

# DRAFT LETTER OF OFFER

**“THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION”**

The Letter of Offer will be sent to you as a Public Shareholder (*as defined below*) of ACCELYA SOLUTIONS INDIA LIMITED (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over the Letter of Offer and the accompanying form of acceptance to the member of the stock exchange through whom the said sale was affected.

OPEN OFFER BY

**AURORA UK BIDCO LIMITED (“ACQUIRER”)**

Registered Office: 22 Grenville Street, St Helier, Jersey JE4 8PX  
Tel: +1 512 730 2400 and Fax: +1 512 730 2453

ALONG WITH

**VISTA EQUITY PARTNERS PERENNIAL, L.P (“PAC 1”)**

Registered Office: C/O Maples and Calder, PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, KY1-1104  
Tel: +1 512 730 2400 and Fax: +1 512 730 2453

**VISTA EQUITY PARTNERS PERENNIAL A, L.P. (“PAC 2”)**

Registered Office: C/O Maples and Calder, PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, KY1-1104  
Tel: +1 512 730 2400 and Fax: +1 512 730 2453

AND

**ACCELYA TOPCO LIMITED (“PAC 3”)**

Registered Office: Acre House, 11/15 William Road, London, United Kingdom, NW1 3ER.  
Tel: +1 512 730 2400 and Fax: +1 512 730 2453

(collectively referred to as the “**PACs**”)

at a price of INR. 956.09 per equity share, payable in cash, to acquire up to 3,782,966 fully paid up equity shares of face value of INR 10 each (“**Offer Shares**”), representing 25.34% of the Voting Share Capital (*as defined below*) in accordance to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”) from the Public Shareholders

OF

**ACCELYA SOLUTIONS INDIA LIMITED (“Target Company”),**

Registered office: Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune – 411 037.  
Tel: +91 20 6608 3777 and Fax: +91 20 2423 1639

**NOTE:**

1. This Offer (*as defined below*) is being made by the Acquirer and the PACs pursuant to Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. Non-resident Indian (“**NRI**”) and overseas corporate body (“**OCB**”) holders of the Equity Shares, willing to tender their Equity Shares in this Offer, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the Reserve Bank of India (“**RBI**”)) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Further, if the holders of Equity Shares who are not persons resident in India including NRIs, OCBs, Foreign Portfolio Investors (“**FPIs**”) and Foreign Institutional Investors (“**FIIs**”), willing to tender their Equity Shares in this Offer, had required any approvals (including from the RBI or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Offer.
5. To the best of the knowledge of the Acquirer and the PACs, all the statutory approvals required by the Acquirer and/ or the PACs to complete this Offer have been obtained. However, in case of any additional statutory approvals being required by the Acquirer and/ or the PACs at any later date, this Offer will be subject to such approvals. In the event that any statutory approvals required are not obtained or are finally refused or are otherwise not received for reasons outside the reasonable control of the Acquirer and/ or the PACs, the Acquirer and/ or PACs may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations.
6. Under Regulation 18(4) of the SEBI (SAST) Regulations, the Acquirer is permitted to revise the Offer Price (*as defined below*) or the number of Offer Shares at any time up to prior to commencement of 1 Working Day (*as defined below*) before the commencement of the Tendering Period (*as defined below*), i.e. up to Tuesday, February 11, 2020, and the Acquirer and PACs shall (a) make corresponding increases to the escrow amounts, as more particularly set out in Part 5 (Offer Price and Financial Arrangements), (b) make a public announcement in the newspapers in which the DPS (*as defined below*) was published, and (c) simultaneously with the making of such announcement, inform SEBI (*as defined below*), the Stock Exchanges (*as defined below*) and the Target Company at its registered office of such revision. The Acquirer would pay such revised price for all the Equity Shares (*as defined below*) validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.
7. **There has been no competing offer as of the date of this Draft Letter of Offer.**
8. **If there is a competing offer at any time hereafter, the offers under all subsisting bids will open and close on the same date.**
9. Unless otherwise stated, the information set out in this DLOF (*as defined below*) reflects the position as of the date hereof.
10. A copy of the PA (*as defined below*), Corrigendum to PA (*as defined below*), DPS and this DLOF (including the Form of Acceptance-cum-Acknowledgement) is also available on the website of SEBI, at [www.sebi.gov.in](http://www.sebi.gov.in).

**MANAGER TO THE OFFER**



**JM Financial Limited**  
7th Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400025, India.  
Tel. No.: +91 22 6630 3030  
Fax No.: +91 22 6630 3330  
Email ID: [prachee.dhuri@jmfl.com](mailto:prachee.dhuri@jmfl.com)  
Contact Person: Ms. Prachee Dhuri  
SEBI Registration Number: INM000010361

**REGISTRAR TO THE OFFER**



**KFin Technologies Private Limited**  
(Formerly known as “*Karvy Fintech Private Limited*”)

Selenium Tower- B, Plot No 31 & 32 Gachibowli,  
Financial District Nanakramguda,  
Serilingampally, Hyderabad,  
Telangana - 500032, Tel. No.: +91 40 67162222  
Fax No.: INR000000221  
Email ID: [accelya.openoffer@kfintech.com](mailto:accelya.openoffer@kfintech.com)  
Contact Person: M Murali Krishna  
SEBI Registration Number: + 91 40 343 1551

## Tentative Schedule of Major Activities of the Open Offer

| No. | Activity  | Schedule (Date and Day)*     |
|-----|---|------------------------------|
| 1.  | Issue of Public Announcement  | Tuesday, November 19, 2019   |
| 2.  | Date of completing the Underlying Transaction   | Tuesday, December 24, 2019   |
| 3.  | Publication of the DPS in newspapers  | Tuesday, December 31, 2019   |
| 4.  | Filing of the Draft Letter of Offer with SEBI   | Tuesday, January 07, 2020    |
| 5.  | Last date for public announcement for competing offer(s)  | Tuesday, January 21, 2020    |
| 6.  | Last date for receipt of SEBI observations on the draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer) | Tuesday, January 28, 2020    |
| 7.  | Identified Date <sup>#</sup>  | Thursday, January 30, 2020   |
| 8.  | Last date by which the Letter of Offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date                        | Thursday, February 06, 2020  |
| 9.  | Last date by which the committee of the independent directors of the Target Company shall give its recommendation to the Public Shareholders for this Offer                       | Tuesday, February 11, 2020   |
| 10. | Last date for upward revision of the Offer Price / the size of the Offer  | Tuesday, February 11, 2020   |
| 11. | Date of publication of opening of Offer public announcement in the newspapers in which this DPS has been published  | Wednesday, February 12, 2020 |
| 12. | Date of commencement of the tendering period (“ <b>Offer Opening Date</b> ”)  | Thursday, February 13, 2020  |
| 13. | Date of closure of the tendering period (“ <b>Offer Closing Date</b> ”)   | Friday, February 28, 2020    |
| 14. | Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders                             | Monday, March 16, 2020       |
| 15. | Last date for publication of post- Offer public announcement in the newspapers in which this DPS has been published   | Monday, March 23, 2020       |

\*The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations and are subject to receipt of statutory/regulatory approvals and may have to be revised accordingly.

# Identified Date is only for the purpose of determining the names of the Public Shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all holders (registered or unregistered) of Equity Shares (except the Acquirer and the PACs or persons acting in concert with them) are eligible to participate in the Offer any time before the Offer Closing Date.

## **RISK FACTORS**

**The risk factors set forth below pertain to this Offer and association with the Acquirer and PACs, and do not pertain to the present or future business or operations of the Target Company or any other related matters. These risk factors are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by a Public Shareholder in the Offer, but are merely indicative. Public Shareholders are advised to consult their legal advisor, stock broker, and investment consultant and / or tax advisors, for analyzing all the risks with respect to their participation in the Offer.**

### **A. RISKS RELATING TO THE UNDERLYING TRANSACTION**

Not applicable as the Underlying Transaction (*as defined below*) has been successfully completed on December 24, 2019.

### **B. RISKS RELATING TO THE OFFER**

1. To the best of the knowledge of the Acquirer and PACs, all statutory approvals required by the Acquirer or the PACs to complete this Offer have been obtained by the Acquirer and/ or the PACs. However, in case of any additional statutory approval being required of the Acquirer or the PACs at a later date, this Offer shall be subject to receipt of such statutory approvals. The Acquirer and PACs shall have the right to withdraw the Offer in accordance with the provisions of Regulation 23(1) of the SEBI (SAST) Regulations if any such statutory approval, as may be required, is refused. In the event of such a withdrawal of the Offer, the Acquirer and the PACs (through the Manager to the Offer) shall make an announcement of such withdrawal within 2 Working Days of such withdrawal stating the grounds and reasons for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
2. Further, in case of delay in receipt of any additional statutory approval, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of such approval was not attributable to any willful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approval, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PACs agreeing to pay interest to the Public Shareholders, for delay, at such rate as may be specified by SEBI. Where the statutory approvals extend to some but not all Public Shareholders, the Acquirer and PACs will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
3. The acquisition of Equity Shares tendered by NRIs and OCBs is subject to approval from the RBI. NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation, the approval from the RBI or the relevant government authorities) and submit copies of such approvals, along with the other documents required in terms of this Draft Letter of Offer. Further, if the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, Qualified Foreign Investors, FIIs and FPIs) had required any approvals (including from the RBI) in respect of the Equity Shares held by them, they will be required to submit copies of such previous approvals, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirer and PACs reserve the right to reject such Equity Shares

tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on a repatriable basis or a non-repatriable basis.

4. In the event that either: (a) there is any litigation leading to a stay or injunction on the Offer or that restricts or restrains the Acquirer or the PACs from performing their obligations hereunder, or (b) SEBI instructs the Acquirer and the PACs not to proceed with the Offer, then the Offer process may be withdrawn or may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are validly tendered and accepted under this Offer as well as the return of Equity Shares not validly tendered and accepted under this Offer, may be delayed. In the event SEBI instructs the Acquirer and/or PACs to not proceed with this Offer, then this Offer process shall be withdrawn and the Acquirer and the PACs (through the Manager to the Offer) shall make an announcement of such withdrawal within 2 Working Days of such withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
5. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer residing in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements.
6. The Offer is being made for securities of an Indian company and Public Shareholders of the Target Company in the United States of America should be aware that this Draft Letter of Offer and any other documents relating to the Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the offer timetable and timing of payments, all of which differ from those in the United States of America. Any financial information included in this Draft Letter of Offer or in any other documents relating to the Offer, has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the United States of America or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles.
7. The receipt of cash pursuant to the Offer by a Public Shareholder of the Target Company may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each Public Shareholder of the Target Company is urged to consult his independent professional adviser immediately regarding the tax consequences of accepting the Offer.
8. Neither the U.S. Securities Exchange Commission nor any U.S. state securities commission has approved or disapproved the Offer or passed any comment upon the adequacy or completeness of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States of America.
9. The Public Shareholders who have accepted this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of Equity Shares under this Offer or the dispatch of consideration is delayed.

10. The tendered Equity Shares and documents will be held in trust by the Registrar to the Offer until the completion of the Offer formalities. The Public Shareholders will not be able to trade in such Equity Shares which are in the custody of the Clearing Corporation / Registrar to the Offer. During such period, there may be fluctuations in the market price of the Equity Shares and the Public Shareholders will not be able to trade in such Equity Shares held in trust by the Clearing Corporation / Registrar to the Offer and that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer.
11. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer. The Acquirer and the PACs do not and will not make any assurance with respect to the market price of the Equity Shares during or after the period that the Offer is open or upon completion of the Offer and disclaim any responsibility with respect to any decision by the Public Shareholders on whether or not to participate in the Offer.
12. The Public Shareholders are advised to consult their respective tax advisors for assessing tax liability arising from this Offer, including but not limited to the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PACs and the Manager to the Offer do not accept any responsibility for the accuracy or completeness of the tax provisions set forth in this Draft Letter of Offer.
13. Any person placing reliance on any source of information other than the PA, the Corrigendum to PA, the DPS, and this DLOF, any other advertisement or materials issued by or on behalf of the Acquirer and PACs, will be doing so at its own risk. The Acquirer, PACs and the Manager to the Offer accept no responsibility for statements made in connection with this Offer, other than those they expressly take responsibility for in the PA, the Corrigendum to PA, the DPS, and this DLOF, or in any advertisement or other materials issued by or on behalf of the Acquirer and PACs.
14. The information pertaining to the Target Company, contained in the PA, the Corrigendum to PA, the DPS, and this DLOF, any other advertisement/ publications to be made in connection with this Offer has been/ shall be compiled from information published of provided by such parties or other publicly available source, as the case may be.
15. Neither the Acquirer, PACs nor the Manager to the Offer accept any responsibility for the information contained in the PA, the Corrigendum to PA, the DPS, and this DLOF, any other advertisement/ publications to be made in connection with this Offer that pertains to the Target Company and the information that has been obtained from public sources or provided by the Target Company.

**C. RISKS RELATING TO ACQUIRER AND THE PACs**

1. Neither the Acquirer, the PACs nor the Manager to the Offer make any assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
2. Neither the Acquirer, the PACs nor the Manager to the Offer make any assurance with respect to the future financial performance of the Target Company.

3. Neither the Acquirer, the PACs nor the Manager to the Offer can provide any assurance with respect to the market price of the Equity Shares, before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Public Shareholder with respect to participation in the Offer.
4. The Acquirer, the PAC and the Manager to the Offer make no assurance with respect to their investment or divestment decisions relating to their proposed shareholding in the Target Company.
5. As per Regulation 38 of SEBI (LODR) Regulations read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer, the public shareholding in the Target Company may fall below such minimum public shareholding requirement. Any failure to comply with the conditions of the SCRR and the SEBI (LODR) Regulations could have an adverse effect on the price and tradability of the Equity Shares.

