned price was to be considered, the same would have been less than the Offer Price of INR 48.00 per Equity Share.

**Note 2:**

Acquirer appointed MSKA & Associates, Chartered Accountants and Banssi S. Mehta & Co., Chartered Accountants for preparing a valuation report of the Target Company. MSKA & Associates, Chartered Accountants in its valuation report dated November 11, 2017 assigned a price per share of INR 41.14 per Equity Share. Banssi S. Mehta & Co., Chartered Accountants in its valuation report dated November 11, 2017 assigned a price per share of Rs 48.00 per Equity Share. Accordingly, for the purpose of determining the offer price, the higher price per Equity Share, from the valuation reports of MSKA & Associates, Chartered Accountants and Banssi S. Mehta & Co, Chartered Accountants has been considered i.e. INR. 48.00.

**Note 3:**

In accordance with regulation 8(12) of the Takeover Regulations, the offer price is required to be enhanced by an amount determined at the rate of 10% per annum for the period between, the earlier of the date on which the primary acquisition is contracted or the date on which the intention or the decision to make the primary acquisition is announced in the public domain (being May 24, 2016), and the date of the detailed public statement, provided such period is more than 5 working days. Accordingly, the price per Equity Share ascribed under (f) above, has been enhanced by INR 7.22 per Equity Share, at the rate of 10% per annum for the period between May 24, 2016 and the date of publication of this DPS.

**Note 4:**

In terms of Regulation 8(5) of the Takeover Regulations, an indirect acquisition where:

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

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

The Offer was triggered on account of the Merger Agreement pursuant to which PAC 2 has become the parent company of CSC. CSC in turn indirectly holds 78.77% of the Voting Share Capital. Accordingly, the parameters set out above would have to be compared with respect to CSC (as it existed prior to the Merger) and the Target Company. In this regard, the relevant calculations for the net asset value, consolidated revenue and market capitalization for CSC (as it existed prior to the Merger) and the Target Company have been set out below which indicates that the 15% threshold set out above is not met.

Target Company Particulars	December 2015 (INR in Million)
Revenue	2,947

Target Company Particulars	December 2015 (INR in Million)
Net Asset Value	3,330
Market Cap	7,707

CSC Particulars	2016 (USD in Million)	2016 (INR in Million)
Sales	7,106	4,68,356
Net Asset Value	2,025	1,33,468
Market Cap (A)	4,840	3,19,004
Net Debt (B)	1,626	1,07,170
Enterprise Value (A + B)	6,466	4,26,174

Note: USD / INR Exchange Rate = INR 65.91 (12 months average exchange rate as at May 23, 2016)

Particulars	Proportion of Target Company (as a % of CSC)
Sales	0.63%
Net Asset Value	2.49%
Market Cap	1.81%*

\*Market Cap of Target Company divided by Value of CSC

Source: Certificate dated November 11, 2017 issued by MSKA & Associates, Chartered Accountants

5.1.5. There have been no corporate actions by the Target Company warranting adjustment of the relevant price parameters under Regulation 8(9) of the Takeover Regulations. (Source: www.nseindia.com, www.bseindia.com). The Offer Price may be revised in the event of any corporate actions like bonus, rights, split etc. where the record date for effecting such corporate actions falls within 3 Working Days prior to the commencement of tendering period of the Offer.

5.1.6. The Acquirer and PAC shall disclose during the Tendering Period every acquisition made by them of any Equity Shares of the Target Company to the Stock Exchanges and to the Target Company at its registered office within 24 hours of such acquisition in accordance with Regulation 18(6) of the Takeover Regulations.

5.1.7. In the event of acquisition of the Equity Shares by the Acquirer and/or PAC during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the Takeover Regulations. However, the Acquirer and PAC shall not acquire any Equity Shares after the 3<sup>rd</sup> Working Day prior to commencement of the Tendering Period and until the expiry of the Tendering Period.

