

ALLSEC TECHNOLOGIES LIMITED

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OPEN OFFER FOR ACQUISITION OF UP TO 39,61,965 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF INR 10 EACH ("OFFER SHARES") REPRESENTING 26.00% OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW) OF ALLSEC TECHNOLOGIES LIMITED ("TARGET COMPANY") FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) BY CONNET BUSINESS SOLUTIONS LIMITED ("ACQUIRER") TOGETHER WITH QUESS CORP LIMITED ("PAC"), AS PERSON ACTING IN CONCERT WITH THE ACQUIRER ("OFFER"/"OPEN OFFER").

This detailed public statement ("DPS") is being issued by Axis Capital Limited, the manager to the Offer (the "Manager"), for and on behalf of the Acquirer and PAC, in compliance with Regulations 3(1) and 4 read with Regulations 13(4), 14(3), 15(2) and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (the "Takeover Regulations") and pursuant to the public announcement dated April 17, 2019 (the "PA") filed with the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (collectively referred to as the "Stock Exchanges") on April 17, 2019. The PA was also filed with Securities and Exchange Board of India ("SEBI") on April 18, 2019 and sent to the Target Company on April 17, 2019 in terms of Regulation 14(2) of the Takeover Regulations.

For the purposes of this DPS, the following terms have the meanings assigned to them below: "Equity Shares" or "Shares" mean the fully paid-up equity shares of face value of INR 10 each of the Target Company.

"Voting Share Capital" means the total voting equity share capital of the Target Company on a fully diluted basis expected as of the 10th (Tenth) Working Day from the closure of the Tendering Period for the Offer.

"Identified Date" means the date falling on the 10th (Tenth) Working Day prior to the commencement of the Tendering Period, for the purpose of determining the Public Shareholders to whom the letter of offer in relation to this Offer (the "Letter of Offer") will be sent.

"Public Shareholders" mean all the equity shareholders of the Target Company excluding: (i) parties to the Promoter SPA (defined below) and the Investor SPA (defined below); and (ii) the persons acting in concert or deemed to be acting in concert with the persons set out in (i). "Tendering Period" has the meaning ascribed to it under the Takeover Regulations.

"Working Day" means the working day of the Securities and Exchange Board of India.

I. ACQUIRER, PAC, SELLERS, TARGET COMPANY AND OFFER

1. INFORMATION ABOUT THE ACQUIRER & THE PAC:

1.1. ACQUIRER

1.1.1. The Acquirer is a public limited company and was incorporated on March 14, 1995 under the Companies Act, 1956. The Acquirer was formerly known as Tata Business Support Services Limited. The Acquirer's name was changed from the Tata Business Support Services to Connet Business Solutions Limited on January 9, 2018.

1.1.2. The Corporate Identification Number of the Acquirer is U64200TG1995PLC044060. Its registered office is located at 1-8-371 Gowra Trinity, S. P. Road, Hyderabad - 500016. Tel: +91-040-66951085.

1.1.3. The issued and paid up share capital of the Acquirer is INR 91,50,85,020 divided into 91,508,502 equity shares of INR 10 each. The PAC holds 51% of the paid-up share capital of the Acquirer. The remaining 49% shareholding of the Acquirer is held by Tata Sons Private Limited. Accordingly, the Acquirer is a subsidiary of the PAC. Also, the PAC may subscribe to additional equity shares as well as compulsorily convertible debentures proposed to be issued by the Acquirer, pursuant to which the shareholding of the PAC in the Acquirer would increase to equal to or more than 70% of the paid-up share capital of the Acquirer.

1.1.4. The Acquirer undertakes business process outsourcing services. The Acquirer is a part of Quess Group.

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

1.1.6. The directors and key employees of the Acquirer do not have any interest in the Target Company. There are no directors on the board of directors of the Target Company (the "Board") representing the Acquirer.

1.1.7. With respect to the Target Company, the Acquirer does not hold any Equity Shares.

1.1.8. The Acquirer has not acquired any Equity Shares after the date of the PA.

1.1.9. The Acquirer has not been prohibited by SEBI from dealing in securities.

1.1.10. All the Offer Shares will be acquired by the Acquirer.

1.1.11. The key financial information of the Acquirer, on a consolidated basis, as at and for the financial year ended March 31, 2016, March 31, 2017 and March 31, 2018, extracted from the respective audited financial statements for the said periods, and the unaudited limited review financial statements, on a consolidated basis, as on December 31, 2018 are as follows:

Particulars	FY 16	FY 17	FY 18	As on and for 9 months ending December 31, 2018
Total Revenue	63,163.40	68,149.74	74,296.05	62,281.56
Net Income (Profit After Tax)	2,125.43	2,179.81	2,179.07	2,863.93
EPS (Basic)	2.32	2.53	2.52	3.19
EPS (Diluted)	2.32	2.53	2.52	3.19
Net worth/Shareholder Funds	13,978.13	15,806.58	17,655.28	-*

* Net worth/Shareholder's funds as on 30th September, 2018 is Rs. 19,576.67 lakhs

Notes:

@ Total Revenue = Revenue from operations + Other income

@ Net Income (Profit After Tax) = Total comprehensive Income

@ The financial statements of the Company for the financial year ended March 31, 2016, March 31, 2017 and March 31, 2018 were prepared in accordance with applicable Indian GAAP in those respective financial years. Total revenue, Net Income and EPS for FY 16 are adopted from the pre IND AS Financials.

