DETAILED PUBLIC STATEMENT (THIS "DPS") IN TERMS OF REGULATIONS 3(1) AND 4 READ WITH REGULATIONS 13(4), 14, 15(2) AND OTHER APPLICABLE REGULATIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 (AS AMENDED) (THE "SEBI (SAST) REGULATIONS") TO THE PUBLIC SHAREHOLDERS OF:

HEXAWARE TECHNOLOGIES LIMITED

Registered Office: #152, Millennium Business Park, Sector - III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai 400 710, Tel: +91-22-67919595; Fax: +91-22-67919578; Email: investorinfo@hexaware.com

Open offer (the "Offer") for acquisition of up to 7,83,49,823 (Seven crores eighty three lakhs forty nine thousand eight hundred twenty three) Shares, representing 26% (twenty six per cent) of the total issued share capital of Hexaware Technologies Limited (the "Target Company") on a fully diluted basis, as of the tenth working day from the closure of the tendering period of the Offer, from the Public Shareholders (as defined below), at a price ₹ 135 (Rupees One hundred thirty five) per Share (as defined below), by HT Global IT Solutions Holdings Limited (the "Acquirer") along with Parel Investment Holdings Limited ("PAC1") and The Baring Asia Private Equity Fund V, L.P. ("PAC2", PAC1 and PAC2 collectively referred to as the "PACs"), in their capacity as the persons acting in concert with the Acquirer. Save and except for the PACs, no other person is acting in concert with the Acquirer, for the purpose of this Offer.

This DPS is being issued by ICICI Securities Limited, the manager to the Offer (the "**Manager**"), for and on behalf of the Acquirer and PACs, to the Public Shareholders (as defined below) in compliance with, Regulations 3(1) and 4, read with Regulations 13(4), 14, 15(2) and other applicable regulations of the SEBI (SAST) Regulations, pursuant to the public announcement in relation to this Offer (the "**PA**") filed with the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**") and sent to the Target Company at its registered office, on 23rd August, 2013 (the "**Execution Date**"). The PA was filed with the Securities and Exchange Board of India (the "**SEBI**") on 26th August, 2013.

For the purposes of this DPS, the following terms would have the meaning assigned to them below:

"**NRI**" shall mean non-resident India, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000;

"**Voting Share Capital**" shall mean ₹ 60,26,90,944 (Rupees sixty crores twenty six lakhs ninety thousand nine hundred forty four) consisting of 30,13,45,472 (Thirty crores thirteen lakhs forty five thousand four hundred seventy two) Shares, assuming exercise of all employee stock options of the Target Company that shall vest by the tenth working day from the closure of the tendering period of the Offer;

"**Shares**" shall mean fully paid-up equity shares of the face value of ₹ 2 (Rupees Two) each of the Target Company; and

"**Public Shareholders**" shall mean all public shareholders of the Target Company, other than GA Global Investments Limited which is a party to the SPA2 (as defined below).

I. ACQUIRER, PAC, TARGET COMPANY AND OFFER

A. INFORMATION ABOUT THE ACQUIRER AND PAC:

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

1.1 The Acquirer is a private limited company incorporated on 3rd August, 2011 under the laws of Mauritius. The Acquirer was originally incorporated as Baring Private Equity Asia III Mauritius Holdings (3A) Limited and its name was changed to HT Global IT Solutions Holdings Limited on 14th August, 2013.

1.2 The registered office of the Acquirer is situated at C/o Orangefield Trust (Mauritius) Limited, 3rd Floor, 355 NeXTeracon Tower 1, Cybercity, Ebene, Mauritius.

1.3 The Acquirer is an investment holding company and 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.

1.4 The Acquirer is an investment holding company. It was originally 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.

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

1.6 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. The Acquirer has entered into transactions detailed in Part II (Background to the Offer) below, which have triggered this Offer, pursuant to which it shall acquire Shares and ADRs (as defined below). 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.

1.7 The Acquirer has not been prohibited by the SEBI from dealing in securities, in terms of a direction issued under Section 11B of the Securities and Exchange Board of India Act, 1992 (as amended) (the "**SEBI Act**") or any other regulations made under the SEBI Act.

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

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

PARTICULARS	FOR THE PERIOD FROM 3RD AUGUST, 2011 TO 31ST DECEMBER 2012		FOR THE HALF YEAR ENDING AND AS AT 30TH JUNE, 2013	
	₹	USD	₹	USD
TOTAL REVENUE	1,174.30	17.95	-	-
NET INCOME	72.62	1.11	(312.84)	(4.78)
EARNINGS PER SHARE (EPS)	726.17	11.10	(3,128.42)*	(47.82)*
NET WORTH	79.16	1.21	(233.68)	(3.57)

Note: The financial information set forth above has been extracted from: (a) the audited financial statements of the Acquirer as at and for the period from 3rd August, 2011 to 31st December, 2012; and (b) the unaudited reviewed financial statements of the Acquirer as at and for the half year ended 30th June, 2013.