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

#### **D. CURRENCY OF PRESENTATION**

In this DLOF, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping

In this DLOF, all references to “INR” or “Rs.” or “Rupees” are references to the Indian Rupees, all references to “USD” or “US Dollar” or “US\$” are references to the United States Dollar. Unless otherwise stated, the INR equivalent quoted in each case is calculated in accordance with the RBI reference rate as on December 27, 2019 i.e. USD 1 = INR 71.2214. (Source: [www.fbil.org.in](http://www.fbil.org.in))

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## KEY DEFINITIONS

|   |   |
|---|---|
| <b>Acquirer</b>                                     | Aurora UK Bidco Limited.  |
| <b>Board of Directors</b>                           | Board of Directors of the Acquirer, PAC 3 or the Target Company, as the case may be.  |
| <b>BSE</b>  | BSE Limited.  |
| <b>Buying Broker</b>                                | JM Financial Services Limited.  |
| <b>Clearing Corporation</b>                         | Indian Clearing Corporation Limited and National Securities Clearing Corporation Limited.   |
| <b>Corrigendum to PA</b>                            | Corrigendum to the PA, issued by the Manager to the Offer, on behalf of the Acquirer and the PACs, in relation to this Offer, on November 22, 2019.   |
| <b>Detailed Public Statement / DPS</b>              | Detailed Public Statement dated December 30, 2019, which was published on December 31, 2019 in all editions of Financial Express, Jansatta, Loksatta and Navshakti, issued by the Manager to the Offer, on behalf of the Acquirer, in compliance with the SEBI (SAST) Regulations.                                    |
| <b>Draft Letter of Offer / DLOF</b>                 | This Draft Letter of Offer dated January 07, 2020.  |
| <b>DTAA</b>   | Double Taxation Avoidance Agreement.  |
| <b>Eligible Shareholders or Public Shareholders</b> | All the shareholders of the Target Company who are eligible to tender their shares in the Open Offer, excluding: (i) the promoters, members of the promoter group of the Target Company; (ii) the Acquirer and the PACs; (ii) parties to the SPA; and (iii) persons deemed to be acting in concert with such parties. |
| <b>Equity Share(s)</b>                              | Each fully paid-up equity share of the Target Company, having face value of INR 10 each.  |
| <b>FEMA</b>   | The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time.  |
| <b>FI</b>   | Financial Institutions.   |
| <b>FII / FPI</b>                                    | Foreign Institutional Investor or Foreign Portfolio Investor as defined in FEMA.  |
| <b>FIPB</b>   | Foreign Investment Promotion Board.   |
| <b>Form of Acceptance</b>                           | Form of Acceptance-cum-Acknowledgement.   |
| <b>Identified Date</b>                              | Tenth Working Day prior to commencement of the Tendering Period for purpose of determining the Eligible Shareholders to whom this Draft Letter of Offer shall be sent i.e. January 30, 2020.  |

|                                 |   |
|---------------------------------|---|
| <b>Manager to the Offer</b>     | JM Financial Limited.   |
| <b>MF</b>                       | Mutual Funds.   |
| <b>Mn / Million</b>             | 1,000,000 units.  |
| <b>NRI</b>                      | Non-resident Indian.  |
| <b>NSE</b>                      | National Stock Exchange of India Limited.   |
| <b>OCB</b>                      | Overseas Corporate Body as defined in Foreign Exchange Management (Deposit) Regulations, 2000.  |
| <b>Offer / Open Offer</b>       | The Offer being made by the Acquirer for acquisition of up to 37,82,966 Equity Shares, constituting 25.34% of the Voting Share Capital of the Target Company.   |
| <b>Offer Price</b>              | Price of INR 956.09 per Equity Share which includes an price of INR 944.19 and an enhancement of INR 11.90 per Equity Share i.e. 10% per annum for the period between November 15, 2019 and December 31, 2019 i.e. the date of the publication of the Detailed Public Statement, in accordance with Regulation 8(12) of the SEBI (SAST) Regulations |
| <b>Offer Size</b>               | 37,82,966 Equity Shares, constituting 25.34% of the Voting Share Capital of the Target Company.   |
| <b>PAC</b>                      | Collectively refers to PAC 1, PAC 2 and PAC 3.  |
| <b>PAC 1</b>                    | Vista Equity Partners Perennial, L.P.   |
| <b>PAC 2</b>                    | Vista Equity Partners Perennial A, L.P.   |
| <b>PAC 3</b>                    | Accelya Topco Limited.  |
| <b>Public Announcement / PA</b> | Public Announcement dated November 19, 2019 issued by the Manager to the Offer on behalf of the Acquirer, in relation to this Offer and filed with the Stock Exchanges, SEBI and the Target Company in accordance with the SEBI (SAST) Regulations.   |
| <b>RBI</b>                      | Reserve Bank of India.  |
| <b>Registrar to the Offer</b>   | KFin Technologies Private Limited.  |
| <b>Rs./Rupees/INR</b>           | The lawful currency of the Republic of India.   |
| <b>SCRR</b>                     | Securities Contracts (Regulation) Rules, 1957 and subsequent amendments thereof.  |
| <b>SEBI</b>                     | Securities and Exchange Board of India.   |

|                                |   |
|--------------------------------|---|
| <b>SEBI (LODR) Regulations</b> | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereof.   |
| <b>SEBI (SAST) Regulations</b> | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.   |
| <b>SEBI Act</b>                | Securities and Exchange Board of India Act, 1992, as amended from time to time.   |
| <b>SPA</b>                     | Share purchase agreement dated November 15, 2019 executed between the Acquirer, dnata, Warburg Pincus Private Equity XI LP, Warburg Pincus Private Equity XI-B LP, Estera Trust (Jersey) Limited and certain other institutional shareholders of PAC 3 and individuals. |
| <b>Stock Exchanges</b>         | Collectively refers to BSE and NSE.   |
| <b>Target Company</b>          | Accelya Solutions India Limited.  |
| <b>Tendering Period</b>        | The ten working days period from February 13, 2020 to February 28, 2020 (both days inclusive).  |
| <b>U.S.</b>                    | United States of America  |
| <b>USD/US\$</b>                | United States Dollars.  |
| <b>Voting Share Capital</b>    | Total voting equity share capital of the Target Company as on the 10th working day from the closure of the tendering period for the Offer (such Voting Share Capital excludes 1,100 equity shares of the Target Company which were forfeited).                          |
| <b>Working Day</b>             | Working day as defined under the SEBI (SAST) Regulations, in Mumbai.  |

Note: All capitalized terms used in this Draft Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI (SAST) Regulations.

## **1. DISCLAIMER CLAUSE**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ACCELYA SOLUTIONS INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PACs OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, JM FINANCIAL LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 07, 2019 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

### **UNITED STATES OF AMERICA**

THE OFFER IS BEING MADE FOR SECURITIES OF AN INDIAN COMPANY AND PUBLIC SHAREHOLDERS OF THE TARGET COMPANY IN THE U.S. SHOULD BE AWARE THAT THIS DLOF AND ANY OTHER DOCUMENTS RELATING TO THE OPEN OFFER HAVE BEEN OR WILL BE PREPARED IN ACCORDANCE WITH INDIAN PROCEDURAL AND DISCLOSURE REQUIREMENTS, INCLUDING REQUIREMENTS REGARDING THE OFFER TIMETABLE AND TIMING OF PAYMENTS, ALL OF WHICH DIFFER FROM THOSE IN THE U.S. ANY FINANCIAL INFORMATION INCLUDED IN THIS DLOF OR IN ANY OTHER DOCUMENTS RELATING TO THE OFFER HAS BEEN OR WILL BE PREPARED IN ACCORDANCE WITH NON-U.S. ACCOUNTING STANDARDS THAT MAY NOT BE COMPARABLE TO FINANCIAL STATEMENTS OF COMPANIES IN THE U.S. OR OTHER COMPANIES WHOSE FINANCIAL STATEMENTS ARE PREPARED IN ACCORDANCE WITH U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

THE RECEIPT OF CASH PURSUANT TO THE OFFER BY A PUBLIC SHAREHOLDER OF THE TARGET COMPANY MAY BE A TAXABLE TRANSACTION FOR U.S. FEDERAL INCOME TAX PURPOSES AND UNDER APPLICABLE U.S. STATE AND LOCAL, AS WELL AS FOREIGN AND OTHER, TAX LAWS. EACH PUBLIC SHAREHOLDER OF THE TARGET COMPANY IS URGED TO CONSULT HIS INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY REGARDING THE TAX CONSEQUENCES OF ACCEPTING THE OFFER.

IT MAY BE DIFFICULT FOR U.S. HOLDERS OF EQUITY SHARES TO ENFORCE THEIR RIGHTS AND ANY CLAIMS THEY MAY HAVE ARISING UNDER THE U.S. FEDERAL SECURITIES LAWS IN CONNECTION WITH THE OFFER, SINCE THE TARGET COMPANY, THE ACQUIRER AND THE PACs ARE INCORPORATED IN COUNTRIES OTHER THAN THE U.S., AND SOME OR ALL OF THEIR OFFICERS AND DIRECTORS MAY BE RESIDENTS OF COUNTRIES OTHER THAN THE U.S. U.S. HOLDERS OF EQUITY SHARES IN THE TARGET COMPANY MAY NOT BE ABLE TO SUE THE TARGET COMPANY, THE ACQUIRER, THE PACs OR THEIR RESPECTIVE OFFICERS OR DIRECTORS IN A NON-U.S. COURT FOR VIOLATIONS OF U.S. SECURITIES LAWS. FURTHER, IT MAY BE DIFFICULT TO COMPEL THE TARGET COMPANY, THE ACQUIRER, THE PACs OR THEIR RESPECTIVE AFFILIATES TO SUBJECT THEMSELVES TO THE JURISDICTION OR JUDGMENT OF A U.S. COURT.

NEITHER THE U.S. SECURITIES EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE OFFER, OR PASSED ANY COMMENT UPON THE ADEQUACY OR COMPLETENESS OF THIS DLOF. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE U.S.

### **General Disclaimer**

This Draft Letter of Offer, the Detailed Public Statement and the Public Announcement in connection with the Offer, have been prepared for the purposes of compliance with the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the publication of the Detailed Public Statement nor the delivery of this Draft Letter of Offer, under any circumstances, create any implication that there has been no change in the affairs of the Target Company, the Acquirer, the PACs and any persons deemed to be acting in concert with the Acquirer, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. It is not to be implied that the Acquirer, the PACs, or any persons acting in concert with the Acquirer, are under any obligation to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all Public Shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Letter of Offer by any shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Detailed Public Statement and/or the Letter of Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only.

Persons in possession of the Detailed Public Statement and /or the Letter of Offer are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

## 2. DETAILS OF THE OFFER

### 2.1 BACKGROUND TO THE OFFER

- 2.1.1** This Offer is a mandatory offer made in compliance with Regulation 3(1), Regulation 4 read with Regulation 5(1) of the SEBI (SAST) Regulations, pursuant to the indirect acquisition of voting rights in and control by the Acquirer, acting through PACs, over the Target Company in terms of the SPA.
- 2.1.2** The Acquirer has entered into the SPA with dnata, Warburg Pincus Private Equity XI LP, Warburg Pincus Private Equity XI-B LP, Estera Trust (Jersey) Limited and certain other institutional shareholders of PAC 3 and individuals (together, “**Sellers**”), dated November 15, 2019, whereby the Acquirer has agreed to acquire in cash 100% of the issued share capital of PAC 3 comprising 1,012,999 A1 Ordinary Shares of US\$0.001 each, 1,814,968,031 A2 Ordinary Shares of US\$0.000001 each, 184,513,774 A3 Ordinary Shares of US\$0.000001 each, 172,368 B1-I Ordinary Shares of US\$0.001 each, 205,292,702 B1-II Ordinary Shares of US\$0.000001 each, 25,000 B2 Ordinary Shares of US\$1.00 each, 205,297 C Shares of US\$0.000001 each and 221,564,378 Preference Shares of US\$0.001 each. (“**Underlying Transaction**”).
- 2.1.3** PAC 3 holds 100% of the issued share capital of Accelya Holdco Limited which in turn holds 100% of the issued share capital of Accelya Finco Limited. Accelya Finco Limited holds 100% of the issued share capital of Accelya Midco Limited which in turn holds 100% of the issued share capital of Accelya Bidco Limited. Accelya Bidco Limited holds 100% of the issued share capital of Accelya Holding World S.L.U. (“**Accelya Holding World**”) which in turn holds 11,143,295 equity shares in the Target Company constituting 74.66% of the total issued, paid-up voting share capital of the Target Company.
- 2.1.4** Under the SPA, the purchase price for the Underlying Transaction has been paid by the Acquirer in cash, with no deferred element, and the Acquirer has acquired 100% of the issued share capital of PAC 3. Therefore, as a result of the consummation of the Underlying Transaction on December 24, 2019, the Acquirer has indirectly acquired the majority of the voting rights in and control over the Target Company. The Offer is being made to the Public Shareholders of the Target Company in accordance with Regulations 3 (1), 4 and 5(1) of the SEBI (SAST) Regulations. The offer is not a ‘deemed direct’ offer in terms of Regulation 5(2) of the SEBI (SAST) Regulations.
- 2.1.5** Certain key terms of the SPA are as follows:
- (a) completion of the Underlying Transaction was subject to its approval having been granted, or deemed to have been granted by expiration of the applicable waiting period, by the Competition Authority of Kenya. Such approval was obtained on December 12, 2019;
  - (b) the purchase price is calculated by reference to a historic locked box accounts of the PAC 3 group dated June 30, 2019; and
  - (c) the Sellers (*as defined in the SPA*) have given customary title and capacity warranties and certain covenants in respect of leakage of value from the target group and interim controls on the business during the period between signing and completion.

