



Hexaware Technologies Limited

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A) Key Terms:

1) Key Terms:

- a) **Public Shareholders:** Holders of Equity Shares, other than promoters, promoter group and persons acting in concert with them
- b) **Promoter / Acquirer:** HT Global IT Solutions Holdings Limited either individually or along with one or more of the promoter group and / or its subsidiaries
- c) **Delisting Offer / Delisting Proposal:** The proposed acquisition of the Equity Shares from the Public Shareholders by the Promoter/Acquirer and subsequent voluntary delisting of the Equity Shares from the Stock Exchanges in accordance with the Delisting Regulations
- d) **Delisting Regulations:** SEBI (Delisting of Equity Shares) Regulations, 2009, as amended
- e) **Equity Shares:** Fully paid-up equity shares of the Company
- f) **SEBI:** The Securities and Exchange Board of India
- g) **Stock Exchanges:** The recognized stock exchanges where the Equity Shares are presently listed namely, BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").
- h) **Target / Company:** Hexaware Technologies Limited ("Hexaware")
- i) **Hexaware Board:** The board of directors of Hexaware Technologies Limited

B) Context Setting:

2) Background to delisting

The Company received a letter from the Promoter dated June 4, 2020, wherein the Promoter has expressed its intention to make a voluntary delisting offer, either individually, or together with one or more members of the promoter group including its subsidiaries, to acquire all the Equity Shares that are held by the Public Shareholders; and consequently voluntarily delist the Equity Shares from the Stock Exchanges.

3) Rationale for delisting

The main objective of the Delisting Proposal is for the Promoter to obtain full ownership of the Company which will in turn provide increased operational flexibility to support the Company's business. The delisting will also help management to dedicate more time to focus on Company's business and save costs.

C) Next Steps and Pricing

4) What are the steps in the delisting process?

At a macro level, here are the steps:

- a) **Promoter's Intimation:** On June 4, 2020, the Promoter expressed its interest to acquire all the Equity Shares that are held by Public Shareholders and subsequently delist the Company
- b) **Board Approval:** On June 20, 2020, the Board after receipt of the Due Diligence report from ICICI Securities Limited (their merchant banker) and the floor price certificate from the independent chartered accountant, provided its consent to the Delisting Proposal.
- c) **Shareholders' approval:** The Company has sent postal ballot notice on July 9, 2020 to seek shareholders' approval for the Delisting Offer by way of special resolution through postal ballot which will be conducted only by way of e-voting. Further actions can be taken only if it is approved with a 2/3rd majority of Public Shareholders. This is an approval to proceed with the Delisting Offer and is not a decision on the final exit offer price
- d) **In-principle approval:** Post shareholders' approval, the Company would be required to apply to Stock Exchanges seeking their in-principle approval.
- e) **Public announcement and dispatch of letter of offer:** Following the in-principle approval, Promoter will make a public announcement ("PA") and dispatch letter of offer (containing material information in relation to the Delisting Offer) ("LOF") along with bid form to the Public Shareholders.
- f) **Bidding period:** The bidding period (open for 5 working days) shall commence within seven working days of the PA during which the Public Shareholders may tender their bids. The final exit offer price will be determined as the price at which Equity Shares accepted through eligible bids, that takes the shareholding of the Promoter (along with the persons acting in concert) to at least 90% of the paid up equity share capital of the Company. This does not trigger actual sale of share unless offer is accepted as explained subsequently.
- g) **Option to accept / reject final exit offer:** Upon the discovery of the final exit offer price, the Promoter will have the option either to accept or reject the final exit offer price. In case, the final exit offer price is not acceptable to the Promoter, it will have an option to make a counter-offer within two working days from the discovery of final exit offer price.
- h) **Post offer announcement:** Within five working days from the closure of bid period, the Promoter will be required to make a post offer PA regarding: (a) the success of the Delisting Offer along with the final exit offer price; or (b) failure of the Delisting Offer.
- i) **Payment of consideration:** If the Delisting Offer is successful, the Promoter will be required to pay the consideration to Public Shareholders, whose shares have been validly accepted in the Delisting Offer within 10 working days of the closure of the bidding period.
- j) **Final application:** After payment of consideration, the Company would make the final application to the Stock Exchanges. Upon receipt of their approval, Equity Shares will be delisted from the Stock Exchanges.
- k) **Right of remaining Public Shareholders:** The remaining Public Shareholders may tender their Equity Shares to the Promoter up to a period of minimum of one year from the date of delisting and, in such case, the Promoter will accept the Equity Shares at the final exit offer price. Such trade will be an off-market trade and subject to tax, as applicable.

5) What is the floor price? How will the final offer price be determined for the Delisting?