**** Not annualized***

2. Parel Investment Holdings Limited ("PAC1")

2.1 PAC1 is a private limited company incorporated on 25th 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 26th August, 2011. PAC1 is a foreign institutional investor registered with SEBI (the "**FII**").

2.2 The registered office of PAC1 is situated at C/o Orangefield Trust (Mauritius) Limited, 3rd Floor, 355 NeXTeracon Tower 1, Cybercity, Ebene, Mauritius.

2.3 PAC1 is an investment holding company and is a part of the Baring Private Equity Asia group. PAC2 holds 99,350 (Ninety nine thousand three hundred fifty) shares, amounting to 99.35% (Ninety nine and thirty five hundredths per cent) of the share capital, of PAC1.

2.4 No investments were made by PAC1 prior to receiving FII registration.

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

2.6 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. The directors, and key managerial employees of PAC1 do not, as on the date hereof, hold any ownership interest/relationship/Shares in the Target Company.

2.7 As on the date hereof, 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	PURCHASE PRICE PER SHARE (₹)	% OF VOTING SHARE CAPITAL
27th August, 2013	37,551	Market purchase	129.0949	0.0125
27th August, 2013	5,000	Market purchase	128.14	0.0017
28th August, 2013	78,356	Market purchase	127.2076	0.0260
28th August, 2013	14,993	Market purchase	127.44	0.0050
29th August, 2013	13,00,000	Market purchase	128.6942	0.4314
29th August, 2013	3,12,000	Market purchase	128.83	0.1035
Total	**17,47,900**			**0.58**

2.8 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.

2.9 The key financial information of the PAC1 is as follows:

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

PARTICULARS	FOR THE PERIOD FROM 25TH FEBRUARY 2011 TO 31ST DECEMBER, 2011		FOR THE 12-MONTH PERIOD ENDING AND AS AT 31ST DECEMBER, 2012		FOR THE HALF YEAR ENDING AND AS AT 30TH JUNE, 2013	
	₹	USD	₹	USD	₹	USD
TOTAL REVENUE	781.78	11.95	929.96	14.22	-	-
NET INCOME	(297.53)	(4.55)	-	-	(35,681.89)	(545.42)
EARNINGS PER SHARE (EPS)	(2.98)	(0.05)	-	-	(356.82)*	(5.45)*
NET WORTH	(232.11)	(3.55)	(232.11)	(3.55)	2,91,189.50	4,451.03

Note: The financial information set forth above has been extracted from: (a) the audited financial statements of PAC1 as at and for: (i) the period from 25th February, 2011 and ending 31st December, 2011; (ii) the 12 (twelve) months ending 31st December, 2012; and (b) the unaudited reviewed financial statements of PAC1 as at and for the half year ended 30th June, 2013.

**** Not annualized***

3. The Baring Asia Private Equity Fund V, L.P. ("PAC2")

3.1 PAC2 is an exempted limited partnership set up in the Cayman Islands on 27th August, 2010 and is controlled by its general partner, Baring Private Equity Asia GP V, L.P., 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, L.P., other than to the extent of his economic interest in such entities.

3.2 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 PAC2 is an Asian regional private equity fund with USD 2,46,00,00,000 (United States Dollars Two hundred forty six crores) of commitments and was formed on 27th August, 2010. PAC2 is a part of the Baring Private Equity Asia group. The relationship between the Acquirer, PAC1 and PAC2 has been set out in paragraphs 1.3 and 2.3 of Section A of this Part I (Acquirer, PAC, Target Company and Offer).

3.4 The PAC2 is not listed on any stock exchange.

3.5 PAC2, its directors, and its key managerial employees do not, as on the date hereof, 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.

3.6 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.

3.7 The key financial information of the PAC2 is as follows:

All figures in thousands (for USD) and Crores (for ₹)

PARTICULARS	FOR THE PERIOD FROM 27TH AUGUST, 2010 TO 31ST DECEMBER, 2011		FOR THE 12-MONTH PERIOD ENDING AND AS AT 31ST DECEMBER, 2012		FOR THE HALF YEAR ENDING AND AS AT 30TH JUNE, 2013	
	₹	USD	₹	USD	₹	USD
TOTAL REVENUE	7,22,121.86	11,038.13	33,15,940.42	50,686.41	93,01,112.72	1,42,173.85
NET INCOME	(37,34,582.14)	(57,085.63)	(16,41,189.08)	(25,086.69)	71,37,710.49	1,09,104.77
EARNINGS PER SHARE	NA	NA	NA	NA	NA	NA
PARTNERSHIP CAPITAL	81,63,443.35	1,24,783.80	5,26,08,835.98	8,04,161.92	6,13,03,559.13	9,37,066.70

Note: The financial information set forth above has been extracted from: (a) the audited financial statements of PAC2 as at and for: (i) the period from 27th August, 2010 to 31st December, 2011; (b) for the 12 (twelve) months ending 31st December, 2012; and (b) the unaudited reviewed financial statements of PAC2 as at and for the half year ended 30th June, 2013.