5.1.8. The Offer Price is subject to any upward revision, if any, pursuant to the Takeover Regulations or at the discretion of the Acquirer at any time prior to 3 Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the Takeover Regulations. In the event of such revision, the Acquirer and PAC shall make corresponding increases to the escrow amounts (under Regulation 18(5) of Takeover Regulations), as more particularly set out in Clause 5.2 (Financial Arrangements) of this DLoF; and the Acquirer and PAC shall (i) make a public announcement in the Newspapers; (ii) make corresponding changes to the Offer Escrow Amount; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

## 5.2. Financial arrangements:

5.2.1. Assuming full acceptance of the Offer the maximum consideration payable under this Offer shall be INR 1,30,59,40,134 (“**Maximum Consideration**”).

5.2.2. The Acquirer together with PAC 1 have confirmed that they have adequate financial resources to meet the obligations under the Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the Takeover Regulations.

- 5.2.3. The Acquirer, the Manager and Standard Chartered Bank, having an office at Payment Centre, Crescenzo, Plot No. C-38 & 39, G-Block, Bandra Kurla Complex, Mumbai-400051 (“**Escrow Bank**”) have entered into an escrow agreement dated November 20, 2017 (“**Offer Escrow Agreement**”). Pursuant to the Offer Escrow Agreement, the Acquirer has opened an escrow account under the name and title of “Xchanging Technology Services India Pvt. Ltd - Xchanging Solutions Limited - Open Offer Escrow Account” (“**Offer Escrow Account**”) with the Escrow Bank and the Acquirer has made a cash deposit of INR 32,64,85,034, being 25% of the Maximum Consideration in the Offer Escrow Account in accordance with Regulation 17(1) of the Takeover Regulations. The Manager has been duly authorized to realize the monies lying to the credit of the Offer Escrow Account in terms of the Takeover Regulations. The cash deposit has been confirmed by way of a confirmation letter dated November 21, 2017, issued by the Escrow Bank.
- 5.2.4. The source of funds to meet the obligations of the Acquirer and PAC under the Offer has been met from the funds available with the Acquirer.
- 5.2.5. MSKA & Associates, Chartered Accountant, (Membership No. 116349) having its office at The Ruby, Level 9, North west Wing, Senapati Bapat Marg, Dadar (W), Mumbai 400 028, vide certificate dated November 11, 2017 certified that adequate and firm financial resources are available with the Acquirer together with PAC to enable it to fulfill its financial obligations under the Offer.
- 5.2.6. Based on the above, the Manager is satisfied that firm arrangements have been put in place by the Acquirer to fulfill its obligations in relation to this Offer through verifiable means in accordance with the Takeover Regulations.
- 5.2.7. In case of any upward revision in the Offer Price and / or Offer Size, the Acquirer shall deposit additional funds in the Offer Escrow Account as required under the Takeover Regulations.

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

### **6.1. Operational Terms and Conditions**

- 6.1.1. This Offer is being made by the Acquirer and PAC to (i) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (ii) the Beneficial Owners of the Equity Shares whose names appear as beneficiaries on the records of the respective depositories, as of the close of business on the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the closure of the Tendering Period for this Offer but who are not the registered Public Shareholders.

The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, all rights of dividends, bonuses or rights from now on and declared hereafter.

- 6.1.2. The acceptance of this Offer is entirely at the discretion of the Public Shareholders. The Acquirer / PAC will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Public Shareholders are advised to adequately safeguard their interests in this regard.
- 6.1.3. The instructions, authorizations and provisions contained in the Form of Acceptance-cum- Acknowledgment constitute an integral part of the terms and conditions of this Offer. The Public Shareholders can write to the Registrar to the Offer / Manager to the Offer requesting for the Letter of Offer along with Form of Acceptance-cum-Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of closing of Tendering Period. Alternatively, the Letter of Offer along with the Form of Acceptance cum Acknowledgement is also expected to be available at SEBI’s website, [www.sebi.gov.in](http://www.sebi.gov.in), and the Public Shareholders can also apply by downloading such forms from the website.

