DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer (as defined elsewhere in this Draft Letter of Offer) is sent to you as a shareholder of Hexaware Technologies Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer (as defined elsewhere in this Draft Letter of Offer) or the Registrar to the Offer (as defined elsewhere in this Draft Letter of Offer). In case you have recently sold your shares in Hexaware Technologies Limited, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement (as defined elsewhere in this Draft Letter of Offer) and transfer deed to the member of the stock exchange through whom the said sale was effected.

Open Offer (the "Offer") by

HT Global IT Solutions Holdings Limited (the "Acquirer")

having its registered office at C/o Orangefield Trust (Mauritius) Limited, 3rd Floor, 355 NeXTeracon Tower 1, Cybercity, Ebene, Mauritius, Telephone: +230 464 7275; Fax: +230 464 3290

along with the persons acting in concert

Parel Investment Holdings Limited ("PAC1")

having its registered office at C/o Orangefield Trust (Mauritius) Limited, 3rd Floor, 355 NeXTeracon Tower 1, Cybercity, Ebene, Mauritius, Telephone: : +230 464 7275; Fax: +230 464 3290, and

The Baring Asia Private Equity Fund V, LP ("PAC2")

having its registered office at C/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, Telephone: +65 6593 3709; Fax: +65 6593 3711

(PAC1 and PAC2 shall individually be referred to as a "**PAC**" and together referred to as the "**PACs**")

to acquire up to 7,83,49,823 (seven crores eighty three lakhs forty nine thousand eight hundred and twenty three) fully paid-up equity shares of face value of Rs 2 (Rupees Two) each (the "**Shares**"), representing 26% (twenty six per cent) of the Voting Share Capital (as defined elsewhere in this Draft Letter of Offer) (the "**Offer Size**") of

Hexaware Technologies Limited (the "Target Company")

having its registered office at #152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai 400 710, India, Telephone: +91 22 6791 9595; Fax: +91 22 6791 9578

at a price of Rs 135 (Rupees One hundred and thirty five) per Share (the "Offer Price") payable in cash pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended) (the "SEBI (SAST) Regulations").

Notes:

1. The Offer is being made by the Acquirer and the PACs pursuant to Regulations 3(1) and 4 and other applicable regulations of the SEBI (SAST) Regulations.
2. The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. The Offer is subject to the receipt of certain statutory approvals and the fulfillment of other conditions described in detail in paragraphs 2.1.10 and 6.12 on pages 11 and 44 respectively of this Draft Letter of Offer. The current status of the statutory approvals is specified in paragraph 6.12.1 on page 44 of this Draft Letter of Offer.
5. If there is any upward revision in the Offer Price or the Offer Size, up to 3 (three) Working Days (as defined elsewhere in this Draft Letter of Offer) prior to the commencement of the Tendering Period (as defined elsewhere in this Draft Letter of Offer), i.e., up to Monday, 14 October 2013, the same will be informed by way of a public announcement in the same newspapers where the DPS (as defined elsewhere in this Draft Letter of Offer) was published. Such revised Offer Price would be payable for all the Shares validly tendered anytime during the Tendering Period. In the event of withdrawal of the Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS was published.
6. **If there are competing offers, the public offers under all the subsisting bids shall open and close on the same date. As per the information available with the Acquirer and the PACs, no competing bid has been announced as of the date of this Draft Letter of Offer.**
7. A copy of the Public Announcement, the Detailed Public Statement and this Draft Letter of Offer (including the Form of Acceptance-cum-Acknowledgment) are also available on the website of the Securities and Exchange Board of India (the "**SEBI**"): www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ICICI Securities Limited **Address**: ICICI Centre, HT Parekh Marg, Churchgate Mumbai, 400 020, India; ICICI Bank Tower, 3rd Floor, NBCC Place, Pragati Vihar, Bhisam Pitamah Marg New Delhi 110 003, India **Tel**: +91 22 2288 2460 **Fax**: +91 22 2282 6580 **Email**: hexaware.openoffer@icicisecurities.com **Website**: www.icicisecurities.com **Contact Person**: Mr Gaurav Goyal/Mr Amit Joshi	**Karvy Computershare Private Limited** **Address**: Plot #17-24, Vittal Rao Nagar Madhapur Hyderabad 500 081, India **Toll Free #**: 1-800-3454001 **Tel**: +91 40 4465 5000 **Fax**: +91 40 2343 1551 **Email**: murali.m@karvy.com **Contact Person**: Mr M Muralikrishna/Mr R Williams

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

ACTIVITY	DAY AND DATE
Issuance of the Public Announcement ("**PA**")	Friday, 23 August 2013
Publication of the Detailed Public Statement ("**DPS**") in the newspapers	Friday, 30 August 2013
Last date for the public announcement of a competing offer being made*	Monday, 23 September 2013
Identified Date#	Thursday, 3 October 2013
Last date by which the Letter of Offer is required to be dispatched to the Public Shareholders	Thursday, 10 October 2013
Last date for upward revision of the Offer Price/Offer Size	Monday, 14 October 2013
Last day by which the independent committee of the board of directors of the Target Company (the "**Board of Directors**") shall give its recommendation	Tuesday, 15 October 2013
Issue opening advertisement to be published	Thursday, 17 October 2013
Date of commencement of the Tendering Period (Offer opening date)	Friday, 18 October 2013
Date of expiry of the Tendering Period (Offer closing date)	Thursday, 31 October 2013
Date by which all requirements including payment of consideration would be completed	Monday, 18 November 2013

**** There has been no competing offer as of the date of this Draft Letter of Offer.***

 # Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom this Letter of Offer shall be mailed. It is clarified that all the Public Shareholders (registered or unregistered) who own the Shares are eligible to participate in the Offer at any time before expiry of the Tendering Period.

Note: Duly signed Form of Acceptance-cum-Acknowledgment/transfer deed(s) together with share certificate(s) (in case of physical shares) or copies of delivery instruction slips (in case of dematerialized shares) should be dispatched by registered post/courier or hand delivered to the Registrar to the Offer or its collection centres so as to reach on or before Closure of the Tendering Period (i.e., before Thursday, 31 October 2013).

RISK FACTORS

The risk factors set forth below pertain only to the Offer and are not intended to be a complete analysis of all risks in relation to the Offer or in association with the Acquirer, the PACs or the Target Company, but are only indicative. The risk factors set forth below do not relate to the present or future business or operations of the Target Company and any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Public Shareholder in the Offer. The Public Shareholders are advised to consult their stock brokers, tax or investment consultants, if any, for analyzing all the risks with respect to their participation in the Offer.

A. RISKS RELATING TO THE TRANSACTION

1. The Offer is subject to: (a) the CCI Approval (as defined elsewhere in this Draft Letter of Offer); and (b) completion of the transactions stipulated in the Share Purchase Agreements (as defined elsewhere in this Draft Letter of Offer) in terms thereunder (the "**Completion**").

2. In terms of the Share Purchase Agreements, Completion shall occur: (a) subject to the Share Purchase Agreements not being terminated prior to completion as per the terms thereunder; and (b) upon satisfaction of the conditions precedent as agreed therein.

3. The Acquirer may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations *inter alia*, if: (a) the CCI Approval is not granted; (b) the conditions stipulated in the Share Purchase Agreements as set out in paragraphs 2.1.10(a)(v)(A) (on page 13 of this Draft Letter of Offer), 2.1.10(a)(v)(B) (on page 14 of this Draft Letter of Offer), 2.1.10(b)(iv)(A) (on page 22 of this Draft Letter of Offer) and 2.1.10(b)(iv)(B) (on page 22 of this Draft Letter of Offer) are not satisfied and the satisfaction of which is outside the reasonable control of the Acquirer; and/or (c) SPA1 is terminated under the circumstances described in paragraphs 2.1.10(a)(ix)(B) (on page 19 of this Draft Letter of Offer) and 2.1.10(a)(ix)0 (on page 20 of this Draft Letter of Offer) and SPA2 is terminated under the circumstances described in 2.1.10(b)(vii)(B) (on page 25 of this Draft Letter of Offer) and 2.1.10(b)(vii)(D) (on page 25 of this Draft Letter of Offer). In the event of withdrawal of the Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS was published.

B. RISKS RELATING TO THE OFFER

1. The Offer is subject to the CCI Approval and completion of the transactions stipulated in the Share Purchase Agreements in terms thereunder, and as set out in paragraph 2.1.10 on page 11 of this Draft Letter of Offer. As stated in paragraph A3 above, the Offer may be withdrawn by the Acquirer under Regulation 23 of the SEBI (SAST) Regulations if the CCI Approval is not granted or certain other conditions stipulated in the Share Purchase Agreements are not fulfilled. Further, if: (a) the CCI Approval is not received within the time stipulated under the Share Purchase Agreements; (b) there is any litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirer/PACs from performing their obligations hereunder; (c) SEBI instructs the Acquirer/PACs not to proceed with the Offer; or (d) a binding order of a court or governmental authority of competent jurisdiction is received directing the withdrawal of the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Shares are accepted under the Offer, as well as the return of the Shares not accepted under the Offer, by the Acquirer/PACs

may get delayed. In case of delay due to non-receipt of the CCI Approval, in accordance with regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of the CCI Approval was not due to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension for the purposes of completion of the Offer subject to the Acquirer agreeing to pay interest to the Public Shareholders who have validly tendered their Shares under the Offer. If, at a later date, any other statutory approvals are required, the Offer would become subject to receipt of such other statutory approvals.

2. The acquisition of Shares tendered in the Offer by non-resident Indians ("**NRIs**") and Overseas Corporate Bodies ("**OCBs**") is subject to receipt of approval from the Reserve Bank of India (the "**RBI**") for such acquisition. NRI and OCB Shareholders, if any, must obtain all requisite approvals to tender the Shares held by them pursuant to the Offer (including without limitation the approval from the RBI, since the Shares validly tendered in the Offer will be acquired by a non-resident entity) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept the Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the RBI or the FIPB or any other regulatory body in respect of the Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Shares to tender Shares held by them pursuant to the Offer, along with the Form of Acceptance-cum-Acknowledgement and other documents required to be tendered to accept the Offer. If such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Shares tendered in the Offer.

3. The tendered Shares and documents submitted therewith would be held by the Registrar to the Offer until the process of acceptance of Shares tendered and payment of consideration to the Public Shareholders is completed. The Shares cannot be withdrawn once tendered, even if the acceptance of the Shares under the Offer and dispatch of the consideration is delayed. The Public Shareholders will not be able to trade in such Shares which are in the custody of the Registrar to the Offer. During such period, there may be fluctuations in the market price of the Shares.

4. The Offer is an offer to acquire up to 7,83,49,823 (seven crores eighty three lakhs forty nine thousand eight hundred and twenty three) Shares (the "**Open Offer Shares**"), representing 26% (twenty six per cent) of the Voting Share Capital. In the case of over-subscription of the Offer, acceptance will be determined on a proportionate basis (as detailed in paragraph 7.9.4 on page 49 of this Draft Letter of Offer), and hence, there is no certainty that all the Shares tendered by the Public Shareholders in the Offer will be accepted.

5. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. The recipients of the Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. The Offer is not directed towards any person or entity in any jurisdiction or country where the Offer would be contrary to the applicable laws or regulations or would subject the Acquirer, the PACs or the Manager to the Offer to any new or additional registration requirements.

6. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to the Offer, or in respect of other aspects, such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the PACs do not accept any responsibility

for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

7. The Acquirer and/or the PACs accept no responsibility for statements made otherwise than in the PA, the DPS, this Draft Letter of Offer or in any advertisement or any materials issued by or at the instance of the Acquirer and/or the PACs. Any persons placing reliance on any other source of information will be doing so at their own risk.

8. The Manager to the Offer accepts no responsibility for statements made otherwise than in the PA, the DPS, and this Draft Letter of Offer or in the post issue advertisement or any corrigendum issued by or at the instance of the Acquirer and the PACs. Any persons placing reliance on any other source of information will be doing so at their own risk.

C. RISKS RELATING TO THE ACQUIRER AND THE PACS

1. The Acquirer and the PACs make no assurances with respect to their investment/divestment decisions relating to their shareholding in the Target Company.

2. The Acquirer and the PACs make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.

3. The Acquirer and the PACs make no assurances with respect to the market price of the Shares before, during or after the Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

4. The Acquirer and the PACs do not accept responsibility with respect to the information contained in the PA, the DPS, or this Draft Letter of Offer that pertains to the Target Company or the Sellers.

5. Pursuant to the acquisition of Shares by the Acquirer and PACs under the Offer, during the Offer period and acquisitions triggering the Offer, the Acquirer will acquire management control of the Target Company, and hence, be classified as the new promoter of the Target Company. As per Clause 40A of the equity listing agreement read with Rule 19A of the Securities Contract (Regulation) Rules, 1957 (as amended) (the "**SCRR**"), the Target Company is required to maintain at least 25% (twenty five per cent) public shareholding, as determined in accordance with the SCRR, on a continuous basis for listing. If, as a result of the Shares acquired under the Offer, SPA1 and SPA2, and purchase of Shares, if any, during the Offer period, the public shareholding in the Target Company falls below the minimum level required as per the equity listing agreement entered into by the Target Company with the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**") read with Rule 19A of the SCRR, the Acquirer and the PACs hereby undertake that the promoter shareholding in the Target Company will be reduced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding. Any failure to comply with the conditions of the SCRR and the equity listing agreement executed by the Target Company with the BSE and the NSE could have an adverse effect on the price and tradability of the Shares.

D. CURRENCY OF PRESENTATION

1. In this Draft Letter of Offer, all references to "₹"/"Rs"/"Rupees" are references to Indian Rupees. At some places, United States Dollars (**"USD"**) has been used which represents the lawful currency of the United States of America.

2. All the data presented in USD in this Draft Letter of Offer have been converted into Rupees for the purpose of convenience only. The conversion has been assumed at the following rate as on 22 August 2013 (unless otherwise stated in this Draft Letter of Offer): 1 USD = Rs 65.4207 (Source*: Reserve Bank of India - www.rbi.org.in*).

3. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

INDEX

NO	SUBJECT	PAGE
1.	DISCLAIMER CLAUSE	9
2.	DETAILS OF THE OFFER	9
3.	BACKGROUND OF THE ACQUIRER AND THE PACs	28
4.	BACKGROUND OF THE TARGET COMPANY	33
5.	OFFER PRICE AND FINANCIAL ARRANGEMENTS	39
6.	TERMS AND CONDITIONS OF THE OFFER	43
7.	PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER	45
8.	DOCUMENTS FOR INSPECTION	57
9.	DECLARATION BY THE ACQUIRER AND THE PACs	59

KEY DEFINITIONS

TERM	DEFINITION
1997 Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (as amended)
Acquirer	HT Global IT Solutions Holdings Limited, a private limited company incorporated under the laws of Mauritius and having its registered office at C/o Orangefield Trust (Mauritius) Limited, 3rd Floor, 355 NeXTeracon Tower 1, Cybercity, Ebene, Mauritius
Act	Companies Act, 1956
ADR Depository	JPMorgan Chase Bank, NA
ADRs	American depository receipts
Board of Directors	Board of directors of the Target Company
BSE	BSE Limited
Business Day	A day on which banks are open for normal banking business in Cyprus, Mumbai, India and Port Louis, Mauritius (excluding Saturdays, Sundays and public holidays)
CDSL	Central Depository Services (India) Limited
Chartered Accountant	A chartered accountant within the meaning of the Indian Chartered Accountants Act, 1949
Closure of the Tendering Period	Thursday, 31 October 2013
Completion	Occurrence of SPA1 Completion and SPA2 Completion
DIN	Directors identification number
Dividend Threshold Date	11 November 2013
DP	Depository participant
DPS	Detailed public statement dated 29 August 2013, issued by the Manager to the Offer, on behalf of the Acquirer and the PACs, in relation to the Offer and published in the newspapers on 30 August 2013 in accordance with Regulations 3(1) and 4 read with Regulations 13(4), 14 and 15(2) and other applicable regulations of the SEBI (SAST) Regulations
Draft Letter of Offer	This draft letter of offer filed with SEBI in accordance with Regulation 16(1) of SEBI (SAST) Regulations on Friday, 6 September 2013
DTAA	Double Taxation Avoidance Agreement
Execution Date	23 August 2013, i.e., the date of execution of the Share Purchase Agreements
FII(s)	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act, which includes sub-accounts of FIIs
FIPB	Foreign Investment Promotion Board
Form of Acceptance-cum-Acknowledgement	Form of Acceptance-cum-Acknowledgement, which will be a part of the Letter of Offer
Identified Date	Thursday, 3 October 2013, i.e., the date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Public Shareholders to whom the Letter of Offer shall be sent
Income Tax Act	Income-tax Act, 1961 (as amended)
Indian GAAP	Generally accepted accounting principles, as applicable to Indian companies
Letter of Offer	Letter of offer to be filed with SEBI
Manager to the	ICICI Securities Limited, a company registered under the Act and having its registered office situated

