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FAQs on the proposed delisting of Hexaware Technologies Limited

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Hexaware Technologies Limited

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A) Key Terms:

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- a) **Public Shareholders:** Holders of Equity Shares, other than the Acquirer, Promoter, members of the promoter group and persons acting in concert with them
- b) **Delisting Offer:** The proposed acquisition of the Equity Shares from the Public Shareholders and subsequent voluntary delisting of the Equity Shares from the Stock Exchanges in accordance with the Delisting Regulations
- c) **Delisting Regulations:** SEBI (Delisting of Equity Shares) Regulations, 2009, as amended read along with circulars and notifications issued thereunder
- d) **Equity Shares:** Fully paid-up equity shares of the Company
- e) **Promoter / Acquirer:** HT Global IT Solutions Holdings Limited (Promoter) and HT Global Holdings B.V. (Acquirer).
- 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
- j) **Seller Member:** The selling shareholder whose name appears in the register of members
- k) **Discovered Price:** The price determined in accordance with the Delisting Regulations, at which the shareholding of the Acquirer, Promoter and other members of the promoter group reaches 90%
- l) **Public Announcement/PA:** The public announcement issued by the Acquirer and the Promoter published in newspapers on Thursday, September 3, 2020 in accordance with Regulation 10(1) of the Delisting Regulations.
- m) **Letter of Offer:** The Letter of Offer issued by the Acquirer and Promoter dated September 3, 2020
- n) **Managers to the Offer:** Citigroup Global Markets India Private Limited and JM Financial Limited
- o) **Offer Shares:** Equity Shares of the Company representing 37.92% of the Share Capital, held by the Public Shareholders.
- p) **Clearing Corporation:** Indian Clearing Corporation Limited or the NSE Clearing Limited, as applicable

All undefined capitalized terms will have the meaning ascribed to them in the Public Announcement published on September 3, 2020.

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 ("**Delisting Proposal**").

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 sent a postal ballot notice on July 9, 2020 to seek shareholders' approval for the Delisting Offer by way of special resolution through postal ballot. The shareholders of the Company have passed a special resolution through postal ballot, the result of which was declared on August 10, 2020, approving the Delisting Offer in accordance with the Delisting Regulations and other applicable laws. The Company has notified the result of postal ballot to the Stock Exchanges on August 10, 2020. The votes cast by the Public Shareholders in favour of the Delisting Offer were 7,30,96,420, which are more than twice the number of votes cast by the Public Shareholders against the Delisting Offer, being 56,82,951.
- d) **In-principle approval:** Post shareholders' approval, the Company received in-principle approvals from the Stock Exchanges (BSE and NSE) on September 2, 2020.
- e) **Public announcement and dispatch of letter of offer:** Following the in-principle approval, the Acquirer and Promoter have made a public announcement on September 3, 2020 ("PA") and dispatched the 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 on September 9, 2020 till September 15, 2020 during which the Public Shareholders may tender their bids. The final discovered price will be determined as the price at which Equity Shares accepted through eligible bids, that takes the shareholding of the Acquirer, Promoter (along with other members of the promoter group) 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 discovered price, the Acquirer will have the option either to accept or reject the final discovered price. In case, the final discovered price is not acceptable to the Acquirer, it will have an option to make a counter-offer within two working days from the closure of the bidding period.
- h) **Post offer announcement:** Within five working days from the closure of bid period, the Acquirer and Promoter will be required to make a post offer PA regarding: (a) the success of the Delisting Offer along with the final exit price; or (b) failure of the Delisting Offer unless the Acquirer/Promoter proposes to make a counter offer.
- i) **Payment of consideration:** If the Delisting Offer through the reverse book building process is successful, the Acquirer 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 to the Public Shareholders, whose Equity Shares have been validly accepted in the Delisting Offer, 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 Acquirer up to a period of minimum one year from the date of

delisting and, in such case, the Acquirer will accept the Equity Shares at the final exit 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 appointed by the Acquirer/Promoter 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 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 represents 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 price for the Delisting Offer.

The discovered 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 Acquirer, Promoter along with other members of the promoter group to 90% of the issued and outstanding Equity Shares.

However, the Acquirer has the sole discretion to accept or reject the price discovered 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.