- 2.1.6** The Acquirer and the PACs do not have any definite plans with respect to the Target Company as on the date of this Draft Letter of Offer. The Acquirer and the PACs, with their operational expertise and financial strength, intend to position the Target Company for future growth and creation of value for its stakeholders.
- 2.1.7** Neither the Acquirer nor the PACs have any nominee directors or representatives on the board of directors of the Target Company as on the date of this DLOF.
- 2.1.8** The Acquirer and the PACs are making this Offer to all Public Shareholders to acquire up to 3,782,966 Equity Shares, constituting 25.34% of the Voting Share Capital of the Target Company.
- 2.1.9** In terms of Regulation 16(1) of the SEBI (SAST) Regulations, this Draft Letter of Offer is being issued within 5 Working Days from the date of the Detailed Public Statement.
- 2.1.10** Neither the Acquirer nor the PACs have 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.
- 2.1.11** The committee of independent directors formulated by the Board of Directors of the Target Company in accordance with Regulation 26(6) and 26(7) of the SEBI (SAST) Regulations is required to publish a reasoned recommendation for the Offer at least 2 Working Days before the commencement of the Tendering Period in the same newspapers in which the Detailed Public Statement was published.

## **2.2 DETAILS OF THE PROPOSED OFFER**

- 2.2.1** The Public Announcement was made and filed with the Stock Exchanges on November 19, 2019 and was sent to the registered office of the Target Company on November 20, 2019 and filed with SEBI November 20, 2019. Further a corrigendum to the PA was issued by the Manager to the Offer on behalf of the Acquirer and the PACs on November 22, 2019 and was filed on November 22, 2019 with the Stock Exchanges and SEBI, and sent to the Target Company at its registered office.
- 2.2.2** In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the DPS dated December 30, 2019 was published on December 31, 2019 in the following newspapers:

| <b>Newspaper</b>  | <b>Language</b>        | <b>Editions</b>   |
|-------------------|------------------------|---|
| Financial Express | English national daily | All editions  |
| Jansatta          | Hindi national daily   | All editions  |
| Loksatta          | Marathi daily          | Pune edition, being the regional language of the registered office of the Target Company    |
| Navshakti         | Marathi daily          | Mumbai edition, being the regional language of the place where the equity shares are listed |

A copy of the PA, Corrigendum to PA and the DPS are also available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

- 2.2.3** This Offer is to acquire up to 3,782,966 Equity Shares constituting 25.34% of the Voting Share Capital of the Target Company at a price of INR 956.09 per Equity Share which includes an price of INR 944.19 and an

enhancement of INR 11.90 per Equity Share i.e. 10% per annum for the period between November 15, 2019 and December 31, 2019 i.e. the date of the publication of the DPS, in accordance with Regulation 8(12) of the SEBI (SAST) Regulations, payable in cash, in accordance with Regulation 9(1)(a) of SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, Corrigendum to PA, the DPS and this DLOF.

- 2.2.4** As on the date of this Draft Letter of Offer, there are no outstanding partly paid-up Equity Shares of the Target Company or outstanding convertible instruments (warrants/ fully convertible debentures/ partially convertible debentures) issued by the Target Company.
- 2.2.5** There is no differential price for the Equity Shares.
- 2.2.6** This is not a competitive offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer as of the date of this Draft Letter of Offer.
- 2.2.7** This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
- 2.2.8** To the best of the knowledge of the Acquirer and the PACs, no statutory approvals are required by the Acquirer or the PACs to complete this Offer. However, in case any additional statutory approval is required by the Acquirer or the PACs at a later date, this Offer shall be subject to such approvals and the Acquirer or the PACs shall make the necessary applications for such approvals. The Acquirer and the PACs will have the right to withdraw this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, if any statutory approval, as may be required, is refused. In the event of withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the Detailed Public Statement in relation to the Offer was published and such public announcement will also be sent to SEBI, the Stock Exchanges and to the Target Company.
- 2.2.9** Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer and the PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.
- 2.2.10** The acquisition of Equity Shares tendered by NRIs and OCBs is subject to and where applicable such OCBs and NRIs submitting the approval/ exemption from the RBI for tendering their Equity Shares in the Offer.
- 2.2.11** The Manager to the Offer does not hold any Equity Shares as on the date of this Draft Letter of Offer. The Manager to the Offer further declares and undertakes not to deal on its own account in the Equity Shares during the Offer Period, in terms of Regulation 27(6) of SEBI (SAST) Regulations.
- 2.2.12** The Offer Price is subject to revisions pursuant to SEBI (SAST) Regulations, if any, or at the discretion of the Acquirer and the PACs at any time prior to 1 Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.
- 2.2.13** Other than the completion of the Underlying Transaction on December 24, 2019, pursuant to which the Target Company became a wholly owned indirect subsidiary of the Acquirer, the Acquirer and the PACs have not

acquired any Equity Shares of the Target Company since the date of the PA i.e. November 19, 2019 and up to the date of this DLOF.

**2.2.14** The Equity Shares, which will be acquired by the Acquirer and the PACs, shall be fully paid-up, free from all liens, charges and encumbrances. The Acquirer shall acquire Equity Shares held by the Public Shareholders who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereof.

**2.2.15** The Equity Shares are listed on the Stock Exchanges.

**2.2.16** As per Rule 19A of the SCRR, the Target Company is required to maintain at least 25% public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. In the event the public shareholding in the Target Company falls below 25% of the Voting Share Capital pursuant to this Offer, the Acquirer and PACs shall bring down the non-public shareholding in the Target Company to the level specified and within the time period prescribed in the SCRR.

## **2.3 OBJECT OF ACQUISITION/OFFER**

**2.3.1** This Offer is being made to the Public Shareholders of the Target Company under Regulation 3(1), 4 and 5(1) of the SEBI (SAST) Regulations as a result of the consummation of the transactions contemplated by the SPA whereby the Acquirer has agreed to acquire in cash 100% of the issued share capital of PAC 3 comprising 1,012,999 A1 Ordinary Shares of US\$0.001 each, 1,814,968,031 A2 Ordinary Shares of US\$0.000001 each, 184,513,774 A3 Ordinary Shares of US\$0.000001 each, 172,368 B1-I Ordinary Shares of US\$0.001 each, 205,292,702 B1-II Ordinary Shares of US\$0.000001 each, 25,000 B2 Ordinary Shares of US\$1.00 each, 205,297 C Shares of US\$0.000001 each and 221,564,378 Preference Shares of US\$0.001 each.

**2.3.2** Pursuant to the completion of the Underlying Transaction on December 24, 2019, Accelya Holding World, a wholly owned indirect subsidiary of the Acquirer, holds 11,143,295 equity shares in the Target Company constituting 74.66% of the Voting Share Capital.

**2.3.3** The Acquirer and the PACs do not have any definite plans with respect to the Target Company as on the date of this Draft Letter of Offer. The Acquirer and the PACs are a part of Vista Equity Partners Group, with their operational expertise and financial strength, intend to position the Target Company for future growth and creation of value for its stakeholders.

**2.3.4** The Offer to the Public Shareholders of the Target Company is to acquire 3,782,966 Equity Shares constituting to 25.34% of the Voting Share Capital of the Target Company.

**2.3.5** In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer and the PACs have no intention to restructure or alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company or any of its subsidiaries during the period of 2 years from the completion of the Offer Period except in the ordinary course of business; or as provided in the PA, Corrigendum to PA, the DPS or this DLOF. If the Acquirer and the PACs intend to restructure or alienate any material assets of the Target Company or its subsidiaries (including on account of regulatory approvals or conditions, or compliance with any law that is binding on or applicable to the operations of the Target Company), within a period of 2 years from completion of

the Offer, the Target Company shall seek the approval of its shareholders as required under the proviso to Regulation 25(2) of the SEBI (SAST) Regulations.

### 3. BACKGROUND OF THE ACQUIRER AND PACS

#### 3.1 AURORA UK BIDCO LIMITED (“Acquirer”)

**3.1.1** The Acquirer is a private limited company. It was incorporated on November 12, 2019 as Aurora UK Bidco Limited under the laws of Jersey. Its registered office is located at 22 Grenville Street, St Helier, Jersey, Channel Islands JE4 8PX. There has been no change in the name of Acquirer since its incorporation.

**3.1.2** The issued and paid up share capital of the Acquirer amounts to USD 100 and consists of 100 ordinary fully paid up equity share of USD 1.00 each. Aurora UK Midco 2 Limited holds 100% of the issued share capital of the Acquirer and is indirectly controlled by the PAC 1 and PAC 2. The Acquirer is a part of the Vista Equity Partners Group.

**3.1.3** The Acquirer is an investment holding company. The Acquirer has not made any previous investments.

**3.1.4** The shares of the Acquirer are not listed on any stock exchange in India or abroad.

**3.1.5** Pursuant to the completion of the Underlying Transaction, Accelya Holding World, a wholly owned indirect subsidiary of the Acquirer and PAC 3, holds 11,143,295 equity shares in the Target Company constituting 74.66% of the Voting Share Capital. The Acquirer has not directly acquired any Equity Shares of the Target Company between the date of the PA i.e. November 19, 2019 and the date of this DLOF.

**3.1.6** Other than as mentioned in paragraph 3.1.5, as of the date of this DLOF, Acquirer and the directors and key employees of the Acquirer do not have any relationship or interest in the Target Company. There are no directors on the board of the Target Company representing the Acquirer.

**3.1.7** The Board of Directors of the Acquirer comprises the following members:

| Sr. No. | Name and Designation | DIN | Date of Appointment | Qualification and Experience  |
|---------|----------------------|-----|---------------------|---|
| 1.      | Robert F. Smith      | -   | December 24, 2019   | <ul style="list-style-type: none"> <li>Robert F. Smith is the Founder, Chairman, and CEO of Vista Equity Partners Management, LLC. Mr. Smith directs Vista’s investment strategy and decisions, firm governance, and investor relations. Prior to founding Vista in 2000, Mr. Smith worked at Goldman Sachs in their investment banking team.</li> <li>Mr. Smith holds a B.S. in Chemical Engineering from Cornell University and an M.B.A. from Columbia Business School.</li> </ul> |
| 2.      | Burke Norton         | -   | November 12, 2019   | <ul style="list-style-type: none"> <li>Burke Norton is a Principal at Vista Equity Partners Management, LLC. Prior to joining Vista, Mr. Norton was</li> </ul>  |

| Sr. No. | Name and Designation | DIN | Date of Appointment | Qualification and Experience  |
|---------|----------------------|-----|---------------------|---|
|         |                      |     |                     | <p>a senior executive officer and member of the Executive Committee at Salesforce, a leading enterprise software company. Prior to Salesforce, Mr. Norton was a senior executive officer and member of the Office of the Chairman at Expedia, a global travel company. Prior to Expedia, Mr. Norton was a Partner at Wilson Sonsini Goodrich &amp; Rosati, where he practiced M&amp;A and securities law.</p> <ul style="list-style-type: none"> <li>Mr. Norton holds a J.D. from the University of California, Berkeley, School of Law.</li> </ul> |
| 3.      | Vincent Burkett      | -   | December 24, 2019   | <ul style="list-style-type: none"> <li>Vincent Burkett is an Operating Principal at Vista Equity Partners Management, LLC. Mr. Burkett sits on the Vista Perennial Fund Investment Committee. Prior to joining Vista in 2011, Mr. Burkett was the Executive Chairman and Chief Executive Officer of Ventyx and also spent time working as a Managing Director at Alvarez &amp; Marsal Business Consulting LLC.</li> <li>Mr. Burkett holds a bachelor's degree from Texas A&amp;M University.</li> </ul>   |
| 4.      | James Hickey         | -   | December 24, 2019   | <ul style="list-style-type: none"> <li>James Hickey is a Principal at Vista Equity Partners Management, LLC. Prior to joining Vista in 2008, Mr. Hickey worked in the technology investment banking practice at William Blair &amp; Company.</li> <li>Mr. Hickey holds a bachelor's degree from Williams College and an M.B.A from the Graduate School of Business at the University of Chicago.</li> </ul>   |
| 5.      | Anand Anbalagan      | -   | December 24, 2019   | <ul style="list-style-type: none"> <li>Anand Anbalagan is a Senior Vice President at Vista Equity Partners Management, LLC. Prior to joining Vista in 2009, Mr. Anbalagan worked in the technology investment banking group at Morgan Stanley.</li> <li>Mr. Anbalagan holds bachelor's degrees in Economics and Engineering from the University of Pennsylvania.</li> </ul>   |

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

**3.1.9** The Acquirer has not been categorized as a wilful defaulter in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.

**3.1.10** Acquirer was incorporated on November 12, 2019 and this being its first year of operations, no financial statements of Acquirer are available as on date.

**3.1.11** As on the date of this DLOF, Acquirer does not have any major contingent liabilities.

## **3.2 VISTA EQUITY PARTNERS PERENNIAL, L.P. (“PAC 1”)**

**3.2.1** PAC 1 is an exempted limited partnership which was registered on October 30, 2017 as Vista Equity Partners Perennial, L.P. under the laws of Cayman Islands. Its registered office is located at C/O Maples and Calder, PO Box 309, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands, KY1-1104. There has been no change in the name of PAC 1 since its incorporation.

**3.2.2** PAC 1 is controlled by its general partner VEPP GP, L.P., which is controlled by its general partner, VEPP UGP, Ltd.

**3.2.3** PAC 1, along with PAC 2, jointly and indirectly controls Aurora UK Midco 2 Limited, which holds 100% of the share capital of the Acquirer.

**3.2.4** PAC 1 is in the business of investment holding and related activities with USD 642.70 million (INR 45,773.99 million) of commitments as at September 30, 2019. PAC 1 has been established to invest in enterprise software, data, and technology-enabled organizations and forms part of Vista Equity Partners’ permanent capital strategy. PAC 1’s portfolio currently consists only of the Accelya group. PAC 1 is a part of the Vista Equity Partners Group.

**3.2.5** The shares of PAC 1 are not listed on any stock exchange in India or abroad.

**3.2.6** Pursuant to the completion of the Underlying Transaction, Accelya Holding World, a wholly owned indirect subsidiary of the Acquirer and PAC 3 which is jointly controlled by PAC 1 and PAC 2, holds 11,143,295 equity shares in the Target Company constituting 74.66% of the Voting Share Capital. The Acquirer has not directly acquired any Equity Shares of the Target Company between the date of the PA i.e. November 19, 2019 and the date of this DLOF.

