

Corporate and
Investment Banking



February 17, 2017

Senior General Manager
Listing Ops,
BSE Limited,
P J Towers, Dalal Street,
Mumbai – 400001, India

Sub: Open offer (“Offer”) of up to 37,82,966 fully paid up equity shares of face value of Rs. 10 (Rupees ten only) each, representing 25.34% of the fully diluted voting share capital of Accelya Kale Solutions Limited (“Target Company”) by Sky Bidco S.L.U. (“Acquirer”) together with Canary Topco Limited (“PAC 1”), Canary Holdco Limited (“PAC 2”), Canary Finco Limited (“PAC 3”), Canary Midco Limited (“PAC 4”) and Sky Holdco Limited (“PAC 5”) (collectively “PAC”) as persons acting in concert with the Acquirer under Regulations 3(1), 4, 5(1) and 5(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Takeover Regulations”).


Dear Sir/Madam,

With reference to the above and further to the public announcement dated February 4, 2017 and the detailed public statement dated February 9, 2017 submitted to the BSE Limited, please find enclosed a copy of the draft letter of offer with respect to the Offer (“DLOF”) made by the Acquirer and PAC to the public shareholders of the Target Company.

Also, please find enclosed a CD containing a soft copy (pdf format) of the DLOF. We confirm that the contents of the pdf format and hard copy of the document have been compared and are found to be in order.

Kindly acknowledge the receipt.

Yours truly,
For Citigroup Global Markets India Private Limited


Authorized Signatory



Enclosed:

1. DLOF (print copy)
2. Compact disk containing the DLOF (pdf format)

**DRAFT LETTER OF OFFER
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR
IMMEDIATE ATTENTION.**

This draft letter of offer (DLoF) is sent to you as an Equity Shareholder of Accelya Kale Solutions Limited (Target Company). If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your Equity Shares in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement (as defined below) and transfer deed to the member of the Stock Exchange through whom the said sale was effected.

Open Offer (Offer)

By

Sky Bidco S.L.U. (Acquirer)

Registered Office: Calle Claudio Coello 124, 6a planta derecho, 28006, Madrid, Spain
Tel: +44 20 7306 3064, Fax: +44 20 7321 0881

ALONG WITH PERSONS ACTING IN CONCERT (PACs)

Canary Topco Limited (PAC 1)

Registered Office: Almack House, 28 King Street, London, SW1Y 6QW,
Tel: +44 20 7306 3064, Fax: +44 20 7321 0881

And

Canary Holdco Limited (PAC 2)

Registered Office: Almack House, 28 King Street, London, SW1Y 6QW,
Tel: +44 20 7306 3064, Fax: +44 20 7321 0881

And

Canary Finco Limited (PAC 3)

Registered Office: Almack House, 28 King Street, London, SW1Y 6QW,
Tel: +44 20 7306 3064, Fax: +44 20 7321 0881

And

Canary Midco Limited (PAC 4)

Registered Office: Almack House, 28 King Street, London, SW1Y 6QW,
Tel: +44 20 7306 3064, Fax: +44 20 7321 0881

And

Sky Holdco Limited (PAC 5)

Registered Office: Almack House, 28 King Street, London, SW1Y 6QW,
Tel: +44 20 7306 3064, Fax: +44 20 7321 0881

MAKES A CASH OFFER AT A PRICE OF INR 1,250 (RUPEES ONE THOUSAND TWO HUNDRED AND FIFTY ONLY) (OFFER PRICE) PER FULLY PAID UP EQUITY SHARE OF INR 10 (RUPEES TEN ONLY) EACH OF THE TARGET COMPANY (EQUITY SHARES) TO ACQUIRE UP TO 37,82,966 EQUITY SHARES (OFFER SHARES) REPRESENTING 25.34% OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW) OF THE TARGET COMPANY PURSUANT 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 EQUITY SHAREHOLDERS OF

ACCELYA KALE SOLUTIONS LIMITED (TARGET COMPANY)

A public limited company incorporated under the Companies Act, 1956.

REG. OFFICE: Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune – 411 037.

TEL: +91 20 6608 3777 **FAX:** +91 20 2423 1639 **WEBSITE:** www.accelyakale.com

1. This Offer is made by the Acquirer and PACs pursuant to, and in compliance with, the provisions of Regulations 3(1), 4, 5(1), 5(2) and other applicable provisions of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer and is not subject to 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. To the best knowledge of the Acquirer and PACs, no statutory approvals are required by the Acquirer and/or PACs to complete this Offer. However, in case of any statutory approvals being required at a later date, this offer will be subject to such approvals. Non-resident Indians (*NRI*), overseas corporate body (*OCB*) holders and other non-resident holders of the Equity Shares (including foreign portfolio investors (*FPI*)), must obtain all 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*), since the Equity Shares validly accepted in this Offer will be acquired by a non-resident entity) and submit such approvals along with the Form of Acceptance-cum-Acknowledgment and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and PACs reserve the right to reject such Equity Shares tendered in this Offer.
5. Where statutory approvals extend to some but not all of the Equity Shareholders, the Acquirer and PACs shall have the option to make payment to such Equity Shareholders in respect of whom no statutory approvals are required in order to complete this order.
6. If there is any upward revision in the Offer Price / Offer Size at any time prior to three (3) Working Days prior to commencement of the Tendering Period i.e. up to 24 March 2017 in terms of the SEBI (SAST) Regulations, the Acquirer and PACs shall (i) 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 (as defined below) in which the DPS was published, and (c) simultaneously with the making of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.
7. **There has been no competing offer as on the date of this DLoF.**
8. A copy of Public Announcement, DPS and Draft Letter of Offer (including Form of Acceptance cum Acknowledgement) is also available on the website of Securities and Exchange Board of India ('SEBI') <http://www.sebi.gov.in>.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 Citigroup Global Markets India Private Limited	 Karvy Computershare Private Limited
SEBI Regn. No. INM000010718 Registered Office: 1202, 12 th Floor, First International Financial Centre, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400051 Tel: +912261759745, Fax: +91 22 39197822 Email ID: accelyakale.openoffer@citi.com Contact Person: Amish Thakkar	SEBI Regn. No. INR000000221 Registered Office: Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032, Telangana, India Tel: 91 40 6716 2222 , Fax: 91 40 23431551; Email ID: accelyakale.openoffer@karvy.com Contact Person: Mr. M. Murali Krishna

The Schedule of major activities under this Offer is as follows:

Activity	Day and Date
Date of Public Announcement	Saturday, 4 February 2017.
Date of publication of the DPS in the Newspapers.	Friday, 10 February 2017
Date of filing the DLoF with SEBI.	Friday, 17 February 2017
Last date for the public announcement of competitive offer(s) [#]	Monday, 6 March 2017
Last date for SEBI observations on the DLoF (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer).	Tuesday, 14 March 2017
Date of closing of Primary Acquisition.	Thursday, 16 March 2017
Identified Date.*	Thursday, 16 March 2017
Date by which the Letter of Offer is to be dispatched to the Equity Shareholders whose name appears on the register of members on the Identified Date.	Thursday, 23 March 2017
Last date for revising the Offer Price / Offer Size.	Friday, 24 March 2017
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer.	Wednesday, 29 March 2017
Date of publication of Offer Opening Public Announcement in the Newspapers.	Thursday, 30 March 2017
Date of commencement of the Tendering Period (Offer Opening Date).	Friday, 31 March 2017
Date of closure of the Tendering Period (Offer Closing Date).	Monday, 17 April 2017
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Equity Shareholders of the Target Company.	Tuesday, 2 May 2017
Last date for publication of post-Offer public announcement in the Newspapers.	Tuesday, 9 May 2017

[#]There has been no competing offer as of the date of this DLoF.

* The Identified Date is only for the purpose of determining the Equity Shareholders as on such date to whom the Letter of Offer would be dispatched. It is clarified that all the Equity Shareholders of the Target Company (registered or unregistered) of the Equity Shares are eligible to participate in this Offer at any time prior to the Offer Closing Date.

RISK FACTORS

The risk factors set forth below pertain to the underlying transaction, this Offer and association with the Acquirer and PACs and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by an Equity Shareholders in this Offer, but are merely indicative. Equity Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for analyzing and understanding all the risks with respect to their participation in this Offer.

For capitalized terms used herein please refer to the definitions set out below.

Risk factors relating to the Offer

1. The completion of the transactions contemplated by the Share Purchase Agreement (as defined below) is not conditional on any conditions precedent set out therein. The Share Purchase Agreement contains certain other provisions, including actions to be performed at completion, as set out in more detail in Paragraph 2.1 (Background of this Offer) below. If closing has not occurred by 31 March 2017, the Share Purchase Agreement may be terminated and, in such event, the Acquirer and the PACs shall have a right to withdraw this Offer in terms of Regulation 23 of the SEBI (SAST) Regulations including with the approval of SEBI if applicable. In the event of withdrawal of the Offer, the Acquirer and the PACs (through the Manager) shall, within two Working Days of such withdrawal, make an announcement stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
2. To the best knowledge of the Acquirer and PACs, no statutory approvals are required by the Acquirer and/or PACs to complete this Offer. However, in case of any statutory approvals being required by the Acquirer and/or PACs at a later date, this Offer shall be subject to such approvals and the Acquirer and/or PACs shall make the necessary applications for such approvals. In the event of delay in receipt of such approvals, this Offer may be delayed beyond the schedule of activities indicated in this DLoF. Consequently, the payment of consideration to the Equity Shareholders, whose Equity Shares are accepted in this Offer, may be delayed. In case the delay is due to non-receipt of statutory / regulatory approval(s), in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer and/or PACs to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, grant an extension of time to the Acquirer and/or PACs to make the payment of the consideration to the Equity Shareholders whose Equity Shares have been accepted in the Offer. Where any statutory approval or exemption extends to some but not all of the Equity Shareholders, the Acquirer and/or PACs shall have the option to make payment to such Equity Shareholders in respect of whom no statutory approvals or exemptions are required in order to complete this Offer. The Acquirer and PACs will have the right not to proceed with this Offer in the event any statutory approval, as may be required, is refused.
3. The acquisition of Equity Shares under the Offer from NRIs and erstwhile OCBs is subject to the approval or exemption from the RBI. NRI, OCB or any other non-resident holders of Equity Shares must obtain all requisite approvals, if any, to tender the Equity Shares held by them in this Offer. Further, if the Equity Shareholders who are not persons resident in India (including NRIs, OCBs, and other non-resident entities) had required any approvals (including from the RBI or FIPB, since the Equity Shares validly accepted in this Offer will be acquired by a non-resident entity) 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, to tender the Equity Shares held by them pursuant to this Offer, along with the Form of Acceptance-cum-Acknowledgment and other documents required to be tendered to accept this Offer. In the event such prior approvals are not submitted, the Acquirer and/or PACs reserves its 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 Equity Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.
4. In the event of any litigation leading to a stay on the Offer by a court of competent jurisdiction, or SEBI

instructing that the Offer should not proceed, the Offer may be withdrawn or the Offer process may be delayed beyond the schedule of activities indicated in this DLoF.

5. The Equity Shares tendered in this Offer may be held in trust by the Clearing Corporation / Registrar to the Offer until the completion of the Offer formalities and the Equity Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares during such period. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Equity Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Equity Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
6. This is an Offer to acquire up to 25.34% of the Voting Share Capital of the Target Company from the Equity Shareholders.
7. The Equity Shareholders should note that, under the SEBI (SAST) Regulations, once the Equity Shareholders have tendered their Equity Shares, they will not be able to withdraw their Equity Shares from the Offer during the Tendering Period even in the event of a delay in the acceptance of Equity Shares under the Offer and/or the dispatch of consideration.
8. The Equity Shareholders may tender their Equity Shares in the Offer at any time from the commencement of the Tendering Period but prior to the closure of the Tendering Period. The Acquirer and/or PACs have up to ten (10) Working Days from the closure of the Tendering Period to pay the consideration to the Equity Shareholders whose Equity Shares are accepted in the Offer. The Acquirer and/or PACs will pay such consideration as promptly as practicable and, in any event, within ten (10) Working Days after closure of the Tendering Period.
9. The Acquirer, PACs and the Manager to the Offer accept no responsibility for the statements made otherwise than in this DLoF, the DPS, the Public Announcement or in the advertisement or any materials issued by or at the instance of the Acquirer and PACs (excluding all information pertaining to the Target Company, which has been obtained from publicly available sources or provided or confirmed by the Target Company). Any person placing reliance on any other source of information will be doing so at its own risk.
10. This DLoF has not been filed, registered or approved in any jurisdiction outside India. Recipients of this DLoF resident 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, PACs or the Manager to the Offer to any new or additional registration requirements.
11. Equity Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, PACs and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this DLoF.

Probable risks involved in associating with the Acquirer and PACs

1. None of the Acquirer, PACs or the Manager make any assurance with respect to the continuation of past trends in the financial performance of the Target Company.
2. None of the Acquirer, PACs or the Manager can provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer Period and each of them expressly disclaim any responsibility or obligation of any kind with respect to any decision by any Equity Shareholder regarding whether or not to participate in the Offer.
3. None of the Acquirer, PACs or the Manager make any assurance with respect to their investment or disinvestment relating to their proposed shareholding in the Target Company.

4. **The risk factors set forth above are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associating with the Acquirer and PACs. The risk factors set forth above, do not relate to the present or future business or operations of the Target Company and any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by any Equity Shareholder in the Offer. Equity Shareholders are advised to consult their stockbroker, investment consultant or tax advisor for an understanding of the further risks associated with their participation in the Offer.**

NO OFFER / SOLICITATION / REGISTRATION IN OTHER JURISDICTIONS

General

This DLoF together with the DPS and the Public Announcement in connection with the Offer, has been prepared for the purposes of compliance with the applicable laws and regulations of India, including the SEBI Act and the SEBI (SAST) Regulations, as amended, and has not been registered or approved under any laws or regulations of any country outside of India. The disclosures in this DLoF and the Offer particulars including but not limited to the Offer Price, Offer Size and procedures for acceptance and settlement of the Offer is governed by SEBI (SAST) Regulations, as amended, and other applicable laws, rules and regulations of India, the provisions of which may be different from those of any jurisdiction other than India. 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. The information contained in this DLoF is as of date of this DLoF. The Acquirer, PACs, the Manager to the Offer and any persons deemed as acting in concert with the Acquirer are under no obligation to update the information contained herein at any time after the date of this DLoF.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. This DLoF 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, subject to Regulation 18 (2) of the SEBI (SAST) Regulations, viz. provided that where local laws or regulations of any jurisdiction outside India may expose the Acquirer, any PAC or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the Letter of Offer in its final form were to be sent without material amendments or modifications into such jurisdiction, and the shareholders resident in such jurisdiction hold Equity Shares entitling them to less than five per cent of the voting rights of the Target Company, the Acquirer may refrain from dispatch of the Letter of Offer into such jurisdiction: provided further that, subject to applicable law, every person holding Equity Shares, regardless of whether he, she or it held Equity Shares on the Identified Date or has not received the Letter of Offer, shall be entitled to tender such Equity Shares in acceptance of the Offer. Further, receipt of the DLoF by any public 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 this DLoF 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 this DLoF are required to inform themselves of any relevant restrictions in their respective jurisdictions. 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 authorised under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer. The final Letter of Offer may include additional country-specific or other disclaimers or provisions on the basis of the applicable facts at that time and advice of international legal counsel.