1.2. PAC

1.2.1. PAC is a public limited company incorporated on September 19, 2007 under the Companies Act, 1956 with its equity shares listed on the NSE and the BSE. The PAC was formerly known as IKYA Human Capital Solutions Limited. The PAC's name was changed from IKYA Human Capital Solutions Limited to Quess Corp Limited on January 2, 2015. The PAC is controlled by: (a) Mr. Ajit Isaac; (b) Thomas Cook (India) Limited; and (c) Net Resources Investments Private Limited, who collectively hold 71.43% of the paid-up share capital of the PAC. The remaining shares are held by public shareholders.

1.2.2. The Corporate Identification Number of the PAC is L74140KA2007PLC043909. The registered office of PAC is located at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru - 560103.

1.2.3. The PAC is in the business of integrated business services (workforce management, asset management, technology solutions, etc.).

1.2.4. The shares of the PAC are listed on the BSE and the NSE.

1.2.5. The directors and key employees of PAC do not have any interest in the Target Company. There are no directors on the Board representing the PAC. However, the PAC and the Target Company have entered into the following agreements:

1.2.5.1 Service agreement dated September 18, 2018 executed between the Target Company and the PAC in relation to deputation of skilled and semi-skilled employees of the PAC to the Target Company; and

1.2.5.2 Agreement for business process outsourcing services dated April 1, 2015 executed between the Target Company and the PAC in relation to, *inter-alia*, the PAC engaging the services of the Target Company for outsourcing its payroll.

1.2.6. With respect to the Target Company, the PAC does not hold any Equity Shares.

1.2.7. The PAC has not acquired any Equity Shares after the date of the PA.

1.2.8. The PAC has not been prohibited by SEBI from dealing in securities.

1.2.9. The key financial information of the PAC, on a consolidated basis, as at and for the financial year ended March 31, 2016, March 31, 2017 and March 31, 2018, extracted from the respective audited financial statements for the said periods, and the unaudited consolidated limited review financial statements as on December 31, 2018 are as follows:

Particulars	FY 16	FY 17	FY 18	As on and for 9 months ending December 31, 2018
Total Revenue	3,44,406.58	4,33,035.43	6,22,418.23	6,27,443.61
Net Income (Profit After Tax)	8,118.00	12,187.94	30,976.19	18,104.84
EPS (Basic)	7.17	9.74	22.05	12.40
EPS (Diluted)	7.03	9.59	21.82	12.33
Net worth/Shareholder Funds	35,662.28	1,30,476.71	2,46,076.32	-*

* As on September 30, 2018 networth of the PAC was 2,59,138.08 lakhs.

Notes:

@ Total Revenue = Revenue from operations + Other income

@ Profit After Tax = Profit After tax before Other comprehensive Income

@ Networth/Shareholder's funds = Total Equity attributable to equity holders of the company.

@ The financial statements of the Company for the financial year ended March 31, 2016, March 31, 2017 and March 31, 2018 were prepared in accordance with applicable Indian GAAP in those respective financial years. Total revenue, Net Income and EPS for FY 16 are adopted from the pre IND AS Financials.

2. SELLERS

The details of Mr. Adisheshan Saravanan, Mr. Ramamoorthi Jagadish and First Carlyle Ventures Mauritius are as follows:

2.1. Mr. Adisheshan Saravanan

2.1.1. Mr. Adisheshan Saravanan is an individual residing at 20 Yogambal Street T Nagar, Chennai - 600 017

2.2.2. He is one of the promoters of the Target Company.

2.2.3. As on the date of the DPS, he holds 31,12,119 Equity Shares, constituting 20.42% of the Voting Share Capital.

2.2.4. He has not been prohibited by SEBI from dealing in securities.

2.2. Mr. Ramamoorthi Jagadish

2.2.1. Mr. Ramamoorthi Jagadish is an individual residing at 16/18 First Cross Street, Raja Annamalaipuram, Chennai - 600 028.

2.2.2. He is one of the promoters of the Target Company.

2.2.3. As on the date of the DPS, he holds 30,36,952 Equity Shares, constituting 19.93% of the Voting Share Capital.

2.2.4. He has not been prohibited by SEBI from dealing in securities.

2.3. First Carlyle Ventures Mauritius

2.3.1. First Carlyle Ventures Mauritius (the "Investor") is a fund established in the Republic of Mauritius.

2.3.2. The registered office of the Investor is located at C/o. CIM Fund Services Limited, 33 Edith Cavell Street, Port Louis, Mauritius.

2.3.3. The Investor is classified as a public shareholder of the Target Company.

2.3.4. As on the date of the DPS, the Investor holds 47,02,858 Equity Shares representing 30.86% of the Voting Share Capital.

2.3.5. The Investor has not been prohibited by SEBI from dealing in securities.

3. TARGET COMPANY

3.1. The Target Company was incorporated on August 24, 1998 under the provisions of the Companies Act, 1956, as amended. There has been no change in the name of the Target Company in the last three years.