If the discovered price determined during the book building process is accepted by the Acquirer, it will be considered the final exit price of the Delisting Offer and the Acquirer shall accept all Equity Shares tendered where the corresponding bids placed are at the final exit price or at a price which is lesser than the final exit price.

In the event the discovered price is not accepted by the Acquirer and the Acquirer decides to make a counter offer in accordance with the Delisting Regulations, the counter offer price will be the final exit price of the Delisting Offer if, pursuant to acceptance of the counter offer by the Public Shareholders, the shareholding of the Acquirer, Promoter along with other members of the promoter group reaches 90% of the issued and outstanding Equity Shares.

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 price?

Bids which are higher than the final exit price will not be accepted and 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 Acquirer, at the final exit price, up to a period of minimum one year from the date of delisting and, in such a case, the Acquirer shall accept the shares tendered at the final exit 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) What is the timetable for the Delisting Offer?

The proposed time-table for the reverse book-building process is as follows:

Activity	Day and Date
Resolution for approval of the Delisting Offer passed by the board of directors the Company Saturday	Saturday, June 20, 2020
Date of receipt of BSE 'in-principle' approval	Wednesday, September 2, 2020
Date of receipt of NSE 'in-principle' approval	Wednesday, September 2, 2020
Specified Date* or determining the names of shareholders to whom the Letter of Offer shall be sent	Wednesday, September 2, 2020
Date of publication of the Public Announcement	Thursday, September 3, 2020
Last Date for dispatch of Letter of Offer and Bid Forms to the Public Shareholders as on the Specified Date**	Monday, September 7, 2020
Bid Opening Date (Bid starts at the market hours)	Wednesday, September 9, 2020
Last Date for revision (upwards) or withdrawal of Bids	Monday, September 14, 2020
Bid Closing Date (Bid closes at market hours)	Tuesday, September 15, 2020
Last date for announcement of counter offer	Thursday, September 17, 2020
Last date for announcement of the Discovered Price or the Exit Price and Acquirer's Acceptance or Non-acceptance of the Discovered Price or the Exit Price#	Tuesday, September 22, 2020
Proposed date for payment of consideration#	Tuesday, September 29, 2020
Proposed date for return of Equity Shares to the Public Shareholders in case of Bids not being accepted / failure of the Delisting Offer	Tuesday, September 29, 2020

* Specified Date is only for the purpose of determining the name of the Public Shareholders as on such date to whom the Letter of Offer will be sent. However, all owners (registered or unregistered) of the Equity Shares of the Company are eligible to participate in the Delisting Offer any time on or before the Bid Closing Date.

Subject to the acceptance of the Discovered Price.

**Such activity may be completed on or before the last date

All the dates are subject to change and are dependent on obtaining all the requisite statutory and regulatory approvals as may be applicable. In the event there is any change in the proposed schedule, it will be announced by way of a corrigendum to the Public Announcement in the same newspapers in which the Public Announcement was published.

Please note in the event the Acquirer proposes to make a counter-offer, then the timetable will modify as per the timelines for counter-offer process prescribed by SEBI.

10) 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 Acquirer at the discovered price, determined in accordance with the reverse book building process takes the shareholding of the Acquirer, Promoter (along with other members of the promoter group) 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 (pursuant to acceptance / rejection by public shareholders) also results in the shareholding of the Acquirer, Promoter (along with other members of the promoter group) 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, a final application will be made to the

Stock Exchanges. Upon the receipt of the approval of the Stock Exchanges, the Equity Shares will be delisted.

11) Is the Acquirer / Promoter required to deposit any amount in an escrow account?

In terms of the Delisting Regulations, before making the PA, the Acquirer and 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.

The Acquirer has deposited the escrow amount, for the Delisting Offer, for performance of their obligations under the Delisting Regulations.

On determination of the final exit price and acceptance of the same by the Acquirer, 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.

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

Upon success of the Delisting Offer, the Acquirer and Promoter would be required to make a post offer PA, amongst other things, informing its acceptance of the final exit 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 price within ten working days from the closure of the bidding period.

13) What will happen if the Delisting Offer fails?

The Acquirer is not bound to accept the Equity Shares at the price discovered pursuant to the reverse book building process. If the discovered price is not acceptable to the Acquirer, it may either reject the offer or 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 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 Acquirer decides to not accept the discovered 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 Acquirer 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.