CURRENCY OF PRESENTATION

1. In this DLoF, all references to “Rs.”/“INR” are to Indian Rupee(s), the official currency of India. Throughout this DLoF, all figures have been expressed in “million, thousand, lakh or crore” unless otherwise specifically stated.
2. 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.
3. All the data presented in USD in this DLoF has been converted into INR for purpose of convenience translation. The conversion has been assumed at the following RBI reference rate as on 15 February 2017 (unless otherwise stated in this DLoF):

1 USD = INR 66.9193 (Source: Reserve Bank of India - <http://www.rbi.org.in>)

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DEFINITIONS/ABBREVIATIONS

Sr. No.	Particulars	Details / Definition
1.	Acquirer	Sky Bidco S.L.U. having its registered office at Calle Claudio Coello 124, 6a planta derecho, 28006, Madrid, Spain.
2.	Beneficial Owner	Beneficial owners of the Equity Shares, whose names appeared as beneficiaries on the records of their respective DP at the close of business hours on the Identified Date or at any time before the closure of the Tendering Period.
3.	Board	The board of directors of the Target Company.
4.	BSE	BSE Limited.
5.	DPS	The detailed public statement dated 9 February 2017, published on behalf of the Acquirer and PACs in the Newspapers on 10 February 2017 and filed with the BSE, NSE, SEBI and sent to the Target Company on 10 February 2017.
6.	DP	Depository Participant.
7.	DLoF / Draft Letter of Offer	This draft letter of offer filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations.
8.	Voting Share Capital	1,49,26,261 Equity Shares, being the Equity Shares as of the tenth (10 th) Working Day from the closure of the Tendering Period.
9.	Equity Shareholders	The equity shareholders of the Target Company, other than the promoters, members of the promoter group, parties to the Share Purchase Agreement (as defined below) and persons acting in concert with the Acquirer.
10.	Equity Shares	Fully paid up equity shares of the Target Company having a face value of INR 10 each (Rupees Ten only).
11.	Escrow Account	Escrow Account bearing no. 21445002 with the Escrow Bank bearing the name and title of Canary Topco Limited – Open Offer Escrow Account.
12.	Escrow Bank	CITIBANK, N.A., a national banking association duly constituted in accordance with the laws of the United States of America, and carrying on the business of banking in India as a scheduled commercial bank, having an office at 11th Floor, First International Financial Centre, C-54 & 55, G Block, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051, India.
13.	EUR	Euro.
14.	FIPB	Foreign Investment Promotion Board.
15.	Form of Acceptance-cum-Acknowledgment	The form of acceptance-cum-acknowledgement, which will be a part of the Letter of Offer.
16.	FPI	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended, registered with SEBI under applicable laws in India.
17.	FY	Financial year.

Sr. No.	Particulars	Details / Definition
18.	GAAP	Generally Accepted Accounting Principles.
19.	Identified Date	Thursday, 16 March 2017 i.e. the date falling on the tenth (10 th) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Equity Shareholders to whom the Letter of Offer shall be sent.
20.	Income Tax Act	The Income Tax Act, 1961, as amended.
21.	Letter of Offer	The Letter of Offer, duly incorporating SEBI's comments on the DLoF, including the Form of Acceptance-cum-Acknowledgement.
22.	Maximum Consideration	INR 472,87,07,500 (Rupees Four Hundred and Seventy Two Crores Eighty Seven Lakhs Seven Thousand and Five Hundred only), being the maximum consideration payable assuming full acceptance of the Offer.
23.	Manager / Manager to the Offer	Citigroup Global Markets India Private Limited.
24.	Newspapers	Business Standard (English), Business Standard (Hindi), Kesari (Marathi) and Navshakti (Marathi) the newspapers wherein the DPS was published on behalf of the Acquirer and PACs as more specifically detailed below in Paragraph 2.2.2.
25.	NRIs	Non Resident Indians and persons of Indian origin residing abroad.
26.	NSE	National Stock Exchange of India Limited.
27.	OCBs	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
28.	Offer	Open offer being made by the Acquirer along with PACs to the Equity Shareholders of the Target Company, to acquire up to 37,82,966 Equity Shares at a price of INR 1,250 (Rupees One Thousand Two Hundred and Fifty only) per Equity Share.
29.	Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period to be made on behalf of the Acquirer and PACs at least one Working Day prior to the commencement of Tendering Period.
30.	Offer Opening Date	Date of commencement of the Tendering Period i.e. Friday, 31 March 2017.
31.	Offer Closing Date	Date of closure of the Tendering Period i.e. Monday, 17 April 2017.
32.	Offer Period	Period commencing from 4 February, 2017 being (the date of the Public Announcement) till the date on which the payment of consideration to the Equity Shareholders who have validly tendered their Equity Shares is completed, or the date on which Offer is withdrawn, as the case may be.
33.	Offer Price	INR 1,250 (Rupees One Thousand Two Hundred and Fifty only) per Equity Share at which the Offer is being made to the Equity Shareholders.
34.	Offer Shares	37,82,966 Equity Shares representing 25.34% of the Voting Share Capital.
35.	Offer Size	Up to 37,82,966 Equity Shares to be purchased in the Offer, assuming full acceptance representing 25.34% of the Voting Share Capital.

Sr. No.	Particulars	Details / Definition
36.	PACs	Persons acting in concert with the Acquirer for this Offer, i.e. PAC 1, PAC 2, PAC 3, PAC 4 and PAC 5.
37.	PAC 1	Canary Topco Limited having its registered office at Almack House, 28 King Street, London, SW1Y 6QW.
38.	PAC 2	Canary Holdco Limited having its registered office at Almack House, 28 King Street, London, SW1Y 6QW.
39.	PAC 3	Canary Finco Limited having its registered office at Almack House, 28 King Street, London, SW1Y 6QW.
40.	PAC 4	Canary Midco Limited having its registered office at Almack House, 28 King Street, London, SW1Y 6QW.
41.	PAC 5	Sky Holdco Limited having its registered office at Almack House, 28 King Street, London, SW1Y 6QW.
42.	PAN	Permanent Account Number.
43.	PAT	Profit After Tax.
44.	Public Announcement	Announcement of the Offer made on behalf of the Acquirer and PACs, dated 4 February 2017 and sent to the BSE and NSE on 4 February 2017 sent to the Target Company on 4 February 2017 and filed with SEBI on 6 February 2017.
45.	RBI	Reserve Bank of India.
46.	Registrar to the Offer	Karvy Computershare Private Limited.
47.	RTA	Karvy Computershare Private Limited, being the registrar and share transfer agent of the Target Company.
48.	Share Purchase Agreement	Shall mean the share purchase agreement dated 4 February 2017 between the Acquirer, PAC 1 (for limited purposes) and the Sellers (defined below) for the purchase of the securities subject to the terms and conditions as stipulated in the agreement and as more specifically stated in Paragraph 2.1 of this DLoF.
49.	SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
50.	SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, as amended.
51.	SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
52.	SEBI	Securities and Exchange Board of India.
53.	SEBI Act	SEBI Act, 1992, as amended.
54.	Target Company	Accelya Kale Solutions Limited having its registered office at Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune – 411 037.
55.	Tendering Period	Period commencing from Friday, 31 March 2017 and closing on Monday, 17 April

Sr. No.	Particulars	Details / Definition
		2017 (both days inclusive).
56.	Working Day	Working days of SEBI as defined in the SEBI (SAST) Regulations, in Mumbai.

Note: All capitalized terms used in this DLoF and not specifically defined herein, shall have the meanings ascribed to them in the SEBI (SAST) Regulations.

1 DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DLOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DLOF 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 EQUITY SHAREHOLDERS OF ACCELYA KALE SOLUTIONS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, PACs OR THE 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 THE ACQUIRER AND PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THIS OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND PACs DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, CITI GLOBAL MARKETS INDIA PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 17 FEBRUARY 2017 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

2 DETAILS OF THIS OFFER

2.1 Background of this Offer:

2.1.1 This Offer is being made in accordance with Regulations 3(1), 4, 5(1) and 5(2) of the SEBI (SAST) Regulations and is being made as a result of an indirect acquisition of 74.66% of the voting rights in and control by the Acquirer over the Target Company, and such indirect acquisition will be regarded as a deemed direct acquisition as it falls within the parameters prescribed under Regulation 5(2) of the SEBI (SAST) Regulations.

2.1.2 This Offer is a mandatory open offer being made by the Acquirer and the PACs to the Equity Shareholders of the Target Company pursuant to Regulations 3(1), 4, 5(1) and 5(2) of the SEBI (SAST) Regulations. The Offer is being made on account of a share purchase agreement entered into between the Acquirer and (for limited purposes) PAC 1 on the one hand, and Chequers Capital XV FPCI, Equity Finance SA and certain other individuals, on the other hand (together, **Sellers**) dated 4 February 2017 (**Share Purchase Agreement**) whereby the Acquirer has agreed to purchase in cash 100% of the securities issued by Accelya Holding Luxembourg SA (**Accelya Holding**), comprising (i) 71,45,429 ordinary shares, each having a nominal value of USD 1.00; (ii) 3,42,13,360 yield bearing convertible preferred equity certificates, each having a par value and face amount of USD 1.00; and (iii) 10 warrants, each having a par value of USD 53,000.00. The securities to be acquired represent 100% of the securities (including the issued and paid-up share capital) of Accelya Holding which holds 100% (one hundred percent) of the securities (including the issued and paid-up share capital) of Accelya Luxembourg S.A. which in turn holds 100% (one hundred percent) of the total issued and paid-up share capital of Accelya Holding World S.L.U. (**Accelya Holding World**), which in turn holds 1,11,43,295 Equity Shares constituting 74.66% of the issued, subscribed and paid up equity share capital of the Target Company, resulting in an indirect acquisition of voting rights in and control by the Acquirer over the Target Company (**Primary Acquisition**). Accelya Holding together with its subsidiaries, including the Target Company, constitute the **Accelya Holding Group**. The consummation of the transactions contemplated in the Share Purchase Agreement will result in an indirect acquisition of 74.66% of the voting rights in, and control over the Target Company, by the Acquirer.

2.1.3 Given the above background, the salient terms of the Share Purchase Agreement are as follows:

- (a) Under the Share Purchase Agreement, the total consideration for all of Accelya Holding's securities will be an aggregate amount of USD 367,800,000 (**Primary Consideration**), less certain amounts that will be deducted from the Primary Consideration to equal the **Purchase Price**. The amounts to be deducted include certain transaction costs (specifically, management advisors' costs and vendor due diligence costs), certain outstanding and un-paid amounts payable by Accelya Holding and/or its offshore subsidiaries to certain persons including employees and/or managers of the Accelya Holding Group companies in various countries and any leakage or restricted payments between 30 June 2016 and the completion date of the Primary Acquisition.
- (b) In respect of the Purchase Price, payment of USD 69,400,000 will be deferred from the completion date of the Primary Acquisition to the earlier of: (A) ten business days following the release of funds held in the Escrow Account; and (B) five months following the completion date of the Primary Acquisition.
- (c) The completion of the transactions contemplated by the Share Purchase Agreement is not conditional on any conditions precedent set out therein. However, the Share Purchase Agreement sets forth a long stop date of 31 March 2017 pursuant to which the parties to the Share Purchase Agreement will be entitled to terminate the Share Purchase Agreement if closing has not occurred by such date. As is customary, the Share Purchase Agreement contains certain pre-completion undertakings (e.g. that certain payments would not be made, and certain actions or decisions related to the members of the Accelya Holding Group, which includes the Target Company, would not be taken), warranties and indemnities from the Sellers, and actions to be performed at completion including delivery of shareholder registers and other documents, letters of resignation of board members of Accelya Holding and Accelya Luxembourg SA, and certificates, delivery of termination notices or other evidence of termination of certain agreements and contracts between the members of the Accelya

Holding Group on the one hand and the Sellers or their affiliates or certain third parties on the other hand, and the payment of certain outstanding and unpaid amounts due by the Accelya Holding Group under certain agreements. The Share Purchase Agreement also provides that the Offer Price and the conditionality of the Offer may not be voluntarily amended by the Acquirer, in each case, in a manner that is prejudicial to the Sellers' interests under the Share Purchase Agreement or without the Sellers' agent's consent, such consent not to be unreasonably withheld.

- 2.1.4 As on the date of this DLoF, the Acquirer and PACs do not hold any shares in the Target Company.
- 2.1.5 PAC 1 has deposited 100% of the Maximum Consideration in the Escrow Account as more specifically detailed in Paragraph 5.2 below (Financial Arrangements), in accordance with Regulation 22(2) of the SEBI (SAST) Regulations.
- 2.1.6 The proposed indirect acquisition of voting rights in and control by the Acquirer over the Target Company is not through any scheme of arrangement.
- 2.1.7 The Acquirer and PACs have not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act or under any of the regulations made under the said Act.
- 2.1.8 The Acquirer and/or the PACs may nominate, appoint or cause the appointment of persons to the Board and/or modify the composition of the Board in accordance with applicable law. As of the date of this Draft Letter of Offer, the Acquirer and the PACs have not made any decision with regards to the reconstitution of the Board and no persons have been identified for nomination.
- 2.1.9 As on the date of this DLoF, there are no directors on the Board directly representing the Acquirer or PACs.
- 2.1.10 All the Equity Shares validly tendered and accepted in this Offer in accordance with and subject to the terms and conditions contained in the Public Announcement, DPS, and the Letter of Offer, will be acquired by PAC 1.
- 2.1.11 This Offer is being made as a result of the indirect acquisition of substantial shares, voting rights and indirect acquisition of control in the Target Company by the Acquirer and PACs in their capacity as persons acting in concert with the Acquirer.
- 2.1.12 The Manager to the Offer, Citi Global Markets India Private Limited, does not hold any Equity Shares in the Target Company as on the date of this DLoF. The Manager further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.
- 2.1.13 The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations and is not a competitive bid in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 2.1.14 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board is required to constitute a committee of independent directors to provide their written reasoned recommendation on the Offer to the Equity Shareholders and such recommendations shall be published, at least two Working Days before the commencement of the Tendering Period, in the Newspapers in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.
- 2.2 **Details of the Offer**
 - 2.2.1 The Public Announcement made on 4 February 2017 announcing the Offer is in compliance with Regulations 3(1), 4, 5(1), 5(2) and 13(2)(f) of the SEBI (SAST) Regulations pursuant to the indirect acquisition of 74.66% voting rights of and control over the Target Company.
 - 2.2.2 The details pertaining to the publication of the DPS in Newspapers is given below:

Sr. No.	Newspaper	Language	Editions	Date of DPS	Date of Publication of DPS
1.	Business Standard	English	All	9 February 2017	10 February 2017
2.	Business Standard	Hindi	All	9 February 2017	10 February 2017
3.	Navshakti	Marathi	Mumbai	9 February 2017	10 February 2017
4.	Kesari	Marathi	Pune	9 February 2017	10 February 2017

The Public Announcement and the DPS are also available at SEBI's website: www.sebi.gov.in.

2.2.3 The Offer is being made by the Acquirer and PACs to all the Equity Shareholders of the Target Company in terms of Regulations 3(1) and 4 read with Regulations 5(1) and 5(2) of the SEBI (SAST) Regulations. In terms of Regulation 5(2), in the event any of the parameters listed therein are met, the open offer will be regarded as a deemed direct acquisition. In the present case, though this Offer is pursuant to an indirect acquisition of voting rights in and control by the Acquirer over the Target Company in terms of Regulation 5(1) of the SEBI (SAST) Regulations, it will be regarded as a deemed direct acquisition, as it falls within the parameters prescribed under Regulation 5(2) of the SEBI (SAST) Regulations, determined by Bansil S. Mehta & Co. in its report dated 2 February 2017, as detailed below:-

The proportionate net asset value of the Target Company as a percentage of the consolidated net asset value of Accelya Holding is greater than 80%, calculated on the basis of the most recent audited annual financial statements of the Target Company and Accelya Holding. Specifically, as per Bansil S. Mehta & Co.'s valuation report dated 2 February 2017, the net asset value of Accelya Holding is negative Rs. (1236,00,00,000) and the net asset value of the Target Company is Rs. 113,00,00,000. As such, this Offer is a deemed direct acquisition in terms of Regulation 5(2) of the SEBI (SAST) Regulations.