**3.2.7** Neither PAC 1, nor its general partner or key employees, have any relationship or interest in the Target Company except for the Underlying Transaction. Further, since PAC 1 is an exempted limited partnership, PAC 1 does not have any directors. Hence, there are no common directors on the board of PAC 1 and the Target Company.

**3.2.8** PAC 1 has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

**3.2.9** PAC 1 has not been categorized as a wilful defaulter in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.

**3.2.10** PAC 1 was registered on October 30, 2017 and its operations commenced on November 21, 2018. The standalone financial information of PAC 1 as at and for the period ended December 31, 2018 extracted from the audited financial statements for the respective period/ financial year, and for the period from January 1, 2019 to October 31, 2019 which have been certified/ reviewed by the statutory auditors, are as follows:

|  | For the period from January 1, 2019<br>to October 31, 2019 |                 | For the period from November 21, 2018<br>to December 31, 2018 |                 |
|--|--|-----------------|---|-----------------|
|  | USD mn   | INR mn          | USD mn  | INR mn          |
| <b>Profit &amp; Loss Statement</b>   |  |                 |   |                 |
| Income from Operations   | -  | -               | -   | -               |
| Other Income   | -  | -               | -   | -               |
| Total Income   | -  | -               | -   | -               |
| Total Expenditure ( <i>Excluding<br/>Depreciation, Interest Expenses and Taxes</i> ) | (1.28)   | (91.14)         | (1.82)  | (129.54)        |
| Profit Before Depreciation, Interest<br>Expenses and Taxes                           | (1.28)   | (91.14)         | (1.82)  | (129.54)        |
| Depreciation   | -  | -               | -   | -               |
| Interest Expenses  | -  | -               | -   | -               |
| Profit Before Tax  | (1.28)   | (91.14)         | (1.82)  | (129.54)        |
| Provision for Tax  | (0.00)   | (0.06)          | -   | -               |
| Profit After Tax   | (1.28)   | (91.20)         | (1.82)  | (129.54)        |
| <b>Balance Sheet Statement</b>   |  |                 |   |                 |
| <b>Sources of funds</b>  |  |                 |   |                 |
| Partners' Capital/ (Deficit)   | (3.10)   | (220.78)        | (1.82)  | (129.54)        |
| Reserves and Surplus (excluding<br>revaluation reserve)                              | -  | -               | -   | -               |
| <b>Net worth</b>   | <b>(3.10)</b>  | <b>(220.78)</b> | <b>(1.82)</b>   | <b>(129.54)</b> |
| Secured Loans  | -  | -               | -   | -               |
| Unsecured Loans  | -  | -               | -   | -               |
| Liabilities – Due to affiliates  | 3.10   | 220.78          | 1.82  | 129.54          |
| <b>Total</b>   | <b>-</b>   | <b>-</b>        | <b>-</b>  | <b>-</b>        |
| <b>Uses of funds</b>   |  |                 |   |                 |
| Net Fixed Assets   | -  | -               | -   | -               |
| Investments  | -  | -               | -   | -               |
| Other non-current assets   | -  | -               | -   | -               |
| Net current assets   | -  | -               | -   | -               |
| Total miscellaneous expenditure not<br>written off                                   | -  | -               | -   | -               |
| <b>Total</b>   | <b>-</b>   | <b>-</b>        | <b>-</b>  | <b>-</b>        |
| <b>Other Financial Data</b>  |  |                 |   |                 |
| Dividend (%)   | -  | -               | -   | -               |
| Earnings Per Share   | -  | -               | -   | -               |

**3.2.11** As on the date of this DLOF, PAC 1 does not have any major contingent liabilities.

### **3.3 VISTA EQUITY PARTNERS PERENNIAL A, L.P. (“PAC 2”)**

- 3.3.1** PAC 2 is an exempted limited partnership. It was registered on February 15, 2018 as Vista Equity Partners Perennial A, L.P. under the laws of Cayman Islands. Its registered office is located at C/O Maples and Calder, PO Box 309, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands, KY1-1104. There has been no change in the name of PAC 2 since its incorporation.
- 3.3.2** PAC 2 is controlled by its general partner VEPP GP, L.P., which is controlled by its general partner, VEPP UGP, Ltd.
- 3.3.3** PAC 2, along with PAC 1, jointly and indirectly controls Aurora UK Midco 2 Limited, which holds 100% of the issued share capital of the Acquirer.
- 3.3.4** PAC 2 is in the business of investment holding and related activities with USD 897.96 million (INR 63,953.26 million) of commitments as at September 30, 2019. PAC 2 has been established to invest in enterprise software, data, and technology-enabled organizations and forms part of Vista Equity Partners’ permanent capital strategy. PAC 2’s portfolio currently consists only of the Accelya group. PAC 2 is a part of the Vista Equity Partners Group.
- 3.3.5** The shares of PAC 2 are not listed on any stock exchange in India or abroad.
- 3.3.6** Pursuant to the completion of the Underlying Transaction, Accelya Holding World a wholly owned indirect subsidiary of the Acquirer and PAC 3 which is jointly controlled by PAC 1 and PAC 2, holds 11,143,295 equity shares in the Target Company constituting 74.66% of the Voting Share Capital. PAC 1 has not directly acquired any Equity Shares of the Target Company between the date of the PA i.e. November 19, 2019 and the date of this DLOF.
- 3.3.7** Neither PAC 2, nor its general partner or key employees, have any relationship or interest in the Target Company except for the Underlying Transaction. Further, since PAC 2 is an exempted limited partnership, PAC 2 does not have any directors. Hence, there are no common directors on the board of PAC 2 and the Target Company.
- 3.3.8** PAC 2 has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 3.3.9** PAC 2 has not been categorized as a wilful defaulter in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.
- 3.3.10** PAC 2 was registered on February 15, 2018 and its operations commenced on November 21, 2018. The standalone financial information of PAC 2 as at and for the period ended December 31, 2018 extracted from the audited financial statements for the respective period/ financial year, and for the period from January 1, 2019 to October 31, 2019 which have been certified / reviewed by the statutory auditors, are as follows:

|  | For the period from January 1, 2019 to<br>October 31, 2019 |                 | For the period from November 21, 2018<br>to December 31, 2018 |                 |
|--|--|-----------------|---|-----------------|
|  | USD mn   | INR mn          | USD mn  | INR mn          |
| <b>Profit &amp; Loss Statement</b>   |  |                 |   |                 |
| Income from Operations   | -  | -               | -   | -               |
| Other Income   | -  | -               | -   | -               |
| Total Income   | -  | -               | -   | -               |
| Total Expenditure ( <i>Excluding<br/>Depreciation, Interest Expenses and Taxes</i> ) | (2.02)   | (144.21)        | (2.26)  | (161.14)        |
| Profit Before Depreciation, Interest<br>Expenses and Taxes                           | (2.02)   | (144.21)        | (2.26)  | (161.14)        |
| Depreciation   | -  | -               | -   | -               |
| Interest Expenses  | -  | -               | -   | -               |
| Profit Before Tax  | (2.02)   | (144.21)        | (2.26)  | (161.14)        |
| Provision for Tax  | (0.00)   | (0.06)          | -   | -               |
| Profit After Tax   | (2.03)   | (144.27)        | (2.26)  | (161.14)        |
| <b>Balance Sheet Statement</b>   |  |                 |   |                 |
| <b>Sources of funds</b>  |  |                 |   |                 |
| Partners' Capital/ (Deficit)   | (4.29)   | (305.41)        | (2.26)  | (161.14)        |
| Reserves and Surplus (excluding<br>revaluation reserve)                              | -  | -               | -   | -               |
| <b>Net worth</b>   | <b>(4.29)</b>  | <b>(305.41)</b> | <b>(2.26)</b>   | <b>(161.14)</b> |
| Secured Loans  | -  | -               | -   | -               |
| Unsecured Loans  | -  | -               | -   | -               |
| Liabilities – Due to affiliates  | 4.29   | 305.41          | 2.26  | 161.14          |
| <b>Total</b>   | <b>-</b>   | <b>-</b>        | <b>-</b>  | <b>-</b>        |
| <b>Uses of funds</b>   |  |                 |   |                 |
| Net Fixed Assets   | -  | -               | -   | -               |
| Investments  | -  | -               | -   | -               |
| Other non-current assets   | -  | -               | -   | -               |
| Net current assets   | -  | -               | -   | -               |
| Total miscellaneous expenditure not<br>written off                                   | -  | -               | -   | -               |
| <b>Total</b>   | <b>-</b>   | <b>-</b>        | <b>-</b>  | <b>-</b>        |
| <b>Other Financial Data</b>  |  |                 |   |                 |
| Dividend (%)   | -  | -               | -   | -               |
| Earnings Per Share   | -  | -               | -   | -               |

**3.3.11** As on the date of this DLOF, PAC 2 does not have any major contingent liabilities.

### **3.4 Accelya Topco Limited (“PAC 3”)**

**3.4.1** PAC 3 is a private limited company. It was incorporated on March 19, 2014 as Canary Topco Limited under the laws of England and Wales. Its registered office is located at Acre House, 11/15 William Road, London, United Kingdom, NW1 3ER. On April 11, 2019, PAC 3 changed its name from Canary Topco Limited to Accelya Topco Limited.

**3.4.2** The issued and paid up share capital of PAC 3 consists of 1,012,999 A1 Ordinary Shares of US\$0.001 each, 1,814,968,031 A2 Ordinary Shares of US\$0.000001 each, 184,513,774 A3 Ordinary Shares of US\$0.000001 each, 172,368 B1-I Ordinary Shares of US\$0.001 each, 205,292,702 B1-II Ordinary Shares of US\$0.000001 each, 25,000 B2 Ordinary Shares of US\$1.00 each, 205,297 C Shares of US\$0.000001 each and 221,564,378 Preference Shares of US\$0.001 each. The Acquirer holds 100% of the issued share capital of PAC 3, and Aurora UK Midco 2 Limited holds 100% of the issued share capital of the Acquirer and is indirectly controlled by PAC 1 and PAC 2. PAC 3 is part of the Vista Equity Partners Group.

**3.4.3** PAC 3 is an investment holding company. Aside from its holding of the Accelya group companies which are a provider of technology products and services to the travel and transport industry and which also includes holding of Accelya Holding World, the promoter of the Target Company, PAC 3 has not made any previous investments. Prior to its acquisition by the Acquirer on December 24, 2019, PAC 3 was the holding company of the Accelya group.

**3.4.4** The shares of PAC 3 are not listed on any stock exchange in India or abroad.

**3.4.5** Pursuant to the completion of the Underlying Transaction, all of the issued share capital of PAC 3 was directly acquired by the Acquirer. Prior to completion of the Underlying Transaction, Accelya Holding World was a wholly owned indirect subsidiary of PAC 3, and therefore became an indirect subsidiary of the Acquirer upon completion of the Underlying Transaction. As described above, Accelya Holding World holds 11,143,295 equity shares in the Target Company constituting 74.66% of the Voting Share Capital. PAC 3 has not directly acquired any Equity Shares of the Target Company between the date of the PA i.e. November 19, 2019 and the date of this DLOF.

**3.4.6** Other than as mentioned in paragraph 3.4.5, as of the date of this DLOF, PAC 3 and the directors and key employees of the PAC 3 do not have any relationship or interest in the Target Company.

**3.4.7** The Board of Directors of the PAC 3 comprises the following members:

| <b>Sr. No.</b> | <b>Name and Designation</b> | <b>DIN</b> | <b>Date of Appointment</b> | <b>Qualification and Experience</b>  |
|----------------|-----------------------------|------------|----------------------------|--|
| 1.             | Burke Norton                | -          | December 27, 2019          | <ul style="list-style-type: none"><li>Burke Norton is a Principal at Vista Equity Partners Management, LLC. Prior to joining Vista, Mr. Norton was a senior executive officer and member of the Executive Committee at Salesforce, a leading enterprise software</li></ul> |

| Sr. No. | Name and Designation | DIN | Date of Appointment | Qualification and Experience  |
|---------|----------------------|-----|---------------------|---|
|         |                      |     |                     | <p>company. Prior to Salesforce, Mr. Norton was a senior executive officer and member of the Office of the Chairman at Expedia, a global travel company. Prior to Expedia, Mr. Norton was a Partner at Wilson Sonsini Goodrich &amp; Rosati, where he practiced M&amp;A and securities law.</p> <ul style="list-style-type: none"> <li>Mr. Norton holds a J.D. from the University of California, Berkeley, School of Law.</li> </ul> |
| 2.      | Anand Anbalagan      | -   | December 27, 2019   | <ul style="list-style-type: none"> <li>Anand Anbalagan is a Senior Vice President at Vista Equity Partners Management, LLC. Prior to joining Vista in 2009, Mr. Anbalagan worked in the technology investment banking group at Morgan Stanley.</li> <li>Mr. Anbalagan holds bachelor's degrees in Economics and Engineering from the University of Pennsylvania.</li> </ul>   |