TERM	DEFINITION
Offer	at ICICI Centre, HT Parekh Marg, Churchgate, Mumbai 400 020, India
NECS	National Electronic Clearance System
NEFT	National Electronic Funds Transfer
NRI	Non-resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2000
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas corporate body, as defined under Foreign Exchange Management (Deposit) Regulations, 2000
Offer	This open offer, which is being made by the Acquirer and the PACs to the Public Shareholders, for acquiring up to 7,83,49,823 (seven crores eighty three lakhs forty nine thousand eight hundred and twenty three) Shares representing 26% (twenty six per cent) of the Voting Share Capital
Offer Price	Price of Rs 135 (Rupees One hundred and thirty five) per Share
Offer Size	Up to 7,83,49,823 (seven crores eighty three lakhs forty nine thousand eight hundred and twenty three) Shares, representing 26% (twenty six per cent) of the Voting Share Capital
Overseas Tax	Tax payable under the tax laws applicable in overseas jurisdictions
PA	Public announcement dated 23 August 2013 in relation to the Offer and filed with the BSE and the NSE on 23 August 2103, with SEBI on 26 August 2013 and sent to the Target Company on 26 August 2013
PACs	Persons acting in concert with the Acquirer for the Offer, i.e., PAC1 and PAC2
PAC1	Parel Investment Holdings Limited, a private limited company incorporated under the laws of Mauritius and having its registered office at C/o Orangefield Trust (Mauritius) Limited, 3rd Floor, 355 NeXTeracon Tower 1, Cybercity, Ebene, Mauritius
PAC2	The Baring Asia Private Equity Fund V, LP, an exempted limited partnership set up under the laws of Cayman Islands and having its registered office at C/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
PAN	Permanent account number
Public Shareholders	Equity shareholders of the Target Company other than: (a) Seller3; and (b) the persons disclosed as promoters of the Target Company under the corporate filings made with the BSE and the NSE in terms of Clause 35 of the equity listing agreements
RBI	Reserve Bank of India
Registrar to the Offer	Karvy Computershare Private Limited, a company registered under the Act and having its registered office situated at Plot #17-24, Vittal Rao Nagar Madhapur, Hyderabad 500 081, India
RTGS	Real Time Gross Settlement
Sale Shares	Promoter Sale Shares and Seller3 Sale Shares, collectively representing approximately 41.47% (forty one and forty seven hundredths per cent) of the Voting Share Capital
SCRR	Securities Contract (Regulation) Rules, 1957 (as amended)
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended)
SEBI Act	Securities and Exchange Board of India Act, 1992 (as amended)
Seller1	Elder Infosystems Private Limited, a private limited company incorporated under the Act and having its registered office at #38, Rajgir Chambers, Shahid Bhagat Singh Road, Opp Old Custom House, Fort, Mumbai 400 023
Seller2	Elder Venture LLP, a limited liability partnership registered under the Limited Liability Partnership Act, 2008 and having its registered address at #40, Rajgir Chambers, Shahid Bhagat Singh Road, Opp Old Custom House, Fort, Mumbai 400 023
Seller3	GA Global Investments Limited, a private limited company incorporated under the laws of Cyprus and having its registered office at Papyros Building, 6 Themistocles Dervis Street, Office #4, III Floor, Nicosia CY 1066, Cyprus
Sellers	Seller1, Seller2 and Seller3 collectively
Share	Fully paid-up equity share of the Target Company of the face value of Rs 2 (Rupees Two)
Share Purchase Agreements	SPA1 and SPA2, together
Target Company	Hexaware Technologies Limited, a listed company incorporated under the Act and having its registered office at #152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai 400 710
Tax Residence Certificate	Certificate to be furnished by any Public Shareholder claiming benefit under any DTAA.
Tendering Period	Period commencing from Friday, 18 October 2013 and closing on Thursday, 31 October 2013 (both days inclusive)

TERM	DEFINITION
Voting Share Capital	Rs 60,26,90,944 (Rupees Sixty crores twenty six lakhs ninety thousand nine hundred and forty four) consisting of 30,13,45,472 (thirty crores thirteen lakhs forty five thousand four hundred and seventy two) Shares, assuming exercise of all employee stock options of the Target Company that shall vest by the 10th (tenth) Working Day from the Closure of the Tendering Period of the Offer
Working Day	A working day of SEBI at Mumbai

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PACs OR THE TARGET COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PACs DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ICICI SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 6 SEPTEMBER 2013 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1 <u>BACKGROUND TO THE OFFER</u>

2.1.1 The Offer is a mandatory offer in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the execution of the Share Purchase Agreements, in terms of which the Acquirer has agreed to acquire more than 25% (twenty five per cent) of the Voting Share Capital of the Target Company accompanied with a change in control of the Target Company.

2.1.2 Prior to the sale and purchase of the Sale Shares in terms of the Share Purchase Agreements, the Sellers together hold 10,38,62,036 (ten crores thirty eight lakhs sixty two thousand and thirty six) Shares and 2,11,11,400 (two crores eleven lakhs eleven thousand and four hundred) ADRs, representing approximately 41.47% (forty one and forty seven hundredths per cent) of the Voting Share Capital, as set forth hereunder:

SELLER	SHAREHOLDING/VOTING RIGHTS PRIOR TO SALE (% OF VOTING SHARE CAPITAL)					
	SHARES		ADRs		TOTAL OF SHARES AND ADRs	TOTAL VOTING RIGHTS
	NO	%	NO	%		
Seller1	5,21,54,456	17.31	NIL	NIL	5,21,54,456	17.31
Seller2	3,05,68,000	10.14	NIL	NIL	3,05,68,000	10.14
Seller3	2,11,39,580	7.02	2,11,11,400	7.01	4,22,50,980	14.02
TOTAL	10,38,62,036	34.47	2,11,11,400	7.01	12,49,73,436	41.47

2.1.3 Seller1 is a private limited company incorporated under the Act. Seller2 is a limited liability partnership registered under the Limited Liability Partnership Act, 2008. As per the stock exchanges filings for the period ending 30 June 2013 with the BSE and the NSE, Seller1 and Seller2 form part of the promoter and the promoter group of the Target Company.

2.1.4 Seller3 is a private limited company incorporated under the laws of Cyprus and is affiliated with the General Atlantic Group. As per the stock exchanges filings for the quarter ending 30 June 2013 with the BSE and the NSE, Seller3 does not form part of the Promoter and the promoter group of the Target Company.

2.1.5 The Sellers have not been prohibited by SEBI from dealing in securities in terms of any directions issued under Section 11B of the SEBI Act or under any rules or regulations issued thereunder.

2.1.6 The Acquirer, Seller1 and Seller2 have entered into a share purchase agreement dated as of the Execution Date ("**SPA1**"), wherein Seller1 and Seller2 have agreed to sell, and the Acquirer has agreed to purchase, 8,27,22,456 (eight crores twenty seven lakhs twenty two thousand four hundred and fifty six) Shares, representing 27.45% (twenty seven and forty five hundredths per cent) of the Voting Share Capital for cash. Further, the Acquirer and Seller3 have entered into a share purchase agreement dated as of the Execution Date ("**SPA2**"), wherein Seller3 has agreed to sell, and the Acquirer has agreed to purchase: (a) 2,11,39,580 (two crores eleven lakhs thirty nine thousand five hundred and eighty) Shares representing 7.02% (seven and two hundredths per cent) of the Voting Share Capital for cash; and (b) 2,11,11,400 (two crores eleven lakhs eleven thousand and four hundred) ADRs representing 7.01% (seven and one hundredths per cent) of the Voting Share Capital for cash. The Share Purchase Agreements contain certain conditions, which if not satisfied due to reasons outside the reasonable control of the Acquirer, may amount to termination of the Share Purchase Agreements and result in the consequent withdrawal of the Offer. Details of such terms and conditions of the Share Purchase Agreements, including additional conditions pursuant to which the Offer may be withdrawn, along with other salient feature of the Share Purchase Agreements have been set out in paragraph 2.1.10 on page 11 of this Draft Letter of Offer.

2.1.7 The current and proposed shareholding of the Acquirer and PACs in the Target Company and the details of their acquisition, pursuant to the Share Purchase Agreements and market purchases, are as follows:

SHAREHOLDING	ACQUIRER		PAC1		PAC2		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
AS ON THE DATE OF THE PA	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SHARES ACQUIRED BETWEEN THE DATE OF THE PA AND THIS DRAFT LETTER OF OFFER	NIL	NIL	1,52,67,753	5.07	NIL	NIL	1,52,67,753	5.07
AFTER COMPLETION OF ACQUISITIONS UNDER SPA1 AND SPA2, ASSUMING NIL SUBSCRIPTION IN THE OFFER	12,49,73,436	41.47	1,52,67,753	5.07	NIL	NIL	14,02,41,189	46.54
AFTER COMPLETION OF ACQUISITIONS UNDER SPA1 AND SPA2, ASSUMING FULL SUBSCRIPTION IN THE OFFER	20,33,23,259	67.47	1,52,67,753	5.07	NIL	NIL	21,85,91,012	72.54

Notes:

- ***Shareholding percentages set out in the table above are as percentage of the Voting Share Capital; and***
- ***Post offer shareholding includes Shares acquired by the Acquirer and/or PACs outside of the Offer, during the Offer Period.***

2.1.8 The Offer is not the result of a global acquisition resulting in an indirect acquisition of voting rights in or control of the Target Company.

2.1.9 Post the completion of the Offer and pursuant to the transfer of the Shares so acquired, the Acquirer and PAC1 will be in control of the Target Company and will be named as promoters of the Target Company. In addition to Seller1 and Seller2, Ms Devangi Nishar, Ms Priyanka Nishar, Mr Atul Nishar and Ms Alka Nishar hold 3,43,720 (three lakhs forty three thousand seven hundred and twenty) Shares, 3,15,690 (three lakhs fifteen hundred six hundred and ninety) Shares, 1,000 (one thousand) Shares and 1,000 (one thousand) Shares respectively and are disclosed as part of the promoter and promoter group of the Target Company in the filings with the stock exchanges. Post Completion, they will no longer be part of the promoter and promoter group of the Target Company and their shareholding will be considered as part of the public shareholding of the Target Company.

2.1.10 Summaries of the salient features of the Share Purchase Agreements are as follows:

(a) **Salient Features of SPA1**:

(i) Acquisition: The Acquirer proposes to acquire: (a) 5,21,54,456 (five crores twenty one lakhs fifty four thousand four hundred and fifty six) Shares from Seller1; and (b) 3,05,68,000 (three crores five lakhs and sixty eight thousand) Shares from Seller2, together representing 27.45% (twenty seven and forty five hundredths per cent) of the Voting Share Capital (the "**Promoter Sale Shares**"). Seller1 and Seller2 are hereinafter referred to as the "**Promoter Sellers**".

(ii) Price:

(A) The price per Promoter Sale Share payable by the Acquirer to the Promoter Sellers (the "**Per Share Sale Price**") is contingent on the Acquirer along with PACs acquiring a minimum of 2,56,99,301 (two crores fifty six lakhs ninety nine thousand three hundred and one) Shares: (1) under the Offer; and/or (2) by way of market purchases (the "**Agreed Threshold**").

(B) If the Agreed Threshold is met, the Per Share Sale Price shall be the higher of:

(1) Rs 135 (Rupees One hundred and thirty five); and

(2) any higher price that the Acquirer may decide to pay to the Public Shareholders under the Offer.

(C) If the Agreed Threshold is not met, the Per Share Sale Price shall be the higher of:

(1) the sum of Rs 126 (Rupees One hundred and twenty six) together with interest calculated thereon at 9% (nine per cent) per annum, but in no event exceeding Rs 135 (Rupees One hundred and thirty five). The aforesaid interest shall be calculated: (I) on and from the date on which the Acquirer receives the approval of the Competition Commission of India for the underlying transaction in terms of SPA1 and SPA2 (the "**CCI Approval**"), provided that such approval shall not contain any onerous conditions which result in an adverse change to the business, properties, assets or liabilities of the Target Company and/or any of its subsidiaries, taken as a whole, having an adverse effect of more than USD 2,00,00,000 (United States Dollars Two

crores) in the aggregate (a "**Material Adverse Change**"); and (II) until the completion occurs in terms of SPA1 (the "**SPA1 Completion**", and the date on which the completion occurs, the "**SPA1 Completion Date**"); and

(2) any higher price that the Acquirer may decide to pay to the Public Shareholders under the Offer, provided that the Acquirer shall be required to pay such higher price to the Promoter Sellers only if the Acquirer, upon receipt of a notice from the Promoter Sellers requiring the Acquirer to confirm if the price payable to the Public Shareholders under the Offer is proposed to be increased (the "**Seller Confirmation Notice**"), has responded to the Promoter Sellers within 2 (two) Business Days in terms of a written notice confirming the increased price proposed to be paid to the Public Shareholders under the Offer (the "**Price Increase Confirmation Notice**").

(D) Consequent to the above, the total maximum consideration payable in cash by the Acquirer to the Promoter Sellers for purchase of the Promoter Sale Shares shall, subject to adjustments to the Per Share Sale Price as described in paragraph 2.1.10(a)(ii) on page 11 of this Draft Letter of Offer, be Rs 11,16,75,31,560 (Rupees One thousand one hundred sixteen crores seventy five lakhs thirty one thousand five hundred and sixty) less an amount equivalent to USD 9,90,000 (United States Dollars Nine lakhs ninety thousand) (or such other amount as agreed to between the Promoter Sellers and the Acquirer) (the "**Promoter Seller Total Maximum Consideration**").

(E) Payment of the purchase consideration for the purchase of the Promoter Sale Shares by the Acquirer from the Promoter Sellers shall be made in Rupees.

(iii) <u>Transaction Escrow</u>: The Acquirer and Promoter Sellers shall, within 20 (twenty) Business Days from the Execution Date, unless otherwise agreed in writing, endeavour to appoint an escrow bank and execute an escrow agreement to complete the sale and purchase of the Promoter Sale Shares in terms of an escrow arrangement (the "**Transaction Escrow Agreement**"). Under the terms of the Transaction Escrow Agreement: (A) the Promoter Sellers shall transfer the Promoter Sale Shares to an escrow account maintained by the escrow bank; and (B) the Acquirer shall provide an irrevocable, unconditional and on demand bank guarantee in favour of such escrow bank, guaranteeing the payment of the Promoter Seller Total Maximum Consideration to the Promoter Sellers, which bank guarantee shall be invoked by the escrow bank 5 (five) Business Days prior to the SPA1 Completion Date if it is not replaced by the Acquirer with cash representing the Promoter Seller Total Maximum Consideration. If, however, the Acquirer and the Promoter Sellers are unable to agree on an escrow arrangement as above within the aforementioned time period for any reason, the Acquirer and the Promoter Sellers shall in good faith co-operate with each other to ensure that the sale and purchase of the Promoter Sale Shares are consummated without an escrow in terms of the Transaction Escrow Agreement.

(iv) Completion:

(A) After the receipt of the CCI Approval, provided that such approval shall not contain any onerous conditions which result in a Material Adverse Change, the Promoter Sellers may require, by a written notice (the "**Promoter Seller Notice**"), that SPA1 Completion takes place on the date falling 15 (fifteen) Business Days from the date of issuance of such notice or such other date as may be mutually agreed between the Promoter Sellers and the Acquirer provided that: (I) such date shall be at least 21 (twenty one) Working Days from the date of the DPS; (II) if the Agreed Threshold has been achieved prior to the date on which the Manager to the Offer issues a status report in terms of Regulation 27(7) of the SEBI (SAST) Regulations certifying satisfaction of all Acquirer's obligations and duties in respect of the Offer in accordance with the SEBI (SAST) Regulations (the "**Conclusion of the Offer**"), the Promoter Sellers shall not issue such notice unless Seller3 also simultaneously issues a corresponding notice under SPA2; and (III) such notice shall not be issued during the Tendering Period.

(B) Upon receipt of the Promoter Seller Notice, the Acquirer shall forthwith deposit 100% (one hundred per cent) of the consideration required to be paid by it to the Public Shareholders assuming full acceptance of the Offer (the "**Offer Consideration**") in the Escrow Account - Cash (as defined elsewhere in this Draft Letter of Offer); provided that SEBI does not specifically object to such deposit by the Acquirer. If SEBI objects to the aforementioned deposit by the Acquirer, the Acquirer and the Promoter Sellers shall co-operate with each other to ensure that the concerns of SEBI are addressed at the earliest.

(v) Circumstances under which SPA1 Completion is not consummated:

(A) *Joint obligations of the Promoter Sellers and the Acquirer*: The obligation of the Promoter Sellers and the Acquirer to proceed with SPA1 Completion is conditional upon the following (jointly, the "**Joint Conditions**") conditions being satisfied:

(1) There not being in effect any writ, judgment, injunction, decree, or similar order of any court or other authority or applicable law restraining or otherwise preventing the consummation of the transactions contemplated under SPA1; and

(2) The Acquirer having received the CCI Approval, provided that such approval shall not contain any onerous conditions which result in a Material Adverse Change.

(B) *<u>Rights of the Acquirer to not consummate SPA1 Completion</u>*:

The obligation of the Acquirer to consummate SPA1 Completion is conditional, *inter alia*, on the following conditions (collectively, the "**Promoter Seller Conditions**") being satisfied:

(1) Certain identified representations and warranties of the Promoter Sellers being true as of the SPA1 Completion Date.

(2) The Target Company not undertaking any of the following actions (collectively, the "**Company Covenants**") except in the manner permitted under SPA1:

(I) Amend the memorandum of association or articles of association of the Target Company;

(II) Effect any changes in the constitution of the Board of Directors, including the appointment or removal of any directors, other than due to disqualification under applicable laws, or resignation or death of any of the directors, and appointment of a new director on account of such vacancy;

(III) Declare, pay or make any dividend or distribution (whether in cash, securities, property or other assets) on any class of equity or other securities provided that in the event SPA1 Completion and/or SPA2 Completion (as defined elsewhere in this Draft Letter of Offer) has not occurred by 11 November 2013 (the "**Dividend Threshold Date**"), the Sellers and the Target Company shall be entitled to hold a meeting of the Board of Directors and declare a dividend of up to (but not exceeding) Rs 1.40 (Rupees One and Paise forty) per Share and for which the record date shall be 7 (seven) working days following the date of the said meeting of the Board of Directors. For avoidance of doubt, it is clarified that the Target Company and the Sellers shall be entitled to convene meetings of the Board of Directors prior to the Dividend Threshold Date provided that no dividends shall be declared at any such meeting;

(IV) Issue (including by way of bonus issues), grant, allot, repurchase, redeem, reorganize or cancel any equity securities or convertible securities or options in respect of such securities or otherwise permit any change in the capital structure (except any issuance of shares for options already vested and which may be exercised on account of employee stock option or otherwise), any changes in class rights for securities, or modify or adopt or allocate any equity option or accelerate any vesting thereunder;

(V) Save and except for any guarantees provided to customers in the ordinary course of business and under foreign currency hedges obtained by the Target Company, cause or permit to undertake borrowings or give guarantees in excess of a specified amount or extend any liability under any guarantee or indemnity to third parties or otherwise increase any of its obligations with respect to any indebtedness by more than a specified amount;

(VI) Adopt, change or modify any employment policies or benefits (including terms of any option/incentive grants or programs), except as required by applicable laws, save and except certain specified changes and amendments;

(VII) Sell or otherwise dispose of any fixed assets or other assets with a book value in excess of a specified amount or dispose of any subsidiary;

(VIII) Save and except for certain specified cases, acquire fixed assets or capital investments with value in excess of a specified amount. Any request by the Target Company for exceeding such a limit shall have been jointly approved by the chief executive officer and the president - global delivery, following which the said limit shall be reset;

(IX) Enter into any acquisition, purchase or similar agreement or creation of a subsidiary;

(X) Save and except for certain specified agreements, enter into, amend or terminate any arrangement, contract or agreement with any employee with annual cost-to-company of certain specified amounts (provided that the chief executive officer of the Target Company has approved such hire, amendment or termination), or provide any severance, termination or similar benefits whether or not contingent in nature;

(XI) Save and except for certain specified payments, make any payments to any of the Sellers its affiliates or any related party thereof;

(XII) Enter into any new line of business, except as undertaken as on the Execution Date;

(XIII) Save and except for certain specified loans, cause or permit to give loans;

(XIV) Delist the Shares from the BSE or the NSE;

(XV) Save and except for a specified subsidiary, dissolve, wind-up or liquidate the Target Company or its subsidiaries, whether or not voluntary, or any restructuring or reorganization which has a similar effect;

(XVI) Initiate, discontinue or settle any litigation or arbitration proceedings where the amount claimed together with any costs incurred (or likely to be incurred) by the Target Company in connection therewith exceeds a specified amount;

(XVII) Amend or terminate any specified contracts, other than: (x) amendments in the ordinary course of business; or (y) any termination initiated by the counter parties; or (z) amendments that would be to the benefit of the Target Company;

(XVIII) Make material changes to the accounting or tax policies or appoint or remove the auditors, unless required under applicable laws; and

(XIX) Except as expressly specified, passing any resolution of shareholders at a general meeting of its shareholders for the purposes of, taking, or committing to take, any action that would result in the occurrence of, any of the foregoing actions which would otherwise require the consent of the Acquirer.