2.2.4 The date of the opening of the Tendering Period for the Offer is Friday, 31 March 2017.

2.2.5 Pursuant to the Offer, PAC 1 proposes to acquire up to 37,82,966 Equity Shares tendered in this Offer at an Offer Price of INR 1,250 (Rupees One Thousand Two Hundred and Fifty only) per Equity Share, aggregating to INR 472,87,07,500 (Rupees Four Hundred and Seventy Two Crores Eighty Seven Lakhs Seven Thousand and Five Hundred only) payable by way of cash, subject to the terms and conditions of this DLoF and in accordance with the SEBI (SAST) Regulations.

2.2.6 The Offer Shares represent 25.34% of the Voting Share Capital of the Target Company.

2.2.7 The Equity Shares to be acquired under the Offer must be free from all liens, charges, equitable interests and encumbrances and will be acquired together with the rights attached thereto, including all rights to dividend, bonus and rights offer, if any, declared hereafter, and the tendering Equity Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis. All Equity Shares validly tendered by the Equity Shareholders will be accepted at the Offer Price by the Acquirer and/or PACs in accordance with the terms and conditions contained in the Public Announcement, DPS and this DLoF.

2.2.8 There are no partly paid-up shares in the Target Company.

2.2.9 There is no differential pricing for this Offer.

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

2.2.11 This Offer is not subject to any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations. All Equity Shares validly tendered by the Equity Shareholders will be accepted at the Offer Price in accordance with the terms and conditions contained in the Public Announcement, DPS, and the Letter of

Offer.

- 2.2.12 To the best of the knowledge of the Acquirer and PACs, there are no statutory or other approvals required to complete the acquisition of the Offer Shares as on the date of this DLoF. If, however, any statutory or other approval becomes applicable prior to the completion of the Offer, the Offer would be subject to such statutory or other approval(s) being obtained. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals which become applicable prior to completion of the Offer are not received, the Acquirer and the PACs shall have the right to withdraw the Offer. Further, if closing under the Share Purchase Agreement has not occurred by 31 March 2017, the Share Purchase Agreement may be terminated and, in such event, the Acquirer and the PACs shall have a right to withdraw this Offer in terms of Regulation 23 of the SEBI (SAST) Regulations including with the approval of SEBI if applicable. In the event of withdrawal of the Offer, the Acquirer and the PACs (through the Manager) shall, within two Working Days of such withdrawal, make an announcement stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- 2.2.13 The Acquirer and PACs have not acquired any Equity Shares of the Target Company between the date of the Public Announcement, being 4 February 2017 and the date of this DLoF.
- 2.2.14 As on the date of this DLoF, there has been no competing offers to this Offer.
- 2.2.15 PAC 1 will acquire all the Equity Shares validly accepted in this Offer.
- 2.2.16 The Equity Shares of the Target Company are listed on BSE and NSE.
- 2.2.17 After the acquisition of the Offer Shares (assuming full acceptance of the Offer), the public shareholding in the Target Company may fall below the minimum level required for continued listing under Regulation 38 of the SEBI (LODR) Regulations and Rule 19A of the Securities Contracts (Regulation) Rules, 1957. 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/or PACs and/or Accelya Holding World shall bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the Securities Contracts (Regulation) Rules, 1957, SEBI (SAST) Regulations and as per applicable SEBI guidelines.
- 2.2.18 The Manager to the Offer shall not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

2.3 **Object of the acquisition / Offer**

- 2.3.1 The Primary Acquisition will result in an indirect acquisition of the Target Company and this Offer is being made, in compliance with Regulations 3(1), 4, 5(1), 5(2) and 13(2)(f) of the SEBI (SAST) Regulations. After completion of the Primary Acquisition in accordance with the terms of the Share Purchase Agreement, the Acquirer will be in a position to exercise voting rights held by Accelya Holding indirectly in the Target Company and exercise control over the Target Company. The Target Company is presently engaged in the business of providing software and service solutions to the airline and travel industry worldwide and upon completion of the Offer, the Acquirer and PACs propose to continue with and strengthen the existing activities of the Target Company by bringing together the expertise of the Mercator group and the Target Company. The Acquirer and PACs intend to work with the management and employees of the Target Company to grow the business of the Target Company.
- 2.3.2 The Acquirer and the PACs do not have any plans to alienate, sell, restructure, dispose off or otherwise encumber any material assets of the Target Company or any of its subsidiaries during the period of 2 (two) years from the expiry of the Offer Period, except in the ordinary course of business and other than as already agreed, disclosed and/or publicly announced by the Target Company. The Board may, in the ordinary course of business, take decisions to alienate, restructure, dispose off or transfer of assets of the Target Company in accordance with applicable laws. The Acquirer and the PACs undertake that they will not restructure, sell, lease, dispose off or

otherwise encumber any substantial assets of the Target Company or any of its subsidiaries other than as stated above in the succeeding 2 (two) years from the completion of this Offer, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations.

3 BACKGROUND OF THE ACQUIRER AND PACS

3.1 SKY BIDCO S.L.U. (ACQUIRER)

3.1.1 The Acquirer is a limited liability company (*Sociedad Limitada Unipersonal*). It was incorporated on 21 November 2016 as Kenji Inversiones, S.L.U. under the laws of Spain registered with the Mercantile Registry of Madrid at volume 35.334, sheet 106, section 8, page number M-635199 and the name of the entity was thereafter changed to Sky Bidco S.L.U. on 26 January 2017. Its registered office is located at Calle Claudio Coello 124, 6ª planta derecha, 28006, Madrid, Spain. Tel: +44 20 7306 3064, Fax: +44 20 7321 0881.

3.1.2 The Acquirer is a holding company. The Acquirer is a part of the Mercator group. The Mercator group is a global provider of product-enabled solutions focused on the transportation, travel and logistics space. The group's software products and services cover revenue accounting, air cargo management, customer experience, passenger services, freight forwarding and revenue management.

3.1.3 The Acquirer and its directors have not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any of the regulations made under the SEBI Act.

3.1.4 The relevant provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations are not applicable to the Acquirer with respect to the Target Company since the Acquirer has not acquired or sold any Equity Shares.

3.1.5 The issued and paid-up capital of the Acquirer is EUR 3,000 divided into 3,000 quota shares (participaciones sociales). The shareholding pattern of the Acquirer as on date of this DLoF is as under:

Sr. No.	Name of the Shareholder	Number of equity Shares	Percentage of Shareholding
1.	Sky Holdco Limited	3,000	100%
2.	Total Paid-up Capital	3,000	100%

3.1.6 The details of the directors of the Acquirer as on the date of this DLoF are as follows:-

Name	Date of appointment	Qualification and Experience
Mr. David Vincent Reis	26 January 2017	<ul style="list-style-type: none"> Mr. Reis holds an MSc in Business Administration from HEC Lausanne in Switzerland. Mr. Reis is based in Warburg Pincus's London office and focuses on investments in the industrials and business services sectors. Prior to joining Warburg Pincus, Mr. Reis was a Managing Director within Goldman Sachs's Merchant Banking Division focusing on technology and industrial investing in Europe. He was also a director of Flint Group, Mister Spex, Qubit, Talentsoft, Windeln.de and Worldstores.

- 3.1.7 The Acquirer is a wholly owned subsidiary of PAC 5.
- 3.1.8 The shares of the Acquirer are not listed on any stock exchange.
- 3.1.9 As of the date of this DLoF, the Acquirer does not hold any Equity Shares in the Target Company.
- 3.1.10 As at the date of this DLoF, the Acquirer, its directors and its key employees do not have any interest in the Target Company except for the transactions detailed in Paragraph 2.1 (Background of this Offer). Further there are no common directors on the board of the Acquirer and the Target Company.
- 3.1.11 As on the date of this DLoF, the Acquirer has no representation on the Board.
- 3.1.12 The Acquirer was incorporated on 21 November 2016 and this being its first year of operations, no financial statements of the Acquirer are available.
- 3.1.13 There are no major contingent liabilities for the Acquirer as at 31 December 2016.

3.2 CANARY TOPCO LIMITED (PAC 1)

- 3.2.1 Canary Topco Limited is a private limited company. It was incorporated on 19 March 2014 in England, United Kingdom under the laws of England and Wales, bearing registration no.08948602. Its registered office is located at Almack House, 28 King Street, London, SW1Y 6QW, Tel: +44 20 7306 3064, Fax: +44 20 7321 0881.
- 3.2.2 PAC 1 is a holding company. PAC 1 is a part of the Mercator group. The Mercator group is a global provider of product-enabled solutions focused on the transportation, travel and logistics space. The group's software products and services cover revenue accounting, air cargo management, customer experience, passenger services, freight forwarding and revenue management.
- 3.2.3 PAC 1 and its directors have not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any of the regulations made under the SEBI Act.
- 3.2.4 The relevant provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations are not applicable to PAC 1 with respect to the Target Company since PAC 1 has not acquired or sold any Equity Shares.
- 3.2.5 The issued and paid-up capital of PAC 1 is USD 1,28,260.885 divided into 10,20,75,518 preference shares of USD 0.001 each, 10,12,999 A ordinary shares of USD 0.001 each, 1,72,368 B1 ordinary shares of USD 0.001 each and 25,000 B2 ordinary shares of USD 1.00 each. The shareholding pattern of PAC 1 as on the date of this DLoF is as under:-

Sr. No.	Name of the Shareholder	Number of A ordinary Shares	Number of preference Shares	Number of B1 ordinary shares	Number of B2 ordinary shares	Percentage of Shareholding
1.	WP Funds XI (constituting of Warburg Pincus Private Equity XI, L.P., Warburg Pincus Private Equity XI-B, L.P., Warburg	782,204	78,391,883	-	-	61.57%

	Pincus Private Equity XI-C, L.P., WP XI Partners, L.P. and Warburg Pincus XI Partners, L.P.) (being the persons in control of PAC 1)					
2.	dnata	202,986	20,343,132	-	-	15.98%
3.	Catapult International Holdings LLC.	-	-	53,387	-	4.20%
4.	Managers of PAC 1	27,809	3,340,503	118,981	25,000	18.25%
	Total	1,012,999	102,075,518	172,368	25,000	100%

3.2.6 The details of the directors of PAC 1 as on the date of this DLoF are as follows:-

Name	Date of appointment	Qualification & Experience
Mr. Simon William Begg	19 March 2014	<ul style="list-style-type: none"> Mr. Begg holds a M.Eng in Engineering, Economics and Management degree from Brasenose College, Oxford University. Mr. Begg is based in London and focuses on enhancing value of Warburg Pincus portfolio companies in Europe. Prior to joining Warburg Pincus, Mr. Begg was at Apax Partners in London in the financing team where he was responsible for financing the firm's LBO transactions. He is currently a director of Mercator and Safetykleen.
Mr. Michael Doersam	25 June 2014	<ul style="list-style-type: none"> Mr. Doersam holds a Diplom-Betriebswirt, Business Economics from Fachhochschule Deutsche Bundesbank, Germany. Mr. Doersam serves as Senior Vice President of Group Finance at Emirates - New Zealand Branch since October 2008. Prior to working at Emirates, Mr. Doersam was head of strategic controlling at Berlin – Chemie AG, Director Corporate Auditing at Thomas Cook group and manager – corporate cost management at Lufthansa.
Mr. Max Fowinkel	19 March 2014	<ul style="list-style-type: none"> Mr. Fowinkel holds a degree in mechanical engineering and business administration from Technische Universität Berlin, Germany and an M.B.A. from Harvard Business School. Mr. Fowinkel is based in London, joined Warburg Pincus in 2007 and focuses on investments in the technology, media and telecommunications sectors. Mr. Fowinkel is a Director of IPAN, Mercator, Inexio and Blue Yonder and a board observer at Network International. Prior to working at Warburg Pincus, Mr. Fowinkel was previously a director of MACH, Evenex and easycash. Prior to joining the firm, he worked at McKinsey & Company.

Name	Date of appointment	Qualification & Experience
Mr. Mark Nieuwendijk	15 November 2016	<ul style="list-style-type: none"> • Mr. Nieuwendijk holds a degree in accounting and business management at University of California and did his doctoraal in business economics & information sciences at University of Groningen. • Mr. Nieuwendijk is a board member and strategy counsel at Warburg Pincus. • Prior to joining Warburg Pincus, Mr. Nieuwendijk was the co-managing director at Boeing – Aerdata, managing director at Hemington Consultants and co-founder and co-managing director at Aer Data.
Mr. Joseph Charles Schull	29 May 2014	<ul style="list-style-type: none"> • Mr. Schull holds a B.A. and M.A. from McGill University, Canada where he studied politics, philosophy and economics. Mr. Schull also received a D. Phil. from Oxford University, where he was university lecturer from 1990 to 1991. • Mr. Schull is based in London and is a senior limited partner at Warburg Pincus. He has previously been responsible for Warburg Pincus' European investment activities. Mr. Schull is a director of Blue Yonder, IPAN and Mercator. • Prior to joining Warburg Pincus, Mr. Schull was Deputy Director of the International Affairs program at the Ford Foundation. He has been involved in Warburg Pincus investments in broadcasting, telecommunications, cable television, information services, internet, education and pharmaceuticals.
Mr. David Charles Tibble	29 May 2014	<ul style="list-style-type: none"> • Mr. Tibble is a certified Fellow of the Institute of Chartered Accountants and has a Bachelor of Arts degree in Economics from University of East Anglia. • Mr. Tibble serves as an executive chairman of Mercator. • Prior to joining Mercator, Mr. Tibble served as group finance director of Hays plc, a FTSE 100 listed outsourcing company in the UK, where he founded and headed their 6,000-person business process outsourcing division which operates in the UK, France, Poland, Holland, India and Sri Lanka.