**3.4.8** PAC 3 has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

**3.4.9** PAC 3 has not been categorized as a wilful defaulter in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.

**3.4.10** The consolidated financial information of PAC 3 as at and for the periods ended June 30, 2019, June 30, 2018, June 30, 2017 and December 31, 2016, as extracted from the audited financial statements for the respective financial statements, are as follows:

|   | For the year ended from July 1, 2018 to June 30, 2019 |                  | For the year ended from July 1, 2017 to June 30, 2018 |                  | For the period ended from January 1, 2017 to June 30, 2017 |                 | For the year ended from January 1, 2016 to December 31, 2016 |                 |
|---|---|------------------|---|------------------|--|-----------------|--|-----------------|
|   | USD mn  | INR mn           | USD mn  | INR mn           | USD mn   | INR mn          | USD mn   | INR mn          |
| <b>Profit &amp; Loss Statement</b>                                      |   |                  |   |                  |  |                 |  |                 |
| Income from Operations  | 184.40  | 13,133.15        | 195.733   | 13,940.38        | 66.431   | 4,731.31        | 85.30  | 6,074.97        |
| Other Income  | -   | -                | -   | -                | -  | -               | 0.20   | 14.09           |
| <b>Total Income</b>   | <b>184.40</b>   | <b>13,133.15</b> | <b>195.73</b>   | <b>13,940.38</b> | <b>66.43</b>   | <b>4,731.31</b> | <b>85.49</b>   | <b>6,089.06</b> |
| Total Expenditure (excluding Depreciation, Interest Expenses and Taxes) | (113.71)  | (8,098.66)       | (135.28)  | (9,634.47)       | (65.11)  | (4637.51)       | (114.51)   | (8,155.30)      |
| Profit Before Depreciation, Interest Expenses and Taxes                 | 70.688  | 5,034.50         | 60.458  | 4,305.90         | 1.32   | 93.80           | (29.01)  | (2,066.24)      |
| Depreciation  | (46.47)   | (3,309.52)       | (43.00)   | (3,062.73)       | (12.34)  | (878.94)        | (2.28)   | (162.58)        |
| Interest Expenses   | (41.50)   | (2,955.76)       | (34.78)   | (2,476.80)       | (11.30)  | (805.09)        | (1.12)   | (79.86)         |

|  | For the year ended<br>from July 1, 2018 to<br>June 30, 2019 |                   | For the year ended<br>from July 1, 2017 to<br>June 30, 2018 |                   | For the period ended<br>from January 1, 2017<br>to June 30, 2017 |                   | For the year ended<br>from January 1, 2016<br>to December 31, 2016 |                   |
|--|---|-------------------|---|-------------------|--|-------------------|--|-------------------|
|  | USD mn  | INR mn            | USD mn  | INR mn            | USD mn   | INR mn            | USD mn   | INR mn            |
| Profit Before Tax  | (17.28)   | (1,230.78)        | (17.32)   | (1,233.63)        | (22.33)  | (1,590.23)        | (32.42)  | (2,308.68)        |
| Provision for Tax  | 3.03  | 215.80            | (3.15)  | (224.49)          | (2.64)   | (188.24)          | (0.70)   | (49.79)           |
| <b>Profit After Tax</b>                                    | <b>(14.25)</b>  | <b>(1,014.98)</b> | <b>(20.47)</b>  | <b>(1,458.12)</b> | <b>(24.97)</b>   | <b>(1,778.47)</b> | <b>(33.11)</b>   | <b>(2,358.47)</b> |
| Other comprehensive<br>income / loss                       | (1.42)  | (101.35)          | (1.70)  | <b>(121.29)</b>   | 36.74  | 2,616.60          | 0.06   | 4.60              |
| <b>Comprehensive<br/>income / loss</b>                     | <b>(15.67)</b>  | <b>(1,116.32)</b> | <b>(22.18)</b>  | <b>(1,579.41)</b> | <b>11.77</b>   | <b>838.13</b>     | <b>(33.05)</b>   | <b>(2,353.87)</b> |
| <b>Balance Sheet Statement</b>                             |   |                   |   |                   |  |                   |  |                   |
| <b>Sources of funds</b>                                    |   |                   |   |                   |  |                   |  |                   |
| Paid-up share capital                                      | 0.00  | 0.20              | 0.00  | 0.20              | 0.00   | 0.20              | 0.03   | 1.86              |
| Preference Share   | 0.22  | 15.74             | 0.22  | 15.74             | 0.22   | 15.74             | 0.10   | 7.27              |
| Reserves and Surplus<br>(excluding<br>revaluation reserve) | 169.01  | 12,037.43         | 185.99  | 13,246.77         | 208.22   | 14,829.73         | 51.52  | 3,669.61          |
| <b>Net worth</b>   | <b>169.24</b>   | <b>12,053.37</b>  | <b>186.22</b>   | <b>13,262.71</b>  | <b>208.44</b>  | <b>14,845.67</b>  | <b>51.65</b>   | <b>3,678.75</b>   |
| Non-controlling<br>interest                                | 28.48   | 2,028.24          | 29.48   | 2,099.54          | 31.70  | 2,257.50          | -  | -                 |
| Secured Loans  | 457.38  | 32,575.24         | 454.808   | 32,392.06         | 452.214  | 32,207.31         | -  | -                 |
| Unsecured Loans  | -   | -                 | -   | -                 | -  | -                 | 20.00  | 1,424.43          |
| Other non-current<br>liabilities                           | 111.616   | 7,949.45          | 111.224   | 7,921.53          | 121.489  | 8,652.62          | 3.86   | 275.02            |
| <b>Total</b>   | <b>766.71</b>   | <b>54,606.30</b>  | <b>781.73</b>   | <b>55,675.83</b>  | <b>813.84</b>  | <b>57,963.11</b>  | <b>75.51</b>   | <b>5,378.19</b>   |
| <b>Uses of funds</b>                                       |   |                   |   |                   |  |                   |  |                   |
| Net Fixed Assets   | 731.893   | 52,126.44         | 744.806   | 53,046.13         | 778.027  | 55,412.17         | 82.00  | 5,840.17          |
| Investments  | -   | -                 | -   | -                 | -  | -                 | -  | -                 |
| Other non-current<br>assets                                | 6.328   | 450.69            | 4.692   | 334.17            | 2.665  | 189.81            | -  | -                 |
| Net current assets   | 28.491  | 2,029.17          | 32.231  | 2,295.54          | 33.152   | 2,361.13          | (6.49)   | (461.98)          |
| Total miscellaneous<br>expenditure not<br>written off      | -   | -                 | -   | -                 | -  | -                 | -  | -                 |
| <b>Total</b>   | <b>766.71</b>   | <b>54,606.30</b>  | <b>781.73</b>   | <b>55,675.83</b>  | <b>813.84</b>  | <b>57,963.11</b>  | <b>75.51</b>   | <b>5,378.19</b>   |
| <b>Other Financial Data</b>                                |   |                   |   |                   |  |                   |  |                   |
| Dividend (%)   | -   | -                 | -   | -                 | -  | -                 | -  | -                 |
| Earnings Per Share*  | -   | -                 | -   | -                 | -  | -                 | -  | -                 |

\*As the issued and paid up capital of PAC 3 consists of multiple class of equity shares as described in point 3.4.2 above, the EPS has not been computed

**3.4.11** As on the date of this DLOF, PAC 3 does not have any major contingent liabilities.

#### 4. BACKGROUND OF THE TARGET COMPANY

- 4.1 The Target Company is a public limited company incorporated as Kale Consultants Private Limited on September 25, 1986. The Target Company became a public limited company with effect from October 29, 1997, and, consequently, was named Kale Consultants Limited. Pursuant to a fresh certificate of incorporation issued by the Registrar of Companies dated July 23, 2012, its name was changed to Accelya Kale Solutions Limited. Subsequently, its name was changed to its present name Accelya Solutions India Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies dated May 20, 2019.
- 4.2 The registered office of the Target Company is located at Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune – 411 037. Tel: +91 20 6608 3777 and Fax: +91 20 2423 1639 and its corporate identity number is L74140PN1986PLC041033.
- 4.3 The Target Company is a leading technology solutions provider to the airline and travel industry and helps airline customers integrate and simplify their financial processes to manage costs, risks, revenue leakages, cash flows, profitability and overall business performance.
- 4.4 The Target Company is controlled by Accelya Holding World, a wholly owned indirect subsidiary of the Acquirer and PAC 3, which holds 11,143,295 Equity Shares in the Target Company constituting 74.66% of the total issued, paid-up share capital of the Target Company.
- 4.5 As on the date of DLOF, the total authorized share capital of the Target Company is INR 202,000,000 consisting of 20,200,000 Equity Shares. The issued, subscribed and paid-up share capital of the Target Company is INR 149,262,610 consisting of 14,926,261 Equity Shares as on June 30, 2019.
- 4.6 The share capital structure of the Target Company is as follows:

| <b>Paid-up Equity Shares of Target Company</b> | <b>No. of Shares</b> | <b>% of shares or voting rights</b> |
|--|----------------------|-------------------------------------|
| Fully paid-up Equity Shares                    | 14,926,261           | 100%                                |
| Partly paid-up Equity Shares                   | -                    | -                                   |
| Total paid-up Equity Shares                    | 14,926,261           | 100%                                |
| Total voting rights in Target Company          | 14,926,261           | 100%                                |

- 4.7 The Equity Shares were listed on November 16, 1999 on BSE (Scrip ID: ACCELYA; Scrip Code: 532268) and on December 1, 1999 on NSE (Symbol: ACCELYA). The ISIN of Equity Shares of the Target Company is INE793A01012.
- 4.8 The Equity Shares are not frequently traded on the Stock Exchanges in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
- 4.9 There has been no suspension of trading of the Equity Shares on BSE and NSE.

4.10 There are no Equity Shares of the Target Company that are not listed on BSE and NSE.

4.11 As of the date of this Draft Letter of Offer, there are no (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (warrants / fully convertible debentures / partly convertible debentures / employee stock options) issued by the Target Company.

4.12 The Board of Directors of the Target Company comprises the following directors:

| S. No | Name of the Director | Designation                            | DIN      | Date of Appointment |
|-------|----------------------|--|----------|---------------------|
| 1     | John Johnston        | Chairman                               | 07258586 | August 14, 2015     |
| 2     | Neela Bhattacharjee  | Managing Director                      | 01912483 | August 05, 2015     |
| 3     | Nani Javeri          | Independent Director                   | 02731854 | July 8, 2013        |
| 4     | Sekhar Natarajan     | Independent Director                   | 01031445 | July 7, 2011        |
| 5     | Sangeeta Singh       | Independent Director                   | 01031445 | July 18, 2014       |
| 6     | Jose Maria Hurtado   | Non-Executive Non-Independent Director | 08621867 | November 27, 2019   |

4.13 The Target Company was not involved in any merger/demerger/spin offs during the last 3 years.

4.14 Consolidated unaudited limited review financial information as at and for the three month period ending September 30, 2019 and consolidated audited financial statements for the financial year ended June 30, 2019, June 30, 2018, and June 30, 2017 is provided below. In this regard, please note that the consolidated financial information of the Target Company, as at and for the financial years ended June 30, 2019 and June 30, 2018 have been extracted from the respective audited consolidated financial statements for the said financial years and as at and for the financial year ended June 30, 2017 has been extracted from the comparative financial information in the audited consolidated financial statements as at and for the financial year ended June 30, 2018 and as at and for the three months period ended September 30, 2019 has been extracted from financial statements for the said period which have been subjected to limited review:

(Amount: INR in million)

|  | Period ended<br>September 30,<br>2019 | Financial Year<br>ended June 30,<br>2019 | Financial Year<br>ended June 30,<br>2018 | Financial Year<br>ended June 30,<br>2017 |
|--|---------------------------------------|--|--|--|
| <b>Profit &amp; Loss Statement</b>   |                                       |  |  |  |
| Income from operations   | 1,217.81                              | 4,330.25                                 | 3,814.23                                 | 3,673.97                                 |
| Other Income   | 7.34                                  | 89.65                                    | 45.01                                    | 203.10                                   |
| <b>Total Income</b>  | <b>1,225.15</b>                       | <b>4,419.90</b>                          | <b>3,859.24</b>                          | <b>3,877.07</b>                          |
| Total Expenditure (excluding Depreciation,<br>Interest Expenses and Taxes) | (675.19)                              | (2,632.96)                               | (2,332.06)                               | (2,229.22)                               |

|  | Period ended<br>September 30,<br>2019 | Financial Year<br>ended June 30,<br>2019 | Financial Year<br>ended June 30,<br>2018 | Financial Year<br>ended June 30,<br>2017 |
|--|---------------------------------------|--|--|--|
| Profit Before Depreciation Interest and Taxes        | 549.96                                | 1,786.94                                 | 1,527.18                                 | 1,647.85                                 |
| Depreciation   | (72.09)                               | (167.00)                                 | (143.52)                                 | (143.76)                                 |
| Interest   | (13.97)                               | -  | -  | -  |
| Profit Before Tax                                    | 463.89                                | 1,619.94                                 | 1,383.66                                 | 1,504.09                                 |
| Tax expense  | (138.32)                              | (556.16)                                 | (491.87)                                 | (531.62)                                 |
| Profit after tax                                     | <b>325.58</b>                         | <b>1,063.78</b>                          | <b>891.79</b>                            | <b>972.47</b>                            |
| <b>Balance Sheet</b>                                 |                                       |  |  |  |
| <b>Sources of Funds</b>                              |                                       |  |  |  |
| Paid-up share capital                                | -                                     | 149.27                                   | 149.27                                   | 149.27                                   |
| Reserves and Surplus (excluding revaluation reserve) | -                                     | 1,826.34                                 | 1,646.63                                 | 1,660.57                                 |
| <b>Net Worth</b>                                     | -                                     | <b>1,975.61</b>                          | <b>1,795.90</b>                          | <b>1,809.84</b>                          |
| Secured Loans  | -                                     | -  | -  | -  |
| Unsecured Loans                                      | -                                     | -  | -  | -  |
| Other non-current liabilities                        | -                                     | 41.62                                    | 68.44                                    | 67.40                                    |
| <b>Total</b>   | -                                     | <b>2,017.23</b>                          | <b>1,864.34</b>                          | <b>1,877.23</b>                          |
| <b>Uses of Funds</b>                                 |                                       |  |  |  |
| Net Fixed Assets                                     | -                                     | 716.91                                   | 695.49                                   | 630.01                                   |
| Investments  | -                                     | 167.09                                   | 364.49                                   | 414.81                                   |
| Other non-current assets                             | -                                     | 202.33                                   | 209.04                                   | 150.80                                   |
| Net Current Assets                                   | -                                     | 930.90                                   | 595.32                                   | 681.61                                   |
| Total miscellaneous expenditure not written off      | -                                     | -  | -  | -  |
| <b>Total</b>   | -                                     | <b>2,017.23</b>                          | <b>1,864.34</b>                          | <b>1,877.23</b>                          |
| <b>Other Financial Data</b>                          |                                       |  |  |  |
| Dividend (%)   | -                                     | 320%                                     | 460%                                     | 510%                                     |
| Earnings Per Share                                   | 21.81                                 | 71.27                                    | 59.75                                    | 65.15                                    |