(3) None of the Promoter Sellers being in material breach of the following obligations or covenants, which breach has remained unremedied (collectively, the "**Promoter Seller Covenants**"):

(I) The obligation to transfer the Promoter Sale Shares to the escrow account in terms of the Transaction Escrow Agreement;

(II) The obligation not to, between the Execution Date and SPA1 Completion: (x) directly or indirectly enter into any agreement or understanding (whether or not such agreement or understanding is absolute, revocable, contingent, conditional, oral, written, binding or otherwise), solicit or encourage any inquiries or proposals for, or enter into any discussions or communicate with any third party in connection with, any direct or indirect sale and/or transfer of all or any part of the Promoter Sale Shares or grant any management rights in the Target Company and/or any of its subsidiaries; or (y) provide any third party with confidential or non-public information relating to the Target Company and/or any of its subsidiaries, other than in the ordinary course of business;

(III) The obligation to promptly provide the Acquirer with a copy of any inquiry or proposal received in writing in relation to any direct or indirect sale and/or transfer of all or any part of the Promoter Sale Shares or grant any management rights in the Target Company and/or any of its subsidiaries;

(IV) The obligation to terminate all discussions or agreements with any other person in relation to any direct or indirect sale and/or transfer of all or any part of the Promoter Sale Shares as on the Execution Date;

(V) The obligation not to grant any right or entitlement to a person (other than the Acquirer) to acquire, directly or indirectly all or any part of the Promoter Sale Shares;

(VI) The obligation not to, between the Execution Date and SPA1 Completion, except as contemplated under SPA1, give access to any person to visit, inspect or provide information (in any form) to conduct due diligence on the properties, assets, corporate, financial and other records, reports, books, contracts and commitments of the Target Company and its subsidiaries, other than in the ordinary course of business, and to vote against any resolution that is placed before the Board of Directors to grant such access;

(VII) The obligations, covenants and warranties in relation the intellectual property rights in “Hexaware” in terms of SPA1;

(VIII) The obligation not to exercise any rights under the articles of association on and from the Execution Date and until amendment of the articles of association in terms of SPA1;

(IX) The covenant of releasing the Target Company and each of its subsidiary from any and all claims effective as of the SPA1 Completion Date;

(X) The obligation not to cooperate or support any open offer in terms of the SEBI (SAST) Regulations for the Shares and/or any other securities of the Target Company at a price which is equal to or higher than the price offered by the Acquirer in the Offer; and

(XI) The obligation not to compete or solicit in terms of SPA1.

(C) *Rights of the Promoter Sellers to not consummate SPA1 Completion*: The obligation of the Promoter Sellers to consummate SPA1 Completion is, *inter alia*, conditional on the Acquirer not being in the material breach of the following obligations and covenants, which breach has not been remedied (collectively, the "**Acquirer Covenants**", and such conditions, the "**Acquirer Conditions**"):

(1) The obligation to provide the bank guarantee in terms of the Transaction Escrow Agreement;

(2) The obligation to forthwith undertake all necessary actions for SPA1 Completion, including depositing the entire Offer Consideration in cash in the Escrow Account - Cash, provided that SEBI does not specifically prohibit or object to the same (the "**SEBI Objection**"), upon receipt of the Promoter Seller Notice. In the event of a SEBI Objection, the obligation to co-operate with the Promoter Sellers to ensure that the concerns of SEBI are addressed at the earliest and the Promoter Sellers (and their representatives) shall have the right to attend any meetings with SEBI (unless prohibited by SEBI) and to comment on any correspondence proposed to be sent to SEBI, in connection with the SEBI Objection;

(3) The obligation not to increase the price payable to the Public Shareholders under the Offer if it has not issued the Price Increase Confirmation Notice to the Promoter Sellers in response to the Seller Confirmation Notice;

(4) The Obligation to perform its obligations under the SEBI (SAST) Regulations, including the requirement of conducting the Offer, in a timely manner;

(5) Except in accordance with the SEBI (SAST) Regulations, the obligation not to purport or attempt to exercise any right over the Promoter Sale Shares including any voting rights until the SPA1 Completion Date; and

(6) The obligation to continue to be bound by the terms and conditions of SPA1 and perform its obligations in accordance

with SPA1 notwithstanding any competing open offer and/or the Promoter Sellers' response to such competing open offer.

(vi) Board Rights: The Acquirer has a right to appoint an observer on the Board of Directors from the Execution Date until completion of the Offer. The Acquirer shall not appoint a nominee director on the Board of Directors until SPA1 Completion. On SPA1 Completion, Mr LS Sarma, Mr Shailesh Haribhakti, Ms Preeti Mehta, Mr Subrata Kumar Mitra, Mr Bharat Shah, and Mr S Doreswamy shall resign as directors from the Board of Directors, and directors nominated by the Acquirer shall be appointed on the Board of Directors.

(vii) Transition Period: Mr Atul Nishar shall continue as the non-executive chairman and director of the Target Company for a period of 12 (twelve) months from the SPA1 Completion Date (the "**Transition Period**"). Upon the expiry of the Transition Period, all the duties and responsibilities of Mr Atul Nishar as the director of the Target Company shall cease to be applicable.

(viii) Non-compete and Non-solicit Restrictions: The Promoter Sellers, Mr Atul Nishar, his spouse, his father and his children and their affiliates are subject to certain non-compete and non-solicit restrictions as set out in SPA1. No separate consideration is payable for the same.

(ix) Termination of SPA1:

SPA1 may be terminated prior to the SPA1 Completion Date:

(A) by the mutual written consent of the Promoter Sellers and the Acquirer.

(B) by either the Acquirer or the Promoter Sellers if a court of competent jurisdiction or any other governmental authority shall have issued a final, non-appealable order preventing or otherwise prohibiting the consummation of the transactions contemplated under SPA1.

(C) by the Promoter Sellers if, *inter alia*:

(1) the CCI Approval is finally refused on or before 270 (two hundred and seventy) days from the Execution Date or such later date as may be mutually agreed between the Sellers and the Acquirer in writing (the "**Long Stop Date**") and the Acquirer is consequently entitled to withdraw the Offer; or

(2) the Acquirer has breached any of the Acquirer Covenants, which has remained unremedied.

(D) by the Acquirer if, *inter alia*:

(1) the Joint Conditions and the Promoter Seller Conditions have not been satisfied (or satisfied subject only to SPA1 Completion where applicable) or waived (where applicable) on or before the Long Stop Date, provided that a breach by the Acquirer of SPA1 has not prevented or materially delayed the consummation of the transactions contemplated under SPA1; or

(2) (if the Acquirer is not in material breach of its warranties, covenants or agreements under SPA1 so as to cause any of the Joint Conditions and/or the Acquirer Conditions not to be satisfied), if there has been any breach or inaccuracy in any of the certain specified warranties given by the Promoter Sellers under SPA1, or any unremedied material breach of any of the Promoter Seller Covenants, which violation, breach or inaccuracy would cause any of the Joint Conditions or the Promoter Seller Conditions not to be satisfied as of the SPA1 Completion Date, and such violation, breach or inaccuracy has not been waived by the Acquirer.

(b) **Salient features of SPA2**:

(i) Acquisition: The Acquirer proposes to acquire: (a) 2,11,39,580 (two crores eleven lakhs thirty nine thousand five hundred and eighty) Shares, representing 7.02% (seven and two hundredths per cent) of the Voting Share Capital (the "**Equity Sale Shares**"); and (b) 2,11,11,400 (two crores eleven lakhs eleven thousand and four hundred) ADRs, representing 7.01% (seven and one hundredths per cent) of the Voting Share Capital (such ADRs, together with the Equity Sale Shares, the "**Seller3 Sale Shares**").

(ii) Price:

(A) The price per Seller3 Sale Share payable by the Acquirer to Seller3 shall be equal to the Per Share Sale Price and the same is contingent on the Acquirer along with PACs acquiring a minimum of the Agreed Threshold.

(B) Consequent to the above, the total maximum consideration payable in cash by the Acquirer to Seller3 for purchase of the Seller3 Sale Shares shall, subject to adjustments to the Per Share Sale Price as described in paragraph 2.1.10(a)(ii) on page 11 of this Draft Letter of Offer, be Rs 5,70,38,82,300 (Rupees Five hundred seventy crores thirty eight lakhs eighty two thousand and three hundred) less an amount equivalent to USD 4,95,500 (United States Dollars Four lakhs ninety five thousand and five hundred) or such other amount as may be mutually agreed to between Seller3 and the Acquirer (i.e., the adjustment amount) (the "**Seller3 Total Maximum Consideration**").

(C) Payment of the purchase consideration for the purchase of the Seller3 Sale Shares by the Acquirer from Seller3 shall be made in United States Dollars, computed by taking the average of the buying and the selling rate prescribed by the State Bank of India 3 (three) Business Days prior to the date of the relevant payment. Such consideration per Seller3 Sale Share will not exceed the Rupee equivalent of Rs 135 (Rupees One hundred and thirty five). At least 3 (three) Business Days prior to the SPA2 Completion Date, Seller3 is required to furnish a calculation from an audit firm as agreed under SPA2 setting out the tax payable on the Equity Sale Shares (the "**Holdback Amount**") on the assumption that if any tax is payable, such tax shall be calculated at 10% (ten per cent) (plus surcharge and education cess) on the capital gains computed on a USD to USD basis in accordance with the special provisions of the Income Tax Act in relation to capital gains computation as applicable to Seller3. The Acquirer and Seller3 have agreed that the Acquirer shall withhold the Holdback Amount from the Seller3 Total Maximum Purchase Consideration payable in respect of the Equity Sale Shares. The Holdback Amount shall be withheld for a period not exceeding 3 (three) years from the SPA2 Completion Date (the "**Holdback Period**"). If the Acquirer does not receive any notice/claim/demand from an appropriate tax authority with respect to the amount that should have been withheld on the Seller3 Total Maximum Purchase Consideration (a "**Tax Notice**") during the Holdback Period, the Holdback Amount shall be transferred to Seller3 on the Business Day immediately following the last day of the Holdback Period. To the extent that any such Tax Notice has been received by the Acquirer, the amount, demand or penalty set out in the Tax Notice shall be paid out of the Holdback Amount and the remainder shall be repaid to Seller3 at the expiry of the Holdback Period.

(iii) <u>SPA2 Completion</u>:

(A) After the receipt of the CCI Approval, provided that such approval shall not contain any onerous conditions which result in Material Adverse Change, Seller3 may require, by a written notice (the "**Seller3 Notice**"), that completion in terms of SPA2 (the "**SPA2 Completion**", and the date on which the SPA2 Completion occurs, the "**SPA2 Completion Date**") takes place on the date falling 15 (fifteen) Business Days from the date of issuance of such notice or such other date as may be mutually agreed between Seller3 and the Acquirer provided that: (I) such date shall be at least 21 (twenty one) Working Days from the date of the DPS; (II) if the Agreed Threshold has been achieved prior to the Conclusion of the Offer, Seller3 shall not issue such notice unless the Promoter Sellers also simultaneously issue a corresponding notice under SPA1; and (III) such notice shall not be issued during the Tendering Period.

(B) Upon receipt of the Seller3 Notice, the Acquirer shall forthwith deposit the Offer Consideration in the Escrow Account - Cash provided that SEBI does not specifically object to such deposit by the

Acquirer. If SEBI objects to the aforementioned deposit by the Acquirer, the Acquirer and Seller3 shall co-operate with each other to ensure that the concerns of SEBI are addressed at the earliest.

(iv) Circumstances under which SPA2 Completion is not consummated:

(A) *Joint obligations of Seller3 and the Acquirer*:

The obligation of Seller3 and the Acquirer to proceed with SPA2 Completion is conditional upon the following (collectively, the "**Joint Completion Conditions**") conditions being satisfied:

(1) There not being in effect any writ, judgment, injunction, decree, or similar order of any court or other authority or applicable law restraining or otherwise preventing the consummation of the transactions contemplated under SPA2; and

(2) The Acquirer having received the CCI Approval, provided that such approval shall not contain any onerous conditions which result in a Material Adverse Change.

(B) *Rights of the Acquirer to not consummate SPA2 Completion*:

The obligation of the Acquirer to consummate SPA2 Completion is conditional, *inter alia*, on the following conditions (collectively, the "**Seller3 Conditions**") being satisfied:

(1) The representations and warranties of Seller3 being true as of the SPA2 Completion Date;

(2) The Target Company not undertaking any of the Company Covenants except in the manner permitted under SPA2;

(3) Seller3 not being in the material breach of the following obligations or covenants, which breach has remained unremedied (collectively, the "**Seller3 Covenants**"):

(I) The obligation not to, between the Execution Date and SPA2 Completion: (x) directly or indirectly enter into any agreement or understanding (whether or not such agreement or understanding is absolute, revocable, contingent, conditional, oral, written, binding or otherwise), solicit or encourage any inquiries or proposals for, or enter into any discussions or communicate with any third party in connection with, any direct or indirect sale and/or transfer of all or any part of the Seller3 Sale Shares or grant any management rights in the Target Company and/or any of its subsidiaries; or (y) provide any third party with confidential or non-public information relating to the Target Company and/or any of its subsidiaries, other than in the ordinary course of business;

(II) The obligation to promptly provide the Acquirer with a copy of any inquiry or proposal received in writing in relation to any direct or indirect sale and/or transfer of all or any part of the Seller3 Sale Shares or grant any management rights in the Target Company and/or any of its subsidiaries;

(III) The obligation to terminate all discussions or agreements with any other person in relation to any direct or indirect sale and/or transfer of all or any part of the Seller3 Sale Shares as on the Execution Date;

(IV) The obligation not to grant any right or entitlement to a person (other than the Acquirer) to acquire, directly or indirectly all or any part of the Seller3 Sale Shares;

(V) The obligation not to, between the Execution Date and SPA2 Completion, except as contemplated under SPA2, give access to any person to visit, inspect or provide information (in any form) to conduct due diligence on the properties, assets, corporate, financial and other records, reports, books, contracts and commitments of the Target Company and its subsidiaries, other than in the ordinary course of business, and to vote against any resolution that is placed before the Board of Directors to grant such access;

(VI) The obligations, covenants and warranties in relation the intellectual property rights in "Hexaware" in terms of SPA2;

(VII) The obligation not to exercise any rights under the articles of association on and from the Execution Date and until amendment of the articles of association in terms of SPA2;

(VIII) The covenant of releasing the Target Company and each of its subsidiary from any and all claims effective as of the SPA2 Completion Date;

(IX) The obligation not to cooperate or support any open offer in terms of the SEBI (SAST) Regulations for the Shares and/or any other securities of the Target Company at a price which is equal to or higher than the price offered by the Acquirer in the Offer; and

(X) The obligation not to solicit in terms of SPA2.

(4) Amendment of the Depository Agreement (as defined elsewhere in this Draft Letter of Offer) to confer upon the holder of the ADRs issued thereunder the right to instruct the ADR Depository (as defined elsewhere in this Draft Letter of Offer) in respect of the voting of the Shares held by the ADR Depository.

(C) *Rights of Seller3 to not consummate SPA2 Completion*:

The obligation of Seller3 to consummate SPA2 Completion is, *inter alia*, conditional on the Acquirer not being in the material breach of the following obligations and covenants, which breach has not been remedied (collectively, the "**Acquirer Seller3 Covenants**", and such conditions, the "**Acquirer Seller3 Conditions**"):

(1) The obligation to forthwith undertake all necessary actions for SPA2 Completion, including depositing the entire Offer Consideration in cash in the Escrow Account - Cash, provided that SEBI does not raise the SEBI Objection, upon receipt of the Seller3 Notice;

(2) The Obligation not to increase the price payable to the Public Shareholders under the Offer if it has not issued a notice to Seller3 in terms of SPA2 confirming the increased price proposed to be paid to the Public Shareholders under the Offer;

(3) The Obligation to perform its obligations under the SEBI (SAST) Regulations, including the requirement of conducting the Offer, in a timely manner;

(4) The obligation not to purport or attempt to exercise any right over the Seller3 Sale Shares including any voting rights until the SPA2 Completion Date; and

(5) The obligation to continue to be bound by the terms and conditions of SPA2 and perform its obligations in accordance with SPA2 notwithstanding any competing open offer and/or Seller3's response to such competing open offer.

(v) Board Rights: The Acquirer has a right to appoint an observer on the Board of Directors from the Execution Date until SPA2 Completion. The Acquirer shall not appoint a nominee director on the Board of Directors until completion of the Offer. On SPA2 Completion, Mr Abhay Havaldar, the nominee of Seller3 shall resign as a director from the Board of Directors, and directors nominated by the Acquirer shall be appointed on the Board of Directors.

(vi) Non-compete and Non-solicit Restrictions: Seller3 is subject to certain non-solicit restrictions as set out in SPA2.

(vii) Termination of SPA2:

SPA2 may be terminated prior to the SPA2 Completion Date:

(A) by the mutual written consent of Seller3 and the Acquirer.

(B) by either the Acquirer or Seller3 if a court of competent jurisdiction or any other governmental authority shall have issued a final, non-appealable order preventing or otherwise prohibiting the consummation of the transactions contemplated under the SPA2.