14) 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 discovered price (determined as per the reverse book building process) during the Delisting Offer, or the counter offer made by the Acquirer was not acceptable to the Public Shareholder, it may tender its Equity Shares to the Acquirer, at the final exit price, up to a period of minimum one year from the date of delisting and, in such a case, the Acquirer shall accept the shares tendered at the final exit price.

15) Is there a cut-off date to be eligible to participate in the bidding process?

No, any shareholder who owns shares is eligible to participate in the bidding process.

16) If I have not received Letter of Offer ("LoF"), where can I obtain a copy of the LoF?

In case of an accidental omission to dispatch the LoF or non-receipt of the LoF by any Public Shareholder or any Public Shareholder who has bought the Equity Shares after Specified Date may obtain a copy of LoF by writing to the Registrar to the Offer.

Alternatively, the Public Shareholders may obtain copies of Letter of Offer from the website of the BSE (www.bseindia.com), NSE (www.nseindia.com) and the website of the Company (www.hexaware.com).

In case of non-receipt of the Letter of Offer / Bid Form, Public Shareholders holding equity shares in dematerialized form can make an application in writing on plain paper, signed by the respective Public Shareholder, stating name and address, client ID number, DP name / ID, beneficiary account number and number of equity shares tendered for the delisting offer.

The Public Shareholders should not send bids to the Company or Acquirer or Promoter or Managers to the Offer or Registrar to the Offer.

17) How do I know if my bid has been registered?

Upon placing the Bid, the Seller Member shall provide a Transaction Registration Slip ("TRS") generated by the exchange bidding system to the Public Shareholder. The TRS will contain the details of order submitted like Bid ID No., DP ID, Client ID, No. of the Equity Shares tendered and price at which the Bid was placed, etc.

18) I hold physical shares, can I participate in the book build process?

The Public Shareholders who are holding physical Equity Shares and intend to participate in the Delisting Offer will be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including as below:

- Original Share certificate;
- valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered shareholders in same order and as per the specimen signatures registered with the Company / registrar and transfer agent of the Company) and duly witnessed at the appropriate place authorizing the transfer;
- Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate / Notary Public / Bank Manager under their official seal;
- self-attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors);
- Bid Form duly signed (by all holders in case the Equity Shares are in joint names) in the same order in which they hold the Equity Shares;
- Declaration by joint holders consenting to tender Offer Shares in the Delisting Offer, if applicable;
- Any other relevant documents such as power of attorney, corporate authorization (including board resolution / specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable; and
- In addition, if the address of the Public Shareholder has undergone a change from the address registered in the Register of members of the Company. The Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

Upon placing the Bid, the Seller Member will provide a TRS generated by the Exchange Bidding System to the Public Shareholder. The TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of the Equity Shares tendered, price at which the Bid was placed, etc.

The Seller Member / Public Shareholder should ensure to deliver the documents as mentioned above along with the TRS either by registered post or courier or hand delivery to the Registrar to the Offer within 2 days of Bid Closing Date by the Seller Member. The envelope should be super scribed as "Hexaware Technologies Limited – Delisting Offer".

Public Shareholders holding the Equity Shares in physical form should note that the Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Equity Shares by the Acquirer will be subject to verification of documents. The Registrar to the Offer will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once, the Registrar to the Offer confirms the Bids, it will be treated as 'Confirmed Bids'. The Bids of the Public Shareholders whose original share

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certificate(s) and other documents (as mentioned above) along with the TRS are not received by the Registrar to the Offer, within two days after the Bid Closing Date, shall be liable to be rejected.

In case of non-receipt of the Letter of Offer / Bid Form, Public Shareholders holding equity shares in physical form can make an application in writing on plain paper, signed by the respective Public Shareholder, stating name and address, folio number, share certificate number, number of equity shares tendered for the delisting offer and the distinctive numbers thereof, enclosing the original share certificate(s) and other documents (as mentioned above). Public Shareholders will be required to approach their respective Seller Member and have to ensure that their bid is entered by their Seller Member in the electronic platform to be made available by the Stock Exchanges, before the Bid Closing Date.

The Registrar to the Offer will hold in trust the share certificate(s) and other documents (as mentioned above) until the Acquirer completes its obligations under the Delisting Offer in accordance with the Delisting Regulations.

19) I have already placed my bid can I now revise / withdraw my submission?

The Public Shareholders, who have tendered their Equity Shares by submitting the Bids may withdraw or revise their Bids upwards not later than one day before the Bid Closing Date.