- 3.2.7 As on the date of this DLoF, PAC 1 holds 100% of the total shareholding of PAC 2, a company incorporated under the laws of England and Wales, which in turn wholly owns and controls PAC 3.
- 3.2.8 PAC 4, a company incorporated under the laws of England and Wales is the wholly owned subsidiary of PAC 3. PAC 4 wholly owns and controls PAC 5, a company incorporated under the laws of England and Wales, which in turn wholly owns and controls the Acquirer.
- 3.2.9 The shares of PAC 1 are not listed on any stock exchange.
- 3.2.10 As of the date of this DLoF, PAC 1 does not hold any Equity Shares in the Target Company.
- 3.2.11 As at the date of this DLoF, PAC 1, its directors and its key employees do not have any interest in the Target Company except for the transactions detailed in Paragraph 2.1 (Background of this Offer). Further there are no common directors on the board of PAC1 and the Target Company.
- 3.2.12 As on the date of this DLoF, PAC 1 has no representation on the Board.
- 3.2.13 For the purpose of this DLoF, brief consolidated financial information of PAC 1 derived from the audited financial statements as at and for the previous two years ended 31 December 2014[#] and 31 December 2015 and interim unaudited standalone financial information, which has been subject to limited review by the statutory auditors as at and for the year ended 31 December 2016 are as follows:-

(Amounts in thousands except Earnings / (Loss) per share)

Profit & Loss Statement	Audited	For the financial year ended December 31, 2014 (INR*)	Audited	For the financial year ended December 31, 2015 (INR*)	Limited Review**	For the financial year ended December 31, 2016 (INR*)
	For the financial year ended December 31, 2014 [#] (USD)		For the financial year ended December 31, 2015 (USD)		For the financial year ended December 31, 2016 (USD)	
Income from Operations	33,027.3	2,210,167.1	58,063.6	3,885,576.9	0.0	0.0
Other Income	263.2	17,614.6	0.4	27.4	0.0	0.0
Total Income	33,290.6	2,227,781.7	58,064.0	3,885,604.3	0.0	0.0
Total Expenditure	(29,769.6)	(1,992,158.7)	(62,225.8)	(4,164,105.4)	(3.8)	(254.3)
Profit / (Loss) Before Depreciation Interest and Tax	3,521.0	235,623.0	(4,161.7)	(278,501.1)	(3.8)	(254.3)
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
Interest	(1,009.1)	(67,527.7)	(134.8)	(9,022.6)	23.5	1,572.6
Profit / (Loss) Before Tax	2,511.9	168,095.3	(4,296.6)	(287,523.7)	19.7	1,318.3
Provision for Taxation	0.0	0.0	(12.4)	(826.6)	0.0	0.0
Profit / (Loss) After Tax	2,511.9	168,095.3	(4,308.9)	(288,350.3)	19.7	1,318.3

Balance Sheet Statement	Audited	As at December 31, 2014 (INR*)	Audited	As at December 31, 2015 (INR*)	Limited Review**	As at December 31, 2016 (INR*)
	As at December 31, 2014 [#] (USD)		As at December 31, 2015 (USD)		As at December 31, 2016 (USD)	
Sources of Funds						
Paid Up Equity Share Capital	84,592.0	5,660,837.4	106,092.4	7,099,628.4	106,547.4	7,130,077.4

Reserves and Surplus (Excluding revaluation reserves)	(575.0)	(38,478.5)	(12,501.6)	(836,601.0)	(19,907.5)	(1,332,196.0)
Revaluation Reserves	0.0	0.0	0.0	0.0	0.0	0.0
Net worth	84,017.0	5,622,358.9	93,590.7	6,263,027.4	86,639.8	5,797,874.8
Secured Loans	0.0	0.0	0.0	0.0	0.0	0.0
Unsecured Loan	0.0	0.0	0.0	0.0	0.0	0.0
Total	84,017.0	5,622,358.9	93,590.7	6,263,027.4	86,639.8	5,797,874.8
Uses of Funds						
Net Fixed Assets	74,293.6	4,971,676.9	93,227.0	6,238,687.2	0.0	0.0
Investments	0.0	0.0	0.0	0.0	100,918.7	6,753,408.8
Net Current Assets	9,723.4	650,682.0	363.7	24,340.2	(14,278.8)	(955,527.3)
Total miscellaneous expenditure not written off	0.0	0.0	0.0	0.0	0.0	0.0
Total	84,017.0	5,622,358.9	93,590.7	6,263,027.4	86,639.8	5,797,874.8

Other Financial Data	Audited	For the financial year ended December 31, 2014 (INR*)	Audited	For the financial year ended December 31, 2015 (INR*)	Limited Review**	For the financial year ended December 31, 2016 (INR*)
	For the financial year ended December 31, 2014 (USD) #		For the financial year ended December 31, 2015 (USD)		For the financial year ended December 31, 2016 (USD)	
Dividend (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings/ (Loss) Per Share	(0.64)	(43.14)	(9.88)	(661.03)	(7.60)	(508.50)

For the period from 19 March 2014 to 31 December 2014.

* The reference rate used for the conversion from USD into INR is RBI reference rate as on February 15, 2017 which is 1 USD = INR 66.9193.

** Standalone financial information has been provided as consolidated financial information is currently not available.

3.2.14 There are no major contingent liabilities for PAC 1 as at 31 December 2016.

3.3 CANARY HOLDCO LIMITED (PAC 2)

3.3.1 Canary Holdco Limited is a private limited company. It was incorporated on 15 March 2016 in England, United Kingdom under the laws of England and Wales, bearing registration no. 10063409. Its registered office is

located at Almack House, 28 King Street, London, SW1Y 6QW, Tel: +44 20 7306 3064, Fax: +44 20 7 321 0881.

- 3.3.2 PAC 2 is a holding company. PAC 2 is a part of the Mercator group. The Mercator group is a global provider of product-enabled solutions focused on the transportation, travel and logistics space. The group's software products and services cover revenue accounting, air cargo management, customer experience, passenger services, freight forwarding and revenue management.
- 3.3.3 PAC 2 and its directors have not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any of the regulations made under the SEBI Act.
- 3.3.4 The relevant provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations are not applicable to PAC 2 with respect to the Target Company since PAC 2 has not acquired or sold any Equity Shares.
- 3.3.5 The issued and paid-up capital of PAC 2 is USD 2,001 divided into 20,01,000 ordinary shares of USD 0.001 each. The shareholding pattern of PAC 2 as on date of this DLoF is as under:-

Sr. No.	Name of the Shareholder	Number of equity Shares	Percentage of Shareholding
1.	Canary Topco Limited	20,01,000	100%
2.	Total Paid-up Capital	20,01,000	100%

- 3.3.6 The details of the directors of PAC 2 as on the date of this DLoF are as follows:-

Name	Date of appointment	Qualification and Experience
Mr. Simon William Begg	15 March 2016	<ul style="list-style-type: none"> Mr. Begg holds an M.Eng. in Engineering, Economics and Management degree from Brasenose College, Oxford University. Mr. Begg is based in London and focuses on enhancing value of Warburg Pincus portfolio companies in Europe. Prior to joining Warburg Pincus, Mr. Begg was at Apax Partners in London in the financing team where he was responsible for financing the firm's LBO transactions. He is currently a director of Mercator and Safetykleen.
Mr. Max Fowinkel	15 March 2016	<ul style="list-style-type: none"> Mr. Fowinkel holds a degree in mechanical engineering and business administration from Technische Universität Berlin, Germany and an M.B.A. from Harvard Business School. Mr. Fowinkel is based in London, joined Warburg Pincus in 2007 and focuses on investments in the technology, media and telecommunications sectors. Mr. Fowinkel is a director of IPAN, Mercator, Inexio and Blue Yonder and a board observer at Network International. Prior to working at Warburg Pincus, Mr. Fowinkel was previously a director of MACH, Evenex and Easycash. Prior to joining the firm, he worked at McKinsey & Company.

- 3.3.7 As on the date of this DLoF, PAC 1 holds 100% of the total shareholding of PAC 2, a company incorporated under the laws of England and Wales, which in turn wholly owns and controls PAC 3.
- 3.3.8 PAC 4, a company incorporated under the laws of England and Wales is the wholly owned subsidiary of PAC 3.

PAC 4 wholly owns and controls PAC 5, a company incorporated under the laws of England and Wales, which in turn wholly owns and controls the Acquirer.

3.3.9 The shares of PAC 2 are not listed on any stock exchange.

3.3.10 As on the date of this DLoF, PAC 2 does not hold any shares in the Target Company.

3.3.11 As at the date of this DLoF, PAC 2, its directors and its key employees do not have any interest in the Target Company except for the transactions detailed in Paragraph 2.1 (Background of this Offer). Further there are no common directors on the board of PAC 2 and the Target Company.

3.3.12 As on the date of this DLoF, PAC 2 has no representation on the Board.

3.3.13 PAC 2 was incorporated on 15 March 2016 and this being its first year of operations, there are no audited financial statements related to PAC 2. The interim unaudited standalone financial information, which has been subject to limited review by the statutory auditors as at and for the period ending 31 December 2016 are as follows:-

(Amounts in thousands except Earnings / (Loss) per

share)

Profit & Loss Statement	Limited Review**	Period ended December 31, 2016 (INR*)
	Period ended December 31, 2016 (USD)	
Income from Operations	0.0	0.0
Other Income	0.0	0.0
Total Income	0.0	0.0
Total Expenditure	0.0	0.0
Profit / (Loss) Before Depreciation Interest and Tax	0.0	0.0
Depreciation	0.0	0.0
Interest	0.0	0.0
Profit / (Loss) Before Tax	0.0	0.0
Provision for Taxation	0.0	0.0
Profit / (Loss) After Tax	0.0	0.0

Balance Sheet Statement	Limited Review**	As at December 31, 2016 (INR*)
	As at December 31, 2016 (USD)	
Sources of Funds		
Paid Up Equity Share Capital	100,918.7	6,753,408.8
Reserves and Surplus (Excluding revaluation reserves)	0.0	0.0
Revaluation Reserves	0.0	0.0
Net worth	100,918.7	6,753,408.8
Secured Loans	0.0	0.0
Unsecured Loan	0.0	0.0
Total	100,918.7	6,753,408.8
Uses of Funds		
Net Fixed Assets	0.0	0.0
Investments	100,918.7	6,753,408.8
Net Current Assets	0.0	0.0

Total miscellaneous expenditure not written off	0.0	0.0
Total	100,918.7	6,753,408.8

Other Financial Data	Limited Review**	Period ended 31 December, 2016 (INR*)
	Period ended 31 December, 2016 (USD)	
Dividend (%)	0.0%	0.0%
Earnings / (Loss) per Share	0.00	0.00

* The reference rate used for the conversion from USD into INR is RBI reference rate as on February 15, 2017 which is 1 USD = INR 66.9193.

** Standalone financial information has been provided as consolidated financial information is currently not available as PAC 2 is not required to prepare consolidated accounts under applicable law.

3.3.14 There are no major contingent liabilities for PAC 2 as at 31 December 2016.

3.4 CANARY FINCO LIMITED (PAC 3)

3.4.1 Canary Finco Limited is a private limited company. It was incorporated on 15 March 2016 in England, United Kingdom under the laws of England and Wales, bearing registration no. 10063826. Its registered office is located at Almack House, 28 King Street, London, SW1Y 6QW, Tel: +44 20 7306 3064, Fax: +44 20 7 321 0881.

3.4.2 PAC 3 is a holding company. PAC 3 is a part of the Mercator group. The Mercator group is a global provider of product-enabled solutions focused on the transportation, travel and logistics space. The group's software products and services cover revenue accounting, air cargo management, customer experience, passenger services, freight forwarding and revenue management.

3.4.3 PAC 3 and its directors have not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any of the regulations made under the SEBI Act.

3.4.4 The relevant provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations are not applicable to PAC 3 with respect to the Target Company since PAC 3 has not acquired or sold any Equity Shares.

3.4.5 The issued and paid-up capital of PAC 3 is USD 2,001 divided into 20,01,000 ordinary shares of USD 0.001 each. The shareholding pattern of PAC 3 as on date of this DLoF is as under:-

Sr. No.	Name of the Shareholder	Number of equity Shares	Percentage of Shareholding
1.	Canary Holdco Limited	20,01,000	100%
2.	Total Paid-up Capital	20,01,000	100%

3.4.6 The details of the directors of PAC 3 as on the date of this DLoF are as follows:-

Name	Date of appointment	Qualification and Experience
Mr. Simon William Begg	15 March 2016	<ul style="list-style-type: none"> Mr. Begg holds a M.Eng in Engineering, Economics and Management degree from Brasenose College, Oxford University. Mr. Begg is based in London and focuses on enhancing value of Warburg Pincus portfolio companies in Europe. Prior to joining Warburg Pincus, Mr. Begg was at Apax Partners in London in the financing team where he was responsible for financing the firm's LBO transactions. He is currently a director of Mercator and

		Safetykleen.
Mr. Max Fowinkel	15 March 2016	<ul style="list-style-type: none"> Mr. Fowinkel holds a degree in mechanical engineering and business administration from Technische Universität Berlin, Germany and an M.B.A. from Harvard Business School. Mr. Fowinkel is based in London, joined Warburg Pincus in 2007 and focuses on investments in the technology, media and telecommunications sectors. Mr. Fowinkel is a director of IPAN, Mercator, Inexio and Blue Yonder and a board observer at Network International Prior to working at Warburg Pincus, Mr. Fowinkel was previously a director of MACH, Evenex and easycash. Prior to joining the firm, he worked at McKinsey & Company.

3.4.7 As on the date of this DLoF, PAC 1 holds 100% of the total shareholding of PAC 2, a company incorporated under the laws of England and Wales, which in turn wholly owns and controls PAC 3.

3.4.8 PAC 4, a company incorporated under the laws of England and Wales is the wholly owned subsidiary of PAC 3. PAC 4 wholly owns and controls PAC 5, a company incorporated under the laws of England and Wales, which in turn wholly owns and controls the Acquirer.

3.4.9 The shares of PAC 3 are not listed on any stock exchange.

3.4.10 As of the date of this DLoF, PAC 3 does not hold any Equity Shares in the Target Company.

3.4.11 As at the date of this DLoF, PAC 3, its directors and its key employees do not have any interest in the Target Company except for the transactions detailed in Paragraph 2.1 (Background of this Offer). Further there are no common directors on the board of PAC 3 and the Target Company.

3.4.12 As on the date of this DLoF, PAC 3 has no representation on the Board.

3.4.13 PAC 3 was incorporated on 15 March 2016 and this being its first year of operations, there are no audited financial statements related to PAC 3. The interim unaudited standalone financial information, which has been subject to limited review by the statutory auditors as at and for the period ending 31 December 2016 are as follows:-

(Amounts in thousands except Earnings / (Loss) per share)

Profit & Loss Statement	Limited Review**	
	Period ended December 31, 2016 (USD)	Period ended December 31, 2016 (INR*)
Income from Operations	0.0	0.0
Other Income	0.0	0.0
Total Income	0.0	0.0
Total Expenditure	(160.7)	(10,753.9)
Profit / (Loss) Before Depreciation Interest and Tax	(160.7)	(10,753.9)
Depreciation	0.0	0.0
Interest	(643.7)	(43,076.0)
Profit / (Loss) Before Tax	(804.3)	(53,823.2)
Provision for Taxation	0.0	0.0
Profit / (Loss) After Tax	(804.3)	(53,823.2)

Balance Sheet Statement	Limited Review**	
	As at December 31, 2016 (USD)	As at December 31, 2016 (INR*)

Sources of Funds		
Paid Up Equity Share Capital	100,918.7	6,753,408.8
Reserves and Surplus (Excluding revaluation reserves)	(804.3)	(53,823.2)
Revaluation Reserves	0.0	0.0
Net worth	100,114.4	6,699,585.6
Secured Loans	18,485.6	1,237,043.4
Unsecured Loan	0.0	0.0
Total	118,600.0	7,936,629.0
Uses of Funds		
Net Fixed Assets	0.0	0.0
Investments	115,305.2	7,716,143.3
Net Current Assets	3,294.8	220,485.7
Total miscellaneous expenditure not written off	0.0	0.0
Total	118,600.0	7,936,629.0

Other Financial Data	Period ended 31 December 2016 (USD)	Period ended 31 December 2016 (INR*)
Dividend (%)	0.0%	0.0%
Earnings / (Loss) per Share	(0.40)	(26.90)

* The reference rate used for the conversion from USD into INR is RBI reference rate as on February 15, 2017 which is 1 USD = INR 66.9193.

** Standalone financial information has been provided as consolidated financial information is currently not available as PAC 3 is not required to prepare consolidated accounts under applicable law.