(C) by Seller3 if, *inter alia*:

(1) the CCI Approval is finally refused on or before the Long Stop Date and the Acquirer is consequently entitled to withdraw the Offer; or

(2) the Acquirer has breached any of the Acquirer Seller3 Covenants, which has remained unremedied; and

(D) by the Acquirer if, *inter alia*:

(1) the Joint Completion Conditions and the Seller3 Conditions have not been satisfied (or satisfied subject only to SPA2 Completion where applicable) or waived (where applicable) on or before the Long Stop Date, provided that a breach by the Acquirer of SPA2 has not prevented or materially delayed the consummation of the transactions contemplated under SPA2; or

(2) if the Acquirer is not in material breach of its warranties, covenants or agreements under SPA2 so as to cause any of the Joint Conditions and/or the Acquirer Seller3 Conditions not to be satisfied), if there has been any breach or inaccuracy in any of the warranties given by Seller3 under SPA2, or any unremedied material breach of any of the Seller3 Covenants, which violation, breach or inaccuracy would cause any of the Joint Conditions or the Seller3 Conditions not to be satisfied as of the SPA2 Completion Date, and such violation, breach or inaccuracy has not been waived by the Acquirer.

2.1.11 There is no agreement between the Acquirer and the PACs with regard to the acquisition of Shares under the Offer or the acquisition of the Sale Shares pursuant to the Share Purchase Agreements.

2.1.12 Neither the Acquirer nor the PACs have been prohibited by SEBI from dealing in securities in terms of directions issued under Section 11B or any other regulations made under the SEBI Act.

2.1.13 In accordance with regulation 24(1) of the SEBI (SAST) Regulations, on Completion (and prior to the completion of the Offer), the Board of Directors may be reconstituted by effecting the appointment of persons nominated by the Acquirer as directors of the Target Company. In terms of the Share Purchase Agreements, Mr LS Sarma, Mr Shailesh Haribhakti, Ms Preeti Mehta, Mr Subrata Kumar Mitra, Mr Bharat Shah, Mr S Doreswamy and Mr Abhay Havaldar shall resign as directors from the Board of Directors on Completion, and directors nominated by the Acquirer shall be appointed on the Board of Directors.

2.1.14 As per Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, the Board of Directors, upon receipt of the DPS, are required to constitute an independent committee of the Board of Directors to provide written reasoned recommendations on the Offer to the Public Shareholders and such recommendations shall be published at least 2 (two) Working Days prior to commencement of the Tendering Period in the same newspapers where the DPS was published, and simultaneously, a copy of such recommendation is required to be sent to SEBI, the BSE, the NSE and to the Manager to the Offer.

2.2 DETAILS OF THE OFFER

2.2.1 The Acquirer and the PACs published the DPS on 30 August 2013 which appeared in the following newspapers:

NEWSPAPER	LANGUAGE	EDITIONS
Financial Express	English	All
Jansatta	Hindi	All
Mumbai Lakshadeep	Marathi	Mumbai

2.2.2 A copy of the DPS was also sent to SEBI, the BSE, the NSE and the Target Company at its registered office. The DPS is also available on the SEBI website: www.sebi.gov.in.

2.2.3 In terms of the Offer, the Acquirer proposes to acquire 7,83,49,823 (seven crores eighty three lakhs forty nine thousand eight hundred and twenty three) Shares, representing 26% (twenty six per cent) of the Voting Share Capital, from the Public Shareholders at a price of Rs 135 (Rupees One hundred and thirty five) per Share, i.e., the Offer Price. The Offer Price will be paid in cash in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.

2.2.4 The Offer is being made to all public shareholders of the Target Company, other than Seller3 which is a party to SPA2 (the "**Public Shareholders**").

2.2.5 There are no partly paid-up Shares in the Target Company.

2.2.6 The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

2.2.7 There is no differential price being offered for the Shares tendered in the Offer.

2.2.8 The Offer is not a competitive bid in terms of Regulation 20 of the SEBI (SAST) Regulations. There have been no competing offers as of the date of this Draft Letter of Offer.

2.2.9 The Offer is not conditional upon any minimum level of acceptance in terms of Regulation

19(1) of the SEBI (SAST) Regulations. All Shares (up to 7,83,49,823 (seven crores eighty three lakhs forty nine thousand eight hundred and twenty three)) validly tendered in the Offer will be acquired by the Acquirer, in accordance with the terms and conditions contained in the DPS and this Draft Letter of Offer.

2.2.10 PAC1 has made the following Share acquisitions post the date of the PA in accordance with Regulation 22(2A) of the SEBI (SAST) Regulations:

DATE OF ACQUISITION	NUMBER OF SHARES	MODE OF ACQUISITION	AVERAGE PURCHASE PRICE PER SHARE (RS)	% OF VOTING SHARE CAPITAL
27 August 2013	37,551	Market purchase	129.0949	0.0125
27 August 2013	5,000	Market purchase	128.14	0.0017
28 August 2013	78,356	Market purchase	127.2076	0.0260
28 August 2013	14,993	Market purchase	127.44	0.0050
29 August 2013	13,00,000	Market purchase	128.6942	0.4314
29 August 2013	3,12,000	Market purchase	128.83	0.1035
30 August 2013	13,50,000	Market purchase	128.9317	0.4480
30 August 2013	13,50,000	Market purchase	128.95	0.4480
2 September 2013	11,37,387	Market purchase	128.5463	0.3774
2 September 2013	9,63,275	Market purchase	128.52	0.3197
3 September 2013	9,78,753	Market purchase	128.7992	0.3248
3 September 2013	9,51,468	Market purchase	128.8	0.3157
4 September 2013	6,76,082	Market purchase	127.9984	0.2244
4 September 2013	6,12,888	Market purchase	128.0	0.2034
5 September 2013	13,50,000	Market purchase	126.4983	0.4511
5 September 2013	13,50,000	Market purchase	126.55	0.4511
6 September 2013	14,00,000	Market purchase	126.4794	0.4646
6 September 2013	14,00,000	Market purchase	126.75	0.4646
TOTAL	1,52,67,753	N/A	N/A	5.0665

2.2.11 Other than as mentioned above, the Acquirer or the PACs have not acquired any Shares since the date of the PA and up to the date of this Draft Letter of Offer.

2.2.12 Pursuant to the acquisition of Shares by the Acquirer and PACs under the Offer, during the Offer period and acquisitions triggering the Offer, the Acquirer will acquire management control of the Target Company, and hence, be classified as the new promoter of the Target Company. As per Clause 40A of the equity listing agreement read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (twenty five per cent) public shareholding, as determined in accordance with the SCRR, on a continuous basis for listing. If, as a result of the Shares acquired under the Offer, SPA1 and SPA2, and purchase of Shares, if any, during the Offer period, the public shareholding in the Target Company falls below the minimum level required as per the equity listing agreement entered into by the Target Company with the BSE and the NSE read with Rule 19A of the SCRR, the Acquirer and the PACs hereby undertake that the promoter shareholding in the Target Company will be reduced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding.

2.3 OBJECT OF THE UNDERLYING TRANSACTIONS AND THE OFFER

2.3.1 The Offer is a mandatory offer in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the execution of the Share Purchase Agreements, in terms of which the Acquirer has agreed to acquire more than 25% (twenty five per cent) of the Voting Share Capital accompanied with a change in control of the Target Company.

2.3.2 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, neither the Acquirer nor the PACs have any plans to sell, dispose of or otherwise encumber any material assets of the

Target Company during the period of 2 (two) years from the expiry of the Offer period except to the extent required: (a) for the purposes of restructuring, rationalisation or reorganisation of assets, investments, business operations or liabilities of the Target Company; or (b) in the ordinary course of business of the Target Company. It will be the responsibility of the Board of Directors to make appropriate decisions in these matters in accordance with the requirements of the business of the Target Company. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws and legislations at the relevant time. Further, during such period of 2 (two) years, save as set out above, the Acquirer and the PACs undertake not to sell, dispose or otherwise encumber any material assets of the Target Company except with the prior approval of the shareholders of the Target Company through a special resolution by way of a postal ballot in terms of Regulation 25(2) of the SEBI (SAST) Regulations.

3. BACKGROUND OF THE ACQUIRER AND THE PACs

3.1 <u>ACQUIRER</u>

3.1.1 The Acquirer is a private limited company incorporated on 3 August 2011 under the laws of Mauritius. The Acquirer was originally incorporated as Baring Private Equity Asia III Mauritius Holdings (3A) Limited, its name was changed to HT Global IT Solutions Holdings Limited on 14 August 2013. The registered office of the Acquirer is situated at C/o Orangefield Trust (Mauritius) Limited, 3rd Floor, 355 NeXTeracon Tower 1, Cybercity, Ebene, Mauritius.

3.1.2 The Acquirer is a part of the Baring Private Equity Asia group. Baring Private Equity Asia V Mauritius Holding (4) Limited holds 100 (one hundred) shares aggregating to 100% (one hundred per cent) of the share capital of the Acquirer. PAC2 holds 1,00,000 (one lakh) shares aggregating to 100% (one hundred per cent) of the share capital of Baring Private Equity Asia V Mauritius Holding (4) Limited.

3.1.3 The shareholding pattern of the Acquirer is as follows:

NO	SHAREHOLDER	NUMBER OF SHARES	SHAREHOLDING %
1.	Baring Private Equity Asia V Mauritius Holding (4)	100	100.00
	TOTAL	100	100.00

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

3.1.5 The total paid-up capital of the Acquirer is USD 100 (United States Dollars One hundred). The Acquirer was incorporated as an investment holding company for The Baring Asia Private Equity Fund III, a predecessor fund to PAC2. The Acquirer has not made any previous investments.

3.1.6 The Acquirer has not held any Shares of the Target Company at any time, and hence, the provisions of Chapter II of the 1997 Regulations and Chapter V of the SEBI (SAST) Regulations with respect to the Target Company are not applicable

3.1.7 The Acquirer, its directors, and its key managerial employees do not, as on the date hereof, hold any ownership/interest/relationship/Shares in the Target Company. None of the directors of the Acquirer are on the Board of Directors. The Acquirer has entered into the Share Purchase Agreements, which have triggered the Offer, pursuant to which it shall acquire the Sale Shares and control of the Target Company. Subject to the provisions of the SEBI (SAST) Regulations, the Acquirer and the PACs reserve the right to acquire further

Shares during the Offer period.

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

3.1.9 Names, dates of appointment, designation, details of experience and qualifications of the directors on the board of directors of the Acquirer are as follows:

NO	NAME	DATE OF APPOINTMENT	DESIGNATION	EXPERIENCE	QUALIFICATIONS
1.	Mr Ramesh Awatarsing	3 August 2011	Director	18 years of experience in the financial, fund management and administration sector	Chartered Management Accountant
2.	Mr Christian Wang Yuen	3 August 2011	Director	15 years of experience in the financial, fund management and administration sector	Chartered Certified Accountant

3.1.10 The directors of the Acquirer are/were not directors on the board of any Indian company, and consequently, do not have any DIN.

3.1.11 The key financial information of the Acquirer is as follows:

All figures in thousands except EPS in USD/Share and Rs/Share

PARTICULARS	FOR THE PERIOD FROM 3 AUGUST 2011 TO 31 DECEMBER 2012		FOR THE HALF YEAR ENDING AT 30 JUNE 2013	
	USD	RS	USD	RS
Income statement				
Income from Operations	0.00	0.00	0.00	0.00
Other Income	17.95	1,174.30	0.00	0.00
Total income	**17.95**	**1,174.30**	**0.00**	**0.00**
Total Expenditure	16.84	1,101.68	4.78	312.84
Profit before depreciation, amortisation, interest and tax	**1.11**	**72.62**	**(4.78)**	**(312.84)**
Depreciation and Amortisation	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00
Non-Operating Income/(Expenses)	0.00	0.00	0.00	0.00
Profit before tax	**1.10**	**71.96**	**(4.78)**	**(312.84)**
Provision for Tax	0.00	0.00	0.00	0.00
Profit after tax	**1.11**	**72.62**	**(4.78)**	**(312.84)**
Balance sheet				
Source of funds				
Paid-up share capital	0.10	6.54	0.10	6.54
Retained Earnings	1.11	72.62	(3.67)	(240.22)
Net worth	**1.21**	**79.16**	**(3.57)**	**(233.68)**
Secured loans	0.00	0.00	0.00	0.00
Unsecured loans	0.00	0.00	0.00	0.00
Total	**1.21**	**79.16**	**(3.57)**	**(233.68)**
Use of funds				
Net fixed assets	0.00	0.00	0.00	0.00
Investments	0.00	0.00	0.00	0.00
Net current assets	1.21	79.16	(3.57)	(233.68)
Total miscellaneous expenditure not written off	0.00	0.00	0.00	0.00
Total	**1.21**	**79.16**	**(3.57)**	**(233.68)**
Other financial data				
Dividend (%)	0.00		0.00	
Earnings Per Share (EPS)	11.10	726.17	(47.82)	(3,128.42)

3.1.12 As of 30 June 2013, there are no contingent liabilities of the Acquirer.

3.2 PAC1

3.2.1 PAC1 is a private limited company incorporated on 25 February 2011 under the laws of Mauritius. PAC1 was originally incorporated as Baring Private Equity Asia V Mauritius Holdings (2) Limited and its name was changed to Parel Investment Holdings Limited on 26 August 2011. PAC1 is a foreign institutional investor registered with SEBI. The registered office of PAC1 is situated at C/o Orangefield Trust (Mauritius) Limited, 3rd Floor, 355 NeXTeracon Tower 1, Cybercity, Ebene, Mauritius.

3.2.2 The equity shares of PAC1 are not listed on any stock exchange.

3.2.3 PAC1 is an investment holding company and is a part of the Baring Private Equity Asia group. No investments were made by PAC1 prior to receiving the FII registration.

3.2.4 The shareholding pattern of PAC1 is as follows:

NO	SHAREHOLDER	NUMBER OF SHARES	SHAREHOLDING %
1.	PAC2	99,350	99.35
2.	The Baring Asia Private Equity Fund V Co-Investment LP	650	0.65
	TOTAL	1,00,000	100.00

3.2.5 The total paid-up capital of PAC1 is USD 1,000 (United States Dollars One thousand).

3.2.6 As of the date of this Draft Letter of Offer, PAC1 has made the following Share acquisitions post the date of the PA in accordance with Regulation 22(2A) of the SEBI (SAST) Regulations:

DATE OF ACQUISITION	NUMBER OF SHARES	MODE OF ACQUISITION	AVERAGE PURCHASE PRICE PER SHARE (RS)	% OF VOTING SHARE CAPITAL
27 August 2013	37,551	Market purchase	129.0949	0.0125
27 August 2013	5,000	Market purchase	128.14	0.0017
28 August 2013	78,356	Market purchase	127.2076	0.0260
28 August 2013	14,993	Market purchase	127.44	0.0050
29 August 2013	13,00,000	Market purchase	128.6942	0.4314
29 August 2013	3,12,000	Market purchase	128.83	0.1035
30 August 2013	13,50,000	Market purchase	128.9317	0.4480
30 August 2013	13,50,000	Market purchase	128.95	0.4480
2 September 2013	11,37,387	Market purchase	128.5463	0.3774
2 September 2013	9,63,275	Market purchase	128.52	0.3197
3 September 2013	9,78,753	Market purchase	128.7992	0.3248
3 September 2013	9,51,468	Market purchase	128.8	0.3157
4 September 2013	6,76,082	Market purchase	127.9984	0.2244
4 September 2013	6,12,888	Market purchase	128.0	0.2034
5 September 2013	13,50,000	Market purchase	126.4983	0.4511
5 September 2013	13,50,000	Market purchase	126.55	0.4511
6 September 2013	14,00,000	Market purchase	126.4794	0.4646
6 September 2013	14,00,000	Market purchase	126.75	0.4646
TOTAL	1,52,67,753	N/A	N/A	5.0665

3.2.7 PAC1 has acquired Shares of the Target Company from 27 August 2013. Hence, the provisions of Chapter II of the 1997 Regulations are not applicable. Further, the Shares acquired by PAC1 do not do not trigger the disclosure requirements set out under Chapter V of the SEBI (SAST) Regulations and hence the same are not applicable.

3.2.8 As on the date hereof, the directors and key managerial employees of PAC1 do not hold any ownership interest/relationship/Shares in the Target Company. None of the directors of PAC1 are on the Board of Directors. Subject to the provisions of the SEBI (SAST) Regulations, the Acquirer and the PACs reserve the right to acquire further Shares during the Offer period.

3.2.9 PAC1 has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

3.2.10 Names, dates of appointment, designation, details of experience and qualifications of the directors on the board of directors of PAC1 are as follows:

NO	NAME	DATE OF APPOINTMENT	DESIGNATION	EXPERIENCE	QUALIFICATIONS
1.	Mr Ramesh Awatarsing	25 February 2011	Director	18 years of experience in the financial, fund management and administration sector	Chartered Management Accountant
2.	Mr Christian Wang Yuen	25 February 2011	Director	15 years of experience in the financial, fund management and administration sector	Chartered Certified Accountant
3.	Mr Patrick John Cordes	25 February 2011	Director	16 years of experience in private equity finance and auditing	Certified Public Accountant
4.	Mr Rajindar Singh	25 February 2011	Director	25 years of financial, fund management and business development experience	FCPA (Singapore and Australia)

3.2.11 The DIN of Mr Patrick John Cordes is 02599675. Other directors of PAC1 are/were not directors on the board of any Indian company, and consequently, do not have any DIN.