- 6.1.4. Each Public Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.
- 6.1.5. Accidental omission to dispatch this DLoF to any Public Shareholder to whom this Offer has been made or non-receipt of this Letter of Offer by any such Public Shareholder shall not invalidate this Offer in any way.
- 6.1.6. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
- 6.1.7. The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1.
- 6.1.8. There are no lock-in restrictions on the Equity Shares.
- 6.1.9. Incomplete Forms of Acceptance-cum-Acknowledgement, if applicable, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents / forms submitted are incomplete and/or if they have any defect or modifications, the Equity Shares tendered are liable to be rejected.
- 6.1.10. The share certificates or other documents should not be sent to the Acquirer or PAC or the Target Company
- 6.1.11. In terms of Regulation 18(9) of the Takeover Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 6.1.12. There has been no revision in the Offer Price or Offer Size as of the date of this DLoF. Further revisions in the Offer Price for any reason including competing offers shall be done prior to the commencement of the last 3 Working Days before the commencement of the Tendering Period and will be notified to the Public Shareholders by (i) notification to the Stock Exchanges, SEBI and the Target Company at its registered office, and (ii) public announcement in the same newspapers in which the DPS has been published. Such revision would be done in compliance with other formalities prescribed under the Takeover Regulations.

**Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the date of closure of the Tendering Period.**

## **6.2. Eligibility for accepting the Offer**

- 6.2.1. The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares in dematerialized form or physical form whose names appear in register of Target Company as on the Identified Date.
- 6.2.2. This Offer is also open to persons who own Equity Shares but are not registered Public Shareholders as on the Identified Date.
- 6.2.3. All Public Shareholders who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period, are eligible to participate in this Offer.
- 6.2.4. The Public Announcement, the DPS, the Letter of Offer and the Form of Acceptance cum Acknowledgement will also be available on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of the Letter of Offer, all Public Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance cum Acknowledgement from the SEBI's website for applying in the Offer.
- 6.2.5. The acceptance of this Offer by the Public Shareholders must be absolute and unqualified and should be

received by the Registrar to the Offer at the address mentioned below on or before closure of the Tendering Period. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever. In the event of any change or modification is made to the Form of Acceptance-cum-Acknowledgment or if any condition is inserted therein by the Public Shareholders, the Manager to the Offer and the Acquirer and PAC reserve the right to reject the acceptance of this Offer by such Public Shareholder.

- 6.2.6. All Public Shareholders, including non-resident holders of Equity 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 Equity Shares tendered in this Offer. Further, if the holders of the Equity 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 Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the 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.
- 6.2.7. The acceptance of this Offer is entirely at the discretion of the Public Shareholders.
- 6.2.8. The Acquirer, PAC, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of any share certificates, Offer acceptance documents, share transfer deeds etc. during transit and the Public Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.
- 6.2.9. The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer and / or PAC 1 in consultation with the Manager to the Offer.
- 6.2.10. The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgment constitute part of the terms of the Offer.
- 6.2.11. The Manager to the Offer shall submit a final report to SEBI within 15 Working Days from the expiry of the Tendering Period in accordance with Regulation 27(7) of the Takeover Regulations confirming status of completion of various Offer Requirements.
- 6.2.12. For any assistance please contact the Manager to the Offer or the Acquirer or the Registrar to the Offer.
- 6.2.13. The Acquirer and PAC reserve the right to revise the Offer Price upwards prior to the commencement of the last 3 Working Days prior to the commencement of the Tendering Period, in accordance with the Takeover Regulations and the revision, if any, in the Offer Price would be announced in the Newspapers. The Acquirer would pay such revised price for all the shares validly tendered during the Tendering Period and accepted under the Offer in accordance with the terms of the Letter of Offer.

### 6.3. **Statutory Approvals:**

- 6.3.1. To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the acquisition of the Offer Shares. If, however, any statutory or other approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory or other approval(s).
- 6.3.2. All Public Shareholders, including non-resident holders of Equity 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 Equity Shares tendered in this Offer. Further, if the holders of the Equity 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 Equity Shares held by



them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the 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.