3.2. The Corporate Identification Number of the Target Company is L72300TN1998PLC041033. The registered office of the Target Company is located at No. 7H, Century Plaza, 560-562, Anna Salai, Teynampet, Chennai - 600 018, Tamil Nadu, India. Tel.: +91 44 4299 7070.

3.3. The Target Company is in the business of 'Business Processing Outsourcing' (both 'Voice' and 'Non Voice').

3.4. The Equity Shares are currently listed on the BSE (Scrip Code: 532633) (Scrip ID: ALLSEC) and the NSE (Symbol: ALLSEC). The ISIN of Equity Shares is INE835G01018.

3.5. The Equity Shares are frequently traded in terms of Regulation 21(j) of the Takeover Regulations.

3.6. The total authorized share capital of the Target Company is INR. 33,50,00,000 consisting of 2,00,00,000 equity shares of INR. 10 each amounting to INR. 20,00,00,000 and 13,50,00,000 convertible preference shares of INR. 100 each amounting to INR. 13,50,00,000. The issued, subscribed and paid-up share capital of the Target Company is INR. 15,23,83,260 consisting of 1,52,38,326 equity shares of INR. 10 each.

3.7. The Target Company has no outstanding vested stock options. It does not have any (i) partly paid-up Equity Shares; and (ii) convertible instruments.

3.8. The key financial information of the Target Company as at and for the financial years ended March 31, 2016, March 31, 2017 and March 31, 2018 extracted from the respective audited consolidated financial statements for the said financial years, are as follows:

Particulars	(In INR. Lakhs)		
	FY 16	FY 17	FY 18
Total Revenue	24,141	32,402	33,223
Net Income (Profit After Tax)	3,094	6,172	5,953
EPS (Basic)	20.30	38.10	38.02
EPS (Diluted)	20.30	38.10	38.02
Net worth/Shareholder Funds	9,147	14,960	20,753

Notes:

@ Total Revenue = Revenue from operations + Other income

@ Profit after tax = Profit after tax before other comprehensive income

@ The financial statements of the Company for the financial year ended March 31, 2016, March 31, 2017 and March 31, 2018 were prepared in accordance with applicable Indian GAAP in those respective financial years. Total revenue, Net Income and EPS for FY 16 are adopted from the pre IND AS Financials.

@ EPS= EPS after considering other comprehensive Income

4. DETAILS OF THE OFFER

4.1. This Offer is being made in accordance with provisions of Regulations 3(1) and 4 read with other applicable provisions of the Takeover Regulations.

4.2. The Acquirer and the PAC are making this Offer to all the Public Shareholders to acquire up to 39,61,965 Equity Shares, representing 26.00% of the Voting Share Capital ("Offer Size").

4.3. The Offer is made at a price of INR 320 per Equity Share ("Offer Price") determined in accordance with Regulation 8 of the Takeover Regulations. Assuming full acceptance of the Offer, the total consideration payable by the Acquirer in accordance with the Takeover Regulations will be INR 126,78,28,800.

4.4. The Offer Price will be payable in cash in accordance with Regulation 9(1)(a) of the Takeover Regulations and subject to the terms and conditions set out in this DPS and the Letter of Offer that will be dispatched to the Public Shareholders in accordance with the provisions of the Takeover Regulations.

4.5. Save and except for the PAC, no other person is acting in concert with the Acquirer for the purpose of this Offer.

4.6. The Offer Shares represent 26.00% of the total Voting Share Capital.

4.7. The Public Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Offer Shares, which are validly tendered in this Offer, will be acquired together with all the rights attached thereto, including all the rights to dividends, bonuses and rights offered declared thereof and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.

4.8. To the best of the knowledge and belief of the Acquirer and PAC, there are no statutory or other approvals required for the Offer. If, however, any statutory or other approval becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) and the Acquirer and PAC will make necessary applications for such approvals.

4.9. In terms of Regulation 23(1) of the Takeover Regulations, in the event that the approvals which become applicable prior to completion of the Offer are not received, the Acquirer and PAC will have the right to withdraw the Offer. The completion of the acquisition under the SPAs (defined below) is conditional upon the SPA Conditions (defined below). In the event the SPA Conditions (defined below) are not met for reasons outside the reasonable control of the Acquirer, then the SPAs may be rescinded, and the Offer may be withdrawn, subject to applicable law. In the event of withdrawal of this Offer, a public announcement will be made within 2 Working Days of such withdrawal, in accordance with the provisions of Regulation 23(2) of the Takeover Regulations.

4.10. The Offer is not conditional on any minimum level of acceptance in terms of Regulation 19 of the Takeover Regulations.

4.11. The Offer is not a competing offer in terms of Regulation 20 of the Takeover Regulations.

4.12. As per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (the "LODR Regulations") read with Rules 19(2) and 19A of the Securities Contract (Regulation) Rules, 1957, as amended (the "SCRR"), the Target Company is required to maintain at least 25% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. If, pursuant to this Offer, the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirer and the PAC hereby undertake that the public shareholding in the Target Company will be increased such that the Target Company complies with the required minimum level of public shareholding within the time prescribed in the SCRR.