3.4.14 There are no major contingent liabilities for PAC 3 as at 31 December 2016.

3.5 CANARY MIDCO LIMITED (PAC 4)

3.5.1 Canary Midco Limited is a private limited company. It was incorporated on 19 March 2014 in England, United Kingdom under the laws of England and Wales, bearing registration no.08948641. Its registered office is located at Almack House, 28 King Street, London, SW1Y 6QW, Tel: +44 20 7306 3064, Fax: +44 20 7 321 0881.

3.5.2 PAC 4 acts as an intermediate holding company for the trading entities within the group. PAC 4 is a part of the Mercator group. The Mercator group is a global provider of product-enabled solutions focused on the transportation, travel and logistics space. The group's software products and services cover revenue accounting, air cargo management, customer experience, passenger services, freight forwarding and revenue management.

3.5.3 PAC 4 and its directors have not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any of the regulations made under the SEBI Act.

3.5.4 The relevant provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations are not applicable to PAC 4 with respect to the Target Company since PAC 4 has not acquired or sold any Equity Shares.

3.5.5 The issued and paid-up capital of PAC 4 is USD 10,002.68 divided into 1,00,02,680 ordinary shares of USD 0.001 each. The shareholding pattern of PAC 4 as on date of this DLoF is as under:-

Sr. No	Name of the Shareholder	Number of equity Shares	Percentage of Shareholding
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1.	Canary Finco Limited	1,00,02,680	100%
2.	Total Paid-up Capital	1,00,02,680	100%

3.5.6 The details of the directors of PAC 4 as on the date of this DLoF are as follows:-

Name	Date of appointment	Qualification and Experience
Mr. Simon William Begg	19 March 2014	<ul style="list-style-type: none"> Mr. Begg holds a M.Eng in Engineering, Economics and Management degree from Brasenose College, Oxford University. Mr. Begg is based in London and focuses on enhancing value of Warburg Pincus portfolio companies in Europe. Prior to joining Warburg Pincus, Mr. Begg was at Apax Partners in London in the financing team where he was responsible for financing the firm's LBO transactions. He is currently a director of Mercator and Safetykleen.
Mr. Max Fowinkel	19 March 2014	<ul style="list-style-type: none"> Mr. Fowinkel holds a degree in mechanical engineering and business administration from Technische Universität Berlin, Germany and an M.B.A. from Harvard Business School. Mr. Fowinkel is based in London, joined Warburg Pincus in 2007 and focuses on investments in the technology, media and telecommunications sectors. Mr. Fowinkel is a director of IPAN, Mercator, Inexio and Blue Yonder and a board observer at Network International. Prior to working at Warburg Pincus, Mr. Fowinkel was previously a director of MACH, Evenex and easycash. Prior to joining the firm, he worked at McKinsey & Company.

3.5.7 As on the date of this DLoF, PAC 1 holds 100% of the total shareholding of PAC 2, a company incorporated under the laws of England and Wales, which in turn wholly owns and controls PAC 3.

3.5.8 PAC 4, a company incorporated under the laws of England and Wales is the wholly owned subsidiary of PAC 3. PAC 4 wholly owns and controls PAC 5, a company incorporated under the laws of England and Wales, which in turn wholly owns and controls the Acquirer.

3.5.9 The shares of PAC 4 are not listed on any stock exchange.

3.5.10 As of the date of this DLoF, PAC 4 does not hold any Equity Shares in the Target Company.

3.5.11 As at the date of this DLoF, PAC 4, its directors and its key employees do not have any interest in the Target Company except for the transactions detailed in Paragraph 2.1 (Background of this Offer). Further there are no common directors on the board of PAC 4 and the Target Company.

3.5.12 As on the date of this DLoF, PAC 4 has no representation on the Board.

3.5.13 For the purpose of this DLoF, brief standalone financial information derived from the audited financial statements as at and for the previous two years ended 31 December 2014[#] and 31 December 2015 and interim unaudited standalone financial information, which has been subject to limited review by the statutory auditors as at and for the year ended 31 December 2016 for PAC 4 are as follows:

(Amounts in thousands except Earnings / (Loss) per share)

Profit & Loss Statement	Audited	For the financial year ended December 31, 2014 (INR*)	Audited	For the financial year ended December 31, 2015 (INR*)	Limited Review**	For the financial year ended December 31, 2016 (INR*)
	For the financial year ended December 31, 2014 [#] (USD)		For the financial year ended December 31, 2015 (USD)		For the financial year ended December 31, 2016 (USD)	
Income from Operations	216.6	14,492.5	368.2	24,636.3	328.1	21,956.2
Other Income	0.0	0.0	0.0	0.0	0.0	0.0
Total Income	216.6	14,492.5	368.2	24,636.3	328.1	21,956.2
Total Expenditure	(214.3)	(14,340.5)	(7,776.8)	(520,415.3)	(360.1)	(24,097.6)
Profit / (Loss) Before Depreciation Interest and Tax	2.3	152.0	(7,408.6)	(495,778.9)	(31.9)	(2,134.7)
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	9.0	602.8	(283.5)	(18,971.6)
Profit / (Loss) Before Tax	2.3	152.0	(7,399.6)	(495,176.1)	(315.4)	(21,106.3)
Provision for Taxation	0.0	0.0	(6.8)	(457.7)	1.5	100.4
Profit / (Loss) After Tax	2.3	152.0	(7,406.4)	(495,633.8)	(313.9)	(21,006.0)

Balance Sheet Statement	Audited	As at December 31, 2014 (INR*)	Audited	As at December 31, 2015 (INR*)	Limited Review**	As at December 31, 2016 (INR*)
	As at December 31, 2014 [#] (USD)		As at December 31, 2015 (USD)		As at December 31, 2016 (USD)	
Sources of Funds						
Paid Up Equity Share Capital	84,525.0	5,656,353.8	105,562.7	7,064,179.6	115,305.2	7,716,143.3
Reserves and Surplus (Excluding revaluation reserves)	2.3	152.0	(7,404.2)	(495,481.8)	(7,718.1)	(516,489.8)
Revaluation Reserves	0.0	0.0	0.0	0.0	0.0	0.0
Net worth	84,527.3	5,656,505.9	98,158.5	6,568,697.8	107,587.1	7,199,653.4
Secured Loans	0.0	0.0	0.0	0.0	0.0	0.0
Unsecured Loan	0.0	0.0	0.0	0.0	0.0	0.0
Total	84,527.3	5,656,505.9	98,158.5	6,568,697.8	107,587.1	7,199,653.4
Uses of Funds						
Net Fixed Assets	0.0	0.0	5,000.0	334,596.5	5,000.0	334,596.5
Investments	84,500.1	5,654,687.5	93,134.5	6,232,497.5	103,134.5	6,901,688.5
Net Current	27.2	1,818.3	24.0	1,603.8	(547.4)	(36,631.6)

Assets						
Total miscellaneous expenditure not written off	0.0	0.0	0.0	0.0	0.0	0.0
Total	84,527.3	5,656,505.9	98,158.5	6,568,697.8	107,587.1	7,199,653.4

Other Financial Data	Audited	For the financial year ended December 31, 2014 (INR*)	Audited	For the financial year ended December 31, 2015 (INR*)	Limited Review**	For the financial year ended December 31, 2016 (INR*)
	For the financial year ended December 31, 2014# (USD)		For the financial year ended December 31, 2015 (USD)		For the financial year ended December 31, 2016 (USD)	
Dividend (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings / (Loss) per Share	0.00	0.02	(0.93)	(61.93)	(0.03)	(2.10)

For the period from 19 March 2014 to 31 December 2014.

* The reference rate used for the conversion from USD into INR is RBI reference rate as on February 15, 2017 which is 1 USD = INR 66.9193.

** Standalone financial information has been provided as consolidated financial information is currently not available as PAC 4 is not required to prepare consolidated accounts under applicable law.

3.5.14 There are no major contingent liabilities for PAC 4 as at 31 December 2016.

3.6 SKY HOLDCO LIMITED (PAC 5)

3.6.1 Sky Holdco Limited is a private limited company. It was incorporated on 12 January 2017 in England, United Kingdom under the laws of England and Wales, bearing registration no.10561038. Its registered office is located at Almack House, 28 King Street, London, SW1Y 6QW, Tel: +44 20 7306 3064, Fax: +44 20 7 321 0881.

3.6.2 PAC 5 acts as a holding company for the trading entities within the group. PAC 5 is a part of the Mercator group. The Mercator group is a global provider of product-enabled solutions focused on the transportation, travel and logistics space. The group's software products and services cover revenue accounting, air cargo management, customer experience, passenger services, freight forwarding and revenue management.

3.6.3 PAC 5 and its directors have not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any of the regulations made under the SEBI Act.

3.6.4 The relevant provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations are not applicable to PAC 5 with respect to the Target Company since PAC 5 has not acquired or sold any Equity Shares.

3.6.5 The issued and paid-up capital of PAC 5 is EUR 1 divided into 1,000 ordinary shares of EUR 0.001 each. The shareholding pattern of PAC 5 as on date of this DLoF is as under:

Sr. No.	Name of the Shareholder	Number of equity Shares	Percentage of Shareholding
1.	Canary Midco Limited	1,000	100%
2.	Total Paid-up Capital	1,000	100%

3.6.6 The details of the directors of PAC 5 as on the date of this DLoF are as follows.

Name	Date of appointment	Qualification and Experience
Mr. Adarsh Kumar Sarma	12 January 2017	<ul style="list-style-type: none"> • Mr. Sarma received a B.A. from Knox College, Phi Beta Kappa, and an M.B.A. from the University of Chicago. • Adarsh Sarma is based in London and focuses on investments in TMT and Business Services. Mr. Sarma joined Warburg Pincus in 2005 in New York, where he was responsible for leading the firms Payments and Education related investing. • Mr. Sarma previously served on the boards of Metavante (now FIS), Wall Street Systems, Electronic Funds Source, MLM Information Services, ACAMS, Civitas and Bridgepoint Education (NYSE:BPI). Mr. Sarma is currently a director of Stratford School, Liaison International, and is a Board Observer of InComm Holdings. Mr. Sarma also serves on the board of Pratham USA, a non for profit organization.
Mr. David Vincent Reis	12 January 2017	<ul style="list-style-type: none"> • Mr. Reis holds an MSc in Business Administration from HEC Lausanne in Switzerland. • Mr. Reis is based in Warburg Pincus's London office and focuses on investments in the industrials and business services sectors. • Prior to joining Warburg Pincus, Mr. Reis was a managing director within Goldman Sachs's Merchant Banking Division focusing on technology and industrial investing in Europe. He was also a director of Flint Group, Mister Spex, Qubit, Talentsoft, Windeln.de and Worldstores

- 3.6.7 As on the date of this DLoF, PAC 1 holds 100% of the total shareholding of PAC 2, a company incorporated under the laws of England and Wales, which in turn wholly owns and controls PAC 3.
- 3.6.8 PAC 4, a company incorporated under the laws of England and Wales is the wholly owned subsidiary of PAC 3. PAC 4 wholly owns and controls PAC 5, a company incorporated under the laws of England and Wales, which in turn wholly owns and controls the Acquirer.
- 3.6.9 The shares of PAC 5 are not listed on any stock exchange.
- 3.6.10 As of the date of this DLoF, PAC 5 does not hold any Equity Shares in the Target Company.
- 3.6.11 As at the date of this DLoF, PAC 5, its directors and its key employees do not have any interest in the Target Company except for the transactions detailed in Paragraph 2.1 (Background of this Offer). Further there are no common directors on the board of PAC 5 and the Target Company.
- 3.6.12 As on the date of this DLoF, PAC 5 has no representation on the Board.
- 3.6.13 PAC 5 was incorporated on 12 January 2017 and this being its first year of operations, no financial statements of PAC 5 are available
- 3.6.14 There are no major contingent liabilities for PAC 5 as at 31 December 2016.

4 BACKGROUND OF THE TARGET COMPANY

- 4.1. Accelya Kale Solutions Limited is a public limited company incorporated as Kale Consultants Private Limited on 25 September 1986. The Target Company became a public limited company with effect from 29 October 1997. Pursuant to a fresh certificate of incorporation issued by the Registrar of Companies dated 23 July 2012, its name was changed to its present name Accelya Kale Solutions Limited. The registered office of the Target Company is situated 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. The ISIN of Equity Shares of the Target Company is INE793A01012.

- 4.2. The Target Company is a leading 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.
- 4.3. The Equity Shares are listed on the BSE (Security ID: ACCELYA Security Code: 532268) and the NSE (Symbol: ACCELYA). The Equity Shares of the Target Company are infrequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations on NSE and BSE.
- 4.4. The Target Company is controlled by Accelya Holding World which holds 11,143,295 (Eleven Million One Hundred Forty Three Thousand Two Hundred and Ninety Five) Equity Shares in the Target Company constituting 74.66% of the total issued, paid-up share capital of the Target Company.
- 4.5. The composition of the Board is as follows:

Sr. No.	Name	Designation	DIN	Date of Appointment
1.	John Eric Fountain Johnston	Chairman	07258586	14 August 2015
2.	Neela Bhattacharjee	Managing Director	01912483	1 October 2015
3.	Vipul Jain	Non – Independent, Non-Executive Director	00142518	1 October 2015
4.	K.K. Nohria	Independent Director	00060015	8 October 1988
5.	Sangeeta Singh	Independent Director	06920906	18 July 2014
6.	Sekhar Natarajan	Independent Director	01031445	7 July 2011
7.	Nani Javeri	Independent Director	02731854	8 July 2013

- 4.6. Details of the experience and qualification of the Board is as follows:

(a) John Johnston

John Johnston is the chief executive officer (*CEO*) of the Accelya group. John has more than 25 years of experience in information technology and communications industry. For last 20 years John has been serving the airline industry and has held senior executive positions in several countries. He has provided senior management and consulting services to a number of global airlines. Before joining Accelya, John was the CEO of Luxembourg based CHAMP Cargosystems S.A.

(b) Neela Bhattacharjee

In her 15 years with the Target Company, Neela Bhattacharjee has been instrumental in growing the business and shaping the organizational culture. She has led initiatives in diverse areas of the company, including acquisitions, product strategy, sales and customer relationships.

Neela has been responsible for sales in the Americas/ APAC/ EMEA and P&L and strategy for all Target Company products and services, and has been part of the executive committee of Accelya worldwide. She has also been responsible for the Target Company's acquisition of large deals with the LATAM group, EY Group and Tier 1 airlines like American Airlines, Thai Airways and Turkish Airlines. She successfully negotiated and acquired the SIS contract from IATA and has been responsible for Target Company's introduction of new solutions like Finesse and Revenue Analytics.

She is an industry thought leader and participates in IATA's Airline Strategy Group (ASG) meetings and other industry events (like the World Financial Symposium) as Target Company's representative.

Neela has managed the acquisition and transition of Speedwing's (a division of British Airways) passenger proration and cargo solutions business, and also of Zero Octa (UK based company providing Revenue Recovery and Audit Services (RRPS) to the airline industry).

Neela Bhattacharjee is a B.Sc. in Maths and also holds a B.Sc. in Computer Science. Prior to the Target Company she has worked with A.F. Ferguson Management Consultants. Neela had also set up Softcell Consultants Private Ltd., an IT solutions company, and led the company as director and CEO.

(c) Vipul Jain

Vipul Jain is a non-executive director of the Target Company. He co-founded the Target Company (erstwhile Kale Consultants) in 1986 and is former CEO and managing director. Vipul is also part of the board of Accelya Holding and advises the Accelya group on strategic initiatives. He is also co-founder and chairman of Kale Logistics Private Limited, an IT company serving the global logistics industry.