- 6.3.3. In case of delay in receipt of any statutory approval that may be required by the Acquirer and / or PAC at a later date, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer and / or PAC to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the Takeover Regulations, grant an extension of time to the Acquirer and / or PAC to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer and/or PAC shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 6.3.4. In terms of Regulation 23(1) of the Takeover Regulations, in the event that the approvals which become applicable prior to completion of the Offer are not received, the Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and PAC (through the Manager) shall, within 2 Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the Takeover Regulations.

## **7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT**

- 7.1. All Public Shareholders whether holding Equity Shares in dematerialized form or physical form, registered or unregistered are eligible to participate in the Offer any time before closure of the Tendering Period.
- 7.2. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have not received the Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in Public Announcement, the DPS and the Letter of Offer. Alternatively, such holders of the Equity Shares may apply in the Form of Acceptance-cum Acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (<http://www.sebi.gov.in/>) or the Registrar to the Offer.
- 7.3. The Offer will be implemented by the Acquirer and PAC through Stock Exchange Mechanism made available by the Designated Stock Exchange in the form of separate window (“**Acquisition Window**”) as provided under the Takeover Regulations, SEBI Circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI and notices / guidelines issued by Designated Stock Exchange and the Clearing Corporation in relation to the mechanism / process for acquisition of shares through stock exchange pursuant to the tender offers under takeovers as amended and updated from time to time.
- 7.4. BSE Limited shall be the Designated Stock Exchange for the purpose of tendering Equity Shares in the Offer.
- 7.5. The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available on the Stock Exchange in the form of a separate window (Acquisition Window).
- 7.6. All the Public Shareholders who desire to tender their Equity Shares under the Offer would have to approach their respective stock brokers (“**Selling Broker(s)**”), during the normal trading hours of the secondary market during the Tendering Period.
- 7.7. Separate Acquisition Window will be provided by the Designated Stock Exchange to facilitate placing of sell orders. The Selling Brokers can enter orders for demat Equity Shares as well as physical Equity Shares.



- 7.8. The Acquirer has appointed JM Financial Services Limited as the “**Buying Broker**” for the Offer through whom the purchases and settlement of Equity Shares tendered in this Offer shall be made.

Contact details for the Buying Broker are as follows:-

**JM Financial Services Limited**  
5th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025  
Tel. No.: +91 22 6630 3030  
Fax No.: +91 22 6630 3330  
Contact Person: Ms. Prachee Dhuri

- 7.9. During the Tendering Period, the tender of the Equity Shares by the Public Shareholders in this Offer will be placed through their respective Selling Brokers during normal trading hours of the secondary market.
- 7.10. The cumulative quantity tendered shall be displayed on the Designated Stock Exchange website throughout the trading session at specific intervals by the Designated Stock Exchange during Tendering Period.
- 7.11. Modification/cancellation of orders will not be allowed during the Tendering Period.
- 7.12. Public Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant). In the event Seller Broker(s) are not registered with BSE or if the Shareholder does not have any stock broker then that Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Public Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Public Shareholder may approach Company's Broker viz. JM Financial Services Limited, to bid by using quick UCC facility. The Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

**7.12.1. In case of Shareholder being an individual**

- (a) If Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:
- Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable
  - Know Your Client (KYC) form Documents required (all documents self-attested):
    - Bank details (cancelled cheque)
  - Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- (b) If Shareholder is not registered with KRA: Forms required:
- CKYC form including FATCA, IPV, OSV if applicable
  - KRA form
  - KYC form Documents required (all documents self-attested):
    - PAN card copy
    - Address proof
    - Bank details (cancelled cheque)
  - Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

**7.12.2. In case of Shareholder is HUF:**

- (a) If Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:
- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable
  - Know Your Client (KYC) form Documents required (all documents selfattested):
    - Bank details (cancelled cheque)
  - Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- (b) If Shareholder is not registered with KRA: Forms required:
- CKYC form of KARTA including FATCA, IPV, OSV if applicable
  - KRA form
  - Know Your Client (KYC) form Documents required (all documents selfattested):
    - PAN card copy of HUF & KARTA
    - Address proof of HUF & KARTA
    - HUF declaration
    - Bank details (cancelled cheque)
  - Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