**4.15** Pre and post- offer shareholding pattern of the Target Company as on the date of this Draft Letter of Offer:

| Shareholders' category   | Shareholding and voting rights prior to the agreement/ acquisition and offer. |                | Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations |                | Equity Shares/voting rights to be acquired in this open offer (Assuming full acceptances) |                | Shareholding/voting rights after the acquisition and this offer. |                |
|--|---|----------------|--|----------------|---|----------------|--|----------------|
|  | (A)   |                | (B)  |                | (C)   |                | (A)+(B)+(C)=(D)  |                |
|  | No.   | % <sup>1</sup> | No.  | % <sup>1</sup> | No.   | % <sup>1</sup> | No.  | % <sup>1</sup> |
| <b>(1) Promoter group</b>  |   |                |  |                |   |                |  |                |
| a. Parties to the agreement , if any <sup>2</sup>                      | -   | -              | -  | -              | -   | -              | -  | -              |
| b. Promoters other than (a) above <sup>3</sup>                         | 11,143,295  | 74.66          | See Note 3 below   | -              | -   | -              | 11,143,295   | 74.66          |
| <b>Total 1(a+b)</b>  | <b>11,143,295</b>   | <b>74.66</b>   | <b>See Note 3 below</b>  | -              | -   | -              | <b>11,143,295</b>  | <b>74.66</b>   |
| <b>(2) Acquirer<sup>4</sup></b>  |   |                |  |                |   |                |  |                |
| a. Acquirer  | -   | -              | -  | -              | 3,782,966   | 25.34          | 3,782,966  | 25.34          |
| b. PAC 1   | -   | -              | -  | -              | -   | -              | -  | -              |
| c. PAC 2   | -   | -              | -  | -              | -   | -              | -  | -              |
| d. PAC 3   | -   | -              | -  | -              | -   | -              | -  | -              |
| <b>Total 2 (a+b+c+d)</b>   | -   | -              | -  | -              | -   | -              | <b>3,782,966</b>   | <b>25.34</b>   |
| <b>Total Promoter group (1 + 2)</b>                                    | <b>11,143,295</b>   | <b>74.66</b>   |  |                |   |                | <b>14,926,261</b>  | <b>100.00</b>  |
| <b>(3) Parties to the SPA other than (1)(a) and (2)</b>                | -   | -              | -  | -              | -   | -              | -  | -              |
| <b>(4) Public (other than parties to agreement, Acquirer and PACs)</b> |   |                |  |                |   |                |  |                |
| a. FPI/ FIIs / MFs / AIFs/ FIs / Banks                                 | 850,147   | 5.70           |  |                | (3,782,966)   | (25.34)        |  |                |
| b. Other Public  | 2,932,819   | 19.65          |  |                |   |                |  |                |
| <b>Total (4) (a+b)</b>   | <b>3,782,966</b>  | <b>25.34</b>   |  |                | <b>(3,782,966)</b>  | <b>(25.34)</b> |  |                |
| <b>Grand Total (1+2+3+4)</b>   | <b>14,926,261</b>   | <b>100.00</b>  |  |                |   |                | <b>14,926,261</b>  | <b>100.00</b>  |

Notes:

1. Calculated on the basis of the Voting Share Capital of the Target Company.
2. The Acquirer will not directly acquire any shares of the Target Company pursuant to the SPA. There are no parties to an agreement directly acquiring any Equity Shares of the Target Company and no sellers that are selling any Equity Shares of the Target Company as this is an Offer triggered by an indirect acquisition of the Target Company.
3. The Acquirer will not directly acquire any shares of the Target Company pursuant to the SPA. Pursuant to the completion of the Underlying Transaction on December 24, 2019, Accelya Holding World, a wholly owned indirect subsidiary of the Acquirer and PAC 3 which is jointly controlled by PAC 1 and PAC 2, holds 11,143,295 equity shares in the Target Company constituting 74.66% of the Voting Share Capital.
4. The Acquirer did not hold any Equity Shares in the Target Company prior to the date of the SPA.
5. The number of shareholders of the Target Company in the "public category" as on January 3, 2020 is 20,363.

4.16 The Acquirer and the PACs have not acquired any Equity Shares after the date of the PA till the date of the DLOF.

## 5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 5.1 Justification of Offer Price

5.1.1 The Equity Shares of the Target Company are listed and traded on Stock Exchanges.

5.1.2 The traded turnover in the Equity Shares of the Target Company on BSE and NSE during the period November 1, 2018 to October 31, 2019 (“**Twelve Month Period**”), viz. twelve calendar months preceding the calendar month in which the PA is made, is given below:

| Stock Exchange | Traded turnover of Equity Shares of the Target Company during the Twelve Month Period (“A”) | Total number of Equity Shares of the Target Company during the Twelve Month Period (“B”) | Traded turnover as % of total number of Equity Shares of the Target Company (A/B) |
|----------------|---|--|---|
| BSE            | 192,305   | 14,926,261   | 1.29%   |
| NSE            | 1,356,287   | 14,926,261   | 9.09%   |

Source: Based on the Certificate dated November 19, 2019 issued by MZSK & Associates, Chartered Accountants.

5.1.3 Based on the above information, the Equity Shares of the Target Company are not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

5.1.4 This is an indirect acquisition of Target Company in terms of Regulations 5(1) of the SEBI (SAST) Regulations, and such indirect acquisition does not fall within the parameters prescribed under Regulation 5(2) of the SEBI (SAST) Regulations.

5.1.5 The Offer Price of INR 956.09 per Equity Share of the Target Company is justified in terms of Regulation 8(3) and 8(4) read with Regulation 8(5) and 8(12) of the SEBI (SAST) Regulations in view of the following:

| S. No | Particulars   | Price (INR per Equity Share) |
|-------|---|------------------------------|
| A     | The highest negotiated price per share of the Target Company under the agreement for any acquisition attracting the obligation to make a PA of this Offer   | Not Applicable               |
| B     | The volume-weighted average price paid or payable for any acquisition by the Acquirer or PACs during the fifty-two weeks immediately preceding the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain | Not Applicable               |
| C     | The highest price paid or payable for any acquisition, whether by the Acquirer or the PACs, during the twenty-six weeks immediately preceding the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain  | Not Applicable               |

| S. No | Particulars   | Price<br>(INR per Equity Share) |
|-------|---|---------------------------------|
| D     | The highest price paid or payable for any acquisition, whether by the Acquirer or by the PACs between the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain, and the date of the PA of this Offer  | Not Applicable                  |
| E     | The volume-weighted average market price of the shares for a period of sixty trading days immediately preceding the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain, as traded on the NSE being the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period, provided such shares are frequently traded | Not Applicable <sup>(1)</sup>   |
| F     | The per equity share value computed under Regulation 8(5), if applicable.   | 900.18 <sup>(2) (3)</sup>       |
| G     | Price of shares of the Target Company determined by the Acquirer and the Manager to Offer taking into account valuation parameters including, book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies   | 944.19 <sup>(4)</sup>           |
| H     | Price at (G) above including interest in terms of Regulation 8(12) of the SEBI (SAST) Regulations   | 956.09 <sup>(5)</sup>           |

Notes:

- (1) Not applicable as the Equity Shares of the Target Company are listed on BSE and NSE, and are not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations as per certificate dated November 19, 2019 from MSKA & Associates, Chartered Accountants.
- (2) In terms of Regulation 8(5) of the SEBI (SAST) Regulations, an indirect acquisition where: (a) the proportionate net asset value of the target company, as a percentage of the consolidated net asset value of the entity or business being acquired; (b) the proportionate sales turnover of the target company, as a percentage of the consolidated sales turnover of the entity or business being acquired; or (c) the proportionate market capitalization of the target company, as a percentage of the enterprise value for the entity or business being acquired, is in excess of 15%, on the basis of the most recent audited annual financial statements, the acquirer is required to compute and disclose the per equity share value of the target company. As per certificate dated November 19, 2019 from MSKA & Associates, Chartered Accountants, the proportionate sales turnover of the Target Company as a percentage of the consolidated sales turnover of the entity being acquired (i.e. Accelya Topco Limited), is in excess of 15%.
- (3) The Acquirer has taken into account a per share price of INR 900.18 for the acquisition of the Target Company for the Underlying Transaction. This has been arrived at on the basis of the volume-weighted average market price of the equity shares of the Target Company for a period of 60 trading days immediately preceding November 15, 2019, i.e., the date when the Acquirer made a formal bid to acquire Aurora Topco Limited.
- (4) The price of INR 944.19 per Equity Share is the higher of (i) the price per Equity Share of INR 944.19 as per the report dated November 19, 2019 issued by MSKA & Associates, Chartered Accountants, and (ii) the price per Equity Share of

INR 939.07 as per the report dated November 19, 2019 issued by Banshi S. Mehta & Co., Chartered Accountants. An overview of the methodologies used as per the respective reports is summarized below:

***MSKA & Associates, Chartered Accountants***

“MSKA & Associates, Chartered Accountants (Address: Floor 3, Enterprise Centre, Nehru Road, Near Domestic Airport Vile Parle (E), Mumbai – 400 099, India; Tel.: +91 22 3332 1600; Fax: +91 22 2439 3700; and firm registration number: 105047W), in its valuation report dated November 19, 2019, has arrived at the fair value of Equity Shares of INR 944.19 per share based on the market price method and the comparable companies multiple method.

The market price of the Target Company has been calculated based on Volume Weighted Average Market Price (“VWAMP”) of the equity shares of the Target Company for a period of 60 trading days upto the Valuation Date i.e. November 15, 2019.

Under the comparable companies multiple method, the average Price to Earnings (PE) multiple has been arrived at by considering the 60 trading days VWAMP of the comparable companies and the normalized profitability of the comparable companies based on the trailing twelve month (TTM) financials. This average PE multiple has been applied to the TTM normalized profit after tax of the Target Company to arrive at the equity value of the Target Company, which is then divided by the equity shares outstanding to compute the equity value per share of the Target Company.

MSKA & Associates has applied equal weights to the methods to arrive at the equity value per share of the Target Company. More specifically, the value calculated under the market price method is assigned a weight of 1 (one) and the value calculated under the comparable companies multiple is assigned a weight of 1 (one).”

***Banshi S. Mehta & Co., Chartered Accountants***

“Banshi S. Mehta & Co., Chartered Accountants (Address: Metro House, 3rd Floor, M. G. Road, Dhobi Talao, Mumbai 400 020, Maharashtra, India; Tel.: 91-22-22014922; Fax: 91-22-22050147; and Firm Registration Number: 100991W), in its valuation report dated November 19, 2019, have arrived at the fair value of Equity Shares of Rs. 939.07 based on the (i) Market Price Method, (ii) Comparable Companies Multiple Method (based on Enterprise Value (“EV”) to Earnings before Interest, Tax, Depreciation and Amortization (“EBITDA”) multiple (“EV/EBITDA Multiple”) method and Price to Earnings (“P/E”) multiple method), (iii) Income Approach based on Capitalization of Profit After Tax (“PAT”) Method.

The market price of equity shares of the Target Company has been based on the volume weighted average market price on NSE over a period of sixty trading days up to November 15, 2019 (Valuation Date).

Under the Comparable Companies Multiple Approach, Banshi S. Mehta & Co. has used the EV/EBITDA multiple method and P/E Multiple Method to derive the fair value of the Target Company. Banshi S. Mehta & Co. has considered EBITDA, PAT, EV and adjusted market capitalization of comparable companies. The above parameters have been used to arrive at average EV/EBITDA and P/E multiple for comparable companies. Banshi S. Mehta & Co. has relied on the data of EBITDA and PAT of the Target Company, as is emerging from the latest available financial results of the Target Company as on the Valuation Date.

Under the PAT Capitalization Method the Target Company’s adjusted PAT has been capitalized considering assumptions for growth and the cost of equity to arrive at the business value.

Banshi S. Mehta & Co. has arrived at the fair value of equity shares of the Target Company by applying equal weights to the value derived under the Market Price Method, Comparable Companies Multiple Method and Capitalization of PAT Method.”

(5) In accordance with regulation 8(12) of the SEBI (SAST) Regulations, the offer price is required to be enhanced by an amount determined at the rate of 10% per annum for the period between, the earlier of the date on which the primary acquisition is contracted or the date on which the intention or the decision to make the primary acquisition is announced in the public domain (being November 15, 2019), and the date of the detailed public statement, provided such period is more than 5 working days. Accordingly, the price per Equity Share ascribed under (G) above, has been enhanced by INR 11.90 per Equity Share, at the rate of 10% per annum for the period between November 15, 2019 and the date of publication of the DPS i.e December 31, 2019.

**5.1.6** There have been no corporate actions by the Target Company warranting adjustment of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.

**5.1.7** As on the date of this DLOF, there is no revision in the Offer Price or size of the Open Offer. In case of any revision in the Offer Price or size of the Open Offer, the Acquirer and the PACs shall comply with applicable provisions of Regulation 18 of the SEBI (SAST) Regulations and any other provisions of the SEBI (SAST) Regulations which are required to be fulfilled for the said revision in the Offer Price or size of the Open Offer.

**5.1.8** In terms of Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations, the Acquirer is permitted to revise the Offer Price or the size of the Offer at any time prior to commencement of the last 1 Working Day before the commencement of the tendering period. In the event of such revision, the Acquirer and PACs shall (i) make corresponding increase to the escrow amount (ii) make public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously notify to BSE, NSE, SEBI and the Target Company at its registered office of such revision.