He is also passionate about the social sector, having founded Catalysts for Social Action, a non-governmental organization working for cause of orphaned children as well as setting up one of the first private nature reserves in India.

Vipul is also a recipient of Asia Pacific Entrepreneurship Award in 2015 for creating a leading software product company in the Target Company and his passionate contribution to social sector.

(d) Dr. K. K. Nohria

Dr. Kewal Krishan Nohria currently serves as an independent director at the Target Company. Dr. Nohria has over 50 years' experience in electrical and electronics industry. He served as managing director of Crompton Greaves Ltd. since 1985 and has been associated with them since 1978. He later went on to serve as chairman of Crompton Greaves Ltd., from 1997 to July 22, 2004.

He is actively associated with a wide range of organizations covering businesses, industry associations and educational institutions- serving as a non-executive independent director of Pradeep Metals Limited, Maini Precision

Products Private Limited, director of Paxonet Communications & Grow Talent Company Ltd , independent non-executive director of Igarashi Motors India Ltd, director of Jolly Board, former chairman of TIET (Thapar Institute of Engg Technology) University; and former chairman NRBPT (National Board Of Registration & Training of Personnel) under QCI (Quality Council of India).

He has also served as president of ASSOCHAM (Association Chamber of Commerce and Industry), Bombay Chamber of Commerce and Industry, All India Management Association, All India Electrical and Electronics Manufacturers Association, CII (Confederation of Indian Industry) Western Region, amongst others. Dr. Nohria is recipient of various awards including the Golden Key Award for Value Engineering, the Lifetime HRD Achievement Award and Best Corporate Manager of the Year Award. He graduated in Electrical Engg. from BHU (Benaras Hindu University) in 1954 and pursued further management studies at Manchester Technical College, UK. He was awarded an Honorary D. Litt. degree from Benares Hindu University.

(e) Mr. Sekhar Natarajan

Sekhar Natarajan is a qualified chartered accountant and cost accountant and an experienced industry professional. Known for his integrity and passion for results, Sekhar has led and built Monsanto India as an organization that is a growth leader in Indian agriculture. He is a strategic thinker with rich global experience in business development and mergers and acquisition and a great people leader. He took early retirement from Monsanto after 30 years of working for the company.

Sekhar is the managing partner at S N Consultants a firm that provides strategic advise to Indian and multinational companies. He continues as the chairman of the board of Monsanto India Ltd. and is a director/adviser of a few other companies.

(f) Mr. Nani Javeri

Nani Javeri currently serves as an independent director at the Target Company. Mr. Javeri has over 42 years' experience in financial services industry. He served as CEO of Bank Sohar in Oman from 2006-2009 and Birla Sun Life Insurance in India from 2002-2006.

Prior to joining Birla Sun Life Insurance, Mr. Javeri spent 32 years with Grindlays Bank in various capacities in India, London and Melbourne. At Grindlays Bank he pioneered private banking in India. He had also been associated with Oman International Bank in Oman and Times Bank Ltd in India

Mr. Javeri has played a major role in all the organizations he has been involved with. Under his leadership Birla Sun Life Insurance emerged as one of the leading private sector life insurance companies in India. During his tenure Birla Sun Life was awarded as best insurance company by Outlook in 2004 and among best five life insurance companies in Asia for 2004 by Asian Insurance Review. He joined as managing director of Times Bank when it was in difficulty. Through his action-plan he turned-around the company.

Mr. Javeri is associated with various organizations across different sectors serving as director of INARCO Ltd., Lifestyle International Pvt. Ltd., Union KBC Asset Management Co. (P) Ltd., Hannover Re Consulting Services (I) Pvt. Ltd., Voltas Ltd. and Universal Comfort Products Ltd. He also acts as the chairman of Audit Committee at Lifestyle International, Remuneration Committee at the Target Company, Union KBC Asset Mgt., Investment and Audit Committees at Voltas Ltd. He is also a member of Audit Committee at Union KBC Asset Mgt. and of Remuneration Committee at Voltas Ltd and Chairman of CSR Committee at the Target Company.

(g) Sangeeta Singh

Sangeeta Singh has over 35 years of experience primarily in human resources but also encompassing employer branding, corporate communications, employee governance, harassment/ grievance/ redressal and some aspects of operations. Sangeeta's experience spans professional services firms, financial services, consulting and media sectors.

Sangeeta founded Sanguine Consultants in April 2013, which is handling independent consulting assignments in the area of leadership coaching for senior management. Sangeeta is also a member of the Advisory Board of CII – Indian Women’s Network and a champion of encouraging women to leadership positions in corporate India. Sangeeta was also India head of the KPMG Network of Women India chapter. Sangeeta has been actively engaged and is responsible for driving several initiatives in diversity and inclusion - beyond gender diversity and corporate social responsibility.

In the past Sangeeta has handled key leadership assignments including partner and head of human resources at KPMG India; partner and head of human capital at PwC India; partner and head of human resources Ambit-RSM; vice president and head of human resources for J Walter Thompson India amongst others. Over the years Sangeeta has been a part of the top management teams consisting of iconic industry leaders and has worked on several leadership issues beyond human resources.

Sangeeta has been associated with many academic institutions’ functional forums and leadership development centers. She is an active member and speaker at various HR forums. She has also been associated with various academic institutions collaborating with them on their development needs.

Sangeeta holds a master’s degree in Behavioral Psychology from Mumbai University and a certification in Strategic Human Resource Management from Harvard Business School, Boston.

- 4.7. The compliance officer of the Target Company is Ninad G. Umranikar, Company Secretary and attends to all investor grievances of the Target Company.
- 4.8. The authorized capital of the Target Company is 2,02,00,000 Equity Shares of face value of INR 10 (Rupees Ten only) each aggregating to INR 20,20,00,000 (Rupees Twenty Crore Twenty Lakh only). The issued, subscribed and fully paid-up fully diluted equity share capital of the Target Company is INR 14,92,62,610 (Rupees Fourteen Crore Ninety Two Lakh Sixty Two Thousand Six Hundred and Ten only) comprising 1,49,26,261 Equity Shares of INR 10 (Rupees Ten only) each. On 23rd October, 2003 1,100 Equity Shares held by 22 shareholders (holding 50 shares each) were forfeited, for non-payment of allotment money.
- 4.9. The share capital structure of the Target Company as on date of this DLoF is set forth below:

Paid Up Equity Shares of the Target Company	No. of Equity Shares / voting rights as on the date of this DLoF	% of Equity Shares / voting rights as on the date of this DLoF
Fully Paid Up Equity Shares	1,49,26,261	100%
Partly Paid Up Equity Shares	Nil	Nil
Total Paid Up Equity Shares	1,49,26,261	100.00%
Total Voting Rights in the Target	1,49,26,261	100.00%

- 4.10. The Target Company is fully compliant with the listing requirements and there has not been any non-listing or suspension of Equity Shares on the BSE or NSE. The entire issued, subscribed and paid up share capital of the Target Company is listed on the BSE and NSE. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.
- 4.11. There are no outstanding shares of the Target Company that have been issued but not listed on BSE and NSE.
- 4.12. Brief audited consolidated financials of the Target Company as of and for the financial years ended 30th June 2014, 2015 and 2016 and limited reviewed financials for 6 months ended December 31, 2016, are provided below:

(in INR Million except Earnings Per Share)

Profit & Loss Statement	As at and for financial year ended June 30, 2014	As at and for financial year ended June 30, 2015	As at and for financial year ended June 30, 2016	As at and for 6 months ended December 31, 2016

Income from operations	3,167.4	3,028.2	3,409.8	1,809.7
Other Income	47.9	57.1	89.5	56.0
Total Income	3,215.3	3,085.3	3,499.3	1,865.7
Total Expenditure	1,797.0	1,879.8	2081.6	1071.6
EBITDA*	1,418.3	1,205.5	1,417.7	794.1
Depreciation and Amortization	122.0	133.2	133.1	72.6
Interest	4.8	4.9	6.5	2.0
Profit/(Loss) Before Tax	1,291.5	1,067.4	1,278.1	719.5
Exceptional and Extraordinary items	Nil	Nil	Nil	Nil
Provision for Tax	452.2	393.4	447.9	252.6
Profit/(Loss) After Tax	839.3	674.0	830.2	466.9

*EBITDA includes exceptional items, prior period items

Balance Sheet Statement	From audited financials for year ended and as of June 30, 2014	From audited financials for year ended and as of June 30, 2015	From audited financials for year ended and as of June 30, 2016	From limited reviewed financials for 6 months ended and as of December 31 2016
Sources of funds				
Paid up share capital	149.3	149.3	149.3	149.3
Reserves and Surplus (excluding revaluation reserves)	946.1	1,001.5	982.0	1,413.7
Minority Interest	NIL	NIL	NIL	NIL
Net worth ⁽¹⁾	1,095.4	1,150.8	1,131.3	1,563.0 ⁽⁸⁾
Secured Loans	0	0	0	0
Unsecured Loans	0	0	0	0
Other Non-current Liabilities	62.3	64.4	65.9	62.9
Total	1,157.7	1,215.2	1,197.2	1,625.9
Uses of funds				
Net fixed assets ⁽²⁾	800.7	752.1	769.4	708.5
Investments	0.1	0.1	0.1	0.1
Other Non-current Assets	164.5	123.4	142.1	144.2
Net current assets ⁽³⁾	192.4	339.6	285.6	773.1
Total	1,157.7	1,215.2	1,197.2	1625.9

Other financial data	From audited financials for year ended and as of June 30, 2014	From audited financials for year ended and as of June 30, 2015	From audited financials for year ended and as of June 30, 2016	From limited reviewed financials for 6 months ended and as of December 31 2016
Earnings Per Share ⁽⁴⁾	56.23	45.15	55.62	31.28
Dividend (%) ⁽⁵⁾	490%	360%	450%	110%
Book Value per share ⁽⁶⁾	73.4	77.1	75.8	104.7
Return on Networth ⁽⁷⁾	76.6%	58.6%	73.4%	29.9%

1. Net worth includes Minority Interest

2. Net fixed assets = Tangible assets + Intangible assets + Capital work in progress

3. Net current assets (liabilities) = current assets-current liabilities; current liabilities include short term borrowings and current maturities of long term debt

4. Earnings per share diluted, as reported by the Target Company
5. Dividend (%) = Dividend / Face value of 1 Target Company share
6. Book value per share computed as (networth / number of shares outstanding)
7. Return on Networth computed as (profit after tax/ networth).
8. Note: The interim dividend of Rs. 11 per share aggregating Rs. 164,188,871, declared at the Board Meeting of the Target Company held on February 7, 2017, has not been accounted for in the net worth reported as on December 31 2016.

4.13. As on the date of this DLoF, there are no outstanding convertible instruments (including outstanding employee stock options) of the Target Company

4.14. Pre and post Offer Shareholding pattern of the Target Company is as provided below:

Shareholders Category	Shareholding and voting rights prior to the agreement / acquisition and Offer		Shares/voting rights agreed to be acquired which triggered the SEBI (SAST) Regulations		Shares/voting rights to be acquired in Offer (Assuming full acceptance)		Shareholding/ voting rights after the acquisition and Offer [#]	
	(A)		(B)		(C)		(A) + (B) + (C)	
	Number	%	Number	%	Number	%	Number	%
1. Promoter Group								
(a) Parties to the agreement, if any	-	-	-	-	-	-	-	-
(b) Promoters other than (a) above (i.e. Accelya Holding World S.L.U.)	11,143,295	74.66%	-	-	-	-	11,143,295	74.66%
Total (1)(a+b)	11,143,295	74.66%	-	-	-	-	11,143,295	74.66%
2. Acquirers								
(a) Acquirer	-	-	-	-	-	-	11,143,295*	74.66*
(b) PAC 1	-	-	-	-	3,782,966	25.34%	3,782,966 [#]	25.34% [#]
(c) PAC 2	-	-	-	-	-	-	11,143,295*	74.66*
(d) PAC 3	-	-	-	-	-	-	11,143,295*	74.66*
(e) PAC 4	-	-	-	-	-	-	11,143,295*	74.66*
(f) PAC 5	-	-	-	-	-	-	11,143,295*	74.66*
Total 2 (a+b+c+d+e+f)	-	-	-	-	-	-	14,926,261 ^{##}	100.00% ^{##}
3. Parties to the agreement other than (1)(a) and (2)								
(a) Chequers Capital XV FPCI	11,143,295**	74.66**	-	-	-	-	-	-
(b) Equity Finance SA								
(c) Others								
4. Public (other than parties to the agreement, acquirers and PACs)								
(a)	432,879	2.90%	-	-	-	-	-	-

FIs/MFs/Banks/SFIs								
(b) Others	3,350,087	22.44%	-	-	-	-		
Total (4)(a+b)	3,782,966	25.34%	-	-	-	-	-	-
Grand Total (1+2+3+4)	14,926,261	100.00%	-	-	3,782,966	25.34%	14,926,261	100.00%

Source: Karvy Computershare Private Limited. Pre-Offer Shareholding is as of 10 February 2017.

* This Offer is pursuant to an indirect acquisition of 11,143,295 Equity Shares representing 74.66% voting rights in and control over the Target Company by the Acquirer. The Acquirer and the PACs will indirectly hold and control shares of Accelya Holding World which holds 74.66% of the equity share capital of the Target Company.

** Chequers Capital XV FPCI, Equity Finance SA and certain other shareholders indirectly hold 74.66% of the equity share capital and voting rights of the Target Company through their shareholding in Accelya Holding and its subsidiaries.

PAC 1 will (assuming full acceptance of the Offer) directly acquire 37,82,966 Equity Shares representing 25.34% of the equity share capital of the Target Company in the Offer.

The aggregate direct and indirect shareholding of the Acquirer and PACs (assuming full acceptance of the Offer) is 14,926,261 Equity Shares representing 100% of the equity share capital of the Target Company, consisting of (i) 37,82,966 Equity Shares representing 25.34% of the equity share capital of the Target Company directly acquired by PAC 1 in the Offer, and (ii) 11,143,295 Equity Shares representing 74.66% of the equity share capital of the Target Company indirectly held through Accelya Holding World.

4.15. After the acquisition of the Offer Shares (assuming full acceptance of the Offer), the public shareholding in the Target Company may fall below the minimum level required for continued listing under Regulation 38 of the SEBI (LODR) Regulations and Rule 19A of the Securities Contracts (Regulation) Rules, 1957. 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/or PACs and/or Accelya Holding World shall bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the Securities Contracts (Regulation) Rules, 1957, SEBI (SAST) Regulations and as per applicable SEBI guidelines.

4.16. The Target Company has not been party to any scheme of amalgamation, restructuring, merger / demerger and spin off during the last three years.

5 OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer price

5.1.1. The Equity Shares of the Target Company are listed on BSE (Security ID: ACCELYA Security Code: 532268) and the NSE (Symbol: ACCELYA). The ISIN of Equity Shares of the Target Company is INE793A01012.

5.1.2. The annualized trading turnover of the Equity Shares of the Target Company during 12 (twelve) calendar months preceding the month of Public Announcement on the Stock Exchanges on which the Equity Shares of the Target Company are listed (i.e. 1 February 2016 to 31 January 2017) is detailed below:

Name of the Stock Exchange	Total Number of shares traded during the preceding 12 calendar months prior to the month of Public Announcement ("A")	Total Number of Equity Shares listed ("B")	Trading turnover (as % of total number of listed Equity Shares) (A/B)
BSE	184,410	14,926,261	1.2%
NSE	1,043,471	14,926,261	7.0%

(Source: www.bseindia.com and www.nseindia.com)

Therefore in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity Shares are infrequently traded on BSE and NSE.