4.13. The Manager does not hold any Equity Shares as on the date of this DPS. The Manager will not deal, on its own account, in the Equity Shares during the Offer Period.

4.14. Subsequent to the completion of the Offer, the Acquirer and the PAC reserve the right to streamline/restructure the operations, assets, liabilities and/or businesses of the Target Company through arrangement/reconstruction, restructuring, buybacks, merger, demerger/delisting of the Equity Shares from the Stock Exchanges and/or sale of assets or undertakings, at a later date. The Board will take decisions on these matters in accordance with the requirements of the business of the Target Company and in accordance with and as permitted by applicable law. If the Acquirer and/or PAC intend to alienate any material asset of the Target Company or its subsidiaries, within a period of 2 years from completion of the Offer, the Target Company will seek the approval of its shareholders as per the proviso to Regulation 25(2) of Takeover Regulations.

5. BACKGROUND TO THE OFFER

5.1. The Offer has been made by the Acquirer and PAC to the Public Shareholders, pursuant to Regulations 3(1) and 4 of the Takeover Regulations and is being made as a result of the Acquirer agreeing to acquire voting rights in excess of 25% of the equity share capital of the Target Company and control over the Target Company.

5.2. On April 17, 2019, the Acquirer has entered into: (i) a Share Purchase Agreement dated April 17, 2019, with Mr. Ramamoorthi Jagadish and Mr. Adisheshan Saravanan (together, the "Promoters") to acquire 53,87,155 Equity Shares, constituting 35.35% of the Voting Share Capital (the "Promoter Shares") and such share purchase agreement, the "Promoter SPA"; (ii) a Share Purchase Agreement dated April 17, 2019 with the Investor to acquire 39,61,940 Equity Shares, constituting 26% of the Voting Share Capital (the "Investor Shares") and together with the Promoter Shares, the "Sale Shares"; such share purchase agreement, the "Investor SPA"; and the Investor SPA and the Promoter SPA, together, the "SPAs".

5.3. Salient features of the SPAs are set out below:

Promoter SPA.

5.3.1. Appointment of Acquirer's directors: On the date of closing under the Investor SPA (the "Investor SPA Closing Date"), the Promoters will ensure that nominees of the Acquirer are appointed as additional directors on the Board such that the Acquirer has 1/3 (one-third) representation on the Board, with one nominee being an executive director.

5.3.2. Transition assistance by the Promoters: For a period of 6 months from the Closing Date (as defined in the Promoter SPA), the Promoters will continue to be associated with the Target Company as advisors for the purpose of providing transition assistance to the Acquirer, the Target Company and/or its subsidiaries. In this regard, an agreement will be executed on mutually agreed terms between the Acquirer and the Promoters.

5.3.3. Declaration of Permitted Dividend: The Target Company may, prior to the expiry of 25 Working Days from April 17, 2019 (the "Permitted Dividend Declaration Offer Date"), consider declaring a one-time interim dividend at a rate which is not more than 100% (the "Permitted Dividend"). If the Permitted Dividend is declared, the intimation of the declaration of such dividend will be made to the stock exchanges prior to Permitted Dividend Declaration Offer Date and the Permitted Dividend would be payable to all shareholders on the record date identified by the Target Company for such purpose, which date would be after the Investor SPA Closing Date but before the commencement of the Tendering Period.

5.3.4. The completion of transaction under the Promoter SPA is subject to completion of the 'Conditions Precedent' to the satisfaction of the Acquirer (the "Promoter SPA Conditions Precedent"). The Promoter SPA Conditions Precedent include:

(a) There being no Materially Adverse Change (as defined in the Promoter SPA).

(b) Each of the warranties of the Promoters (as set out in the Promoter SPA) being true, correct and not misleading and the Promoters having complied with their respective obligations under the Transaction Documents (as defined in the Promoter SPA).

(c) The Investor SPA having closed.

(d) No order, etc., of any court or authority under law restraining or preventing the consummation of the transaction contemplated under the Transaction Documents (as defined in the Promoter SPA).

(e) The Promoters having provided to the Acquirer a statement from their respective depository participants, evidencing that no encumbrance exists on any of the Promoter Shares.

(f) The Target Company and the Investor having executed the Termination Agreement (as defined in the Promoter SPA) and the Target Company having provided a copy of the resolution taking such Termination Agreement on record.

(g) Certain employment contracts between the Target Company and certain key personnel of the Target Company as identified in the Promoter SPA having been executed.

(h) The Promoters and the Target Company having obtained written consents from the customers identified in the Promoter SPA, for the change in control of the Target Company and amendments to be undertaken to the charter documents of the Target Company.

(i) Two subsidiaries of the Company (as identified in the Promoter SPA) having obtained good standing certificates in all states in the territories identified in the Promoter SPA, and evidence of de-registration in states where they have ceased to operate.

(j) The Target Company having obtained prior written consent from the Department of Telecommunications for the change in equity participation of the Promoters.

(k) Mr. Adisheshan Saravanan resigning from his association with a subsidiary of the Target Company (as identified in the Promoter SPA) and completing the surrender/cancellation of his L1 visa from the United States of America (US).