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

## **5.2 Financial Arrangements**

**5.2.1** The total consideration for the Offer, assuming full acceptance, i.e. for the acquisition of 3,782,966 Equity Shares, at the Offer Price of INR 956.09 per Equity Share is INR 3,616,855,963 ("**Offer Consideration**").

**5.2.2** In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer is required to create an escrow for an amount equal to 25% of the Offer Consideration, and, in the event of the escrow account being created is by way of a bank guarantee, then at least 1% of the Offer Consideration should be deposited in cash with a scheduled commercial bank. Accordingly, the total escrow amount required to be created is INR 940.38 million.

**5.2.3** In this regard, Citibank, N.A ("**Guarantor**"), acting through its office at 1st Floor, DLF Capitol Point, Baba Kharak Singh Marg, Connaught Place, New Delhi – 110001, India, has issued an unconditional, irrevocable and on demand bank guarantee dated December 24, 2019 for an amount of INR 904.00 million ("**Bank Guarantee**") on behalf of the Acquirer in favor of the Manager. The Bank Guarantee is valid up to June 30, 2020. The Manager

to the Offer has been duly authorised to realize the value of the aforesaid Bank Guarantee in terms of the SEBI (SAST) Regulations. The Acquirer has undertaken to extend the validity of the Bank Guarantee, in accordance with the SEBI (SAST) Regulations, such that the Bank Guarantee shall be valid for at-least thirty days after completion of payment of consideration to shareholders who have validly tendered their shares in acceptance of the Open Offer. The bank issuing the Bank Guarantee is neither an associate company nor a group company of the Acquirer or the Target Company.

**5.2.4** Furthermore, the Acquirer and the Manager inter alia have entered into an escrow agreement with Citibank, N.A (“**Escrow Agent**”), acting through its office at 11th Floor, First International Financial Centre, C-54 & 55, G Block, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051, India, dated December 23, 2019 (“**Escrow Agreement**”). Pursuant to the Escrow Agreement, the Acquirer has established an escrow account under the name and style of “Accelya Solutions India Ltd - Escrow Account 2019 Open Offer” (“**Escrow Account**”), and the Acquirer has made a cash deposit of INR 36.72 million (“**Cash Escrow**”). The Manager has been duly authorized to operate the Escrow Account in terms of the SEBI (SAST) Regulations. The cash deposit has been confirmed by way of a confirmation letter dated December 24, 2019 issued by the Escrow Bank.

The Bank Guarantee and Cash Escrow total INR 940.72 million, which is in excess of the total escrow amount required to be created of INR 940.38 million.

**5.2.5** The Acquirer has received commitment letters from PAC 1, pursuant to which PAC 1 has undertaken to provide the Acquirer with the necessary finances to meet the payment obligations under the Offer for an amount aggregating USD 52 million (INR 3,703.51 million). The financing arrangements of PAC 1 consist of uncalled capital commitments. PAC 1 has an uncalled committed capital of USD 642.70 million (INR 45,773.99 million) as of September 30, 2019. The Acquirer has also by way of letters dated November 19, 2019 and December 30, 2019 confirmed that, based on the aforementioned, it has sufficient means and capability for the purpose of fulfilling its obligations under the Offer and that firm financial resources/ arrangements through verifiable means are in place to fulfil the obligations under the Offer. After considering the aforementioned, Vishal Laheri & Associates, Chartered Accountants having their offices at Unit No. 1006, 10th Floor, Techno IT Park, Next to Eskay Resort, New Link Road, Borivali (West), Mumbai - 400 092. Tel: 80979 98000 (Mr. Vishal R Laheri, Partner, Membership No. 115033), by way of certificates dated November 19, 2019 and December 30, 2019, have certified that the Acquirer has adequate financial resources for fulfilling its obligations under the Offer.

**5.2.6** Based on the above, the Manager to the Offer is satisfied, (i) about the adequacy of resources to meet the financial requirements of the Offer and the ability of the Acquirer along with PAC to implement the Offer in accordance with the SEBI (SAST) Regulations, and (ii) that firm arrangements for payment through verifiable means are in place to fulfill the Offer obligations.

**5.2.7** In case of any upward revision in the Offer Price or the size of the Open Offer, the corresponding increase to the escrow amounts as mentioned above shall be made by the Acquirer and/or PACs in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

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

**6.1** This Offer is being made by the Acquirer and the PACs to: (i) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on January 30, 2019 i.e. the Identified

Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on January 30, 2019 i.e. the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the Closure of the Tendering Period for this Offer but who are not the registered Public Shareholders.

- 6.2** The Acquirer and the PACs are making this Offer to all Public Shareholders to acquire up to 3,782,966 Equity Shares, constituting 25.34% of the Voting Share Capital of the Target Company subject to the terms and conditions mentioned in the PA, Corrigendum to PA, DPS and this DLOF.
- 6.3** This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
- 6.4** Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Offer prior to the date of closure of the Tendering Period.
- 6.5** The Acquirer and the PACs will acquire the Equity Shares which are free from all liens, charges, equitable interests and encumbrances. The Acquirer shall acquire the Equity Shares of the Public Shareholders who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereof.
- 6.6** The Target Company does not have any Equity Shares which are currently locked-in.
- 6.7** The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 6.8** In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 6.9** The Acquirer reserves the right to revise the Offer Price upwards prior to the commencement of the last 1 Working Day prior to the commencement of the Tendering Period, i.e. up to February 11, 2020, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the Detailed Public Statement was published. The Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Detailed Public Statement and this Draft Letter of Offer.
- 6.10** The acceptance of this Offer is entirely at the discretion of the Public Shareholders of the Target Company.
- 6.11** None of the Acquirer, the PACs, the Manager to the Offer or the Registrar to the Offer accepts any responsibility for any loss of documents during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.

- 6.12** The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer.
- 6.13** Accidental omission to dispatch this LoF to any Public Shareholder to whom this Offer has been made or non-receipt of this Letter of Offer by any such Public Shareholder shall not invalidate this Offer in any way.
- 6.14 Statutory and other approvals:**
- 6.14.1** To the best of the knowledge of the Acquirer and PACs, no statutory approvals are required by the Acquirer and/or PACs to complete the Open Offer as on the date of this DLoF, except as set out below. If, however, any statutory or other approval becomes applicable prior to completion of such acquisitions, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.
- 6.14.2** In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals (in relation to the acquisition of Equity Shares constituting the Offer Shares) specified in this DLoF as set out above or those which become applicable prior to completion of the Open Offer are not received, for reasons outside the reasonable control of the Acquirer, then the Acquirer and the PACs shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirer and the PACs (through the Managers) shall, within 2 Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- 6.14.3** NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including but not limited to, the approval from the RBI, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity), and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory body) at the time of the original investment, in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirer and PACs reserve the right to reject such Equity Shares tendered pursuant to this Offer. If the Equity Shares are held under the general permission of the RBI, the non-resident Shareholders should state that the Equity Shares are held under such general permission and whether such Equity Shares are held on a repatriable basis or a non repatriable basis.
- 6.14.4** Subject to the receipt of the statutory and other approvals, if any, the Acquirer and the PACs shall complete all procedures relating to the Open Offer, including payment of consideration within 10 Working Days from the closure of the tendering period to those shareholders whose share certificates or other documents are found valid and in order and are approved for acquisition by the Acquirer and the PACs.
- 6.14.5** By agreeing to participate in this Open Offer (i) the holders of the Equity Shares who are persons resident in India and the (ii) the holders of the Equity Shares who are persons resident outside India (including NRIs, OCBs and FPIs) give the Acquirer the authority to make, sign, execute, deliver, acknowledge and perform all actions to file applications and regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Acquirer for such regulatory filings, if required by the Acquirer.

- 6.14.6** Where any statutory approval required for implementing the Offer extends to some but not all of the Public Shareholders, the Acquirer and the PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 6.14.7** In case of delay/non-receipt of any approval which may be required by the Acquirer and/or PACs at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer and the PACs to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulation 18(11) of the SEBI (SAST) Regulations.

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

- 7.1** The Offer will be implemented by the Acquirer and/ or the PACs through the stock exchange mechanism made available by the Stock Exchange in the form of a separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI read with the SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as amended from time to time, and notices / guidelines issued by Stock Exchanges and the Clearing Corporation in relation to the mechanism / process for the acquisition of shares through the stock exchange pursuant to the tender offers under takeovers, buy back and delisting, as amended and updated from time to time (“**Acquisition Window Circulars**”).
- 7.2** National Stock Exchange of India Limited shall be the designated stock exchange for the purpose of tendering shares in the Offer (“**Designated Stock Exchange**”).
- 7.3** The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be sent to the Public Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective depositories, as of the close of business on the Identified Date.
- 7.4** The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance-cum-Acknowledgement will also be available on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of the Letter of Offer, all Public Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance-cum-Acknowledgement from SEBI’s website for applying in the Offer.
- 7.5** All the Public Shareholders who desire to tender their Equity Shares under the Offer should consult with their depository participants and their respective stock brokers (“**Selling Broker**”) well in advance to understand the process and methodology in relation to tendering of the Equity Shares through the Stock Exchanges during the Tendering Period. The Buying Broker may also act as Selling Broker for Public Shareholders.
- 7.6** The Acquirer has appointed JM Financial Services Limited (“**Buying Broker**”) as its broker for the Offer through whom the purchase and settlement of the Equity Shares tendered in the Offer will be made. The contact details of the Buying Broker are as mentioned below:

### **JM Financial Services Limited**

5<sup>th</sup> floor, Energy, Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400025, India.  
Tel: +91 22 6630 3030, Fax: +91 22 6630 3330  
Contact Person: Ms. Prachee Dhuri

**7.7** The Acquisition Window will be provided by both NSE and BSE to facilitate placing of sell orders. The Selling Broker can enter orders for Equity Shares in dematerialized form.

**7.8** Public Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant). In the event Seller Broker(s) are not registered with BSE or NSE if the Shareholder does not have any stock broker then that Shareholder can approach any BSE or NSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE or NSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Public Shareholder is not able to bid using quick UCC facility through any other BSE or NSE registered stock broker then the Public Shareholder may approach Company's Broker viz. JM Financial Services Limited, to bid by using quick UCC facility. The Shareholder approaching BSE or NSE registered stock broker (with whom he does not have an account) may have to submit following details:

#### **7.8.1** In case of Shareholder being an individual

(a) If Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:

- i. Central Know Your Client (CKYC) form including including Foreign Account Tax Compliance Act (FATCA), In Person Verification (IPV), Original Seen and Verified (OSV) if applicable
- ii. Know Your Client (KYC) form Documents required (all documents self-attested):  
Bank details (cancelled cheque)
- iii. Demat details (Demat Master /Latest Demat statement)

(b) If Shareholder is not registered with KRA: Forms required:

- i. CKYC form including FATCA, IPV, OSV if applicable
- ii. KRA form
- iii. KYC form Documents required (all documents self-attested):  
PAN card copy  
Address proof  
Bank details (cancelled cheque)
- iv. Demat details (Demat master /Latest Demat statement)

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

#### **7.8.2** In case of Shareholder is HUF:

(a) If Shareholder is registered with KRA: Forms required:

- i. CKYC form of KARTA including FATCA, IPV, OSV if applicable

- ii. KYC form documents required (all documents self-attested):  
Bank details (cancelled cheque)
  - iii. Demat details (Demat Master /Latest Demat statement)
- (b) If Shareholder is not registered with KRA: Forms required:
- i. CKYC form of KARTA including FATCA, IPV, OSV if applicable
  - ii. KRA form
  - iii. Know Your Client (KYC) form Documents required (all documents self-attested):  
PAN card copy of HUF & KARTA  
Address proof of HUF & KARTA  
HUF declaration  
Bank details (cancelled cheque)
  - iv. Demat details (Demat master /Latest Demat statement)

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

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

- (a) If Shareholder is KRA registered: Form required
- i. Know Your Client (KYC) form Documents required (all documents certified true copy)  
Bank details (cancelled cheque)
  - ii. Demat details (Demat master /Latest Demat statement)
  - iii. FATCA, IPV, OSV if applicable
  - iv. Latest list of directors/authorised signatories/partners/trustees
  - v. Latest shareholding pattern
  - vi. Board resolution
  - vii. Details of ultimate beneficial owner along with PAN card and address proof
  - viii. Last 2 years financial statements
- (b) If Shareholder is not KRA registered: Forms required:
- i. KRA form
  - ii. Know Your Client (KYC) form Documents required (all documents certified true copy):  
PAN card copy of company/ firm/trust  
Address proof of company/ firm/trust  
Bank details (cancelled cheque)
  - iii. Demat details (Demat Master /Latest Demat statement)
  - iv. FATCA, IPV, OSV if applicable
  - v. Latest list of directors/authorised signatories /partners/trustees
  - vi. PAN card copies & address proof of directors/authorised signatories/partners/trustees
  - vii. Latest shareholding pattern
  - viii. Board resolution/partnership declaration
  - ix. Details of ultimate beneficial owner along with PAN card and address proof

- x. Last 2 years financial statements
- xi. MOA/Partnership deed /trust deed

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

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

## **7.9 Procedure For Tendering Shares Held In Dematerialized Form**

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

## **7.10 Public Shareholders Who Are Holding Equity Shares In Physical Form**

**7.10.1** As per the provisions of Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI PR 51/2018 dated December 3, 2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository w.e.f. April 1, 2019

**7.10.2** Accordingly, the Public Shareholders who are holding equity shares in physical form and are desirous of tendering their equity shares in the Offer can do so only after the equity shares are dematerialised. Such Public Shareholders are advised to approach any depository participant to have their equity shares dematerialised.

## **7.11 Acceptance of Shares**

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

## **7.12 Procedure for tendering Equity Shares in case of non-receipt of Letter of Offer**

**7.12.1** Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

**7.12.2** Public Shareholders may participate in the Offer by approaching their Selling Broker and tender the Equity Shares in the Offer as per the procedure mentioned in this Letter of Offer or in the relevant Form of Acceptance-cum-Acknowledgment.