3.2.12 The key financial information of PAC1 is as follows:

All figures in thousands except EPS in USD/Share and Rs/Share

PARTICULARS	FOR THE PERIOD FROM 25 FEBRUARY 2011 TO 31 DECEMBER 2011		FOR THE 12 MONTH PERIOD ENDING AND AS AT 31 DECEMBER 2012		FOR THE HALF YEAR ENDING AND AS AT 30 JUNE 2013	
	USD	RS	USD	RS	USD	RS
Income statement						
Income from Operations	0.00	0.00	0.00	0.00	0.00	0.00
Other Income	11.95	781.78	14.22	929.96	0.00	0.00
Total income	**11.95**	**781.78**	**14.22**	**929.96**	**0.00**	**0.00**
Total Expenditure	16.50	1,079.31	14.22	929.96	545.42	35,681.89
Profit before depreciation, amortisation, interest and tax	**(4.55)**	**(297.53)**	**0.00**	**0.00**	**(545.42)**	**(35,681.89)**
Depreciation and Amortisation	0.00	0.00	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00	0.00	0.00
Profit before tax	**(4.55)**	**(297.53)**	**0.00**	**0.00**	**(545.42)**	**(35,681.89)**
Provision for Tax	0.00	0.00	0.00	0.00	0.00	0.00
Profit after tax	**(4.55)**	**(297.53)**	**0.00**	**0.00**	**(545.42)**	**(35,681.89)**
Balance sheet						
Source of funds						
Paid-up share capital	1.00	65.42	1.00	65.42	1.00	65.42
Capital Contribution	0.00	0.00	0.00	0.00	5,000.00	3,27,103.50
Retained Earnings	(4.55)	(297.53)	(4.55)	(297.53)	(549.97)	(35,979.42)
Net worth	**(3.55)**	**(232.11)**	**(3.55)**	**(232.11)**	**4,451.03**	**2,91,189.50**
Secured loans	0.00	0.00	0.00	0.00	0.00	0.00
Unsecured loans	0.00	0.00	0.00	0.00	0.00	0.00
Total	**(3.55)**	**(232.11)**	**(3.55)**	**(232.11)**	**4,451.03**	**2,91,189.50**
Use of funds						
Net fixed assets	0.00	0.00	0.00	0.00	0.00	0.00
Investments	0.00	0.00	0.00	0.00	3,179.47	2,08,003.41
Net current assets	(3.55)	(232.11)	(3.55)	(232.11)	1,271.56	83,186.08
Total miscellaneous expenditure not written off	0.00	0.00	0.00	0.00	0.00	0.00
Total	**(3.55)**	**(232.11)**	**(3.55)**	**(232.11)**	**4,451.03**	**2,91,189.50**
Other financial data						
Dividend (%)	0.00		0.00		0.00	
Earnings Per Share (EPS)	(0.05)	(2.98)	0.00	0.00	(5.45)	(356.82)

3.2.13 As of 30 June 2013, there are no contingent liabilities of PAC1.

3.3 **PAC2**

3.3.1 PAC2 is an exempted limited partnership set up in the Cayman Islands on 27 August 2010 and is controlled by its general partner, Baring Private Equity Asia GP V, LP, which, in turn, is controlled by its general partner, Baring Private Equity Asia GP V Limited. Mr Jean Eric Salata owns 100% (one hundred per cent) of Baring Private Equity Asia GP V Limited. Mr Salata disclaims beneficial ownership of interests indirectly owned by The Baring Asia Private Equity Fund V, LP, other than to the extent of his economic interest in such entities. The registered office of PAC2 is situated at C/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

3.3.2 PAC2 is an Asian regional private equity fund with USD 246,00,00,000 (United States Dollars Two hundred and forty six crores) of commitments and was formed on 27 August 2010. PAC2 is a part of the Baring Private Equity Asia group. The relationship between the Acquirer and PACs has been set out in paragraphs 3.1.2 and 3.2.4 on pages 28 and 30 respectively of this Draft Letter of Offer.

3.3.3 PAC2 is in the business of making investments in companies across a broad spectrum of industries throughout Asia. PAC2's portfolio companies are involved in a wide range of activities, from the manufacture of consumer products to the provision of education.

3.3.4 PAC2 is not listed on any stock exchange.

3.3.5 PAC2 has not held any Shares of the Target Company at any time, and hence, the provisions of Chapter II of the 1997 Regulations and Chapter V of the SEBI (SAST) Regulations with respect to the Target Company are not applicable.

3.3.6 As on the date hereof, PAC2, its directors and its key managerial employees do not hold any ownership interest/relationship/Shares in the Target Company. Subject to the provisions of the SEBI (SAST) Regulations, the Acquirer and the PACs reserve the right to acquire further Shares during the Offer period. None of the directors of PAC2 are on the Board of Directors.

3.3.7 PAC2 has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

3.3.8 Names, dates of appointment, designation, details of experience and qualifications of the directors on the board of directors of PAC2 are as follows:

NO	NAME	DATE OF APPOINTMENT	DESIGNATION	EXPERIENCE	QUALIFICATIONS
1.	Mr Ramesh Awatarsing	27 August 2010	Director	18 years of experience in the financial, fund management and administration sector	Chartered Management Accountant
2.	Mr Christian Wang Yuen	27 August 2010	Director	15 years of experience in the financial, fund management and administration sector	Chartered Certified Accountant
3.	Mr Tek Yok Hua	27 August 2010	Director	Over 27 years of experience in banking and private equity administration	Bachelor of Accountancy
4.	Mr Rajindar Singh	3 December 2012	Alternate Director to	25 years of financial, fund management and business	FCPA (Singapore and Australia)

NO	NAME	DATE OF APPOINTMENT	DESIGNATION	EXPERIENCE	QUALIFICATIONS
			Tek Yok Hua	development experience	

3.3.9 The directors of PAC2 are/were not directors on the board of any Indian company and consequently, do not have any DIN.

3.3.10 The key financial information of PAC2 is as follows:

All figures in thousands except EPS in USD/Share and Rs/Share

PARTICULARS	FOR THE PERIOD FROM 27 AUGUST 2010 TO 31 DECEMBER 2011		FOR THE 12 MONTH PERIOD ENDING AND AS AT 31 DECEMBER 2012		FOR THE HALF YEAR ENDING AND AS AT 30 JUNE 2013	
	USD	RS	USD	RS	USD	RS
Income statement						
Income from Operations	0.00	0.00	0.00	0.00	0.00	0.00
Other Income	11,038.13	7,22,121.86	50,686.41	33,15,940.42	1,42,173.85	93,01,112.72
Total income	**11,038.13**	**7,22,121.86**	**50,686.41**	**33,15,940.42**	**1,42,173.85**	**93,01,112.72**
Total Expenditure	67,807.71	44,36,027.79	72,353.26	47,33,401.18	29,744.36	19,45,897.05
Profit before depreciation, amortisation, interest and tax	**(56,769.58)**	**(37,13,905.92)**	**(21,666.85)**	**(14,17,460.76)**	**1,12,429.49**	**73,55,215.67**
Depreciation and Amortisation	0.00	0.00	0.00	0.00	0.00	0.00
Interest	316.05	20,676.21	3,419.84	2,23,728.33	3,324.72	2,17,505.18
Profit before tax	**(57,085.63)**	**(37,34,582.14)**	**(25,086.69)**	**(16,41,189.08)**	**1,09,104.77**	**71,37,710.49**
Provision for Tax	0.00	0.00	0.00	0.00	0.00	0.00
Profit after tax	**(57,085.63)**	**(37,34,582.14)**	**(25,086.69)**	**(16,41,189.08)**	**1,09,104.77**	**71,37,710.49**
Balance sheet						
Source of funds						
Partnership Capital	1,24,783.80	81,63,443.35	8,04,161.92	526,08,835.98	9,37,066.70	613,03,559.13
Reserves and Surplus (excluding revaluation and reserves)	0.00	0.00	0.00	0.00	0.00	0.00
Net worth	**1,24,783.80**	**81,63,443.35**	**8,04,161.92**	**526,08,835.98**	**9,37,066.70**	**613,03,559.13**
Secured loans	60,603.25	39,64,707.17	1,35,661.92	88,75,097.51	1,29,740.36	84,87,704.97
Unsecured loans	0.00	0.00	0.00	0.00	0.00	0.00
Total	**1,85,387.05**	**1,21,28,150.52**	**9,39,823.84**	**6,14,83,933.49**	**10,66,807.05**	**6,97,91,264.11**
Use Of Funds						
Net fixed assets	0.00	0.00	0.00	0.00	0.00	0.00
Investments	1,68,334.71	1,10,12,574.37	9,05,479.99	5,92,37,134.65	10,32,487.44	6,75,46,051.07
Net current assets	17,052.34	11,15,576.15	34,343.85	22,46,798.84	34,319.61	22,45,213.04
Total miscellaneous expenditure not written off	0.00	0.00	0.00	0.00	0.00	0.00
Total	**1,85,387.05**	**1,21,28,150.52**	**9,39,823.84**	**6,14,83,933.49**	**10,66,807.05**	**6,97,91,264.11**
Other Financial Data						
Dividend (%)	0.00		0.00		0.00	
Earnings Per Share (EPS)	N/A	N/A	N/A	N/A	N/A	N/A

3.3.11 As of 30 June 2013, there are no contingent liabilities of PAC2.

4. BACKGROUND OF THE TARGET COMPANY

4.1 The Target Company is a public limited company and was incorporated on 20 November 1992 as “Aptech Information Systems Limited”. The name of the Target Company was subsequently changed to “Aptech Limited” with effect from 5 August 1996. The name of the Target Company was subsequently changed to “Hexaware Technologies Limited” with effect from 2 April 2002, pursuant to a composite restructuring scheme filed by the Target

Company to: (a) demerge its training and education business into Aptech Training Limited; and (b) simultaneously merge the erstwhile Hexaware Technologies Limited, an unlisted software company, with the Target Company.

4.2 The Target Company has its registered office at #152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai 400 710.

4.3 The Target Company is a global provider of information technology and business process outsourcing services and consulting with over 200 (two hundred) active customers, 8 (eight) global development centres and presence in 35 (thirty five) countries. The Target Company provides these services to clients mainly in the banking and capital markets, travel and transportation, and healthcare and insurance industries. The key service lines for the Target Company include application development and maintenance, enterprise solutions, quality assurance and testing, business intelligence, business process outsourcing and remote infrastructure management services.

4.4 The Shares are listed on the BSE (Scrip ID: HEXAWARE Scrip Code - 532129) and the NSE (Symbol: HEXAWARE; ISIN: INE093A01033). The global depository receipts of the Target Company (the "**GDRs**") are listed on the London Stock Exchange Plc. The corporate identification number of the Target Company is L72900MH1992PLC069662.

4.5 The Target Company has also issued ADRs which are currently not listed. Each ADR represents 1 (one) Share. In terms of the depository agreement dated 24 January 2013 (the "**Depository Agreement**") entered into by the Target Company with the ADR Depository and the owners and beneficial owners of the ADRs, the ADRs do not carry any voting rights. By a board resolution dated as of the Execution Date, the Board of Directors has resolved to amend the Depository Agreement to confer voting rights on the ADRs. The amendment of the Depository Agreement is one of the closing conditions in terms of SPA2 so that the ADRs, when purchased by the Acquirer, shall have voting rights.

4.6 As of the date of the DPS, the Target Company has the following outstanding depository receipts:

TYPE	DEPOSITORY	NUMBER	NUMBER OF UNDERLYING SHARES	% OF VOTING SHARE CAPITAL
GDRs	Deutsche Bank Trust Company Americas	3,59,120	1,79,560	0.06
ADRs	JPMorgan Chase Bank	2,11,11,400	2,11,11,400	7.01
	TOTAL	2,14,70,520	2,12,90,960	7.07

4.7 As of the date of this Draft Letter of Offer, the total authorised share capital of the Target Company is Rs 2,21,31,00,000 (Rupees Two hundred twenty one crores and thirty one lakhs) consisting of 32,50,00,000 (thirty two crores and fifty lakhs) Shares and 11,00,000 (eleven lakhs) series A preference shares of Rs 1,421 (Rupees One thousand four hundred and twenty one) each. As of the date of this Draft Letter of Offer, the Target Company does not have any outstanding partly paid-up shares.

4.8 As of the date of the DPS, the issued, subscribed and paid-up share capital of the Target Company was Rs 59,75,74,174 (Rupees Fifty nine crores seventy five lakhs seventy four thousand one hundred seventy four) consisting of 29,87,87,087 (twenty nine crores eighty seven lakhs eighty seven thousand eighty seven) Shares. Thereafter, on 2 September 2013, the Target Company allotted 4,83,955 (four lakhs eighty three thousand nine hundred and fifty five) Shares pursuant to the exercise of employee stock options granted by it.

Consequently, the issued, subscribed and paid-up share capital of the Target Company as of the date of this Draft Letter of Offer stands increased at Rs 59,85,42,084 (Rupees Fifty nine crores eighty five lakhs forty two thousand and eighty four) consisting of 29,92,71,042 (twenty nine crores ninety two lakhs seventy one thousand and forty two) Shares. As of the date of this Draft Letter of Offer, there are no partly paid-up Shares.

4.9 Details of the Voting Share Capital as of the date of this Draft Letter of Offer are as follows:

PARTICULARS	SHARES
Shares outstanding as of the date of this Draft Letter of Offer (A)	29,92,71,042
Options already vested or to be vested by the tenth Working Day following the closure of the Offer (B)	20,74,430
Voting Share Capital (A+B)	30,13,45,472

4.10 The table below sets out the capital structure of the Target Company as of the date of this Draft Letter of Offer:

PAID-UP EQUITY SHARES	NO OF SHARES/VOTING RIGHTS	% OF SHARES/VOTING RIGHTS
Fully paid-up equity shares	29,92,71,042	100.00
Partly paid-up equity shares	NIL	NIL
Total paid-up equity shares	29,92,71,042	100.00
Total voting rights	29,92,71,042	100.00

4.11 The table below sets out the present promoters of the Target Company and their shareholding in the Target Company as of date of this Draft Letter of Offer:

NAME	NO OF SHARES	% OF VOTING SHARE CAPITAL
Seller1	5,21,54,456	17.31
Seller2	3,05,68,000	10.14
Devangi Nishar	3,43,720	0.11
Priyanka Nishar	3,15,690	0.10
Atul Nishar	1,000	0.00
Alka Nishar	1,000	0.00
TOTAL	8,33,83,866	27.67

4.12 Trading of the Shares is not currently suspended on the BSE or the NSE.

4.13 As of the date of this Draft Letter of Offer, there are no Shares which are not listed on either the BSE or the NSE. Further, there are no Shares under lock-in.

4.14 The Board of Directors comprises the following 11 (eleven) members:

NO	NAME	DATE OF APPOINTMENT	DIN	DESIGNATION	QUALIFICATIONS	EXPERIENCE	RESIDENTIAL ADDRESS
1.	Mr Atul Nishar	20 November 1992	00307229	Chairman	B Com, LLB; FCA	Experience in setting up and managing information technology companies, strategic planning, information management, financial resource management, product development and marketing	One Altamount Road, 28th and 29th Floor, Altamount Road, Mumbai 400 026
2.	Mr PR Chandrasekar	2 June 2008	02251080	Global CEO and Vice Chairman	Mechanical Engineering; MBA	Experience in information technology services	#37, Buffalo Run, East Brunswick, USA 08816
3.	Mr RV Ramanan	28 October 2010	01956549	Executive Director	Post Graduate Degree in Technology	Experience of over 20 years in managing large delivery operations across multiple geographies and extensive experience in providing	New #21, Old #7,Srinivasa Pillai Street, West Mambalam, Chennai 600 033

NO	NAME	DATE OF APPOINTMENT	DIN	DESIGNATION	QUALIFICATIONS	EXPERIENCE	RESIDENTIAL ADDRESS
						technology solutions for various organisations in India, Europe and USA	
4.	Mr Abhay Havaldar	20 October 2011	00118280	Director	Bachelor in Electrical Engineering; Master in Management	Experience in global growth equity firm and identifying potential investment opportunities	Seamist B Wing, Flat 1301,13th Floor, Manuel Gonsalves Road, Off Turner Road, Bandra West, Mumbai 400 050
5.	Mr Ashish Dhawan	20 May 2009	00015111	Director	MBA; Dual Bachelors (BS/BA) in Applied Mathematics and Economics	Experience in handling private equity firm managing 2.25 Billion USD assets	#55 A Jor Bagh, New Delhi 110 003
6.	Mr LS Sarma	11 March 2000	00009530	Director	M Com; CAIIB	Expert in international finance and trade	Flat #101, A Wing, Neel Sidhi Tower, Sector 12, Vashi, Navi Mumbai 400 703
7.	Mr Shailesh Haribhakti	25 May 2006	00007347	Director	Fellow Member of ICAI; Graduate Cost Accountant; Certified Internal Auditor; Financial Planner; and Certified Fraud Examiner	Experience across variety of industries	#228, Kalpataru Habitat, B Wing, 22nd and 23rd Floor, Dr SS Rao Road, Parel, Mumbai 400 012
8.	Ms Preeti Mehta	23 March 2007	00727923	Director	Degree in Law, Solicitor from both Mumbai and England; Course on franchising	Experience in matters relating to foreign collaborations, private equity, corporate laws, banking and finance, merger and acquisitions	#22, Bennett Villa, 27, Wodehouse Road, Colaba, Mumbai 400 039
9.	Mr Subrata Kumar Mitra	30 November 2007	00029961	Director	Master of Science in Mathematics and MBA	Experience in banking and financial services over more than three decades	#1201, Phoenix Tower, B Wing, Senapati Bapat Marg, Lower Parel, Mumbai 400 013
10.	Mr Bharat Shah	29 July 2008	00136969	Director	Bachelor of Science; Degree in Applied Chemistry with special reference to Metal finishing	Experience in custody and depository, retail, human resource, private banking, infrastructure and merchant services in banking sector	#21, Hill Park, AG Bell Road, Malabar Hill, Opp MTNL, Behind Chief Minister's House, Malabar Hill, Mumbai 400 006
11.	Mr S Doreswamy Rao	17 February 2010	00042897	Director	Post graduate in Law and a Science Graduate	Experience in banking and financial services over more than three decades	Block #D/1, Apartment, 503, White House Apartments, 15th Cross, 6th Main, RT Nagar, Bangalore 560 032

Note: None of the above directors represents the Acquirer or the PACs.

4.15 The Target Company has not been a party to any scheme of amalgamation, restructuring, merger/de merger and spin off during last 3 (three) years.

4.16 The key financial information of the Target Company, as derived from its audited consolidated financial statements as at and for the financial years ended 31 December 2012, 31 December 2011 and 31 December 2010, and the interim audited consolidated financial information as at and for the half year ending 30 June 2013 are as follows. The financial statements for each of the aforesaid periods have been prepared in accordance with Indian GAAP.

All figures in Rs Crores; EPS and book value per Share in Rs/Share

PARTICULARS	FOR THE 12-MONTH PERIOD ENDING AND AS AT 31 DECEMBER 2010
Income from operations	1,054.56
Other income	55.46
Total income	**1,110.02**
Total expenditure	988.78
Profit before depreciation, interest and tax	121.24
Depreciation	24.23
Interest	2.60
Exceptional items	(22.41)
Profit before tax	116.82
Provision for tax	9.23
Profit after tax	**107.59**
Balance sheet statement	
Sources of funds	
Paid-up share capital (including share application money pending allotment)	29.15
Reserves and surplus (Excluding revaluation reserve)	936.32
Net worth	**965.47**
Secured loans	11.18
Unsecured loans	0.00
Deferred tax liability (net)	1.32
Total	**977.97**
Use of funds	
Net fixed assets	407.84
Investments	39.71
Net current assets	512.24
Deferred tax asset (net)	18.18
Total miscellaneous expenditure not written off	0.00
Total	**977.97**
Other financial data	
Dividend (%)	150
Earnings per Share (basic)	3.72*
Return on net worth (%)[#]	11.9
Book value per Share[##]	33.25*

[*] Retrospectively adjusted for bonus shares issued in 2011 for comparability.
[#] Profit after tax/average net worth.
[##] Net worth/closing number of shares.
Note: The financial information set forth above has been extracted from the audited consolidated financial statements of the Target Company as at and for the financial year ended 31 December 2010 prepared in accordance with erstwhile Schedule VI of the Act.