5.3.5 Standstill obligations on the Promoters (the "Promoter SPA Standstill Obligations"):

From April 17, 2019 until the Closing Date (as defined in the Promoter SPA), the Promoters have agreed to certain standstill obligations which require that the Target Company and its subsidiaries, undertake their business in the ordinary course (except in relation to the transactions contemplated in the Promoter SPA), unless the consent of the Acquirer is obtained. The standstill obligations include *inter-alia* obligations to, without taking the Acquirer's consent, (a) not effect any changes in the constitution of the Board or the board of the subsidiaries, unless due to the circumstances set out in the Promoter SPA; (b) not declare or pay any dividend or other distribution (whether in cash, securities, or kind or by way of any corporate action which results in the release or distribution of cash in favour of shareholders, including capital reduction, share buyback or share redemption) other than Permitted Dividend in the manner contemplated in the Promoter SPA; (c) not take any action for the winding up or dissolution or composition; and (d) not amend the charter documents of the Target Company and its subsidiaries, etc.

The Promoter SPA Conditions Precedent and Promoter SPA Standstill Obligations are collectively referred to as the "Promoter SPA Conditions".

5.3.6 Closing:

5.3.6.1 The parties will endeavour to close the Promoter SPA on the floor of a designated stock exchange in accordance with applicable law. The closing is to be undertaken at the negotiated price of INR. 320 per Equity Share as set out in the Promoter SPA. The parties will endeavor to close the Promoter SPA in terms of the foregoing at any time from the later of: (a) deposit of the entire Maximum Consideration and the expiry of 21 Working Days from the issuance of this DPS; and (b) the fulfillment of the Promoter SPA Conditions Precedent, till the expiry of 25 weeks from the date on which payment is made to all shareholders that have tendered in the Offer (the "Open Offer Closure Date" and such 25 week period, the "Market Trade Outer Date"), in accordance with the terms of the Promoter SPA, except during a certain specific period as set out in the Promoter SPA.

5.3.6.2 Without prejudice to paragraph 5.3.6.1, if, subject to completion of the Promoter SPA Conditions Precedent, on the later of the Investor SPA Closing Date and the Open Offer Closure Date (the "Control Determination Date"), the Acquirer holds less than 51% of the share capital of the Target Company (the "Control Threshold") then the Promoters will transfer within 3 Trading Days (as defined in the Promoter SPA) from the Control Determination Date (if price of the Equity Shares is more than INR. 320 on such date, then on the date that the price is equal to or lower than such price) (the "Control Sale Date"), at the price permitted by applicable law (subject to a maximum of INR. 320 per Equity Share), on the floor of the stock exchange, in accordance with applicable law, such number of shares such that post completion of such transfer, the shareholding of the Acquirer in the Target Company is equal to the Control Threshold (the "Control Sale"). In the event of a Control Sale, the Promoters will still be obligated till the Market Trade Outer Date to sell the remaining Promoter Shares in accordance with paragraph 5.3.6.1.

5.3.7. Obligation of the Promoters: From the Control Sale Date (if a Control Sale has taken place), or the Open Offer Closure Date (if a Control Sale has not taken place), as the case maybe, the Promoters are obligated to, *inter-alia*, exhibit good faith while exercising their rights as shareholders in relation to their remaining Equity Shares held by them.

5.3.8. Appointment of Acquirer's directors: On and from the Closing Date (as defined in the Promoter SPA)/the Control Sale Date/Open Offer Closure Date, the Acquirer is entitled to appoint such number of directors on the Board such that it has a majority on the Board and the Promoters will resign and procure their nominees to resign, as directors from the board of each of the subsidiaries and the qualification shares held in the subsidiaries would be transferred to the nominees of the Acquirer, who will be appointed as directors on the board of directors of the subsidiaries.

- 5.3.18 **Timing of Deposit of the entire Maximum Consideration:** In terms of the Investor SPA, as soon as practicable but not later than 21 (twenty one) Working Days from the date of issuance of this DPS, the Acquirer will deposit the entire Maximum Consideration in escrow in accordance with the Takeover Regulations.
- 5.3.19 **Closing:** Upon the deposit of the entire Maximum Consideration in escrow as set out in paragraph 5.3.18 and the completion of the Investor SPA Conditions Precedent, the closing under the Investor SPA will be undertaken as an off-market transaction.
- 5.3.20 **Warranties:** Both parties have given warranties to each other as set out in the Investor SPA.
- 5.3.21 **Indemnities:** The Investor has given indemnities to the Acquirer as set out in the Investor SPA.
- 5.3.22 **Termination of the Investor SPA:** The Acquirer is entitled to terminate the Investor SPA *inter alia*, if closing under the Investor SPA has not occurred on the earlier of: (i) the expiry of 12 weeks from April 17, 2019 (the "Investor SPA Long Stop Date"); and (ii) the date which is 3 (three) days prior to the commencement of the Tendering Period, and if the Promoter SPA is terminated other than due to a default by the Acquirer, prior to the Investor SPA Long Stop Date.