**7.12.3** The Letter of Offer along with a Form of Acceptance-cum-Acknowledgement, will be dispatched to all the Public Shareholders of the Target Company, whose names appear on the register of members of the Target Company and to the beneficial owners of the Target Company in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date.

**7.12.4** In case of non-receipt of the Letter of Offer, such Public Shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

**7.12.5** Alternatively, in case of non-receipt of the Letter of Offer, the Public Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client identification number, depository participant name, depository participant identification number, number of shares tendered and other relevant documents as mentioned. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by the Designated Stock Exchange before the closure of the Tendering Period.

### **7.13 Settlement Process**

- 7.13.1** On the closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer, and the final list of accepted Equity Shares shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of the Equity Shares transferred to the Clearing Corporation.
- 7.13.2** The settlement of trades shall be carried out in the manner similar to settlement of trades in the Acquisition Window Circulars.
- 7.13.3** For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders bank account linked to its demat account. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 7.13.4** In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards.
- 7.13.5** The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non –acceptance of the shares under the Offer.
- 7.13.6** Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation.
- 7.13.7** The direct credit of Equity Shares shall be given to the demat account of Acquirer as indicated by the Buying Broker.
- 7.13.8** Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirer.
- 7.13.9** In case of partial or non-acceptance of orders the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- 7.13.10** Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded

from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.

**7.13.11** If Public Shareholders bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Equity Shareholder.

**7.13.12** Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.

**7.13.13** In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations.

**7.14 Note on Taxation / Compliance with tax requirements**

**THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 AND THE REGULATIONS THEREUNDER THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE ABEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANYCHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.**

**THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.**

**THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR**

**THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.**

**THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY OF INCOME-TAX IMPLICATIONS, RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER, AS SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.**

#### **7.14.1 General:**

- a) The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) as also income received by such persons in India. In case of shares of a company, the source of income from shares will depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.
- b) Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act.
- c) Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including non-applicability of General Anti-Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.
- d) The Income Tax Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- e) The summary of income-tax implications on tendering of listed equity shares on recognised stock exchanges in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

#### **7.14.2 Classification of Shareholders:** Shareholders can be classified under the following categories:

- a) Resident Shareholders being:
  - i. Individuals, Hindu Undivided Family (“**HUF**”), Association of Persons (“**AOP**”) and Body of Individuals (“**BOI**”)
  - ii. Others
  
- b) Non-Resident Shareholders being:
  - i. NRIs
  - ii. FIIs / FPIs
  - iii. Others:
    - Company
    - Other than company

**7.14.3 Classification of Income:** Shares can be classified under the following two categories

- a) Shares held as investment (Income from transfer taxable under the head “**Capital Gains**”)
  
- b) Shares held as stock-in-trade (Income from transfer taxable under the head “**Profits and Gains from Business or Profession**”)

Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for income-tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade).

**7.14.4 Shares held as investment:** As per the provisions of the Income Tax Act, where the shares are held as investments (i.e. capital asset), income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital Gains in the hands of shareholders will be computed as per provisions of Section 48 of the Income Tax Act.

**7.14.5 Period of holding:** Depending on the period for which the shares are held, the gains will be taxable as “short-term capital gain” or “long-term capital gain”:

- a) In respect of equity shares held for a period less than or equal to 12 months prior to the date of transfer, the same should be treated as a “short-term capital asset”, and accordingly the gains arising therefrom should be taxable as “short term capital gains” (“**STCG**”).
  
- b) Similarly, where equity shares are held for a period more than 12 months prior to the date of transfer, the same should be treated as a “long-term capital asset”, and accordingly the gains arising therefrom should be taxable as “long-term capital gains” (“**LTCG**”).

**7.14.6 Tendering of Shares in the Offer through a Recognized Stock Exchange in India:** Where a transaction for transfer of such equity shares (i.e. acceptance under an open offer) is transacted through recognised stock

exchanges and is chargeable to Securities Transaction Tax (“STT”), then the taxability will be as under (for all categories of shareholders):

- a) The Finance Act, 2018 has withdrawn the exemption under section 10(38) for LTCG arising from transfer of equity shares on or after 1 April 2018. Section 112A of the Income Tax Act provides for taxation of income arising from the transfer of such shares, which is explained in the following paragraphs.
- b) The gain accrued on such equity shares till 31 January 2018 has been exempted by providing that for the purpose of computing LTCG the cost of shares acquired before 1 February 2018 shall be the higher of the following:
  - i. Actual cost of acquisition; or
  - ii. Lower of: (A) fair market value, and (B) full value of consideration received or accruing as a result of the transfer of the shares. Fair market value has been defined to mean the highest price of the equity share quoted on any recognized stock exchange on 31 January 2018.
- c) After taking into account the exemption provided above, LTCG arising from transfer of equity shares, exceeding Rs.100,000, will be taxable at 10% without allowing the benefit of indexation.
- d) However, section 112A of the Income Tax Act shall not apply if such equity shares were acquired on or after 1 October 2004 and securities transaction tax (‘STT under Chapter VII of the Finance (No. 2) Act, 2004’) was not paid. In this regard, the Central Government has issued a notification no. 60/2018/F. No. 370142/9/2017-TPL dated 1st October, 2018, providing certain situations wherein section 112A of the Income Tax Act will continue to be applicable even if STT is not paid at the time of acquisition of equity shares. The notification provides for the following situations:
  - i. Where acquisition of existing listed equity share in a company, whose equity shares are not frequently traded on recognised stock exchanges of India, was made through a preferential issue, subject to certain exceptions;
  - ii. Where transaction for acquisition of existing listed equity share in a company was not entered through recognised stock exchanges of India, subject to certain exceptions;
  - iii. Acquisition of equity share of a company during the period beginning from the date on which the company was delisted from recognised stock exchanges and ending on the date on which the company was again listed on recognised stock exchanges in accordance with the Securities Contracts (Regulation) Act, 1956 read with the SEBI Act and any rules made thereunder.

The notification *inter alia* provides certain exceptions to the above situations where the provisions of Section 112A will not apply.

- e) Where provisions of section 112A are not applicable, LTCG will be chargeable to tax at 20%. However, for a resident shareholder, an option is available to pay tax on such LTCG under section 112 at either 20% with indexation or 10% without indexation.
- f) STCG arising from such transaction will be subject to tax @ 15% under Section 111A of the Income Tax Act.
- g) Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is required to be considered while computing tax on such LTCG or STCG taxable under Section 112, 112A or 111A of the Income Tax Act. In addition to the above LTCG or STCG tax, applicable Surcharge, Health and Education Cess are leviable (Please refer to Paragraph 7.14.9 for rate of surcharge and cess).
- h) Minimum alternate tax (“MAT”) implications will get triggered in the hands of a resident corporate shareholder. Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA.
- i) Non-resident shareholders can avail beneficial provisions of the applicable DTAA entered into by India subject to fulfilling of the relevant conditions and the documentary compliance prescribed under the Income Tax Act.

**7.14.7 Shares held as Stock-in-Trade:** If the shares are held as stock-in-trade by any of the eligible Shareholders of the Target Company, then the gains will be characterized as business income and taxable under the head “Profits and Gains from Business or Profession”.

- a) **Resident Shareholders:**  
Profits of:

(A) Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.

(B) Domestic companies having total turnover or gross receipts during the previous year 2017-18 not exceeding Rs. 400 crore will be taxable @ 25% from AY 2020-21.

(C) For persons other than stated in (A) and (B) above, profits will be taxable @ 30%.

No benefit of indexation by virtue of period of holding will be available in any case.

b) **Non Resident Shareholders**

(A) Non-resident Shareholders can avail beneficial provisions of the applicable DTAA entered into by India with the relevant shareholder country but subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the Income Tax Act.

(B) Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP and BOI, profits will be taxable at slab rates
- For foreign companies, profits will be taxed in India @ 40%
- For other non-resident Shareholders, such as foreign firms, profits will be taxed in India @ 30%.

In addition to the above, applicable Surcharge, Health and Education Cess are leviable for Resident and Non Resident Shareholders.

#### 7.14.8 Tax Deduction at Source

(a) *In case of Resident Shareholders*

In absence of any specific provision under the Income Tax Act, the Acquirer is not required to deduct tax on the consideration payable to resident Shareholders pursuant to the said offer.

(b) *In case of Non-resident Shareholders*

- (i) In case of FIIs: Section 196D of the Income Tax Act provides for specific exemption from withholding tax in case of Capital Gains arising in hands of FIIs. Thus, no withholding of tax is required in case of consideration payable to FIIs.
- (ii) In case of other non-resident Shareholders (other than FIIs) holding Equity Shares of the Target Company: Section 195(1) of the Income Tax Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the Income Tax Act read with the provisions of the relevant DTAA, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in the records of the Registrar to the Offer except in cases where the non-resident Shareholders provide a specific mandate in this regard. Since the Offer is through the stock exchange, the responsibility of discharging the tax due on the gains (if any) is primarily on the non-resident Shareholder. The non-resident Shareholder must compute such gains (if any) on this transaction and immediately pay applicable taxes in

India, if applicable, in consultation with their custodians/ authorized dealers/ tax advisors appropriately. The non-resident Shareholders must file their tax return in India inter-alia considering gains arising pursuant to this Offer in consultation with their tax advisors.

The non-resident Shareholders undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of gains arising to the non-resident Shareholders pursuant to this Offer. The non-resident Shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid etc.

#### **7.14.9 Rate of Surcharge and Cess**

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

*(a) Surcharge*

- (i) In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crore and @ 7% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore.
- (ii) In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore and @ 2% where the total income exceeds Rs.1 crore but less than Rs. 10 crore.
- (iii) In case of individuals, HUF, AOP, BOI: Surcharge @10% is leviable where the total income exceeds Rs. 50 lacs but less than Rs.1 crore, @15% where the total income exceeds Rs.1 crore but less than Rs. 2crore, @25% where the total income exceeds Rs. 2 crore but less than Rs. 5 crore and @37% where the total income exceeds Rs. 5 crore.
- (iv) In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds Rs. 1 crore.

*(b) Cess*

Health and Education Cess @ 4% is currently leviable in all cases.

**THE ABOVE NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES.**

## **8. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection to the Public Shareholders at the office of Manager to the Offer at JM Financial Limited, Sood Towers (East Tower), 6<sup>th</sup> Floor, Barakhamba Road, Connaught Place, New Delhi 110 001, India on all Working Days (i.e., Monday to Friday) between 10:30 A.M. to 5:00 P.M. during the Tendering Period:

- 8.1** Copies of certificate of incorporation and constitutional documents of the Acquirer and PACs;
- 8.2** Certificates dated November 19 2019 and December 30, 2019 from Vishal Laheri & Associates, Chartered Accountants, certifying that the Acquirer has adequate financial resources to fulfill their obligations under this Offer;
- 8.3** Certificates dated November 19, 2019 and December 24, 2019 from MSKA & Associates, Chartered Accountants certifying the Offer Price computation;
- 8.4** Copies of annual reports of the Target Company for the financial years ending June 30, 2019, June 30, 2018 and June 30, 2017 and limited reviewed 3 month financial results for the period September 30, 2019;
- 8.5** Copies of audited financial statements for period ended December 31, 2018 and certified/ reviewed financial statements by statutory auditor for the period from January 1, 2019 to October 31, 2019 of PAC 1;
- 8.6** Copies of audited financial statements for period ended December 31, 2018 and certified/ reviewed financial statements by statutory auditor for the period from January 1, 2019 to October 31, 2019 of PAC 2;
- 8.7** Copies of audited financial statements for period ended June 30, 2019, June 30, 2018, June 30, 2017 and December 31, 2016 of PAC 3;
- 8.8** Copies of the valuation reports dated November 19, 2019 issued by MSKA & Associates, Chartered Accountants (Mr. Sunil Kumar Saini, Partner, Membership Number: 503604) and Bansil Mehta & Co., Chartered Accountants (Mr. Ushma Shah, Partner, Membership Number: 156423) ;
- 8.9** Copy of the Escrow Agreement dated December 23, 2019 entered into by and among the Acquirer, Escrow Agent and Manager to the Offer;
- 8.10** Copy of the SPA dated November 15, 2019;
- 8.11** A letter from Citibank N.A. confirming the amount kept in the Escrow Account and a lien in favour of the Manager to the Offer;

- 8.12** Copy of PA dated November 19, 2019, Corrigendum to PA dated November 22, 2019, published copy of the Detailed Public Statement dated December 31, 2019 and issue opening Public Announcement dated [●];
- 8.13** A copy of the recommendation made by the Target Company's committee of independent directors constituted by the Board of Directors published in the newspapers in [●]; and
- 8.14** A copy of the observation letter no. [●] from SEBI dated [●].

**9. DECLARATION BY THE ACQUIRER AND PACS**

- 9.1** For the purpose of disclosures in this Draft Letter of Offer relating to the Target Company, the Acquirer and PACs have relied on the information provided by the Target Company or as available in the public domain and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirer, PACs and their respective directors/general partner, severally and jointly accept full responsibility for the information contained in this Draft Letter off Offer in relation to them and the Offer (other than such information as has been obtained from public sources or provided or confirmed by the Target Company).
- 9.2** The Acquirer and PACs would be severally and jointly responsible ensuring compliance as laid down in the SEBI (SAST) Regulations.
- 9.3** The persons signing this Draft Letter of Offer have been duly and legally authorized by the Acquirer and PACs to sign the Draft Letter of Offer.

**For and on behalf of the Acquirer and PACs**

Aurora UK Bidco Limited (Acquirer)

Vista Equity Partners Perennial, L.P. (PAC 1)

Vista Equity Partners Perennial A, L.P. (PAC 2)

Accelya Topco Limited (PAC 3)

**Place: Mumbai**

**Date: January 7, 2020**