All figures in Rs Crores; EPS and book value per Share in Rs/Share

PARTICULARS	FOR THE 12-MONTH PERIOD ENDING AND AS AT 31 DECEMBER		FOR THE HALF YEAR ENDING AND AS AT 30 JUNE 2013
	2011	2012	
Income from operations	1,450.51	1,948.18	1,044.29
Other income	48.21	43.83	19.74
Total income	**1,498.72**	**1,992.01**	**1,064.03**
Total expenditure	1,164.34	1,555.48	820.89
Profit before depreciation, interest and tax	334.38	436.53	243.14
Depreciation	24.70	32.41	18.65
Interest	2.15	0.16	0.01
Exceptional items	0.00	0.00	0.00
Profit before tax	307.53	403.96	224.48
Provision for tax	40.50	76.31	47.30
Profit after tax	**267.03**	**327.65**	**177.18**
Balance sheet statement			
Sources of funds			
Paid-up share capital (including share application money pending allotment)	58.67	59.35	59.86

PARTICULARS	FOR THE 12-MONTH PERIOD ENDING AND AS AT 31 DECEMBER		FOR THE HALF YEAR ENDING AND AS AT 30 JUNE 2013
	2011	2012	
Reserves and surplus (excluding revaluation reserve)	957.51	1,144.51	1,203.22
Net worth	**1,016.18**	**1,203.86**	**1,263.08**
Secured loans	0.00	0.00	0.00
Unsecured loans	0.00	0.00	0.00
Non-current liabilities	35.71	47.37	46.77
Total	**1,051.89**	**1,251.23**	**1,309.85**
Use of funds			
Net fixed assets	477.04	519.94	532.13
Other non-current assets	171.84	146.70	171.12
Net current assets	403.01	584.59	606.60
Total miscellaneous expenditure not written off	0.00	0.00	0.00
Total	**1,051.89**	**1,251.23**	**1,309.85**
Other financial data			
Dividend (%)	200	270	130
Earnings per Share (basic)	9.13	11.09	5.95*
Return on net worth (%)#	27	30	14*
Book value per Share##	34.64	40.60	42.30

***** Not annualized.***

 # Profit after tax/average net worth.

Net worth/closing number of shares.

Note: The financial information set forth above has been extracted from the audited consolidated financial statements of the Target Company as at and for the financial years ended 31 December 2011* and *31 December 2012 and the audited consolidated financial statements of the Target Company as at and for the half year ended 30 June 2013, both prepared in accordance with revised Schedule VI of the Act.

4.17 The shareholding pattern of the Target Company before and after the Offer represented as a percentage of the Voting Share Capital, is as follows:

CATEGORY	SHAREHOLDING AND VOTING RIGHTS									
	PRIOR TO THE AGREEMENT/ ACQUISITION AND THE OFFER		AGREED TO BE ACQUIRED WHICH TRIGGERED THE SEBI (SAST) REGULATIONS		ACQUIRED BETWEEN THE DATE OF THE PA AND THIS DRAFT LETTER OF OFFER		TO BE ACQUIRED IN THE OFFER (ASSUMING FULL ACCEPTANCES)		AFTER THE ACQUISITION AND THE OFFER	
	NO	%	NO	%	NO	%	NO	%	NO	%
(1) PROMOTER GROUP INCLUDING ACQUIRERS AND PACS										
(a) Parties to the agreement	**8,27,22,456**	**27.45**	**12,49,73,436**	**41.47**	**1,52,67,753**	**5.07**	**7,83,49,823**	**26.00**	**21,85,91,012**	**72.54**
Acquirer	0.00	0.00	12,49,73,436	41.47			7,83,49,823	26.00	20,33,23,259	67.47
PAC1	0.00	0.00			1,52,67,753	5.07			1,52,67,753	5.07
PAC2	0.00	0.00							0.00	0.00
Seller1	5,21,54,456	17.31							0.00	0.00
Seller2	3,05,68,000	10.14							0.00	0.00
(b) Promoters other than above	6,61,410	0.22							6,61,410	0.22
Total 1 (a+b)	**8,33,83,866**	**27.67**							**21,92,52,422**	**72.76**
(2) PARTIES TO AGREEMENT OTHER THAN (1) viz. Seller3										
Seller3	**4,22,50,980**	**14.02**							**0.00**	**0.00**
(3) PUBLIC (OTHER THAN PARTIES TO AGREEMENT, ACQUIRER & PAC)										
(a) FIs/MFs/FII/ Banks, SFIs	12,51,09,271	41.52					Will depend on response from each category		Will depend on response from each category	
(b) Others	4,85,26,925	16.10								
Total (3) (a+b)	**17,36,36,196**	**57.62**							**8,48,93,050**	**27.24**
GRAND TOTAL (1+2+3)	**29,92,71,042**	**99.31**							**30,13,45,472#**	**100.00**

 # Assuming all options vested/to be vested are exercised.

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 JUSTIFICATION OF OFFER PRICE

5.1.1 The Shares are listed on the NSE and the BSE. The GDRs are listed on the London Stock Exchange Plc.

5.1.2 The annualized trading turnover in the Shares on the BSE and the NSE based on trading volume during the 12 (twelve) calendar months prior to the month of the PA (August 2012 to July 2013) is as given below:

STOCK EXCHANGE	NUMBER OF SHARES TRADED (A)	WEIGHTED AVERAGE NUMBER OF SHARES (B)	(A) AS % OF (B)
NSE	57,68,14,345	29,72,34,886	194.1%
BSE	8,77,61,246	29,72,34,886	29.5%

Source: *www.bseindia.com and www.nseindia.com*

Note:

- ***References in calculated on the basis of the number of shares traded 12 (twelve) calendar months prior to the month of PA.***
- ***The total Shares outstanding as of the date of the PA was 29,87,87,087 (twenty nine crores eighty seven lakhs eighty seven thousand eighty seven). However, the share capital of the Target Company was not identical from 1 August 2012 to 31 July 2013 due to allotment of Shares to employees pursuant to their exercising the stock options granted to them. The weighted average number of total Shares of the Target Company has been considered for the purposes of the table above in compliance with Regulation 2(1)(j).***

5.1.3 Based on the information available on the websites of the stock exchanges, the Shares are frequently traded on the NSE and the BSE (within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations). The Offer Price of Rs 135 (Rupees One hundred and thirty five) per Share has been determined and justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following:

NO	PARTICULARS	PRICE PER SHARE (RS)
1.	The highest negotiated price per Share for acquisition under an agreement attracting the obligation to make a public announcement of an open offer*	135.00
2.	The volume weighted average price paid or payable for acquisitions, whether by the Acquirer or by any PAC during the 52 weeks immediately preceding the date of the PA	NA
3.	The highest price paid or payable for an acquisition whether by the Acquirer or by any PAC, during the 26 weeks immediately preceding the date of the PA	NA
4.	The volume-weighted average market price of Shares for a period of 60 trading days immediately preceding the date of the PA as traded on the NSE, being the stock exchange where the maximum volume of trading in the Shares was recorded during such period	101.65

**** Further details in respect of the negotiated price have been set out in paragraphs 2.1.10(a)(ii) and 2.1.10(b)(ii) on pages 11 and 20 of this Draft Letter of Offer.***

5.1.4 In view of various parameters considered and presented in the table above, in the opinion of the Acquirer and the Manager to the Offer, the Offer Price, being the highest of the prices mentioned above, is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.

5.1.5 Calculation of the volume-weighted average market price of Shares for a period of 60 (sixty) trading days immediately preceding the date of the PA, as traded on the NSE (as the maximum volume of trading in the Shares was recorded on the NSE during the 60 (sixty) days immediately preceding the date of the PA as per Regulation 8(2)(d) of the SEBI (SAST) Regulations) is as under:

Source: ***www.nseindia.com***

NO	DATE	TOTAL TRADED EQUITY SHARES	TOTAL TURNOVER (IN RS LAKHS)	VOLUME WEIGHTED AVERAGE PRICE (IN RS)
1.	22 August 2013	27,35,234	3,240.17	118.46
2.	21 August 2013	35,96,203	4,173.50	116.05
3.	20 August 2013	55,44,143	6,536.48	117.90
4.	19 August 2013	29,49,729	3,650.46	123.76

NO	DATE	TOTAL TRADED EQUITY SHARES	TOTAL TURNOVER (IN RS LAKHS)	VOLUME WEIGHTED AVERAGE PRICE (IN RS)
5.	16 August 2013	24,10,549	2,925.60	121.37
6.	14 August 2013	19,94,491	2,445.25	122.60
7.	13 August 2013	23,48,343	2,880.48	122.66
8.	12 August 2013	35,24,677	4,258.40	120.82
9.	8 August 2013	24,00,386	2,813.53	117.21
10.	7 August 2013	31,48,589	3,732.47	118.54
11.	6 August 2013	32,60,352	3,917.90	120.17
12.	5 August 2013	22,32,022	2,635.84	118.09
13.	2 August 2013	23,00,432	2,653.47	115.35
14.	1 August 2013	25,79,183	2,954.33	114.55
15.	31 July 2013	26,17,616	3,008.74	114.94
16.	30 July 2013	16,21,086	1,841.53	113.60
17.	29 July 2013	20,37,420	2,356.77	115.67
18.	26 July 2013	27,63,296	3,142.66	113.73
19.	25 July 2013	71,76,436	8,345.71	116.29
20.	24 July 2013	74,31,303	8,526.29	114.73
21.	23 July 2013	35,77,059	3,902.10	109.09
22.	22 July 2013	20,46,380	2,189.67	107.00
23.	19 July 2013	92,36,421	9,764.86	105.72
24.	18 July 2013	21,44,943	2,251.42	104.96
25.	17 July 2013	31,45,396	3,270.50	103.98
26.	16 July 2013	24,12,468	2,423.40	100.45
27.	15 July 2013	31,67,992	3,152.44	99.51
28.	12 July 2013	25,20,017	2,429.67	96.41
29.	11 July 2013	14,13,514	1,344.78	95.14
30.	10 July 2013	15,10,487	1,425.45	94.37
31.	09 July 2013	22,82,223	2,123.99	93.07
32.	08 July 2013	32,43,050	2,998.26	92.45
33.	05 July 2013	25,58,993	2,355.66	92.05
34.	04 July 2013	35,69,677	3,230.48	90.50
35.	03 July 2013	28,35,169	2,488.42	87.77
36.	02 July 2013	18,27,325	1,593.73	87.22
37.	01 July 2013	23,35,545	2,056.41	88.05
38.	28 June 2013	29,73,185	2,534.95	85.26
39.	27 June 2013	43,00,466	3,555.27	82.67
40.	26 June 2013	15,25,400	1,205.94	79.06
41.	25 June 2013	43,50,397	3,299.49	75.84
42.	24 June 2013	18,94,603	1,506.38	79.51
43.	21 June 2013	17,84,221	1,421.42	79.67
44.	20 June 2013	15,20,091	1,225.78	80.64
45.	19 June 2013	11,16,864	920.99	82.46
46.	18 June 2013	19,57,207	1,583.02	80.88
47.	17 June 2013	10,91,559	855.52	78.38
48.	14 June 2013	13,06,848	1,029.24	78.76
49.	13 June 2013	11,81,553	943.52	79.85
50.	12 June 2013	16,04,868	1,326.22	82.64
51.	11 June 2013	23,79,406	1,998.51	83.99
52.	10 June 2013	26,49,830	2,267.51	85.57
53.	7 June 2013	21,26,961	1,789.45	84.13
54.	6 June 2013	15,76,828	1,286.40	81.58
55.	5 June 2013	14,24,713	1,113.83	78.18
56.	4 June 2013	12,10,771	947.85	78.28
57.	3 June 2013	12,10,216	960.58	79.37
58.	31 May 2013	5,55,116	453.16	81.63
59.	30 May 2013	17,84,644	1,461.77	81.91
60.	29 May 2013	6,91,707	572.00	82.69
	TOTAL	15,67,15,603	1,59,299.62	NA
VOLUME WEIGHTED AVERAGE PRICE (TOTAL TURNOVER DIVIDED BY TOTAL TRADED EQUITY SHARES)				101.65

5.1.6 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. (*Source: www.nseindia.com and www.bseindia.com*)

5.1.7 An increase in the Offer Price, if any, on account of competing offers or otherwise, will be done only up to the period prior to 3 (three) Working Days before the date of commencement of the Tendering Period, i.e., by Monday, 14 October 2013 and will be notified to shareholders.

5.1.8 The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions mentioned in the PA, the DPS and this Draft Letter of Offer.

5.1.9 The Acquirer and the PACs are permitted to make upward revisions in the Offer Price at any time prior to 3 (three) Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Further, in the event of further acquisition of Shares by the Acquirer/PACs during the offer period, whether by way of market purchases or otherwise, at a price higher than the Offer Price, 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 SEBI (SAST) Regulations. However, the Acquirer and the PACs shall not acquire any Shares after Tuesday, 15 October 2013, i.e., the 3rd (third) Working Day prior to the commencement of the Tendering Period, i.e., Friday, 18 October 2013, and until the expiry of the Tendering Period, i.e., Thursday, 31 October 2013.

5.1.10 In the event of such revision, the Acquirer and the PACs are required to: (a) make corresponding increases to the amounts kept in the escrow account, as set out in paragraph 5.2.7 on page 42 of this Draft Letter of Offer; (b) make a public announcement in the newspapers where the DPS was published; and (c) simultaneously with the issue of such announcement inform SEBI, the BSE, the NSE and the Target Company at its registered office of such revision.

5.1.11 If the Acquirer and/or the PACs acquire Shares during the period of 26 (twenty six) weeks after the Closure of the Tendering Period at a price higher than the Offer Price, then the Acquirer and the PACs shall pay the difference between the highest acquisition price and the Offer Price, to all Public Shareholders whose Shares have been accepted in the Offer within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges, not being a negotiated acquisition of Shares in any form.

5.2 <u>FINANCIAL ARRANGEMENTS</u>

5.2.1 The total funding requirement for the Offer (assuming full acceptances), i.e., for the acquisition of 7,83,49,823 (seven crores eighty three lakhs forty nine thousand eight hundred and twenty three) Shares at the Offer Price, is Rs 1057,72,26,105 (Rupees One thousand fifty seven crores seventy two lakhs twenty six thousand one hundred and five) (the "**Total Consideration**").

5.2.2 The Acquirer has given an undertaking to the Manager to the Offer to meet its financial obligations under the Offer.

5.2.3 The Acquirer has cash to the extent of USD 16,35,00,000 (United Stated Dollars Sixteen crores and thirty five lakhs), which is equivalent to Rs 1069,62,84,450 (Rupees One thousand sixty nine crores sixty two lakhs eighty four thousand four hundred and fifty), which it has undertaken solely to use for the purpose of fulfilling its payment obligations under the Offer.

The funds have been made available to the Acquirer by PAC2.

5.2.4 By way of security for performance of the Acquirer and PACs obligations under the SEBI (SAST) Regulations, an unconditional, irrevocable and on demand bank guarantee dated 28 August 2013 (the "**Bank Guarantee**") has been issued by Deutsche Bank AG, a scheduled commercial bank having its branch office at TRS, ECE House, #28, Kasturba Gandhi Marg, New Delhi 110 001, India (the "**BG Issuer**"), on behalf of the Acquirer in favour of the Manager to the Offer. The Bank Guarantee is valid up to and including 27 February 2014 or 30 (thirty) days from the date of the payment of consideration to the Public Shareholders under the Offer, whichever is earlier. The Bank Guarantee is for an amount up to Rs 1,80,77,22,611 (Rupees One hundred eighty crores seventy seven lakhs twenty two thousand six hundred and eleven) being the amount required under Regulation 17(1) of the SEBI (SAST) Regulations (i.e., 25% (twenty five per cent) of the first Rs 5,00,00,00,000 (Rupees Five hundred crores) and 10% (ten per cent) thereafter). The BG Issuer is neither an associate of, nor falls within the same group as that of, the Acquirer, PACs or the Target Company.

5.2.5 Further, the Acquirer and the Manager to the Offer have entered into an escrow agreement dated 24 August 2013 with Deutsche Bank AG, a scheduled commercial bank having its branch office at #222 Kodak House, Fort Mumbai 400 001, India (the "**Escrow Agent**"). The Acquirer has opened a cash escrow account (the "**Escrow Account – Cash**") with the Escrow Agent and deposited a sum of Rs 10,57,72,262.11 (Rupees Ten crores fifty seven lakhs seventy two thousand two hundred sixty two and Paise eleven) in the Escrow Account – Cash being 1% (one per cent) of the Total Consideration payable under the Offer assuming full acceptance at the aforesaid Offer Price, in accordance with regulation 17(4) of the SEBI (SAST) Regulations. The Bank Guarantee and Escrow Account – Cash are together referred to as the "**Escrow Accounts**".

5.2.6 The Acquirer and the PACs confirm that the funds lying in the Escrow Accounts will be utilized exclusively for the purpose of the Offer. Further, the Manager to the Offer has been empowered to operate the Escrow Accounts in compliance with regulation 17 of the SEBI (SAST) Regulations.

5.2.7 In case of any upward revision in the Offer Price or the Offer Size, the Escrow Amount shall be increased by the Acquirer prior to effecting such revision, in terms of regulation 17(2) of the SEBI (SAST) Regulations.

5.2.8 In terms of Regulation 22(2) and the proviso to Regulation 22(2A) of the SEBI (SAST) Regulations, subject to the Acquirer depositing in the Escrow Account – Cash, cash of an amount equal to 100% (one hundred per cent) of the consideration payable under the Offer assuming full acceptance, the Acquirer and the PACs may, after the expiry of 21 (twenty one) Working Days from date of the DPS, subject to fulfillment of conditions as detailed in paragraph 2.1.10 on page 11 of this Draft Letter of Offer, complete the acquisition of Shares pursuant to the Share Purchase Agreements and other acquisitions during the Offer period, if any.

5.2.9 KJ Sheth & Associates, Chartered Accountants, 2nd Floor, Seksaria Chambers, 139, NM Road, Fort, Mumbai 400 001, Tel: +91 22 2267 1618, with firm registration number 118598W (Mr Kirit Sheth having membership number 37824 being the proprietor) has, vide its certificate dated 23 August 2013, certified that the Acquirer and PACs collectively have adequate resources for fulfilling their financial obligations under the Offer in accordance with the SEBI

(SAST) Regulations.