5.4 The payment to the shareholders that have validly tendered in the Offer will be made in cash.

5.5 **Object of the Offer:** The Open Offer is being made as a result of the acquisition of more than 25% of shares, voting rights and control of the Target Company by the Acquirer resulting in a change of control of the Target Company in terms of Regulations 3(1) and 4 of the Takeover Regulations. Following the completion of the Open Offer, the Acquirer intends to work with the management and employees of the Target Company to grow the business of the Target Company. The Target Company is presently engaged in the business of providing Business Processing Outsourcing services (both 'Voice' and 'Non Voice'). The Acquirer proposes to continue with the existing activities. The rationale for the acquisition is:

- **Strengthening of non-voice services exposure:** The Target Company's Customer Life Cycle Management (CLM) operations have an equal share of voice and non-voice revenue. Given that the Acquirer has significant voice share, the combined entity will have a diversified revenue stream with increased contribution from high margin non-voice business.
- **Diversification of revenue stream through an established Human Resources Outsourcing (HRO) practice:** The Acquirer will get a strong established HRO practice with long tenured client contracts ensuring customer stickiness while providing recurring income stream with significant upside potential.
- **International CLM exposure:** The acquisition provides the Acquirer with a sizeable international presence which would increase to ~20% from the existing ~5% while servicing reputed clients roster in the Information Technology and the Retail sector.
- **Delivery centres in Philippines and US:** The existing delivery centre in Philippines will help acquire more voice contracts from the US. Also, US operations and sales presence will help accelerate international revenue for the Acquirer.
- **Value accretion:** Acquiring the Target Company will be accretive in terms of EBITDA Margins of ~19%, EBITDA to OCF conversions of ~87% and ROCE of ~32% based on FY18 figures.

5.5 SHAREHOLDING AND ACQUISITION DETAILS

5.5.1 The current and proposed shareholding of the Acquirer and PAC in the Target Company and the details of their acquisition are as follows:

Details	Acquirer		PAC	
	No. of Equity Shares	% of Voting Share Capital	No. of Equity Shares	% of Voting Share Capital
Shareholding as on the PA date	Nil	Nil	Nil	Nil
Shares acquired between the PA date and the DPS date	Nil	Nil	Nil	Nil
Post-Offer shareholding (on a diluted basis as on the 10 th Working Day after closing of Tendering Period)*	1,33,11,060	87.35%	Nil	Nil

* Assuming the full acceptance in the Offer

5.5.2 The Acquirer, PAC and the directors of Acquirer and PAC do not hold any Equity Shares.

5.6 OFFER PRICE

5.6.1 The Equity Shares are listed on the NSE and the BSE.

5.6.2 The trading turnover in the Equity Shares based on the trading volumes during the twelve calendar months prior to the calendar month in which the PA is made i.e. April 1, 2018 to March 31, 2019 on BSE and NSE was as under:

Stock Exchanges	Total number of Equity Shares traded ("A")	Total number of Equity Shares listed ("B")	Trading turnover % (A/B)
BSE	5,35,436	152,38,326	3.51%
NSE	55,22,389	152,38,326	36.24%

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

5.6.3 Based on the above, the Equity Shares are frequently traded, in terms of Regulation 2(1)(j) of the Takeover Regulations.

5.6.4 The Offer Price of INR 320 per Equity Share is justified in terms of Regulation 8 of the Takeover Regulations, in view of the following:

Clause References	Particulars	Amount (In INR per Equity Share)
Clause (a) of Regulation 8(2)	The highest negotiated price per share, if any, of the Target Company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer.	320
Clause (b) of Regulation 8(2)	The volume-weighted average price paid or payable for any acquisition, whether by the Acquirer or by PAC, during the 52 (fifty-two) weeks immediately preceding the date of Public Announcement, i.e. April 17, 2019.	Nil
Clause (c) of Regulation 8(2)	The highest price paid or payable for any acquisition, whether by the Acquirer or by PAC, during the 26 (twenty-six) weeks immediately preceding the date of Public Announcement, i.e. April 17, 2019.	Nil
Clause (d) of Regulation 8(2)	The volume-weighted average market price of the Equity Shares for a period of sixty trading days immediately preceding April 17, 2019, as traded on the stock exchange where the maximum volume of trading in the Equity Shares are recorded during such period, i.e. NSE provided such Equity Shares are frequently traded.	253.77

Source: Certificate dated April 17, 2019 issued by Vasan & Sampath LLP, Chartered Accountants.

5.6.5 There have been no corporate actions by the Target Company warranting adjustment of the relevant price parameters under Regulation 8(9) of the Takeover Regulations. (Source: www.nseindia.com, www.bseindia.com). The Offer Price may be revised in the event of any corporate actions like bonus, rights, split, etc. where the record date for effecting such corporate actions falls within 3 Working Days prior to the commencement of Tendering Period of the Offer.

5.6.6 There has been no revision in the Offer Price or Offer Size.

5.6.7 The Offer Price is subject to upward revision, if any, pursuant to the Takeover Regulations or at the discretion of the Acquirer and/or PAC at any time prior to 1 Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the Takeover Regulations. In the event of such revision, the Acquirer and/or PAC will make corresponding increases to the escrow amounts (under Regulation 18(5) of Takeover Regulations), as more particularly set out in paragraph 6 (Financial Arrangements) of this DPS; and the Acquirer and PAC will (i) make a public announcement in the same newspapers in which this DPS has been published; and (ii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision. Such revision would be done in compliance with the applicable requirements prescribed under the Takeover Regulations.