5.1.3. This is an indirect acquisition of Target Company in terms of Regulations 5 (1) and 5(2) of the SEBI (SAST) Regulations, and such indirect acquisition will be regarded as a deemed direct acquisition as it falls within the parameters prescribed under Regulation 5(2) of the SEBI (SAST) Regulations.

5.1.4. The Offer Price of Rs. 1,250 (Rupees One Thousand Two Hundred and Fifty only) per Offer Share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations in view of the following:-

Sr. No.	Particulars	Price (In Rs. Per Share)
1.	Highest negotiated price per Equity Share under the Share Purchase Agreement.	N.A.
2.	The volume – weighted average price paid or payable for acquisitions by the Acquirer or by any of PACs during 52 weeks immediately preceding the date of the Public Announcement.	N.A.
3.	Highest price paid or payable for acquisitions by the Acquirer or by any of PACs during the 26 weeks immediately preceding the date of the Public Announcement.	N.A.
4.	The volume – weighted average market price of the Equity Shares for a period of 60 trading days immediately preceding the date of the Public Announcement as traded on the stock exchange where the maximum volume of trading in the Equity Shares are recorded during such period, provided such shares are frequently traded;	N.A.
5.	The price determined by the Acquirer/ PACs and the Manager to the 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 [#] . <i>(Please refer to Paragraphs 5.1.5, 5.1.6 and 5.1.7 below.)</i>	INR 1,250
6.	Price determined in accordance with Regulation 8(5) of the SEBI (SAST) Regulations*.	INR 1,234

[#]The Offer Price is INR 1,250 (Rupees one thousand two hundred and fifty), which is higher than (i) the fair value per equity share of INR 1,195 (Rupees one thousand one hundred ninety-five only) as set out in Bansi S. Mehta & Co.'s valuation report dated 2 February 2017, which has been computed in terms of the principles laid down by the Supreme Court of India in the case of Hindustan Lever Employees' Union vs. Hindustan Lever Limited and others, and (ii) the equity value per share of INR 1,234 (Rupees one thousand two hundred and thirty-four only) as set out in MZSK & Associates' valuation report dated 2 February 2017.

*In terms of Regulation 8(5) of the SEBI (SAST) Regulations, if any of the parameters set out therein are met, the Acquirer and PACs are required to disclose a per share value of the Target Company taken into account for the Primary Acquisition. To this effect, the Acquirer and PACs have allocated a price of INR 1,234 per Equity Share, being the highest price per Equity Share, based on the valuation reports of Bansi S. Mehta & Co and MZSK & Associates referred to above.

5.1.5. Given the Equity Shares are not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Acquirer and the PACs appointed 2 (Two) independent Chartered Accountant firms to undertake a valuation exercise under the provisions of Regulation 8(2)(e) of SEBI (SAST) Regulations i.e. (i) Bansi S. Mehta & Co., Chartered Accountants, and (ii) MZSK & Associates, Chartered Accountants.

5.1.6. Bansi S. Mehta & Co

- (i) Bansi S. Mehta & Co., Chartered Accountants (Address: Merchant Chamber, 3rd Floor, 41, New Marine Lines, Mumbai 400 020, Maharashtra, India; Tel.: 91-22-22014922 ; Fax: 91-22-22050147; and membership registration number: 100991W) in its valuation report dated 2 February 2017, has applied the valuation methodology prescribed by the Honorable Supreme Court of India in the case of *Hindustan Lever Employees*

Union v. Hindustan Lever Limited (1995 83 Com. Case 30), wherein the Honorable Court had opined that the fair value of a listed company can be assessed based on the following: (i) market based value; (ii) earning based value; and (iii) net asset value. That decision, however, also indicates that reference to the net asset value may be less important, having regard to the universally acknowledged failure of financial statements to adequately reflect the value of the company's net assets (since financial statements are prepared on certain concepts and conventions, e.g. historical cost concept).

- (ii) Therefore, the fair value of the Equity Shares of Rs. 1,195, as determined by Bansi S. Mehta & Co., is calculated based on Earnings approach and Market Value approach. Under Earnings approach, Bansi S. Mehta & Co. has used three methods namely Enterprise Value (EV) to EBITDA multiple (EV/EBITDA), Price to Earnings multiple (PE) and Yield approach. Bansi 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 PE multiple for comparable companies. Bansi S. Mehta & Co. has relied on the data of EBITDA and PAT of the Target Company, as is emerging from the last audited accounts of the Target Company. Under Yield approach, Bansi S. Mehta & Co. has capitalized the adjusted PAT considering the assumptions for growth and the cost of equity to arrive at the business value.
- (iii) Under Market Value approach, Bansi S. Mehta & Co. has arrived at the market value of the Target Company by adopting the 60 (sixty) days volume weighted average market price of Equity Shares (market price based valuation).
- (iv) Bansi S. Mehta & Co. has then applied equal weights to the approaches. More specifically, value calculated under the Market Value approach is assigned a weight of 1 (one), value based on EBITDA multiple is given a weight of 1 (one), value based on PAT under PE Approach is given a weight of 1 (one) and the value based on PAT under Yield Approach is assigned a weight of 1 (one).

5.1.7. MZSK & Associates

- (i) MZSK & Associates, Chartered Accountants (Address: The Ruby, 9th Floor, North West Wing, Senapati Bapat Marg, Dadar (W), Mumbai 400 028, Maharashtra, India; Tel.: +91 22 3332 1600; Fax: +91 22 2439 3700; and membership registration number: 103085) in its valuation report dated 2 February 2017, has applied the comparable companies multiple method using the price to earnings multiple and comparable transactions multiple method using the price to earnings multiple.
- (ii) Therefore, the fair value of the Equity Shares of Rs. 1,234, as determined by MZSK & Associates, is calculated based on the Comparable Companies Multiples (CCM) method and Comparable Transactions Multiples (CTM) method using Price to Earnings (PE) multiple. MZSK & Associates has relied on average market capitalization and latest available trailing twelve month (TTM) PAT of comparable companies and similar transactions in similar industry of Target Company. The above parameters have been used to arrive at the average PE multiple that is multiplied with the TTM PAT of Target Company to arrive at the equity value.
- (iii) MZSK & Associates has then applied equal weights to the approaches. More specifically, value calculated under the comparable companies multiple method is assigned a weight of 1 (one) and the value based on the comparable transactions multiple method is assigned a weight of 1 (one).

5.1.8. Therefore, in terms of Regulations 8(2) and 8(5) of the SEBI (SAST) Regulations, the Offer Price of INR 1,250 (Rupees One Thousand Two Hundred and Fifty only) per Equity Share, being higher than the fair value per Equity Share determined by Bansi S. Mehta & Co. and MZSK & Associates as above, is justified.

5.1.9. The Offer is as a result of the Primary Acquisition resulting in indirect acquisition of the Target Company.

5.1.10. There have been no corporate actions by the Target Company warranting adjustment of the relevant price parameters.

- 5.1.11. The Acquirer and PACs shall disclose during the Tendering Period every acquisition made by them of any Equity Shares of the Target Company to the Stock Exchanges and to the Target Company at its registered office within twenty- four hours of such acquisition in accordance with Regulation 18(6) of the SEBI (SAST) Regulations.
- 5.1.12. In the event of acquisition of the Equity Shares by the Acquirer and/or PACs during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and PACs shall not acquire any Equity Shares after the 3rd (third) Working Day prior to commencement of the Tendering Period and until the expiry of the Tendering Period.
- 5.1.13. The Offer Price is subject to any upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to three Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and PACs shall make corresponding increases to the escrow amounts (under Regulation 18(5) of SEBI (SAST) Regulations), as more particularly set out in Clause 5.2 (Financial Arrangements) of this DLoF; and the Acquirer and PACs shall (i) make a public announcement in the Newspapers; (ii) make corresponding changes to the Offer Escrow Amount; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

5.2 Financial arrangements:

- 5.2.1 Assuming full acceptance of the Offer the maximum consideration payable under this Offer shall be INR 472,87,07,500 (Rupees Four Hundred and Seventy Two Crores Eighty Seven Lakhs Seven Thousand and Five Hundred only) (**Maximum Consideration**).
- 5.2.2 The Acquirer together with PACs have confirmed that they have adequate financial resources to meet the obligations under the Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations.
- 5.2.3 PAC 1, the Manager to the Offer and Citibank, N.A., having an office at 11th Floor, First International Financial Centre, C-54 & 55, G Block, Bandra Kurla Complex, Bandra-East, Mumbai – 400051, India (**Escrow Bank**) have entered into an escrow agreement dated 4 February 2017 (**Offer Escrow Agreement**). Pursuant to the Offer Escrow Agreement, PAC 1 has established an escrow account under the name and title of Canary Topco Limited – Open Offer Escrow Account (**Offer Escrow Account**) with the Escrow Bank and PAC 4 on behalf of PAC 1 has made a cash deposit of INR 472,88,07,500 (Rupees Four Hundred and Seventy Two Crore Eighty Eight Lakh Seven Thousand and Five Hundred only), being more than the Maximum Consideration in the Offer Escrow Account in accordance with Regulation 22(2) of the SEBI (SAST) Regulations. The Manager to the Offer has been duly authorized to realize the monies lying to the credit of the Offer Escrow Account in terms of the SEBI (SAST) Regulations.
- 5.2.4 V.C. Shah & Co., Chartered Accountant, (Membership No. 42649) having its office at 3rd floor, Rajgir Chambers, 12 – 14, Shahid Bhagat Singh Road, Opposite Old Custom House, Fort, Mumbai – 400001; Tel: 022 43440123; Fax: 022 22662667, vide certificate dated 4 February 2017 certified that adequate and firm financial resources are available with the Acquirer together with PACs to enable it to fulfill its financial obligations under the Offer.
- 5.2.5 The Manager has been duly authorized by PAC 1 to realize the value of the Offer Escrow Account in terms of the SEBI (SAST) Regulations.
- 5.2.6 Based on the above, the Manager is satisfied that firm arrangements have been put in place by the Acquirer to fulfill its obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

5.2.7 In case of any upward revision in the Offer Price or the Offer Size, the Acquirer and/or PACs shall deposit additional funds in the Offer Escrow Account as required under the SEBI (SAST) Regulations.

6 TERMS AND CONDITIONS OF THE OFFER

6.1 Operational Terms and Conditions

6.1.1 This Offer is being made by the Acquirer and PACs to (i) all the Equity Shareholders, whose names appear in the register of members of the Target Company as of the close of business on 16 March 2017, 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 16 March 2017, 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, i.e. 17 April 2017, but who are not the registered Equity Shareholders.

6.1.2 The Tendering Period for the Offer will commence on 31 March 2017 and will close on 17 April 2017.

6.1.3 The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, all rights of dividends, bonuses or rights from now on and declared hereafter.

6.1.4 Accidental omission to dispatch this DLoF to any Equity Shareholder to whom this Offer has been made or non-receipt of this Letter of Offer by any such Equity Shareholder shall not invalidate this Offer in any way.

6.1.5 This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.

6.1.6 The Identified Date for this Offer as per the tentative schedule of activity is 16 March 2017.

6.1.7 The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (one only).

6.1.8 There are no lock-in restrictions on the Equity Shares of the Target Company.

6.1.9 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Equity Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

6.1.10 There has been no revision in the Offer Price or Offer Size as on the date of this DLoF.

6.2 Eligibility for accepting the Offer

6.2.1 The Letter of Offer shall be sent to all Equity Shareholders/Beneficial Owners holding Equity Shares in dematerialized form or physical form (except the Acquirer, PACs) whose names appear in register of Target Company as on the Identified Date.

6.2.2 This Offer is also open to persons who own Equity Shares in the Target Company but are not registered Equity Shareholders as on the Identified Date.

6.2.3 All Equity Shareholders/Beneficial Owners who own Equity Shares of the Target Company and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period, are eligible to participate in this Offer.

6.2.4 The Public Announcement, the DPS, the Letter of Offer and the Form of Acceptance cum Acknowledgement will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Equity 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 the SEBI's website for applying in the Offer.

- 6.2.5 The acceptance of this Offer by the Equity Shareholders of the Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever and should be received by the Registrar to the Offer at the address mentioned below on or before 17 April 2017 i.e. the closure of the Tendering Period. In the event of any change or modification is made to the Form of Acceptance-cum-Acknowledgment or if any condition is inserted therein by the Equity Shareholders, the Manager to the Offer and the Acquirer and PACs reserve the right to reject the acceptance of this Offer by such Equity Shareholder.
- 6.2.6 NRI, OCB or any other non-resident holders of Equity Shares, if any, must obtain all requisite approvals, if any, to tender the Equity Shares held by them in this Offer (including without limitation, the approval from the RBI since the Equity Shares tendered in this Offer will be acquired by a non-resident entity) and submit such approvals, along with the Form of Acceptance-cum-Acknowledgment and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and PACs reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India (including NRI, OCB, and FPIs) had required any approvals (including from the RBI, the FIPB 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, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and PACs reserve the right to reject such Equity Shares tendered in this Offer.
- 6.2.7 The acceptance of this Offer is entirely at the discretion of the Equity Shareholder(s) /Beneficial owner(s) of the Target Company.
- 6.2.8 The Acquirer, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of any share certificates, Offer acceptance documents, share transfer deeds etc. during transit and the Equity Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.
- 6.2.9 The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 6.2.10 The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgment constitute part of the terms of the Offer.
- 6.2.11 The Manager to the Offer shall submit a final report to SEBI within 15 (Fifteen) Working Days from the expiry of the Tendering Period in accordance with Regulation 27(7) of the SEBI (SAST) Regulations confirming status of completion of various Offer Requirements.
- 6.2.12 For any assistance please contact Citi Global Markets India Private Limited, Manager to the Offer or the Acquirer or the Registrar to the Offer.
- 6.2.13 The Acquirer and PACs reserve the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 3 (three) Working Days prior to the commencement of the Tendering Period, i.e. up to 24 March 2017, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price would be announced in the Newspapers. The Acquirer would pay such revised price for all the shares validly tendered during the Tendering Period and accepted under the Offer in accordance with the terms of the Letter of Offer.

6.3 Statutory Approvals:

- 6.3.1 To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the acquisition of the Offer Shares as on the date of this DLoF. If, however, any statutory or other approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory or other approval(s).

- 6.3.2 NRI, OCB or any other non-resident holders of Equity Shares, if any, must obtain all requisite approvals, if any, to tender the Equity Shares held by them in this Offer (including without limitation, the approval from the RBI since the Equity Shares tendered in this Offer will be acquired by a non-resident entity) and submit such approvals, along with the Form of Acceptance-cum-Acknowledgment and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and PACs reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India (including NRI, OCB, and FPIs) had required any approvals (including from the RBI, the FIPB 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, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and PACs reserve the right to reject such Equity Shares tendered in this Offer.
- 6.3.3 In case of delay in receipt of any statutory approval which may become applicable later, prior to completion, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer and /or PACs to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, grant an extension of time to the Acquirer to make the payment of the consideration to the Equity Shareholders whose Offer Shares have been accepted in the Offer. Where any statutory approval extends to some but not all of the Equity Shareholders, the Acquirer shall have the option to make payment to such Equity Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 6.3.4 In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals which become applicable prior to completion of the Offer are not received, the Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and PACs (through the Manager) shall, within two 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.