B. DETAILS OF SELLERS:

1. This Offer is a mandatory offer in compliance with Regulation 3(1) and 4 of the SEBI (SAST) Regulations pursuant to agreements to acquire more than 25% (Twenty five percent) of the Shares and voting rights in the Target Company by the Acquirer accompanied with a change in control of the Target Company.

2. The requirement of making the Offer has been triggered pursuant to the Acquirer entering into agreements to purchase: (a) Shares from Elder Infosystems Private Limited ("**Seller1**") and Elder Venture LLP ("**Seller2**"); and (b) Shares and American Depository Receipts of the Target Company ("**ADRs**") from GA Global Investments Limited ("**Seller3**", and Seller1, Seller2 and Seller3 collectively, the "**Sellers**"). The details of the transactions which triggered the Offer have been set out in detail in Part II (Background to the Offer).

3. The details of the Sellers have been set out hereunder:

SELLER		Elder Infosystems Private Limited	Elder Venture LLP	GA Global Investments Limited
CHANGES IN NAME		FROM / NAME 9th April, 1996: Apple Hides and Leather Private Limited 9th March, 1999: Elder Hides and Leather Private Limited 25th April, 2008: Advent Tele-Net Private Limited 20th June, 2008: Elder Hides and Leather Private Limited 13th April, 2012: Elder Infosystems Private Limited	No Change	FROM / NAME 22nd April, 2005: GA European Invetments Limited 27th January, 2006: GA Global Invetments Limited
NATURE OF ENTITY		Private limited company partnership	Limited liability company	Private limited
ADDRESS		38, Rajgir Chambers, Shahid Bhagat Singh Road, Opp Old Custom House, Fort, Mumbai - 400 023	40, Rajgir Chambers, Shahid Bhagat Singh Road, Opp Old Custom House, Fort, Mumbai - 400 023	Papyros Building, 6 Themistocles Dervis Street, Office No. 4, 3rd Floor, Nicosia CY - 1066, Cyprus
PART OF PROMOTER GROUP OF THE TARGET COMPANY		Yes	Yes	No
GROUP		NA	NA	Affiliated with General Atlantic Group
LISTED ON		NA	NA	NA
SHAREHOLDING/ VOTING RIGHTS PRIOR TO SALE (% OF VOTING SHARE CAPITAL):				
SHARES:	NUMBER:	5,21,54,456	3,05,68,000	2,11,39,580
	%:	17.31	10.14	7.02
ADRs:	NUMBER:	NIL	NIL	2,11,11,400
	%:	NIL	NIL	7.01

4. The Sellers have not been prohibited by the 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.

C. INFORMATION ABOUT THE TARGET COMPANY:

1. The Target Company, a public limited company, was incorporated on 20th November, 1992 as Aptech Information Systems Limited. The name of the Target Company was subsequently changed to Aptech Limited with effect from 5th August, 1996. The name of the Target Company was subsequently changed to Hexaware Technologies Limited with effect from 2nd 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) the simultaneous merger of the erstwhile Hexaware Technologies Limited, an unlisted software company with the Target Company.

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.

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

4. 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 24th January, 2013 (the "**Depository Agreement**") entered into by the Target Company with JP Morgan Chase Bank, N.A. (the "**ADR Depository**"), and the owners and beneficial owners of the ADRs, the ADRs do not carry any voting rights. By board resolution dated as of the Execution Date the board of directors of the Target Company (the "**Board**") 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 so that the ADRs when purchased by the Acquirer shall have voting rights.

5. The Target Company is a global provider of information technology, business process outsourcing and consulting services.

6. As on the date of this DPS, the Target Company has the following outstanding depository receipts:

ADRs and GDRs

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	JP Morgan Chase Bank	2,11,11,400	2,11,11,400	7.01
TOTAL		2,14,70,520	2,12,90,960	7.07

7. The issued, subscribed and paid-up share capital of the Target Company as on the date of the DPS is ₹ 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. As on the date of this DPS, there are no partly paid-up Shares.

8. The Voting Share Capital has been computed as follows:

NO.	PARTICULARS	SHARES
A.	Shares outstanding as on the date of the PA	29,87,87,087
B.	Options already vested or to be vested by 10 working day following the closure of the Offer	25,58,385
C.	Voting Share Capital **(A+B)**	**30,13,45,472**

Accordingly, the Voting Share Capital is ₹ 60,26,90,944 (Rupees sixty crores twenty six lakhs ninety thousand nine hundred forty four) consisting of 30,13,45,472 (Thirty crores thirteen lakhs fourty five thousand four hundred seventy two) Shares.