6 FINANCIAL ARRANGEMENTS

6.1 The total consideration for the Offer Size, assuming full acceptance of the Offer, is INR 126,78,28,800 ("Maximum Consideration").

6.2 The Acquirer and PAC 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 Takeover Regulations.

6.3 The Acquirer, the Manager and Yes Bank Limited, having an office at Yes Bank Tower, IFC - 2, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013 ("Escrow Bank") have entered into an escrow agreement dated April 18, 2019 ("Offer Escrow Agreement"). Pursuant to the Offer Escrow Agreement, the Acquirer has opened an escrow account under the name and title of "Conneqt Business Solutions Limited Escrow Account" ("Offer Escrow Account") with the Escrow Bank and the Acquirer has made a cash deposit of INR 31,69,57,200 being 25% of the Maximum Consideration in the Offer Escrow Account in accordance with Regulation 17(1) of the Takeover Regulations. The Manager has been duly authorized to realize the monies lying to the credit of the Offer Escrow Account in terms of the Takeover Regulations. The cash deposit has been confirmed by way of a confirmation letter dated April 22, 2019 issued by the Escrow Bank.

6.4 The source of funds to meet the obligations of the Acquirer and PAC under the Offer has been met from the internal accruals of the Acquirer and the PAC.

6.5 Vasan & Sampath LLP, Chartered Accountants (Unnikrishnan Menon, Partner, Membership No. 115033) having its office Jupiter-2, # 190, 5th cross, 3rd main, MICO Layout, BTM 2nd stage, Bengaluru - 560076, India vide certificate dated April 17, 2019, have, certified that adequate and firm financial resources are available with the Acquirer and PAC to enable them to fulfill their financial obligations under the Offer.

6.6 Based on the above, the Manager is satisfied that firm arrangements have been put in place by the Acquirer and PAC to fulfill their obligations in relation to this Offer through verifiable means in accordance with the Takeover Regulations.

6.7 In case of any upward revision in the Offer Price or the Offer Size, the Acquirer and PAC will deposit additional funds in the Offer Escrow Account as required under the Regulation 17(2) of the Takeover Regulations.

6.8 In terms of Regulation 22(2) and the proviso to Regulation 22(2A) of the Takeover Regulations, subject to the Acquirer depositing in the Offer Escrow Account, cash of an amount equal to the entire Maximum Consideration, the Acquirer and PAC may, after the expiry of 21 (twenty one) days from date of this DPS, subject to fulfillment of the SPA Conditions (Background of the Offer), complete the acquisition of Sale Shares proposed to be acquired pursuant to the SPAs.

7 STATUTORY AND OTHER APPROVALS

7.1 To the best of the knowledge of the Acquirer and PAC, there are no statutory or other approvals required to complete the acquisition of the Offer Shares as on the date of this DPS. 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).

7.2 All Public Shareholders, including non-resident holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC 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 had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Offer Shares.

7.3 In case of delay in receipt of any statutory approval that may be required by the Acquirer and/or PAC at a later date, 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 PAC 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 Takeover Regulations, grant an extension of time to the Acquirer and/or PAC to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer and/or PAC will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

7.4 In terms of Regulation 23(1) of the Takeover Regulations, in the event any approvals which may become applicable prior to completion of the Offer are not received, the Acquirer and/or PAC will have the right to withdraw the Offer. The completion of the acquisition under the SPAs is conditional upon the SPA Conditions. In the event the SPA Conditions are not met for reasons outside the reasonable control of the Acquirer, then the SPAs may be rescinded, and the Offer may be withdrawn, subject to applicable law. In the event of withdrawal of this Offer, a public announcement will be made within 2 Working Days of such withdrawal, in accordance with the provisions of Regulation 23(2) of the Takeover Regulations.

8 TENTATIVE SCHEDULE OF ACTIVITY

Sr. No.	Activity	Schedule (Day and Date)
1.	Issue of PA	Wednesday, April 17, 2019
2.	Date of publishing the DPS in the newspapers	Thursday, April 25, 2019
3.	Last date for filing of the draft letter of offer ("DLoF") with SEBI	Friday, May 03, 2019
4.	Last date for the public announcement of competing offer(s) as per the first detailed public statement	Friday, May 17, 2019
5.	Last date for SEBI observations on the DLoF (in the event SEBI has not sought clarifications or additional information from the Manager)	Friday, May 24, 2019
6.	Identified Date*	Tuesday, May 28, 2019
7.	Date by which the Letter of Offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	Tuesday, June 04, 2019
8.	Last Date by which the committee of the independent directors of the Target Company will give its recommendation to the Public Shareholders for this Offer	Monday, June 10, 2019
9.	Last date for upward revision of the Offer Price/ Offer Size	Tuesday, June 11, 2019
10.	Date of publication of Offer opening public announcement in the newspapers in which this DPS has been published	Tuesday, June 11, 2019
11.	Date of commencement of the Tendering Period (Offer Opening Date)	Wednesday, June 12, 2019
12.	Date of closure of the Tendering Period ("Offer Closing Date")	Tuesday, June 25, 2019

13.	Last date of communicating the rejection/acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	Tuesday, July 09, 2019
14.	Last date for issue of post-offer advertisement	Tuesday, July 16, 2019

The Identified Date is only for the purpose of determining the Public Shareholders to whom the Letter of Offer would be dispatched. It is clarified that all holders (registered or unregistered) of Equity Shares (except the Acquirer and the PAC, the Promoters, the Investor and the persons acting in concert or deemed to be acting in concert with the Promoters and the Investor) are eligible to participate in the Open Offer any time before the Offer Closing Date.