The floor price for the delisting is calculated in accordance with the Delisting Regulations. The floor price for the Delisting Offer is INR 264.97. The same has been certified by Vishal

Laheri & Associates, chartered accountants pursuant to its certificate dated June 19, 2020. The floor price is a minimum price which is required to be offered to the Public Shareholders. The final price for the delisting will be the price at which shares accepted through eligible bids during the reverse book building process will take the shareholding of the Promoter Group to 90% of the issued and outstanding Equity Shares. However, the Promoter has the sole discretion to accept or reject the offer price determined in accordance with the reverse book building process as set out in the Delisting Regulations, or provide a counter offer to the Public Shareholders in accordance with Regulation 16 of the Delisting Regulations.

The Promoter has communicated an Indicative Offer Price ("**IOP**") in its letter dated June 4, 2020, wherein it expressed its willingness to accept Equity Shares tendered by the Public Shareholders at the IOP of INR 285, which represented a premium of 9.8% (for BSE) and 10% (for NSE) over the closing market price as on 4 June 2020 in the Stock Exchanges.

Neither the floor price nor the IOP is the final exit offer price for the Delisting Offer. The final price for the Delisting Offer will be the price at which Equity Shares accepted through eligible bids during the reverse book building process will take the shareholding of the Promoter Group to 90% of the issued and outstanding Equity Shares. It would be decided on the basis of bidding by the Public Shareholders during the bidding period.

The Promoter has the discretion either to accept or reject the final exit offer price discovered pursuant to the reverse book building process. If the final exit offer price is accepted, then, the Promoter shall accept all Equity Shares tendered where the corresponding bids placed are at the final exit offer price or at a price which is lesser than the final exit offer price. In the event the final exit offer price is not accepted by the Promoter, it has an option to make a counter offer in accordance with the Delisting Regulations.

6) What is the reference date for calculation of the floor price?

The reference date for computing the floor price is June 5, 2020 as per the provisions of the Delisting Regulations.

7) What happens if my bid price is higher than the final exit offer price?

In cases where the bids have not been accepted, the Equity Shares tendered by the Public Shareholders during the reverse book building process shall be returned or released to them within ten working days from the closure of the bidding period. The Public Shareholders holding such Equity Shares may tender their Equity Shares to the Promoter, at the final exit offer price, up to a period of minimum of one year from the date of delisting and, in such a case, the Promoter shall accept the shares tendered at the final exit offer price.

8) Does the delisting have any impact on the voting and dividend rights?

Once the Delisting Offer is successful, the Company will file the final delisting application with the Stock Exchanges and will subsequently be delisted, post receipt of the final delisting approval, and the Company will become an unlisted public company. If a Public Shareholder has not tendered its Equity Shares during the Delisting Offer, it will continue to remain the shareholder of the Company and will have all the rights and benefits a shareholder of an unlisted public company has such as right to vote and right to receive dividends (if declared by the Company).

D) Process and Timelines

9) The Company has initiated a shareholder approval process via postal ballot - what is this? Will the final exit offer price be decided via this process?

As per the Delisting Regulations, a company is required to obtain:

- (a) the approval of its board of directors; and
- (b) the approval of its shareholders by way of special resolution through postal ballot

The board of directors of the Company, in its meeting held on June 20, 2020, amongst other things, authorized the Promoter's proposal to voluntarily delist the Equity Shares from the Stock Exchanges and via circular resolution on July 9, 2020, amongst other things, approved the Company to seek shareholders' approval by way of special resolution through postal ballot process. Accordingly, the Company has dispatched the postal ballot notice to its shareholders on July 9, 2020. The e-voting commenced at Friday, July 10, 2020, at 9.00 a.m. IST and ends on Saturday, August 8, 2020 at 5.00 p.m. IST. Once the vote on the resolution is cast by a member, such member will not be allowed to change it subsequently. The results of the Postal Ballot will be announced on or before Monday, August 10, 2020, 5.00 p.m. IST and communicated to the Stock Exchanges.

In terms of the Delisting Regulations, the special resolution can be acted upon only if the votes cast by Public Shareholders in favor of the proposal amount to at least two times the number of votes cast by Public Shareholders against it.

The postal ballot process is only to seek shareholders' approval in relation to the Delisting Offer. The final exit offer price will not be decided through this process. As mentioned above, the final exit offer price will be determined pursuant to the reverse book building process as specified under the Delisting Regulations.

10) When does the reverse book building process begin? How am I supposed to tender shares and indicate a price in this process?

Upon receiving all the necessary approvals including the shareholders' approval and in-principle approval from the Stock Exchanges, the Promoter will issue a PA and dispatch the LOF and the bid form to the Public Shareholders of the Company. The PA and LOF shall contain details of the next steps, including procedure and timelines for the reverse book building process.