5.2.10 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer and the PACs to implement the Offer in accordance with the SEBI (SAST) Regulations, as firm arrangements for funds through verifiable means have been made by the Acquirer and/or the PACs to meet the payment obligations under the Offer.

6. TERMS AND CONDITIONS OF THE OFFER

6.1 The Offer is being made by the Acquirer and the PACs to all Public Shareholders of the Target Company. The Letter of Offer together with the Form of Acceptance-cum-Acknowledgement and transfer deed (for the Public Shareholders holding Shares in the physical form) will be mailed to those Public Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of the Shares whose names appear as beneficiaries on the beneficial record of the respective depositories, at the close of business on the Identified Date (i.e., Thursday, 3 October 2013). Owners of Shares who are not registered as Public Shareholders are also eligible to participate in the Offer at any time prior to the Closure of the Tendering Period.

6.2 Every Public Shareholder, regardless of whether such person held Shares on the Identified Date, or has not received the Letter of Offer, is entitled to participate in the Offer.

6.3 The Acquirer shall accept the Shares tendered pursuant to the Offer subject to the following:

6.3.1 Applications in respect of Shares that are the subject matter of litigation or any proceedings before statutory authorities, wherein the Public Shareholders may be prohibited from transferring the Shares during the pendency of the said litigation, are liable to be rejected if directions or orders regarding these Shares are not received together with the Shares tendered under the Offer. The applications in some of these cases may be forwarded (as per the discretion of the Acquirer) to the concerned statutory authorities for further action by such authorities. Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.

6.3.2 The Acquirer will only acquire Shares which are free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

6.4 As of 30 June 2013, the Target Company had no Shares which were locked in.

6.5 The Offer is not conditional and is not subject to any minimum level of acceptance. The acceptance of the Offer must be unconditional and should be entirely at the discretion of the Public Shareholders. Each Public Shareholder to whom the Offer is being made, is free to offer his Shares, in whole or in part, while accepting the Offer.

6.6 The acceptance of the Offer must be unconditional, should be absolute and unqualified, and should be on the enclosed Form of Acceptance-cum-Acknowledgement and sent along with the other documents duly filled in and signed by the applicant Public Shareholder(s).

6.7 The Tendering Period will open on Friday, 18 October 2013 and close on Thursday, 31 October 2013.

6.8 Public Shareholders who have accepted the Offer by tendering their Shares and requisite documents in terms of the PA, the DPS and the Letter of Offer are **not** entitled to withdraw such acceptance during the Tendering Period.

6.9 If the Shares tendered in the Offer are more than the Shares to be acquired under the Offer, the acquisition of Shares from each Public Shareholder will be on a proportionate basis as detailed in paragraph 7.9.4 on page 49 of this Draft Letter of Offer.

6.10 The Acquirer and the PACs 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.

6.11 Accidental omission to dispatch the Letter of Offer to any person to whom the Offer has been made or non-receipt of the Letter of Offer by any such person shall not invalidate the Offer in any way.

6.12 **STATUTORY AND OTHER APPROVALS**

6.12.1 The acquisition of Shares under SPA1 and SPA2 and the Offer is subject to the CCI Approval. The Acquirer has made an application to CCI in this regard.

6.12.2 The Acquirer may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations *inter alia*, if: (a) the CCI Approval is not granted; (b) the conditions stipulated in the Share Purchase Agreements as set out in paragraphs 2.1.10(a)(v)(A) (on page 13 of this Draft Letter of Offer), 2.1.10(a)(v)(B) (on page 14 of this Draft Letter of Offer), 2.1.10(b)(iv)(A) (on page 22 of this Draft Letter of Offer) and 2.1.10(b)(iv)(B) (on page 22 of this Draft Letter of Offer) are not satisfied and the satisfaction of which is outside the reasonable control of the Acquirer; and/or (c) SPA1 is terminated under the circumstances described in paragraphs 2.1.10(a)(ix)(B) (on page 19 of this Draft Letter of Offer) and 2.1.10(a)(ix)0 (on page 20 of this Draft Letter of Offer) and SPA2 is terminated under the circumstances described in 2.1.10(b)(vii)(B) (on page 25 of this Draft Letter of Offer) and 2.1.10(b)(vii)(D) (on page 25 of this Draft Letter of Offer). In the event of withdrawal of the Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS was published.

6.12.3 In case of delay in receipt of the CCI Approval or any statutory approvals which may be required at a later date before the Closure of the Tendering Period, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of the Offer subject to the Acquirer and/or the PACs agreeing to pay interest to the Public Shareholders for delay beyond 10 (ten) Working Days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all Public Shareholders, the Acquirer and/or the PACs have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete the Offer.

6.12.4 NRI and OCB Public Shareholders, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to the Offer (including without limitation the approval from the RBI, since the Shares validly tendered in the Offer will be acquired by a non-resident entity) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept the Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the RBI or the FIPB or any other regulatory body in respect of the Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Shares to tender Shares held by them pursuant to the Offer, along with the Form of Acceptance-cum-Acknowledgement and other documents required to be tendered to accept the Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Shares tendered in the Offer.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

7.1 The Letter of Offer will be mailed to the Public Shareholders, whose names appear on the register of members of the Target Company, as on the close of business on the Identified Date (i.e., Thursday, 3 October 2013) and to the beneficial owners of the Shares of the Target Company whose names appear in the beneficial records of the respective depositories and the registrar and share transfer agent of the Target Company as on the close of business on the Identified Date (i.e., Thursday, 3 October 2013).

7.2 Every Public Shareholder, regardless of whether she/he held Shares on the Identified Date, or has not received the Letter of Offer, is entitled to participate in the Offer.

7.3 Public Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the SEBI website: www.sebi.gov.in and send in their acceptances by filling such form.

7.4 Public Shareholders who wish to accept the Offer and tender their Shares, held either in physical or in dematerialised form, can send or hand deliver the Form of Acceptance-cum-Acknowledgement duly signed along with all the relevant documents as mentioned in the Letter of Offer, at any of the collection centres of the Registrar to the Offer mentioned below during working hours on or before the Closure of the Tendering Period, i.e., no later than 4:00 pm on Thursday, 31 October 2013, in accordance with the procedure as set out in this Draft Letter of Offer:

NO	COLLECTION CENTRE	ADDRESS	CONTACT PERSON	TEL NO, FAX NO AND EMAIL	MODE OF DELIVERY
1.	Mumbai	Karvy Computershare Private Limited, #24-B, Rajabahudur Mansion, Gr Floor, 6 Ambalal Doshi Marg, the BSE Limited, Fort, Mumbai 400 001	Ms Nutan Shirke	Tel:022-66235454 Fax: 022-66331135 Email: nutan.shirke@karvy.com; ircfort@karvy.com	Hand Delivery
2.	New Delhi	Karvy Computershare Private Limited, #305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi 110 001	Mr Rakesh Kr Jamwal/ Mr Vinod Singh Negi	Tel: 011-43681700/1798 Fax: 011-41036370 Email: rakeshj@karvy.com; jmathew@karvy.com	Hand Delivery
3.	Ahmedabad	Karvy Computershare Private Limited, #201-203, Shail, Opp Madhusudhan House, Behind Girish Cold Drinks, Off CG Road, Ahmedabad 380 006	Mr Aditya Gupta/Mr Robert Joeboy	Tel: 079-65150009 079-26400527 Email: ahmedabad@karvy.com robert.joeboy@karvy.com	Hand Delivery
4.	Chennai	Karvy Computershare Private Limited, #F11, First Floor, Akshya Plaza, New #108, Adhithanar Salai, Egmore, Chennai 600 002	Mr K Gunasekhar	Tel: 044-28587781 044-42028513 Email: chennaiirc@karvy.com	Hand Delivery
5.	Hyderabad	Karvy Computershare Private Limited, Hi-Tech City Road, Plot #17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081	Mr Bhakta Singh/Mr Ravi	Tel: 040-44655000 040-23420818-23 Fax: 040-23431551	Hand Delivery/ Registered

NO	COLLECTION CENTRE	ADDRESS	CONTACT PERSON	TEL NO, FAX NO AND EMAIL	MODE OF DELIVERY
				ircmadhapur@karvy.com	Post
6.	Kolkata	Karvy Computershare Private Limited, #49, Jatin Das Road, Near Deshpriya Park, Kolkata 700 029	Mr Sujit Kundu/Mr Debnath	Tel: 033-24644891 Fax: 033-24644866 Email: sujitkundu@karvy.com nilkanta.debnath@karvy.com	Hand Delivery
7.	Bengaluru	Karvy Computershare Private Limited, #59, Skanda, Putana Road, Basavanagudi Bengaluru 560 004	Mr SK Sharma/Mr Mahadev	Tel: 080-26621192 080-26606125 Fax: 080-26621169 Email: ircbangalore@karvy.com	Hand Delivery
8.	Vadodara	Karvy Computer Share Private Limited, Sb-5, Mangaldeep Complex, Opp Masonic Hall, BPC Road, Alkapuri, Vadodara 390 007	Mr Manish Soni	Tel: 0265-6640870/871 Email: manish.soni@karvy.com barodamfd@karvy.com	Hand Delivery
9.	Pune	Karvy Computershare Private Limited, Shrinath Plaza, C wing, Office, #58 and 59, 3rd Floor, Dyaneshwar paduka Chowk, #184/4.Off-FC Road, Pune 411 004	Ms Sandhya	Tel: 020-25533795 020-25533592 020-25532078 Fax: 020 25533742 Email: rispune@karvy.com	Hand Delivery
10.	Lucknow	Karvy Computershare Private Limited, #94, Mahatma Gandhi Marg, Opp Governor House, Hazratganj, Lucknow 226 001	Mr Vinod/ Mr Sanjay Shukla	Tel: 0522- 4092000 to 4092107 Email: sanjay.shukla@karvy.com rislucknow@karvy.com	Hand Delivery

Note: All of the centres of the Registrar to the Offer mentioned above will be open from Monday to Friday - 10:00 am to 4:00 pm and Saturday - 10:00 am to 1:00 pm. The centres will be closed on Sundays and public holidays.

7.5 The Shares and all other relevant documents should only be sent to the Registrar to the Offer, and not to the Manager to the Offer, the Acquirer, the PACs or the Target Company.

7.6 Applicants who cannot hand deliver their documents at any of the collection centers referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: Mr M Muralikrishna, General Manager, Karvy Computershare Private Limited, Hi Tech City Road, Vithalrao Nagar, Madhapur, Hyderabad 500 081, India, so as to reach the Registrar to the Offer on or before 4:00 pm on Thursday, 31 October 2013, i.e., Closure of the Tendering Period, clearly marking the envelop "**Hexaware – Open Offer**".

7.7 **PROCEDURE FOR SHARES HELD IN PHYSICAL FORM**

7.7.1 Public Shareholders who are holding the Shares in physical form and who wish to tender their Shares in the Offer will be required to duly complete, sign and send the Form of Acceptance-cum-Acknowledgement in accordance with the instructions contained therein, by sole/joint Public Shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the registrar and share transfer agent of the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer. Original share certificate(s) and valid transfer deed(s), duly completed and signed in accordance with the instructions specified in this Draft Letter of Offer and the Form of Acceptance-cum-Acknowledgement, along with self-attested copy of PAN card of all the transferors are required to be submitted.

7.7.2 Valid transfer deed(s) should be duly signed as transferor(s) by the sole/joint Public Shareholder(s) in the same order and as per specimen signatures lodged with the registrar and share transfer agent of the Target Company and duly witnessed at the appropriate place. The transfer deed(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer deed(s)) (thumb impressions, signature difference, etc.), should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the registrar and share transfer agent of the Target Company or are not in the same order, such Shares are liable to be rejected in the Offer.

7.7.3 For Shares held in physical form by resident Public Shareholders, the Acquirer may, in its sole discretion, deem the Shares to have been accepted under the Offer in case of non-receipt of the duly completed Form of Acceptance-cum-Acknowledgement, but receipt of other documents (including the original share certificates, valid transfer deeds and PAN), prior to the Closure of the Tendering Period.

7.7.4 Persons who: (a) have acquired the Shares but whose names do not appear in the register of members of the Target Company on the Identified Date; or (b) are unregistered owners of Shares; or (c) have acquired the Shares after the Identified Date; or (d) have not received the Letter of Offer, may send their application in writing to the Registrar to the Offer, on plain paper stating the name, address, number of Shares held, number of Shares tendered, distinctive numbers, folio numbers along with the documents to prove their title to such Shares such as broker note, succession certificate, original share certificate/original letter of allotment and transfer deeds (one per folio), duly signed by such Public Shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with Target Company), and witnessed (if possible) by a notary public or a bank manager or the member of a recognized stock exchange with membership number, as the case may be so as to reach the Registrar to the Offer on or before the closing of the business hours on the date of Closure of the Tendering Period (i.e., Thursday, 31 October 2013). Alternatively, such Public Shareholders, if they so desire, may apply on the Form of Acceptance-cum-Acknowledgement together with the information requested above. Such shareholders can obtain the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the Registrar to the Offer by making an application in writing to that effect or from the SEBI website: www.sebi.gov.in.

7.7.5 Unregistered Public Shareholders should enclose:

(a) A Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein;

(b) Original share certificate(s);

(c) Original broker contract note; and

(d) Valid transfer deed(s) as received from market. The details of the transferee should be left blank, failing which the tender will be invalid under the Offer. Unregistered Shareholders should not sign the transfer deed. The details of the transferee will be filled upon verification of the Form of Acceptance-cum-Acknowledgement and other documents and the same being found valid. All other requirements for valid transfer will be preconditions for acceptance.

7.8 PUBLIC SHAREHOLDERS WHO ARE HOLDING SHARES IN DEMATERIALIZED FORM

7.8.1 Public Shareholders holding Shares of the Target Company in dematerialized form and who wish to tender their Shares under the Offer will be required to submit the duly completed and signed Form of Acceptance-cum-Acknowledgement to the Registrar to the Offer either by registered post/courier or by hand delivery so as to reach on or before the date of closing of business hours on the date of Closure of the Tendering Period (i.e., Thursday, 31 October 2013) along with a photocopy of the delivery instructions in "off-market" mode or counterfoil of the delivery instructions in "off-market" mode, duly acknowledged by the DP, in favour of "**KCPL - ESCROW ACCOUNT HEXAWARE OPEN OFFER**" ("**Depository Escrow Account**").

7.8.2 The Registrar to the Offer has opened a Depository Escrow Account Name "**KCPL - ESCROW ACCOUNT HEXAWARE OPEN OFFER**" with the National Securities Depository Limited ("**NSDL**") for receiving Shares during the Offer from the Public Shareholders who hold Shares in dematerialized form. The details of the Depository Escrow Account are mentioned below:

DP NAME	Karvy Stock Broking Limited
DP ID	IN300394
CLIENT ID	18651765
ACCOUNT NAME	KCPL - ESCROW ACCOUNT HEXAWARE OPEN OFFER
DEPOSITORY	NSDL
DATE OF CREDIT	On or before 31 October 2013
MARKET	Off Market

7.8.3 Public Shareholders having their beneficiary account in the Central Depository Services (India) Limited ("**CDSL**") shall use the inter-depository delivery instruction slip for the purpose of crediting their Shares in favor of the Depository Escrow Account with NSDL.

7.8.4 In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Depository Escrow Account by the Registrar to the Offer, the Acquirer may, in its sole discretion, deem the Shares to have been accepted under the Offer.

7.8.5 Persons who have acquired the Shares, but whose names do not appear in the register of members of the Target Company on the Identified Date or those who have acquired the Shares after the Identified Date or those who have not received the Letter of Offer, may participate in the Offer by submitting an application on plain paper giving details regarding their name, address, number of Shares held, number of Shares tendered, DP name, DP ID, account number together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Shares in favour of **"KCPL - ESCROW ACCOUNT HEXAWARE OPEN OFFER"** as per the details given in the table in paragraph 7.8.2 on page 48 of this Draft Letter of Offer so as to reach the Registrar to the Offer on or before the date of closing of the business hours on the date of Closure of the Tendering Period i.e., Thursday, 31 October 2013. Alternatively, such Public Shareholders, if they so desire, may apply on the Form of Acceptance-cum-Acknowledgement together with the information requested above. Such shareholders can obtain the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the Registrar to the Offer by making an application in writing to that effect or from the SEBI website: www.sebi.gov.in.

7.9 **THE SHARES, SHARE CERTIFICATES, TRANSFER DEEDS, FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND/OR OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRER, THE PACS, THE TARGET COMPANY OR THE MANAGER TO THE OFFER**

7.9.1 Public Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting Shares dematerialized is completed well in time so that the credit in the Depository Escrow Account should be received on or before the date of closing of the business hours on the date of Closure of the Tendering Period (i.e., Thursday, 31 October 2013). Else, the application will be rejected.

7.9.2 The acquisition of Shares tendered in the Offer by NRIs and OCBs is subject to receipt of approval from the RBI for such acquisition. NRI and OCB Public Shareholders must obtain all requisite approvals required to tender the Shares held by them pursuant to the Offer (including without limitation the approval from the RBI, since the Shares validly tendered in the Offer will be acquired by a non-resident entity) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept the Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the RBI or the FIPB or any other regulatory body in respect of the Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Shares to tender Shares held by them pursuant to the Offer, along with the Form of Acceptance-cum-Acknowledgement and other documents required to be tendered to accept the Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Shares tendered in the Offer.

7.9.3 Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

(a) Duly attested death certificate and succession certificate/probate/letter of administration (in case of single Public Shareholder) if the original Public Shareholder has expired;

(b) Duly attested power of attorney if any person apart from the Public Shareholder has signed the application form and/or transfer deeds;

(c) In case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;

(d) Banker’s certificate certifying inward remittances of funds for acquisition of Shares; and

(e) Any other relevant documents.

7.9.4 If the aggregate valid responses to the Offer by the Public Shareholders are more than the Shares agreed to be acquired under the Offer, then Acquirer and/or the PACs will accept the offers received from the Public Shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of Shares from a Public Shareholder shall not be less than the minimum or the entire holding (if it is less than the marketable lot). The marketable lot of the Target

Company is 1 (one) Share.