### **7.12.3. In case of Shareholder other than Individual and HUF:**

- (a) If Shareholder is KRA registered: Form required
- Know Your Client (KYC) form Documents required (all documents certified true copy)
    - Bank details (cancelled cheque)
  - Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
  - FATCA, IPV, OSV if applicable
  - Latest list of directors/authorised signatories/partners/trustees
  - Latest shareholding pattern
  - Board resolution
  - Details of ultimate beneficial owner along with PAN card and address proof
  - Last 2 years financial statements
- (b) If Shareholder is not KRA registered: Forms required:
- KRA form
  - Know Your Client (KYC) form Documents required (all documents certified true copy):
    - PAN card copy of company/ firm/trust
    - Address proof of company/ firm/trust
    - Bank details (cancelled cheque)
  - Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
  - FATCA, IPV, OSV if applicable
  - Latest list of directors/authorised signatories /partners/trustees
  - PAN card copies & address proof of directors/authorised signatories/partners/trustees
  - Latest shareholding pattern
  - Board resolution/partnership declaration
  - Details of ultimate beneficial owner along with PAN card and address proof
  - Last 2 years financial statements
  - MOA/Partnership deed /trust deed

Additionally, registered Public Shareholders holding Equity Shares in physical form must also provide the documents mentioned in Part 7 Paragraph 7.13.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

**7.13. Procedure for tendering Equity Shares held in dematerialised form:**

- 7.13.1. The Public Shareholders who are holding Equity Shares in electronic/ dematerialised form and who desire to tender their Equity Shares in this Offer shall approach their respective Selling Broker indicating to their Selling Broker the details of Equity Shares such Public Shareholder intends to tender in this Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 7.13.2. The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the BSE. Before placing the order/bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay in mechanism as prescribed by the BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.
- 7.13.3. Upon placing the order, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- 7.13.4. Modification/cancellation of orders will not be allowed during the tendering period of the Open Offer.
- 7.13.5. For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than 6:00 PM on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 7.13.6. The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.
- 7.13.7. The Public Shareholders will have to ensure that they keep their DP account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated Offer.
- 7.13.8. The cumulative quantity tendered shall be made available on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.

**7.14. Procedure for tendering Equity Shares held in Physical Form:**

- 7.14.1. The Public Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach the relevant Selling Broker and submit complete set of documents for verification procedure as mentioned below:-
  - (a) Form of Acceptance cum Acknowledgment duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
  - (b) Original share certificate(s).
  - (c) Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order

and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place.

- (d) Self-attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors).
  - (e) Any other relevant document such as power of attorney, corporate authorization (including board resolution/specimen signature).
  - (f) Self-attested copy of address proof such as valid Aadhar Card, Voter I.D., passport etc.
- 7.14.2. The Selling Broker should place bids on the Designated Stock Exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the exchange bidding system. The TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., Number of Equity Shares etc.
- 7.14.3. After placement of order, the Selling Broker(s)/ Public Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other required documents either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as “**Xchanging Solutions Limited Open Offer**”. One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- 7.14.4. Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Offer shall be subject to verification by the Registrar. On receipt of the confirmation from the Registrar the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- 7.14.5. In case any person has submitted Equity Shares in physical form for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before Offer Closing Date.

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

#### **7.15. Acceptance of Shares**

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

#### **7.16. Procedure for tendering the shares in case of non-receipt of Letter of Offer.**

- 7.16.1. Public Shareholders who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- 7.16.2. A Public Shareholder may participate in the Offer by approaching their Selling Broker and tender Shares in the Offer as per the procedure mentioned in the Letter of Offer or in the relevant Form of Acceptance-cum-Acknowledgment.
- 7.16.3. The Letter of Offer along with a Form of Acceptance-cum-Acknowledgement, will be dispatched to all the

Public Shareholders of the Target Company, whose names appear on the register of members of the Target Company and to the Beneficial Owners of the Target Company in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date.