\$The above timelines are indicative (prepared on the basis of timelines provided under the Takeover Regulations) and are subject to receipt of relevant approvals from regulatory authorities that could be required and may have to be revised accordingly.

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

9.1 All Public Shareholders holding the Equity Shares are eligible to participate in this Offer at any time during the Tendering Period for this Offer.

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

9.3 The Public Shareholders are entitled to tender the Offer Shares under the stock exchange mechanism made available by Stock Exchanges in the form of a separate window ("Acquisition Window"), as provided under the Takeover Regulations and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 issued by SEBI. In such case:

9.3.1 BSE will be the designated stock exchange ("Designated Stock Exchange") for the purpose of tendering the Offer Shares; and

9.3.2 The Acquirer has appointed **Axis Capital Limited ("Buying Broker")** as its broker for the Offer through whom the purchases and settlement of the Offer Shares tendered under the Offer will be made. The contact details of the Buying Broker are as mentioned below:



AXIS CAPITAL LIMITED

5th Floor, Axis House, C-2 Wadia International Centre, P. B. Marg, Worli, Mumbai - 400 025

Contact Person: Mr. Ram Shinde, Tel: +91 22 4325 5579,

Email: QIB@axiscap.in; Website: www.axiscapital.co.in

SEBI Registration No. NSE Capital Market: INB231387235; BSE Equity: INB011387330
CIN: U51900MH2005PLC157853

9.4 All Public Shareholders who desire to tender their Equity Shares under the Offer would have to intimate their respective stock brokers ("Selling Broker") within the normal trading hours of the secondary market, during the Tendering Period.

9.5 The Acquisition Window will be provided by the Designated Stock Exchange to facilitate placing of sell orders. The Selling Broker can enter orders for dematerialized Equity Shares.

9.6 Procedure to be followed by Public Shareholders holding Equity Shares in physical form:

9.6.1 As per the provisions of Regulation 40(1) of the LODR Regulations and SEBI PR 51/2018 dated December 3, 2018, w.e.f. April 1, 2019 requests for transfer of securities will not be processed unless the securities are held in dematerialised form with a depository.

9.6.2 In this Offer, since the acceptance of tendered Equity Shares will be undertaken after April 1, 2019, the Public Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Offer can do so only after the Equity Shares are dematerialised. Such Public Shareholders are advised to approach any depository participant to have their Equity Shares dematerialised.

9.7 The detailed procedure for tendering the shares in the Offer will be available in the Letter of Offer, which will be available on SEBI's website (www.sebi.gov.in).

10 OTHER INFORMATION

10.1 For the purpose of disclosures in this DPS relating to the Target Company and the Sellers, the Acquirer and PAC have relied on information provided or confirmed by the Target Company and/or Seller and/or publicly available information and have not independently verified the accuracy of details of the Target Company.

10.2 Unless otherwise stated, the Acquirer, PAC and their respective directors accept the responsibility for the information contained in this DPS (other than information regarding the Sellers, the Target Company and information compiled from publicly available sources or provided by Seller and the Target Company, which has not been independently verified by the Acquirer, the PAC or the Manager) and for their obligations laid down in the Takeover Regulations. Any person placing reliance on any other source of information will be doing so at its own risk.

10.3 Unless otherwise stated, the information set out in this DPS reflects the position as of the date hereof.

10.4 Pursuant to Regulation 12 of the Takeover Regulations, the Acquirer and PAC have appointed Axis Capital Limited as the Manager.

10.5 The Acquirer and PAC have appointed Link Intime India Private Limited as the Registrar to the Offer.

10.6 This DPS and the PA will also be available on SEBI's website (www.sebi.gov.in).

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

10.8 In this DPS, all references to "₹" or "INR" are references to Indian Rupees.

ISSUED BY THE MANAGER



AXIS CAPITAL LIMITED

Axis House, 1st Floor, C-2, Wadia International Center, P. B. Marg, Worli, Mumbai - 400 025, Maharashtra

Tel: +91 22 4325 2183, Fax: +91 22 4325 3000

Website: www.axiscapital.co.in; Email: AC.openoffer@axiscap.in

Contact person: Ms. Bhumi Gangar

REGISTRAR TO THE OPEN OFFER



LINK INTIME INDIA PRIVATE LIMITED

C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083

Tel: + 91 22 49186200, Fax: + 91 22 49186195

Website: www.linkintime.co.in; Email: alisec.officer@linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI Registration Number: INR000004058

For and on behalf of the Acquirer and PAC

Acquirer	PAC
Conneqt Business Solutions Limited	Quess Corp Limited
Sd/-	Sd/-
Authorised Signatory	Authorised Signatory

Place : Mumbai

Date : 24.04.2019