7.9.5 Payment to those Public Shareholders whose share certificates and/or other documents are found valid and in order, will be made by way of a crossed account payee cheque/demand draft/pay order/through Direct Credit ("**DC**")/National Electronic Clearance System ("**NECS**")/National Electronic Funds Transfer ("**NEFT**")/Real Time Gross Settlement ("**RTGS**"). So as to avoid fraudulent encashment in transit, the Public Shareholders holding Shares in physical form should provide details of bank account of the first/sole Public Shareholder as provided in the Form of Acceptance-cum-Acknowledgement and the consideration cheque or demand draft will be drawn accordingly. In the event such details are not provided, the payment instruments shall be prepared based on the bank account details available with the registrar and transfer agent of the Target Company. In the absence of bank account details, the Registrar to the Offer will incorporate the address available in their records on the payment instrument being dispatched. For Shares that are tendered in dematerialized form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the payment shall be processed with the said bank particulars, and not any details provided in the Form of Acceptance-cum-Acknowledgement. In case of Public Shareholders holding Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at her/his registered address (at their own risk). The decision regarding: (a) the acquisition (in part or full), of the Shares tendered pursuant to the Offer; or (b) rejection of the Shares tendered pursuant to the Offer along with: (i) any corresponding payment for the acquired Shares; and/or (ii) return of share certificates for any rejected Shares or Shares accepted in part, will be dispatched to the Public Shareholders by registered post or by ordinary post as the case may be, at the Public Shareholder's sole risk. Shares held in dematerialized form to the extent not acquired will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgement.

7.9.6 For Public Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through DC/NECS/NEFT/RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered/speed post at the Public Shareholder's sole risk and the payment instruments shall be prepared based on the bank account details available with the Registrar to the Offer. In the absence of bank account details, the Registrar to the Offer will incorporate the address available in their records on the payment instrument being dispatched.

7.9.7 The unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the Public Shareholders' sole risk. Unaccepted Shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective DP as per details received from their DP. It will be the responsibility of the Public Shareholders to ensure that the unaccepted Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. Public Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their account with a DP. Public Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.

7.9.8 The Registrars to the Offer will hold in trust the Shares and share certificate(s), Shares lying in credit of the Depository Escrow Account, Form of Acceptance-cum-Acknowledgement, and the transfer deed(s) on behalf of the Public Shareholders who have accepted the Offer, until the cheques/drafts for the consideration and/or the unaccepted Shares/share certificates are dispatched/returned.

7.9.9 All bankers' cheques/demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Shares, payment will be made in the name of the person stated in the contract note. It is mandatory for the Public Shareholders to provide their bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the bankers' cheque/demand draft. In the event such details are not provided, the payment instruments shall be prepared based on the bank account details available with Registrar to the Offer. In the absence of bank account details, the Registrar to the Offer will incorporate the address available in their record on the payment instrument being dispatched.

7.9.10 Holders of the GDRs intending to participate in the Offer would have to first convert their holdings and acquire the underlying Shares in relation to the GDRs held by them and thereafter participate in the Offer.

7.10 **COMPLIANCE WITH TAX REQUIREMENTS**

7.10.1 **General**

(a) As per the provisions of Section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). The consideration received by the non-resident Public Shareholders for Shares accepted in the Offer may be chargeable to tax in India either as capital gains under Section 45 of the Income Tax Act or as business profits, depending on the facts and circumstances in respect of such a Public Shareholder. The Acquirer and/or the PACs are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such capital gains/business profits subject to benefit available under the applicable DTAA. Further, the payment of any interest (paid for delay in payment of Offer Price) by the Acquirer and/or the PACs to a non-resident Public Shareholder may be chargeable to tax, as interest income under the Income Tax Act. The Acquirer and/or the PACs are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such interest or at the rate under the applicable DTAA.

(b) The payment of any interest by the Acquirer and/or the PACs to a resident Public Shareholder may be chargeable to tax, as interest income under the Income Tax Act. The Acquirer and/or the PACs are required to deduct tax at source at the applicable rate under Section 194A of the Income Tax Act on such interest (paid for delay in payment of Offer Price).

(c) All Public Shareholders whether resident or non-resident (including FIIs) are required to submit their PAN for income-tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer and/or the PACs will arrange to deduct tax at the rate of 20% (twenty per cent) (as provided in Section 206AA of the Income Tax Act) or at the rate in force or at the applicable tax rate, as may be applicable, to the category of the Public Shareholder under the Income Tax Act, whichever is higher.

(d) Each Public Shareholder shall certify its tax residence status (i.e., whether resident or non-resident) and its tax status (i.e., whether individual, firm, company, association of persons/ body of individuals, trust, any other, etc.) by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer and/or the PACs, it will be assumed that the Public Shareholder is a non-resident Public Shareholder and taxes shall be deducted treating the Public Shareholder as a non-resident and at the maximum marginal rate as may be applicable, under the Income Tax Act, to the relevant category to which the Public Shareholder belongs, on the entire consideration and interest if any, payable to such Public Shareholder.

(e) Any non-resident Public Shareholder claiming a benefit under any DTAA between India and any other foreign country should furnish a valid 'Tax Residence Certificate' provided to him/it by the Income Tax Authority of such other foreign country of which he/it claims to be a tax resident. In addition, the non-resident Public Shareholder is required in terms of Section 90(5) of the Income Tax Act to furnish prescribed additional information in the prescribed form (Form 10F). The information that is to be provided in the Form 10F are as follows::

(i) Legal status (individual, company, firm, etc.);

(ii) Nationality of an individual or country/specified territory of incorporation or registration in case of other entities;

(iii) The non-resident tax payer's tax identification number in the country or specified territory of residence or a unique identification number of the non-resident tax payer of the country or the specified territory of residence;

(iv) Period for which the residential status, as mentioned in the Tax Residency Certificate, is applicable; and

(v) Address of the non-resident tax payer in the country or specified territory outside India, during the period for which the Tax Residency Certificate is applicable.

Further, a non-resident tax payer is required to keep and maintain all documents substantiating the aforesaid information and furnish the same when required by the Indian tax authorities. The particulars already included in the Tax Residency Certificate are not required to be furnished separately.

(f) The Acquirer and/or the PACs will not accept any request from any Public Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower rate, on the basis of any self-computation/computation by any tax consultant, of capital gain and/or interest, if any and tax payable thereon.

(g) Securities transaction tax will not be applicable to the Shares accepted in the Offer.

7.10.2 **Tax implications in case of Non-resident Public Shareholders (other than FIIs)**

(a) Remittance of consideration: All non-resident Shareholders, who desire that no tax should be deducted at source or tax should be deducted at a lower rate or on a lesser amount, shall be required to submit certificate from the income tax authorities under Section 195(3) of the Income Tax Act or Section 197 of the Income Tax Act along with the Form of Acceptance-cum-Acknowledgement certifying the amount of tax required to be deducted at source by the Acquirer before remitting the consideration to the Public Shareholders whose Shares have been validly accepted in this Offer. The Acquirer and/or the PACs will arrange to deduct taxes at source in accordance with such certificate.

(b) In case the aforesaid certificate for no deduction or lower deduction of tax is not submitted, the Acquirer and/or the PACs will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Public Shareholder belongs, under the Income Tax Act on the entire consideration and interest amount payable to such Public Shareholder.

(c) The Acquirer will not take into consideration any other details and documents (including self-certified computation of tax liability or the computation of tax liability certified by any tax professionals including a chartered accountant, etc.) submitted by the Public Shareholder for deducting a lower amount of tax at source. NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) holding Shares as capital account will be required to certify the period of its holding (i.e., whether Shares are held for more than 12 (twelve) months) of Shares in the Target Company by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement along with proof such as a dematerialised account statement or broker's note.

(d) All NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) are required to submit their PAN for income tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer and/or the PACs will arrange to deduct tax at the rate of 20% (twenty per cent) (as provided in Section 206AA of the Income Tax Act) or at the rate in force or at the applicable rate, as may be applicable, to the category of the Public Shareholder under the Income Tax Act, whichever is higher, on the entire consideration amount payable to such Public Shareholder.

(e) Treaty Benefits: Any NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) claiming benefit under any DTAA between India and any other foreign country should furnish the 'Tax Residence Certificate' provided to him/it by the Income Tax Authority of such other foreign country of which it claims to be a tax resident and a self-declaration stating that the Public Shareholder is eligible for claiming benefit under the DTAA entered into between India and the country of its tax residence. Further, the Public Shareholder will be required to furnish such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act as detailed in paragraph 7.10.1(e) on page 52 of this Draft Letter of Offer. In the absence of such Tax Residence Certificate/certificates/declarations/ information/documents, the Acquirer and/or the PACs will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to the provisions of any DTAA.

7.10.3 **Tax Implications in case of FIIs**

(a) Tax Benefits for FIIs in respect of the consideration paid by the Acquirer and/or the PACs: As per the provisions of Section 196D(2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FII.

(b) An FII should certify the nature of its income arising from the sale of the Shares as per the Income Tax Act (whether capital gains or otherwise) by selecting the appropriate option provided in the Form of Acceptance-cum-Acknowledgement for this purpose. In the absence of an FII certifying to the effect that its income from sale of Shares is in the nature of capital gains, the Acquirer will deduct tax at the maximum rate applicable to the category to which such FII belongs on the entire consideration payable to such FII.

(c) Notwithstanding anything contained in paragraph (b) above, in case an FII furnishes a certificate from the income tax authorities under Section 195(3) or Section 197 of the Income Tax Act along with the Form of Acceptance-cum-Acknowledgement for deduction of tax at lower rate, the Acquirer and/or the PACs will arrange to deduct taxes at source in accordance with such certificate.

(d) Interest Payments: For interest payments by the Acquirer and/or the PACs for delay in payment of Offer Price, if any, FIIs will be required to submit a certificate from the income tax authorities under Section 195(3) or Section 197 of the Income Tax Act for deduction of tax at lower rate certifying the amount of tax to be deducted by the Acquirer and/or the PACs before remitting the consideration. The Acquirer and/or the PACs will arrange to deduct taxes at source in accordance with such certificate.

(e) In case the aforesaid certificate is not submitted, the Acquirer and/or the PACs will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the FII Public Shareholder belongs under the Income Tax Act on the entire consideration payable as interest to such Public Shareholder.

(f) All FIIs shall submit their PAN for income tax purposes. In case PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer and/or the PACs will arrange to deduct tax at the rate of 20% (twenty per cent) (as provided in Section 206-AA of the Income Tax Act) or at the rate in force or at the rate, as may be applicable to the category of the FII Public Shareholder under the Income Tax Act, whichever is higher, on the entire consideration amount payable to such Public Shareholder.

(g) Treaty Benefits: Any FII claiming benefit under any DTAA between India and any other foreign country should furnish a “Tax Residence Certificate” provided to it by the income tax authority of such other foreign country of which it claims to be a tax resident and a self-declaration stating that the FII does not have a business connection in India as defined in Section 9(1)(i) of the Income Tax Act or a permanent establishment in India, in terms of the DTAA and the FII is eligible for claiming benefit under the DTAA entered between India and the country of its tax residence. Further, the FII will also be required to furnish such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act as detailed in paragraph 7.10.1(e) on page 52 of this Draft Letter of Offer. In the absence of such Tax Residence Certificate/certificates/declarations/information/documents, the Acquirer and/or the PACs will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to the provisions of any DTAA.

7.10.4 **Tax Implications in case of resident Public Shareholders**

(a) Remittance of consideration: In the absence of any specific provision under the Income Tax Act, the Acquirer and/or the PACs will not deduct tax on the consideration payable to resident Public Shareholders for the acquisition of Shares. Such resident Public Shareholders will be liable to pay tax on their income as per the provisions of the Income Tax Act as applicable to them.

(b) For interest payments by the Acquirer and/or the PACs for delay in payment of Offer Price, if any, the Acquirer and/or the PACs will arrange to deduct tax at the rate of 10% (ten per cent) on the interest amount (as provided in Section 194A of the Income Tax Act).

(c) All resident Public Shareholders shall submit their PAN for income tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer and/or the PACs will arrange to deduct tax at the rate of 20% (twenty per cent) (as provided in Section 206-AA of the Income Tax Act).

(d) Notwithstanding anything contained in paragraphs (b) and (c) above, no deduction of tax shall be made at source by the Acquirer and/or the PACs where the total amount of interest payable to a resident Public Shareholder does not exceed Rs 5,000 (Rupees Five thousand) or where a self-declaration in Form 15G or Form 15H (as provided in the Income Tax Rules, 1962 (as amended)), as may be applicable, has been furnished by a resident Public Shareholder. The self-declaration in Form 15G and Form 15H will not be regarded as valid unless the resident Public Shareholder furnished its PAN in such declaration. Additionally, no tax is to be deducted on the amount of interest in case of a resident Shareholder being a Mutual Fund as per Section 10(23D) of the Income Tax Act or a Bank/an entity specified under Section 194A(3)(iii) of the Income Tax Act if it submits a copy of relevant registration or notification along with the Form of Acceptance-cum-Acknowledgement.

7.10.5 **Issue of tax deduction at source certificate**

The Acquirer and/or the PACs will issue a certificate in the prescribed form to the Public Shareholders (both resident and non-resident) who have been paid the consideration and interest, after deduction of tax at source on the same, certifying the amount of tax deducted at source and other prescribed particulars in accordance with the provisions of the Income Tax Act read with the Income Tax Rules, 1962 (as amended).

7.10.6 **Tax Implications in foreign jurisdictions**

(a) Apart from the above, the Acquirer and/or the PACs are entitled to deduct tax in accordance with the tax laws applicable in overseas jurisdictions where the non-resident Public Shareholder is a resident for tax purposes (the "**Overseas Tax**"). For this purpose, the non-resident Public Shareholder shall furnish a self-declaration stating the quantum of the Overseas Tax to be deducted as per the relevant tax laws of the country in which the non-resident Public Shareholder is a tax resident, and the Acquirer and/or the PACs will be entitled to rely on this representation at their sole discretion.

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

(c) The tax deducted by the Acquirer and/or the PACs 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 the Offer, before the income tax authorities in the jurisdiction where it is a tax resident. The tax rates and other provisions may undergo change.

7.10.7 Public Shareholders who wish to tender their Shares must submit the following information along with the Form of Acceptance-cum-Acknowledgement:

(a) Information requirement from non-resident Shareholder:

(i) Self-attested copy of PAN card;

(ii) Certificate from the Income-tax Authorities for no/lower deduction of tax;

(iii) Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);

(iv) In case of FII, self-attested declaration certifying the nature of income arising from the sale of Equity Shares is capital gains;

(v) SEBI registration certificate for FII; and

(vi) RBI and other approval(s) obtained for acquiring the Shares, if applicable.

(b) Information requirement in case of resident Shareholder:

(i) Self-attested copy of PAN card;

(ii) Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);

(iii) If applicable, self-declaration form in Form 15G or Form 15H (in duplicate), as applicable for interest payment, if any;

(iv) Certificate from the income tax authorities (applicable only for the interest payment, if any) for no/lower deduction of tax; and

(v) For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the Income Tax Act – Copy of relevant registration or notification (applicable only for the interest payment, if any).

7.11 The tax deducted under the Offer is not the final liability of the Public Shareholders or in no way discharges the obligation of Public Shareholders to disclose the consideration received pursuant to the Offer in their respective tax returns. The tax rates and other provisions may undergo changes.

7.12 Public Shareholders who wish to tender their Shares must submit the information all at once as given in the Form of Acceptance-cum-Acknowledgement and those that may be additionally requested for by the Acquirer and/or the PACs. The documents submitted by the Public Shareholders along with the Form of Acceptance-cum-Acknowledgement will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer and/or the PACs may not be accepted. In case the documents/information as requested in the Letter of Offer/Form of Acceptance-cum-Acknowledgement are not submitted by a Public Shareholder, or the Acquirer and/or the PACs consider the documents/information submitted by a Public Shareholder to be ambiguous/incomplete/conflicting, the Acquirer and the PACs reserve the right to withhold tax on the gross consideration at the maximum marginal rate as applicable to the category of the shareholder.

7.13 Based on the documents and information submitted by the Public Shareholders, the final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirer and/or the PACs.

7.14 Taxes once deducted will not be refunded by the Acquirer and/or the PACs under any circumstances.

7.15 The Acquirer and/or the PACs shall deduct tax (if required) as per the information provided and representation made by the Public Shareholders. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Public Shareholders, such Public Shareholders will be responsible to pay such income tax demand (including interest, penalty, etc.) and provide the Acquirer and/or the PACs with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority.

7.16 All Public Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer/PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

8. DOCUMENTS FOR INSPECTION

8.1 The following documents are available for inspection to the Public Shareholders at the office of the Manager to the Offer at ICICI Centre, HT Parekh Marg, Churchgate, Mumbai 400 020, India; between 10.00 am and 4:00 pm on all Working Days (except Saturdays, Sundays and bank holidays) during the Tendering Period:

8.1.1 Copies of the certificate of incorporation and constitution documents of the Acquirer and the PACs;

8.1.2 Chartered Accountant certificate certifying the adequacy of financial resources with the Acquirer to fulfill the obligations under the Offer;

8.1.3 Copy of the letter issued by the Escrow Bank confirming the amounts kept in the escrow account and a lien in favour of the Manager to the Offer in accordance with the terms of the Offer Escrow Agreement;

8.1.4 Copy of the Bank Guarantee issued by the BG Issuer;

8.1.5 Copy of the audited annual reports of the Acquirer and PACs for the last 3 (three) financial years;

8.1.6 Copy of the audited annual reports of the Target Company for the last 3 (three) financial years;

8.1.7 Copy of the PA, the DPS and the Offer opening public announcement;

8.1.8 Copy of the recommendation made by the Target Company's committee of independent directors, as issued under Regulation 26(7) of the SEBI (SAST) Regulations;

8.1.9 Copy of the letter from SEBI containing its comments on this Draft Letter of Offer;

8.1.10 Copies of the Share Purchase Agreements;

8.1.11 Copy of the agreement entered with the DP for opening of the Depository Escrow Account for the purposes of the Offer; and

8.1.12 Copy of the Offer Escrow Agreement.

9. DECLARATION BY THE ACQUIRER AND THE PACs

9.1 The Acquirer and PACs accept full responsibility for the information contained in this Draft Letter of Offer other than the information pertaining to the Target Company and the Sellers.

9.2 Each of the Acquirer and the PACs shall be, severally and jointly, responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations.

9.3 The person(s) signing this Draft Letter of Offer are duly and legally authorized by the Acquirer and the PACs to sign this Draft Letter of Offer.

Signed by

Sd/-

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For and on behalf of HT Global IT Solutions Holdings Limited
Name :
Designation :
Date : 6 September 2013

Sd/-

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For and on behalf of Parel Investment Holdings Limited
Name :
Designation :
Date : 6 September 2013

Sd/-

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For and on behalf of The Baring Asia Private Equity Fund V, LP
Name :
Designation :
Date : 6 September 2013