11) How can I tender my shares as part of the delisting?

In case the Equity Shares are held in dematerialized form: Eligible sellers may tender the equity shares through their respective stock broker by indicating the details of equity shares to be tendered under the Delisting Offer, during the normal trading hours of secondary market.

In case the Equity Shares are held in physical form: Eligible sellers shall approach their respective stock broker along with the complete set of documents, as stated in PA / LOF, for verification procedures. Upon placing the bid, the broker will confirm the transaction and shall send the tender form along with other relevant documents, to the registrar to the Delisting Offer, as specified in the PA / LOF.

Further details regarding the tender process shall be provided in the PA / LOF.

12) Can I participate even if I don't receive the LOF and the bid form?

Yes, a Public Shareholder can participate in the Delisting Offer and make bids even if it did not receive the LOF and the bid form.

Public Shareholders will be required to approach their respective broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective stock broker in the electronic platform to be made available by respective stock exchange, before the closing date as specified in the PA / LOF.

13) When is the Delisting Offer deemed to be successful? When are the shares delisted from the Stock Exchanges?

The Delisting Offer shall be considered successful if the Equity Shares accepted by the Promoter at the final exit offer price, determined in accordance with the reverse book building process takes the shareholding of the Promoter (along with persons acting in concert) to at least 90% of the paid-up equity share capital of the Company or makes a counter offer (which shall not be less than the book value of the Company), which also results in the shareholding of the Promoter (along with the persons acting in concert) reaching 90%, in accordance with the Delisting Regulations.

After the success of the Delisting Offer and payment of consideration to the Public Shareholders who have tendered their Equity Shares, the Company will make the final application to the Stock Exchanges. Upon the receipt of the approval of the Stock Exchanges, the Equity Shares will be delisted.

14) Is the Promoter required to deposit any amount in an escrow account?

In terms of the Delisting Regulations, before making the PA, the Promoter will be required to deposit in the escrow account the total estimated amount of consideration calculated on the basis of the floor price and number of Equity Shares outstanding with Public Shareholders. This can be done by way of a cash deposit or by a bank guarantee or a combination of both.

On determination of the final exit offer price and acceptance of the same by the Promoter, an additional sum to make up the entire sum due and payable as consideration in respect of Equity Shares outstanding with Public Shareholders will be required to be deposited in the escrow account.

15) When would I receive money for tendering of shares?

Upon success of the Delisting Offer, the Promoter would be required to make a post offer PA, amongst other things, informing its acceptance of the final exit offer price and the success of the Delisting Offer. All the Public Shareholders whose bids have been accepted and Equity Shares are verified to be genuine shall be paid the final exit offer price within ten working days from the closure of the bidding period.

16) What will happen if the Delisting Offer fails?

The Promoter is not bound to accept the Equity Shares at the final price discovered pursuant to the reverse book building process. If the final exit offer price is not acceptable to the

Promoter, it may either reject the offer or has the option to make a counter-offer to the Public Shareholders in accordance with the Delisting Regulations. In the event, a counter-offer is made and is successful in accordance with the Delisting Regulations, the final exit offer price would be the counter offer price in accordance with the Delisting Regulations.

The Delisting Offer will fail under the following circumstances:

- (a) Where the Promoter decides to not accept the discovered final exit offer price; or
- (b) the counter offer is not successful

In case of failure of the Delisting Offer,

- The Equity Shares tendered by the Public Shareholders during the reverse book building process shall be returned or released to them, within ten working days from the end of the bidding period;
- No final application will be made to the Stock Exchange for delisting of the Equity Shares;
- The escrow account opened by the Promoter for the purposes of the Delisting Offer shall be closed and the escrow amount will be released; and
- The Company shall continue to be listed on the Stock Exchanges.

17) Am I mandatorily required to participate in the Delisting Offer? What will happen if the Delisting Offer is successful and I have not participated?

It is not mandatory to participate in the Delisting Offer. If the Delisting Offer is successful (discussed above), the Equity Shares will be delisted from the Stock Exchanges and the Company will become an unlisted public company. If a Public Shareholder has not tendered its Equity Shares or its Equity Shares have not been accepted because either the price quoted by the Public Shareholder was higher than the final exit offer price (determined as per the reverse book building process) during the Delisting Offer, or the counter offer made by the Promoters was not acceptable to the Public Shareholder, it may tender its Equity Shares to the Promoter, at the final exit offer price, up to a period of minimum of one year from the date of delisting and, in such a case, the Promoter shall accept the shares tendered at the final exit offer price.