7 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 7.1 All Equity Shareholders whether holding Equity Shares in dematerialized form or physical form, registered or unregistered are eligible to participate in the Offer any time before closure of the Tendering Period.
- 7.2 Persons who have acquired the 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 not received the Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in Public Announcement, the DPS and the Letter of Offer. Alternatively, such holders of the Equity Shares may apply in the Form of Acceptance-cum Acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (<http://www.sebi.gov.in/>) or the Registrar to the Offer.
- 7.3 The Offer will be implemented through Stock Exchange Mechanism made available by BSE in the form of separate window (***Acquisition Window***) as provided under the SEBI (SAST) Regulations, SEBI Circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI, as amended from time to time, and notices / guidelines issued by BSE and the Clearing Corporation in relation to the mechanism / process for acquisition of shares through stock exchange pursuant to the tender offers under takeovers, buy back and delisting, as amended and updated from time to time.
- 7.4 BSE shall be the designated stock exchange (***Designated Stock Exchange***) for the purpose of tendering shares in the Offer.
- 7.5 All the Equity Shareholders who desire to tender their Equity Shares under the Offer should consult with their respective depository participants and their respective stock brokers (***Selling Broker***) well in advance to understand

the process and methodology in relation to tendering of Equity Shares through the Designated Stock Exchange.

- 7.6 The Acquisition Window will be provided by the Designated Stock Exchange to facilitate placing of sell orders. The Equity Shareholders can enter orders for demat Equity Shares as well as physical Equity Shares.
- 7.7 PAC 1 has appointed Citigroup Global Markets India Private Limited (**Buying Broker**) for the Offer through whom the purchases and settlement of Equity Shares tendered in this Offer shall be made.

Contact details for the Buying Broker are as follows:-

Name: Citigroup Global Markets India Private Limited
Address: 1202, 12th Floor, First International Financial Centre, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400051
Contact Person: Rachana Singh.
Tel.: +91-22-61759999.

- 7.8 During the Tendering Period, the tender of the Equity Shares by the Equity Shareholders in this Offer will be placed through their respective Selling Brokers during normal trading hours of the secondary market.
- 7.9 The cumulative quantity tendered shall be displayed on the Designated Stock Exchange website throughout the trading session at specific intervals by the Designated Stock Exchange during Tendering Period.
- 7.10 Procedure for tendering Equity Shares held in dematerialised form:

- a) The Equity Shareholders who are holding Equity Shares in demat 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 such Equity Shareholder intends to tender in this Offer.
- b) The Equity Shareholders intending to tender Equity Shares are required to transfer, through their respective depository participants, the Equity Shares intended to be tendered to the early pay-in account of the Indian Clearing Corporation Ltd. (**Clearing Corporation**). Such Equity Shareholders shall provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular before their respective Selling Broker places the bids / orders on their behalf and the same shall be validated at the time of order entry.
- c) 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.
- d) Equity Shareholders shall submit Delivery Instruction Slips (**DIS**) duly filled in specifying market type as "Open Offer" and execution date along with all other details to their respective depository participant / Selling Broker so that Equity Shares can be tendered in this Offer.
- e) Upon placing the bid, the Selling Broker(s) shall provide transaction registration slip generated by the Designated Stock Exchange bidding system (**TRS**) 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.
- f) The Equity 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.
- g) The Equity Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance-cum Acknowledgement. The Equity Shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period.

- 7.11 Procedure for tendering Equity Shares held in Physical Form:

The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Broker and submit complete set of documents for verification procedure as mentioned below:-

- a) Form of Acceptance cum Acknowledgment duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
- b) Original share certificate(s).
- c) Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place.
- d) Self-attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors).
- e) Any other relevant document such as power of attorney, corporate authorization (including board resolution/specimen signature).
- f) Self-attested copy of address proof such as valid Aadhar Card, Voter I.D., passport.
- g) The Selling Broker should place bids on the Designated Stock Exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.
- h) After placement of order, as mentioned above in Point (g), the Selling Broker(s)/ Equity Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other required documents (as mentioned in Paragraph 7.11(a)) either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as "Accelya Kale Solutions Open Offer". One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker
- i) Equity Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Offer shall be subject to verification by the RTA. On receipt of the confirmation from the RTA the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- j) In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before Offer Closing Date.

Equity Shareholders holding Equity Shares in physical mode will be required to fill the respective Forms of Acceptance cum Acknowledgment. Equity Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptance cum Acknowledgment along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance cum Acknowledgment.

7.12 Acceptance of Shares

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

7.13 Procedure for tendering the shares in case of non-receipt of Letter of Offer

Equity Shareholders 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.

An Equity Shareholder may participate in the Offer by approaching their Selling Broker and tender Shares in the Offer as per the procedure mentioned in the Letter of Offer or in the relevant Form of Acceptance-cum-Acknowledgment. The Letter of Offer along with a Form of Acceptance-cum-Acknowledgement, will be dispatched to all the Equity 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 16 March 2017.

In case of non-receipt of the Letter of Offer, such Equity Shareholders of the Target Company may download the

same from the SEBI website (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. The Letter of Offer along with the Form of Acceptance cum Acknowledgment would also be available at SEBI's website, www.sebi.gov.in., and Equity Shareholders can also apply by downloading such forms from the said website.

7.14 Settlement Process

- a) On closure of the Offer, 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 tendered in this Offer shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation.
- b) The Buying Broker will make the funds pay-in in the settlement account of the Clearing Corporation. For Equity Shares accepted under the Offer, the Equity Shareholders will receive funds payout directly in their respective bank accounts (in case of demat Equity Shares, in the bank accounts which are linked to the respective demat accounts) / as per secondary market pay-out mechanism (in case of physical Equity Shares). However, in the event that the pay-outs are rejected by the Equity Shareholder's bank accounts due to any reason, the pay-out will be transferred to their respective Selling Broker's settlement accounts and their respective Selling Brokers will thereafter transfer the consideration to their respective Equity Shareholders. The Equity Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.
- c) The funds payout pertaining to the bids of NRIs, foreign shareholders and/or bids confirmed by custodians, will be transferred to the Selling Broker's settlement accounts or the settlement bank account of the custodian, in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- d) The direct credit of Equity Shares shall be given to the demat account of PAC 1 indicated by the Buying Broker.
- e) 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 PAC 1 opened with the Buying Broker.
- f) In case of partial or non-acceptance of orders the balance demat Equity Shares shall be returned directly to the demat accounts of the Equity Shareholders. However, in the event of any rejection of transfer to the demat account of the Equity 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 Equity Shareholders.
- g) Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned back to the Equity Shareholder(s) directly by Registrar to the Offer.
- h) 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 Equity 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.

7.15 Settlement of Funds / Payment Consideration.

Equity Shareholders who intend to participate in the Offer should consult their respective depository participants and Selling Brokers for payment to them of any cost, charges and expenses (including brokerage and other charges or taxes) that may be levied upon the Equity Shareholders.

In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to PAC 1 for payment of consideration to the Equity Shareholders of the Target Company who have accepted the Offer within the Tendering Period, subject to PAC 1 agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations.

8 COMPLIANCE WITH TAX REQUIREMENTS:

8.1 Under current Indian tax laws and regulations, gains arising from the sale of equity shares in an Indian company are generally taxable in India either as capital gains under section 45 of the Income Tax Act or as business profits, depending on the facts and circumstances of the case. Further, section 2(14) of the Income Tax Act has provided for deemed characterization to securities held by FIIs/ FPIs as capital assets and therefore, the gains arising in the hands of FIIs/ FPIs will be taxable in India as capital gains.

8.2 Any capital gains realized on the sale of listed equity shares on a stock exchange held for more than 12 (twelve) months will not be subject to capital gains tax in India if securities transaction tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realised on the sale of listed Equity Shares held for a period of 12 (twelve) months or less, which are sold will be subject to short term capital gains tax and STT.

Where the gains realized from the sale of listed equity shares are taxable as business profits, the same will be taxable at the tax rates applicable to such Equity Shareholders.

Taxability of capital gains arising to a non-resident in India from the sale of equity shares shall be determined basis the provisions of the Income Tax Act or the Double Taxation Avoidance Agreement (DTAA) entered into between India and country of which the non-resident seller is resident, subject to satisfaction of certain prescribed conditions.

8.3 Tax deduction at source (TDS):

- a. In case of resident Equity Shareholders, in absence of any specific provision under the Income Tax Act the Acquirer and/ or the PACs shall not deduct tax on the consideration payable to resident Equity Shareholders pursuant to the Offer.
- b. In the case of non-resident Equity Shareholders, since the Offer is through the stock exchange, the responsibility of discharging the tax due on the gains (if any) is on the non-resident Equity Shareholder. It is therefore recommended that the non-resident Equity Shareholder may consult their custodians/ authorised dealers/ tax advisors appropriately.

8.4 Interest payment, if any: In case of interest payments by the Acquirer and/ or the PACs for delay in payment of Offer consideration or a part thereof, the Acquirer and/ or the PACs will deduct taxes at source at the applicable rates as per the Income Tax Act.

8.5 If the resident and non-resident Equity Shareholders require that no tax is to be deducted on the interest component or tax is to be deducted at a rate lower than the prescribed rate, in such cases the following documents are required to be submitted to the Registrar to the Offer

For resident Equity Shareholders

- Self-attested copy of PAN card;
- If applicable, self-declaration form in Form 15G or Form 15H (in duplicate), as applicable for interest payment, if any;
- Certificate from the income tax authorities under Section 197 of the Income Tax Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of Offer Price (Certificate for Deduction of Tax at

Lower Rate or Nil Rate);

- For specified entities under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification (applicable only for interest payment, if any).

For non-Resident Equity Shareholders

- Self-attested copy of PAN card or

Where a PAN card of the non-resident Equity Shareholders is not available then as per Notification No.53/2016, F.No 370 142/16/2016-TPL they shall furnish self-attested copy of documents containing the following details:

- Name, e-mail id, contact number
- Address in the country of residence
- A certificate of the recipient being resident of a country outside India provided by the government of that country where the law of the country provides for issuance of such certificates
- Tax identification number in the country of residence, and in a case where of no such number is available, then a unique number on the basis of which such non-resident is identified by the government of the country of which he claims to be a resident.

Where the aforesaid details are not furnished, the Acquirer will arrange to deduct tax at least at the rate of 20.00% (Twenty Percent) as per Section 206AA of the Act irrespective of a lower rate applicable

- Certificate under Section 195(3) or Section 197 of the Income Tax Act, wherever applicable (Certificate for Deduction of Tax at Lower Rate) from the income tax authorities under the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the amount of interest)
- Tax Residency Certificate

In addition, the non-resident Equity Shareholder is required in terms of Section 90(5) of the Income Tax Act to furnish prescribed additional information in the prescribed form i.e. Form No. 10F. The information that is to be provided in the Form No. 10F are as follows:

- Legal status (individual, company, firm, etc.);
- PAN, if allotted;
- Nationality of an individual or country/specified territory of incorporation or registration in case of other entities;
- The non- resident tax payer's tax identification number in the country or specified territory of residence or a unique identification number of the non-resident tax payer of the country or the specified territory of residence;
- Period for which the residential status, as mentioned in the TRC, is applicable; and
- Address of the non-resident tax payer in the country or specified territory outside India, during the period for which the TRC is applicable.

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

- A no 'permanent establishment'/business connection declaration is required otherwise tax will be deducted at maximum marginal rate as may be applicable to the relevant category, to which the shareholder belongs, by the Acquirer and/ or the PACs

In an event of non-submission of the above mentioned documents, tax will be deducted at the maximum marginal rate as may be applicable to the relevant category to which the Equity Shareholder belongs, by the Acquirer and/ or the PACs.

8.6 THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

- (a) Issue of tax deduction at source certificate
- (b) The Acquirer and/ or the PACs will issue a certificate in the prescribed form to the Equity Shareholders (resident and non- resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.
- (c) The Acquirer, PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

EQUITY SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OPEN OFFER THROUGH THE ON-MARKET TENDER OFFER ROUTE AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER AND PACs DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY EQUITY SHAREHOLDER AS A REASON OF THIS OFFER.

9 DOCUMENTS FOR INSPECTION

- 9.1 Copies of the following documents will be available for inspection at the registered office of the Manager to the Offer at 1202, 12th Floor, First International Financial Centre, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400051. The documents can be inspected during normal business hours (11.00 AM to 4.00 PM) on all Working Days during the period from the date of this DLoF, till date of expiry of the Tendering Period.
1. Certified copies of the Memorandum and Articles of Association and certificate of incorporation of the Acquirer and PACs;
 2. Certified copies of the certificates of incorporation, memorandum and articles of association of the Target Company;
 3. Certificate dated 4 February 2017 from V.C. Shah & Co. , Chartered Accountant, certifying that the Acquirer has adequate financial resources to fulfill their obligations under this Offer;
 4. Certified copies of the annual reports of Target Company for the three financial years ending on June 30, 2014, June 30, 2015 and June 30, 2016 and limited reviewed 6 month financial results for the period ended December 31, 2016;
 5. Certified copies of the annual audited reports of PAC 1 and PAC 4 for the financial years ending on December 31, 2014 and December 31, 2015;
 6. Letter dated 6 February 2017 from the Offer Escrow Bank confirming the receipt of the cash deposit in the Offer Escrow Account and a lien in favour of the Manager in accordance with the terms of the Offer Escrow Agreement dated 4 February 2017 between PAC 1, the Manager and the Offer Escrow Bank;
 7. Certified conformed copy of the Share Purchase Agreement;
 8. Copy of the Public Announcement submitted to the Stock Exchange on 4 February 2017;
 9. Copy of the DPS published by the Manager on behalf of the Acquirer on 10 February 2017;

10. Copy of the Offer Opening Public Announcement to be published by the Manager on behalf of the Acquirer on [●];
11. Published copy of the recommendation to be made by the committee of the independent directors of Target Company in relation to the Offer;
12. SEBI observation letter no. [●] dated [●] on the DLoF;
13. A copy of the documentation for opening a special depository account for the purpose of Offer; and
14. Offer Escrow Agreement dated 4 February 2017 between PAC 1, the Manager and the Offer Escrow Bank.

10 DECLARATION BY THE ACQUIRER AND PACS

The Acquirer, PACs and their respective directors accept full responsibility for the obligations of the Acquirer and PACs as laid down in terms of the SEBI (SAST) Regulations and for the information contained in the DLoF other than such information as has been obtained from public sources or provided or confirmed by the Target Company (as specified in this DLoF).

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

The persons signing this DLoF on behalf of the Acquirer and PACs have been duly and legally authorized by the respective boards of directors to sign this DLoF.

ISSUED BY THE MANAGER TO THE OFFER

For and on behalf of the Acquirer and PACs

On behalf of the Acquirer

Sd/-

Registered Office: Calle Claudio Coello 124, 6a Planta derecho, 28006, Madrid, Spain

PAC 1

Sd/-

Registered Office: Almack House, 28 King Street, London, SW1Y 6QW

PAC 2

Sd/-

Registered Office: Almack House, 28 King Street, London, SW1Y 6QW

PAC 3

Sd/-

Registered Office: Almack House, 28 King Street, London, SW1Y 6QW

PAC 4

Sd/-

Registered Office: Almack House, 28 King Street, London, SW1Y 6QW

PAC 5

Sd/-

Registered Office: Almack House, 28 King Street, London, SW1Y 6QW

Place: Mumbai

Date: 17 February 2017

[Form of Acceptance cum Acknowledgment to be included in the final Letter of Offer]