Downward revision of the Bids is not permitted. Any such request for revision or withdrawal of the Bids should be made by the Public Shareholder through their respective Seller Member, through whom the original Bid was placed. Any such request for revision or withdrawal of the Bids received after normal trading hours of secondary market on one day before the Bid Closing Date will not be accepted.

20) How often will the book be revised on the on-line system? Where and how will the bidding information be posted?

BSE and NSE shall provide the infrastructure facility for display of the price at the terminals of the trading members and on their website to enable the investors to access the price on the screen to bring transparency to the process.

21) In case of rejection of equity shares how would the shares be returned to me?

In case of rejected demat Equity Shares, if any, tendered by the Public Shareholders, the same would be returned to the respective Seller Member by the Clearing Corporation in payout. The Seller Member / Custodian Participants would return these rejected Equity Shares to their respective clients on whose behalf the Bids have been placed. In case of rejection of physical Equity Shares, the same will be returned to the respective Public Shareholders directly by the Registrar to the Offer.

22) What is the cost involved in tendering shares?

The Public Shareholders who intend to participate in the Delisting Offer should consult their respective Seller Member for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Public Shareholders for tendering Equity Shares in the Delisting Offer (secondary market transaction).

The consideration received by the Public Shareholders from their respective Seller Member, in respect of accepted Equity Shares, could be net of such costs, charges duties and expenses (including brokerage).

23) What are the tax implications of tendering my shares?

Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective income tax assessing authorities in their case, and the appropriate course of action that they should take.

24) What are the likely exit avenues for shareholders who don't participate in the current offer?

Once the Equity Shares have been delisted from the Stock Exchanges, the Public Shareholders, whose Equity Shares have not yet been acquired by the Acquirer ("Residual Shareholders") may offer their Equity Shares for sale to the Acquirer at the Exit Price for a period of one year following the date of the delisting of the Equity Shares from the Stock Exchanges ("Exit Window").

A separate offer letter in this regard will be sent to the Residual Shareholders explaining the procedure for tendering their Offer Shares. Such Residual Shareholders may tender their Offer Shares by submitting the required documents to the Registrar to the Offer during the Exit Window.

E) Restricted Stock Units ("RSU's")

25) Can I exercise my vested RSU's?

You can exercise the vested RSU's by paying the exercise price of Rs. 2/ per RSU and applicable tax amount to the Company during the exercise window.

The exercise window for next cycle, when opened, would be communicated to you by the secretarial team. Once you exercise the RSU and shares are allotted to you, you can at your will, participate in the delisting process.

26) What happens if I do not exercise my vested RSU's?

Your entitlement to exercise RSUs does not get impacted even if you do not exercise the RSUs now. You will continue to be able to exercise the RSU's in future, even if the Company eventually gets delisted. However, the said entitlement would be subject to restrictions as per the terms of the grant on maximum period within which you can exercise the vested RSU's.

27) What happens to the unvested RSUs

Unvested RSUs will continue to vest as per the ESOP grant letter issued to employees. There is no change in vesting conditions due to delisting

28) How will the shares be traded in future, if we do not participate in the delisting process

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 shareholder holding Equity Shares as a result of exercising their RSU's has not tendered its Equity Shares or its Equity Shares have not been accepted either because the price quoted by such shareholder was higher than the final exit price (determined as per the reverse book building process) during the Delisting Offer or the counter offer made by the Acquirer was not acceptable to such shareholder, it may tender its Equity Shares to the Acquirer up to a period of minimum one year from the date of delisting and, in such a case, the Acquirer shall accept the shares tendered at the final exit price.

Disclaimer

Please note that these FAQs are provided as a mere guidance to the Delisting Process and may not be relied on by you or any of affiliates or relatives, agents or advisors in any manner whatsoever, as (i) legal, tax, investment, regulatory, financial or other advice or (ii) an offer to buy, lend or sell. You will seek and rely on the advice of your own professionals and advisors in relation to all matters with regard to this delisting process and you shall make your own decision based solely upon your own independent judgment, due diligence and analysis as you may deem necessary. For the avoidance of doubt, nothing in this FAQs contains or constitutes, or is intended to contain or constitute, any recommendation, advice, opinion, offer or invitation by the Acquirer/Promoter or Company in respect of the Delisting Offer.