9. Based on the information available on the websites of the stock exchanges, the Shares are frequently traded on the BSE and the NSE (within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations).

10. Brief audited consolidated financial particulars of the Target Company are as follows:

All figures in ₹ Crores; EPS ₹/Share

PARTICULARS	FOR THE 12-MONTH PERIOD ENDING AND AS AT 31ST DECEMBER,			HALF YEAR ENDED 30TH JUNE, 2013
	2010	2011	2012	
TOTAL REVENUE	1,110.02	1,498.72	1,992.01	1,064.03
NET INCOME (PAT)	107.59	267.03	327.65	177.18
EPS (BASIC)	3.72*	9.13	11.09	5.95**
NET WORTH/SHAREHOLDER FUNDS (INCLUDING SHARE APPLICATION MONEY PENDING ALLOTMENT)	965.47	1,016.18	1,203.86	1,263.09

**** Retrospectively adjusted for bonus shares issued in 2011 for comparability.***

***** Not annualized.***

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 31st December, 2010, 2011 and 2013 and the audited consolidated financial statements of the Target Company as at and for the half year ended 30th June, 2013.

D. DETAILS OF THE OFFER:

1. This Offer is a mandatory offer in compliance with Regulation 3(1) and 4 of the SEBI (SAST) Regulations pursuant to agreements to acquire more than 25% (Twenty five percent) of the Shares and voting rights in the Target Company by the Acquirer accompanied with a change in control of the Target Company.

2. This Offer is being made by the Acquirer and the PACs to all the Public Shareholders, for the acquisition of up to 7,83,49,823 (Seven crores eighty three lakhs forty nine thousand eight hundred twenty three) Shares, representing 26% (Twenty six per cent) of the Voting Share Capital (the "**Offer Size**").

3. As of the date of this DPS, there are no partly paid-up Shares issued by the Target Company. (Source: *www.bseindia.com* and annual report of the Target Company for the financial year ending 31st December, 2012).

4. As of the date of this DPS, there are instruments convertible into Shares issued by the Target Company. (Source: *www.bseindia.com* and annual report of the Target Company for the financial year ending 31st December, 2012 and the quarterly financial statement for the period ended 30th June, 2013).

5. The Shares that will be acquired by the Acquirer shall be fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

6. The offer price of ₹ 135 (Rupees one hundred thirty five) (the "**Offer Price**") will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.

7. As on the date of this DPS, no statutory approvals are required by the Acquirer and PACs to acquire the Shares that are tendered pursuant to the Offer other than as indicated in Part VI (Statutory and Other Approvals) below. However, in case of any statutory approvals being required by the Acquirer and/or PACs at a later date before the closure of the tendering period, this Offer shall be subject to such further approvals and the Acquirer and/or PACs shall make the necessary applications for such approvals. In accordance with Regulation 23 of the SEBI (SAST) Regulations, the Acquirer and the PACs will have the right not to proceed with the Offer in the event statutory approvals as may be required for the acquisition of the tendered Shares are not granted.

8. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.

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

10. 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 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 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 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.

11. 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 for cash, 8,27,22,456 (Eight crores twenty seven lakhs twenty two thousand four hundred fifty six) Shares, representing 27.45% (Twenty seven and forty five hundredths per cent) of the Voting Share Capital. 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 for cash: (a) 2,11,39,580 (Two crores eleven lakhs thirty nine thousand five hundred eighty) Shares representing 7.02% (Seven and two hundredths per cent) of the Voting Share Capital; and (b) 2,11,11,400 (Two crores eleven lakhs eleven thousand four hundred) ADRs representing 7.01% (Seven and one hundredths per cent) of the Voting Share Capital. SPA 1 and SPA 2 (together, the "**Share Purchase Agreements**") contain certain conditions, which if not met 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. Detailed disclosures in relation to the terms and conditions of the Share Purchase Agreements, including additional conditions pursuant to which the Offer may be withdrawn, have been set out in Part II (Background to the Offer).

12. Between the date of the PA and the date of this DPS, PAC1 has acquired Shares, details of which have been set out in paragraph 2.7 of Section A of Part I (Acquirer, PAC, Target Company and Offer).

13. 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 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 legislation 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 of 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.

II. BACKGROUND TO THE OFFER

As set out in paragraph 11 of Section D of Part I (Acquirer, PAC, Target Company and Offer) above, the Acquirer has entered into the Share Purchase Agreements for the acquisition of Shares and ADRs. The salient features of the Share Purchase Agreements have been set out below.