- 7.16.4. In case of non-receipt of the Letter of Offer, such Public Shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.
- 7.16.5. The Letter of Offer along with the Form of Acceptance cum Acknowledgment would also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in), and Public Shareholders can also apply by downloading such forms from the said website.
- 7.16.6. Alternatively, in case of non-receipt of the Letter of Offer, shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents as mentioned in paragraphs 9 and 10 above along with Form SH 4 (in case of Equity Shares being held in physical form). Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Offer.

#### **7.17. Settlement Process**

- 7.17.1. On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation.
- 7.17.2. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 7.17.3. For Equity Shares accepted under the Open Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 7.17.4. In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards.
- 7.17.5. The Public 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 non-acceptance of the shares under the Offer.
- 7.17.6. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Public Shareholders directly by the Registrar. The Company is authorized 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 Open Offer by the Public Shareholders holding Equity Shares in the physical form.
- 7.17.7. The direct credit of Equity Shares shall be given to the demat account of Acquirer and / or PAC 1 as indicated by the Buying Broker.

- 7.17.8. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirer and / or PAC 1.
- 7.17.9. In case of partial or non-acceptance of orders the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- 7.17.10. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- 7.17.11. If Public Shareholders bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Equity Shareholder.
- 7.17.12. Public Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.

#### **7.18. Settlement of Funds / Payment Consideration.**

- 7.18.1. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 7.18.2. For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds payout to respective Public Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 7.18.3. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Equity Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.
- 7.18.4. The funds received from the Buyer Broker by the Clearing Corporation will be released to the Equity Shareholder / Selling Broker (s) as per secondary market pay out mechanism.
- 7.18.5. Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholder.
- 7.18.6. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to

Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the Takeover Regulations.

## **8. COMPLIANCE WITH TAX REQUIREMENTS:**

### **8.1. Taxability of Capital Gain in the hands of the Public Shareholder**

8.1.1. As per the current provisions of the Income Tax Act, 1961 unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold.

8.1.2. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less, which are sold, will be subject to short term capital gains tax.

8.1.3. Taxability of capital gain arising to a non-resident in India from the sale of equity shares shall be determined basis the provisions of the Income Tax Act or the Double Taxation Avoidance Agreement entered between India and country of which the non-resident seller is resident, subject to satisfaction of certain prescribed conditions.

### **8.2. Business Income**

8.2.1. Under current Indian tax laws and regulations, income arising from the sale of equity shares in an Indian company may be taxable in India as income from business, depending on the Public Shareholder.

### **8.3. Tax Deduction at Source**

8.3.1. In case of resident Public Shareholders – the Acquirer and / or the PAC shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer. Such resident Public Shareholder will be liable to pay tax on their income as per the provisions of the Act as applicable to them.

8.3.2. In case of non-resident Public Shareholders – the Acquirer and / or the PAC will deduct income-tax at source at the applicable rates under the Income Tax Act on the consideration payable to non-resident Public Shareholders pursuant to the Offer if shares are held for a period of 12 months or less.

8.3.3. In case of interest payments, if any, by the Acquirer and/ or the PAC for delay in payment of Offer consideration or a part thereof, the Acquirer and/ or the PAC will deduct taxes at source at the applicable rates under the Income Tax Act.

### **8.4. Others**

8.4.1. Notwithstanding the details given above, all payments will be made to Public Shareholders subject to compliance with prevailing tax laws.

8.4.2. The tax deducted by the Acquirer and / or the PAC while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Offer, before the income tax authorities.