A. SALIENT FEATURES OF SPA1:

1. **Acquisition**: The Acquirer proposes to acquire: (a) 5,21,54,456 (Five crores twenty one lakhs fifty four thousand four hundred fifty six) Shares from Seller1; and (b) 3,05,68,000 (Three crores five lakhs 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**".

2. **Price**:

2.1 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 one) Shares: (a) under the Offer; and/or (b) by way of market purchases (the "**Agreed Threshold**").

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

2.2.1 ₹ 135 (Rupees one hundred thirty five); and

2.2.2 any higher price that the Acquirer may decide to pay to the Public Shareholders under the Offer.

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

2.3.1 The sum of ₹ 126 (Rupees one hundred twenty six) together with interest calculated thereon at 9% (nine per cent) per annum, but in no event exceeding ₹ 135 (Rupees one hundred thirty five). The aforesaid interest shall be calculated: (a) on and from the date on which the Acquirer receives the approval of the Competition Commission of India (the "**CCI**") 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 (b) until the completion occurs in terms of SPA1 (the "**SPA1 Completion**", and the date on which the completion occurs, the "**SPA1 Completion Date**"); and

2.3.2 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**").

2.4 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 paragraphs 2.2 and 2.3 of Section A of this Part II (Background to the Offer), be ₹ 11,16,75,31,560 (Rupees one thousand one hundred sixteen crores seventy five lakhs thirty one thousand five hundred sixty) less an amount equivalent to USD 9,90,000 (United States Dollars Nine lakhs ninety thousand) (or such other amount agreed to between the Promoter Sellers and the Acquirer) (the "**Promoter Seller Total Maximum Consideration**").

2.5 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.

3. **Transaction Escrow**: 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.

4. **SPA1 Completion**:

4.1 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: (a) such date shall be at least 21 (twenty one) working days from the date of this DPS; (b) if the Agreed Threshold has been achieved prior to the date on which the Manager 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 (c) such notice shall not be issued during the tendering period.

4.2 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 below); provided that the SEBI does not specifically object to such deposit by the Acquirer. If the 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 the SEBI are addressed at the earliest.

5. **Circumstances under which SPA1 Completion is not consummated**:

5.1 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:

5.1.1 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

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

5.2 Rights of the Acquirer to not consummate SPA1 Completion:

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

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

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

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

(b) Effect any changes in the constitution of the Board, 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;

(c) 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 below) has not occurred by 11th November, 2013 (the "**Dividend Threshold Date**"), the Sellers and the Target Company shall be entitled to hold a Board meeting and declare a dividend of up to (but not exceeding) ₹ 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 Board meeting. For avoidance of doubt, it is clarified that the Target Company and the Sellers shall be entitled to convene Board meetings prior to the Dividend Threshold Date provided that no dividends shall be declared at any such meeting;

(d) 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;

(e) 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;

(f) 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;

(g) 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;

(h) 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;

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

(j) 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;

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

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

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

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

(o) 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;

(p) 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;

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

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

(s) 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.

Contd...

5.2.3 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**"):

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

(b) The obligation not to, between the Execution Date and SPA1 Completion: (i) 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 (ii) 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;

(c) 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;

(d) 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;

(e) 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;

(f) 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 to grant such access;

(g) The obligations, covenants and warranties in relation the intellectual property rights in "Hexaware" in terms of SPA1;

(h) 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;

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

(j) 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

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

5.3 <u>Rights of the Promoter Sellers to not consummate SPA1 Completion</u>:

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**"):

5.3.1 The obligation to provide the bank guarantee in terms of the Transaction Escrow Agreement;

5.3.2 The obligation to forthwith undertake all necessary actions for SPA1 Completion, including depositing the entire Offer Consideration in cash in the Escrow Account - Cash (as defined below), provided that the 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 the SEBI are addressed at the earliest and the Promoter Sellers (and their representatives) shall have the right to attend any meetings with the SEBI (unless prohibited by the SEBI) and to comment on any correspondence proposed to be sent to the SEBI, in connection with the SEBI Objection;

5.3.3 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;

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

5.3.5 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

5.3.6 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.

6. **Board Rights**: The Acquirer has a right to appoint an observer on the Board from the Execution Date until completion of the Offer. The Acquirer shall not appoint a nominee director on the Board 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, and directors nominated by the Acquirer shall be appointed on the Board.

7. **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.

8. **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.

9. **Termination of SPA1**:

9.1 SPA1 may be terminated prior to the SPA1 Completion Date:

9.1.1 by the mutual written consent of the Promoter Sellers and the Acquirer.

9.1.2 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 the SPA1.

9.1.3 by the Promoter Sellers if, *inter alia*:

(a) 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

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

9.1.4 by the Acquirer if, *inter alia*:

(a) 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

(b) (if the Acquirer is not in material breach of the 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. <u>SALIENT FEATURES OF SPA2</u>:

The salient features of SPA2 include the following:

1. **Acquisition**: The Acquirer proposes to acquire: (a) 2,11,39,580 (Two crores eleven lakhs thirty nine thousand five hundred 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 four hundred) ADRs, representing 7.01% (Seven and one hundredths per cent) of the Voting Share Capital (the ADRs, together with the Equity Sale Shares, the "**Seller3 Sale Shares**").

2. **Price**:

2.1 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.

2.2 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 paragraphs 2.2 and 2.3 of Section A of this Part II (Background to the Offer), be ₹ 5,70,38,82,300 (Rupees five hundred seventy crores thirty eight lakhs eighty two thousand three hundred) less an amount equivalent to USD 4,95,500 "(United States Dollars Four lakhs ninety five thousand 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**").

2.3 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 ₹ 135 (Rupees one hundred 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, 1961 (as amended) in relation to capital gains computation as applicable to Seller3. The Acquirer and Seller3 have agreed that the Acquirer shall withhold 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.

3. **SPA2 Completion**:

3.1 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: (a) such date shall be at least 21 (twenty one) working days from the date of this DPS; (b) 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 (c) such notice shall not be issued during the tendering period.

3.2 Upon receipt of the Seller3 Notice, the Acquirer shall forthwith deposit the Offer Consideration in the Escrow Account - Cash (as defined below) provided that the SEBI does not specifically object to such deposit by the Acquirer. If the SEBI objects to the aforementioned deposit by the Acquirer, the Acquirer and the Seller3 shall co-operate with each other to ensure that the concerns of the SEBI are addressed at the earliest.

4. **Circumstances under which SPA2 Completion is not consummated**

4.1 <u>Joint obligations of Seller3 and the Acquirer</u>:

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:

4.1.1 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

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

4.2 <u>Rights of the Acquirer to not consummate SPA2 Completion</u>:

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

4.2.1 The representations and warranties of Seller3 being true as of the SPA2 Completion Date;

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

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

(a) The obligation not to, between the Execution Date and SPA2 Completion: (i) 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 (ii) 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;

(b) 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;

(c) 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;

(d) 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;

(e) 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 to grant such access;

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

(g) 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;

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

(i) 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

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

4.2.4 Amendment of the Depository Agreement to confer upon the holder of the ADRs issued thereunder the right to instruct the ADR Depository in respect of the voting of the Shares held by the ADR Depository.

4.3 <u>Rights of Seller3 to not consummate SPA2 Completion</u>:

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**"):

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

4.3.2 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;

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

4.3.4 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

4.3.5 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.

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

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

7. **Termination of SPA2**:

SPA2 may be terminated prior to the SPA2 Completion Date:

7.1.1 by the mutual written consent of Seller3 and the Acquirer.

7.1.2 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.

7.1.3 by Seller3 if, *inter alia*:

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

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

7.1.4 by the Acquirer if, *inter alia*:

(a) 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

(b) if the Acquirer is not in material breach of the 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.

8. For the purpose of this Part II (Background to the Offer), "Business Day" shall mean 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).

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, Devangi Atul Nishar, Priyanka Atul Nishar, Atul Nishar and Alka Atul Nishar hold 3,43,720 (Three lakhs forty three thousand seven hundred twenty) Shares, 3,15,690 (Three lakhs fifteen hundred six hundred 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.

III. SHAREHOLDING AND ACQUISITION DETAILS

A. The current and proposed shareholding of the Acquirer and PACs in Target Company and the details of their acquisition 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 DPS	NIL	NIL	17,47,900	0.58	NIL	NIL	17,47,900	0.58
AFTER COMPLETION OF ACQUISITIONS UNDER SPA1 AND SPA2	12,49,73,436	41.47	17,47,900	0.58	NIL	NIL	12,67,21,336	42.05

Notes:

- ***Shareholding percentages set out above table are as percentage of total Voting Share Capital; and***
- ***Post offer shareholding includes Shares acquired by the Acquirer outside of the Offer.***

B. Other than as disclosed above, the Acquirer, PACs and their directors do not hold any other Shares.

IV. OFFER PRICE

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

B. 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: <u>www.bseindia.com</u> and <u>www.nseindia.com</u>

Note: References in columns #2, 3 and 4 calculated on the basis of the number of shares traded 12 (twelve) calendar months prior to the month of PA.

C. 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 ₹ 135 (Rupees one hundred thirty five) per fully paid-up Share (the "**Offer Price**") 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 (₹)
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

Note: Further details in respect of the negotiated price have been set out in Part II.

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

E. 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: <u>www.nseindia.com</u>, <u>www.bseindia.com</u>*)

F. 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, 14th October, 2013 and will be notified to shareholders.

V. FINANCIAL ARRANGEMENTS

A. 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 twenty three) Shares at the Offer Price, is ₹ 10,57,72,26,105 (Rupees one thousand fifty seven crores seventy two lakhs twenty six thousand one hundred and five) (the "**Total Consideration**").