8.4.3. The Acquirer and / or the PAC and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

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

## **9. DOCUMENTS FOR INSPECTION**

- 9.1. Copies of the following documents will be available for inspection at the registered office of the Manager to the Offer at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India. The documents can be inspected during normal business hours between 10:30 a.m. to 5:00 p.m on any Working Days i.e. Monday to Friday and not being a bank holiday in Mumbai during the period from the date of this DLoF, till date of expiry of the Tendering Period.
  - 9.1.1. Certified copies of the Memorandum and Articles of Association and certificate of incorporation of the Acquirer and PAC;
  - 9.1.2. Certified copies of the certificates of incorporation, memorandum and articles of association of the Target Company;
  - 9.1.3. Certificate dated November 11, 2017 from MSKA & Associates, Chartered Accountants, certifying that the Acquirer has adequate financial resources to fulfill their obligations under this Offer;
  - 9.1.4. Valuation report dated November 11, 2017 from Banshi S. Mehta & Co. Chartered Accountants, and valuation report dated November 11, 2017 from MSKA & Associates, Chartered Accountants;
  - 9.1.5. Certified copies of the annual reports of Target Company for the financial years ending on December 31, 2014, December 31, 2015 and for the period ended March 31, 2017 and limited reviewed 3 month financial results for the period ended June 30, 2017;
  - 9.1.6. Certified copies of the annual audited reports of Acquirer for the financial years ending on December 31, 2014, December 31, 2015 and March 31, 2017 and limited reviewed 6 month financial results for the period ended September 30, 2017;
  - 9.1.7. Certified copies of the annual audited reports of CSC for the financial years 2015, 2016 and 2017;
  - 9.1.8. Limited reviewed 6 month financial results of PAC 2 for the period ended September 30, 2017;
  - 9.1.9. Certified copies of the applicable annual audited reports in respect of PAC 2 for the financial years 2015, 2016 and 2017 and limited reviewed 6 month financial results for the period ended September 30, 2017;
  - 9.1.10. Letter dated November 21, 2017 from the Offer Escrow Bank confirming the receipt of the cash deposit in the Offer Escrow Account and a lien in favour of the Manager in accordance with the terms of the Offer Escrow Agreement between the Acquirer, the Manager and the Offer Escrow Bank;
  - 9.1.11. Certified confirmed copy of the Merger Agreement dated May 24, 2016 with the amendments agreements dated November 2, 2016 and December 6, 2016;



- 9.1.12. Copy of the Public Announcement submitted to the Stock Exchanges on November 17, 2017;
- 9.1.13. Copy of the DPS published by the Manager on behalf of the Acquirer on November 24, 2017;
- 9.1.14. Published copy of the recommendation to be made by the committee of the independent directors of Target Company in relation to the Offer;
- 9.1.15. SEBI observation letter no. [▲] dated [▲] on the DLoF; and
- 9.1.16. Offer Escrow Agreement dated November 20, 2017 between the Acquirer, the Manager and the Offer Escrow Bank.

**10. DECLARATION BY THE ACQUIRER AND PAC**

- 10.1. The Acquirer, PAC and their respective directors accept full responsibility, severally and jointly for the obligations of the Acquirer and PAC as laid down in terms of the Takeover Regulations and for the information contained in the DLoF other than such information as has been obtained from public sources or provided or confirmed by the Target Company (as specified in this DLoF).
- 10.2. Each of the Acquirer and PAC shall be jointly and severally responsible for ensuring compliance with the Takeover Regulations.
- 10.3. The persons signing this DLoF on behalf of the Acquirer and PAC have been duly and legally authorized by the respective boards of directors to sign this DLoF.

ISSUED BY THE MANAGER TO THE OFFER

For and on behalf of the Acquirer and PAC

<u>Acquirer</u>	<u>PAC 1</u>	<u>PAC 2</u>
Xchanging Technology Services India Private Limited	Computer Sciences Corporation India Private Limited	DXC Technology Company
Rectangle-I, D-4 District Centre, Saket New Delhi – 110019.	Capital Towers, No.180, Kodambakkam High Road, Nungambakkam, Chennai – 600034.	1775 Tysons Boulevard, Tysons, Virginia 22102

**Place: Mumbai**

**Date: November 30, 2017**