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

C. The Acquirer has cash to the extent of USD 16,35,00,000 (United Stated Dollars Sixteen crores thirty five lakhs), which is equivalent to ₹ 10,69,62,84,450 (Rupees one thousand sixty nine crores sixty two lakhs eighty four thousand four hundred fifty), which it has undertaken to use solely for the purpose of fulfilling its payment obligations under the Offer. The funds have been made available to the Acquirer by PAC2.

D. 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 28th 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. The Bank Guarantee is valid up to and including 27th 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 ₹ 1,80,77,22,611 (Rupees one hundred eighty crores seventy seven lakhs twenty two thousand six hundred eleven) being the amount required under Regulation 17(1) of the SEBI (SAST) Regulations (i.e., 25% (Twenty five per cent) of the first ₹ 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.

E. Further, the Acquirer and the Manager have entered into an Escrow Agreement dated 24th August, 2013 with Deutsche Bank AG, 222 Kodak House, Fort, Mumbai - 400 001, India (the "**Escrow Agent**"). The Acquirer has opened cash escrow account (the "**Escrow Account - Cash**") with the Escrow Agent and deposited a sum of ₹ 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**".

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

G. 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.

H. Based on the above, the Manager is satisfied that firm financial arrangements through verifiable means are in place by the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations.

I. 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) days from date of this DPS, subject to fulfillment of conditions as detailed in path II (Background of the Offer), complete the acquisition of Shares acquired pursuant to the Share Purchase Agreements and other acquisitions during the Offer period, if any.

VI. STATUTORY AND OTHER APPROVALS

A. The acquisition of Shares under SPA1 and SPA2 and the Offer is subject to the CCI Approval. The Acquirer will make an application to CCI in this regard.

B. NRI and overseas corporate bodies ("**OCBs**") holders of the Shares, if any, must obtain all requisite approvals required to tender the Shares held by them, in this Offer (including without limitation the approval from the Reserve Bank of India ("**RBI**"), since the Shares validly tendered in this Offer will be acquired by a non-resident entity) and submit such approvals along with the documents required to accept this Offer. If holders of the Shares who are not persons resident in India (including the NRIs, the OCBs and the foreign institutional investors) had required any approvals (including from the Foreign Institutional Promotion Board 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, along with the other documents required to be tendered to accept this Offer. If the approvals mentioned above, as may be applicable, are not submitted, the Acquirer and PACs reserve the right to reject such Shares tendered in this Offer.

C. In case of delay in receipt of any statutory approvals which may be required by the Acquirer and/or PAC at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, the 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 PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and PACs agreeing to pay interest to the Public Shareholders at such rate, as may be specified by the SEBI from time to time. Provided where the statutory approvals extend to some but not all holders of the Shares, the Acquirer and/or PACs will have the option to make payment to such holders of the Shares in respect of whom no statutory approvals are required in order to complete this Offer.

D. The Acquirer and PACs will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated above are not granted. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) working days of such withdrawal, in the same newspapers in which this DPS is published and such public announcement will also be sent to the BSE, the NSE, the SEBI and the Target Company at its registered office.

E. The Acquirer may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations *inter alia*: (a) in terms of Section D of this Part VI (Statutory and Other Approvals); and/or (b) if the conditions stipulated in SPA1 and SPA2 set out in paragraphs 5.1 and 5.2 of Section A of Part II (Background to the Offer) and paragraphs 4.1 and 4.2 of Section B of Part II (Background to the 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 9.1.2 and 9.1.4 of Section A of Part II (Background to the Offer) and SPA2 is terminated under the circumstances described in paragraphs 7.1.2 and 7.1.4 of Section B of Part II (Background to the Offer) .

VII. TENTATIVE SCHEDULE OF ACTIVITY

NO	ACTIVITY	DATE
1.	Issue of PA	Friday, 23rd August, 2013
2.	Publication of this DPS in the newspapers	Friday, 30th August, 2013
3.	Filing of the draft Letter of Offer with SEBI	Friday, 6th September, 2013
4.	Last date for Public Announcement of a competing offer being made	Monday, 23 September 2013
5.	Last date for receipt of comments from SEBI on the draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Monday, 30th September, 2013
6.	Identified Date*	Thursday, 3 October 2013
7.	Last date by which the Letter of Offer is required to be dispatched to shareholders	Thursday, 10th October, 2013
8.	Last date for upward revision of the Offer Price/Offer Size	Monday, 14th October, 2013
9.	Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	Tuesday, 15th October, 2013
10.	Last date of publication of the Offer opening Public Announcement	Thursday, 17th October, 2013
11.	Date of commencement of tendering period (Offer Opening Date)	Friday, 18th October, 2013
12.	Date of expiry of tendering period (Offer Closing Date)	Thursday, 31th October, 2013
13.	Date by which all requirements including payment of consideration would be completed	Monday, 18th November, 2013

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

VIII. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER

A. 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.

B. The Letter of Offer specifying the detailed terms and conditions of this Offer along with the Form of Acceptance-cum-Acknowledgement (the "**Form of Acceptance**") will be mailed to all the Public Shareholders whose name appears in the register of members of the Target Company as at the close of business hours on the Identified Date.

C. 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 unregistered owners of Shares or those who have acquired the Shares after the Identified Date or those who have not received the Letter of Offer, may participate in this Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer as per the terms and conditions of the Offer as set out in this DPS and to be set out in the Letter of Offer. In the alternate, such holders of Shares may apply by submitting the form of acceptance-cum-acknowledgement in relation to the Offer annexed to the Letter of Offer which may also be obtained from the SEBI website (<u>www.sebi.gov.in</u>) or from Karvy Computershare Private Limited (the "**Registrar to the Offer**"). The application is to be sent to the Registrar to the Offer at the address mentioned below so as to reach the Registrar to the Offer on or before Thursday, 31st October, 2013 (i.e. the date of closing of the tendering period), together with:

1. in the case of Shares held in physical form, the name, address, number of Shares held, number of Shares offered, distinctive numbers and folio number together with the original Share certificate/s and valid transfer deeds. Persons who have acquired Shares should send to the Registrar to the Offer, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired and/or such other documents as may be specified; or

2. in the case of Shares held in dematerialized form, name of Depository Participant (the "**DP**"), 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 as per the instructions given below:

DEPOSITORY PARTICIPANT NAME	Karvy Stock Broking Limited
DP ID	IN300394
CLIENT ID	18651765
ACCOUNT NAME	KCPL - Escrow Account Hexaware Open Offer
DEPOSITORY	National Securities Depository Limited

D. Shareholders having their beneficial account with the Central Depository Services (India) Limited have to use inter-depository delivery instruction slips for the purpose of crediting their Shares in favour of the special depository account with National Securities Depository Limited.

E. Holders of depository receipts intending to participate in the Offer would have to first convert their holdings and acquire the underlying Shares in relation to the depository receipts held by them.

F. Shareholders may also download: (a) the Letter of Offer from the SEBI website (<u>www.sebi.gov.in</u>); or (b) obtain a copy of Letter of Offer by writing to the Registrar to the Offer or Manager subscribing the envelope "**Hexaware - Open Offer**" with suitable documentary evidence of ownership of the said Shares.

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

X. OTHER INFORMATION

A. Other than information in relation to the Target Company and the Sellers, the Acquirer, the PACs and their respective directors accept full responsibility for the information contained in this DPS and also for the obligations of the Acquirer and the PACs as laid down in terms of the SEBI (SAST) Regulations. All information pertaining to the Target Company has been obtained from publicly available sources and the accuracy thereof has not been independently verified by the Manager.

B. In this DPS, all references to "Rupees" or "₹" are references to the Indian national currency. Certain financial details contained in this DPS are denominated in United States Dollars ("**USD**"). The rupee equivalent quoted in each case for USD is calculated based on the RBI reference rate of ₹ 65.4207 per USD as on 22nd August, 2013 (Source: Reserve Bank of India - <u>www.rbi.org.in</u>).

C. This DPS will also be available on the SEBI website (<u>www.sebi.gov.in</u>).

D. In this DPS, any discrepancy in any table between the total and sums of the amount listed is due to rounding off and/or regrouping.

XI. DETAILS OF MANAGER TO THE OFFER AND REGISTRAR TO THE OFFER

MANAGER TO THE OFFER

ICICI Securities

ICICI Securities Limited

SEBI Registration #: INM000011179

Address: ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India;
ICICI Bank Tower, 3rd Floor, NBCC Place, Pragati Vihar, Bhisam Pitamah Marg, New Delhi - 110 003.

Tel: +91 22 2288 2460

Fax: +91 22 2282 6580

Email: <u>hexaware.openoffer@icicisecurities.com</u>

Website: <u>www.icicisecurities.com</u>

Contact Person: Mr. Gaurav Goyal/Mr. Amit Joshi

REGISTRAR TO THE OFFER

KARVY Computershare

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: <u>murali@karvy.com</u>

Contact Person: Mr. M Muralikrishna/Mr. R Williams

Issued by Manager to the Offer for and on behalf of HT Global IT Solutions Holdings Limited the "Acquirer" along with Parel Investment Holdings Limited ("PAC1") and The Baring Asia Private Equity Fund V, L.P. ("PAC2"), being persons acting in concert with the Acquirer.

Place: Mumbai

Date: 29th August, 2013